



<b>Meeting of East Renfrewshire Health and Social Care Partnership</b>	Performance and Audit Committee
<b>Held on</b>	26 June 2019
<b>Agenda Item</b>	5
<b>Title</b>	Unaudited Annual Report and Accounts 2018/19
<p><b>Summary</b></p> <p>This report provides an overview of the unaudited annual report and accounts for the IJB covering the period 1 April 2018 to 31 March 2019 and to outline the legislative requirements and key stages.</p> <p>The report recognises the decision to remit the approval of the annual report and accounts to the Integration Joint Board, following approval by the Performance &amp; Audit Committee.</p>	
<b>Presented by</b>	Lesley Bairden, Head of Finance and Resources (Chief Financial Officer)
<p><b>Action Required</b></p> <p>The Performance and Audit committee is requested to:-</p> <ul style="list-style-type: none"> <li>▪ Agree the unaudited annual report and accounts and remit to the Integration Joint Board</li> <li>▪ Endorse the proposed reserves allocations</li> <li>▪ Note the annual report and accounts is subject to audit review</li> <li>▪ Agree to receive the audited annual report and accounts in September, subject to any recommendations made by our external auditors</li> </ul>	

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**EAST RENFREWSHIRE INTEGRATION JOINT BOARD**

**PERFORMANCE AND AUDIT COMMITTEE**

**26 June 2019**

**Report by Chief Financial Officer**

**UNAUDITED ANNUAL REPORT AND ACCOUNTS**

**PURPOSE OF REPORT**

1. The purpose of this report is to provide an overview of the unaudited annual report and accounts for the IJB covering the period 1 April 2018 to 31 March 2019 and outline the legislative requirements and key stages. The report recognises the decision to remit the approval of the annual report and accounts to the Integration Joint Board, following discussion and review by the Performance and Audit Committee.

**RECOMMENDATION**

2. The Performance and Audit committee is requested to:
  - Agree the unaudited annual report and accounts and remit to the Integration Joint Board
  - Endorse the proposed reserves allocations
  - Note the annual report and accounts is subject to audit review
  - Agree to receive the audited annual report and accounts in September, subject to any recommendations made by our external auditors

**BACKGROUND**

3. The Public Bodies (Joint Working)(Scotland) Act 2014 was passed by the Scottish Parliament on 25 February 2014 and received Royal Assent in April 2014. This established the framework for the integration of Health & Social Care in Scotland.
4. The IJB is a legal entity in its own right, created by Parliamentary Order, following Ministerial approval of the Integration Scheme. NHS Greater Glasgow and Clyde (NHSGGC) and East Renfrewshire Council have delegated functions to the IJB which has the responsibility for strategic planning, resourcing and ensuring delivery of all integrated services.
5. The IJB is specified in legislation as a 'section 106' body under the terms of the Local Government Scotland Act 1973 and as such is expected to prepare annual accounts in compliance with the Code of Practice on Accounting for Local Authorities in the United Kingdom.
6. This is the fourth annual report and accounts for the IJB, since the first part year of operation during 2015/16.
7. LASAAC (The Local Authority (Scotland) Accounts Advisory Committee) guidance on accounting for the integration of health and social care was revised during 2018/19 and the content of this guidance has been adhered to in the production of the annual report and accounts. We continue with our own presentational style, reflecting continuity in our annual report and accounts.

8. Similarly the Audit Scotland good practice note on improving IJB accounts has been recognised whilst preparing the annual report and accounts.

