Shetland Islands Health and Social Care Partnership

Shetland NHS Board	Shetland Islands Council

Enquiries to Leisel Malcolmson
Direct Line: 01595 744599
E-mail: leisel.malcolmson@shetland.gov.uk

12 September 2018

Dear Member

You are invited to attend the following meeting:

Special Integration Joint Board
Friday 21 September 2018 at 10.30am
Bressay Room, NHS Shetland HQ, Burgh Road, Lerwick

Apologies for absence should be notified to SIC Committee Services on 01595 744599.

Yours sincerely

S. Bokor Ingram.

Simon Bokor-Ingram
Chief Officer

Chair: Ms Marjorie Williamson
Vice-Chair: Mr Allison Duncan

AGENDA

A	Welcome and Apologies
B	Declaration of interests - Members are asked to consider whether they have an interest to declare in relation to any item on the agenda for this meeting. Any member making a declaration of interest should indicate whether it is a financial or non-financial interest and include some information on the nature of the interest. Advice may be sought from Officers prior to the meeting taking place.
ITEM	
1	Final Audited Accounts 2017/18 *CC-37*
2	Annual Audit Report 2017/18 *CC-38*
3	Shetland Islands Health and Social Care Partnership Quarterly Performance Overview, Quarter 1 – April - June 2018 *CC-36*
4	Shetland Islands Health and Social Care Partnership: Joint Strategic Commissioning Plan, Refresh 2018-2021 *CC-32*

Shetland Islands Health and Social Care Partnership

Agenda Item

1

Shetland NHS Board	Shetland Islands Council

Meeting(s):	IJB Audit Committee Integration Joint Board	21 September 2018 21 September 2018
Report Title:	Annual Audit Report 2017/18	
Reference Number:	CC-38-18-F	
Author / Job Title:	Karl Williamson / Chief Financial Officer	

1.0 Decisions / Action required:

1.1 The IJB Audit Committee and the IJB RESOLVE to NOTE Deloitte's Annual Audit Report on the 2017/18 Audit (Appendix 1).

2.0 High Level Summary:

2.1 IJBs are specified in legislation as 'Section 106' bodies under the terms of the Local Government (Scotland) Act 1973, so are expected to prepare their financial statements in compliance with the Code of Practice on Local Government Accounting in the United Kingdom. These Annual Accounts are then subject to external audit. Deloitte LLP is currently the IJB's nominated auditors.

2.2 The purpose of this report is to receive Deloitte's Annual Audit Report on the 2017/18 Audit.

3.0 Corporate Priorities and Joint Working:

3.1 The IJB is a separate legal entity, accountable for the stewardship of public funds and expected to operate under public sector best practice governance arrangements, proportionate to its transactions and responsibilities.

3.2 Section 95 of the Local Government (Scotland) Act 1973 requires that every local authority shall make arrangements for the proper administration of their financial affairs. One of the key controls for financial management is the preparation of annual account which will be submitted for external audit.

4.0 Key Issues:

4.1 Deloitte has issued an unqualified independent auditor's report on the 2017/18 financial statements. They have been prepared in accordance with accounting regulations and guidance.

5.0 Exempt and/or confidential information:

None		
6.0 Implications:		
6.1 Service Users, Patients and Communities:	None	
6.2 Human Resources and Organisational Development:	None	
6.3 Equality, Diversity and Human Rights:	None	
6.4 Legal:	IJBs are specified in legislation as 'Section 106' bodies under the terms of the Local Government (Scotland) Act 1973, so are expected to prepare their financial statements in compliance with the Code of Practise on Local Government Accounting in the United Kingdom.	
6.5 Finance:	There are no financial implications arising from this report.	
6.6 Assets and Property:	None	
6.7 ICT and new technologies:	None	
6.8 Environmental:	None	
6.9 Risk Management:	The Annual Audit Report includes the identification of key risks and internal control arrangement in place to manage those risks, together with any improvement actions required.	
6.10 Policy and Delegated Authority:	Shetland's Integration Joint Board (IJB) was formally constituted on 27 June 2015 and operates in accordance with the approved Integration Scheme, Scheme of Administration, and the Financial Regulations. The IJB Audit Committee remit includes consideration of all report from the external auditors, including the External Auditor's Annual Report and to review the IJB's financial performance as contained in the Annual Report. Receiving the audited accounts of the IJB and related certificates and reports is a matter reserved by the IJB.	
6.11 Previously considered by:	The proposals in this report have not been presented to any other committee or organisation.	

Contact Details:

Karl Williamson, Chief Financial Officer, karlwilliamson@nhs.net
4 September 2018

Appendices:

Appendix 1 – Deloitte's Annual Audit Report 2017/18

Deloitte.

Shetland Islands Council

NHS Shetland

Final report to the Members of the Shetland Islands IJB Audit Committee, Board and the Controller of Audit on the 2017/18 audit

Issued on 24 July for the meeting 21 September 2018

Contents

Introduction

The key messages in this report

Audit quality is our number one priority. We plan our audit to focus on audit quality and have set the following audit quality objectives for this audit:

- A robust challenge of the key judgements taken in the preparation of the financial statements.
- A strong understanding of your internal control environment.
- A well planned and delivered audit that raises findings early with those charged with governance.

I have pleasure in presenting our final report to the Audit Committee of the Integration Joint Board (IJB) for the 2017/18 audit. The scope of our audit was set out within our planning report presented to the Committee in February 2018.

This report summarises our findings and conclusions in relation to:

- The audit of the **financial statements**; and
- Consideration of the **four audit dimensions** that frame the wider scope of public sector audit requirements as illustrated in the following diagram. This includes our consideration of the Board's duty to secure best value.

Introduction (continued)

The key messages in this report – financial statements audit

I would like to draw your attention to the key messages of this paper in relation to the audit of the financial statements:

Conclusions from our testing

- The significant risks, as identified in our audit plan, related to:
  - Completeness and accuracy of revenue; and
  - management override of controls.
- A summary of our work on the significant risks is provided in the dashboard on page 10.
- We have identified no audit adjustments from our procedures to date.
- The management commentary and annual governance statement comply with the statutory guidance and proper practice and are consistent with the financial statements and our knowledge of the IJB.
- The auditable parts of the remuneration report have been prepared in accordance with the relevant regulation.
- Based on our audit work, we expect to issue an unmodified audit opinion.

Insights

- We have utilised Spotlight, Deloitte's patented analytics tool, to perform analytics on the journal entries posted in the year to profile the journal population which has helped us identify journals of audit interest, such as journals posted on non-business days or journals with key words. No issues were noted from this testing.
- Other insights obtained through our audit work have been collated into an action plan for improvement on pages 38 – 41.

Status of the audit

- The audit is substantially complete subject to the completion of the following principal matters:
  - [TO UPDATE WITH ANYTHING ELSE OUTSTNDING AT TIME OF ISSUING PAPER]
  - finalisation of our internal quality control procedures;
  - receipt of signed management representation letter; and
  - our review of events since 31 March 2018.

Introduction (continued)

The key messages in this report – audit dimensions

The following three pages set out the key messages of this paper in relation to the four audit dimensions:

Financial sustainability

The IJB continues to face an extremely challenging financial position. The total outturn net expenditure for 2017/18 was £47,090k, which was £2,392k over the approved budget, largely in relation to services commissioned from the NHS. NHS Shetland (NHSS) has agreed to fund the short term overspend on a non-recurring basis, through an additional one-off payment, as in previous years. However, this is not a sustainable long term practice and allows the IJB to defer responsibility and action for providing a sustainable service.

Furthermore, NHSS are continually forecasting a deficit on the portion of the IJB budget for which they are responsible for funding prior to the year commencing, as IJB recovery plans are not sufficiently robust to deliver the required savings. This, in turn, has a direct effect on the IJB who are now relying on NHSS to fill their funding gap. The IJB has a responsibility to manage its budget and commission services within the resources available. However, if overspends occur, the IJB must be clear and agree how this will be funded with the partner bodies – Shetland Islands Council (SIC) and NHSS. If this additional funding cannot be agreed, the IJB must identify savings and ensure it acts within a sustainable, balanced budget.

The IJB has a responsibility to balance its integrated budget and create its own medium/long term plan in order to better plan the future of the Board and to ensure the sustainability of the service it delivers. Currently, there are no medium or long-term financial plans in place. There is only the three year strategic plan, however, there is no corresponding financial plan to demonstrate funding for services or identify any funding gaps. However, the IJB are undertaking scenario planning in partnership with NHSS and through this aim to create a medium term financial plan in the coming months. Moreover, there must be a buy-in from staff, Board members and the public to consider the practical effects of scenario planning.

2017/18 final outturn position reported an under spend against revised budget of **£239k (0.5%).** This had been added to **£125k** of reserves brought forward. However, the IJB only ended the year in a net underspend position due to an additional one-off payment of **£2,941k** made by the NHS to close the funding gap.	At 31 March 2018, the IJB held **£364k** of **reserves**. There is no guidance as to the minimum levels of reserves that should be held, but they are in line with the Strategic Commissioning Plan. The reserves will be assigned to fund projects relating to the shifting of hospital care to community care settings, and to fund in year cost pressures which arise during the delivery of the services.	The IJB achieved **£924k** of **savings during the year 2017/18.** This was predominantly through the savings schemes of: 'shifting the balance of care from hospital to community (rehabilitation)' (£450k), 'pharmacy drugs' (£157k) and 'AHP services' (£143k).	The **2018/19 budget** estimates a funding gap of **£2,277k**, comprising predominantly of unachieved savings carried forward. Arrangements need to be made to both approve the budget, and bridge this gap. This full amount is a recurrent savings target, but will be bridged by non-recurrent measures (i.e., further NHSS 'one-off funding') if required. As highlighted above, it is the responsibility of the IJB – not the funding partners – to create a sustainable, balanced budget and to commission services within the available resources.

Introduction (continued)

The key messages in this report – audit dimensions (continued)

Financial Management

There are effective processes in place with regards to short-term monitoring of the IJB's performance, with effective management review and Committee oversight.

Budget setting does reflect the delivery of services by the two partner bodies and takes into consideration a number of factors including legislative requirements, additional funding from the Scottish Government and cost pressures. However, it must be noted that there was an overall 5.1% overspend against budget in the current year, given that service delivery is often put before financial sustainability in decision making. The lack of formal, detailed plans means that any attempts to bridge funding gaps are seriously undermined, and brings into question the commitment IJB have of bridging the gap.

Both partner bodies have appropriate fraud procedures, which details the steps to follow in the event of a fraud.

Governance and transparency

The IJB has governance arrangements that are appropriate and operating effectively. It is transparent in its decision making with reports discussed at Board meetings being made available online along with the minutes of the meetings. The Board meets once every quarter to review the performance (both financial and non-financial) of the IJB. From review of the Board meeting minutes, we note there is scrutiny and challenge by both executive and non-executive members of the IJB. However, there is a lack of training surrounding the Board members. We recommend IJB specific ongoing training to be put in place for both new and existing members. This should cover the specific responsibilities of those members who sit on the Audit Committee to ensure that they fully understand their responsibilities.

There have been a high number of resignations from the Board recently, which initially raised concern regarding continuity of leadership. Having discussed the issue with management and reviewed Board meeting minutes and correspondence regarding the turnover, we are satisfied that the high level of turnover does not indicate any underlying issues and that membership is now expected to remain relatively constant, providing the continuity of leadership that the IJB needs. We will monitor this closely over the coming year.

Internal audit is provided by the Chief Internal Auditor of Shetland Islands Council, with the internal audit plan for the year being agreed by the Audit Committee and reviewed by the Board.

Introduction (continued)

The key messages in this report – audit dimensions (continued)

Value for Money

The IJB self-evaluates through Performance Reports, which are prepared annually and are reviewed by the Audit Committee. The IJB also self reviews every quarter as part of the management accounts review process.

The pace of improvement is appropriate to the risk and challenges facing the IJB, as Shetland are performing relatively well compared to other bodies, however, there are still issues around achieving savings targets. These targets could be improved through the implementation of a medium term financial plan, which is currently under development through Scenario Planning.

Whilst we appreciate the difficulty with linking spend to outputs and the outcomes delivered, this requires renewed attention and an approach needs to be developed to show how the IJB is meeting its objectives in order to demonstrate that the IJB is delivering value for money. This links with the Scottish Government's recent Medium Term Financial Strategy which re-emphasises the focus on outcomes.

Pat Kenny
Audit Director

Our audit explained

Area dimensions

In accordance with the 2016 Code of Audit Practice, we have considered how you are addressing the four audit dimensions:

- Financial sustainability
- Financial management
- Governance and transparency
- Value for money

Final audit report

In this report we have concluded on the audit risks identified in our planning report and any other key findings from the audit.

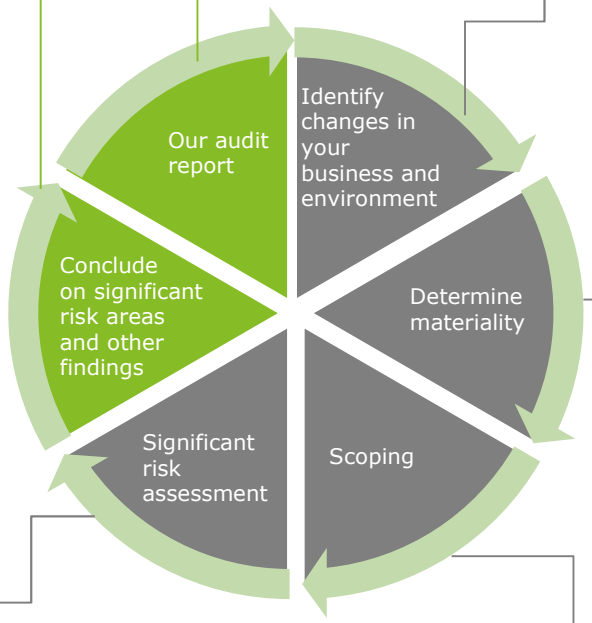
Key developments in your business

As noted in our planning report, the IJB continues to face significant financial challenges due to an increase in costs whilst facing increased demand for services.

Materiality

The materiality of £728k and performance materiality of £546k has been based on the benchmark of gross expenditure.

We have used these as the basis for our scoping exercise and initial risk assessment. We have reported to you all uncorrected misstatements greater than £36.4k



Significant risks

Our risk assessment process is a continuous cycle throughout the year. Page 10 provides a summary of our risk assessment of your significant risks.

Quality and Independence

We confirm we are independent of Shetland Islands IJB. We take our independence and the quality of the audit work we perform very seriously. Audit quality is our number one priority.

Scope of the audit

We will audit the financial statements for the year ended 31 March 2018 of Shetland Islands IJB.

Timeline 2017/18

November 2017 – February 2018
Meetings with management and other staff to update understanding of the processes and controls.

14 February 2018
Presented planning paper to the Audit Committee

March 2018
Year end

July – August 2018
Review of draft accounts, testing of significant risk and performance of substantive testing of results.

21 September 2018
Audit Committee and Board meeting and accounts sign off

Financial statements audit

Significant risks
Dashboard

Risk	Material	Fraud risk	Planned approach to controls testing	Controls testing conclusion	Consistency of judgements with Deloitte's expectations	Comments	Slide no.
Completeness and accuracy of income	✓	✓	D+I	Satisfactory	●	Satisfactory	11
Management override of controls	✓	✓	D+I	Satisfactory	●	Satisfactory	12

Overly prudent, likely to lead to future credit  Overly optimistic, likely to lead to future debit.

D+I: Testing of the design and implementation of key controls

Significant risks (continued)

Risk 1 – Completeness and accuracy of income

Risk identified

ISA 240 states that when identifying and assessing the risks of material misstatement due to fraud, the auditor shall, based on a presumption that there are risks of fraud in income recognition, evaluate which types of income, income transactions or assertions give rise to such risks.

The main components of income for the IJB are contributions from its funding partners, namely Shetland Islands Council and NHS Shetland. The significant risk is pinpointed to the recognition of this income, being completeness and accuracy of contributions received from the Council and the Health Board.

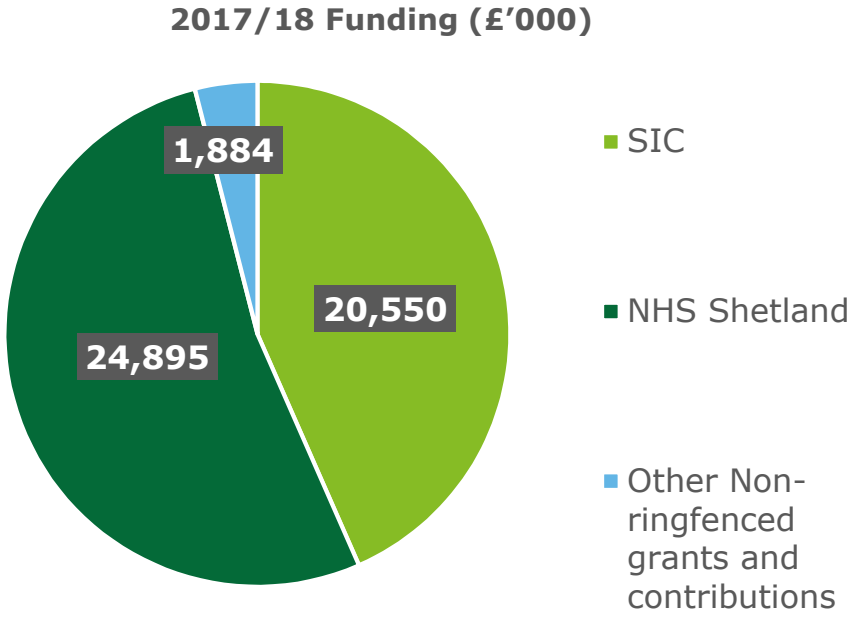
Key judgements and our challenge of them

The year end surplus position of the IJB was due to the additional funding received to close the gap. Therefore, there is a possibility that overspend could continue to be funded by funding partners in the year following their approval, and hence contributions could differ from the approved budget.

Deloitte response

We have performed the following:

- tested the income to ensure that the correct contributions have been input and received in accordance with that agreed as part of budget process and that any additions/reductions have been appropriately applied;
- tested the reconciliations performed by the IJB at 31 March 2018 to confirm all income is correctly recorded in the ledger;
- confirmed that the reconciliations performed during 2017/18 have been reviewed on a regular basis; and
- assessed management's controls around recognition of income.



Deloitte view

We have concluded that income has been correctly recognised in accordance with the requirements of the Local Authority Code of Audit Practice.

Significant risks (continued)

Risk 2 - Management override of controls

Risk identified

In accordance with ISA 240 management override is a significant risk. This risk area includes the potential for management to use their judgement to influence the financial statements as well as the potential to override the Board's controls for specific transactions.

The key judgments in the financial statements are those which we have selected to be the significant audit risks around recognition of income. This is inherently the areas in which management has the potential to use their judgment to influence the financial statements.

Deloitte view

We have not identified any significant bias in the key judgements made by management.

The control environment is appropriate for the size and complexity of the Board.

Deloitte response

We have considered the overall sensitivity of judgements made in preparation of the financial statements, and note that:

- the IJB projected to overspend against budget, although this was closely monitored by the Board throughout the year and arrangements in were put in place with NHS Shetland to bridge the funding gap.
- senior management's remuneration is not tied to particular financial results.

We have considered these factors and other potential sensitivities in evaluating the judgements made in the preparation of the financial statements.

Significant transactions

We did not identify any significant transactions outside the normal course of business or any transactions where the business rationale was not clear.

Journals

We have made inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments.

We performed design and implementation testing of the controls in place for journal approval. We have used Spotlight data analytics tools to test a sample of journals, based upon identification of items of potential audit interest.

Accounting estimates

In addition to our work on key accounting estimates discussed above, our retrospective review of management's judgements and assumptions relating to significant estimates reflected in last year's financial statements has been completed with no issues noted.

Other significant findings

Financial reporting findings

Below are the findings from our audit surrounding your financial reporting process.

Qualitative aspects of your accounting practices:

There has been a change in accounting policy during the year. Previously, the IJB would also present its income and expenditure throughout the year as debtors and creditors at the year end, respectively.

This was highlighted by Audit Scotland as being an accounting policy which did not comply with good practice following their review of the 2016/17 accounts from IJBs across Scotland. They recommended that the accounting policy should be updated in the current year and we highlighted this to management prior to the year end.

In light of this, management have reviewed and amended the accounting policy so that only amounts which are owing to/from the funding partners and for which there is no right of offset are included as debtors/creditors as at the year end. We are satisfied that the updated accounting policy is in line with best practice.

We will obtain written representations from the Board on matters material to the financial statements when other sufficient appropriate audit evidence cannot reasonably be expected to exist. A copy of the draft representations letter has been circulated separately.

Our audit report

Other matters relating to the form and content of our report

Here we discuss how the results of the audit impact on other significant sections of our audit report. The revisions to ISA (UK) 700 have changed the form and content of audit report, including how different sections are presented.

Our opinion on the financial statements

Our opinion on the financial statements is unmodified.

Material uncertainty related to going concern

We have not identified a material uncertainty related to going concern and will report by exception regarding the appropriateness of the use of the going concern basis of accounting.

Emphasis of matter and other matter paragraphs

There are no matters we judge to be of fundamental importance in the financial statements that we consider it necessary to draw attention to in an emphasis of matter paragraph.

There are no matters relevant to users' understanding of the audit that we consider necessary to communicate in an other matter paragraph.

Other reporting responsibilities

The Annual Report is reviewed in its entirety for material consistency with the financial statements and the audit work performance and to ensure that they are fair, balanced and reasonable.

Our opinion on matters prescribed by the Controller of Audit are discussed further on page 15.

Your annual accounts

We welcome this opportunity to set out for the Audit Committee our observations on the annual accounts. We are required to provide an opinion on the remuneration report, the annual governance statement and whether the management commentary has been prepared in accordance with the statutory guidance.

	Requirement	Deloitte response
Management Commentary	The Management Commentary comments on financial performance, strategy and performance review and targets. Deloitte note that the Management Commentary has been prepared in line with issued guidance. The commentary included both financial and non financial KPIs and made good use of graphs and diagrams. The IJB also focusses on the strategic planning context.	We have assessed whether the Management Commentary has been prepared in accordance with the statutory guidance. No exceptions noted. We have also read the Management Commentary and confirmed that the information contained within is materially correct and consistent with our knowledge acquired during the course of performing the audit, and is not otherwise misleading. The good practice note published by Audit Scotland was provided to the IJB for consideration in preparation of the annual accounts. However, this was not followed, with a large number of recommendations and changes therefore being required to the accounts as part of the audit. We have included elements of good practice for your consideration at page 16. We noted that these recommendations have been accepted by management and substantially implemented in updated versions of the annual accounts.
Remuneration Report	The remuneration report has been prepared in accordance with the 2014 Regulations, disclosing the remuneration and pension benefits of the Chief Officer.	We have audited the disclosures of remuneration and pension benefit and pay bands and confirmed that they have been properly prepared in accordance with the regulations.
Annual Governance Statement	The Annual Governance Statement reports that the IJB's governance arrangements provide assurance, are adequate and are operating effectively.	We have assessed whether the information given in the Annual Governance Statement is consistent with the financial statements and has been prepared in accordance with the regulations. No exceptions noted.

Your annual report (continued)

Audit Scotland has issued a series of Good Practice notes to highlight where annual reports can be improved. A Good Practice note covering IJB's was published in April 2018 from a review of the 2016/17 annual accounts of IJBs and all IJBs were encouraged to use the findings to assess and enhance their own disclosures to ensure they provide high quality information to stakeholders in their annual accounts,

We have provided below some extracts which should be considered by the Board in drafting future annual reports.

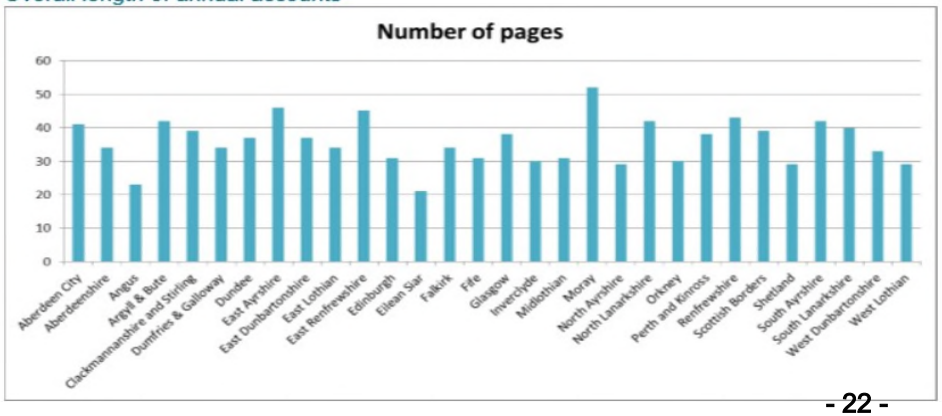
Management commentary
The following areas for improvement were identified when reviewing the Board's annual report:

- Explain the Board's objectives, the strategy for achieving these (including current performance, position and future prospects);
- Set out how the Board generates and preserves value over the longer term;
- Include KPIs – both financial and non financial – and explain performance against these in the year and whether they have been achieved or not;
- The key risks facing the Board should be specific and tailored to the Board and genuinely be the principal risks/uncertainties that Board members are concerned about;
- The annual report should be reviewed in its entirety to identify areas where tabular, graphical or pictorial information (supported by narrative) may improve the accessibility of the document;
- The Board should consider if the use of case studies would enhance the general publics' understanding of the work carried out by the Board.

Governance statement
The following areas for improvement were identified when reviewing the Board's annual report:

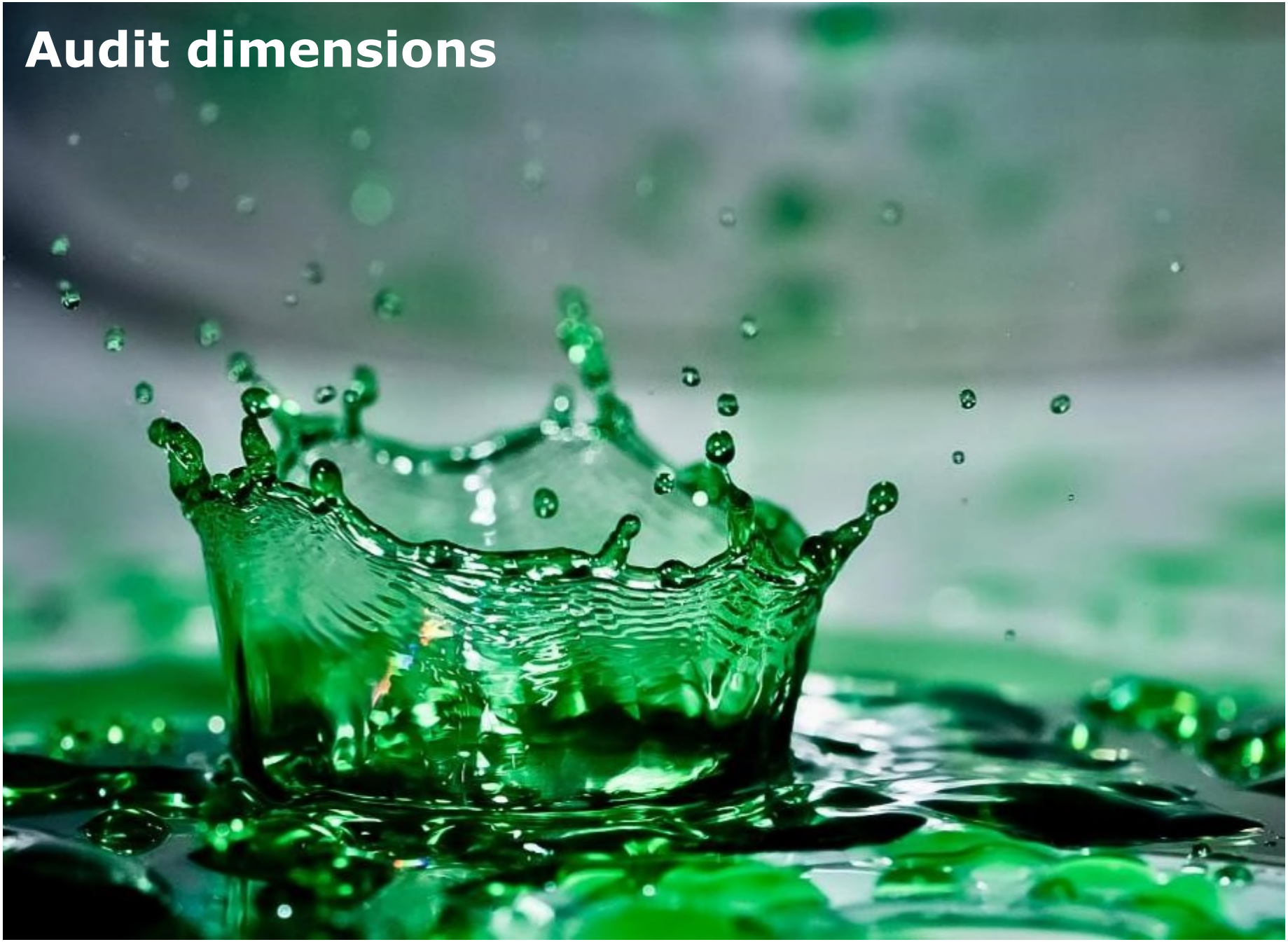
- An action plan should be included which outlines key issues arising in the year, what is to be done, by whom, and timescale for completion;
- The annual governance statement should follow up on any issues from previous years;
- Critical judgements and major sources of estimation uncertainty should be explained in the commentary (rather than just disclosed in the notes);
- Significant governance issues should be given sufficient weight in the governance statement, with their impact explained and any mitigating actions outlined.

Overall length of annual accounts



From the analysis of the length of all IJB annual accounts for 2016/17, Shetland's annual accounts were of an average length. However, as noted above, there is scope to include additional information to reflect best practice, which could replace the non-material disclosures currently included.

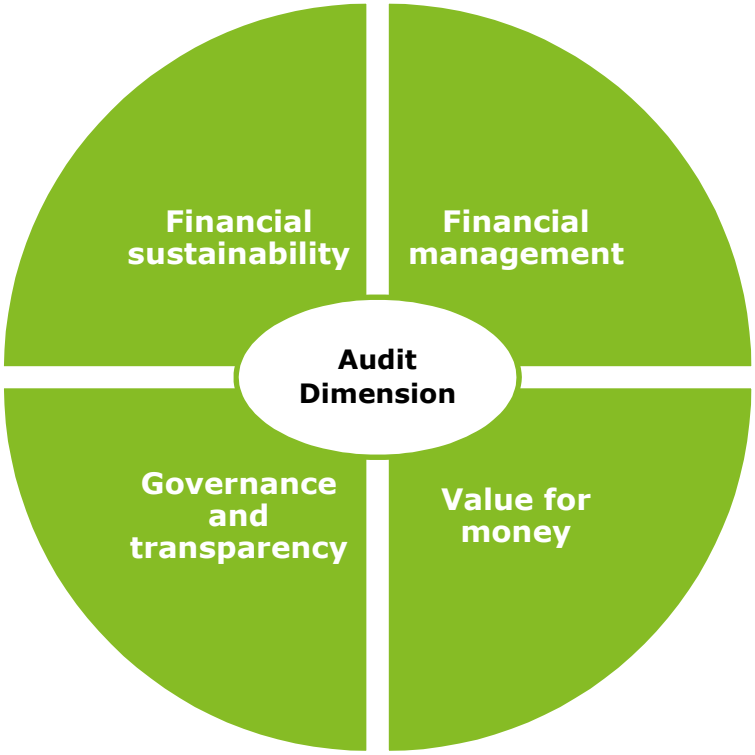
Audit dimensions



Audit dimensions

Overview

Public audit in Scotland is wider in scope than financial audit. This section of our report sets out our findings and conclusion on our audit work covering the following area. Our report is structured in accordance with the four audit dimensions, but also covers our specific audit requirements on best value and specific risks as summarised below.



Best Value (BV)
It is the duty of the IJB to secure BV as prescribed in the Local Government (Scotland) Act 1973.

We have considered the Board's duty to secure BV as part of the governance arrangements considered as part of the audit dimensions work.

Specific risks (SR)
As set out in our Annual Audit Plan, Audit Scotland had identified a number of significant risks (SRs) faced by the public sector which we have considered as part of our work on the four audit dimensions.

SR 1 – EU Withdrawal
SR 2 – New Financial Powers
SR 3 – Ending public sector pay cap
SR 4 – Cyber security risk
SR 5 – Openness and transparency

Audit dimensions (continued)

Financial sustainability

Audit dimension

As part of the annual audit of the financial statements, we have considered the appropriateness of the use of the going concern basis of accounting. Going concern is a relatively short-term concept looking forward 12 to 18 months from the end of the financial year. Financial sustainability interprets the requirements and looks forward to the medium (two to five years) and longer term (longer than five years) to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.

Areas considered

- The financial planning systems in place across the shorter and longer terms.
- The arrangements to address any identified funding gaps.
- The affordability and effectiveness of funding and investment decisions made.
- Workforce planning.

Deloitte response

We have monitored the IJB's actions in respect of its short, medium and longer term financial plans to assess whether short term financial balance can be achieved, whether there is a long term (5-10 years) financial strategy and if investment is effective.

We have also assessed the IJB's performance in undertaking transformational change and achievement in savings targets.

Deloitte view

We previously recommended and now support the current development of a medium term financial plan (MTFP). This should include a quantification of the forecasted funding gap, the impact of inflationary pressures, legislative changes and changes to service provision. The IJB should also consider the risk of the lack of buy-in from the public, Board members and staff in the development of this plan. We believe a MTFP will improve the focus amongst the Board members on the sustainability of the service. It has been noted by internal audit that the IJB needs to be more realistic with the timescales required to deliver savings and efficiencies, with a more strategic medium to long term outlook required. In light of this, we note that the IJB are developing new strategies to address the funding gap, both in the short and long term, through Scenario Planning which started in 2018. We recommend that the outcome of this is clearly articulated to Board members and key stakeholders and that its recommendations are implemented to ensure the Board meets its objectives in a sustainable manner.

The IJB has challenging savings targets to meet moving forward to continue to be financially sustainable. Shetland IJB faces some unique challenges being a small island Board, finding it difficult to make worthwhile recurring savings. We recommend that further efforts be made to focus on savings through predominantly recurring means, to help eliminate the funding gap. A recovery plan should also be put in place, in order to help address potential future funding gaps.

Operationally, the IJB are performing well as a partnership in several areas. However, increased focus must be given to developing an integrated budget, rather than viewing it as two separate budgets from the SIC and NHSS. We also recommend that the 2018/19 budget (and future budgets) are approved, rather than noted, in order to demonstrate that the Board accepts ownership of and responsibility for it.

Management have raised concerns that the focus in the IJB is on service delivery rather than financial sustainability. The reasons for this are understood, although given the IJB's current position, it is not sustainable. Where any decisions which will result in a significant budget variance are to be made, these should be subject to a higher level of approval than simply the budget holder, so as to ensure that appropriate challenge has been demonstrated and that sufficient consideration given to other possible options prior to approval.

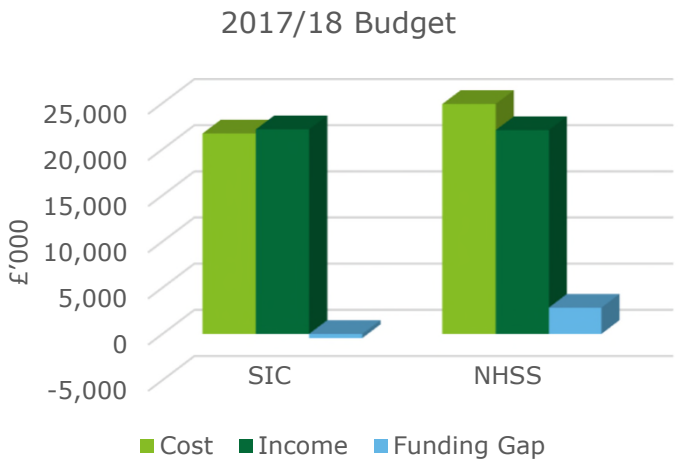
Audit dimensions (continued)
Financial sustainability (continued)

Short term financial position

For **2017/18**, the IJB noted an unbalanced revised budget of £44,222k (2016/17: £43,450k). £22,154k in funding was committed by SIC and £22,068k committed by NHS Shetland (see table below and graph). The final position of the IJB was a £239k underspend (£136k from SIC, and £103k from NHSS) due to an underspend in the Scottish Government Additionality Funding. An underspend occurred only after a 'one-off' payment from NHSS to bridge the funding gap. The original budget was revised due to application of contingency budgets and the use of carry-forward SIC funding (£650k), in addition to recurrent savings made during the year (£450k) on shifting the balance of care from hospital to community, which is a commendable saving.

The biggest short term risk currently facing the IJB is a projected overspend in **2018/19** of £2,277k. The IJB undertake a thorough budget setting process, incorporating allocations from both funding bodies. The budget is scrutinised by internal audit. The 2018/19 financial monitoring process will be based on this budget, which will be reported through the quarterly management accounts. Overspends on the SIC arm of the budget will be funded through a one-off additional payment from the SIC central contingency budget. If there are any overspends on the NHSS arm, these will be funded through underspends in other directorates and/or an additional one-off payment from NHSS' central contingency budget. As highlighted elsewhere, the IJB needs to develop balanced budgets and commission services within the available resources rather than developing budgets which incorporate these 'one-off' payments – such budgets are not balanced, nor are they sustainable. As discussed on page 21, we recognise that the IJB, in partnership with NHSS, is working on scenario planning. It is critical that this is progressed and clear plans are developed.

	2017/18 budget (£'000)	2017/18 revised budget (£'000)	2017/18 actual (£'000)	2018/19 budget (£'000)
Council managed budget	20,494	22,154	21,708	24,129
NHS managed budget	24,371	22,068	24,906	22,270
IJB Total	**44,865**	**44,222**	**46,614**	**46,399**



The **2018/19** budget has been noted but not approved as of 6 June 2018, due to the large funding gap. The Board should either approve or reject the budget, demonstrating ownership of it. The Board should develop a budget that commissions services within the available resources in the absence of confirmations from SIC and NHSS that funding will be made available to meet the gap identified.

The annual budget is based on the funding allocation agreements reached in respect of budgets delegated by SIC and NHSS. Under the terms of the Integration Scheme, the partners are required to make appropriate arrangements to fund pay awards, contractual uplifts, the impact of demographic changes and determine efficiency targets as part of their respective budget setting process.

Audit dimensions (continued)
Financial sustainability (continued)

Medium to long term financial sustainability

The IJB recognises that the partnership is operating within an extremely challenging financial environment as a result of real term reductions in funding, increased demographic pressures and the cost of implementing new legislation and policies.

There is currently no medium or long term financial plan in place. The IJB has a three year Strategic Plan. It takes into consideration other local policy directions as outlined in the Shetland Partnership Plan. Guidance requires Joint Strategic Needs Assessments (JSNAs) to inform the development of the Strategic Plan through the analysis of the needs of local populations.

The IJB has an estimated funding gap of £2,277k for 2018/19, which is a decrease from £2,529k in the current year. The funding proposals for 2019/20 and 2020/21 have consistent target savings of £2,327k per year. These are based on an indicative savings target for the 3 years of £6,981k which is 15% of the cost of the current service delivery model. However, plans are not yet in place on how to deliver the required savings. It is expected that the delivery of the savings will be linked to the outcomes of the scenario planning exercises.

A scenario planning programme was started in January 2018 for NHSS to look at alternative models for the delivery of health and social care services in Shetland. This is to help aid the Strategic Plan for 2019-22 and beyond.

The IJB has estimated that £9,955k of efficiencies over the next 5 years will be linked to the outputs of the scenario planning exercises.

It is assumed that funding levels will remain consistent over the following three years. However, the effect of this is that the IJB will have to absorb their own inflationary cost pressures over this time frame, which are estimated at 3.3% (SIC) and 3% (NHSS) each year.

The aim of the 2019-22 Strategic Commissioning Plan is to look at what the safe and sustainable health and social care services will look like in 5-10 years time.

