



REPORT TO: East Lothian IJB - Audit and Risk Committee

MEETING DATE: 6 March 2018

BY: Chief Finance Officer

SUBJECT: Reports from other bodies of interest to the IJB

1 PURPOSE

- 1.1 This report brings to the Committee's attention a letter from the Scottish Government's Health and Sport Committee regarding financial reporting of the IJB's activities to the Scottish Government.

2 RECOMMENDATIONS

- 2.1 The Committee is asked to note this report.

3 BACKGROUND

- 3.1 The Scottish Government set up a Health and Sport Committee whose remit is to '*.... scrutinise the Scottish Government's policies and expenditure in relation to the following matters...*'. The matters include Health and Social Care Integration and a range of functions delegated to the IJB (including Primary Care, Mental Health etc).
- 3.2 The Health and Sport Committee has taken a considerable interest in the workings of the Integration Authorities and has recently written a letter (attached at appendix 1) to the Cabinet Secretary recommending that a range of financial information is requested from the Integration Authorities to be reported on a national basis.
- 3.3 There is a clear issue of differing regulations between the reporting requirements of Health Boards and Councils. Health Boards are required to report a range of financial (and other) information in year to the Scottish Government who request additional information as required. Councils do not report to the Scottish Government in year but there are a range of reports required at the year end.
- 3.4 The letter can be construed as requesting regular updates on the Integration Authorities in year financial position along with other, more specific information (Mental Health spend etc). This raises the issue of information being released to the Scottish Government in year which

may or may not have been formally report to the IJB depending on timescales.

- 3.5 A formal national network of IJB Chief Finance Officers has been established both to discuss a range of common issues and to ensure representation of the Integration Authorities on a national basis. This network is attended by representatives of the Scottish Government who have requested that a mechanism is put in place to present regular reports to the Scottish Government regarding the IJB's financial position in year.
- 3.6 Whilst this is generally supported, there remains the issue of releasing Council information which has not been reported to the Council and/or financial information regarding the IJB which may not yet have been reported to the IJB. Chief Finance Officers have agreed that only information placed in the public domain may be reported to the Scottish Government however this matter is not yet fully resolved.

4 ENGAGEMENT

- 4.1 The IJB's Audit and Risk Committee is held in public and the papers are openly available online.

5 POLICY IMPLICATIONS

- 5.1 There are no further policy implications arising from this paper.

6 INTEGRATED IMPACT ASSESSMENT

- 6.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

7 RESOURCE IMPLICATIONS

- 7.1 Financial – none
- 7.2 Personnel – none
- 7.3 Other – none

8 BACKGROUND PAPERS

8.1 None

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DATE	27 February 2018.

Appendix 1 – Letter to the Cabinet Secretary from the Health and Sports committee



The Scottish Parliament
Pàrlamaid na h-Alba

Cabinet Secretary for Health and
Sport

Issued via email

Health and Sport Committee
T3.60

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Edinburgh
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Tel: 0131 348 5224

Calls via RNID Typetalk: 18001 0131 348 5224

Email: healthandsport@parliament.scot

18 January 2018

Dear Shona

Thank you for your letter of 12 December 2017 to my predecessor detailing the Scottish Government's response to the Health and Sport Committee's report [*Looking ahead to the Scottish Government Health and Sport Draft Budget 2018-19: A call for greater transparency*](#) and the oral evidence you provided to the Committee at its meeting on [9 January 2018](#) on the Scottish Government's Draft Budget 2018-19.

We welcome your recognition of the concerns raised in our report regarding the need for greater transparency in the budget data currently provided. The evidence session was a useful and productive one for exploring your commitment to provide further information on future spending plans and the collation and publication of further budget data. This letter seeks further clarification from you regarding some of these commitments. This letter also sets out how we would wish this further data to be presented to best assist the Committee to perform its scrutiny function.

During the evidence session, a number of references were made to data that was being collected and that could be made available to the Committee to support better scrutiny. These included:

- A consolidated report on integration authority spending (from February 2018)
- Information on mental health spending
- Information on Alcohol and Drug Partnership budgets and spend
- Primary care budgets and spend, including monitoring of the commitment to increase funding for primary care to 11% of the frontline NHS budget
- Community care budgets and spend, including monitoring of the commitment to spend more than half of “frontline spending” on community health services by the end of the Parliament

The exact format, coverage, timing and frequency of reporting was not clear from the evidence session. In particular, it was unclear whether the reporting would relate specifically to integration authorities or whether it would – where appropriate – cover the wider health budget. The Committee would welcome clarity on these issues and welcomes the offer made during the evidence session for the Committee to provide comment and feedback on the proposed reporting framework. With regard to the headline commitments, clarification of definitions used would also be helpful.

Mental health remains a key area of interest for the Committee. We note the comments that the Scottish Government will be monitoring closely whether there is a real terms increase in mental health spend at a health board/integration authority level. We ask for the quarterly consolidated report to detail if this requirement is being met. We also request that this quarterly report contain an assessment of performance against the mental health waiting time target. (Col 22, 25-26). As discussed at the evidence session it would also be helpful to have a breakdown of the annual planned increase over the five year period in the mental health workforce to ensure the commitment to have 800 additional workers in mental health is delivered within this timeframe. (Col 26).

We believe there is merit in assessing the total spend on mental health, not only that allocated under the mental health budget. Conducting this type of analysis would provide a more comprehensive assessment of where money is being spent in mental health provision and assist in evaluating how this contributes to the desired outcomes for mental health. We therefore wish to accept the offer that has been made for the Scottish Government to commission this analysis of mental health spending. (Col 28)

The Committee discussed with you at the evidence session the lack of transparency on ADP funding and the difficulty this causes in scrutinising budgets in this priority area. We welcome the commitment you made at the meeting to publish further information on ADP budgets. We would like to request that the published information covers the total budgets of the ADPs, including income from all sources. It is our understanding that this information is already collected by the Scottish Government. (Col 28-29)

The development of a financial framework was referenced during the course of the evidence session. It was explained that in the medium term the Scottish Government

envisaged this would set out expenditure on and reform of health and social care and shifting the balance of care. We highlighted in our report the Budget Process Review Group recommendation that such plans should set out expectations and board financial plans/projections for at least five years ahead. Are you able to confirm the time frame the financial framework for health and social care will cover and when it will be published? (Col 13)

We welcome the comments made that a capital investment strategy is being developed along with a national infrastructure board aimed at prioritising investment at a national level. Are you able to provide further detail regarding when it is expected the board will be operational and when a capital investment strategy will be published? (Col 11)

There was also some discussion around NDP and PFI health projects. Christine McLaughlin noted that it would be helpful to look at the way in which NDP projects operate compared with earlier PFI deals and also commented that work earlier this year had involved review of the earlier PFIs. She also noted that this review work had generated “almost another £1 million just from looking at the annual contract values”. The Committee would welcome any further information that can be provided on this issue, which is of considerable interest to Committee members.

There were two further requests for further information made by Committee members during the evidence session. You offered to provide clarification on whether sportscotland’s funding allocation incorporated capital spend. You also discussed the resourcing and approach being taken to reduce reliance on nurse agency spending and it would be much appreciated if further detail could be provided on this issue in response to this letter.

As stated we welcome and support the steps being taken by the Scottish Government to increase and enhance the information provided on the health and sport budget. We believe this will greatly assist our future scrutiny of the Scottish Government’s budget.

Yours sincerely



Lewis Macdonald MSP
Convener of the Health and Sport Committee