## REPORT

9. The (unaudited) annual report and accounts for the IJB have been prepared in accordance with appropriate legislation and guidance. An overview of the process is set out below:
10. **Financial Governance & Internal Control:** the regulations require the Annual Governance Statement to be approved by the IJB or a committee of the IJB whose remit include audit & governance. This will assess the effectiveness of the internal audit function and the internal control procedures of the IJB. The Performance and Audit Committee meet this requirement.
11. **Unaudited Accounts:** the regulations state that the unaudited accounts are submitted to the External Auditor no later than 30<sup>th</sup> June immediately following the financial year to which they relate. The IJB annual accounts for the year ended 31 March 2019 will be considered at the Performance and Audit Committee on 26 June 2018 and remitted to the IJB for approval on the same day.
12. **Right to Inspect and Object to Accounts:** the public notice period of inspection should start no later than 1 July in the year the notice is published. This will be for a period of 3 weeks and will follow appropriate protocol for advertising and accessing the unaudited accounts. The required notice has been agreed with the external auditors and will be published on the HSCP website.
13. **Approval of Audited Accounts:** the regulations require the approval of the audited annual accounts by the IJB or a committee of the IJB whose remit include audit & governance. This will take account of any report made on the audited annual accounts by the 'proper officer' i.e. Chief Financial Officer being the Section 95 Officer for the IJB or by the External Auditor by the 30 September immediately following the financial year to which they relate. In addition any further report by the external auditor on the audited annual accounts should also be considered.
14. The Performance and Audit Committee will consider for approval the External Auditors report and proposed audit certificate (ISA 260 report) and the audited annual accounts at its meeting on 25 September 2019 and remit to the IJB for approval on that same day.
15. **Publication of the Audited Accounts:** the regulations require that the annual accounts of the IJB be available in both hard copy and on the website for at least five years, together with any further reports provided by the External Auditor that relate to the audited accounts.
16. The annual accounts of the IJB must be published by 31 October and any further reports by the External Auditor by 31 December immediately following the year to which they relate.

17. **Key Documents:** the regulations require a number of key documents (within the annual accounts) to be signed by the Chair of the IJB, the Chief Officer and the Chief Financial Officer, namely:

Management Commentary / Foreword	Chair of the IJB Chief Officer
Statement of Responsibilities	Chair of the IJB Chief Financial Officer
Annual Governance Statement	Chair of the IJB Chief Officer
Remuneration Report	Chair of the IJB Chief Officer
Balance Sheet	Chief Financial Officer

Note: for the unaudited annual report and accounts the only the Statement of Responsibilities and the Balance Sheet require to be signed by the Chief Financial Officer.

18. The main messages from the annual report and accounts are:
- We ended the year with an underspend of £0.260 million which was 0.22% of our budget for the year. This was in line with the position reported to the IJB through our regular revenue budget monitoring.
  - The underspend was a result of staff turnover, care package costs less than committed and early achievement of savings, offset by part year structure and prescribing costs.
  - We used a total of £0.521 million of reserves as we planned to during the year.
  - We have realigned £0.381 million within our existing reserves.
19. In addition to the movement in existing reserves, including realignment, I am proposing the following new reserves are approved:
- £0.363 million to reflect ring fenced funding from the Scottish Government for Mental Health Action 15, Primary Care Improvement and Alcohol & Drugs partnership funding.
  - £0.250 million to support our Care at Home improvement plan.
  - £0.200 million to support the development of a new partnership strategic framework.
  - £0.135 million for children and families projects to support Home and Belonging and Continuing Care.
  - £0.142 million to support a number of projects including active lives, walking initiatives and back scanning records.
20. The focus on the draft unaudited accounts is to ensure full and accurate content. We will use the time to September to produce the final document for publication, including any presentational changes and the addition of internal and external audit opinion.
21. The Chief Financial Officer would like to extend thanks to the HSCP Finance team and to colleagues in both partner organisations acknowledging the detailed work of all staff involved in the year end closure process for all operational spend within the partnership. Particular thanks to Ian Arnott, Accountancy and Contracts Manager for his invaluable input.

## CONCLUSIONS

22. The preparation of the annual report and accounts for the IJB meets all legislative requirements. There has been no material movement to the projected outturn last reported to the IJB. There are no significant governance issues.