A recent internal audit report highlighted that the IJB's key area of concern remains focused on the carried forward funding gap and ongoing savings and efficiencies targets, with the 2017/18 financial Recovery Plan not proving to be successful. This is though, a recurring issue as the same comments were raised by internal audit in 2016/17. There needs to be improvement in the coming years to improve the sustainability of the Board.

Despite this, internal audit did note some positives during the current year, including the improvement of the strategic commission plan, the start of the scenario planning programme and performance reporting requirements were substantially met.

Best Practice examples

In our 2016/17 annual report, we provided the Board with some case study data where Deloitte has been involved in cost reduction work with a number of NHS bodies in England. We recommended that the Board reviews these case studies and considers them as opportunities for improvement going forward as potential areas for cost reduction.

From our experience, public sector bodies that have successfully delivered and sustained transformational change have tended to focus on six key requirements, which is discussed further on page 30 – 32. The overarching aspect throughout a transformation programme is having strong leadership that believes in and can drive transformational change.

We have also provided some real life examples of work done in other health bodies to demonstrate how some of these six key requirements can be applied in practice, as discussed on page 30 – 32.

Audit dimensions (continued)

Financial management

Audit dimension

Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

Areas considered

- Budgetary control system.
- Systems of internal control.
- Financial capacity and skills.
- Arrangements for the prevention and detection of fraud.

Deloitte response

We have reviewed internal audit reports in relation to their work on the key controls, including reports for SIC and NHSS. We have evaluated the key financial systems and internal control as part of our financial statements audit work and considered the work of internal audit.
We have considered the capacity and skills within the senior management of the finance team and we have reviewed the IJB's arrangements for the prevention and detection of fraud and irregularities.

The final outturn for 2017-18 was an in-year overspend of £2,392k, compared to the budget. However, the IJB received additional funding from NHSS, leaving it with usable reserves of £239k (due to an underspend in Scottish Government Additionality Funding). This has been added to the prior year's general reserve, giving a current year total of £364k.

	SIC £'000	NHSS £'000	Total £'000
Budgets delegated to the parties from the IJB	22,154	22,068	44,222
Contribution from parties to the IJB (against delegated budgets)	(21,708)	(24,906)	(46,614)
Surplus/(Deficit)	446	(2,838)	(2,392)
Fortuitous underspend repaid to SIC	(310)	0	(310)
Additional one off payment from NHSS to IJB	0	2,941	2,941
Final position of IJB	136	103	239

Deloitte view

While the IJB reported an overall overspend of 5.1% against budget for 2017/18, this was regularly reported to the Board throughout the year in the management accounts produced quarterly. The overspend predominantly came from services commissioned from NHSS. The IJB consistently begins the year with a budgeted deficit for NHSS commissioned services, with NHSS providing last minute funding to bridge the gap. Aside from sustainability, this also brings into question the budget setting process and it raises concerns that the IJB are agreeing a budget without it being fully funded. As per discussions with members and management, it was noted that it could sometimes be challenging to balance the budget allocations from both the SIC and NHSS, and determine the proportion that each partner body should contribute. Therefore, we recommend that responsibilities of the two partner bodies be made clear, which a MTFP should assist with.

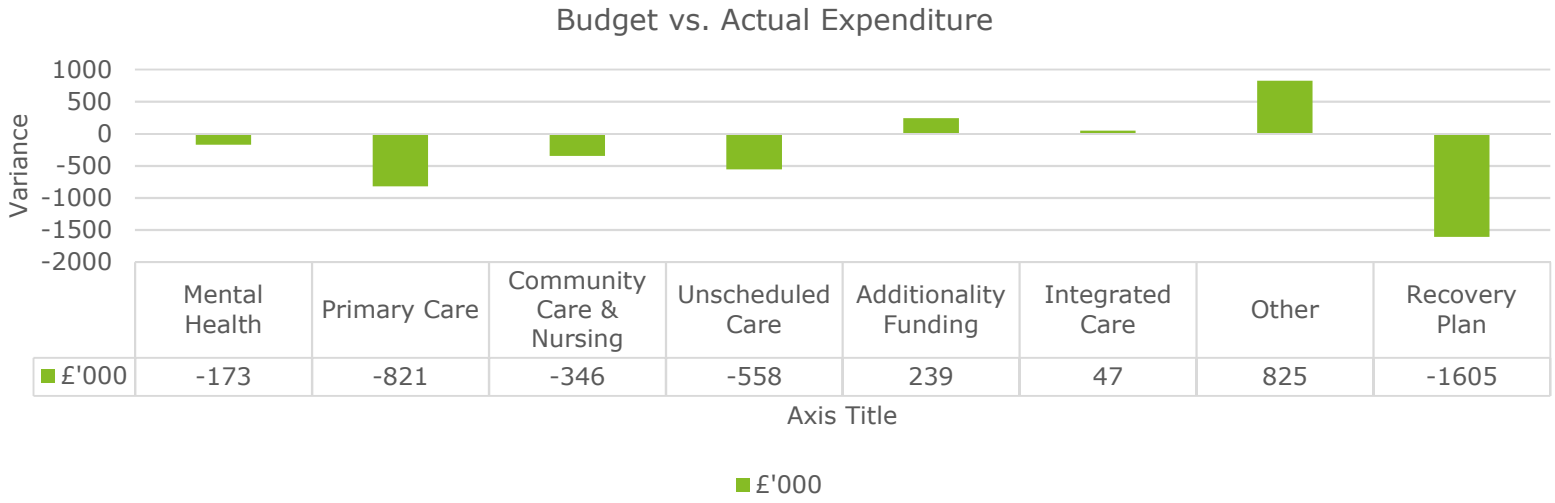
Separately, we note that the monitoring reports presented to the Board are at a very granular level – there are 24 lines which are reported against budget. This makes the chances of a material variance unlikely. Most IJBs report on a 5-7 line basis. We recommend that the reports presented to the Board contain a high level summary, with the detailed reports being provided if the members wished for further information.

Audit dimensions (continued)

Financial management

Budgetary control systems

Variances were reported to the Board throughout the year, with a final report being presented on 20 June 2018. The overall variance is a combination of under and overspends on expenditure. The expenditure variances can be analysed further as follows:



- **The IJB additionality funding** is funding first received from the Scottish Government in 2016/17 and forms part of a recurring £250m budget (with an additional £110m in 2017/18) which was distributed to Integration Joint Boards across Scotland. The aim of this funding was to reduce the contribution of funding made by local authorities, and to support integration as detailed in the Scottish Government's guidance (supporting delivery of better outcomes in social care, driving a shift towards prevention and strengthening the approach to tackling inequalities). The £239k underspend was primarily due to savings made on Self Directed Support packages.

- Community nursing, integrated care and mental health care reported a combined overspend of £472k. This is due to increased employee costs in many of the care homes (£187k) due to long-term staff sickness and the cost of engaging agency staff to address recruitment difficulties and sickness levels (£198k). This was partly offset as difficulty in recruiting staff has also led to temporary bed closures during the year, which impacted on staff costs (£217k). A large proportion of the mental health overspend was linked to a consultant locum who was employed throughout the year, and who is due to remain appointed until June 2018 to cover another staffing issue.

- Primary care has an overspend of £821k, which is linked to GP locum requirements in several practices across the Shetland Isles, including Yell (£145k) and Unst (£103k). We note that this is being addressed in 2018/19 and that the requirement for locum GPs and associated overspend is expected to decrease from autumn 2018.

- The Recovery Plan represents the amount the IJB had to save to ensure that there was no overspend. There was a significant variance in the year and measures have been put in place to identify areas of operation which can be made more efficient. This is the purpose of the scenario planning work which is underway. However, internal audit commented on the lack of a robust recovery plan in the prior year, which was also noted in our 2016/17 report, with similar issues affecting the recovery plan in the current year.

- **Unscheduled care** has an overspend of £558k, driven primarily by locum medical staff costs (£394k).

Audit dimensions (continued)

Governance and transparency

Audit dimension

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision-making, and transparent reporting of financial and performance information.

Areas considered

- Governance arrangements.
- Audit Committee
- Scrutiny, challenge and transparency on decision making and financial and performance reports.
- Quality and timeliness of financial and performance reporting
- Accountable officers' duty to secure Best Value

Deloitte response

We have reviewed the financial and performance reporting to the Board during the year, as well as minutes of the Audit Committee to assess the effectiveness of the governance arrangements. Our attendance at the Audit Committee also inform our work in this area.

We have also reviewed the governance arrangement between the IJB, Council and NHS Board.

Deloitte view

We have reviewed the governance arrangements, the level of scrutiny, challenge and transparency of decision making and the quality and timeliness of financial and performance reporting and have identified no significant issues in this regard.

Given the current lack of structure and remit of the Audit Committee, we recommend a training plan is put into place for the members, to ensure they know what their roles and responsibilities are. The scope of their work could be increased through implementing an annual work plan, for example. Deloitte shared some best practice materials with the Board, in relation to training and Terms of Reference for the Audit Committee. The Board should consider implementing some of the guidance to help with the effectiveness of the Audit Committee.

We have no concerns around the arrangements with internal audit. We have reviewed the reports issues by internal audit and considered the impact of these on our audit approach.

Having reviewed the processes in place at the IJB, and having identified no issues during our audit testing, we are satisfied that there are appropriate arrangements in place for securing best value.

Audit dimensions (continued)
Governance and transparency (continued)

Leadership and vision

Decision making is transparent and subject to both scrutiny and challenge. However, we note that it takes over two months from the month end for the financial monitoring reports and performance reports to be prepared and then reported to the Board. This is to ensure that the quality of the reports and decisions are not compromised.

The Chair of the IJB has changed in the year, with the current chair having a number of years experience as a non-executive director on the NHSS Board. The previous Chair had been in the role since the IJB came into existence (until May 2017), and had also been on the NHSS Board for a number of years. The experience and continuity of the Chair undoubtedly aids the leadership and vision of the Board and provides an element of stability.

The voting membership for the Board comprises three elected members from the SIC and three non-executive directors from the NHSS. As such, we consider there to be sufficient diversity to provide effective balance and scrutiny in leadership. Further, there is concern that members who have no previous healthcare experience may find the reports difficult to understand and we recommended that appropriate training be provided for members.

There have been several changes to the Board in the current year. This included two new NHSS voting members to compensate for the end of a temporary voting membership of one member, and the resignation of another member. Further, there have been two new SIC members elected during the year, to cover resignations in May 2017 and January 2018. Although the change included some high profile resignations, we noted through discussion with management that the changes were due natural turnover for personal reasons and coincided both with the step down of the NHS Board and local Council elections, rather than indicating any underlying issue. However, we would still note that this presents an issue for the continuity of leadership as many of the members are new to the Board this year and this further emphasises the need for appropriate training. We will monitor this closely over the coming year.

Internal Audit

Shetland Islands Council's Chief Internal Auditor provides the Internal Audit function for Shetland IJB. Internal Audit concluded that the main area of concern remains centred on the carried forward funding gap and the ongoing Savings and Efficiency targets. The 2017/18 Financial Recovery Plan was not successful in its aim to eliminate the need of a Financial Recovery Plan altogether.

During the year, we have reviewed all internal audits presented to the Audit Committee and the conclusions have helped inform our audit work, although no specific reliance has been placed on the work of internal audit.

On the basis of the audit work undertaken during the year, the Chief Internal Auditor is able to conclude that a reasonable level of assurance can be given that the system of internal control is operating effectively within the IJB.

Audit Committee

The Audit Committee is made up of four voting members; a Chair, Vice-Chair, Member and Lead Officer. These members have commented that there is room for improvement within the Audit Committee, given the lack of clarity as to the role of it. Moreover, the topics discussed could be wider and there is a lack of training and professional development.

We have provided some best practice guidance on pages 26 and 27 which the Committee should consider in developing a training plan and detailed terms of reference for the Committee.

Audit dimensions (continued)
Governance and transparency (continued)

Below is some good practice guidance on Audit Committee membership and its roles and responsibilities for the IJB to consider, alongside a model Audit Committee agenda and good practice reporting discussed on the next page.

Membership

- At least 3 Non Executive Directors ('NEDs').
- One NED should have recent and relevant financial experience.
- The Chair of the Board should not chair or be a member of the committee.

Attendance

- Routine attendees should include:
  - Director of Finance
  - Head of Assurance / Governance
  - Head of Internal Audit
  - External Audit
  - Local Counter Fraud Officer
- The CEO should be invited to attend at least annually for the presentation of the accounts.
- Staff may be invited to attend for specific items in their remit.

Frequency

- Meetings should be held at least three times per year, with additional meetings where necessary.
- The external auditors should meet privately with the NEDs at least once per year.

Audit Committee: Roles and Responsibilities

Audit dimensions (continued)

Governance and transparency (continued)

Model Audit Committee agenda

- Minutes, **action log**, matters arising
- Review of progress against the **Internal Audit plan** including progress made by the organisation in implementing recommendations.
- Review of **Internal Audit reports** and resulting recommendations.
- Review of progress against the **External Audit plan** and discussion of key issues arising.
- Review of other **External Audit reports**.
- Review of the **Corporate Risk Register processes**.
- **Counter-fraud** update.
- **Whistle-blowing** / raising concerns update.
- Review of any new significant **financial reporting judgements** and seek assurance over **financial controls**.
- Review of progress against the **committee's workplan**.
- Agreement over **items for escalation** to the Board.

The Committee should also review:

- The integrity of the financial statements;
- The assertions made within the Annual Governance Statement;
- Adherence with the non-audit services policy;
- The effectiveness of the external and internal audit functions (annually); and
- Its own effectiveness (annually).

Audit Committee Reporting:

- Papers are accompanied by **clear cover sheets** to articulate the key issues, risks, strategic implications and what is required of the committee
- Papers are **concise, relevant and timely**
- There is a process in place to provide assurance over **data quality**
- **Issues are reported to the Board in a timely manner**. Minutes are accompanied by a summary report provided by the Chair of the Committee which articulates the key areas for the Board to be aware of.

Audit dimensions (continued)
Value for money

Audit dimension

Value for money is concerned with using resources effectively and continually improving services.

Areas considered

- Value for money in the use of resources.
- Link between money spent and outputs and the outcomes delivered.
- Improvement of outcomes.
- Focus on and pace of improvement.

Deloitte response

We have gained an understanding of the IJB's self-evaluation arrangements to assess how it demonstrates value for money in the use of resources and the linkage between money spent and outputs and outcomes delivered. While there has been some progress made in the second full year of the IJB being in operation, there are some issues surrounding the Board members' ability to clearly state and see the link between actions and outcomes.

We have also considered the arrangements the IJB has in place to monitor how it is achieving its targets and addressing areas of poor performance.

Deloitte view

The Board had a performance management framework in place, with performance regularly considered by management, and the Board. This is currently based on existing frameworks in each partner body and further work is required to provide a fully integrated suite of indicators for the IJB. However, the new system will also help with this.

We are satisfied that the performance is appropriately discussed within the Management Commentary in the Annual Accounts and management have introduced plans to address areas where progress has not been satisfactory.

There should be continued focus with the Integration Care Team to enable costs to be cut where appropriate to do so, without compromising on the care of the individuals.

We recommend that savings plans are monitored throughout the year against the original plan to help provide transparency and clarity over savings performance against the budget.

Regarding performance management, the overall approach adopted is that it is integral to the delivery of quality and effective management, governance and accountability. The need for transparent and explicit links of performance management and reporting within the organisational structure at all levels is critical. There is a framework of measures at directorate and service level. The new implemented system for key performance indicators will aid this approach greatly.

Audit dimensions (continued)
Value for money (continued)

Performance Management

From our analysis of performance indicators, we note there is no overall improvement in outcomes. However, Shetland generally perform well, and have scored near the top of several categories (see below). The IJB have a sufficient focus on improvement and the Board aims to foster a culture of continuous improvement in the performance of the IJB's functions, and to make arrangements to secure Best Value. Given that Shetland are performing relatively well compared to other bodies, the pace of improvement seems reasonable. There is an increased focus on shifting the balance of care from a hospital to community setting, as demonstrated by the closure of Ronas Ward.

Current Performance	Shetland	Scottish Average	Position
Emergency admission to hospital rate (per 100,000 population)	10,011	12,294	First
Rate of Emergency Bed Days for Adults (per 100,000 population)	72,509	125,634	Second
Number of days people spend in hospital when they are ready to be discharged (per 1000 population)	528	842	First
Percentage of last six months of life spent in community setting	96%	89%	First

Moreover, the board's performance against its targets and standards as at Q4 2017/18 was reported to the Board in June 2018. The IJB have identified key issues for this quarter, which will be focused on moving forward. These include the update of the Strategic Plan and Scenario Planning and the systems update and key performance indicators for this quarter with regards to service performance. Future reports will include more details on the progress of these plans. We have highlighted some of the key themes below.

- Following previous feedback, the Strategic Plan for 2018-19 has now been updated, to allow better decisions to be made. The Scenario Planning process has increased the focus around leadership, community engagement and involvement with the third sector. A key focus of Scenario Planning is how to link the existing service projects with the ongoing organisation development improvements as gained from the Scenario Planning process. The aim is to approve the strategic plan by September/October 2018.
- A new system to collate and report on the performance indicators called Pentana was implemented during the year. Everything for the IJB report is reported from Pentana, either directly or indirectly. This is beneficial for IJB, and will aid the understanding of the position of each indicator. However, the financial data has to be merged from two separate systems; one for the SIC and one for the NHSS.
- The 'Health and Care Experience' survey 2017-18 has published its results, with significant movements across four separate indicators. The two largest movements include: 'service users health & care services seem to be well coordinated' improving by 12%, but 'carers feel supported to continue caring' has decreased by 13%.

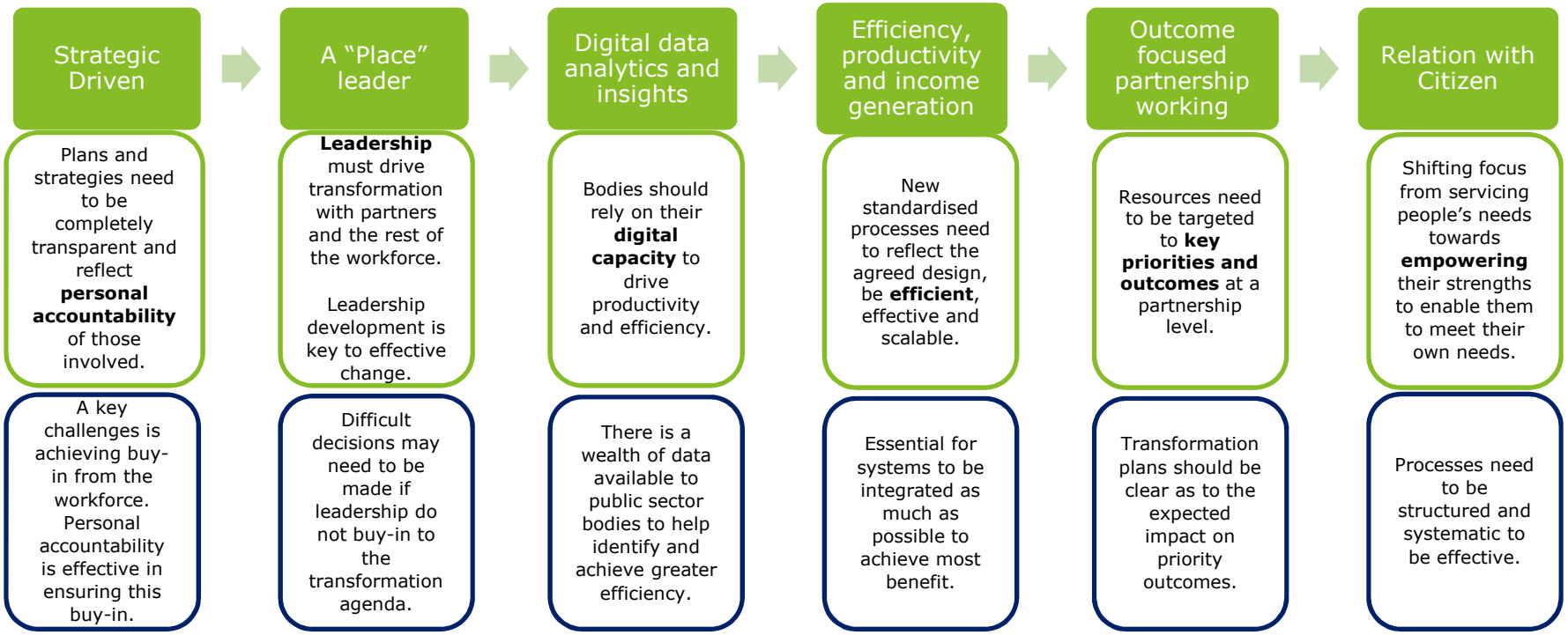
Audit dimensions (continued)

Sharing best practice

In our 2016/17 annual report, we provided the Board with some case study data where Deloitte has been involved in cost reduction work with a number of NHS bodies in England. We recommended that the Board reviews these case studies and considers them as opportunities for improvement going forward as potential areas for cost reduction.

During 2017/18, we have had some further discussion with the Chief Officer for the Shetland Health and Social Care Partnership to share areas of best practice around transformation and integration from our work in England.

From our experience, public sector bodies that have successfully delivered and sustained transformational change have tended to focus on the following six key requirements. The overarching aspect throughout a transformation programme is having strong leadership that believes in and can drive transformational change.



Audit dimensions (continued)
Sharing best practice (continued)

Below are some real life examples of work done in other health bodies to demonstrate how some of these six key requirements can be applied in practice.

Relation with Citizen

Outcome focused partnership working

A health body had a patient that required an extensive care package costing approximately £3,000 per week. This was a "needs-based" package and despite the level of care provided, the patient still felt isolated and alone. As part of a transformation to service delivery, the patient's package changed from a needs-based approach to focus on their strengths.

The patient became more active through engagement with their interests (specifically, the health body helped them join a local model-aeroplane building club), and this small but significant change to service delivery approach saw the cost of the patient's care package reduce from approx. £3,000 a week to approx. £20 a week. The patient was able to largely care for himself with appropriate support in the community. Whilst this is an extreme example, this is what real transformation to service delivery represents.

A Health and Social Care Partnership transformed its care at home service by introducing a "Front Door" approach. A single team of social workers, occupational therapists and support assistants based across two locations is now in place to talk to people who may need to use services. The council refers to this as changes to 'front door' services. Previously, individual teams provided separate care, with a referral process between teams. The new model of care encourages local people to develop the confidence and skills to care for themselves, using personal strengths, assets and wider community resources.

This approach is more personalised and helps reduce the demand for social care and acute hospital admissions. Individuals now have only one worker to deal with, and staff from different services can liaise with each other more easily. This reduces inappropriate referrals and, in some cases, removes the need for a referral, for example, if information and advice is all that someone needs.

Relation with Citizen

Outcome focused partnership working

Efficiency, productivity

Audit dimensions (continued)

Sharing best practice (continued)

Strategic Driven – shift in culture.

Monetary incentives can help achieve a shift in culture. Currently, there are incentives and systems in place that result in money being funnelled towards hospitals. Investment in early detection and prevention requires a change. One example of such change took place in Spain in 1999 (known as the **Alzira Model**). They shifted towards long-term capitated budgets which incentivised the health care system to keep people out of hospital and to deliver effective services as cost-efficiently as possible. Reimbursement was only received by the healthcare system that provides the care to the patient, therefore the provider is incentivised to maintain and drive up the quality of care to encourage patient loyalty. Benefits which were evidenced from this model included a 27% decrease in cost per capita, 34% reduction in hospital readmissions within 3 days, 54% reduction in average A&E waiting times, average length of stay reduced by 20%, 91% patient satisfaction and 93% staff satisfaction.

Digital data analytics and insights

A Health and Social Care Partnership invested in its digital capacity to collect and process data so it can better predict chronic health issues occurring amongst patients. This investment has allowed the partnership to reduce its acute care costs as less expensive and more effective health care can be provided upfront to address potential chronic health risks predicted by the data.

A police force, in partnership with its local health body, used data to reduce acquisitive crime rates. Data identified a pattern of acquisitive crime peaking on the weekends, and the police force determined that this was largely driven by the fact that methadone prescriptions in the area were issued every Friday. A programme was implemented to stagger the prescriptions throughout the week, leading the acquisitive crime rates levelling out and becoming more manageable.

Wider scope audit work (continued)

Specific risks

In accordance with our Audit Plan, we have considered the specific risks identified by Audit Scotland as part of our audit as follows:

Risk identified	Response
EU Withdrawal	The UK is expected to leave the European Union (EU) on 29 March 2019, followed by a transition period to the end of 2020. There are still a lot of uncertainties surrounding the terms of the withdrawal agreement but the outcome will inevitably have significant implications for devolved governments in Scotland and for Scottish public sector bodies. Given the scale of the potential implications and possible timescales for implementing changes, it is critical that public sector bodies are working to understand, assess and prepare for the impact on their organisation. This is likely to include consideration of three areas: **Workforce**: the extent to which potential changes to migration and trade policies are likely to affect the availability of skilled and unskilled labour. **Funding**: the extent to which potential changes to funding flows including amounts anticipated under existing EU funding programmes, are likely to affect the finances of the organisation and the activity that such funding supports. **Regulation**: the extent to which potential changes to regulation across a broad range of areas currently overseen at an EU level are likely to affect the activity of the organisation. The IJB have noted that the EU withdrawal has been recognised in the NHSS's MTFP, but there has not been a noticeable reduction in applicants for vacant NHS jobs. There has been a big demand for locums in the year, but most of these vacancies have now been filled. Similar issues regarding locum requirements were also seen pre-Brexit, given the type of community Shetland is. The generalist type roles in Shetland are very different to those more specialised roles on the mainland, therefore making it difficult to recruit staff. The SIC are much less reliant on EU nationals than NHS Shetland, as a higher proportion of their staff are from local areas. However, the overall potential impact on the workforce is simply unknown at this time, but the IJB will be made aware of any developments. Funding and regulation of the IJB is devolved to the Scottish Government and EU withdrawal is not expected to have major impacts in these areas.
New financial powers	The Scottish Parliament's new financial and social security powers and responsibilities from the 2012 and 2016 Scotland Acts are fundamentally changing the Scottish public financials. The Scottish Government will publish its medium-term financial strategy in 2018 in response to recommendations in the Budget Process Review Group final report, and has made a number of other commitments to improve financial management and help Parliamentary scrutiny of decisions. As a result of this, there is an expectation that public bodies will be seen before subject committees of the Parliament more often. The IJB should therefore use this as an opportunity to make comment within their annual reports beyond the compliance requirements to clearly articulate their achievements against outcomes and future plans.

Wider scope audit work (continued)
Specific risks (specific risks)

Risk identified	Response
Ending public sector pay cap	The 2018/19 budget includes pay awards which have been aligned to the thresholds set out by the Cabinet Secretary in the Stage 1 debate on 31 January 2018. It has been agreed by Scottish Government that any additional costs of the pay increase in excess of 1% will be met by central funding for the NHS, whilst there is no confirmation that the Scottish Government will meet the additional cost for the Council.
Cyber security risk	The IJB do not have a specific cyber security policy in place as they use the ITC strategy of both the NHSS and SIC. Both the SIC and NHSS have passed the Scottish Government's Cyber Essentials Pre-assessment which contained some remedial actions which are common across all boards. The SIC look to carrying out the next level assessment in August/September 2018.
Openness and transparency	From our audit work, we are satisfied that the IJB is appropriately open and transparent in its operations and decision making. The IJB follow the council's guidance and very little is held back. All meetings are public, and therefore minutes and agendas are available online.

Appendices

Purpose of our report and responsibility statement

Our report is designed to help you meet your governance duties

What we report

Our report is designed to help the Audit Committee and the Board discharge their governance duties. It also represents one way in which we fulfil our obligations under ISA 260 (UK and Ireland) to communicate with you regarding your oversight of the financial reporting process and your governance requirements. Our report includes:

- Results of our work on key audit judgements and our observations on the quality of your Annual Report.
- Our internal control observations
- Other insights we have identified from our audit

What we don't report

As you will be aware, our audit was not designed to identify all matters that may be relevant to the IJB.

Also, there will be further information you need to discharge your governance responsibilities, such as matters reported on by management or by other specialist advisers.

Finally, our views on internal controls and business risk assessment should not be taken as comprehensive or as an opinion on effectiveness since they have been based solely on the audit procedures performed in the audit of the financial statements and the other procedures performed in fulfilling our audit plan.

We welcome the opportunity to discuss our report with you and receive your feedback.

The scope of our work

Our observations are developed in the context of our audit of the financial statements.

We described the scope of our work in our audit plan and the supplementary "Briefing on audit matters" circulated separately.

This report has been prepared for the Audit Committee and Board, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose.

for and on behalf of Deloitte LLP

Glasgow

24 July 2018

Audit adjustments

Corrected misstatements

- No corrected misstatements have been identified from our audit work performed

Uncorrected misstatements

- No uncorrected misstatements have been identified from our audit work performed

Disclosure misstatements

- Auditing standards require us to highlight significant disclosure misstatements to enable audit committees to evaluate the impact of those matters on the financial statements. We have noted no material disclosure deficiencies in the course of our audit work.

A verbal update will be provided to the Audit Committee if anything arises from any outstanding work before the financial statements are signed.

Action plan

Recommendations for improvement

Area	Recommendation	Management Response	Responsible person	Target Date	Priority
Financial Sustainability	Given that the Board only 'notes' rather than 'approves' the budget each year, and given that the budget is unbalanced and without sufficient plans in place to close identified funding gaps, the appropriateness of the current budget setting process needs to be considered. The Board should take ownership of the budget by approving, rather than noting, it. Further, if 'one off' funding from NHS Shetland is anticipated to meet any funding gap, this should be disclosed in the narrative to the budget. If it is not possible to identify further savings to meet the funding gap, this should be clearly disclosed in the budget rather than including unattainable savings so as to make the budget balance. It may be appropriate to revisit the Integration Scheme to include where responsibility lies for funding overspends.	The IJB were advised under legal recommendation to only 'note' the budget rather than approve, given the outstanding funding gap. The CFO notes that he cannot recommend a budget which is not achievable. This could be achieved if NHS/SIC 'guaranteed' to cover any shortfall. However, would result in NHSS/SIC being exposed to all financial risk, rather than the IJB. The budget setting process is being reviewed as part of the Scenario Planning exercise and the recommendations will be taken on board when finalising any updated process.	Chief Financial Officer	Sept 18	High
Financial Sustainability	Continued focus needs to be given to developing a medium term financial strategy through the Scenario Planning exercise. This should include quantification of the forecast funding gap and plans to address this.	The body understands the long term pressures, which have been built in plans. There is a three year strategic plan in place (2016-19), but a medium term financial plan is starting to be developed through a combination of the NHS MTFP and SIC LDP and is one of the anticipated outcomes of the Scenario Planning exercise.	Chief Financial Officer	Dec 18	High

Action plan

Recommendations for improvement

Area	Recommendation	Management Response	Responsible person	Target Date	Priority
Financial Management/ Sustainability & Value for Money	Where any decisions which will result in a significant budget variance are to be made, these should be subject to a higher level of approval than simply the budget holder, so as to ensure that sufficient challenge has been demonstrated and that sufficient consideration given to other possible options prior to approval. The current approach of 'service before finance' is not sustainable.	All locum requests must be approved by the Executive Management Team (EMT). These requests are reviewed by Finance prior to EMT consideration. Difficulties relate to the nature of the Shetland community and the demand for locum clinicians, which do come at an extra cost. If a locum cannot be employed, then patients may need to be sent to Aberdeen, which also comes at a cost.	Chief Financial Officer	Dec 18	High
Financial Sustainability/ Value for Money	A specific plan needs to be put in place to achieve savings prior to the year commencing, to assist with financial planning, with this being monitored throughout the year. The IJB should consider the impact of inflationary pressures, legislative changes and changes to service provisions. Moreover, efforts need to be made in the identification and implementation of recurring savings targets, as reliance cannot be made on non-recurring savings.	The IJB had a total underspend of £239k in the current year, however, this is because the NHS agreed to an additional one off payment. Internal audit also reported that this is not sustainable. Historically, NHSS not achieve recurring savings targets, and any savings are primarily made through non-recurrent means. This is being addressed through the Scenario Planning process, expected to be completed in mid-2018/19.	Chief Financial Officer	Sept 18	High

Action plan

Recommendations for improvement

Area	Recommendation	Management Response	Responsible person	Target Date	Priority
Governance and Transparency	A training plan should be put in place for the Audit Committee and Board members to ensure they know what their roles and responsibilities are, as well as to be clear on the scope of their work.	Management have agreed to consider the training needs of the Audit Committee and Board and to institute a relevant training plan.	Chief Financial Officer	Sept 2018	Medium
Governance and Transparency	The Audit Committee should have a clear terms of reference in place, and this should be assessed for effectiveness on an annual basis, in accordance with best practice.	The Terms of Reference will be reviewed so as to be clear on the responsibilities of the Audit Committee.	Chief Financial Officer	Sept 2018	Medium
Value for Money	In order to demonstrate how the Board is achieving its objectives and meeting planned outcomes, management should demonstrate a clear link between expenditure and outcomes achieved.	Management consider that it is difficult to see the link between actions and outcomes, as often improvement can be hidden by the changing demographics (ageing population, for e.g.). However, they have agreed to look at this further going forward.	Chief Officer	Sept 18	Medium

Action plan

Recommendations for improvement

Area	Recommendation	Management Response	Responsible person	Target Date	Priority
Financial Management	We recommend that consideration is given to the format of the monitoring reports. Currently, they are reported on a very granular level, using 24 lines to report against budget. This makes the chances of material variances unlikely, as most comparable IJBs report on 5-7 lines. Consequently, we recommend that the reports presented to Committee members are a higher level summary, with the detailed reports being provided if the Committee members wished for further information.	Management will discuss with Committee members whether they wish for the approach to reports to be revised in line with the recommendation.	Chief Financial Officer	Sept 18	Low
Governance & Transparency / Value for Money	We recommend that there is a joint performance system (i.e., a joint NHSS/SIC Pentana system) put in place in order to strengthen the scrutiny of the IJB, and that members have access to this system.	Performance reporting all comes from Pentana. However, for financial reporting, the IJB have to merge the information from SIC's Integra system with NHSS's Cedar system. Management will look into providing access to Pentana for members.	Chief Financial Officer	Dec 18	Low
Governance & Transparency	The management accounts reporting process takes approximately two months. We accept that this is in line with protocol, but that improvements in the speed of reporting, without compromising on the quality should be explored.	Management have accepted this point and will consider if there are areas where the efficiency of reporting can be enhanced.	Chief Financial Officer	March 19	Low

Action plan

Follow up of 2016/17 recommendations

Area	Recommendation	Management Response	Responsible person	Target Date	Priority	2017/18 Update
Financial Sustainability	We recommend that the IJB considers from a Board wide perspective, the lessons learned from our wider health transformation work in the sector, including our working on increasing productivity, demand management and cost reduction.	A paper setting out proposals to address the funding gap was presented to the Board in June 2017. The plan outlines specific risks to Shetland, including a shortage of professionals, an ageing workforce, rising costs and increasing demands. Progress reports will be presented to the IJB quarterly in relation to this.	Chief Financial Officer	30 June 2018	Medium	SIC Internal Audit remains focussed on the carried forward funding gap and ongoing Savings and Efficiencies targets. The wider issues regarding transformation are anticipated to be addressed through the Scenario Planning exercise.
Financial Sustainability	The Board should focus on implementing recurring saving schemes to ensure long term financial sustainability. The Board should complete an exercise to fully evaluate demand drivers and the impact on costs going forward.	The Strategic Commissioning Plan recognises the scrutiny placed on the Board and all future redesign projects will be supported with robust needs and risk assessments. These assessments will be subject to further scrutiny through the existing decision making structure of the IJB. NHS Shetland identified that they to focus on recurring savings efficiencies in 2017/18.	Chief Financial Officer	30 June 2018	Medium	Recurring savings targets are still not being achieved. Savings are still primarily being met through non-recurring means. Although 'medium' priority in the prior year, given the failure to progress, we now consider this a critical issue for the IJB given their historical failure to achieve relevant savings and reliance on additional funding from the NHS. We have raised this again in the current year on page 38.

Action plan

Follow up of 2016/17 recommendations

Area	Recommendation	Management Response	Responsible person	Target Date	Priority	2017/18 Update
Governance and Transparency	The Board should, where possible, report earlier than the current two month timescale between reporting and actual performance. This will increase the effectiveness of the reporting.	The current timetable is set around a protocol whereby the performance reports have to be prepared, and then reporting to the Board. This is to ensure the quality of the reports and timings of meetings are not compromised.	Chief Financial Officer	30 June 2018	Medium	The reporting process still takes approximately two months from month-end. We accept that this is in line with protocol, but that improvements in the speed of reporting, without compromising on the quality should be explored.
Internal Control and Risk Management	In our view, financial management governance and general control in the Board is of a reasonable standard, although we would recommend that a system of formal long term financial planning is introduced.	There is no long term financial plan in place. However, there is the Strategic Commissioning Plan which recognises the scrutiny placed on the Board and the decision making structure of the IJB.	Chief Financial Officer	30 June 2018	High	No permanent medium or long term financial plan is in place. However, Scenario Planning started in January 2018, which aims to utilise both the MTFP of the SIC and LDP of the NHSS to build IJB a MTFP.

Fraud responsibilities and representations

Responsibilities explained

Responsibilities:

The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance, including establishing and maintaining internal controls over the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations. As auditors, we obtain reasonable, but not absolute, assurance that the financial statements as a whole are free from material misstatement, whether caused by fraud or error.

Required representations:

We have asked the Board to confirm in writing that you have disclosed to us the results of your own assessment of the risk that the financial statements may be materially misstated as a result of fraud and that you are not aware of any fraud or suspected fraud that affects the entity or group.

We have also asked the Board to confirm in writing their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

Audit work performed:

In our planning we identified the risk of fraud in recognition of income and management override of controls as a key audit risk for your organisation.

During course of our audit, we have had discussions with management, internal audit and those charged with governance.

In addition, we have reviewed management's own documented procedures regarding fraud and error in the financial statements

We have reviewed the paper prepared by management for the Audit Committee on the process for identifying, evaluating and managing the system of internal financial control.

Deloitte view:

From out year-end audit procedures and discussions with management, we have noted no cause for concern around the fraud arrangements in place.

Independence and fees

As part of our obligations under International Standards on Auditing (UK), we are required to report to you on the matters listed below:

Independence confirmation	We confirm that we comply with APB Ethical Standards for Auditors and that, in our professional judgement, we and, where applicable, all Deloitte network firms are independent and our objectivity is not compromised.
Fees	The audit fee for 2017/18 is £24,000 as detailed in our Audit Plan. No non-audit service fees have been charged by Deloitte in the period.
Non-audit services	In our opinion there are no inconsistencies between APB Ethical Standards for Auditors and the company's policy for the supply of non-audit services or any apparent breach of that policy. We continue to review our independence and ensure that appropriate safeguards are in place including, but not limited to, the rotation of senior partners and professional staff and the involvement of additional partners and professional staff to carry out reviews of the work performed and to otherwise advise as necessary.
Relationships	We are required to provide written details of all relationships (including the provision of non-audit services) between us and the organisation, its board and senior management and its affiliates, including all services provided by us and the DTTL network to the audited entity, its board and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on our objectivity and independence. We are not aware of any relationships which are required to be disclosed.

Events and publications

Our publications and insights to support the IJB

Publications

The State of the State 2017-18
Citizens, government and business

This year's report finds the UK government amid the complex challenge of leaving the EU. Inevitably, this early phase of EU exit is taking place under intense media scrutiny and passionate political debate. But while EU exit issues may dominate headlines, the public services face more local challenges as they address rising demand, budget restraint and renewed levels of concern about social inequality.

The State of the State 2017-18 explores government through three lenses – the citizen lens, the public sector lens and the business lens.

Download a copy of our publication here:
https://www2.deloitte.com/uk/en/pages/public-sector/articles/state-of-the-state.html

Sharing our informed perspective
We believe we have a duty to share our perspectives and insights with our stakeholders and other interested parties including policymakers, business leaders, regulators and investors. These are informed through our daily engagement with companies large and small, across all industries and in the private and public sectors.

Recent publications relevant to the local authorities are shared opposite:

Perspectives: Do you have a digital mindset?
Accelerating health and care integration
Digital technology is helping to transform the way citizens interact with service providers across all other service industries. The time is now ripe for changing the relationship between health and social care commissioners and providers and service users.

Read the full blog here:
https://www2.deloitte.com/uk/en/pages/public-sector/articles/do-you-have-a-digital-mindset.html

Article: Public sector transformation
Five lessons from the private sector
An analysis of private sector global companies, including high-tech start-ups, manufacturers, banks, retailers and insurance firms, reveal five valuable lessons for the public sector.

Read the full article here:
https://www2.deloitte.com/uk/en/pages/public-sector/articles/public-sector-transformation.html

Deloitte.

Deloitte LLP does not accept any liability for use of or reliance on the contents of this document by any person save by the intended recipient(s) to the extent agreed in a Deloitte LLP engagement contract.

If this document contains details of an arrangement that could result in a tax or National Insurance saving, no such conditions of confidentiality apply to the details of that arrangement (for example, for the purpose of discussion with tax authorities).

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London, EC4A 3BZ, United Kingdom.

Deloitte LLP is the United Kingdom affiliate of Deloitte NWE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NWE LLP do not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

© 2018 Deloitte LLP. All rights reserved.

Shetland Islands Health and Social Care Partnership

Agenda Item

2

Shetland NHS Board	Shetland Islands Council

Meeting(s):	IJB Audit Committee Integration Joint Board	21 September 2018 21 September 2018
Report Title:	Final Audited Accounts 2017/18	
Reference Number:	CC-37-18-F	
Author / Job Title:	Karl Williamson / Chief Financial Officer	

1.0 Decisions / Action required:

1.1 **The IJB Audit Committee RESOLVE to:**

a) CONSIDER the audited Annual Accounts for 2017/18 (Appendix 1)
b) NOTE the Management Representation Letter (Appendix 2); and

The IJB RESOLVE to:

a) APPROVE the audited Annual Accounts for 2017/18 for signature (Appendix 1).
b) NOTE the Management Representation Letter for signature (Appendix 2)

2.0 High Level Summary:

2.1 IJBs are specified in legislation as 'Section 106' bodies under the terms of the Local Government (Scotland) Act 1973, so are expected to prepare their financial statements in compliance with the Code of Practice on Local Government Accounting in the United Kingdom.

2.2 Regulations require that IJB Members consider the audited annual accounts and approve them for signature by 30 September 2018 and publish them no later than 31 October 2018.

3.0 Corporate Priorities and Joint Working:

3.1 The IJB is a separate legal entity, accountable for the stewardship of public funds and expected to operate under public sector best practice governance arrangements, proportionate to its transactions and responsibilities. The preparation and presentation of the accounts is a key element of the IJB's overall governance and reporting arrangements.

4.0 Key Issues:

4.1 The audited accounts include the following key points for members' consideration:

- Deloitte has issued an unqualified independent auditor's report on the 2017/18 financial statements. They have been prepared in accordance with accounting regulations and guidance;

- The IJB made an accounting surplus of £0.239m in 2017/18, which will be carried forward in the IJB Reserve;

- The IJB General Reserve balance as at 31 March 2018 is £364k.

5.0 Exempt and/or confidential information:	
None	
6.0 Implications:	
6.1 Service Users, Patients and Communities:	None
6.2 Human Resources and Organisational Development:	None
6.3 Equality, Diversity and Human Rights:	None
6.4 Legal:	None
6.5 Finance:	There are no financial implications arising from this report.
6.6 Assets and Property:	None
6.7 ICT and new technologies:	None
6.8 Environmental:	None
6.9 Risk Management:	There are no significant issues in relation to the audited Annual Accounts. Deloitte's Annual Report on the 2017/18 audit was presented as a separate item on the agenda.
6.10 Policy and Delegated Authority:	Shetland's Integration Joint Board (IJB) was formally constituted on 27 June 2015 and operates in accordance with the approved Integration Scheme, Scheme of Administration, and the Financial Regulations. Regulations require that IJB Members consider the audited annual accounts and approve them for signature by 30 September 2018 and publish them no later than 31 October 2018.

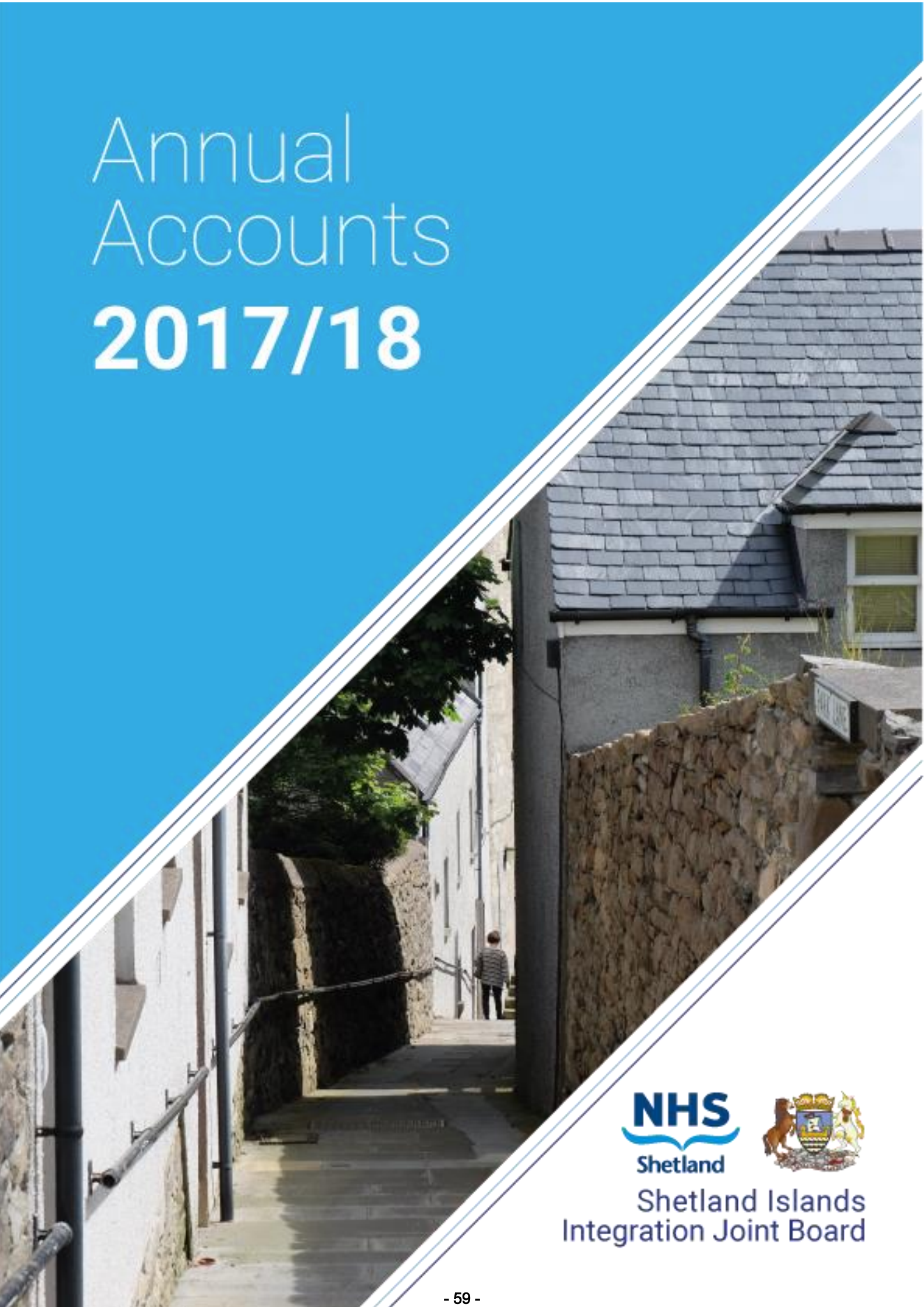
6.11 Previously considered by:	The proposals in this report have not been presented to any other committee or organisation.	

Contact Details:
Karl Williamson, Chief Financial Officer, karlwilliamson@nhs.net
4 September 2018

Appendices:

Appendix 1 – Shetland Health and Social Care Partnership Audited Annual Accounts 2017/18
Appendix 2 - Management representation letter

Annual Accounts 2017/18



NHS Shetland

Shetland Islands Integration Joint Board

Contents

Introduction

The Shetland Islands Health and Social Care Partnership (Integration Joint Board) is a body corporate, established by Parliamentary Order under section 9 of the Public Bodies (Joint Working) (Scotland) Act 2014, on 27 June 2015.

The Parties:

Shetland Islands Council ("the Council" or "SIC"), established under the Local Government etc. (Scotland) Act 1994.

Shetland Health Board ("the Health Board" or "NHS Shetland" or "NHSS"), established under section 2(1) of the National Health Service (Scotland) Act 1978 (operating as Shetland NHS Board).

The Parties agreed the Integration Scheme of Shetland Islands Health and Social Care Partnership, which sets out the delegation of functions by the Parties to the Integration Joint Board.

The Shetland Health and Social Care Partnership Members for 2017/18 were as follows:

Voting Members:

- Mr C Smith (Chairperson - SIC) – Resigned 4 May 2017
- Mr A Duncan (Vice Chairperson – SIC)
- Ms E MacDonald (SIC) – Appointed 18 May 2017
- Ms Shona Manson (NHSS) – Appointed 6 September 2017
- Ms Natasha Cornick (NHSS) – Appointed 6 September 2017
- Mrs M Williamson (Chairperson - NHSS)
- Mr R McGregor (SIC) – Appointed 17 January 2018
- Mrs E Watson (NHSS) – Temporary voting membership ended 6 September 2017
- Mr M Burgess (SIC) – Resigned 9 January 2018
- Mr T Morton (NHSS) – Resigned July 2017

Non-Voting Members:

- Mr S Bokor-Ingram (Chief Officer)
- Mrs M Nicolson (Chief Social Work Officer)
- Mr K Williamson (Chief Financial Officer)
- Mr J Guyan (Carers' Representative) – appointed 22 February 2018
- Dr S Bowie (GP Representative)
- Mrs E Watson (Lead Nurse for the Community)
- Ms S Gens (Staff Representative)
- Mrs C Hughson (Third Sector Representative)
- Ms M Gemmill (Patient / Service User Representative) – Appointed 22 February 2018
- Mr I Sandilands (Staff Representative)
- Mr J Unsworth (Senior Consultant: Local Acute Sector) - Resigned 9 August 2017 (currently vacant)
- Ms K Carolan (Lead Nurse for the Community) – Resigned 6 September 2017

Post Year End Changes to Voting Membership

Since 1 April 2018 there have been no further changes to membership.

Management Commentary

The purpose of the Management Commentary is to inform all users of these Accounts and help them to understand the most significant aspects of Shetland Islands Health and Social Care Partnership's financial performance for the year to 31 March 2018 ("period", "year") and its financial position as at 31 March 2018.

Background

Integration of health and social care is the Scottish Government's ambitious programme of reform to improve services for people who use health and social care services. Integration will ensure that health and social care provision across Scotland is joined-up and seamless, especially for people with long-term conditions and disabilities, many of whom are older people.

The Public Bodies (Joint Working) (Scotland) Act was granted royal assent on 1 April 2014. SIC and the Board of NHSS, took the decision that the model of integration of health and social care services in Shetland would be the Body Corporate, known as an Integrated Joint Board (IJB).

Under the Body Corporate model, NHSS and SIC delegate the responsibility for planning and resourcing service provision of adult health and social care services to the IJB.

As a separate legal entity, the IJB has full autonomy and capacity to act on its own behalf and can make decisions about the exercise of its functions and responsibilities as it sees fit.

The IJB is responsible for the strategic planning of the functions delegated to it by SIC and NHSS and for the preparation of the Strategic Plan. The Strategic Plan specifies the services to be delivered by the Parties. The IJB is also responsible for ensuring the delivery of its functions through the locally agreed operational arrangements set out within its Integration Scheme, which can be found at; http://www.shetland.gov.uk/Health_Social_Care_Integration/documents/SHSCPartnershipIntegrationScheme15May2015_000.pdf

The practical application of the Integration Scheme is managed and administered in accordance with the Financial Regulations, Standing Orders and Scheme of Administration of the Parties, as amended to meet the requirements of the Act.
The IJB approved its Strategic Commissioning Plan 2017 -2020 on 10 March 2017.

Purpose and Objectives

The main purpose of integration is to improve the wellbeing of people who use health and social care services, particularly those whose needs are complex and involve support from health and social care at the same time. The Integration Scheme is intended to achieve the National Health and Wellbeing Outcomes prescribed by the Scottish Ministers in Regulations under section 5(1) of the Act; as follows:

National Health and Wellbeing Outcomes

1. People are able to look after and improve their own health and wellbeing and live in good health for longer.
2. People, including those with disabilities or long-term conditions or who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.
3. People who use health and social care services have positive experiences of those services, and have their dignity respected.
4. Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.
5. Health and social care services contribute to reducing health inequalities.
6. People who provide unpaid care are supported to look after their own health and wellbeing, including reducing any negative impact of their caring role on their own health and wellbeing.
7. People using health and social care services are safe from harm.
8. People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.
9. Resources are used effectively and efficiently in the provision of health and social care.

In its Strategic Commissioning Plan 2017-2020 the IJB set out its vision for health and care services in Shetland.

Our vision is that by 2020 everyone in Shetland is able to live longer healthier lives, at home or in a homely setting. We will have an integrated health and care system focused on prevention, supported self-management and reducing health inequalities. We will focus on supporting people to be at home or in their community with as much specialist care provided in Shetland and as close to home as possible. Care will be provided to the highest standards of quality and safety, with the person at the centre of all decisions.

The IJB approved the Shetland Partnership Plan 2018-2028 – the Local Outcomes Improvement Plan (LOIP) on 20 June 2018, agreeing to prioritise resources in the annual budgeting process to improve local outcomes.

The Shetland Partnership is the Community Planning Partnership (CPP) for Shetland and is made up of a wide range of partners and community bodies. The IJB has a statutory duty to be involved in community planning.

The shared priorities of the LOIP are:

People – Individuals and families can thrive and reach their full potential
Participation – People can participate and influence decisions on services and use of resources
Place – Shetland is an attractive place to live, work and invest
Money – All households can afford to have a good standard of living

The focus for the IJB with regard to delivery of the LOIP outcomes will be 'People' and 'Participation' with specific focus on;

Tackling alcohol misuse
Healthy weight and physical activity
Low income/poverty
Satisfaction with public services
People's ability to influence and be involved in decisions which affect them.

Key Performance Indicators

The Scottish Government has asked all partnerships, to pay particular attention to the following indicators:

Unplanned admissions
Occupied bed days for unscheduled care
A&E performance
Delayed discharges
End of life care; and
The balance of spend across institutional and community services

The table below provides detail of our performance against these key performance indicators.

Performance Indicator	Shetland Actual 2017/18*	Shetland Actual 2016/17	Scotland Actual 2016/17
Rate of emergency admissions for adults (per 100,000 population)	N/A	10,011	12,294
Rate of emergency bed days for adults (per 100,000 of population)	N/A	72,509	125,634
Readmission to hospital within 28 days of discharge (per 1,000 population)	N/A	69	100
Proportion of last 6 months of life spent at home or in community setting	96%	94%	87%
A&E Performance (seen within 4 hrs)	96.5%	96%	89%
Delayed discharge bed days (per 1,000 of population)	N/A	528	842
Percentage of adults with intensive needs receiving care at home	N/A	74%	61%

*data not yet available is denoted N/A.

The financial performance of the IJB is explained in detail below in the Financial Review section. During the year the Board had a Recovery Plan in place to monitor efficiency savings required.

Financial Performance Indicator	2017/18	2016/17
Percentage of Recovery Plan savings target achieved in year	37%	50%
Percentage of recurrent savings achieved against Recovery Plan savings target in year	30%	13%

Operational Review

In 2017/18 the IJB set out to put in place arrangements to improve services through a range of initiatives and activities, building on work from previous years.

The IJB oversaw several strategic initiatives which will further develop and improve services in the areas of:

- The extension of the work of the Intermediate Care Team to deliver good outcomes for people moving from a period in hospital back to their home, or a community setting;
- Autism Spectrum Disorder, through the approval of a new Strategy from 2016-2021; and
- Falls Prevention, through approval to utilise IJB Reserve over the next three years to extend the reach of the pilot project into all areas of Shetland.

The IJB also continued to improve the documents which guides the way in which it works and takes good decisions. During the year, the IJB:

- Formalised its approach to 'Directions', which is the term used for the mechanism by which the IJB passes operational delivery instruction to its service delivery partners, NHSS and SIC, in order to action its Strategic Commissioning Plan;
- Agreed the Market Facilitation Strategy, which sets out how the IJB will interact and support the work of the third sector, and others, in helping to deliver good health and care outcomes; and
- Agreed a Protocol to support joint working between the NHSS and SIC to help staff work in a more integrated way and help our services users to receive a seamless service.

Some key service changes that have happened, or continued in the year, include:

- The work to review and redesign our mental health service. The overall project aims to ensure people who required services achieve better outcomes, making best use of overall resources;
- The Criminal Justice Service has continued to support the development of the local Community Justice Partnership;
- Implementing Government direction to move dental services towards independent NHS providers with the objective to increase registration figures;
- A review of services for adults with learning disabilities and autism started last year with an audit of the service by a Scottish university. The review will continue during 2018/19 to redesign services to ensure that the people who need these services obtain better outcomes and that we achieve fair and equal access to services and resources; and
- Investment in community pharmacists has enabled reviews to be done with patients who have complex or multiple prescriptions to make sure their medicines are well managed.

Shetland continues to perform well against peer group comparators and the Scottish average. For example:

- We achieved the highest proportion in Scotland – at 95.6% - of people spending the last six months of their life at home, or in a community setting.

Some areas worth highlighting are:

- The number of people using Self-Directed Support Options 1 and 2 to meet their support needs has doubled going from 2% (of those using all social care) in 2014/15 to 4% in 2017/18;
- During 2017/18, 34% of Adults with a Learning Disability were in some form of employment – the highest in Scotland – and 22% of people with learning disabilities have undertaken some form of further education;
- The percentage of the adult population who are registered with Shetland dentists for NHS dental care gradually increased from 80% in 2015/16 to 85% in 2016/17 and 88% in 2017/18; and
- We enabled 59 people to continue to live safely in their own home through intensive care at home provision each week, a small reduction on the previous year.

The operational management team had a continued challenge in the year to find further efficiencies within the IJB budgets due to the known efficiency savings required in the NHSS delegated budget. Further details in respect of these efficiency savings and their continued impact are contained in the Significant Budget Variances section at page 7.

Further detail on operational performance can be found in the IJB Annual Performance Report 2017/18 at:
(link to be updated once approved by Board)

Primary Financial Statements

The Financial Statements detail Shetland Health and Social Care Partnership's transactions for the year and its year-end position as at 31 March 2018. The Financial Statements are prepared in accordance with the International Accounting Standards Board (IASB) Framework for the Preparation and Presentation of Financial Statements (IASB Framework) as interpreted by the Code of Practice on Local Authority Accounting in the United Kingdom.
A description of the purpose of the primary statements has been included immediately prior to each of the financial statements: The Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement and the Balance Sheet. These Statements are accompanied by Notes to the Accounts which set out the Accounting Policies adopted by the Partnership and provide more detailed analysis of the figures disclosed on the face of the primary financial statements.

No Cashflow Statement is required as the IJB does not operate a bank account or hold cash.

The primary financial statements and notes to the accounts, including the accounting policies, form the relevant financial statements for the purpose of the auditor's certificate and opinion. The remuneration of the Chief Officer of the Partnership is disclosed in the Remuneration Report.

Financial Review

The Joint Strategic (Commissioning) Plan 2017-2020, agreed by IJB members on 10 March 2017, sets out the functions that have been delegated by the Parties and the associated indicative budgets for 2017/18.

At its meeting on 10 March 2017 the IJB noted its 2017/18 budget. These budget figures were later used in the IJB Directions issued to the Parties following their approval on 19 December 2017. Subsequently, budget revisions have been made during the year for additional funding allocations and application of contingency and cost pressure budgets with a total budget delegated from the IJB to the Parties of £44.222m (£43.450m 2016/17).

The purpose of the Financial Statements is to present a public statement on the stewardship of funds for the benefit of both Members of the IJB and the public. The IJB is funded by SIC and NHSS.

The Comprehensive Income and Expenditure Statement presents the full economic cost of providing the Board's services in 2017/18.

For the year-ended 31 March 2018, the IJB generated a surplus of £0.239m (£0.125m 2016/17), after adjustment has been made for fortuitous underspend repaid to SIC and additional contribution made by NHSS.

The Integration Scheme states that where there is a planned, forecast underspend on an element of the operational budget due to agreed changes in line with the Strategic Plan, this will be retained by the IJB to either fund other service areas in-year in line with the Strategic Plan or be carried forward to fund services in subsequent years of the Strategic Plan. However, any windfall under spend will be returned to SIC and/or NHSS in line with the budget allocation for the year.

The surplus of £0.239m represents the underspend in the year of Scottish Government Additionality Funding allocations agreed by the IJB to each of the Parties. This funding will be carried forward and the IJB can then make decisions on how best it can be utilised to further its objectives, in line with its Strategic Plan.

The outturn position at 31 March 2018 is an overall deficit against budget of £2.392m (2016/17: £0.939m), which represents an underspend in relation to services commissioned from SIC of £0.446m (underspend £0.414m 2016/17) and an overspend in relation to services

commissioned from NHSS of £2.838m (overspend £1.353m 2016/17). The £2.392m deficit (which includes 'set aside budget") is detailed in Row 3 in the following table.

Financial Transactions 2017/18

		SIC £000	NHSS £000	Total £000
1	Budgets delegated to the Parties from the IJB	22,154	22,068	44,222
2	Contribution from the Parties to the IJB (against delegated budgets)	(21,708)	(24,906)	(46,614)
2	Surplus/(Deficit)	446	(2,838)	(2,392)
3	Additional contributions from Parties to meet IJB Direct Costs	(14)	(14)	(28)
3	IJB Direct Costs (Audit fee, Insurance & Members Expenses)	14	14	28
4	Fortuitous underspend repaid to SIC	(310)	0	(310)
4	Additional contribution from NHS to IJB to meet overspend	0	2,941	2,941
5	Final Surplus/(Deficit) of IJB	136	103	239

Significant Budget Variances

Mental Health: overspend of £173k

The overspend relates mainly to the cost plus flights and accommodation for a Consultant Mental Health locum in the year (£312k). A Consultant Psychiatrist has now been appointed but it is likely locum costs will continue until June 2018 to cover another staffing issue in the service. This is partially off-set by an underspend due to vacant community psychiatric nurse posts in the year.

Primary Care: overspend of £821k

The overspend relates mainly to the use of locum General Practitioners during the year in Health Centres where it was not possible to fill vacant posts, with notable overspend against budgets at, Bixter (£101k), Whalsay (£92k), Yell (£145k), Unst (£103k), Brae (£44k) and Walls (£55k). There was also a further overspend as a result of in-year cost pressure following the TUPE transfer of staff at the Scalloway Practice (£190k).

Recruitment to vacant posts is an ongoing challenge but there has been successful recruitment to several posts following the year-end. All GP vacancies at Lerwick Health Centre will be filled from 1 September 2018 and the vacancy at Bixter will be filled from early January 2019. There are also ongoing discussions with several GPs regarding other vacancies in Shetland which will hopefully bear fruit and further assist in reducing locum costs. In addition, the GP Training scheme based in Lerwick Health Centre is continuing to bring GP trainees to Shetland, two of whom have accepted substantive positions in Shetland.

The shared priorities of the LOIP include the objective to attract people to live, work and invest in Shetland.

Directorate: underspend of £422k

The underspend relates mainly to:

- Inability to spend the 2016/17 SIC Carry-Forward Funding (available as one-off additional budget allocation in 2017/18 as per the SIC Budget Carry Forward Scheme) due to delays in getting projects and recruitment underway, £129k;
- The SIC Training budget for Community Health and Social Care has been held centrally within the Directorate, but costs were applied across the service areas. This means the Directorate shows an underspend of £128k in this regard, however this has been fully spent under service headings; and
- The reversal in 2017/18 of a GP on-call accrual from the prior year to account for the overestimation of this liability in 2016/17, £104k.

Adult Social Work: underspend of £123k

The underspend in Adult Social Work is mainly due to the impact of maternity leave not back-filled, a vacant post within the Admin Team and the impact of staff who are new to posts starting on a lower grade than budgeted, creating a combined employee cost underspend of £96k.

Community Care Resources: overspend of £305k

The overspend relates mainly to:

- Employee costs budgets in many of the care homes have been overspent this year (£187k), notably Edward Thomason House (£92k) and Wastview (£93k) due to long-term staff sickness. This has been off-set by smaller projected underspending in employee costs at Overtonlea, Isleshavn and Nordalea, totalling £66k, as a result of less demand for care at home services at times allowing these staff to be used to back-fill residential shift, avoiding the use of relief staff. Difficulty in recruiting staff has led to temporary bed closures during the year at both Wastview and Isleshavn, which has also impacted on staffing costs;
- There was an underspend in employee costs at Care at Home Central of £151k, due to vacant posts which have proved difficult to recruit to. Demand for care at home services have been less than budgeted during the year, but the vacancies have led to some unmet need, particularly in home help services;
- As a result of recruitment difficulties and the significant sickness levels in areas of Community Care Resources during the year it has been necessary to engage agency staff at the additional cost of £198k; and
- There was an underachievement of Board and Accommodation income in the year (£69k). Charging income can vary significantly dependent on the financial circumstances of those receiving care but new Carers legislation also requires that charges are waived where the care is for the benefit of the carer, rather than the person receiving care. Charges are also waived for periods of re-ablement and palliative care.

Recruitment and retention of staff continues to be difficult, however the Modern Apprenticeship programme has encouraged people to take up social care work and the SIC also supports the vocational programme in social care run by the Anderson High School which aims to encourage school pupils to take up social care roles.

The biggest challenge is recruiting and retaining in more remote communities. The shared priorities of the LOIP include attracting people to live and work in Shetland, recognising that the population of Shetland is ageing at a faster rate than the rest of Scotland. Through locality planning the unique challenges of remote areas will also be addressed.

The use of Agency staff has continued into 2018/19, to ensure the safe delivery of care services.

Unscheduled Care: overspend of £558k

The overspend in Unscheduled Care relates mainly to;

- The cost of medical consultant locums (£314k) and junior doctor locums (£80k) being required to maintain the 1 in 4 rota.
- An overspend in employee costs in Ward 3, due to a lack of vacant posts into which the staff redeployed following the closure of Ronas Ward could be transferred (£92k).

Recruitment to consultant and junior doctor posts actively continues, working closely with the Deanery, Universities and NHS Education for Scotland to look at ways in which training can be developed to support remote and rural practice and encourage doctors to take up posts in Shetland.

The challenge of filling junior doctor vacancies and ensuring rotas are compliant with current guidance and legislation is affecting Scotland as a whole, not only Shetland. Alternative models for delivering out of hours care are being considered as a means of providing more sustainability.

The IJB is focused on preventative work that can be done to reduce the need for unscheduled care. The local target to develop anticipatory care plans has been exceeded (2017/18 target 700 – Actual 1,119), allowing for better planning of the care required for those with long-term conditions or in need of palliative care.
The IJB has also agreed continued investment to roll out its Falls Prevention Programme throughout Shetland.

The IJB has utilised additional funding provided by the Scottish Government since it was established to develop the Intermediate Care Team. The team comprises a combination of nursing staff, occupational therapists and rehabilitation workers who work closely with colleagues across health and social care services to support individuals to:

- Remain at home, avoiding unnecessary admission to hospital or care centre;
- Return to home from a hospital admission; or
- Return home from a care home interim placement.

Work will continue in 2018/19 to promote the role of the Intermediate Care Team more widely and expand provision across the Shetland.

Scottish Government Additionality Funding: underspend of £239k

The Scottish Government allocated £250m of funding nationally in 2016/17 to the health and social care partnerships to support the delivery of improved outcomes in social care, help drive the shift toward prevention and further strengthen its approach to tackling inequalities. Shetland Health and Social Care Partnership was allocated £1.024m of this funding.
In 2017/18, the Scottish Government agreed the 2016/17 funding allocation would be continuing and made a further national allocation of funding for Social Care of £110m. Shetland Health and Social Care Partnership was allocated £450k.

As per Scottish Government guidance, £852k of the funding was provided to help meet a range of existing costs faced by local authorities in the delivery of effective and high quality health and social care services in the context of reducing budgets. The remaining £622k was available to support integration projects and the IJB agreed it would be used as follows:

- Support for increased demand for Self-Directed Support packages - £348k;
- Recruitment of 2 therapist posts for the Re-ablement Programme in Care Homes - £86k; and
- Funding for Hospital Discharge Liaison Staff - £78k;
- Support the costs associated with providing an enhanced Intermediate Care Team - £80k; and
- Implementation of Carers Legislation - £30k.

The IJB recognises an underspend in this funding of £239k, due to less demand for Self-Directed Support packages than anticipated in year, £136k, delays in recruitment of staffing in relation to the Re-ablement Programme in Care Homes, £46k, and underspend in employee costs due to vacant posts within the Intermediate Care Team during the year, £57k.

Integrated Care Funding: Underspend £47k

The Integrated Care Fund (ICF) was provided by the Scottish Government in 2016/17 to help Health and Social Care Partnerships to support investment in integrated services. In March 2015, the Cabinet Secretary for Health, Wellbeing and Sport announced that an additional £100m would be made available to Health and Social Care Partnerships through the ICF in each of the financial years 2016/17 and 2017/18.

The Shetland IJB funding allocation for 2017/18 was £410k. The plan for use of this funding was developed alongside the work on the Joint Strategic (Commissioning) Plan 2017– 2020. It was hoped to continue building the capabilities to shift the balance of care further to community settings, with support to people to maintain and enhance independence seen as key to enhancing people's lives, whilst maintaining service provision for those that most need it in the face of diminishing resources.

There is an underspend in this funding of £47k, as a result of vacant posts within the Intermediate Care Team during the year. This

underspend has been retained by NHSS as part of its core funding allocation.

Efficiency Target: Overspend £1.605m

A Recovery Plan of £2.529m was put in place by the IJB to address the efficiency savings required within the NHS budgets for directly managed and set-aside services. As at 31 March 2018, there was an underachievement of £1.605m against the Recovery Plan.

Of the £924k savings achieved, £745k represented recurring savings and £179k were non-recurrent.

NHSS have rolled forward their unachieved savings from 2017/18 and combined this with their 2018/19 savings target. In March 2018, the IJB Board noted that that gap between the current service models and available NHSS funding for 2018/19 is £2.077m in respect of functions delegated to the IJB and agreed to work urgently with NHSS to develop plans to deliver financial balance and develop long term sustainable and affordable health services.

NHSS began a Scenario Planning exercise in January 2018 to look at alternative models for the delivery of health and social care service in Shetland. The exercise recognises that identifying and implementing savings and efficiency targets is increasingly challenging and aims to take a whole system approach to establish a best value, safe and sustainable model which can inform the development of the Strategic Plan for 2019-2022 and beyond.

The Balance Sheet as at 31 March 2018

The IJB carried a General Reserve of £125k as at 1 April 2017. This reserve was created from an underspend in the Scottish Government Additionality Funding in 2016/17. Further underspending in the Scottish Additionality Funding in 2017/18 of £239k has been added to this Reserve, leaving a closing General Reserve balance as at 31 March 2018 of £364k.

2018/19 Budget and Medium Term Financial Outlook

The IJB Board noted the funding allocations by SIC and NHSS for 2018/19 in respect of the functions delegated to them on 22 February 2018, with revisions on 8 March 2018. The allocations were £21.807m and £23.342m respectively (Total £44.149).

General Reserve of £0.364m, generated from underspend in Scottish Additionality Funding in previous years is also available to support the strategic objectives of the IJB

The IJB recognises that there is an overall funding gap of £2.277m (£0.2m – SIC and £2.077m - NHSS) against the 2018-19 delegated budgets.

SIC have a timetable established to look at the review and redesign of its mental health support services, provided from Annsbrae. It is hoped that this review can generate savings of £200k with implementation estimated to start in February 2019.

NHSS continue to look at the redesign of services to find efficiency savings in their budget. Scenario planning is being use to enable them to think about future service delivery in a structured way. Recurring savings will be sought wherever possible, but realistically non-recurring savings will also be required in-year to meet the funding gap of £2.077m in 2018/19.

A Financial Recovery Plan will continue to be required in 2018/19 to address the efficiency savings required by both NHSS and SIC and regular updates on the Recovery Plan will be presented as part of the quarterly financial monitoring reports prepared by the Chief Financial Officer for the Board.

The Shetland IJB, like many others, faces significant financial challenges and is required to operate within tight fiscal constraints for the foreseeable future due to the continuing difficult national economic outlook and increasing demand for services. Additional funding for Health and Social Care Partnerships, as detailed above, was made available from the Scottish Government. Despite this additional funding, pressure continues on public sector expenditure

at a UK and Scottish level with further reductions in government funding predicted in 2019/20.

Medium term financial planning for the IJB is difficult as Scottish Government funding settlements for both Partners have been made on one-year basis in recent years.

Principle Risks and Uncertainties

The key risks for the IJB in 2018/19 are: Continued staffing vacancies across IJB services, with difficulty in recruiting to both health and care roles, resulting in significant expenditure on locum costs.

Failure to deliver recurring efficiency savings through service redesign proposals leaving a funding gap for the IJB.

The continued need to make efficiency savings hindering the future development of services. The IJB will need to manage immediate cost pressures and any planned investment in services within available budgets.

In order to maintain financial balance significant changes in current practise or service models may be required. It is important that proposals are evidence based on current and emerging best practice and represent the optimum balance between cost, quality and safety.

Limited digital connectivity due to remote location, restricting the potential for use of information technology in service delivery.

Acknowledgement

We would like to acknowledge the significant effort of all the staff across the IJB who contributed to the preparation of the Annual Accounts and to the budget managers and support staff who have ensured delivery of the outcomes of the Strategic Plan within the financial resources available to the IJB for the year ended 31 March 2018.

.....

Simon Bokor-Ingram
Chief Officer
21 September 2018

……...

Marjorie Williamson
Chair
21 September 2018

……...

Karl Williamson
Chief Financial Officer
21 September 2018

Annual Governance Statement

Introduction

The Annual Governance Statement explains the IJB's governance arrangements and reports on the effectiveness of the IJB's system of internal control.

Scope of Responsibility

The IJB is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The IJB also aims to foster a culture of continuous improvement in the performance of the IJB's functions and to make arrangements to secure Best Value.

In discharging these responsibilities, the Chief Officer has a reliance on the systems of internal control of both NHSS and SIC that support compliance with both organisations' policies and promote achievement of each organisation's aims and objectives, as well as those of the IJB.

The IJB has adopted a Local Code of Corporate Governance ("the Local Code") consistent where appropriate with the six principles of CIPFA and the Society of Local Authority Chief Executives (SOLACE) framework "*Delivering Good Governance in Local Government*". This statement explains how the IJB has complied with the Local Code and also meets the Code of Practice on Local Authority Accounting in the UK, which details the requirement for an Annual Governance Statement.

Purpose of Internal Control

The system of internal control is based on an ongoing process designed to identify, prioritise and manage the risks facing the organisation. The system aims to evaluate the nature and extent of failure to achieve the organisation's policies, aims and objectives and to manage risks efficiently, effectively and economically. As such it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control has been in place at the IJB for the financial year ended 31 March 2018 and up to the date of the approval of the Annual Accounts.

The Governance Framework and Internal Control System

The Board of the IJB comprises the Chair and five Members with voting rights; three are SIC Members appointed by the Council and three are Non-Executive Directors appointed by the Scottish Government to the NHSS Board. The IJB via a process of delegation from NHSS and SIC has responsibility for the planning, resourcing and oversight of operational delivery of all integrated health and social care within its geographical area through its Chief Officer. The IJB also has strategic planning responsibilities for a range of acute health services for which the budget is "set aside".

The main features of the IJB's system of internal control are summarised below.

- The overarching strategic vision and objectives of the IJB are detailed in the IJB's Integration Scheme which sets out the key outcomes the IJB is committed to delivering through SIC and NHSS as set out in the IJB's Strategic Plan and Annual Accounts.
- Services are able to demonstrate how their own activities link to the IJB's vision and priorities through their Improvement Plans and Service Plans.
- Performance management, monitoring of service delivery and financial governance is provided through quarterly reports to the IJB as part of the Planning and Performance Management Framework. Quarterly reports include financial monitoring of the integrated budget and the "set aside" budget, the IJB Risk Registers, performance against national outcome measures, local outcome measures and service development projects. The IJB also receives regular reports from the joint Council, Health Board and IJB Clinical, Care and Professional Governance Committee and the IJB Audit Committee.
- The Participation and Engagement Strategy sets out the IJB's approach to engaging with stakeholders. Consultation on the future vision and activities of the IJB is undertaken collaboratively with SIC and NHSS and through existing community planning networks. The IJB publishes information

about its performance regularly as part of its public performance reporting.

- The IJB operates within an established procedural framework. The roles and responsibilities of Board Members and officers are defined within Standing Orders, Scheme of Administration and Financial Regulations; these are subject to regular review.
- Effective scrutiny and service improvement activities are supported by the formal submission of reports, findings and recommendations by Audit Scotland, the external auditors, national inspection agencies and the appointed Internal Audit service to the IJB's Senior Management Team, to the IJB and the main Board and Audit Committee.
- The IJB follows the principles set out in COSLA's *Code of Guidance on Funding External Bodies and Following the Public Pound* for both resources delegated to the Partnership by NHSS and SIC and resources paid to its SIC and NHSS Partners.
- Responsibility for maintaining and operating an effective system of internal financial control rests with the Chief Financial Officer. The system of internal financial control is based on a framework of regular management information, Financial Regulations and Standing Financial Instructions, administrative procedures (including segregation of duties), management and supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the IJB.
- The IJB's approach to risk management is set out in the Integration Scheme and IJB Risk Management Strategy. Reports on risk management are considered regularly by the Health and Social Care Management Team with quarterly reporting on the IJB Risk Registers to the IJB Board and an annual report to the IJB Audit Committee.
- IJB Board Members observe and comply with the Nolan Seven Principles of Public Life. Comprehensive arrangements are in place to ensure IJB Board Members and officers are supported by appropriate training and development.
- Staff of both NHSS and SIC are made aware of their obligations to protect client, patient and staff data. The NHS Scotland *Code of Practice on Protecting Patient Confidentiality* has been issued to all NHSS staff working in IJB directed services and all staff employed by SIC working in IJB directed services have been issued with the SSSC Codes of Practice.

Review of Adequacy and Effectiveness

The IJB has responsibility for conducting at least annually, a review of effectiveness of the system of internal control and the quality of data used throughout the organisation. The review is informed by the work of the Service Managers within SIC and NHSS (who have responsibility for the development and maintenance of the internal control framework environment), the work of the internal auditors, the Chief Internal Auditor's annual report, and reports from external auditors and other review agencies and inspectorates.

The review of the IJB's governance framework is supported by a process of self-assessment and assurance certification by Directors within SIC and NHSS. The IJB directs SIC and NHSS to provide services on its behalf and does not provide services directly. Therefore, the review of the effectiveness of the governance arrangements and systems of internal control within the IJB places reliance upon the individual bodies' management assurances in relation to the soundness of their systems of internal control.

There were four changes to the voting membership of the IJB Board during the year, which is a high turnover, however this was mainly due changes in the NHSS Board and SIC elections. While this is not ideal, the resignation of Members is not considered a significant issue. Induction and training has been provided to the new voting Members to ensure they undertake and understand their roles and responsibilities in respect of the governance of the IJB.

There was one significant internal control issue identified by the 2017/18 Internal Audit Report. The key area of concern remains focused on the carried forward funding gap and ongoing Savings and Efficiency targets. The 2017/18 Financial Recovery Plan did not succeed in achieving the IJBs aspiration to "develop a Strategic Commissioning Plan which minimises, or ideally eliminates, the need for a Financial Recovery Plan in 2017/18. The shortfall in achieving the

2017/18 Recovery Plan was £1.605m which was met by NHSS from non-recurrent savings.