## RECOMMENDATIONS

23. The Performance and Audit committee is requested to:

- Agree the unaudited annual report and accounts and remit to the Integration Joint Board
- Endorse the proposed reserves allocations
- Note the annual report and accounts is subject to audit review
- Agree to receive the audited annual report and accounts in September, subject to any recommendations made by our external auditors

## REPORT AUTHOR AND PERSON TO CONTACT

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18 June 2019

HSCP Chief Officer: Julie Murray

## BACKGROUND PAPERS

PAC Paper 26.09.2018: Annual Report and Accounts 2017/18

<https://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=23126&p=0>

PAC Paper 27.09.2017: Annual report and Accounts 2016/17

<http://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=20987&p=0>

PAC Paper 28.09.2016: Annual Report and Accounts 2015/16

<http://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=18359&p=0>

The relevant legislation is: The Public Bodies (Joint Working)(Scotland) Act 2014, Local Government Scotland Act 1973



# East Renfrewshire Health and Social Care Partnership Integration Joint Board

## Annual Report and Accounts 2018/19

Covering the period 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019

(UNAUDITED)



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East Renfrewshire covers an area of 174 square kilometres and borders the City of Glasgow, East Ayrshire, North Ayrshire, Renfrewshire and South Lanarkshire.

Our population is growing and reached 94,760 in 2017. 74 percent of the population live in the Eastwood area (Busby, Clarkston and Williamwood, Eaglesham and Waterfoot, Giffnock, Netherlee and Stamperland, Newton Mearns and Thornliebank) and 26 per cent live in the Barrhead area (Barrhead, Neilston and Uplawmoor).

East Renfrewshire has an increasing ageing population with a 44 per cent increase in the number of residents aged 85 years and over during the last decade.



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## Management Commentary

### Introduction

East Renfrewshire Integration Joint Board, hereafter known as the IJB, was legally established on 27<sup>th</sup> June 2015 and has the strategic responsibility for planning and delivery of health and social care services for the residents of East Renfrewshire. The vision, values, priorities and outcomes we aim to achieve through working together with the people of East Renfrewshire to improve lives are set out in our [HSCP Strategic Plan 2018-21](#).

The IJB is a legal body in its own right, as set out in the legislation, the Public Bodies (Joint Working) (Scotland) Act 2014, which established the framework for the integration of health and social care in Scotland.

The [Integration Scheme](#) for the IJB sets out how we will meet the requirements of this legislation. We are responsible for planning, commissioning and delivery of services for children and adults from both of our partners, East Renfrewshire Council and NHS Greater Glasgow and Clyde, and also have the planning responsibility for our population's use of large hospital based services along with housing aids and adaptations. The Integration Scheme provides a detailed breakdown of all the services the IJB is responsible for.

Our current Strategic Plan covers the period 2018-21 and sets out how we will achieve the National Health and Wellbeing Outcomes prescribed by Scottish Ministers.

Our partnership vision statement is:

***“Working together with the people of East Renfrewshire to improve lives”.***

Our touchstones are used to guide everything we do as a partnership:

- Valuing what matters to people.
- Building capacity with individuals and communities.
- Focusing on outcomes, not services.

This document and our Annual Performance Report demonstrate how we have supported delivery of our strategic priorities.

Note: Information contained in the links to our Strategic Plan and Integration Scheme does not form part of the annual report and accounts.

## Strategic Plan 2018-21

With our Strategic Planning Group we reviewed our first strategic plan, which covered 2015-18 and considered the progress we made and refreshed our strategic priorities for the three years 2018 to 2021. Our plan recognises that to meet future demand pressures from our continued growing and aging population we needed to change the way we work together. We need to extend beyond traditional health and social care services to a wider partnership with our local people, carers, volunteers, community organisations, providers and community planners.

We need to look at the wider factors that impact on people's health and wellbeing, including activity, housing and work; supporting people to be well, independent and connected to their communities.

Our emergency admissions, out of hours pressures and carers stress show us we still have work to do to get the right systems in place. We believe that by putting in the right amount of support at the right time we can improve lives, reduce demand and allow us to focus resource on those most in need.