Given that the Recovery Plan has not been successful in both 2016/17 and 2017/18 it is vital that lessons are learned and that progress is made during 2018/19.

It is important that innovation and redesign of services is a whole system approach. The Scenario planning exercise being led by NHS Shetland is an attempt to make longer-term sustainable change. The IJB has a key role in ensuring that services remain effective and safe, and of a high quality, as redesign is enacted. There will be regular updates on progress from Scenario Planning and the translation to implementation, along with regular reporting on the financial consequences and how the IJB is moving to a longer-term sustainable position.

In addition to the significant internal control issue above there have been a high number of resignations from the IJB over the last two years which initially raised concern regarding continuity of leadership. We are satisfied that the high level of turnover does not indicate any underlying issues and that membership is now expected to remain relatively constant. Resignations were primarily due to changes in Council members following local elections and natural rotation in NHS Shetland's non-executive directors.

Roles and Responsibilities of the Audit Committee and Chief Internal Auditor

IJB Members and officers of the IJB are committed to the concept of sound internal control and the effective delivery of IJB services. The IJB's Audit Committee operates in accordance with CIPFA's Audit Committee Principles in Local Authorities in Scotland and Audit Committees: Practical Guidance for Local Authorities.

The Audit Committee performs a scrutiny role in relation to the application of CIPFA's Public Sector Internal Audit Standards 2013 (PSIAS) and reviews the performance of the IJB's Internal Audit Service. The appointed Chief Internal Auditor has responsibility to review independently and report to the Audit Committee annually, to provide assurance on the adequacy and effectiveness of the IJB's system of internal control.

The internal audit service undertakes an annual programme of work, approved by the Audit Committee, based on a strategic risk assessment. The appointed Chief Internal Auditor provides an independent opinion on the adequacy and effectiveness of internal control.

The work undertaken for 2017/18 focused on the Financial Recovery Plan, the Strategic Priority Projects and the IJB's Performance Reporting requirements. The Chief Internal Auditor has also conducted a review of all relevant NHSS Internal Audit reports issued in the financial year by Scott Moncrieff.

On the basis of the audit work undertaken during the reporting period, the Chief Internal Auditor is able to conclude that a reasonable level of assurance can be given that the system of internal control is operating effectively within the organisation.

Compliance with Best Practice

The IJB complies with the CIPFA Statement on "*The Role of the Chief Financial Officer in Local Government 2010*". The IJB's Chief Finance Officer has overall responsibility for the IJB's financial arrangements and is professionally qualified and suitably experienced to lead the IJB's finance function and to direct finance staff in both partner organisations to ensure the effective financial management of the IJB. The Chief Financial Officer has direct access to the Director of Finance for NHSS and the Executive Manager – Finance for SIC to address financial issues and is a member of the Local Partnership Finance Team.

The Partnership complies with the requirements of the CIPFA Statement on "*The Role of the Head of Internal Audit in Public Organisations 2010*". The IJB's appointed Chief Internal Auditor has responsibility for the IJB's internal audit function and is professionally qualified and suitably experienced to lead and direct internal audit staff. The Internal Audit service operates in accordance with the CIPFA "*Public Sector Internal Audit Standards 2013*".

Internal Control Issues and Planned Actions

The IJB continues to recognise the need to exercise strong management arrangements to manage the pressures common to all public bodies. Regular reviews of the IJB's arrangements are undertaken by the appointed internal auditors and overall the IJB's arrangements are sound. The key area of concern is currently in relation to the 2017/18 Financial Recovery Plan. The Chief Officer has agreed action to address this governance issue and has provided assurance that the audit recommendations will be implemented.

Assurance

Subject to the above, and on the basis of assurances provided, we consider that the internal control environment operating during the reporting period provides reasonable and objective assurance that any significant risks impacting upon the achievement of our principal objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the internal control environment and action plans are in place to identify areas for improvement.

……...
Simon Bokor-Ingram
Chief officer
21 September 2018

……...
Marjorie Williamson
Chair
21 September 2018

Remuneration Report

Introduction

This Remuneration Report is provided in accordance with the Local Authority Accounts (Scotland) Regulations 2014. It discloses information relating to the remuneration and pension benefits of specified IJB members and staff.

The information in the tables below is subject to external audit. The explanatory text in the Remuneration Report is reviewed by the external auditors to ensure it is consistent with the financial statements.

Remuneration: IJB Chair and Vice Chair

The voting members of the Integration Joint Board shall comprise three persons appointed by NHSS, and three persons appointed by the SIC. Nomination of the IJB Chair and Vice Chair post holders alternates between a SIC Councillor and a Health Board representative.

The IJB does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. The Chair and Vice Chair did not receive any taxable expenses paid by the IJB in 2017/18 or 2016/17.

The IJB does not have responsibilities, in either the current year or in future years, for funding any pension entitlements of voting IJB members. Therefore, no pension rights disclosures are provided for the Chair or Vice Chair.

Remuneration: Officers of the IJB

The IJB does not directly employ any staff in its own right, however specific post-holding officers are non-voting members of the Board.

Chief Officer

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 a Chief Officer for the IJB has to be appointed and the employing partner has to formally second the officer to the IJB. The employment contract for the Chief Officer will adhere to the legislative and regulatory framework of the employing partner organisation. The remuneration terms of the Chief Officer's employment are approved by the IJB.

Other Officers

No other staff are appointed by the IJB under a similar legal regime and no other non-voting board members of the IJB meet the criteria for disclosure.

All Partnership officers are employed by either NHSS or SIC, and remuneration to senior staff is reported through the employing organisation.

The Chief Officer is employed by NHSS but this is a joint post with SIC, with 50% of his cost being recharged to the SIC. Performance appraisal and terms and conditions of service are in line with NHS Scotland circulars and continuity of service applies. Formal line management is provided through the Chief Executive, NHSS, but the Director of Community Health and Social Care is accountable to both the Chief Executive of NHSS and the Chief Executive of SIC.

The IJB approved the appointment of the Chief Financial Officer at its meeting on 20 July 2015. The role of Chief Financial Officer for the IJB is carried out by the NHSS Head of Finance & Procurement, Karl Williamson, with NHSS meeting his full cost.

Disclosure by Pay Bands

As required by the regulations, the following table shows the number of persons whose remuneration for the year was £50,000 or above, in bands of £5,000 (where bands are missing, values were nil for 2016/17 and 2017/18).

Remuneration Band	Number of Employees	
	2017/18	2016/17
£90,000 - £94,999	1	1
Total	**1**	**1**

Remuneration

The Chief Officer received the following remuneration during 2017/18:

Senior Employees	Designation	2017/18			2016/17
		Salary, Fees and Allowances £	Taxable Expenses £	Total Remuneration £	Total Remuneration £
Simon Bokor-Ingram	Chief Officer	93,698	0	93,698	92,432

Pension benefits

In respect of officers' pension benefits, the statutory liability for any future contributions to be made rests with the relevant employing partner organisation. On this basis, there is no pensions liability reflected on the IJB balance sheet for the Chief Officer or any other officers.

The IJB, however, has responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the IJB. The table below shows the IJB's funding during the year to support officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

The Chief Officer participates in the National Health Service Superannuation Scheme (Scotland). The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations.

Pension entitlement for the Chief Officer for the year to 31 March 2018 is shown in the table below, together with the contribution made to this pension by the employing body.

Name of Senior Official	Designation	In-Year Employer		Accrued Pension Benefits			
				As at 31 March 2018		Increase from 31	
		2017/18 £	2016/17 £	Pension £	Lump Sum £	Pension £	Lump Sum £
Simon Bokor-Ingram	Chief Officer	13,677	13,516	29,598	72,520	2,326	852

.....
Simon Bokor-Ingram
Chief Officer

21 September 2018

.....
Marjorie Williamson
Chair

21 September 2018

Statement of Responsibilities for the Annual Accounts

The Integration Joint Board's Responsibility

The Integration Joint Board is required to:

- make arrangements for the proper administration of its financial affairs and to secure that the proper officer has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this Integration Joint Board, the proper officer is the Chief Financial Officer;
- manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets;
- ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014) and, so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003); and
- approve the Annual Accounts for signature.

I can confirm that these Annual Accounts were approved for signature by the Integration Joint Board on 21 September 2018.

Signed on behalf of Shetland Islands Integration Joint Board.

……..
Marjorie Williamson
Chair
21 September 2018

The Chief Financial Officer's Responsibilities

The Chief Financial Officer is responsible for the preparation of the Board's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code).

In preparing the Annual Accounts, the Chief Financial Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the local authority Accounting Code (in so far as it is compatible with legislation).
- The Chief Financial Officer has also:
- kept adequate accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Annual Accounts give a true and fair view of the financial position of the Integration Joint Board at the reporting date and the transactions of the Integration Joint Board for the year ended 31 March 2018.

.....
Karl Williamson
Chief Financial Officer
21 September 2018

Independent auditor's report to the members of Shetland Islands Integration Joint Board and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the annual accounts of Shetland Islands Integration Joint Board for the year ended 31 March 2018 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 (the 2017/18 Code).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2017/18 Code of the state of affairs of the Shetland Islands Integration Joint Board as at 31 March 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2017/18 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Shetland Islands Integration Joint Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Financial Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Shetland Islands Integration Joint Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Chief Financial Officer and Shetland Islands Integration Joint Board for the financial statements

As explained more fully in the Statement of Responsibilities, the Chief Financial Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Shetland Islands Integration Joint Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

The Shetland Islands Integration Joint Board is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other information in the annual accounts

The Chief Financial Officer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report, and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with our audit of the financial statements, our responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

In our opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

In our opinion, based on the work undertaken in the course of the audit

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which we are required to report by exception

We are required by the Accounts Commission to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit; or
- there has been a failure to achieve a prescribed financial objective.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice approved by the Accounts Commission, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

……..
Pat Kenny, CPFA (for and on behalf of Deloitte LLP)
110 Queen Street,
Glasgow,
G1 3BX,
United Kingdom

21 September 2018

Comprehensive Income and Expenditure Statement for year ended 31 March 2018

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices (GAAP).

2016/17 Net Expenditure £000		Notes	2017/18 Gross Expenditure £000	2017/18 Gross Income £000	2017/18 Net Expenditure £000
24,838	Health Services	3	25,354		25,354
20,430	Social Care Services	3	21,708		21,708
25	Corporate Services	3	28		28
45,293	**Cost of Services**		**47,090**	**0**	**47,090**
(45,418)	Taxation and non-specific grant income	4		(47,329)	(47,329)
(125)	**(Surplus) / Deficit on Provision of Services**		**47,090**	**(47,329)**	**(239)**
(125)	**Total Comprehensive Income and Expenditure**				**(239)**

There are no statutory or presentation adjustments which affect the IJB's application of the funding received from partners. The movement in the General Fund balance is therefore solely due to the transactions shown in the Comprehensive Income and Expenditure Statement. Consequently, an Expenditure and Funding Analysis is not provided in these Annual Accounts.

Movement in Reserves Statement

This statement shows the movement in the year on the reserves held by the IJB.

2017/18	General Fund Balance £000	Total Reserves £000
Balance at 1 April 2017	**(125)**	**(125)**
Total Comprehensive Income	(239)	(239)
(Increase) / Decrease in 2017/18	**(239)**	**(239)**
Balance at 31 March 2018	**(364)**	**(364)**

Comparative movements in 2016/17	General Fund Balance £000	Total Reserves £000
Balance at 1 April 2016	**0**	**0**
Total Comprehensive Income and Expenditure	(125)	(125)
(Increase) / Decrease in 2016/17	**(125)**	**(125)**
Balance at 31 March 2017	**(125)**	**(125)**

Balance Sheet as at 31 March 2018

This shows the value as at the Balance Sheet date of the assets and liabilities recognised by the IJB. The net assets of the IJB (asset less liabilities) are matched by the reserves held.

As at 31 March 2017 (restated)* £000		Notes	As at 31 March 2018 £000
125	Other Current Assets	4	364
125	**Current Assets**		**364**
125	**Net Assets**		**364**
	Represented by:		
125	Usable Reserves		364
125	**Total Reserves**		**364**

*Details of the restatement due to change in accounting policy are disclosed in note 7.

The Annual Accounts presents a true and fair view of the financial position of the Integration Joint Board as at 31 March 2018 and its income and expenditure for the year then ended.

.....
Karl Williamson
Chief Financial Officer
21 September 2018

Notes to the Primary Financial Statements

Note 1: Accounting Standards issued Not Adopted

The Code requires the disclosure of information about accounting changes that will be required by new accounting standards that are not yet due to be adopted. There are none which are relevant to the IJB accounts.

Note 2: Events After the Reporting Period

The Annual Accounts were authorised for issue by the Chief Financial Officer on 21 September 2018. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2018, the figures in the financial statements and notes have been adjusted in all material respect to reflect the impact of this information.

Note 3: Taxation and Non-Specific Grant Income

2016/17 £000		2017/18 £000
19,552	Funding contribution from Shetland Islands Council	20,550
24,432	Funding contribution from NHS Shetland	24,895
1,434	Other Non-ringfenced grants and contributions	1,884
45,418	**Total**	**47,329**

The funding contribution from the NHS Board shown above includes £4.533m in respect of 'set aside' resources. These are provided by the NHS which retains responsibility for managing the costs of providing the services. The IJB has responsibility for the consumption of, and level of demand placed on, these resources.

Other non-ring fenced grants and contributions represents Scottish Government funding provided for the IJB, which is paid to the IJB via NHSS.

Note 4: Other Current Assets

As at 31 March 2017 (restated)* £000		As at 31 March 2018 £000
47	Shetland Islands Council	183
78	NHS Shetland	181
125	**Total**	**364**

*Details of the restatement due to change of accounting policy are disclosed in note 7.

Amounts owed by the funding partners are stated on a net basis. Creditor balances relating to expenditure obligations incurred by the funding partners but not yet settled in cash terms are offset against the funds they are holding on behalf of the IJB.

Note 5: Usable Reserve: General Fund

The IJB holds a balance on the General Fund for two main purposes:

- to earmark, or build up, funds which are to be used for specific purposes in the future, such as known or predicted future expenditure needs. This supports strategic financial management.
- to provide a contingency fund to cushion the impact of unexpected events or emergencies.

2016/17 £000	General Fund	2017/18 £000
0	**Balance at 1 April**	**(125)**
(125)	**Transfers in:** Scottish Government Additionality Funding Reserve	(239)
(125)	**Balance at 31 March**	**(364)**

Note 6: Related Party Transactions

The IJB has related party relationships with the SIC and NHSS. In particular, the nature of the partnership means that the IJB may influence, and be influenced by, its partners. The following

transactions and balance included in the IJB's accounts are presented to provide additional information on the relationships.

Transactions with Shetland Islands Council

2016/17 £000		2017/18 £000
(19,552)	Funding contributions due from Shetland Islands Council	(20,550)
20,430	Expenditure on services provided by Shetland Islands Council	21,708
878	**Total**	**1,158**

Balances with Shetland Islands Council

As at 31 March 2017 (restated)* £000		2017/18 £000
47	Amounts due from Shetland Islands Council	183
47	**Total**	**183**

*Details of the prior year adjustment are disclosed in note 7.

Transactions with NHS Shetland

2016/17 £000		2017/18 £000
(25,866)	Funding contributions due from NHS Shetland	(26,779)
24,838	Expenditure on services provided by NHS Shetland	25,354
(1,028)	**Total**	**(1,425)**

Balances with NHS Shetland

As at 31 March 2017 (restated)* £000		2017/18 £000
78	Amounts due from NHS Shetland	181
78	**Total**	**181**

*Details of the restatement due to change of accounting policy are disclosed in note 7.

The SIC and NHSS provide support services to the IJB. These costs are not recharged to the IJB.

The Scottish Government have the power to exert significant influence over the IJB through changes to legislation and funding.

Note 7: Change of Accounting Policy

During the Year, the IJB changed its accounting policy with respect to the treatment of debtors and creditors. The IJB previously recorded all income and expenditure from the funding partners as a debtor and a creditor at the year end. The accounting policy has been amended to record any underspend carried forward as an "other current asset", with any overspend being recorded as an "other current liability".

The IJB believes the new policy is a more accurate reflection of the status of the funds carried forward as these amounts are not owing to/from the IJB, rather funding can be used by them.

The impact of this voluntary change in accounting policy on the financial statements is primarily to reduce debtors and associated creditors, with the net impact on the Balance Sheet being £nil as detailed in the table below.

Balance Sheet	Short-term Debtors £000	Other Current Assets £000	Short-term Creditors £000	Net Assets £000
As At 31 March 2017	45,418	0	(45,293)	125
Impact of change of Accounting Policy	(45,418)	125	45,293	0
As Restated At 31 March 2017	**0**	**125**	**0**	**125**

Note 8: Summary of Significant Accounting Policies

A General Principles

The Annual Accounts summarise the IJB's transactions for the 2017/18 financial year and its position as at 31 March 2018.

The IJB was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Section 106 body as defined in the Local Government Act 1973 and as such is required to prepare its annual accounts in compliance with the Code of Practice on Accounting for Local Authorities in the United Kingdom, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the 2003 Act.

The accounting convention adopted in the financial statements is historical cost. The accounts have been prepared on a going concern basis, on the premise that its functions and services will continue in existence for the foreseeable future.

B Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, ie in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are made only when required by proper accounting practices, or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the IJB's financial position or financial performance.

Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

C Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not simply when settlement in cash occurs. In particular:

- Expenditure is recognised when goods or services are received and their benefits are used by the IJB;
- Income is recognised when the IJB has a right to the income, for instance by meeting any terms and conditions required to earn the income, and receipt of the income is probable;
- Where income and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the Balance Sheet;
- Any underspend of grant funding is held as another current asset for use in future years; and
- Where debts may not be received, the balance of debtors is written down.

D Funding

The IJB is primarily funded through funding contributions from the statutory funding partners, SIC and NHSS. Expenditure is incurred as the IJB commissions specified health and social care services from the funding partners for the benefit of service recipients in Shetland.

E Cash and Cash Equivalents

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partners. Consequently, the IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet. The funding balance due to or from each funding partner as at 31 March is represented as a debtor or creditor on the IJB's Balance Sheet.

F Employee Benefits

The IJB does not directly employ staff. Staff are formally employed by the funding partners who retain the liability for pension benefits payable in the future. The IJB therefore does not present a Pensions Liability on its Balance Sheet.

The IJB has a legal responsibility to appoint a Chief Officer. More details on the arrangement are provided in the Remuneration Report. Charges from the employing partner are treated as employee costs.

G Provisions, contingent liabilities and contingent assets

Provisions are liabilities of uncertain timing or amount. A provision is recognised as a liability on the balance sheet when there is an obligation as at 31 March due to a past event; settlement of the obligation is probably; and a reliable estimate of the amount can be made. Recognition of a provision will result in expenditure being charged to the Comprehensive Income and Expenditure Statement and will normally be a charge to the General Fund.
A contingent liability is a possible liability arising from events on or before 31 March, whose existence will only be confirmed by later events. A provision that cannot be reasonably estimated, or where settlement is not probable, is treated as a contingent liability. A contingent liability is not recognised in the IJB's Balance Sheet, but is disclosed in a note where it is material.

A contingent asset is a possible asset arising from events on or before 31 March, whose existence will only be confirmed by later events. A contingent asset is not recognised in the IJB's Balance Sheet, but is disclosed in a note only if it is probable to arise and can be reliably measured.

H Reserves

The IJB's reserves are classified as either Usable or Unusable Reserves.

The IJB's only Usable Reserve is the General Fund. The balance of the General Fund as at 31 March shows the extent of resources which the IJB can use in later years to support service provision.

I Indemnity Insurance

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member or officer responsibilities. The NHSS Board and the SIC have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide.

Unlike NHS Boards, the IJB does not have any "shared risk" exposure from participation in the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS). The IJB participation in the CNORIS scheme is therefore analogous to normal insurance arrangements.

Known claims are assessed as to the value and probability of settlement. Where it is material the expected value of known claims, taking probability of settlement into consideration, is provided for in the IJB's Balance Sheet.

J Events after the Balance Sheet

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the annual accounts are authorised for issue.

Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period, whereby the annual accounts are adjusted to reflect such events; and
- those that are indicative of conditions that arose after the reporting period, whereby the annual accounts are not adjusted to reflect such events; where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

K VAT

The IJB is not VAT registered and does not charge VAT on income or recover VAT on payments. Any VAT incurred in the course of activities is included within service expenditure in the accounts.

Shetland Integration Joint Board

Deloitte LLP
110 Queen Street
Glasgow
G1 3BX

Date: 21 September 2018

Our Ref: PK/CH/2018

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of the Shetland Islands Integration Joint Board for the year ended 31 March 2018 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the Shetland Islands Integration Joint Board as of 31 March 2018 and of the results of its operations, other comprehensive net expenditure and its cash flows for the year then ended in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom.

In addition to the above, this representation letter is provided in connection with your audit of the Management Commentary, Remuneration Report and Annual Governance Statement for the following purposes:

- Expressing an opinion on the auditable part of the Remuneration Report as to whether it has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014;
- Expressing an opinion as to whether the information given in the Management Commentary is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- Expressing an opinion as to whether the information given in the Annual Governance Statement is consistent with the financial statements and that the report has been prepared in accordance with the Delivering Good Governance in Local Government Framework (2016).

I am aware that it is an offence to mislead a Boards auditor.

As Responsible Financial officer and on behalf of the board, I confirm, to the best of my knowledge and belief, the following representations.

Financial statements

1. I understand and have fulfilled my responsibilities for the preparation of the financial statements in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code), which give a true and fair view, as set out in the terms of the audit engagement letter.

2. We have provided you with all relevant information and access as agreed in the terms of the audit engagement letter with Audit Scotland. We acknowledge our responsibilities for the design, implementation and operation of internal control to prevent and detect fraud and error.

3. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

4. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of *IAS24 "Related party disclosures"*.

5. All events subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment of or disclosure have been adjusted or disclosed.

6. There are no uncorrected misstatements or disclosure deficiencies.

7. We confirm that the financial statements have been prepared on the going concern basis. We do not intend to liquidate the IJB or cease trading as we consider we have realistic alternatives to doing so. We are not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the IJB's ability to continue as a going concern. We confirm the completeness of the information provided regarding events and conditions relating to going concern at the date of approval of the financial statements, including our plans for future actions.

8. We confirm that all of the disclosures within the Management Commentary, Remuneration Report and the Annual Governance Statement have been prepared in accordance with the relevant legislation and guidance.

Information provided

9. We have provided you with all relevant information and access.

10. All transactions have been recorded and are reflected in the financial statements and the underlying accounting records.

11. We acknowledge our responsibilities for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

13. We are not aware of any fraud or suspected fraud that affects the entity and involves:

    (i) management;

    (ii) employees who have significant roles in internal control; or

    (iii) Others where the fraud could have a material effect on the financial statements.

14. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

15. We are not aware of any instances of non-compliance, or suspected non-compliance, with laws, regulations, and contractual agreements whose effects should be considered when preparing financial statements

16. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

17. No claims in connection with litigation have been or are expected to be received.

We confirm that the above representations are made on the basis of adequate enquiries of management and staff (and where appropriate, inspection of evidence) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully

Signed as the Chief Officer, and on behalf of the Integration Joint Board

Shetland Islands Health and Social Care Partnership

Agenda Item

3

Shetland NHS Board	Shetland Islands Council

Meeting(s):	Integration Joint Board (IJB)	21 September 2018
Report Title:	Shetland Islands Health and Social Care Partnership Quarterly Performance Overview, Quarter 1 – April - June 2018	
Reference Number:	CC-36-18-F	
Author / Job Title:	Hazel Sutherland, Head of Planning and Modernisation, NHS Shetland	

1.0 Decisions / Action required:

1.1 That the Integration Joint Board COMMENT, REVIEW and DIRECT on any issues which they see as significant to sustaining and progressing service delivery in order to meet the objectives of the Shetland Islands Health and Social Care Partnership's Strategic Commissioning Plan 2017-2020.

2.0 High Level Summary:

2.1 Delivery of the Strategic Commissioning Plan relies on four key elements:

- maintaining and developing flexible and responsive services to meet patients / service users needs, with a focus on meeting health and wellbeing outcomes
- delivery of the strategic change programmes and projects, in a timely manner
- identifying and managing risks
- effective use of resources – money, staff and assets – to meet needs.

2.2 This report therefore presents a strategic overview of all elements of progress towards delivering on the Strategic Plan.

2.3 The key issues highlighted this quarter are listed below:

Strategic Planning	**Service Performance**
Update of Strategic Plan and Scenario Planning	Key Performance Indicators for this Quarter
	Focus on Prescribing
	Ministerial Strategic Group Indicators

2.4 Appendix 1 (F) includes a report on complaints.

2.5 Appendix 1 (G) shows the Risk Register and the status of each of the strategic risks.

3.0 Corporate Priorities and Joint Working:

3.1 The Joint Strategic Commissioning Plan describes how health and care services can be delivered, jointly, across the services described in the Shetland Islands Health and Social Care Partnership's Integration Scheme.

3.2 The Plan is a significant part of public sector delivery in Shetland and supports the Shetland Community Partnership's Local Outcome Improvement Plan, Shetland Islands Council's Corporate Plan and NHS Shetland's 2020 Vision and Local Delivery Plan.

3.3 Delivery of the Strategic Commissioning Plan relies on partnership working between Shetland Islands Council, NHS Shetland, Shetland Charitable Trust, other regional and national organisations (such as the Scottish Ambulance Service, NHS Grampian and other specialist Health Boards) and voluntary sector providers.

4.0 Key Issues:

4.1. **Strategic Planning**

Update of the Strategic Plan

4.1.1 The IJB has held two Seminars on the topic of Strategic Planning, on 1 and 22 August 2018. This provided an opportunity for participants to explore the scope and purpose of the Strategic Plan, and how to make it a document that forms the basis of forward planning and decision-making.

4.1.2 A separate report on today's agenda sets out a Draft Strategic Plan for consultation.

4.2 **Service Performance**

4.2.1 Key Performance Indicators and Trends

The detailed quarterly performance report for Quarter 1 of 2018-19, April – June 2018, is included at Appendix 1 (A-E).

While sickness level are still too high, there has been an improvement. Managers continue to support individuals and that work is culminating in the decrease seen this quarter compared to last.

Demand continues to outpace capacity in psychological therapy services, and actions are in place to improve access in the short to medium term, with focused training in place for the team so they can progress with initiatives including group therapy work.

The prescribing indicators show that constant focus and attention is required to maintain the position we were in at Q4, and the service is sighted on this, with a more detailed analysis in appendix 2.

There continues to be a shift away from institutional care, with a decrease in emergency admissions to hospital and less use of care centres. With an ageing population, these indicators could rapidly reverse in performance without continued efforts to prevent, reable and support people at home. The AHP Lead is developing a preventative falls programme across Shetland.

4.2.2 Focus on Pharmacy

At IJB meeting on 20 June 2018, Members requested a more detailed performance study on prescribing. The Director of Pharmacy has therefore prepared an overview of how prescribing performs in comparison with other areas of Scotland, which is included at Appendix 2.

4.2.3 Ministerial Strategic Group Key Performance Indicators

There is in place a Ministerial Strategic Group which has developed some key performance indicators to help to measure some key integrated services. The Group focus on the following indicators and trends:

- Number of emergency admissions
- Admissions from Accident and Emergency
- Number of unscheduled hospital bed days
- Number of A&E attendances
- A&E attendances seen within 4 hours
- Delayed Discharge bed days
- Percentage of last 6 months of life by setting
- Balance of care: percentage of population in community or institutional settings

The indicators have now been incorporated into the performance reports at Appendix 1 (E) and will be reported on regularly.

5.0 Exempt and/or confidential information:	
5.1 None.	
6.0 Implications :	
6.1 Service Users, Patients and Communities:	The Strategic Commissioning Plan sets out several strategic change programmes. This work is intended to put in place service models which are equitable, affordable and sustainable, during the life of the Plan. This work is in recognition of the

	increasing demand for services, alongside reducing resources and staff recruitment challenges.	
6.2 Human Resources and Organisational Development:	There are no specific issues to address for HR.	
6.3 Equality, Diversity and Human Rights:	There are no specific issues to address with regard to equality, diversity and human rights.	
6.4 Legal:	The Public Bodies (Joint Working) (Scotland) Act 2014 ("the 2014 Act") established the legislative framework for the integration of health and social care services. The IJB must monitor performance with regard to the functions delegated to the IJB by SIC and NHSS (the Parties) under the terms of the Public Bodies (Joint Working) (Scotland) Act 2014. The IJB and the Parties must share information in this regard. Performance monitoring allows the IJB to measure performance and monitor progress against delivery of the Strategic Plan and achieving agreed national and local outcomes.	
6.5 Finance:	Regular and effective monitoring of service delivery and funding arrangements will allow the IJB to make strategic commissioning decisions regarding the choices over which services should be provided, at what level and in what location in accordance with the financial allocations made available by the funding partners.	
6.6 Assets and Property:	There are no specific issues to address with regard to assets and property.	
6.7 ICT and new technologies:	There are no specific issues to address for ICT and new technologies.	
6.8 Environmental:	There are no specific environmental implications to highlight.	
6.9 Risk Management:	There are no specific risks to address in the consideration of this Report.	
6.10 Policy and Delegated Authority:	The IJB is responsible for the operational oversight of service delivery of its delegated functions and through the Chief Officer will be responsible for the operational management of integrated services.	
6.11 Previously considered by:	None	

Contact Details:
Hazel Sutherland, Head of Planning and Modernisation, NHS Shetland
hazelsutherland1@nhs.net

28 August 2018

Appendices
Appendix 1 Performance Report (A-E Performance, F Complaints, G Risks)
Appendix 2 Focus on Prescribing

Appendix A - Projects and Actions - IJB

Report Type: Actions Report
Generated on: 05 September 2018

Code & Title	Description	Desired Outcome	Dates		Progress	Progress Statement	Lead
DP017b Implement findings outlined within Mental Health review	Implement findings outlined within Mental Health review (2014)	People are able to access a mental health service which is able to respond appropriately to need. Failure to recruit to the Head of Mental Health post and alternative management arrangements are now being looked at urgently.	Planned Start	06-Jan-2015		Refreshed action plan in place. A number of actions completed with remainder at varying stages of progression. Additional management resource in place to support completion of actions.	Community Health & Social Care Directorate
			Actual Start	06-Jan-2014	50%		
			Original Due Date	31-Mar-2015	Expected Success		
			Due Date	31-Dec-2017			
			Completed Date		Likely to meet target		

Code & Title	Description	Desired Outcome	Dates		Progress	Progress Statement	Lead
DP024 Develop Integrated Locality Service Plans	Develop Integrated Locality Service Plans	People are able to look after and improve their own health and wellbeing and live in good health for longer	Planned Start	07-Nov-2014		Strategic Plan has been refreshed for 2017/18-2020 which includes locality information. Will continue to develop these plans during the course of the next year.	Community Health & Social Care Directorate
			Actual Start	02-Nov-2015	100%		
			Original Due Date	31-Mar-2015	Expected Success		
			Due Date	31-Mar-2017			
			Completed Date	08-Jun-2017	Likely to meet target		

Code & Title	Description	Desired Outcome	Dates		Progress	Progress Statement	Lead
			Planned Start	07-Nov-2015			

DP025 Assist Shetland Partnership with implementing the redesign of community justice.	Assist Shetland Partnership with implementing the redesign of community justice.	Offenders within Shetland have the best opportunities to make positive changes to their lives and reduce the likelihood of reoffending.	Actual Start	12-Nov-2015	100%	Transition phase is progressing well and we are on target to reach the deadlines for 2016.	Community Health & Social Care Directorate
			Original Due Date	31-Mar-2015	Expected Success		
			Due Date	31-Dec-2016			
			Completed Date	24-Jan-2017	Likely to meet target		

Code & Title	Description	Desired Outcome	Dates		Progress	Progress Statement	Lead
DP026 Develop a joint Organisational Development and Workforce Strategy	Develop a joint Organisational Development and Workforce Development Strategy	People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.	Planned Start	01-Apr-2015		Submitted to Integration Joint Board in October 2017.	Community Health & Social Care Directorate
			Actual Start	11-Nov-2015	100%		
			Original Due Date	31-Mar-2016	Expected Success		
			Due Date	29-Sep-2017			
			Completed Date	18-Oct-2017	Experiencing issues, risk of failure to meet target		

Code & Title	Description	Desired Outcome	Dates		Progress	Progress Statement	Lead
DP027 Development of Oral Health Strategy	Deveopment of Oral Health Strategy	People are able to look after and improve their own health and wellbeing and live in good health for longer	Planned Start	01-Apr-2015		Oral Health Strategy approved by IJB on 28 June and NHS Board on 23 August 2016. Detailed action plan in development.	Community Health & Social Care Directorate; Oral Health
			Actual Start	01-Jul-2015	100%		
			Original Due Date	31-Mar-2016	Expected Success		
			Due Date	30-Sep-2016			
			Completed Date	26-Oct-2016	Likely to meet target		

Code & Title	Description	Desired Outcome	Dates		Progress	Progress Statement	Lead
DP031 Develop Anticipatory Care plans	Develop Anticipatory Care plans within localities that	People using health and social care services are safe from harm	Planned Start	01-Apr-2015		Development of ACPs firmly embedded and number has increased significantly	Community Health & Social Care Directorate
			Actual Start	12-Nov-2015	100%		
			Original Due Date	31-Mar-2016	Expected Success		

	include all of the available assets		Due Date	31-Mar-2017			
			Completed Date	08-Jun-2017	Likely to meet target		

Appendix B - Council-wide Indicators - Community Health & Social Care

Shetland Islands Council

Generated on: 05 September 2018 10:18

Code & Short Name	Previous Years		Quarters			(past) Performance & (future) Improvement Statements
	2016/17	2017/18	Q3 2017/18	Q4 2017/18	Q1 2018/19	
	Value	Value	Value	Value	Value	
OPI-4A Staff Numbers (FTE) - Whole Council	2232	2236	2226	2236	2259	Managers continue to carefully manage staff numbers and associated costs and reflects recruitment pressures in some areas.
OPI-4A-E Staff Numbers (FTE) - Community Health & Social Care Directorate	532	532	536	532	526	These are actual numbers of staff in post (rather than what is actually budgeted for)
OPI-4A-E+NHS Staff Numbers (FTE) - Community Health & Social Care Directorate inc. NHS	743.82	712.37	712.37			These are actual numbers of staff in post (rather than what is actually budgeted for)
OPI-4C Sickness Percentage - Whole Council	3.1%	4.0%	3.5%	5.2%	3.8%	
OPI-4C-E Sick %age - Community Health & Social Care Directorate	5.2%	6.3%	5.1%	6.9%	5.0%	Managers in all areas are working with both HR teams to ensure consistent application of the Maximising Attendance policies.
OPI-4E Overtime Hours - Whole Council	87,608	102,909	24,883	24,699	23,018	Overtime and Overtime budgets are devolved to departmental level. Overtime is often the most cost effective way to utilise existing teams and ensure prompt service to our customers.
OPI-4E-E Overtime Hours - Community Health & Social Care Directorate	2,231	7,184	2,458	888	581	Continues to be actively monitored
OPI-4G Employee Miles Claimed - Whole Council	1,284,834	1,131,708	304,936	313,216	311,688	
OPI-4G-E Employee Miles Claimed - Community Health & Social Care Directorate	667,557	640,990	152,384	155,699	152,743	
E01 FOISA responded to within 20 day limit - Health & Social Care Services	95%	94%	95%	93%	96%	Continue to strive to meet target.

Appendix B (cont) - Sickness Absences - Community Health & Social Care Services

Shetland Islands Council

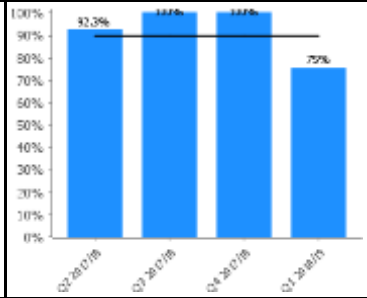
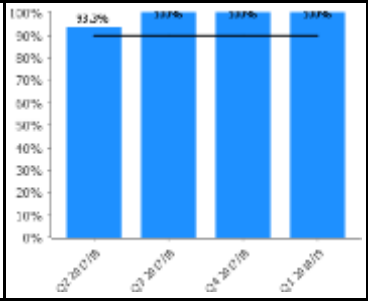
NOTE: Sickness absences are very seasonal, therefore this quarter is compared to the same quarter last year (rather than compared to the previous quarter).

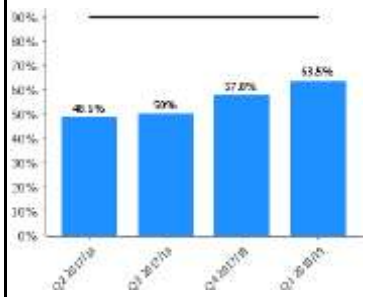
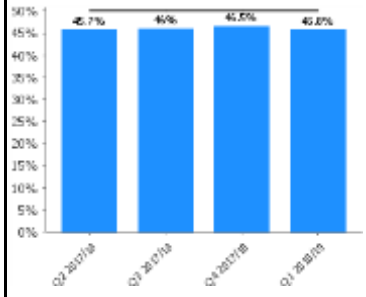
Generated on: 05 September 2018 10:18

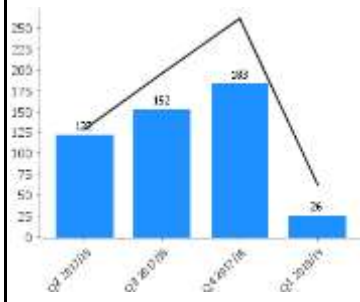
	Previous Years				Last year	This year	
Code & Short Name	2014/15	2015/16	2016/17	2017/18	Q4 2016/17	Q4 2017/18	(past) Performance & (future) Improvement Statements
	Value	Value	Value	Value	Value	Value	
OPI-4C Sickness Percentage - Whole Council	4.2%	3.7%	3.1%	4.0%	4.1%	5.2%	
OPI-4C-E Sick %age - Community Health & Social Care Directorate	6.0%	5.6%	5.2%	6.3%	7.4%	6.9%	Managers in all areas are working with both HR teams to ensure consistent application of the Maximising Attendance policies.

Appendix C - Directorate Performance Report - Annual Operational Plan: Quarterly Measures

Generated on: 05 September 2018

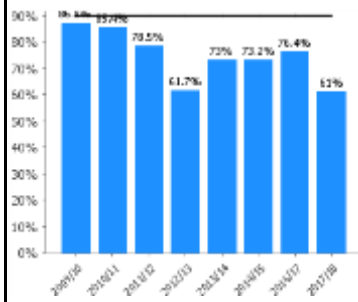
Indicator	Years				Quarters			Current Target	RAG Status	Graphs	Note
	2016/17		2017/18		Q3 2017/18	Q4 2017/18	Q1 2018/19	Q1 2018/19	Q1 2018/19		
	Value	Target	Value	Target	Value	Value	Value	Target	Status		
CH-DA-01 Clients will wait no longer than 3 weeks from referral received to appropriate drug treatment that supports their recovery.	91.3%	90%	97.1%	90%	100%	100%	75%	90%			04-Sep-2018 3 of 4 clients seen within 3 weeks.
CH-DA-02 Clients will wait no longer than 3 weeks from referral received to appropriate alcohol treatment that supports their recovery.	88.9%	90%	96.4%	90%	100%	100%	100%	90%			

Indicator	Years				Quarters			Current Target	RAG Status	Graphs	Note
	2016/17		2017/18		Q3 2017/18	Q4 2017/18	Q1 2018/19	Q1 2018/19	Q1 2018/19		
	Value	Target	Value	Target	Value	Value	Value	Target	Status		
CH-MH-01 18 weeks referral to treatment for Psychological Therapies (percentage of completed waits less than 18 weeks)	77.6%	90%	55.4%	90%	50%	57.8%	63.5%	90%			14-Aug-2018 Demand remains high. Capacity exercise across adult mental health service being carried out to identify opportunities for managing demand using wider team. Action 15 funding earmarked for an additional Therapist post. Training being delivered during Sept/Oct for group work and specific individual interventions in order to provide alternatives for people on the waiting list.
CH-MH-04 People with newly diagnosed dementia who take up the offer of post diagnostic support (ie have an active link worker)	44.9%	50%	46.5%	50%	46%	46.5%	45.8%	50%			14-Aug-2018 Note: interim measure showing the percentage of newly diagnosed people who take up the offer of post diagnostic support (ie have an active link worker) as national data is not available. 119 of 260 cases. Continuing to promote the value of having this support to all patients at point of diagnosis, but it is down to individual choice as to whether they take up the offer.

Indicator	Years				Quarters			Current Target	RAG Status	Graphs	Note
	2016/17		2017/18		Q3 2017/18	Q4 2017/18	Q1 2018/19	Q1 2018/19	Q1 2018/19		
	Value	Target	Value	Target	Value	Value	Value	Target	Status		
PH-HI-03 Sustain and embed Alcohol Brief Interventions in 3 priority settings (primary care, A&E, antenatal) and broaden delivery in wider settings.	207	261	183	261	152	183	26	63			15-Aug-2018 Staff being trained in some of the wider settings (dental, community nursing, as well as the police and fire services) to try to improve our performance. We are investigating the possibility of developing an online training course to assist in delivering more ABIs.

Appendix C (cont)- Directorate Performance Report - Annual Operational Plan: Annual Measures

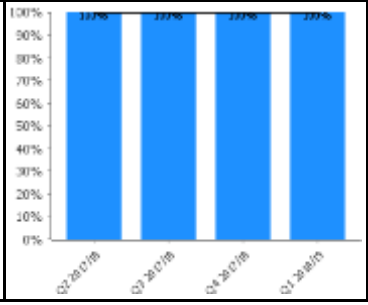
Generated on: 05 September 2018

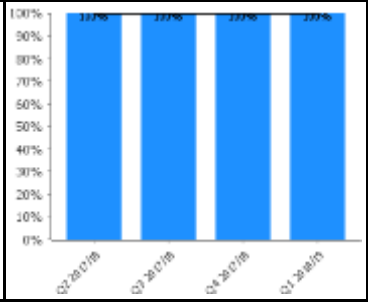
Indicator	Years			Current Target	RAG Status	Graphs	Note
	2015/16	2016/17	2017/18	2017/18	2017/18		
	Value	Value	Value	Target	Status		
CH-PC-02 Advance booking - GP Practice Team		76.4%	61%	90%			04-Jun-2018 Large decreases seen nationally and locally in 2017-18 survey, but a more significant decrease locally. Patients who need to speak with a clinician within 48 hours can do so and practices also all offer advance appointments with a member of the practice team. National data only produced every 2 years - next publication due in May 2020.

Appendix D - Directorate Performance Report - Outcomes 1-9: Quarterly Measures

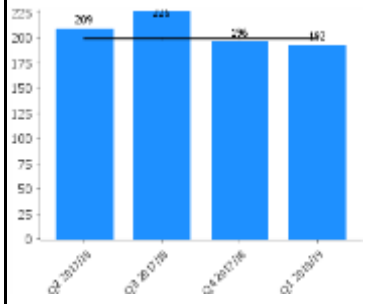
Generated on: 05 September 2018

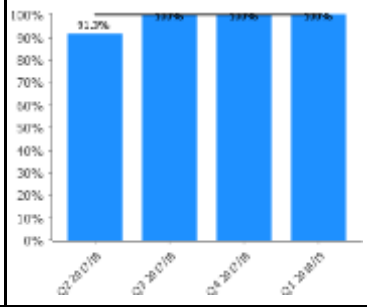
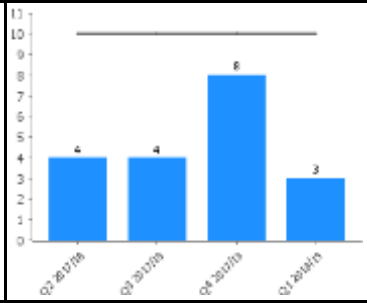
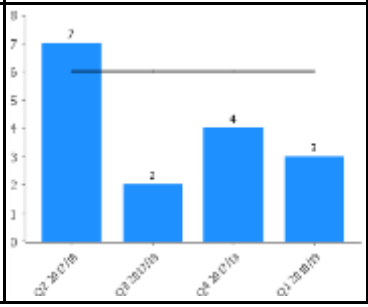
Outcome 1 - People are able to look after and improve their own health and wellbeing and live in good health for longer

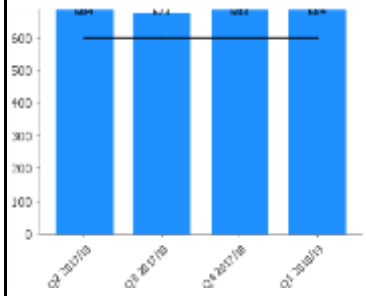
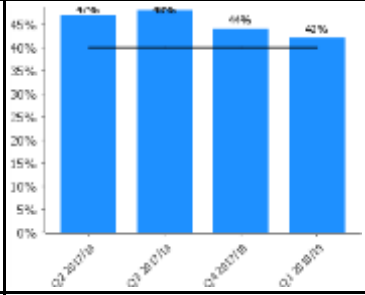
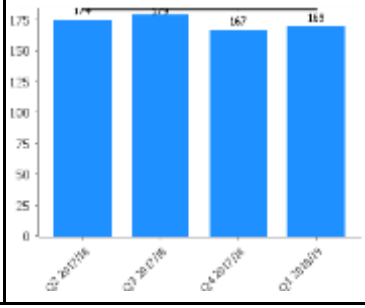
Indicator	Years				Quarters			Current Target	RAG Status	Graphs	Note
	2016/17		2017/18		Q3 2017/18	Q4 2017/18	Q1 2018/19	Q1 2018/19	Q1 2018/19		
	Value	Target	Value	Target	Value	Value	Value	Target	Status		
ASW003 Percentage of outcomes for individuals are met								80%			07-Feb-2018 The new system for gathering this has been delayed until the start of April 2018 in order for training of all staff to be completed.
PC002 Percentage access to a primary care health professional for on the day requests at any Shetland Health Centre	100%	100%	100%	100%	100%	100%	100%	100%			28-Aug-2018 Monthly data return from practices shows 100% compliance for those patients who need to speak to a healthcare professional on the day.

Indicator	Years				Quarters			Current Target	RAG Status	Graphs	Note
	2016/17		2017/18		Q3 2017/18	Q4 2017/18	Q1 2018/19	Q1 2018/19	Q1 2018/19		
	Value	Target	Value	Target	Value	Value	Value	Target	Status		
PC004 Percentage access to a Primary Care health professional for an appointment within 48 hours at any Shetland Health Centre	100%	100%	100%	100%	100%	100%	100%	100%			28-Aug-2018 Monthly data return from practices shows 100% compliance for those patients who request an appointment within 48 hours.

Outcome 2 - People, including those with disabilities, long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community

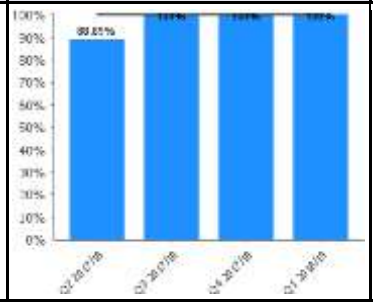
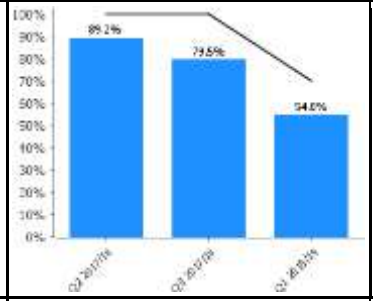
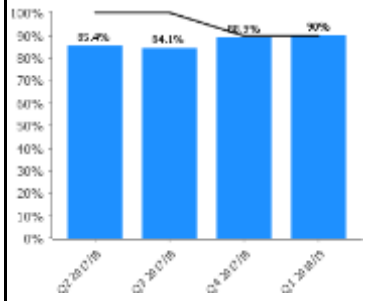
Indicator	Years				Quarters			Current Target	RAG Status	Graphs	Note
	2016/17		2017/18		Q3 2017/18	Q4 2017/18	Q1 2018/19	Q1 2018/19	Q1 2018/19		
	Value	Target	Value	Target	Value	Value	Value	Target	Status		
CCR007 Number of 65 and over receiving Personal Care at Home.	204	200	196	200	226	196	192	200			30-Jul-2018 Personal care is offered to those who need it. Assessments are thorough and the Council's policy of reablement, which includes a six week period of free support, has helped us to achieve good performance over a number of years.

Indicator	Years				Quarters			Current Target	RAG Status	Graphs	Note
	2016/17		2017/18		Q3 2017/18	Q4 2017/18	Q1 2018/19	Q1 2018/19	Q1 2018/19		
	Value	Target	Value	Target	Value	Value	Value	Target	Status		
CN002 Percentage of early supported discharges with no readmission in 30 days by Intermediate Care Team	90%	100%	100%	100%	100%	100%	100%	100%			03-Sep-2018 15 patients supported by ICT - 10 Early supported Discharge from Hospital, 3 Prevention of Admission, 1 Early Supported Discharge from Care Home and 1 Falls Assessment only. 1 Death and 0 re-admissions.
CCR009 Number of people waiting for a permanent residential placement.	5	10	8	10	4	8	3	10			30-Jul-2018 Target to have less than 10 people waiting for a permanent residential placement. Currently well within target.
MH002 Admissions to Psychiatric Hospitals	18	24	20	24	2	4	3	6			

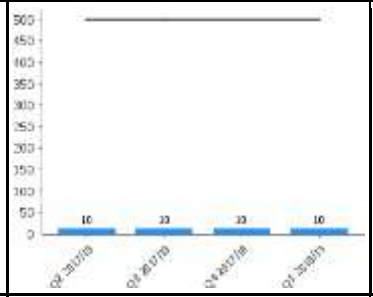
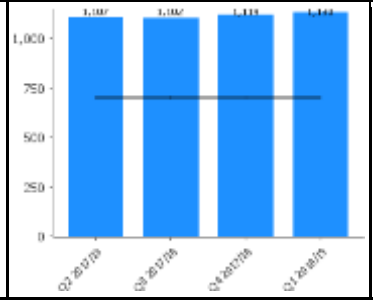
Indicator	Years				Quarters			Current Target	RAG Status	Graphs	Note
	2016/17		2017/18		Q3 2017/18	Q4 2017/18	Q1 2018/19	Q1 2018/19	Q1 2018/19		
	Value	Target	Value	Target	Value	Value	Value	Target	Status		
AHP006 Increased number of people receiving home monitoring for health and social care (technology enabled care)	653	599	683	599	673	683	684	599			30-Jul-2018 Shetland ranked in top quartile of local authorities in Scotland for its telecare usage by care at home clients (Source- Draft Joint Inspection of Adult Services 2014/15). Installation of Telecare services is a key element of supporting people to live independently at home for as long as possible.
CH-SC-01 Percentage of people 65 and over requiring intensive care package (over 10 hours per week) in their own home	51%	40%	44%	40%	48%	44%	42%	40%			13-Aug-2018 Enabling people to be as independent and safe as possible remains one of our primary aims. We continue to provide appropriate support in people's own home to assist in achieving this.
MD-MH-01 People with a diagnosis of dementia on the dementia register	170	184	167		179	167	169	184			13-Aug-2018 Overall more people on the dementia register are dying or moving away than are being diagnosed. Plan in development to provide diagnostic training/awareness for relevant staff (e.g. GPs).

Indicator	Years				Quarters			Current Target	RAG Status	Graphs	Note
	2016/17		2017/18		Q3 2017/18	Q4 2017/18	Q1 2018/19	Q1 2018/19	Q1 2018/19		
	Value	Target	Value	Target	Value	Value	Value	Target	Status		
											Work continues to encourage people to seek earlier assessment and diagnosis. We are also intending to audit all people discharged from hospital with dementia indicated in the discharge summary to ensure that they are on the register so that no potential new diagnoses are missed.

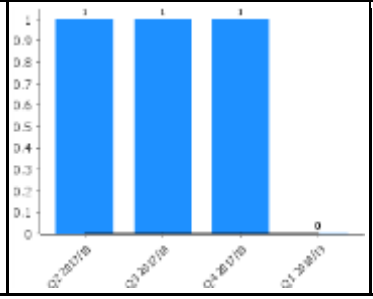
Outcome 3 - People who use health and social care services have positive experiences of those services, and have their dignity respected

Indicator	Years				Quarters			Current Target	RAG Status	Graphs	Note
	2016/17		2017/18		Q3 2017/18	Q4 2017/18	Q1 2018/19	Q1 2018/19	Q1 2018/19		
	Value	Target	Value	Target	Value	Value	Value	Target	Status		
CJ002 Percentage of new Community Payback Orders (Supervision) seen within 5 working days of the order being made	90.9%	100%	93.75%	100%	100%	100%	100%	100%			
ASW001 Percentage of assessments completed on time	91%	100%	79.5%	100%	79.5%		54.8%	70%			29-Aug-2018 Assessment data is now extracted from our recording system and completion rates should rise when recording issues are resolved.
ASW002 Percentage of reviews completed on time	89%	100%	88.9%	100%	84.1%	88.9%	90%	90%			30-Jul-2018 Percentage of all reviews completed within 7 days of due date. Reviews often miss target dates due to a number of factors such as availability of client or family member or a change of circumstances. Completion target reset to more realistic 90%

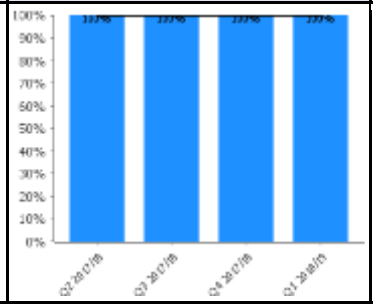
Outcome 4 - Health and social care services are centred on helping to maintain or improve the quality of life of service users

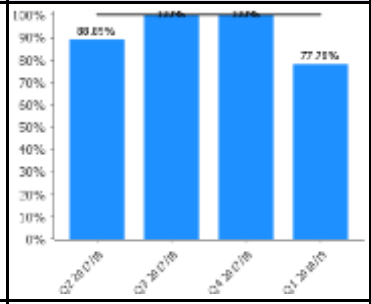
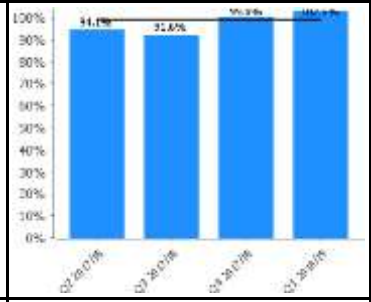
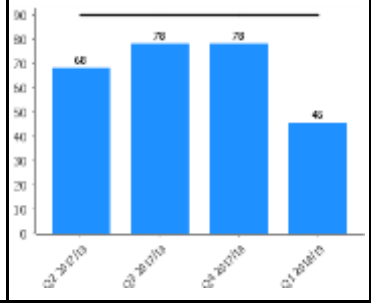
Indicator	Years				Quarters			Current Target	RAG Status	Graphs	Note
	2016/17		2017/18		Q3 2017/18	Q4 2017/18	Q1 2018/19	Q1 2018/19	Q1 2018/19		
	Value	Target	Value	Target	Value	Value	Value	Target	Status		
DS004 Number of people who are waiting to register with Public Dental Service (PDS) for ongoing Care	572	500	10	500	10	10	10	500			
CN001 Number of Anticipatory Care Plans in Place	1,061	700	1,119	700	1,102	1,119	1,130	700			25-Jul-2018 Continued month on month increase in number of Anticipatory Care Plans in place

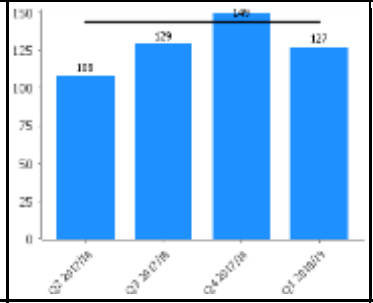
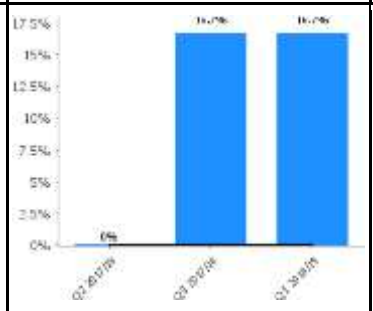
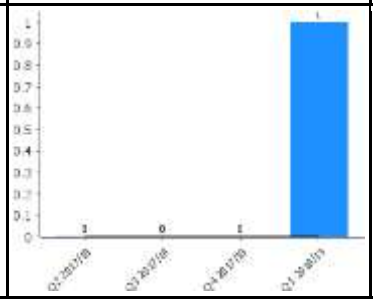
Outcome 6 - People who provide unpaid care are supported to reduce the potential impact of their caring role on their own health and wellbeing

Indicator	Years				Quarters			Current Target	RAG Status	Graphs	Note
	2016/17		2017/18		Q3 2017/18	Q4 2017/18	Q1 2018/19	Q1 2018/19	Q1 2018/19		
	Value	Target	Value	Target	Value	Value	Value	Target	Status		
AS003 Number of incidents of emergency respite provided for adults with Learning Disability/Autistic Spectrum Disorder	2	0	4	0	1	1	0	0			

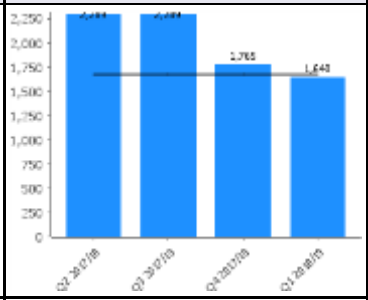
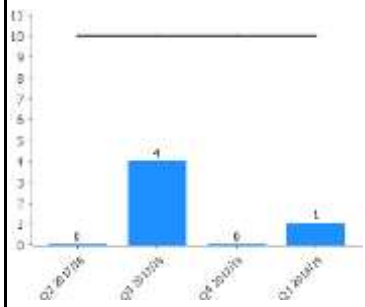
Outcome 7 - People who use health and social care services are safe from harm

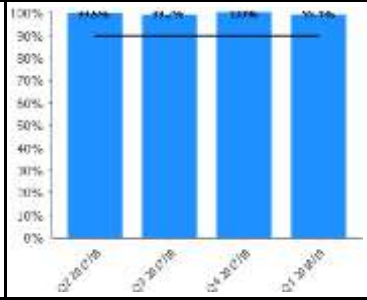
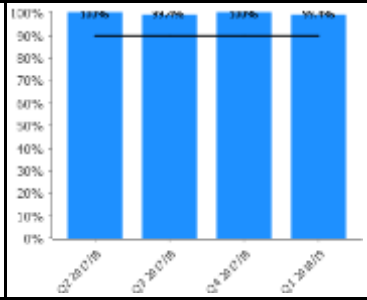
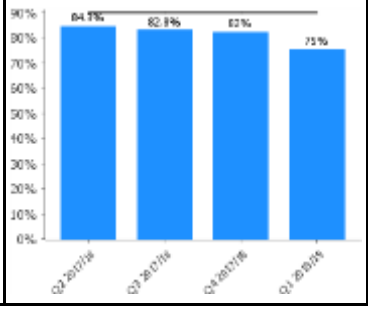
Indicator	Years				Quarters			Current Target	RAG Status	Graphs	Note
	2016/17		2017/18		Q3 2017/18	Q4 2017/18	Q1 2018/19	Q1 2018/19	Q1 2018/19		
	Value	Target	Value	Target	Value	Value	Value	Target	Status		
CJ001 Percentage of Criminal Justice Social Work Reports submitted to Courts on time	100%	100%	100%	100%	100%	100%	100%	100%			

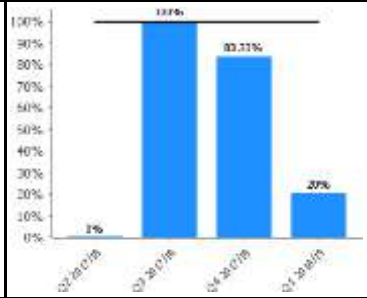
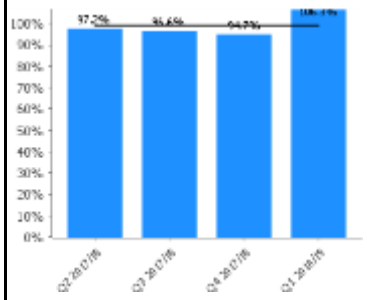
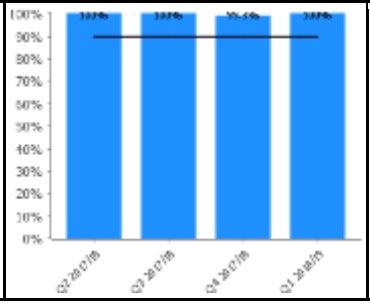
Indicator	Years				Quarters			Current Target	RAG Status	Graphs	Note
	2016/17		2017/18		Q3 2017/18	Q4 2017/18	Q1 2018/19	Q1 2018/19	Q1 2018/19		
	Value	Target	Value	Target	Value	Value	Value	Target	Status		
CJ004 Risk and need assessment completed and case management plans in place within 20 days	100%	100%	94.29%		100%	100%	77.78%	100%			16-Aug-2018 Two of nine case files quality assured did not have a completed assessment within the timeframe. Only one was within the control of the service.
PPS002 Percentage rate of antibiotic prescribing in relation to Scottish average	101.2%	99%	99.8%	99%	91.6%	99.8%	102.5%	99%			05-Sep-2018 In general we would like to see less antibiotics being prescribed in Shetland than in the Scottish population.
PPS003 Number of polypharmacy reviews completed	383	360	298		78	78	45	90			05-Sep-2018 We are below target due to training of new member of staff, and covering the hospital pharmacist maternity leave. Primary care pharmacist being trained to deliver polypharmacy reviews throughout 2018-19.

Indicator	Years				Quarters			Current Target	RAG Status	Graphs	Note
	2016/17		2017/18		Q3 2017/18	Q4 2017/18	Q1 2018/19	Q1 2018/19	Q1 2018/19		
	Value	Target	Value	Target	Value	Value	Value	Target	Status		
PPS004 Number of discharge prescriptions dispensed out of hours by nursing staff	164	192	496		129	149	127	144			05-Sep-2018 Good discharge planning should reduce the need for nurses to dispense medicines out of hours. Dispensing by pharmacy is always more appropriate.
CN003 Percentage of Catheter Associated Infections in individuals with an indwelling urinary catheter	0%	0%			16.7%		16.7%	0%			04-Sep-2018 2 infections reported within 10 days of catheter insertion. No common issues identified. Continence Nurse Advisor has staff update sessions arranged for September. Repeat audit to be done in next quarter.
CH-DD-02 Delayed Discharges - number of people waiting more than 14 days to be discharged from hospital into a more appropriate care setting, once treatment is complete, excluding complex needs codes.	0	0	0		0	0	1	0			

Outcome 9 - Resources are used effectively in the provision of health and social care services, without waste

Indicator	Years				Quarters			Current Target	RAG Status	Graphs	Note
	2016/17		2017/18		Q3 2017/18	Q4 2017/18	Q1 2018/19	Q1 2018/19	Q1 2018/19		
	Value	Target	Value	Target	Value	Value	Value	Target	Status		
DS002 The ratio of WTE primary care dentists providing NHS oral health care to the total resident population of Shetland	2,083	1,670	1,765	1,670	2,289	1,765	1,640	1,670			16-Jul-2018 1 x WTE NHS dentists added this quarter in independent sector. There will be some manpower changes which may alter statistic next quarter.
AHP001 Number of people waiting longer than nationally agreed referral to assessment timescales for an occupational therapy assessment (count)	1	10	0	10	4	0	1	10			30-Jul-2018 To achieve the nationally agreed referral to assessment timescales we have initiated a number of initiatives including streamlining our referrals and screening processes, reviewing all processes, and reconfiguring the team into a north and a south team to gain staff efficiency.

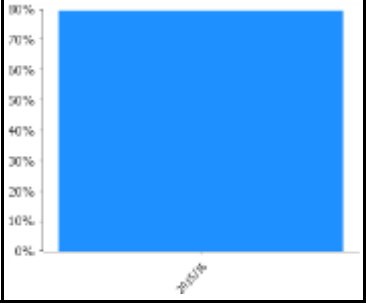
Indicator	Years				Quarters			Current Target	RAG Status	Graphs	Note
	2016/17		2017/18		Q3 2017/18	Q4 2017/18	Q1 2018/19	Q1 2018/19	Q1 2018/19		
	Value	Target	Value	Target	Value	Value	Value	Target	Status		
AHP002 Percentage Waiting Time from Referral to Treatment for Orthotics Services (18 weeks)	99.4%	90%	100%	90%	99.2%	100%	99.4%	90%			
AHP004 Percentage Waiting Time from Referral to Treatment for Podiatry Services (18 weeks)	98.6%	90%	100%	90%	99.4%	100%	99.4%	90%			
CCR005 Occupancy of care homes	85.75%	90%	82.9%	90%	82.8%	82%	75%	90%			30-Jul-2018 Increased use of permanent beds for enablement and respite care means occupancy levels decrease. Effectiveness of care provided at home results in less demand for residential beds.

Indicator	Years				Quarters			Current Target	RAG Status	Graphs	Note
	2016/17		2017/18		Q3 2017/18	Q4 2017/18	Q1 2018/19	Q1 2018/19	Q1 2018/19		
	Value	Target	Value	Target	Value	Value	Value	Target	Status		
CJ003 Unpaid Work commenced within 7 working days	80.9%	100%	71.05%	100%	100%	83.33%	20%	100%			16-Aug-2018 Three individuals unable to start placement within 7 days due to personal issues. One client could not commence due to no weekend placement available.
PPS001 Percentage spend for Shetland on GP Prescribing compared to the national average	95%	99%	94.7%	99%	96.6%	94.7%	106.3%	99%			05-Sep-2018 Shetland has traditionally spent less on medicines per patient. The costs per patient are increasing and there will be a need to undertake additional prescribing efficiency work to maintain the current position.
CH-AO-01 Maximum Waiting Time from Referral to First Consultation for Physiotherapy Services - %age of patients seen within 18 weeks	99.3%	90%	99.3%	90%	100%	99.3%	100%	90%			

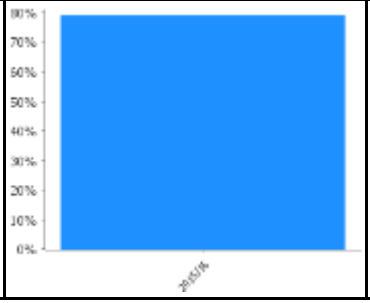
Appendix D (cont) - Directorate Performance Report - Outcomes 1-9: Annual Measures

Generated on: 05 September 2018

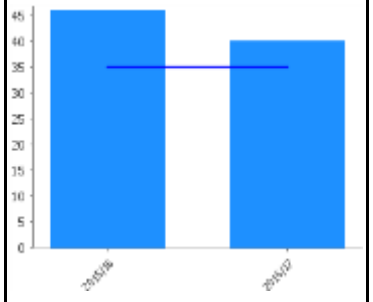
Outcome 1 - People are able to look after and improve their own health and wellbeing and live in good health for longer

Indicator	Previous Years						Current Target	RAG Status	Graphs	Note
	2015/16		2016/17		2017/18		2017/18	2017/18		
	Value	Target	Value	Target	Value	Target	Target	Status		
DS001 Decay experience of children in P1: Percentage of children with no obvious caries in deciduous teeth (children aged 5-6 years in P1 attending SIC primary schools)	79.4%	75%				75%	75%			15-Dec-2017 Source: NDIP data. Gives prevalence of dental decay in one age group (P1 or P7) each year, as a percentage of the total child population. Next P1 data release due Oct 18.

Outcome 3 - People who use health and social care services have positive experiences of those services, and have their dignity respected

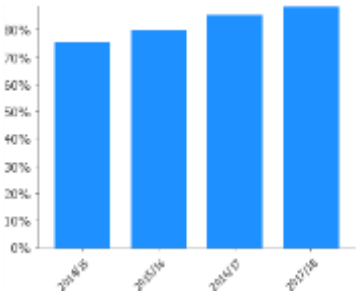
Indicator	Previous Years						Current Target	RAG Status	Graphs	Note
	2015/16		2016/17		2017/18		2017/18	2017/18		
	Value	Target	Value	Target	Value	Target	Target	Status		
ASW004 How satisfied are residents with local social care/ social work services?	79%	80%		80%		80%	80%			15-Dec-2017 Health & Care Experience Survey 2 yearly data. Slightly lower than national rate of 81%.

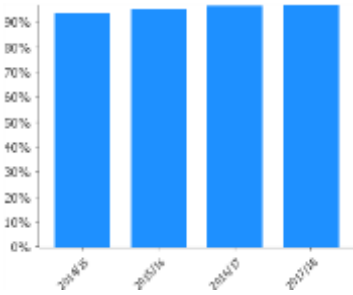
Outcome 4 - Health and social care services are centred on helping to maintain or improve the quality of life of service users

Indicator	Previous Years						Current Target	RAG Status	Graphs	Note
	2015/16		2016/17		2017/18		2017/18	2017/18		
	Value	Target	Value	Target	Value	Target	Target	Status		
AS002 Number of adults with LD/ASD obtaining a recognised qualification in lifelong learning; personal development; maintaining skills	46	35	40	35		35	35			15-Dec-2017 Adults with learning disability, autistic spectrum disorder and/or complex needs are supported to have a safe, healthy and active life. Self-care and enablement approaches are promoted. 107 certificates were issued to 46 adults. Note:

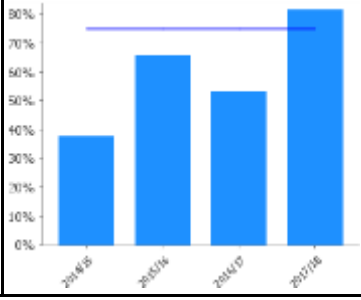
Indicator	Previous Years						Current Target	RAG Status	Graphs	Note
	2015/16		2016/17		2017/18		2017/18	2017/18		
	Value	Target	Value	Target	Value	Target	Target	Status		
										academic year runs Aug to Sept.

Outcome 5 - Health and social care services contribute to reducing health inequalities

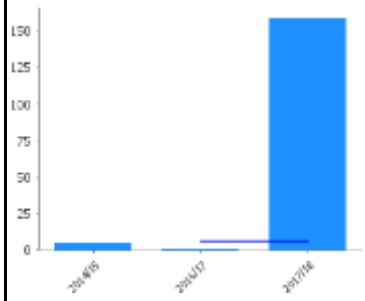
Indicator	Previous Years						Current Target	RAG Status	Graphs	Note
	2015/16		2016/17		2017/18		2017/18	2017/18		
	Value	Target	Value	Target	Value	Target	Target	Status		
DS003a The percentage of the adult populations who are registered with Shetland dentists for NHS dental care	79.8%	80%	85.2%	80%	88.3%	80%	80%			03-Sep-2018 Target is to see a net rise in registration figures. Registration brings with it the responsibility to provide on-going care, for which the PDS alone does not have sufficient capacity. Larger rises are therefore dependent on an independent NHS practice opening alongside the Public Dental Service to increase capacity. Next data Jan 19.

Indicator	Previous Years						Current Target	RAG Status	Graphs	Note
	2015/16		2016/17		2017/18		2017/18	2017/18		
	Value	Target	Value	Target	Value	Target	Target	Status		
DS003c The percentage of the child populations who are registered with Shetland dentists for NHS dental care	94.85%	90%	96.45%	90%	96.8%	90%	90%			03-Sep-2018 Target is to see a net rise in registration figures. Registration brings with it the responsibility to provide on-going care, for which the PDS alone does not have sufficient capacity. Larger rises are dependent on an independent NHS practice opening alongside the Public Dental Service to increase capacity. Next data Jan 19.

Outcome 7 - People who use health and social care services are safe from harm

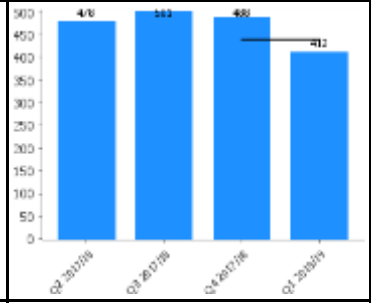
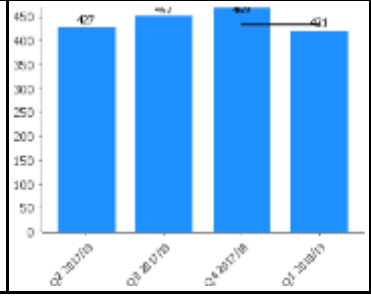
Indicator	Previous Years						Current Target	RAG Status	Graphs	Note
	2015/16		2016/17		2017/18		2017/18	2017/18		
	Value	Target	Value	Target	Value	Target	Target	Status		
CJ005 Percentage of individuals showing a decrease in assessed risk and need at end of order	65.4%	75%	52.94%	75%	81.48%	75%	75%			

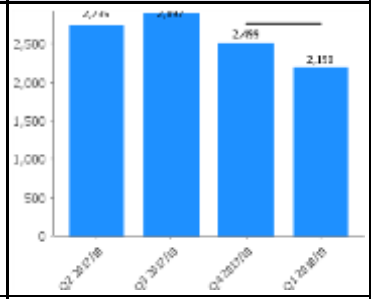
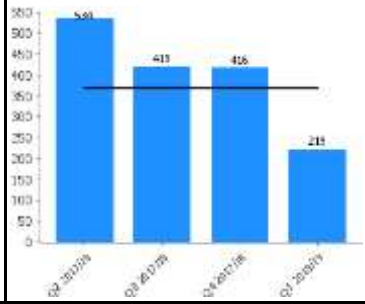
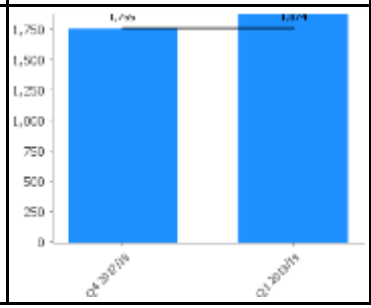
Outcome 8 - People who work in health and social care services are supported to continuously improve the information, support, care and treatment they provide and feel engaged with the work they do

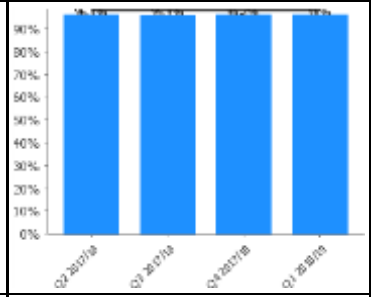
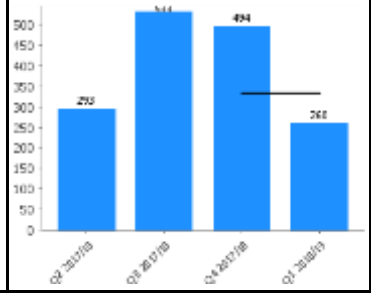
Indicator	Previous Years						Current Target	RAG Status	Graphs	Note
	2015/16		2016/17		2017/18		2017/18	2017/18		
	Value	Target	Value	Target	Value	Target	Target	Status		
AS005 Number of Social Care staff trained to implement Positive Behaviour Support.		6	0	6	158	6	6			22-Jan-2018 138 Staff across Adult Services are trained at Foundation Level MAPA. (Managing Actual and Physical Aggression). 18month refresher required. Positive Behaviour Support PBS is considered and implemented by teams as and when required on a person centred basis with the assistance of the Community Liaison Nurse (Learning Disability and Autism).

Appendix E - National Integration Performance Indicators: Quarterly Measures

Generated on: 05 September 2018

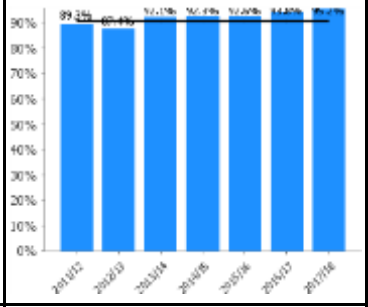
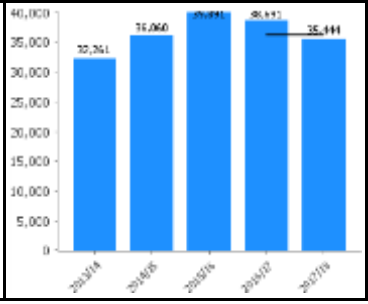
Indicator	Years				Quarters			Current Target	RAG Status	Graphs	Note
	2016/17		2017/18		Q3 2017/18	Q4 2017/18	Q1 2018/19	Q1 2018/19	Q1 2018/19		
	Value	Target	Value	Target	Value	Value	Value	Target	Status		
NIPI01a Number of emergency admissions	1,948		1,956		501	488	412	441			03-Sep-2018 Objective - maintain current position within Peer Group. (Monthly average was 147 over 12 months Jan to Dec 2017)
NIPI01b Number of admissions from A&E	1,725		1,774	435	452	469	421	435			03-Sep-2018 Objective - maintain current position within Peer Group. (Monthly average was 145 over 12 months Jan to Dec 2017)

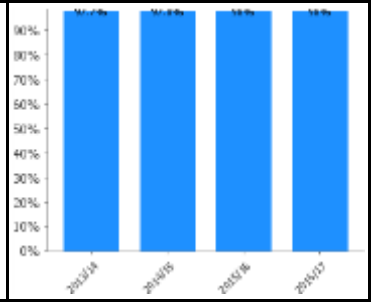
Indicator	Years				Quarters			Current Target	RAG Status	Graphs	Note
	2016/17		2017/18		Q3 2017/18	Q4 2017/18	Q1 2018/19	Q1 2018/19	Q1 2018/19		
	Value	Target	Value	Target	Value	Value	Value	Target	Status		
NIPI02a Number of unscheduled hospital bed days; acute specialties	12,285		10,749	2,760	2,897	2,499	2,190	2,760			03-Sep-2018 Objective - maintain current position within Peer Group. (Monthly average was 920 over 12 months Jan to Dec 2017)
NIPI02b Number of unscheduled hospital bed days; long stay specialties (mental health)	1,421		1,623	1,476	419	416	219	369			03-Sep-2018 Objective - maintain current position within Peer Group. (Quarterly average was 369 over 12 months Jan - Dec 17)
NIPI03a A&E attendances	6,893		7,110		1,754	1,755	1,874	1,761			03-Sep-2018 Objective - maintain current position. (Monthly average was 587 over 12 months Jan - Dec 17)

Indicator	Years				Quarters			Current Target	RAG Status	Graphs	Note
	2016/17		2017/18		Q3 2017/18	Q4 2017/18	Q1 2018/19	Q1 2018/19	Q1 2018/19		
	Value	Target	Value	Target	Value	Value	Value	Target	Status		
NA-EC-01 A&E 4 Hour waits (NIPI03b)	96.1%	98%	96.5%	98%	95.9%	96.2%	96%	98%			
NIPI04 Delayed discharge bed days	1,158		1,499	333	533	494	260	333			29-Aug-2018 Objective - maintain current position. (Monthly average was 111 over 12 months Jan - Dec 17)

Appendix E (cont) - National Integration Performance Indicators: Annual Measures

Generated on: 05 September 2018

Indicator	Years			Current Target	RAG Status	Graphs	Note
	2015/16	2016/17	2017/18	2017/18	2017/18		
	Value	Value	Value	Target	Status		
E15 Proportion of last 6 months of life spent at home or in community setting (NIPI05a)	92.6%	93.8%	95.2%	90.8%			29-May-2018 Note: provisional data. Best performing partnership in Scotland by some margin. Managed Clinical Network for Palliative Care established in 2015. Note: Next data available May 19.
NIPI05b Number of days spent at home or in community setting during the last six months of life	39,891	38,691	35,444	36,276			29-Aug-2018 Objective - maintain current position. (Average is 36,276 over past 4 years.)

Indicator	Years			Current Target	RAG Status	Graphs	Note
	2015/16	2016/17	2017/18	2017/18	2017/18		
	Value	Value	Value	Target	Status		
NIPI06 Balance of care: Percentage of population living unsupported in the community	98%	98%		98%			29-Aug-2018 Objective - maintain current position. (Average is 98% over past 3 years.)