We have identified seven strategic priorities where we need to make significant change or investment during the course of the plan:

- Working together with **children, young people and their families** to improve mental wellbeing
- Working together with our community planning partners on new **community justice** pathways that support people to stop offending and rebuild lives
- Working together with our communities that experience shorter life expectancy and **poorer health** to improve their wellbeing
- Working together with people to maintain their **independence at home** and in their local community
- Working together with people who experience **mental ill-health** to support them on their journey to recovery
- Working together with our colleagues in primary and acute care to care for people to reduce **unplanned admissions** to hospital
- Working together with **people who care for someone** ensuring they are able to exercise choice and control in relation to their caring activities

We have also moved to two localities: Eastwood and Barrhead; the new localities better reflect hospital flows with the Eastwood Locality linking to the South Glasgow hospitals and the Barrhead Locality to the Royal Alexandra Hospital in Paisley.

Our new management and service structure is designed around our localities and we continue to develop planning and reporting at a locality level.

The IJB continues to build on the long standing delivery of integrated health and care services within East Renfrewshire and the continued and valued partnership working with our community, the third, voluntary and independent sectors, facilitating the successful operation of the Health and Social Care Partnership, hereafter known as the HSCP.

## Key Messages and Operational Highlights for 2018/19

We have completed our fourth year of operation, with a continued focus on delivering future financial sustainability. As a long standing integrated partnership we have already made the savings and efficiency gains that can be achieved through integration of health and social care.

We have made significant progress with our Fit for the Future change programme (a phased programme of change since 2017/18) and have achieved the £0.954 million savings target attached to the programme. We have implemented significant change to our management structure and how we organise our services.

We have established our Family Wellbeing Service to support children and young people with mental health and emotional wellbeing concerns. We have commissioned Childrens 1<sup>st</sup> to deliver this service following a successful pilot period. The service works with the HSCP to deliver holistic support based in our GP surgeries. A significant funding stream of almost £1 million from the Robertson Trust will extend this service to all GP practices over the next three years.

Our engagement with our looked after children and the Champions Board goes from strength to strength and a Mini Champs initiative is now developing.

We have delivered a number of training and development initiatives to raise awareness and support Health Improvement with topics including; sexual health, breastfeeding awareness, child smile, mental health, breast health, bowel screening, cancer screening for people with additional needs, second hand smoke training, smokefree training, health behaviours change training and physical activity.

We continue to develop working with East Renfrewshire Culture and Leisure Trust and funded a post to develop the Ageing Well brand.

We have continued to expand our telecare services to support people to live independently and we have 92% of people reporting that that their “living where / as you want to live” needs are being met.

Whilst 74% of those people receiving reablement have seen their care needs reduce and 62.5% of people aged over 65 with intensive needs are receiving care at home we know we need to do more work in our Care at Home service. We have an action plan in place to support this.

Our Talking Points engagement is working well with only 6 of 124 people seen being referred to statutory services.

We continue to perform very well with delayed discharges; averaging around 4 per month and our 6,725 emergency admissions to hospital have reduced by 3%. However our number of Accident & Emergency attendances shows a 10% increase.

We continue to develop a new service model within Bonnyton House in Busby providing residential care along with dedicated beds for intensive rehabilitation and end of life care. Our partner East Renfrewshire Council has agreed a significant capital investment to refurbish the property.

Within the Learning Disability Specialist Service which we host we continue to fund resource transfer from the ongoing bed redesign to fund community based placements with our neighbouring HSCPs.

We continue to work with service providers to ensure market choice and sustainability and fund the Living Wage and other Fair Work Practices using the funding from the Scottish Government for this purpose. We have had local challenges across the HSCP with recruitment and retention of staff, reflecting the national position.

During the year we have worked on a new way of calculating Individual Budgets for adult social care, prepared for the extension of free personal care to those under 65 and the continued implementation of the Carers Act.

We have also implemented plans for Scottish Government funded initiatives; the Primary Care Improvement Fund; Mental Health Action 15 and the Alcohol and Drugs Partnership. These plans span multi years and ring-fenced funding will be carried forward to support the plans in 2019/20 and beyond.

The IJB approved its Medium Term Financial Plan for 2019/20 to 2023/24 which supports our strategic planning process and provides a financial context to support medium term planning and decision making.

We want to make sure that people have a positive first contact with health and social care and have worked with local people, community groups and organisations to design and implement our new front door approach.

In November 2018 Audit Scotland published its second report on national performance of health and social care integration and the impact it is having. The resulting recommendations included both local and national issues.