Appendix F - Complaints

NHS Shetland Feedback Monitoring Report – Community Health

Since April 2017 all NHS Boards in Scotland have been required to further monitor patient feedback and to report performance against a suite of high level indicators determined by the Scottish Public Services Ombudsman (SPSO). This report outlines NHS Shetland's performance against these indicators for community health relating to the period April to June 2018.

Further detail, including the actions taken as a result of each Stage 2 complaint regarding community health from 1 April 2018 is provided (this allows an overview of types of complaints in year and also for any open complaints at the point of reporting to be completed at a subsequent iteration of the report). All Stage 2 complaint learning from 2017/18 was included in the Feedback and Complaints Annual Report presented to the Board in June 2018.

A summary of community health cases taken to the Scottish Public Services Ombudsman from April 2016 onwards is included at the end of this report, allowing oversight of the number and progress of these and also the compliance with any learning outcomes that are recommended following SPSO investigation.

Summary

- Corporate Services recorded 15 pieces of feedback relating to community health in Quarter 1 of 2018/19 (1 April 2018 – 30 June 2018):

	01.04.18 – 30.06.18		01.01.18 – 31.03.18 (previous quarter)	
Feedback Type	**Number**	**%**	**Number**	**%**
Comments	-	-	-	-
Compliments	-	-	-	-
Concerns	4	26.67	8	40
Complaints	11	73.33	12	60
Totals:	**15**		**20**	

Key highlights

- For Quarter 1 we have had one community health formal complaint investigation (handled as a Stage 2 complaints), as compared with four from the same quarter in 2017/18.
- In total we have had 11 complaints - 10 of which have been logged at Stage 1.
- Further work is required with various staff groups to work towards higher compliance in Stage 1 complaint performance (in particular with regard to responding within five working days and closing the loop with Corporate Services). Since the last report the Complaints Officer has attended a Community Mental Health team meeting to discuss complaint handling. Further staff updates are planned.
- Quarterly complaint data received for Family Health Service providers has not been included in this report. Compliance with returns is low and this will continue to be picked up through professional leads.
- Complaint experience in relation to the complaints service provided for Stage 1 and Stage 2 complaints will be included on a six monthly basis given the low numbers involved. This will however be for all health and care complaints as the forms are deliberately anonymised.
- ISD has advised it will no longer collate complaint performance data on a quarterly basis. We have been advised that as NHS Bodies already publish annual reports covering complaints, and following implementation of the new CHP will publish complaints information covering the nine Key Performance Indicators (KPIs) it has been agreed that from 2017/18 onwards ISD will produce an annual one-page non-official statistical release reporting on total numbers only of KPIs four to nine (these are performance against indicators as in tables1-5 below). ISD will collect this annual information from the annual reports developed in each Board area.

  The new non-official annual release will be published on the ISD website following appropriate publication protocol.
- We anticipate the Scottish Government will offer further clarification on the annual complaints, feedback, concerns and comments reporting requirements going forward. A national meeting of Complaints Officers planned for October 2018 will discuss how best to rationalise the way information is being presented for the purposes of national benchmarking.

Complaints Performance

Definitions:
Stage One – complaints closed at Stage One Frontline Resolution;
Stage Two (direct) – complaints that by-passed Stage One and went directly to Stage Two Investigation (e.g. complex complaints);
Stage Two Escalated – complaints which were dealt with at Stage One and were subsequently escalated to Stage Two investigation (e.g. because the complainant remained dissatisfied)

1 Complaints closed *(responded to)* at Stage One and Stage Two as a percentage of all complaints closed.		
Description	**01.04.18 – 30.06.18**	**01.01.18 – 31.03.18 (previous quarter)**
Number of complaints closed at Stage One as % of all complaints	90.91% (10 of 11)	75% (9 of 12)
Number of complaints closed at Stage Two as % of all complaints	9.09% (1 of 11)	24% (3 of 12)
Number of complaints closed at Stage Two after escalation as % of all complaints	-	-
Notes:- In some cases we may be unable to issue a response to a complaint, for example, when the complaint is submitted anonymously. During the period we received no such complaints.		

2 The number of complaints upheld/partially upheld/not upheld at each stage as a percentage of complaints closed *(responded to)* in full at each stage.		
Upheld		
Description	**01.04.18 – 30.06.18**	**01.01.18 – 31.03.18 (previous quarter)**
Number of complaints upheld at Stage One as % of all complaints closed at Stage One	60% (6 of 10)	55.56% (5 of 9)
Number complaints upheld at Stage Two as % of complaints closed at Stage Two	0% (0 of 1)	100% (3 of 3)
Number escalated complaints upheld at Stage Two as % of escalated complaints closed at Stage Two	-	-

Partially Upheld		
Description	**01.04.18 – 30.06.18**	**01.01.18 – 31.03.18 (previous quarter)**

Number of complaints partially upheld at Stage One as % of complaints closed at Stage One	305% (3 of 10)	22.22% (2 of 9)
Number complaints partially upheld at Stage Two as % of complaints closed at Stage Two	100% (1 of 1)	0% (0 of 3)
Number escalated complaints partially upheld at Stage Two as % of escalated complaints closed at Stage Two	-	-

Not Upheld		
Description	**01.04.18 – 30.06.18**	**01.01.18 – 31.03.18 (previous quarter)**
Number complaints not upheld at Stage One as % of complaints closed at Stage One	10% (1 of 10)	22.22% (2 of 9)
Number complaints not upheld at Stage Two as % of complaints closed at Stage Two	0% (0 of 1)	0% (0 of 3)
Number escalated complaints not upheld at Stage Two as % of escalated complaints closed at Stage Two	-	-

3 The average time in working days for a full response to complaints at each stage			
Description	**01.04.18 – 30.06.18**	**01.01.18 – 31.03.18 (previous quarter)**	**Target**
Average time in working days to respond to complaints at Stage One	4.3	6.78	5 wkg days
Average time in working days to respond to complaints at Stage Two	38	31.67	20 wkg days
Average time in working days to respond to complaints after escalation	-	-	20 wkg days

4 The number and percentage of complaints at each stage which were closed *(responded to)* in full within the set timescales of 5 and 20 working days			
Description	**01.04.18 – 30.06.18**	**01.01.18 – 31.03.18 (previous quarter)**	**Target**
Number complaints closed at Stage One within 5 working days as % of Stage One complaints	60% (6 of 10)	66.67% (6 of 9)	80%
Number complaints closed at Stage Two within 20 working days as % of Stage Two complaints	0% (0 of 1)	33.33% (1 of 3)	80%
Number escalated complaints closed within 20 working days as % of escalated Stage Two complaints	-	-	80%

5 The number and percentage of complaints at each stage where an extension to the 5 or 20 working day timeline has been authorised.		
Description	**01.04.18 – 30.06.18**	**01.01.18 – 31.03.18 (previous quarter)**
% of complaints at Stage One where extension was authorised	40% (4 of 10)	33.33% (3 of 9)
% of complaints at Stage Two where extension was authorised	100% (1 of 1)	66.67% (2 of 3)
% of escalated complaints where extension was authorised	-	-

Learning from complaints

For Quarter 1 there are no particular trends to highlight, however there has been an issue with access to travel vaccinations.

Please see the attached complaints narrative for Stage 2 complaints which outlines changes or improvements to services or procedures as a result of the consideration of formal complaint investigations.

Staff Awareness and Training

Staff are provided with key information on feedback and complaint handling at each induction session. Staff attending mandatory refresher training are given an update sheet on feedback and complaints. The Feedback and Complaints Officer is continuing to speak with departments and key meetings about changes to the procedure.

Stage 2 community health complaints received 1 April 2018 to 30 June 2018

	Summary	Staff Group(s)	<= 20 wkg days	If not, why	Outcome	Actions
1	Concern about attitude/wellbeing of staff member	GP	N	Meeting with MD and staff member prior to response	Part upheld	• Two very different recollections of discussion which it is not possible to resolve • Patient's care addressed through alternative clinician

Community health cases escalated to the Scottish Public Services Ombudsman from 1 April 2016 to 30 June 2018

Date notified with SPSO	Our complaint ref	SPSO ref	Area of complaint	Date of SPSO outcome	SPSO outcome	SPSO recommendations	Action update	Board/SPSO status
17.03.17	2016_17_38	201606971	Dental: removed from orthodontic treatment list; not told of this; failed to provide a reasonable explanation as to why patient was removed from treatment waiting list.		1 of 3 aspects upheld	1. Letter of apology by 16.12.17 2. Evidence re learning from dental by 16.01.18	1. Apology letter sent 14.12.17 2. Additional evidence provided 16.01.18	SPSO has marked this as closed 17.05.18
2017/18								
28.06.17	2016_17_43	201701390	Delay to autism diagnosis	12.12.17	Upheld	1. Letter of apology by 12 January 2018 2. Evidence that finding have been shared with relevant clinical staff by 12 February 2018	1. Apology letter sent 29.12.17 2. Confirmation reflected on by clinicians and anonymised case review for ASD pathway clinicians in January 2018 - confirmed to SPSO 12.02.18	
12.07.17	2016_17_37	201700873	GP (LHC) failed to provide appropriate clinical treatment in view of patient's presenting symptoms	25.10.17	Upheld	1. Provide a written apology which complies with the SPSO guidelines on making an apology - by 20.11.17 2) written confirmation that the doctor accepts these findings and evidence of steps taken to improve practice. Confirmation this will be discussed in full at the doctor's next appraisal by 20.11.17	1. Letter of apology sent 17.11.17 2. GP to discuss at appraisal and also anonymised case discussed at LHC GP meeting (confirmed to SPSO 18.12.17)	SPSO has marked this as closed 19.12.17

Date notified with SPSO	Our complaint ref	SPSO ref	Area of complaint	Date of SPSO outcome	SPSO outcome	SPSO recommendations	Action update	Board/SPSO status
17.07.17	2016_17_41	201700761	(1) the Board failed to provide a reasonable standard of care & treatment in A&E on 11.08.17 (2) care provided in relation to patient's legs was unreasonable (3) staff attitude towards patient at Lerwick Health Centre was unreasonable		Not upheld 31.10.17	no recommendations from SPSO	Requested information sent 09.08.17	SPSO has marked this as closed
21.07.17	2016_17_53	201700683	The Board failed to provide an appropriate standard of dental care		Not upheld	Recommendation from SPSO: Staff should be aware of the requirement to record the IOTN category in order to substantiate whether the criteria for providing orthodontic treatment has been met by 20.11.17	Information provided by 20.11.17. Further update provided 16.01.18	SPSO has marked this as closed

Key:
Grey – no investigation undertaken or recommendations requested by SPSO
Green – completed response and actions
Amber – completed response but further action to be taken at the point of update
No colour – open case

Appendix F – SIC Complaints

Shetland Islands Council

This shows all complaints that were open during the Quarter.
Frontline complaints should be closed within 5 working days
Investigations should be closed within 20 working days

Generated on: 10 September 2018

Standard of service received

ID	Stage Title	Received Date	Status	Closed Date	Service/Directorate	Days Elapsed	Complaint Upheld?
COM-17/18-726	Investigation	12-Mar-2018	Closed	06-Apr-2018	Community Care – Resources	18	Upheld

Disagreement with decision made

ID	Stage Title	Received Date	Status	Closed Date	Service/Directorate	Days Elapsed	Complaint Upheld?
COM-17/18-707	Investigation	10-Jan-2018	Closed	07-May-2018	Community Care – Resources	49	Not Upheld
COM-17/18-715	Investigation	15-Feb-2018	Closed	10-May-2018	Community Health & Social Care Directorate	59	Partially Upheld

Appendix G - Risk Register - Integration Joint Board

Risk & Details	Current Likelihood	Current Impact	Current Risk Profile	Current and Planned Control Measures	Target Probability	Target Impact	Target Risk Profile	Responsible Officer
Category	**Corporate**							
Corporate Plan	*Integration Joint Board Strategic Plan*							
Failure of Governance Arrangements. The complexity of the governance arrangements may detract from rather than support a journey towards 'single system' working across health and care services. Trigger : Policy framework misunderstood. Policy framework ignored. Conflict of interest between professional, organisational and IJB roles. Decisions are taken out with the IJB arrangements. Consequences: Strategic Plan not implemented. NHS Shetland and Shetland Islands Council interests take priority to IJB: IJB unable to fulfil its remit. Risk type : Partnership working failure Reference - IJB20001	Almost Certain	Major	High	• Integration Scheme, Scheme of Administration and Delegations, Standing Orders and Financial Regulations IJB Committees and supporting groups / forums established and predominantly working effectively. Liaison Group of senior representatives from each organisation meeting regularly to resolve issues. Corporate Services Support Group established and working effectively. Formal Induction Programme. Strategic Plan approved by each of the partners - IJB, NHS Shetland and Shetland Islands Council. Budget and Financial Plan approved by each of the partners. Formal agenda management arrangements including Report Templates	Unlikely	Minor	Low	Simon Bokor-Ingram Integration Joint Board

Failure of Governance Arrangements. The individual needs of each of the partner organisations being greater than the partnership agreement in influencing how services are designed and delivered. Trigger : Policy framework misunderstood. Policy framework ignored. Conflict of Interest between professional, organisational and IJB roles. Decisions are taken out with the IJB arrangements. Consequences : Strategic Plan not implemented. NHS Shetland and Shetland Islands Council interests take priority to IJB: IJB unable to fulfil its remit. Risk type : Partnership working failure Reference - IJB20002	Almost Certain	Major	High	• Integration Scheme, Scheme of Administration and Delegations, Standing Orders and Financial Regulations.IJB Committees and supporting groups / forums established and predominantly working effectively. Liaison Group of senior representatives from each organisation meeting regularly to resolve issues. Corporate Services Support Group established and working effectively. Formal Induction Programme. Strategic Plan approved by each of the partners - IJB, NHS Shetland and Shetland Islands Council. Budget and Financial Plan approved by each of the partners. Formal agenda management arrangements including Report Templates.	Unlikely	Minor	Low	Simon Bokor-Ingram Integration Joint Board
Failure of Governance Arrangements. Failure to implement the Strategic Programmes. Trigger : Lack of strategic direction. Lack of resources to deliver the change programmes and projects. Consequences : National and local priorities not achieved. Failure to redesign services to secure equitable, sustainable and affordable services. Not achieve financial balance in 2017-18. Diminished reputation from failure to deliver. Risk type : Strategic priorities wrong Reference - IJB20003	Likely	Major	High	• Timetable for Delivery was agreed as part of the Strategic Plan. Transformational Change Board established within NHS Shetland to support delivery of the Strategic Programmes.	Possible	Minor	Medium	Simon Bokor-Ingram Integration Joint Board

Lack of leadership. The Strategic Commissioning Plan not adequately reflecting the transformational change required to build sustainable and affordable health and care services for Shetland (NOTE this includes making sure that the plan addresses need) Trigger : Options for change do not adequately address issues of equity, sustainability and affordability. Resistance to change; campaigns for 'status quo' to remain. Options for change modelled on inputs and resources and not outcome to meet service needs. Scale and scope of options for change not sufficiently challenging. Consequences : Failure to redesign services to secure equitable, sustainable and affordable services. Issues are addressed piecemeal with no strategic overview. Diminished reputation from failure to deliver. Risk type : Strategic priorities wrong Reference - IJB20004	Possible	Major	High	• Strategic Plan approved by each of the partners - IJB, NHS Shetland and Shetland Islands Council. Participation and Engagement Strategy is part of core suite of policies. Working towards alignment of Strategic Commissioning Plan, Strategic Change Programmes and Budget. Transformational Change Board established within NHS Shetland to support delivery of the Strategic Programmes.	Unlikely	Minor	Low	Simon Bokor-Ingram Integration Joint Board

Lack of leadership. The need for transformational change not being effectively understood or communicated to all stakeholders with resulting lack of support for change. Trigger : Options for change do not adequately address issues of equity, sustainability and affordability. Resistance to change; campaigns for 'status quo' to remain. Options for change modelled on inputs and resources and not outcomes to meet service needs. Scale and scope of options for change not sufficiently challenging. Consequences : Failure to redesign services to secure equitable, sustainable and affordable services. Issues are addressed piecemeal with no strategic overview. Diminished reputation from failure to deliver. Risk type : Strategic priorities wrong Reference - IJB20005	Almost Certain	Major	High	• Strategic Plan approved by each of the partners - IJB, NHS Shetland and Shetland Islands Council. Participation and Engagement Strategy is part of core suite of policies. Working towards alignment of Strategic Commissioning Plan, Strategic Change Programmes and Budget. Transformational Change Board established within NHS Shetland to support delivery of the Strategic Programmes.	Likely	Significant	High	Simon Bokor-Ingram Integration Joint Board

Lack of leadership. Failure to investigate, explore, invest in and implement new and sustainable service models. Trigger : Options for change do not adequately address issues of equity, sustainability and affordability. Resistance to change; campaigns for 'status quo' to remain. Options for change modelled on inputs and resources and not outcomes to meet service needs. Scale and scope of options for change not sufficiently challenging. Consequences : Failure to redesign services to secure equitable, sustainable and affordable services. Issues are addressed piecemeal with no strategic overview. Diminished reputation from failure to deliver. Risk type : Partnership working failure Reference - IJB20006	Almost Certain	Major	High	• Strategic Plan approved by each of the partners - IJB, NHS Shetland and Shetland Islands Council. Participation and Engagement Strategy is part of core suite of policies. Working towards alignment of Strategic Commissioning Plan, Strategic Change Programmes and Budget. Transformational Change Board established within NHS Shetland to support delivery of the Strategic Programmes.	Unlikely	Significant	Medium	Simon Bokor-Ingram Integration Joint Board

Lack of leadership. Lack of leadership in the transformational change agenda, including insufficient clarity of purpose. Trigger : Options for change do not adequately address issues of equity, sustainability and affordability. Resistance to change; campaigns for 'status quo' to remain. Options for change modelled on inputs and resources and not outcomes to meet service needs. Scale and scope of options for change not sufficiently challenging. Consequences : Failure to redesign services to secure equitable, sustainable and affordable services. Issues are addressed piecemeal with no strategic overview. Diminished reputation from failure to deliver. Risk type : Strategic priorities wrong Reference - IJB20007	Almost Certain	Major	High	• Strategic Plan approved by each of the partners - IJB, NHS Shetland and Shetland Islands Council. Participation and Engagement Strategy is part of core suite of policies. Working towards alignment of Strategic Commissioning Plan, Strategic Change Programmes and Budget. Transformational Change Board established within NHS Shetland to support delivery of the Strategic Programmes.	Unlikely	Significant	Medium	Simon Bokor-Ingram Integration Joint Board

Insufficient Finance, or funding not being applied to strategic plan objectives. When the fixed costs of maintaining the current model of service is factored into the financial planning process, the savings may have to fall disproportionately on community health and social care and health improvement services, which is contrary to the Government guidance on where investment should be targeted to achieve the best outcomes for individuals. Trigger : Continued reliance on non-recurring (one-off) savings to balance financial plan. Financial Plan remains out of balance; potential need for Recovery Plan. Inability of partners to agree on Financial Plan and Savings Plans. Consequences : Strategic Plan and Financial Plan not aligned; inability to meet strategic objectives. Existing service needs not met. Emerging and new service needs not met. Inability to meet Government targets on investment in primary care. Ability to function as a 'going concern'. Risk type : Govt. Funding issues Reference - IJB20008	Likely	Major	High	• SIC funded services, aligned to Strategic Commissioning Plan and allocation of funding meets identified service needs.NHS funded services, aligned to Strategic Commissioning Plan and allocation of funding meets 90% of current service models.	Unlikely	Significant	Medium	Simon Bokor-Ingram Integration Joint Board

Failure to Direct service delivery. Failure to adequately direct service delivery to meet the outcomes required. Trigger : Strategic Plan, Financial Plan and Service Plans are not aligned. Formal Directions are insufficient. Consequences : Service needs (existing, unmet and future demand) not met. Strategic direction from IJB not implemented by delivery partners (NHS Shetland and Shetland Islands Council). Risk type : Strategic priorities wrong Reference - IJB20009	Likely	Significant	High	• Quarterly reporting arrangements in place for performance, risk and finance. Strategic Plan includes detailed Service Plan, performance framework, financial plan and strategic change programmes upon which to base detailed 'Directions' from the IJB to the Health Board and Council to deliver the services as required.	Possible	Minor	Medium	Simon Bokor-Ingram Integration Joint Board
The underpinning requirement for resilient and complete broadband coverage to take advantage of technological solutions might not be secured within the timescale of this Plan. Trigger : Technology solutions that rely on broadband not robust or unable to take advantage of full functionality. Consequences : Service needs (existing, unmet and future demand) not met. Risk type : Missed opportunities Reference - IJB20010	Almost Certain	Significant	High	• Strategic objective of the Shetland Partnership's Local Outcome Improvement Plan.	Likely	Significant	High	Simon Bokor-Ingram Integration Joint Board

Measure	Position in Scotland	Comment
Items per patient	3rd highest (same as last year)	Most practices prescribe 28 days supply, this pushes up the number of prescriptions dispensed each year
Cost per item	2nd lowest (same as last year)	Because 28 days of medicine cost less than 56 days, costs will be low.
Cost per head of population	4th lowest (same as last year)	A more accurate measure of prescribing performance
Spend year on year	Very similar to last year	Growth in spend is modest.
Respiratory costs	Lowest in Scotland per treated patient	
Diabetes costs	Improving vs Scotland	
Opioids	Low use vs rest of Scotland (joint best)	
Gabapentinoids	Top 3 best performing boards (lowest)	

Items per patient

NHS Shetland dispenses the 3rd highest volume of items per patient of all NHS Scotland regional health boards. However Shetland practices also issue a higher than average number of 28 day supplies, most other Scottish boards issue less 28 day supplies and more 56 day supplies. i.e.:

- if a patient is issued a prescription for Aspirin for 28 days, they will require around 12-13 prescriptions per year, or 12-13 items per year
  OR
- if a patient is issued a prescription for Aspirin for 56 days, they will require around 6-7 prescriptions per year, or 6-7 items per year

DATA

Health Board Name	Financial Year	Items/patient (HB)
NHS WESTERN ISLES	2017/18	25
NHS DUMFRIES & GALLOWAY	2017/18	23
NHS SHETLAND	2017/18	22
NHS AYRSHIRE & ARRAN	2017/18	21
NHS LANARKSHIRE	2017/18	21
NHS BORDERS	2017/18	20
NHS HIGHLAND	2017/18	20
NHS GREATER GLASGOW & CLYDE	2017/18	19
NHS FIFE	2017/18	18
NHS TAYSIDE	2017/18	18
NHS FORTH VALLEY	2017/18	18
NHS ORKNEY	2017/18	17
NHS GRAMPIAN	2017/18	16
NHS LOTHIAN	2017/18	14

Cost per list size (registered patient)

Cost per list size is a measure of the total cost of prescriptions per registered patient in a health board. NHS Shetland performs well in this measure, ranking 4th lowest cost per registered patient/list size of all NHS regional boards.

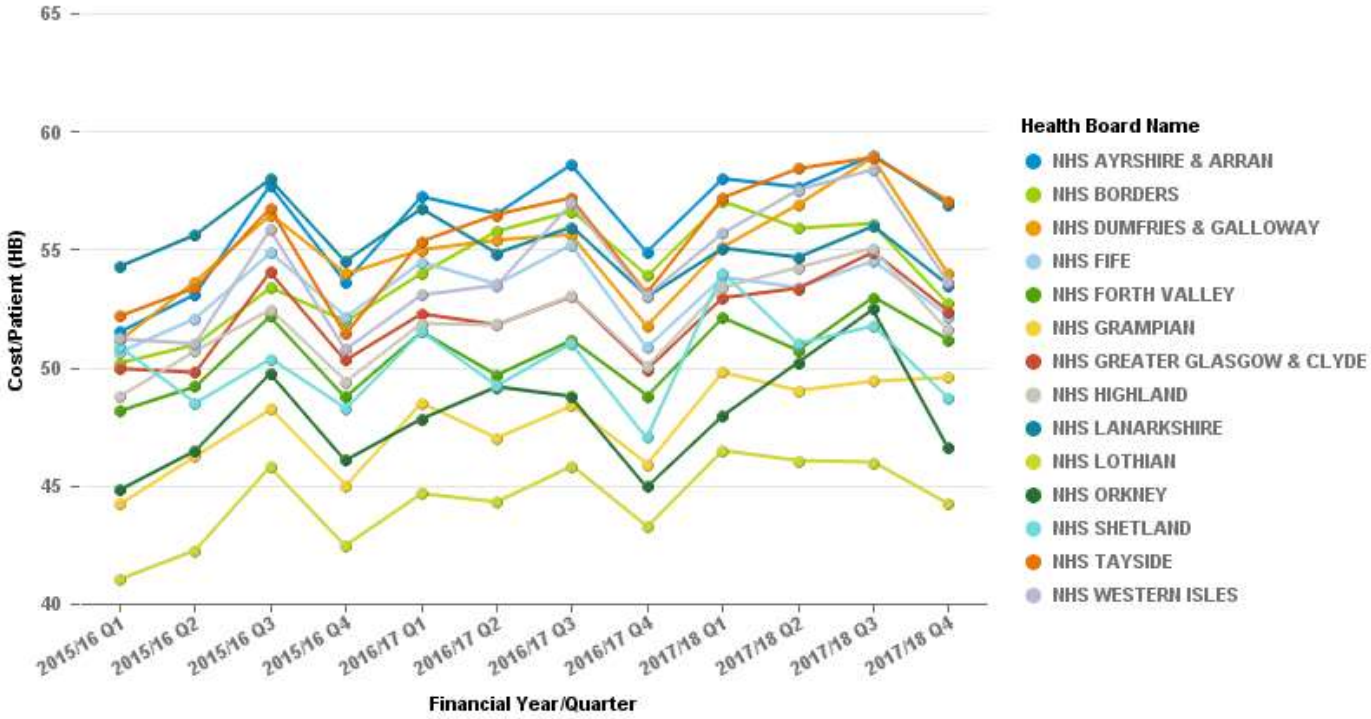
List size is not the same as per head of population, although both figures will be quite similar.

Data

last year

Health Board Name	Financial Year	Cost/Patient (HB) £
NHS LOTHIAN	2017/18	183
NHS ORKNEY	2017/18	197
NHS GRAMPIAN	2017/18	198
NHS SHETLAND	2017/18	205
NHS FORTH VALLEY	2017/18	207
NHS GREATER GLASGOW & CLYDE	2017/18	214
NHS FIFE	2017/18	214
NHS HIGHLAND	2017/18	214
NHS LANARKSHIRE	2017/18	219
NHS BORDERS	2017/18	222
NHS DUMFRIES & GALLOWAY	2017/18	226
NHS WESTERN ISLES	2017/18	225
NHS AYRSHIRE & ARRAN	2017/18	231
NHS TAYSIDE	2017/18	232

Quarterly trend



What's the relationship between both measures

NHS Shetland supplies the 3rd most "items" per registered patient, and spends the 4th least amount per registered patient. This indicates that, overall, what is being supplied is relatively cost-effective i.e. our cost per item is the 2nd lowest in Scotland, and our cost per patient is the 4th lowest as above.

The most significant measure is the cost per registered patient, which is a good indicator of total spend, irrespective of volume. Other measures like cost per item and items per patient are influenced by the supply of 28 day or 56 day prescriptions.
Other boards have different relationships between spend and volume, i.e. NHS Western Isles has the highest items per patient and 3rd highest cost per patient, or NHS Orkney which has the 3rd lowest items per patient and the 2nd lowest cost/patient. In NHS Western Isles, they may supply more items overall, whereas NHS Orkney supplies less.

Overall spend year vs year

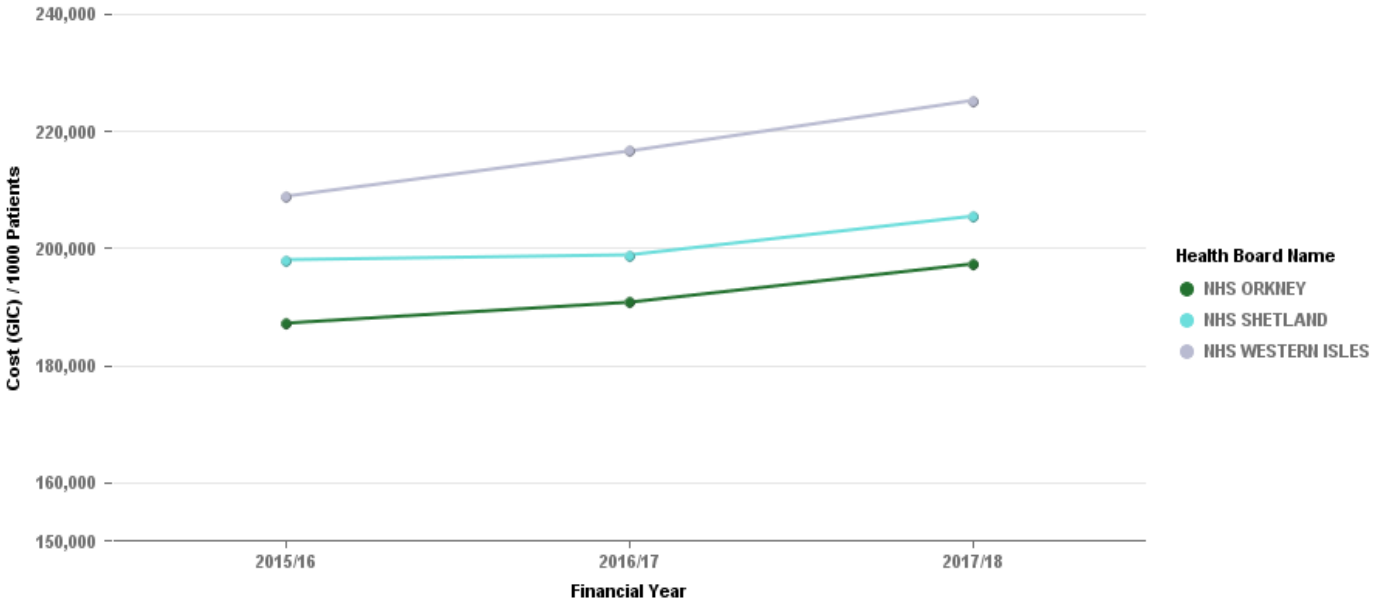
NHS Shetland's spend per patient grew similarly to other NHS Scotland boards, including comparative island boards and other North of Scotland region health boards – NHS Tayside, Grampian and Highland.

Data

trend of all boards

	2015/16	2016/17	2017/18
NHS AYRSHIRE & ARRAN	215980	227254	231476
NHS BORDERS	206479	220247	221746
NHS DUMFRIES & GALLOWAY	2152147	217798	224908
NHS FIFE	209718	214061	213872
NHS FORTH VALLEY	198306	201141.	206975.
NHS GRAMPIAN	183693.	189796.	197814.
NHS GREATER GLASGOW & CLYDE	204131.	207007.	213554.
NHS HIGHLAND	201338	206767	214286.
NHS LANARKSHIRE	222410.	220509	219166
NHS LOTHIAN	171607	178061	182746.
NHS ORKNEY	187159	190739	197282.
NHS SHETLAND	197993	198825	205447
NHS TAYSIDE	213761	222174	231539.
NHS WESTERN ISLES	208854	216577.	225215.

island board's trend



COSTS PER TREATED PATIENT

This is a measure of the spend in a group of patients who are prescribed treatments for certain conditions. It is not a measure against the whole population of patients, only those receiving treatment within the period measured. This table demonstrates how inhaler cost has been managed effectively in Shetland in recent years.

Respiratory costs per treated patient

NHS Shetland has the lowest cost per treated patient of all of NHS Scotland, and much effort goes into maintaining that position.

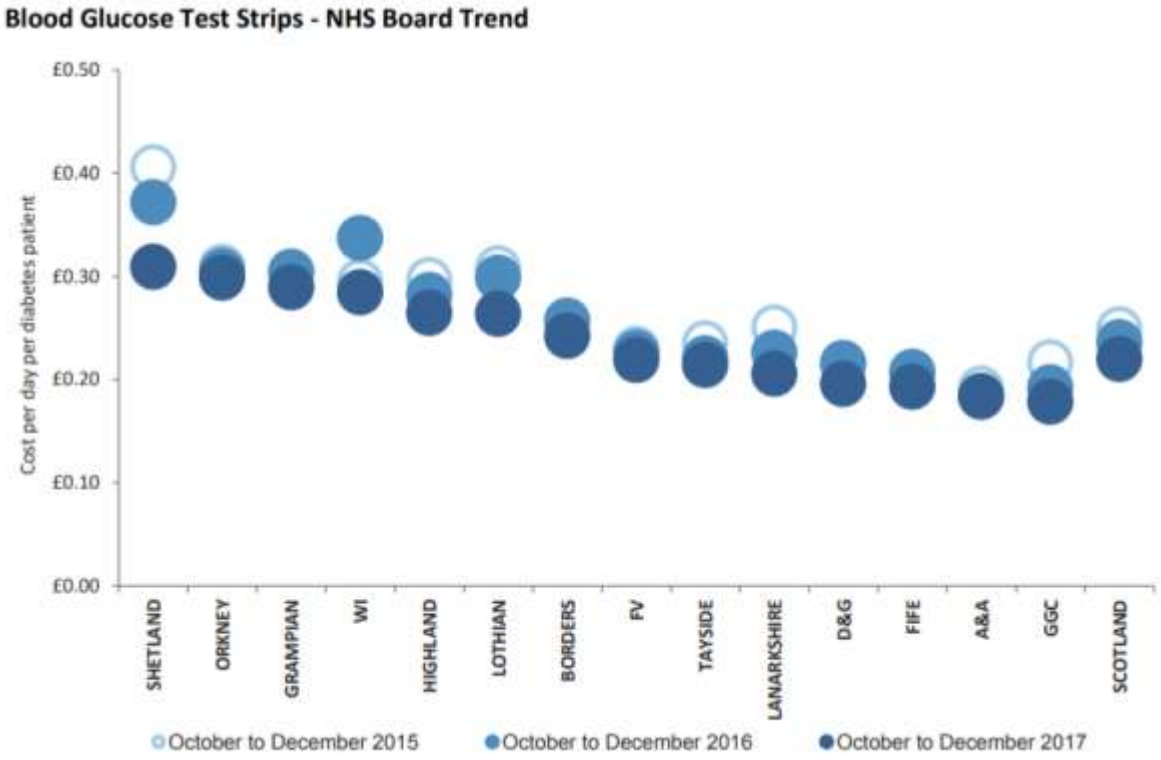
Area	April to Sep 2015	October to March 2016	April to Sep 2016	October to March 2017	April to Sep 2017	October to Mar 2018
Shetland	£82	£86	£83	£84	£78	£82
Scotland	£96	£104	£96	£101	£92	£95

Diabetes costs per treated patient (recent quarter)

1. ALL MEDICINES USED IN DIABETES – Overall, NHS Shetland is the 5th highest in Scotland - £108/treated patient (reducing)
2. INSULIN – NHS Shetland is the 4th highest in Scotland – £141/treated patient (reducing)
3. BLOOD GLUCOSE MONITORING - NHS Shetland is the 2nd highest in Scotland – £72/treated patient (reducing)
4. ORAL ANTIDIABETIC MEDICINES - NHS Shetland is the 3rd lowest in Scotland – £43/treated patient (reducing) (reducing)

Work is underway in diabetes treatments to improve cost-effectiveness – significant improvements have been made in reducing the costs of blood glucose monitoring. Reducing the spend on test strips has to be done carefully as in Shetland diabetic patients generally demonstrate better blood glucose control than patients in other parts of the country.

Data & graphs



<u>Central nervous system medicines – opiates, gabapentinoids, benzodiazepines (recent quarter)</u>

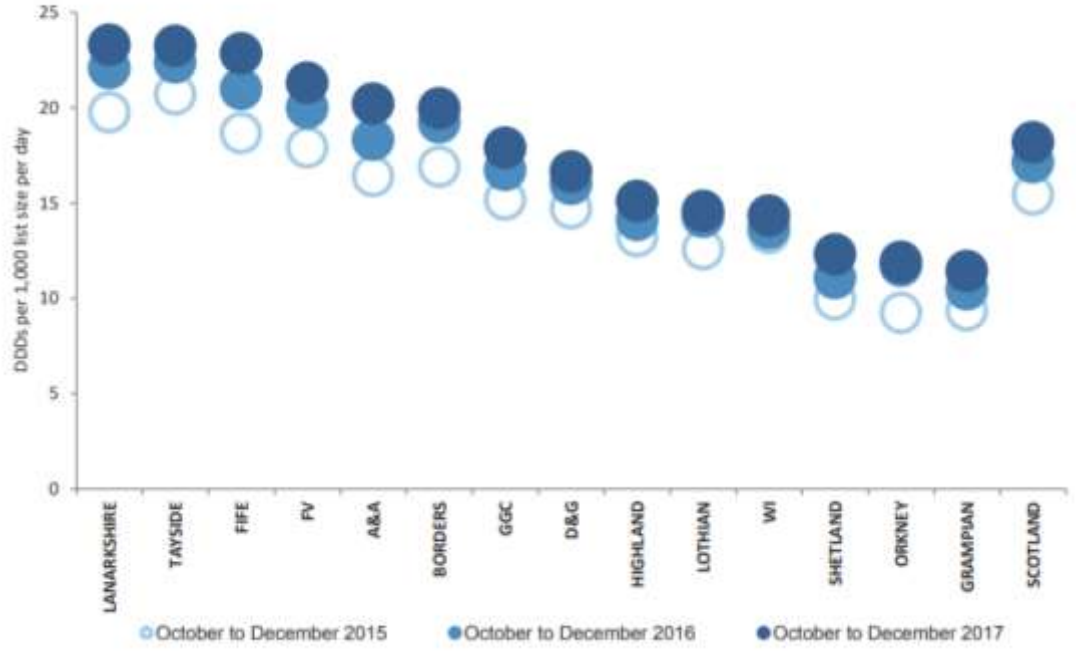
These medicines are useful and highly effective. However patients can easily become dependent and careful management of the use of such drugs is required.

1. GABAPENTINOIDS (Gabapentin etc.): NHS Shetland supplies significantly less of these medicines vs Scotland
2. STRONG OPIOIDS (Morphine etc.): NHS Shetland supplies significantly less of these medicines vs Scotland
3. BENZODIAZEPINE TYPE DRUGS (Diazepam etc.): NHS Shetland supplies significantly less of these medicines vs Scotland

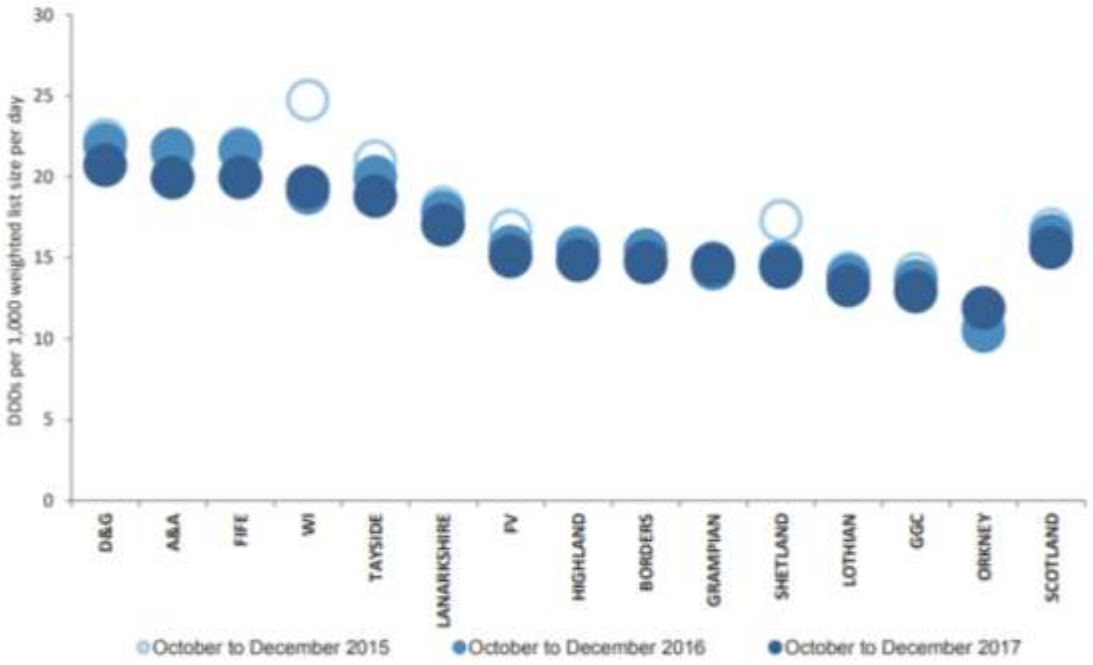
Data & graphs

DDDs are defined daily doses – a common denominator to compare use of drugs across different therapeutic classes. In these graphs the lower the DDD the better the performance.

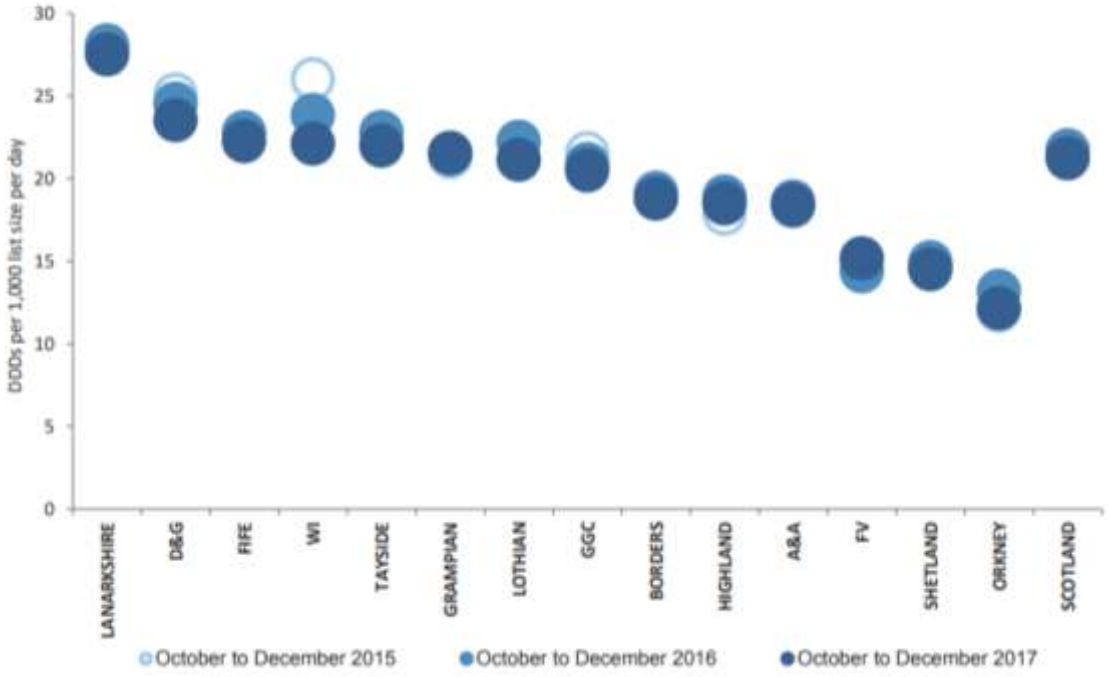
Gabapentinoids: pregabalin and gabapentin



Strong Opioids (including tramadol preparations) - NHS Board Trend



Hypnotics and Anxiolytics - NHS Board Trend



Shetland Islands Health and Social Care Partnership

Agenda Item

4

Shetland NHS Board	Shetland Islands Council

Meeting(s):	Integration Joint Board (IJB) NHS Board Policy and Resources Committee	21 September 2018 2 October 2018 8 October 2018
Report Title:	Shetland Islands Health and Social Care Partnership: Joint Strategic Commissioning Plan, Refresh 2018-2021	
Reference Number:	CC-32-18-F	
Author / Job Title:	Hazel Sutherland, Head of Planning and Modernisation, NHS Shetland	

1.0 Decisions / Action required:

1.1 That the IJB, NHS Board and Policy and Resources Committee:

a) approve the Draft Joint Strategic Commissioning Plan for Consultation, at Appendix 1; and

b) invite comments from the relevant stakeholder groups in accordance with their remit (as set out at Appendix 2) using the exploratory questions (set out at Section 2.8).

2.0 High Level Summary:

2.1 In March and April 2017, the IJB, NHS Shetland and Shetland Islands Council approved the Shetland Islands Health and Social Care Partnership's Joint Strategic Commissioning Plan for 2017-20. A web-link to the current Plan is included below under Background Documents.

2.2 It is best practice to undertake a refresh of the Plan each year, to make sure that it still addresses all the relevant issues and responds to need and demand in an effective way. In September / October 2017, the three partner organisations approved the process of updating the Strategic Plan to address the agreed improvement actions, including to make sure that the Plan is:

- the 'backbone' of decision making;
- more explicit about the implementation plan and any specific changes which were planned;
- drawn up in consultation with stakeholders;
- aligned to the financial budget; and

- clear on the impact of change on service delivery / performance.

2.3 The process of updating the Strategic Commissioning Plan needs to be aligned to the budgeting process, to make sure that the planning and budgeting arrangements are complementary to one another. The planning process describes what services should be delivered; the budgeting process puts in place the resources to make that happen. It has not yet been possible to align the strategic planning process with the financial planning process.

2.4 The needs assessment has been reviewed, to take account of current activity levels and any emerging trends and issues being faced by each service area. The consensus is that, at a whole population level, the needs assessment which underpinned the current plan has not changed significantly enough to warrant any major shift in strategic direction.

2.5 In February 2018, the refresh of the Plan was put on hold to allow the output from the Scenario Planning process to be taken into account. That deferment has also allowed the Plan to now be better aligned with both the North of Scotland Regional Planning propositions and the local Shetland Partnership Plan.

2.6 A Draft Strategic Plan for Consultation is included at Appendix 1. It is proposed that the plan as currently drafted be used to consult with key stakeholders, listed at Appendix 2. We will seek specific feedback in line with the remit of that particular group, forum, committee or team, as described in Appendix 2. The extent of public consultation and engagement will be explored with the Shetland Public Engagement Network.

2.7 The consultation process will be supported by a communication and engagement plan, using a variety of communication tools and methods.

2.8 It is important that the Plan is a statement of intent. It will therefore be useful to explore with our stakeholders whether it is clear and understandable. Writing a plan is the easy bit; making it the tool that supports decision making and resource allocation is more difficult. Some issues which might be worth discussion are:

- We are aiming to change our service models. Is the extent of the challenges facing us clearly articulated? Has the 'case for change' been clearly made?

- We have set out a description of our future service models. Does that resonate with you as to how services should be delivered, now and in the future?

3.0 Corporate Priorities and Joint Working:

3.1 The IJB Joint Strategic Commissioning Plan describes how health and care services can be delivered, jointly, across the services described in the Shetland Islands Health and Social Care Partnership's Integration Scheme.

3.2 The Plan is a significant part of public sector delivery in Shetland and supports Shetland's Partnership Plan, Shetland Islands Council's Corporate Plan and NHS Shetland's 2020 Vision and Local Delivery Plan.

3.3 Delivery of the Strategic Commissioning Plan relies on partnership working between Shetland Islands Council, NHS Shetland, Shetland Charitable Trust, other regional and national organisations (such as the Scottish Ambulance Service, NHS Grampian and other specialist Health Boards) and voluntary sector providers.

3.4 It supports a fundamental shift in the philosophy of how public sector services should be designed and delivered with and for each community, based on natural geographical areas, or localities, and integrated around the needs of service users, rather than being built around professional or organisational structures.

4.0 Key Issues:

4.1 A key issue for the refresh of the 2018-21 Strategic Commissioning Plan will be around communication and engagement; how do we make the strategic plan's words come to life and be the driver for how we work and the decision that we take? It is therefore intended that this Draft be a document that starts the process of consultation. A formal communication and engagement framework has been established to make sure that the messages are clear and understandable and that the best tools are used to suit the audience. A variety of mechanisms will be adopted – written, visual and spoken.

4.2 Change can be difficult. At the moment, there is a sense that all change is negative. However, there are many positive aspects in the models of services we aim to deliver, for example around better health outcomes, choice, flexibility, access to specialists, resilience, appropriate use of technology, etc. We therefore need to build capacity to be able to think creatively and innovatively about new ways of working and support the resilience of staff to deal with constant change.

4.3 There is a good alignment of this Plan with both the North of Scotland regional intent and the local Shetland Partnership Plan. The Shetland Partnership Plan describes a different way of working, with a focus on improving outcomes for our more vulnerable people, tackling inequality and investing in preventative services.

4.4 A significant number of programmes and projects can best be described as 'business as usual' where managers continuously improve and evolve their ways of working to respond to changing needs and new technology. The one area where there is a specific programme of change is in response to the Primary Care Improvement Plan.

4.5 It has not yet been possible to align the budgeting process with the planning process. However, there is a continuing ambition to work to close the funding gap between the cost of the current models of service and available resources. Options will be put forward for consideration which are in line with the intent of the Strategic Plan and the overall financial envelope.

5.0 Exempt and/or confidential information:

5.1 None.

6.0 Implications :

6.1 Service Users, Patients and Communities:	The Strategic Commissioning Plan sets out how services might change over the next 3 years. Any significant changes to services will be of interest to services users, patients, unpaid carers and communities, particularly in respect of quality, equality, accessibility and availability. It is expected that the current models of delivery will continue to evolve and change to reflect the policy direction of shifting the balance of care from

	hospital to community settings and supporting people to live independently at home. The service focus will also be on finding ways to help people to help themselves and by increasing self-help and self-care to help people to live in good health for longer.
6.2 Human Resources and Organisational Development:	At this stage, there are no direct impacts on Human Resources and Organisational Development. However, any significant changes to existing service models and methods of delivery may, in time, affect staffing – both in terms of the number of staff and the skills mix required – in order that service costs can be accommodated within the total budget allocation. There are difficulties in being able to recruit to some posts, in some areas and several services rely on agency and locum staff to deliver the current service models. The need to support and train staff is an integral part of the Plan.
6.3 Equality, Diversity and Human Rights:	The refresh of the plan will include an updated Impact Assessment.
6.4 Legal:	The Public Bodies (Joint Working) (Scotland) Act 2014 requires Health and Social Care Partnership IJBs to produce a strategic commissioning plan and update it annually.
6.5 Finance:	There is a significant current and forecast funding gap between the cost of services and available funding. Effort needs to be made to find sustainable models of service within the available funding levels.
6.6 Assets and Property:	At this stage, there are no implications for Assets and Property. However, any significant changes to existing service models and methods of delivery may, in time, affect the overall estate in order that service costs can be accommodated within the total budget allocation.
6.7 ICT and new technologies:	The Draft Plan for Consultation outlines the need to continue to modernise our working practices – both internally and with our patients / service users / customers – by maximising eHealth, Telehealthcare and Telecare opportunities.
6.8 Environmental:	At this stage, there are no specific environmental implications. Any changes to services models which result in changes to access points and transport arrangements may, in time, result in environmental considerations.
6.9 Risk Management:	The risk of not updating the Plan to take account of best practice guidance and changing need and demand might mean that the Strategic Commissioning Plan is not as effective as it might be in shaping the future health and social care service models, to best meet the needs of the community with the financial resources made available and availability of staff.

6.10 Policy and Delegated Authority:	Shetland's Integration Joint Board (IJB) was formally constituted on 27 June 2015 and operates in accordance with the approved Integration Scheme, Scheme of Administration, and the Financial Regulations. The IJB assumed responsibility for the functions delegated to it by the Council and the Health Board when it (the IJB) approved and adopted the joint Strategic (Commissioning) Plan at its meeting in November 2015. The delegated functions are set out in the Integration Scheme. <u>SIC Policy and Resources Committee</u> Shetland Islands Council delegated functions, including the planning arrangements, to the IJB. The Policy and Resources Committee is responsible for receiving reports on any matters relating to functions delegated to the IJB that require to be reported to the Council. Approval of strategic policies, including the Strategic Commissioning Plan, falls within this remit. <u>NHS Shetland Board</u> NHS Shetland delegated functions, including planning for acute and hospital services, to the IJB. The NHS Board has the overall authority for consideration and approval of strategic planning, taking guidance from its Standing Committees, as appropriate. Approval of the Strategic Commissioning Plan therefore rests with the NHS Shetland Board. <u>IJB</u> The Integration Scheme states that, "The IJB has responsibility for the planning of the Integrated Services. This will be achieved through the Strategic Plan....The IJB will be responsible for the planning of Acute Hospital Services delegated to it....". Consideration and approval of the annual update of the Strategic Commissioning Plan is therefore within the authority delegated to the IJB.	
6.11 Previously considered by:	None	This Draft Plan for Consultation will form the basis of consultation with a range of stakeholders.

Contact Details:
Hazel Sutherland, Head of Planning and Modernisation, NHS Shetland
hazelsutherland1@nhs.net
11 September 2018

Appendices:
Appendix 1: Shetland Islands Health and Social Care Partnership: Joint Strategic Commissioning Plan, Refresh 2018-2021
Appendix 2: Consultation and Engagement

Background Documents:
Shetland Islands Health and Social Care Partnership Joint Strategic Commissioning Plan

2017-2020.
http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=20744

Shetland Islands Health and Social Care Partnership

Joint Strategic Commissioning Plan

2018- 2021

DRAFT

For comments and queries, please contact:

Hazel Sutherland, Head of Planning and Modernisation, NHS Shetland, Board Headquarters, Upper Floor, Montfield, Burgh Road, Lerwick, Shetland ZE1 0LA
Email: hazel.sutherland1@nhs.net or telephone 01595 743072

Foreword

"We are the community, and they are us[1]"

Shetland, in keeping with other areas in the UK, is facing a period of unprecedented change in its public services. Investment in health and care services has been hugely successful, with people living longer and being able to live longer even though they may have more complicated health and care needs. Shetland has an excellent reputation for delivering high quality, safe and effective services. However, the pressures before us continue to grow and we are projected to have less money year on year to stay the same, never mind dealing with increasing demand. We therefore need to set out clearly how we can deliver services into the future that meet need, and continue to be safe, effective and of quality. It goes without saying that individuals, families, unpaid carers, volunteers, staff and communities will be at the heart of the changes – after all that is why we are all in the business of public service. Our challenge is to genuinely change all that we do and make sure that services are integrated around the needs of individuals, their families and unpaid carers and are not built around the convenience of organisations.

It is a hugely exciting challenge to be at the forefront of modernising public sector service in Shetland and to help individuals enjoy a good quality of life. We want to grow a system where skilled staff and volunteers are trusted to do the best they can for the individuals that we serve within a safe and open learning environment and we look forward to working with the Shetland community to make that happen.

Marjorie Williamson
Chair of Shetland Islands Health and Social Care Partnership Integration Joint Board

Gary Robinson
Chair
Shetland Health Board

Steven Coutts
Leader
Shetland Islands Council

[1] Feedback from member of staff 2015

Contents

DRAFT

Executive Summary

This is a plan for the whole of the health and care system in Shetland which sets out the changing models of health and care services. The Plan is supported by more detailed strategic and service plans and policies.

The partners are:

- Shetland Islands Health and Social Care Partnership, through the formal arrangements of the Integration Joint Board (IJB);
- NHS Shetland; and
- Shetland Islands Council.

There are competing issues around increasing demand and diminishing resources which means it is not possible to continue delivering services in the same way we do at the moment into the future. Our population is growing older and with that comes increasing demand for services associated with older age.

Alongside that, our working age population is expected to decrease and there will not be enough working age people to maintain the same services models into the future. Over X% of our overall workforce is aged XX and over. We also face particular challenges around the recruitment and retention of staff.

Health and care services will continue to face a real term restriction in resources over at least the next three years, and potentially for further years beyond that.

We therefore need to find a way, collectively, to develop the mix of hospital, primary care, community care and health improvement services that best meet the needs of our population; provides quality, but are affordable.

We consider that there are opportunities to change how we deliver our services which may provide the same – and sometimes better – services, but at a lower cost. That might seem counter-intuitive but we believe by working together collaboratively to blur the boundaries between all the different parts of the health and care system, we can find a way to make sure that citizens are seen by the right person, at the right time and in the right place.

The change projects that we want to work on to do this includes:

- elective or planned care;
- unscheduled or emergency care;
- primary care; and
- working with individuals to help them to look after their own health and care needs

This Plans sets out why we want to make those changes. More details on any of these issues are included in supporting plans and documents, all of which are referenced at the back of this Plan.

Why do we need to change?

Health and care services in Shetland are delivered to a consistently high standard, in most areas. However, there are many factors which make the current models of service delivery difficult to sustain.

Audit Scotland, in their report on 'Changing Models of Health and Social Care' stated that,

> *"the growing number of people with complex health and social care needs, particularly frail older people, together with continuing tight finances, means that current models of care are unsustainable. New models of care are needed."*

The 'National Clinical Strategy for the NHS in Scotland 2016', summarised the position as:

> "*Our population is growing older, and some older people will need increasing amounts of health and social care. More people are living with long-term conditions such as diabetes, high blood pressure, cancer and dementia, each of which requires ongoing treatment and care. And we still have a high level of health inequality – a person living in the most socially deprived community in Scotland can expect to live at least 10 years less than someone living in a well-off area. All of this means that demand for health and care services will increase over the next 15–20 years.* "

NHS Shetland recently facilitated a 'Scenario Planning' exercise to understand more fully the issues which we are facing and what we need to do about it. The participants identified the key variables that are likely to impact on health and care services in the future and the key themes and issues which emerged were:

- Demographics
- Workforce and Training
- Demand Management
- Whole System Approach
- Connectedness
- Communications
- Technology and Systems
- Prevention
- Money
- Self Care / Self Management
- Culture and Risk
- Decision Making
- Clinically Led Changes
- Stakeholder Involvement
- Politics

DRAFT

The key factors identified are explored in more detail below.

Demand	-	The population is aging rapidly and it is therefore likely that demand for adult health and care services will increase.
	-	The Regional Plan estimates that the gap across the north of Scotland between demand and resources for outpatient referrals to be 9% per year and for inpatient and day case treatment to be 13% per year.
	-	Ageing can be an indicator for a potential associated rise in conditions such as sensory impairments, mental ill-health, hypertension, asthma, diabetes, dementia and multiple chronic disorders.
	-	There is a trend towards more people living nearer to centres of population, making sustaining services in the more rural areas challenging.
	-	There is evidence of more people living longer, with long term conditions.
	-	Determining actual levels of future need is difficult, as there are so many factors at play, especially with a relatively small population.
Prevention	-	There is a need to continue to invest time in helping people to help themselves in order to tackle the causes of ill health.
	-	Continued investment in preventive services is paramount to managing growth in demand, alongside supporting existing need.
	-	Many preventative services will be outwith health and care so we need to work with individuals, communities and partners to get better at early intervention and preventative services.
	-	There is a specific need to work with our partners in sign posting people to more appropriate services outwith health and care.
Savings	-	Funding is likely to decrease in real terms over the next 1-5 years.

- The financial efficiency savings that need to be addressed over the next 5 years is £5.8m for the NHS (or 10% of current activity).
- The Council has set out its financial aims in the medium term financial plan but there is no specific detail - as yet - in how the £15.6m savings target will be applied to individual service areas but it is expected that social care will not be exempt from the need to find savings.
- The cost of the health and care model in Shetland per head of population is higher than elsewhere in Scotland.
- Opportunities and ideas for the NHS to work more efficiently have been identified by the Government (using national metrics) in line with the annual efficiency targets expected to be achieved.
- There are significant diseconomies of scale associated with the current service model which is compensated for, to some extent, by the financial support from the Government.

Workforce

- The working age population is predicted to reduce.
- There is difficulty in recruiting to some jobs, in some areas.
- A number of our services have been categorised as 'at risk' where either recruitment to key posts is difficult, the service relies on a single person, or there is an aging workforce.
- At DATE, X% of the workforce was over 55 years old in the NHS and 39% in the Council's social care services.
- It is likely that there will be insufficient staff to address future care needs, if the current models of service stay the same. In some areas, use of locum or agency staff is already required to meet current need.
- Our staff are highly skilled, often with skills beyond the job that they actually do so we need to find a way to build multi-disciplinary teams that makes the best use of everyone's skills so that people get seen by the 'right person' to meet their need.

Integration

- For any area, and especially for an area the size of Shetland, we need to find a way to progress a 'whole system approach'.
- There is a need to stop considering secondary care, primary care, social care, health improvement and the third sector as separate services and find a way to seamlessly wrap services around the needs of individuals and families.
- Services often work in a 'fragmented' way so there is a need for staff to work more collaboratively – and avoid silo working.
- Ours services users see one health and care system; there is a need for us to respond to that.

Technology

- We need to get better at using technology for routine appointments and advice.
- There is a need to accelerate the use of technology, to save people having to travel.

- Our data systems do not easily talk to each other so there is a need to work towards a series of compatible systems that wrap around the patients' and citizens' needs.

A Year in the Life of Shetland's Health and Care Services

[to be completed]

In an average year, in Shetland's Health and Social Care Partnership,

NNN babies are born

NNN people had an appointment with their GP or Nurse

NNN people attended Accident and Emergency

NNN people were then admitted to hospital after an emergency

NNN radiology tests were done

NNN mental health consultations were held

NNN people were given advice to quit smoking

NNN patients had surgery at the Gilbert Bain Hospital

NNN people attended an Outpatient appointment

NNN alcohol brief intervention conversations were held

NNN clinics were held by video conferencing

NNN miles were travelled by our patients to attend appointments elsewhere

NNN people were treated outwith Shetland, mainly in Aberdeen

NNN people were cared for in their own home

NNN people had their care needs met by moving permanently into a care home

DRAFT

What we are trying to Achieve

This section sets out the various legislative and policy statements, to describe what we are trying to achieve.

Scottish Government 2020 Vision

The Government's overall Vision is that, "By 2020, everyone is able to live longer, healthier lives, at home or in a homely setting".

The National Health and Care Delivery Plan states that the Government's aim,

> "... is a Scotland with high quality services, that have a focus on prevention, early intervention and supported self-management. Where people need hospital care, our aim is for day surgery to be the norm, and when stays must be longer, our aim is for people to be discharged as swiftly as it is safe to do so"
>
> Where there is in place "a health and social care system that:
>
> - is integrated;
> - focuses on prevention, anticipation and supported self-management;
> - will make day-case treatment the norm, where hospital treatment is required and cannot be provided in a community setting;
> - focuses on care being provided to the highest standards of quality and safety, whatever the setting, with the person at the centre of all decisions; and
> - ensures people get back into their home or community environment as soon as appropriate, with minimal risk of re-admission".

Shetland Partnership

The overall purpose of the Shetland Partnership's approach is to work together to improve the lives of everyone in Shetland. The key focus will be to reduce inequality of outcome by tackling issues that mean some people and groups have poorer quality of life than others.

The shared vision of the Shetland Partnership, as set out in Shetland's Partnership Plan 2018-28, is,

> "Shetland is a place where everyone is able to thrive; living well in strong, resilient communities; and where people and communities are able to help plan and deliver solutions to future challenges."

Effective community planning focuses on where partner's collective efforts can add most value for their local communities, with particular emphasis on reducing inequalities.

Shetland's Partnership Plan therefore focuses on a small number of local priorities where we will make the most difference for our most vulnerable individuals, families and communities and by moderating future demand for crisis services. The shared priorities are:

People	Individuals and families thrive and reach their full potential
Participation	People participate and influence decisions on services and use of resources
Place	Shetland is an attractive place to live, work, study and invest
Money	All households can afford to have a good standard of living

Whilst all areas need to continue to deliver effective services for the Plan to work as a cohesive whole, the focus of activity for health and care will be in the following areas.

For the 'People' dimension, the focus will be on:

- Tackling alcohol misuse
- Healthy weight and physical activity
- Social isolation and loneliness

For the 'Participation' part of the plan, activity will be centred on:

- Satisfaction with public services
- Community participation activity and impact
- People's ability to influence and be involved in decisions which affect them

For the 'Place' priority, the focus will be on:

- Service innovation
- Recruitment and underemployment
- Balancing our working age population

For the 'Money' priority, the focus will be on:

- Households earning enough to have an acceptable standard of living

Public Health Priorities for Scotland

The Scottish Government and COSLA, working with a range of partners and stakeholders, have developed a set of public health priorities for Scotland.

The six priorities are:

- A Scotland where we live in vibrant, healthy and safe places and communities.
- A Scotland where we flourish in our early years.

- A Scotland where we have good mental wellbeing.
- A Scotland where we reduce the use of and harm from alcohol, tobacco and other drugs.
- A Scotland where we have a sustainable, inclusive economy with equality of outcomes for all.
- A Scotland where we eat well, have a healthy weight and are physically active.

The agreed priorities reflect public health challenges that are important to focus on over the next decade to improve the public's health.

Regional Planning

The North of Scotland Health and Social Care Discussion Paper, Plans and Propositions for the future 2018-2023, sets out the strategic intent of the partners across the north of Scotland, the need for change, the model of care and the workstreams that will make the changes happen.

The partners in the North of Scotland Health and Care system are:

The key proposals for changing how we work – called 'propositions' - in the North of Scotland Health and Care Plan centre around:

- Changing Demand and Improving Efficiency – focusing on closing the demand and capacity gap for elective care

- Developing Effective Alliances – forging partnerships and focusing on improvement
- Transforming Care through Digital Technology – shrinking distances and improving access to services
- Developing World Class Health Intelligence - supporting change, quality improvement and efficiency
- Making the North the Best Place to Work – recruiting and developing the best staff

The proposed Model of Care for the North of Scotland is set out below.

- Create opportunities for the prevention of illness and promotion of health and wellbeing
- Support people to have the knowledge and skills to stay healthy
- Provide people with different ways of getting advice, treatment and care
- Provide as much support to allow people to live at home, or as close to home as possible, if ill, frail or living with long term health conditions
- Organise for diagnosis and treatment to be provided as locally as possible to minimise travel from home
- Ensure that the stay in, or visit to, hospital is as short as possible to give the best treatment outcome
- Ensure that the return home from hospital is organised and coordinated with community services
- Organise effective clinical networks of professional staff to provide support for those complex treatment and care needs
- Provide specialist services in the North of Scotland as far as possible
- Coordinate the treatment and care effectively if the condition or illness requires travel outside the North of Scotland

Working to improve people's wellbeing

Our work is to improve the wellbeing of service-users, as described in the nine national health and wellbeing outcomes[2] below:

1. People are able to look after and improve their own health and wellbeing and live in good health for longer.
2. People, including those with disabilities or long term conditions or who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.
3. People who use health and social care services have positive experiences of those services, and have their dignity respected.

[2] Public Bodies (Joint Working) National Health and Wellbeing Outcomes (Scotland) Regulations 2014

4. Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.
5. Health and social care services contribute to reducing health inequalities.
6. People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and wellbeing.
7. People using health and social care services are safe from harm.
8. People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.
9. Resources are used effectively and efficiently in the provision of health and social care

How we will work

The following integration planning principles[3] "will underpin how we shape our services and find innovative solutions to meet our communities' needs and improve the wellbeing of service-users so that our services:

- are integrated from the point of view of service-users
- take account of the particular needs of different service-users
- take account of the particular needs of service-users in different parts of Shetland
- take account of the particular characteristics and circumstances of different service-users
- respect the rights of service users, whilst ensuring they understand and respect their responsibilities
- take account of the dignity of service-users
- take account of the participation by service-users in the community in which service-users live
- protect and improve the safety of service-users
- improve the quality of the service
- are planned and led locally in a way which is engaged with the community (including in particular service-users, those who look after service-users and those who are involved in the provision of health or social care)
- best anticipate needs and prevent them arising
- make the best use of the available facilities, people and other resources".

[3] Section 4 of the Public Bodies (Joint Working) (Scotland) Act 2014

Delivering quality services

We will deliver services in line with the Healthcare Quality Strategy for Scotland:

Safe - There will be no avoidable injury or harm to people from healthcare, and an appropriate, clean and safe environment will be provided for the delivery of healthcare services at all time

Person-Centred - Mutually beneficial partnerships between patients, their families and those delivering healthcare services which respect individual needs and values and which demonstrates compassion, continuity, clear communication and shared decision-making

Effective - The most appropriate treatments, interventions, support and services will be provided at the right time to everyone who will benefit, and wasteful or harmful variation will be eradicated

Shetland's Health and Care Vision

Our Vision is that by 2025 everyone is supported in their community to live longer, healthier lives and we will have reduced health inequalities.

OR

[From Shetland Partnership Plan]

"Shetland is a place where everyone is able to thrive; living well in strong, resilient communities; and where people and communities are able to help plan and deliver solutions to future challenges."

DRAFT

Developing the Future of Health and Care

NHS Shetland has hosted a series of workshops to map out possible futures for health and care services in Shetland, using a management tool called Scenario Planning. This is one strand of our approach to making sure that the Strategic Plan is developed and owned by a range of stakeholders. There were representatives from:

- NHS Shetland Board
- Service user representatives
- NHS staff
- IJB Board
- Shetland Islands Councillors
- Council staff
- Third sector partners
- Community planning partners

Services being available at a local level is really important to people – and local can mean at home, in local communities or in Lerwick at the Gilbert Bain Hospital. The Scenario Planning exercise therefore placed 'local services' at the heart of the discussion on what the future should look like.

Two scenarios were explored in detail to determine what impact a change to where services might be delivered from, as follows:

- a lower level of local healthcare provision in 5-10 years than we have now on Shetland - a "step down" from where we are now in terms of local service delivery.
- a higher level of local healthcare provision in 5-10 years than we have now on Shetland - a "step up" from where we are now in terms of local service delivery.

This was considered from the point of view of a continuum, from a more 'centralised' model, to a more 'locally based' model.

It was strongly felt that a "step down" scenario of less local access (ie more care being provided on the Scottish mainland, with less local access across Shetland and a reduced emphasis on prevention and self care) was undesirable and likely to lead to poorer patient outcomes, reduced health in the population and less effective use of resources. It was recognised that if proactive steps are not taken, it would be perfectly possible for this scenario to become the reality.

However, there was a clear preference to work towards a future based on the "step up" scenario where it would be possible to provide more services on mainland Shetland and reduce the need for patients to travel to the UK mainland. This scenario would reduce the need for care to be provided in hospital settings and there would be a significant increase in focus on prevention and developing alternative approaches to support patients to control and improve their own health.

A description of that Model of Care is centred on a suite of enablers and principles:

The participants stated that what is important to them is an approach where we:

- put the person or service user at the centre of our decision making (person centred care);
- enable clinical leadership, based on evidence;
- maximise opportunities to support self care and self management;
- empower an early intervention and preventative agenda along with our service users and partner organisations;
- collaborate with each other to make sure that services are delivered by the right person, with the right skills;
- work to maximise how people can use their skills to best effect;
- integrate how we work to blur boundaries between organisations, buildings, systems and resources;
- create seamless systems – including ICT systems - for the purpose of data and decision making.

The Scenario Planning process helped to refocus thinking around the need for:

- clinical leadership;
- a whole system, or single system approach;
- communication and community engagement;
- seeing the wider impact of health and care from a community planning perspective;
- positive engagement of partners and the third sector; and
- opportunities through the Islands (Scotland) Act 2018.

DRAFT

What will our health and care services look like in future?

We will have in place seamless services, wrapped around the needs of individuals, their families and communities, which are not restricted by organisational or professional boundaries. Where possible we aim to deliver a 'one stop shop' approach to health and care.

We will support people to have the knowledge and skills to stay healthy. There is an increased emphasis on community-led health promotion and ill-health prevention, including at school. This is also supported by an increasing emphasis on self-care and self-management, alongside providing additional support to unpaid carers.

All stakeholders use compatible Information Technology systems and share information and data easily and readily. This will be supported by robust but appropriate rules around how we use personal and health and care data. We will use technology to explore new ways of working, especially around: self care; advice and information; and virtual appointments to minimise travel and maximise access to services within Shetland and outwith Shetland for specialist treatment.

Services will share facilities and accommodation with less "names on doors". The concept of local "hubs" is developed that have a wider focus than just health. Service providers increasingly work out of shared buildings. Services will, where appropriate, share spaces, utilise shared reception and administrative staff, with teams co-located in some areas. Accommodation is being developed in the context of a wider public sector plan, with appropriate rationalisation and cost reduction but without any detriment on service delivery.

Training systems better reflect the needs of remote and rural practice, with at least some generalists available, supported by increased investment in rural training and local recruitment. Effective clinical and care networks of staff will be in place to provide support for treatment and care needs.

We will organise for diagnosis and treatment to be provided as locally as possible to minimise travel from home. There is faster and earlier intervention of the "right service" supported by effective"sign-posting - which includes social care and third sector services – so that people know where to go to access services. There is also a less obvious barrier between primary and acute care with staff coming together more where it is in the best interest of the patient or service user.

We will ensure that the stay in, or visit to, hospital is as short as possible to give the best treatment outcome. Out-patient, ambulatory and day care services will be the norm, and in-patient stays will be minimised.

We will support people with health and care needs to live and be cared for in their own home. Where people cannot be cared for in their own home, we will support them to live in a community setting that is not institutional.

Service delivery is characterised by improved collaboration with the "not my job" mentality largely gone.

This is further enhanced by policies that seek to remove barriers and a political dimension that increases the rural focus and voice in line with the principles of the Islands (Scotland) Act 2018.

Funding is increasingly spent on the core establishment – not supplementing it or filling gaps through expensive agency costs – with monies from all stakeholders increasingly seen as Shetland-wide resources rather than agency specific. The overall impact is to improve value for money and significantly reduce the recurring deficit.

Our Priorities for the next 3 years

The service models have changed over the years, as the population's needs have changed and new medicines and technology have evolved. This Plan represents a continuation of the approach to continually develop services to best meet our communities needs and make the best use of scare resources.

Taking all the national, regional and local drivers for change, we intend to continue to evolve our service models to:

Develop a single health and care system - We will have in place seamless services, wrapped around the needs of individuals, their families and communities, which are not restricted by organisational or professional boundaries. Where possible we aim to deliver a 'one stop shop' approach to health and care.

Maximise population health and wellbeing – people will be supported to look after and improve their own health and well-being, helping them to prevent ill health and live in good health for longer

Develop a unified primary care service with multi-disciplinary teams working together to respond to the needs of local populations

Streamline the patient's journey in hospital – we will work to make sure that people get the right care in the right place at the right time by maximising outpatient, ambulatory, day care services and minimising in-patient stays

Achieve a sustainable financial position by 2023

What will change about our services?

We have used the 'Scenario Planning' workshops to help us to shape the new models of care. While we have some work to do yet to design exactly what our services might look like in the future, we think it will be helpful to describe how we see the services developing.

Develop a single health and care system

Our overall ambition is to move away from seeing health and care services as single services organised across departmental managerial lines. We all recognise the intrinsic relationships between the aspects of health and care services, as people move through and between services. We want to continue our approach towards a single health and care system, which is seamless from the point of view of the service user ie it doesn't matter which service or organisation is delivering the service, the service is determined by the patient / service user's needs. This approach is the under-pinning philosophy of the work we already do through the auspices of the Integration Joint Board. We want to accelerate that philosophy to find a way to deliver a 'one system, one budget' approach for Shetland. This will involve changes, with a need to implement data systems which will support this way of working and to invest in staff to support them to respond and innovate in an ever changing environment. We want to do this through collaboration, building trusting relationships to give staff and partners permission to try to do things differently. Technology will help us to improve access to services – and equity of access – and where people live should not be a barrier to access.

This 'whole system' approach is shown diagrammatically below in the health and care system adopted by Canterbury in New Zealand. The system is built around the question of 'What Does it Mean for Agnes' (the lady in the red cardigan at the centre of the diagram).

DRAFT

We will deliver this through the following principles and projects:

- ✓ Clinical leadership
- ✓ workforce development and integrated teams, enabling people to work to the maximum of their skill set
- ✓ technology enabled, working to remove organisational and system boundaries around data

Maximise population health and wellbeing

We will continue to invest in a wide range of early intervention and preventative measures to minimise, and sometimes avoid, the need for health and care needs to occur. It is our ambition that a significant proportion of preventative services will be provided outwith the statutory health and care framework, through voluntary, community and third sector provision and from people investing in and looking after their own health and wellbeing. Health improvement and ill health prevention is not just a function of Public Health; it is a fundamental role of all health and care professionals to support people to take control of their own lives and their health.

Services will consider how best to respond to help families who are struggling to thrive and work with local communities and voluntary services to ensure that no one is lonely or stigmatised. It has been identified that approximately 5% of people in Shetland, at any life

stage, are not able to have the same positive experiences and opportunities as the majority of people living in Shetland. Over the last 15 or so years, it has become more common to see these poor experiences being passed down the generations. Shifting money and staff to better target support, and at an earlier stage, is known to help these families and also save money. There are many local examples of the impact of stigma, isolation and loneliness on people and families and there is an increasing body of research showing the negative impacts on physical and mental health. Services will be encouraged to target resources to break negative cycles for individuals and within families.

The recent Annual Report from the Chief Medical Officer, entitled Realistic Medicine, challenged current health care by stating that,

> *"Doctors generally choose less treatment for themselves than they provide for their patients. In striving to provide relief from disability, illness and death, modern medicine may have overreached itself and is now causing hidden harm – or at best providing some care that is of lesser value.... Waste in healthcare should be assessed not in terms of what might be thrown away, but in interventions that don't add value for patients....We need to change the outdated 'doctor knows best' culture to one where both parties can combine their expertise and be more comfortable in sharing the power and responsibility of decision-making. It requires system and organisational change to promote the required attitudes, roles and skills".*

This will be an underpinning philosophy in all the service redesign models.

A key recommendation from the Commission for the Future Delivery of Public Services was that we need to work closely "with individuals and communities to understand their needs, maximise talents and resources, support self reliance, and build resilience". We do this by moving away from a paternalistic approach of doing things to people, to working out ways to work with people to help them to look after their own health and wellbeing.

Alongside the day to day work involved in delivering the Public Health Plan, we will deliver this through the following change projects:

- ✓ Implement the actions and activity in the Public Health 10 Year Plan
- ✓ Mainstreaming self care / self management and early intervention / preventative service (existing project with a new focus on 'social prescribing')
- ✓ Effective Prescribing (existing project)

Developing a unified primary care service

Investment in community based services and strengthening primary care are two key elements of making the 'whole system' approach work by keeping activity out of the acute and hospital sector. We recognise that this shift in emphasis may put pressure on

community resources, including GPs. There is a need to make sure that we make the best possible use of GP time and resources and get better at further developing a team approach to meet people's needs. These teams will be multi-disciplinary and can include any health care professionals appropriate to meet health and needs, such as social care staff, nursing staff, allied health professionals, pharmacists, health improvement practitioners, counsellors, third sector support, etc.

We currently have 10 access points - health centres - where many have single handed GPs. Recent recruitment drives to increase our GP contingent have had most success in our largest health centre, in Lerwick, as opposed to single GP practices. Networking all of our health board run practices will create a one team approach - and support GPs through working as part of a team, rather than in isolation.

We will be supporting more people – and more frailer people - to remain living at home for as long as possible. People with care needs living in the community will have even higher levels of support needs than at present unless we continue to promote reablement and maximise people's independence through early intervention and rapid support when people do deteriorate.

The main aim is to support people with health and social care needs to stay in their own communities, help them to learn to manage their conditions and, whenever possible, reduce the chances of them having to be admitted to hospital. This will mean that some services traditionally supplied in hospitals will be provided in community settings.

The teams can by physically located in one place and work out of any of the health and care buildings, in people's own homes, or be 'virtual' in nature and supported by technology to take place through Video Conferencing, telephone or other technology enabled solutions.

It might mean that people do not necessarily need to see a GP first to arrange health and care needs; people might see, for example, a nurse or a pharmacist or a physiotherapist. This might mean that staff have to travel and move around a bit more. It might mean that service users have to wait a little while longer, so that there are enough people to see to make it an efficient use of staff time. It might mean that we have to share scare resources throughout Shetland, to make better use of all our staff resources and skills. Much of this is in place at the moment, through permanently located and visiting services, but we want to formalise the arrangements; the Primary Care Improvement Plan provides us with the opportunity to do this.

An exercise has been carried out to start to describe in detail what our future service models might look like. We have explored 'what will success look like for our patients / service users' and how will we evidence that. An extract of this work is included below, as an indication of what services are working towards.

Service	What will success look like	Outcomes what evidence of success
Primary care	- No locums - Full utilisation of all staff - Better access to the right person - Parity of service - Single point of access for queries	- Reduced demand - Healthier population - More self-service - One system - Non premises led service
Virtual Services	- No door is the wrong door - Easier and more immediate access to services - Reduced need at higher levels - People are responsible for directing their own care	- Reduction in frequent attendees - Reduction in frustration in getting appointments - Increased self care - Reduction in emergency care
Adults with Learning Disabilities and Autistic Spectrum Disorder	- Support people to stay at home - Right support at right time whatever age (child, young person, adult, lifelong) - Asset based approach to assessment of need - Support for transitions - Reducing barriers - Community support - Focus on equality	- Communities are empowered - Access is equal - Opportunity is equal
Pharmacy and prescribing / effective prescribing	- Patient / Service User is safer and more in control of their health - Better use of resources - Medicines needed on time	- People know why they are taking medicine - Reduce variation in prescribing - Morbidity and Mortality Rates
Mental health	- Support people to live at home - Individuals with mental health conditions are able to live as independently as possible - Be active and have a purpose - To be accepted and participate - Step up and step down care	- Focus on Recovery - Services are responsive
Community nursing	- Access to right professional, right time, right place - Autonomous Practitioners - Working at advance levels	- Nursing care and support provided in timely appropriate way - Sustainable workforce
Allied Health Professionals	- Support people to live independently - Appropriate use of skills - Self care - Self directed treatment - First point of contact	- Responsive and flexible services - Sustainable workforce

DRAFT

We will deliver this through the following change projects:

- ✓ Management of Long Term Conditions
- ✓ Primary Care Improvement Plan (Refreshed project in line with GP Contract)

> Changing Models of Care:
>
> If you are a patient who is remote from your health care professionals, and have a condition they are supporting you with, you can use 'Attend Anywhere' from any smartphone, tablet, laptop or computer which is connected to the internet to connect with them. Whenever you have an appointment with a health care professional, Attend Anywhere has the potential to allow you to have it at a time to suit your: work commitments; mobility; remoteness from health centres and hospitals; so you can receive care where you are. There's no need to log in, you just go to the NHS Shetland website and click the link to enter the "Waiting Room" on the device you have, or follow the link on an email. When you're in the waiting room, the health care professional supporting you will "call you in" to start the appointment. You'll both be able to see each other face to face, and provide updates and get advice on your condition. The connection is secure and private, from you to the professional. An appointment, which used to take you a day to travel to/from the Gilbert Bain Hospital to physically see someone for a brief appointment could maybe be carried out remotely from your own home. There are a number of different scenarios where this can be beneficial for those involved, ranging from seeing your specialist, to seeing your local practice nurse – at a distance and in a way convenient for all.

Social Care

The overall objective is to work with people to enable them to live independently in their own home, or in a homely setting within their community.

Some areas for improvement have been identified to help to continue to support people to live at home around:

- access and participation;
- anticipate needs and prevent needs arising;
- service users being in control of the decisions affecting how they live, have flexible and responsive services and choice;
- making best use of all resources; and

- the model of health and care is able to be adequately staffed.

The increasing interest in and take up of Self Directed Support is demonstrating that our service users and community have an appetite and capacity for being in control of their own lives, and how they want to live with their health and care needs. We need to respond to that. Our challenge will be to both facilitate that approach and continue to provide flexible and responsive services, that best meet people's needs and gives them choices; this may mean changing our more traditional services and shifting resources accordingly.

Alongside this, Housing services will continue to invest in all housing stock, to increase overall supply and support a range of housing choices. Working with housing colleagues to enable people with care needs to remain living at home will remain a priority. There is a presumption against having to move house in order to receive a care package, where it is practicable and feasible to do so. Technology enabled will continue to be a key component of that ambition. More detailed is included in the Housing Contribution Statement, which supports this Plan.

In order to continue to develop the care at home service, the following projects have been identified:

- ✓ Day services in Lerwick to provide a 'drop-in' service to provide extended respite opportunities.
- ✓ Early intervention and preventative services in Whalsay.
- ✓ Dispersed models for supporting care at home in the South Mainland.
- ✓ A 24-7 responsive service.

Streamline the patient's journey in hospital

The provision of care services has shifted considerably over the past few years, through for example the Shifting the Balance of Care and Modernising Outpatients programmes, which supports a focus on community and home based services and minimising time in hospital settings.

Much has been achieved in recent years in streamlining patients' journeys within hospitals, but more needs to be done. That's why we're focusing on ensuring that once patients have had the treatment they require and their condition is stable, they are discharged as soon as possible, supported where necessary by the strengthened primary and community care teams. Returning people to their communities quickly after a hospital stay promotes their independence and means they can get back to their normal lives more quickly.

One of the biggest challenges that we face is to slow the increasing demand for acute hospital care. Only people with genuinely acute medical needs will be occupying hospital beds. Where there is no medical need, people will be diverted from admission or

discharged speedily when any medical need has been attended to. Ideally, anticipatory care planning will avoid the need for attendance at hospital in the first place. There will be even more co-ordination between hospital and community staff. This is in place and working well, for example to avoid people experiencing delays in being discharged from hospital. The joined up work will now extend to unscheduled care, to try to prevent hospital admission in the first place.

The recently published Draft Discussion Paper entitled 'Delivering Health and Social Care to the North of Scotland 2018-21', includes some important commitments to treatment being carried out as close to people's homes as is possible. The commitment is to decentralise access to treatment and care as much as possible with the aim of providing local access. This will be done by re-organising the approach to service delivery and applying digital technology as comprehensively as possible.

The approach includes

- Active management and redesign of outpatient services (e.g. developing multi-disciplinary models, introducing tele-health to support remote access etc) to promote pre-admission assessment and follow up in localities
- Creating pathways to support day surgery and ambulatory care as the norm for planned procedures (reducing reliance/pressure on inpatient services)
- Streamlining referral and diagnostic pathways
- Active management of admissions so that only patients who need specialist care are admitted to hospital (implementing alternative models, reducing length of stay)

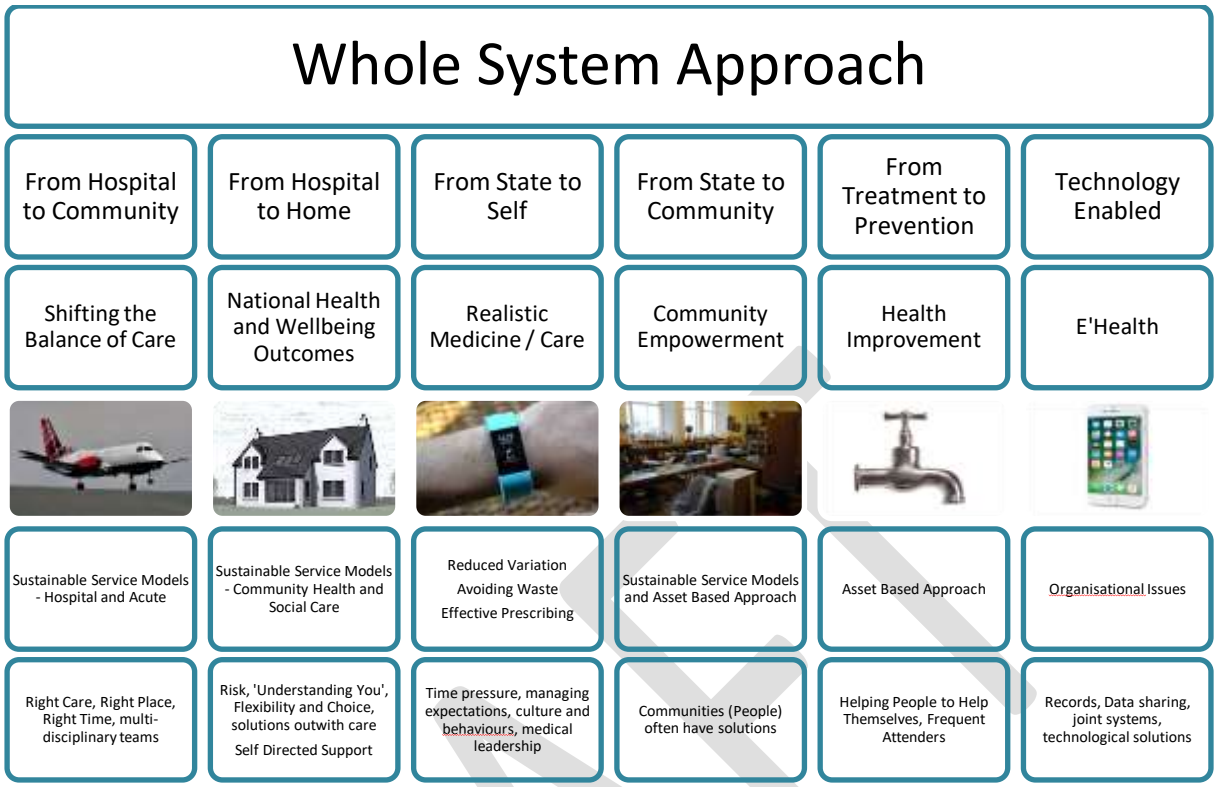
Alongside the programme of improvement work already in hand, as set out above, we will deliver this through the following change projects:

- ✓ Planned / Elective Care
  - Repatriation of services (existing project)
  - Ambulatory Care investment (existing project)
- ✓ Unscheduled care (existing project)

Changing Models of Care...

Imagine that you have been waiting to see a specialist about a complicated condition that you have. You are surprised to see on your appointment email that you have to attend the Gilbert Bain Hospital and that you don't need to travel south for your appointment. On the day of your appointment, you are joined in the room by a nurse, who has knowledge of your condition and will be able to undertake all the necessary tests while you are there. The specialist is located in Grampian but is linked to your room in the Gilbert Bain using a secure video conferencing link. The specialist staff have come to you, using technology, rather than you having to travel to Aberdeen for your appointment.

Our overall approach is shows diagrammatically below.



Enablers

Alongside day to day service delivery and the change programmes, there needs to be in place a range of 'enabling' activity. These are the support services, systems, skills and knowledge that we need to have in place to help keep delivering high quality services and implement any changes. Often, the support services arrangements can be aligned to the Regional Planning approach, as we work towards an environment of sharing resources and skills across the North of Scotland, and the 'Once for Shetland' approach where partners in Shetland work hard to find ways to streamline how we work together. We recognise the inherent tension between working out how best to do things for Shetland's Health and Care Partnership at a local level whilst also responding to the challenges for the NHS of working better at a regional and national level.

Staff are at the heart of all the service delivery models. It is therefore intended, as part of all our projects, to put in place the right staffing numbers, ratios and skills mix for each service area. Within this we will respect professional boundaries while also supporting multi-disciplinary team working. There is a need to support staff to be the best they can be through positive leadership and creating a culture of openness and trust which allows staff to grow, learn and develop in a safe environment in a rapidly changing service. We expect our staff to be the champions of the transformational change that this plan advocates.

There will therefore be specific support arrangements to build organisational capacity and resilience to focus on staff health and well-being, including aspects of leadership, values and behaviours and clear communication.

Alongside the support to staff, there will be a programme to redesign business and organisational systems, integrated insofar as they possibly can be, so that our staff can focus on tasks which support front line service delivery and are not wasteful. This might also involve working locally with partners in Shetland to make the best use of systems and resources, where it might be possible to develop a common approach, or working across the North of Scotland region, or working at a national level on a 'Once for Scotland' approach.

We will deliver this through the following established programmes of work

- ✓ Delivery of the Joint Organisational Development and Workforce Protocol which includes:
  - Developing new and efficient ways of working
  - Implementing organisational capacity and resilience building initiatives
  - Establishing locality working arrangements
  - Developing participative approaches that involve communities / the public in service re-design
  - Creating a shared culture based upon shared values and expectations
  - Developing collaborative and authentic leadership as the norm
- ✓ Supporting staff to:
  - continue to develop their skills and knowledge and work to maximum of their skill set
  - Develop opportunities to work in more generic roles
  - Continue to develop opportunities for specific remote and rural training and practice
- ✓ Participating in the Delivery Arrangements for the North of Scotland Health and Care Discussion Paper
- ✓ Delivering the NHS Board and North of Scotland Region and local E'Health Plans, including:
  - Working towards shared data systems (a portal approach)
  - A Joint approach to Records Management
  - Supporting technology enabled appointments
  - Providing evidence in support of investment in infrastructure
- ✓ Participating in developing the 'island proofing' issues for health and care in line with the Islands (Scotland) Act 2018.

DRAFT

Achieving Financial Balance

The amount of funding which NHS Shetland receives to pay for services is expected to be in the region of £50m over the next 3 years, rising to £51m in years 4 and 5 as a result of an annual uplift estimated at 1.5% per annum.

This will not meet our projected growth in costs (as a result of inflation and the impact of demographics and innovation).

To address this gap NHS Shetland will need to deliver around £5.8M in savings to re-invest in these increased costs.

The amount of funding which Shetland Islands Council is budgeting to contribute to community health and social care services is in the region of £20.5m per annum.

There is a requirement to save £200,000 in 2018-19, which has been provisionally set against community mental health services although the savings may come from other services within the Directorate.

Longer term, the Council has in place a medium term financial plan. There is an expectation that the Social Care service will need to find a fair proportion of the overall savings target but there is no specific monetary value placed on it at this stage. No growth in the costs of social care will contribute to the sustainability of the service, and further service redesign will be required to achieve this.

Reliance on one-off initiatives to balance the books becomes increasingly difficult as opportunities have already been taken over the years.

The change programme will therefore need to be of a scale to address the underlying financial challenge, to make sure that the cost of the service models can be accommodated within the overall funding made available.

While the programme is progressed, short term decisions will also be required so that NHS Shetland and Shetland Island Council continue to meet their immediate financial obligations and service issues. As far as possible any immediate decisions should be consistent with the aspirations set out in the Strategic Plan.

DRAFT

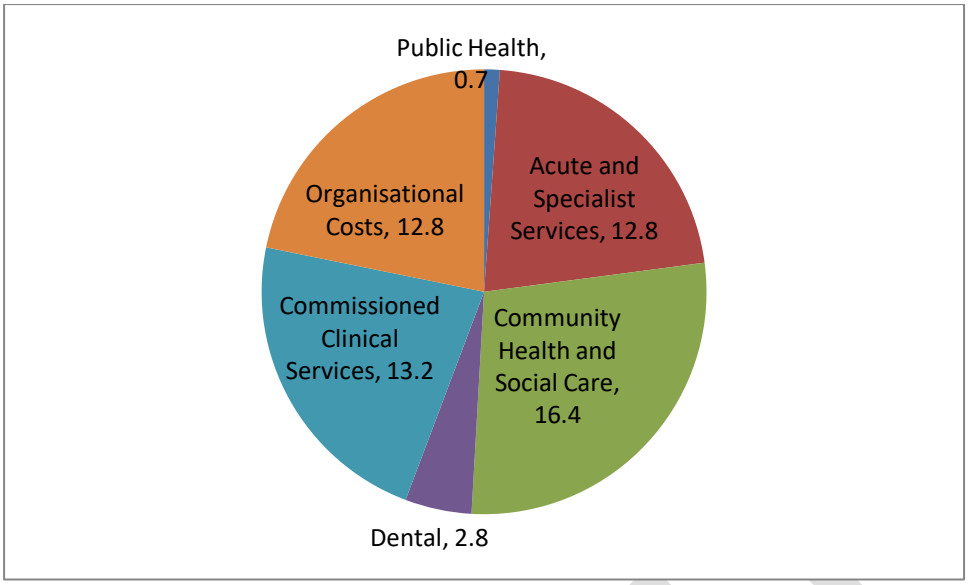
NHS Financial Plan

In 2017-18, NHS Shetland budgeted to spend £58m. The breakdown is shown in the Table below. [Note: can be updated for 2018-19]

Expenditure / Income	**TOTAL**	
	£	**%**
Expenditure		
Pay	29,669,280	49%
Non Pay	11,258,451	18%
Family Health Services	6,266,846	10%
Purchase of Healthcare	12,311,280	20%
Capital Charges	1,489,867	2%
Annually Managed Expenditure (AME)	171,000	0%
Sub Total Expenditure	**61,166,724**	**100%**
Income		
HCH Income	**(1,297,759)**	
FHS Income	**(342,234)**	
Other Operating Income	**(1,156,694)**	
Admin Income	**(9,500)**	
Social Work Income	**140,000**	
Sub Total Income	**(2,666,187)**	
Net Budget Before Savings	**58,500,537**	
Savings Targets	133,576	
Net Budget After Savings Targets	**58,634,113**	

The expenditure by Department by net budget is shown in the pie-chart below.

DRAFT

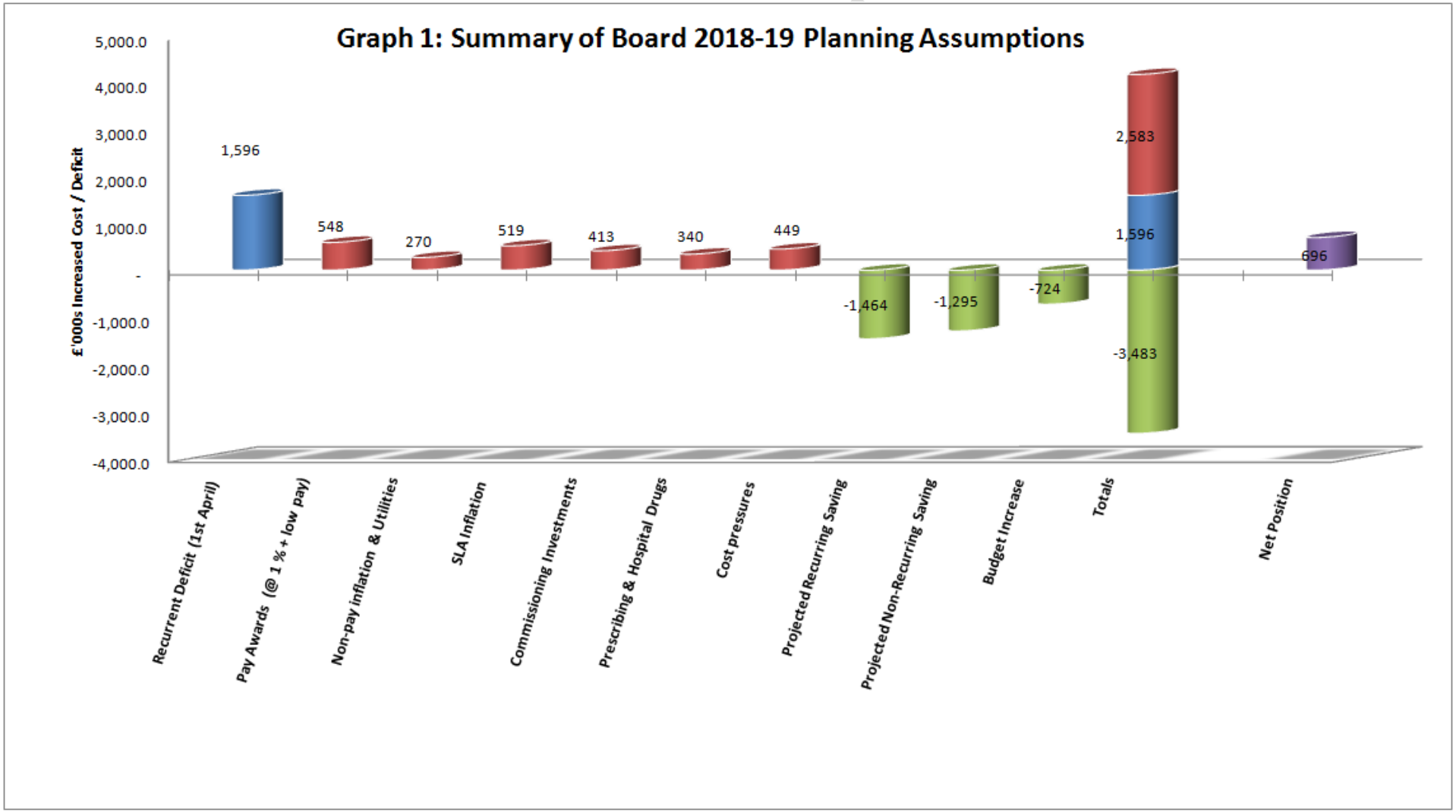


The savings targets over the 5 year plan are included below.

Savings Target	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
New Savings Targets	2,258					2,258
Brought Forward Savings Targets	922	1,779	1,801	1,824	1,846	8,172
Savings Recurring	(1,030)	(430)	(440)	(440)	(440)	(2,780)
Funding Apply SG Allocation	-	(200)	(200)	(150)	(150)	(700)
Savings Non-Recurring	(550)	(150)	(150)	(150)	(150)	(1,150)
Savings Still to be Achieved	1,600	999	1,011	1,084	1,106	5,800

For 2018-19, the financial planning assumptions are based on a series of increases and decreases to the based budget, as outlined in the graph below.

DRAFT


Graph 1: Summary of Board 2018-19 Planning Assumptions
£'000s Increased Cost / Deficit
5,000.0
4,000.0
3,000.0
2,000.0
1,000.0
-
-1,000.0
-2,000.0
-3,000.0
-4,000.0
1,596
548
270
519
413
340
449
-1,464
-1,295
-724
2,583
1,596
-3,483
696
Recurrent Deficit (1st April)
Pay Awards (@ 1 % + low pay)
Non-pay inflation & Utilities
SLA Inflation
Commissioning Investments
Prescribing & Hospital Drugs
Cost pressures
Projected Recurring Saving
Projected Non-Recurring Saving
Budget Increase
Totals
Net Position

The Financial Savings Plan for the NHS for 2018-19 and beyond is summarised below [insert once available].

IJB

The IJB budget for 2018-19 is set out below. This is part of the NHS Budget, and all of the Council's Social Care budget and totals £44m.

SERVICE HEADING	ANNUAL BUDGET (Gross) 2018-19				WTE
	JOINT BUDGETS		SET ASIDE		
	NHS	SIC	BUDGET	TOTAL	
	£	£	£	£	
Mental Health	1,397,935	594,682	0	1,992,617	34.01
Substance Misuse	402,202	179,594	0	581,796	9.48
Oral Health	3,176,630	0	0	3,176,630	63.58
Pharmacy and Prescribing	5,673,698	0	555,372	6,229,070	10.08
Primary Care	4,404,800	0	0	4,404,800	55.41
Community Nursing	2,591,495	0	0	2,591,495	54.12
Directorate	92,086	935,383	0	1,027,469	6.12
Pensioners	0	77,974	0	77,974	0.00
Sexual Health	0	0	40,330	40,330	0.56
Adult Services	67,409	5,141,897	0	5,209,306	132.53
Adult Social Work	0	2,914,816	0	2,914,816	27.46
Community Care Resources	0	10,989,369	0	10,989,369	383.22
Criminal Justice	0	26,253	0	26,253	6.97
Speech & Language Therapy	84,617	0	0	84,617	3.24
Dietetics	117,981	0	0	117,981	3.00
Podiatry	233,965	0	0	233,965	4.40
Orthotics	135,156	0	0	135,156	2.00
Physiotherapy	598,688	0	0	598,688	12.81
Occupational Therapy	191,226	1,409,975	0	1,601,201	22.27
Health Improvement	0	0	211,995	211,995	4.90
Unscheduled Care	0	0	2,799,741	2,799,741	45.45
Renal	0	0	194,023	194,023	3.80
Intermediate Care Team	452,839	0	0	452,839	0.00
Reserve	528,490	0	178,630	707,120	0.00
Total	**20,149,217**	**22,269,943**	**3,980,091**	**46,399,251**	**885.41**
Efficiency Target	-1,936,382	-200,000	-140,395	-2,276,777	
IJB Running Costs	11,762	15,000	0	26,762	
Grand Total	**18,224,597**	**22,084,943**	**3,839,696**	**44,149,236**	

DRAFT

The sources of funding for IJB services in 2018/19 are listed below.

Organisation	**£m**
NHS Shetland	21.898
Shetland Islands Council	18.715
Shetland Charitable Trust	2.092
Scottish Additionality Funding	1.444
Total	**44.149**

The Financial Savings Plan for the IJB for 2018-19 and beyond is summarised below [insert once available].

DRAFT

Change Programme and Projects

We will take a whole organisation approach to achieving the Plan. Looking after our day to day business is as important as focusing on any service changes. How all the elements will come together is show in the diagram below.

How the Whole Organisation Works

<table>
<tr><td colspan="6">Governance and Decision Making</td><td rowspan="8">Supported by:

Realistic Medicine</td></tr>
<tr><td colspan="5">Main Purpose: Delivering Services Day to Day to Patients and Service Users</td><td rowspan="4">Assured and Monitored through:

Performance Data,

Clinical Governance

Risk Management</td></tr>
<tr><td colspan="5">Leading and Managing Change: Changing and Developing Services to meet changing need</td></tr>
<tr><td colspan="5"><u>Supported by: Enablers - Services and Activities which support front line services</u></td></tr>
<tr><td>Workforce Recruitment and Retention</td><td>Workforce Training and Development</td><td>Budgets and Finance</td><td>Systems and Technology</td><td>Assets and Equipment</td><td>Data and Information</td></tr>
<tr><td colspan="6">Underpinned by communication and engagement with all stakeholders</td></tr>
<tr><td colspan="6">Reinforced through positive leadership, culture and behaviours</td></tr>
</table>

The elements of the programme of work to implement the Plan are outlined below and included in more detail at Appendix 1:

Vision and Strategic Context
Preventative Services
Sustainable Services
Enabling Services
Communication and Engagement

Many of the change projects for the IJB sit within the auspices of the Primary Care Improvement Plan, approved by the IJB on 6 June 2018. The overall timeline is included at Appendix 2.

Delivering ongoing day to day services is an equally important part of delivering the objectives of this Strategic Plan. Having a stable base and good performance provides a platform upon which the change projects can be built. The detail of service delivery, and service improvements, is outlined in the Board's Annual Operational Plan 2018-19.

How will this impact on the Board's Performance?

We already have a comprehensive approach to performance management and that will continue.

We will focus on specific strategic and high level performance indicators to help us to keep track of progress and to make sure that, in the medium to long term, we achieve what we set out to do. The high level indicators are:

- Number of people actively and successfully managing their own condition
- Unplanned admissions
- Percentage of adults supported at home who agree that their services and support had an impact in improving or maintaining their quality of life
- Community Participation activity and impact (also a Shetland Partnership Plan indicator)
- People engaging in physical activity (also a Shetland Partnership Plan indicator)
- People drinking at harmful levels (also a Shetland Partnership Plan indicator)

The current performance and the target we aim to achieve are set out in the table below.

DRAFT

Strategic Indicator	Current Position Baseline	2021 Target	2028 Target
Percentage of adults able to look after their health very well or quite well.	95% [Peer Group average 95%] 2015-16	Maintain position	Maintain position
Unplanned admissions	2016-17 9,566 / 100,000 2016-17 First in Scotland	Maintain position	Maintain position
Percentage of adults supported at home who agree that their services and support had an impact in improving or maintaining their quality of life	84% (2015-16) Peer Group average is 87%	87%	90%
People who feel they can influence decisions affecting their local area	27% of people feel they can influence decisions affecting their local area	At least 35% of people feel they can influence decisions affecting their local area	At lest 50% of people feel they can influence decisions affecting their local area.
People engaging in physical activity	77% of people engage in some form of sport and physical activity (2018)	At least 80% of people engage is some form of sport and physical activity	At least 90% of people engage in some form of sport and physical activity
People drinking at harmful levels	20% of people drink at harmful levels (2018)	No more than 18% of people drink at harmful levels	No more than 15% of people drink at harmful levels (or in line with the National Average, whichever is lower)

DRAFT

Appendix 1 : Action Plan

Area	Item	Executive Lead (s)	Project Input	Comment
Vision & Strategic Context	**Update Shetland Health & Care Vision & Objectives**			Progress as part of Joint Strategic Plan refresh ; Involve stakeholders and Strategic Planning group
	Create clear Vision & set of Strategic objectives to provide overall context / future for Health & Care services in Shetland			
	Develop detail on "step up / Step down" scenarios			Progress as part of Joint Strategic Plan refresh ; Involve stakeholders and Strategic Planning group
	Produce more detail on "Step Up / Step down" scenarios to support engagement with Communities / stakeholders & clarity of purpose			
Preventative	**Long term conditions**			
	Develop clear action plans across the MCNs to improve our approach to the management of Long term conditions, particularly focussing on Prevention / Self care and support for carers			
	Prevention /Self care			Build on 10 year PH Plan
	Develop approach to Prevention and self care to support shift from Health care to Improving Health of the population			
	Realistic Medicine			Work beginning to be developed by Realistic Medicine group
	This work should underpin work across our services to support shift to Health Improving services as well as tackling variation and ensuring treatments are Person centred			
	Effective Prescribing			Build on current work; Requires clinical leadership
	Develop work to maximise the benefit obtained from the use of Medicines and minimise risk and waste			
Sustainable Services	**Unscheduled Care**			Project team to be developed;
	Build on current discussions to develop a sustainable and integrated Unscheduled care service (partic. in the OOH period) across Primary & Secondary care.			

DRAFT

	Primary, Community & Social care Services			Building on current work (including work on sustainable Social care services and North isles project); project team developing
	Develop detailed proposals for sustainable services across Primary, Community and Social care to support integrated working and the ongoing shift in the balance of care. Ensure future service models have sustainable assets and workforce.			
	Hospital Services & workforce sustainability			Need to link to previous 2 work streams.
	Develop sustainable workforce models for the future provision of Secondary care services in the GBH. Ensure the physical assets in the GBH are fit for the future			
	Elective Model (repatriation)			Build on current work; supports reduction in cost of service provision
	Further develop work on repatriation and the extension of the use of "attend anywhere"			
Enablers	**Information (analytics)**			Link to National / Regional work
	Develop the use of Information to support Clinical and service decision making. Ensure appropriate capacity & capability in place			
	eHealth			
	Continue to develop our eHealth systems to ensure they support the use and presentation of Information and are fit for purpose			
	Workforce development			Build on Workforce plan
	Prioritise key areas for the development of our workforce to support the redesign of our services. Focus on supporting staff to extend roles and work at the "top of their licence"			
	Recruitment & Retention			Develop current approaches to sustaining recruitment / existing staffing
	It is recognised that we currently face significant workforce challenges. Alongside medium term redesign ensure there is a focus on the short term steps required to sustain services and support recruitment and the ongoing retention of staff			
	Financial Framework			

DRAFT

	Build on Financial plan, anticipated SG Financial framework and our updated Strategic vision and objectives to set out a clear set of assumptions for future investment and allocation of local resources across Health & Social care.			
Communication & Engagement	**Key Community leaders**			Include SIC, Community planning / NHS Board members / IJB
	Key leaders within Key parties / stakeholders are on board			
	Clinical / professional leaders			Ensure continued clinical / professional involvement. Use Professional advisory committee structure alongside management meetings
	Ensure positive clinical involvement and leadership			
	Unpaid Carers			Link to formal and informal unpaid carers
	Reflect carers views / inputs into proposed and developing changes			
	Staff / service providers			Progress at work stream / project level
	Ensure effective engagement with staff and service providers as individual areas of work are developed			
	Communities / Service users			Progress at work stream / project level
	Ensure effective engagement with staff and service providers as individual areas of work are developed			

DRAFT

Appendix 2 : Primary Care Improvement Plan Action Plan

Key Priority Area	Year 1	Year 2	Year 3
Vaccination Transformation Programme	• Identify the main Governance issues for immunisation services (informed by Incident Report). • Implement SIRS call recall for all practices / treatment centres (currently only 20% use it) • Develop a training framework for staff, based on a training needs analysis that has been undertaken. • Develop a local model for delivering travel health services (in light of national work that is ongoing) • Develop a model for a 'virtual' immunisation team for vaccination in schools (comprising school nurses, practice and community nurses) • Begin to develop a model for immunisation teams within primary care and the community • Audit BCG immunisations to inform planning for a sustainable model • Develop a plan for seasonal flu immunisation for social care staff (informed by a recent Care Centre flu outbreak).	Fully develop and agree immunisation team model within primary care and the community, to include staffing and travel considerations Audit SIRS call recall system following implementation Audit travel health services service delivery model to ensure it is meeting local requirements Develop BCG immunisation model	Implement immunisation team model within primary care and the community

DRAFT

Key Priority Area	Year 1	Year 2	Year 3
Pharmacotherapy Services	Directors of Pharmacy to develop consistent approach across North of Scotland	Funding permitting, additional 2 Practice Pharmacists to be employed	Pharmacist time in practices embedded
Community treatment and care services	Implement Skill Mix Practice Nursing team at all 8 of the Board provided Health Centres by August 2018. Implement Phlebotomy service at each Health Centre/ Practice area by August 2018 Conduct workload analysis across the service by October 2018 Develop general practice nursing workforce in alignment with future service model by March 2019 Host training for nursing workforce as per outcome of NES funding bid by June 2018 Review leadership /management of general practice nursing by 31 March 2019	Bid for further NES funding to support development of general practice nursing workforce by August 2018 Implement leadership structure for general practice nursing from 1 April 2019 Consider further refinement of service provision across Shetland to ensure capacity meets demand with appropriately skilled practitioners available to deliver to service model by 31 March 2020	Skill mix General Practice Nursing team in place providing a safe and sustainable service delivery model, appropriate to local service design.

DRAFT

Key Priority Area	Year 1	Year 2	Year 3
Urgent care (advanced practitioners, nurses and paramedics) undertaking home visits and unscheduled care	Recruit Practice Educator for Advanced Nursing Practice by July 2018 Participate in the development of the regional Advanced Practice Academy (as per regional timescale) Review current unscheduled care weekend clinics to determine future	Continue to support ANP (development) posts – ongoing Bid for further NES funding to support development of Advanced Practice workforce	In collaboration with NHS Boards there will be a sustainable advance practitioner provision in all HSCP areas, based on appropriate local service design.
Multi-disciplinary team: Mental Health Workers	Redesign of services currently underway to implement an integrated service	Development of Mental Health Plan	Implementation of agreed actions from Mental Health Plan
Multi disciplinary team: Occupational Therapy	Exploration of vocational rehabilitation within General Practice	Implementation of vocational rehabilitation	Multi disciplinary team: Occupational Therapy
Multi disciplinary team:	Scoping exercise for roll out of Physiotherapy provision to General Practice	Implementation of additional Physiotherapy support to General Practice	Multi disciplinary team:
Community Link Workers	Continue existing Health Improvement input to GP Practices	Audit of workload, demand and potential requirements for expansion of service	

DRAFT

References

NHS Shetland Annual Operating Plan 2018-19
https://www.shb.scot.nhs.uk/board/documents/OperationalPlan-20182019.pdf

Report on the Future Delivery of Public Services by the Commission chaired by Dr Campbell Christie. Published on 29 June 2011.
http://www.gov.scot/Publications/2011/06/27154527/0

A National Clinical Strategy for Scotland, The Scottish Government, February 2016
http://www.gov.scot/Publications/2016/02/8699

Shifting the Balance of Care
http://www.shiftingthebalance.scot.nhs.uk/
http://www.shiftingthebalance.scot.nhs.uk/evidence-and-good-practice/published-evidence/

Chief Medical Officer's Annual Report 2014-15, 'REALISTIC MEDICINE'
http://www.gov.scot/Resource/0049/00492520.pdf

Shetland's Partnership Plan 2018-28
http://www.shetland.gov.uk/communityplanning/documents/180801SPPforWebFINAL.pdf

On Da Level, Achieving a Fairer Shetland, Report and Recommendations from Shetland's Commission on Tackling Inequalities, March 2016
http://www.shetland.gov.uk/equal-shetland/documents/OnDaLevel_Full_Version_13_April_16.pdf

Scottish Government: Health and Social Care Delivery Plan December 2016
http://www.gov.scot/Resource/0051/00511950.pdf

Accounts Commission: Health and Social Care Integration, December 2015
http://www.audit-scotland.gov.uk/uploads/docs/report/2015/nr_151203_health_socialcare.pdf

Accounts Commission: Changing Models of Health and Social Care, March 2016
http://www.audit-scotland.gov.uk/report/changing-models-of-health-and-social-care

Healthcare Quality Strategy for NHS Scotland
http://www.gov.scot/resource/doc/311667/0098354.pdf

Kings Fund, New Zealand's quest for integrated care
https://www.kingsfund.org.uk/audio-video/nicholas-timmins-canterbury-new-zealands-quest-integrated-care

Kings Fund, Nuka System of Care, Alaska

https://www.kingsfund.org.uk/publications/population-health-systems/nuka-system-care-alaska

Health Foundation, 10 Things you need to consider when building a healthcare workforce in remote areas
http://www.health.org.uk/newsletter/10-things-you-need-consider-when-building-health-care-workforce-remote-areasTBC

North of Scotland Plans including E'Health and Workforce, once published

ENDS

DRAFT

Appendix 2, Consultation and Engagement

Entity	Purpose
Area Clinical Forum	• Professional Advice from all the professional staff groups • Engagement and involvement of the professional staff groups in the decision making arrangements
Area Partnership Forum	• Provide the main forum where representatives of trade unions, professional organisations and management of Shetland NHS Board work together to have early input into, and influence over the strategic decision making affecting service planning, change and development.
Public Focus Patient Involvement Steering Group	• Patient Focus Public Involvement (PFPI) is about everyone working together to improve the way local health services are planned and delivered. • This includes patients, carers, the public, NHS staff and local partners, such as the local authority, voluntary and community groups.
Shetland Partnership Engagement Network	The Public Engagement Network will exist to support and inform the work of the PFPI Steering Group and the Patient and Service User Representatives on the IJB. This will be done by ascertaining and expressing the views of the Shetland Public on current and proposed health and social care services. The Objectives are: • To actively engage with Shetland Health & Social Care Partnership and Shetland NHS Board to improve services and patient/service user outcomes. • To actively engage with the Shetland society to understand the public's views on current and proposed services and to feed these through the SPEN to the PFPI and IJB. It was hoped that this would help to better inform the public and alleviate, in a timely way, any potential concerns which may arise through information being mis-understood by the members of the Public. • To provide lay representatives who will serve on project committees and review boards to provide the public, patient and service user perspective on proposed service developments and changes. • To support the NHS Board and Health and Social Care partnership to work in collaboration- to be able to co-produce solutions for the future with individuals and communities

Staff Governance Committee	• The role of the Staff Governance Committee is to support and maintain a culture where the delivery of the highest possible standard of staff management is understood to be the responsibility of everyone working within the Board and is built upon partnership and collaboration. The Committee will ensure that this is achieved by ensuring robust arrangements are in place around the implementation and delivery of the Staff Governance Standard, entitling staff to be, amongst other things:
	  • well informed; and
	  • involved in decisions;
	• The Committee's remit includes, amongst other things, monitoring and evaluating strategies and implementation plans relating to people management.
	• The scale and breadth of the strategic programmes included in the Strategic Commissioning Plan may impact in the way in which staff work and the management arrangements supporting that (for example, locality management, supporting a culture of self care and self management, early intervention and preventative work, etc).

The Strategic Planning Group	• How will the proposals improve people's lives (Health and Wellbeing Outcomes)? • How will the proposals contribute to the Strategic Commissioning Plan's objectives? • Have all appropriate delivery mechanisms been considered? • Do the proposals represent the best mix of service, quality and cost?
The Joint Staff Forum	• That appropriate consultation and engagement with affected staff (direct and indirectly affected) has taken place at all stages • That effective engagement with staff has informed the proposal • That all relevant employment law and policies have been considered in the development of the proposals
The Local Partnership Finance Team	• Is the proposal in line with the Strategic Financial Plan, including any savings plans / efficiencies? • Have all the financial risks been identified and addressed? • Has the funding mechanism been agreed by all parties? • Does the proposal represent value for money?
The Clinical Care and Professional Governance Committee	• That the proposals are based on sound evidence that best meet the identified needs • That the proposals are safe and will secure appropriate levels of quality • That all the relevant risks have been identified and managed

	• That effective engagement with service users and staff have informed the proposal