In February 2019 the Ministerial Strategic Group for Health and Community Care published the results of a national review of integration again with recommendations made both nationally and locally.

There was some overlap between both sets of recommendations and the IJB undertook a joint self-evaluation, with our partners, in May 2019 to identify where we do well and where we need to develop further. The resulting actions will be implemented and monitored during 2019/20.

## 2018-19 Performance Achievements

In addition to our quarterly reports, the Annual Performance Report will be submitted to the IJB on 26 June 2019 and made publically available on our website in line with statutory guidance. In this report, we review our performance for 2018/19 against local and national performance indicators and against the commitments within our Strategic Plan. Key areas where performance has shown the greatest improvement over the past 12 months are as follows:

Indicator	2018/19	2017/18
<b>Children and Young People</b>		
100% of parents of children who have received an autism diagnosis have opportunity to access Cygnet post diagnostic programme within 12 months of receiving diagnosis. <i>(INCREASE)</i>	<b>100%</b>	97%
Increase in improved outcomes for children after parent/carer completion of POPP <i>(INCREASE)</i>	<b>89%</b>	79%
<b>Recovery from alcohol and drug addiction</b>		
% of service users moving from drug treatment to recovery service <i>(INCREASE)</i>	<b>22%</b>	12%
% Change in individual drug and alcohol Recovery Outcome Score <i>(INCREASE)</i>	<b>23%</b>	17% (16/17)
<b>Living independently</b>		
Percentage of those whose care need has reduced following re-ablement <i>(INCREASE)</i>	<b>74%</b>	62%
People reporting 'living where you/as you want to live' needs met (%) <i>(INCREASE)</i>	<b>92%</b>	84%
SDS (Options 1 and 2) spend as a % of total social work spend on adults 18+ (LGBF) <i>(INCREASE)</i>	<b>7.5%</b> (17/18)	6.6% (16/17)
Percentage of people aged 65+ with intensive needs receiving care at home. (LGBF) <i>(INCREASE)</i>	<b>62.5%</b> (17/18)	61.1% (16/17)
Percentage of adults with intensive care needs receiving care at home <i>(INCREASE)</i>	<b>63%</b> (17/18)	58% (16/17)
<b>Reducing unplanned hospital care</b>		
Number of Emergency Admissions: Adults <i>(DECREASE)</i>	<b>6,387</b>	7,433
Emergency admission rate (per 100,000 population) <i>(DECREASE)</i>	<b>8,934</b>	10,482

Emergency bed day rate (per 100,000 population) (DECREASE)	<b>96,072</b>	118,880
A & E Attendances from Care Homes (NHSGGC data) (DECREASE)	<b>429</b>	541
Emergency Admissions from Care Homes (NHSGGC data) (DECREASE)	<b>261</b>	338
<b>Supporting carers</b>		
People reporting 'quality of life for carers' needs fully met (%) (INCREASE)	<b>78%</b>	72%

## 2018-19 Performance - Areas for Improvement

Ongoing improvement is sought across all services within the HSCP and the performance management arrangements in place are designed to facilitate this. There are specific areas we would like to improve going forward and these are set out in our current Strategic Plan.

Key indicators we would like to improve on include the following:

### Children and Young People

- Children and young people starting treatment for specialist Child and Adolescent Mental Health Services within 18 weeks of referral
- Child & Adolescent Mental Health - longest wait in weeks at month end

### Criminal Justice

- % Positive employability and volunteering outcomes for people with convictions

### Adult Support and Protection

- % Change in women's domestic abuse outcomes

### Living independently

- Increase the percentage of people aged 65+ who live in housing rather than a care home or hospital.

### Mental Health services

- Percentage of people waiting no longer than 18 weeks for access to psychological therapies
- Waiting times for Primary Care Mental Health Team (Bridges)



### Unscheduled care: Working in partnership with NHS acute services

- People waiting more than 3 days to be discharged from hospital into a more appropriate care setting
- Number of A&E Attendances
- % of last six months of life spent in a community setting

### Funding 2018/19

The net total health and social care funding from our partners for financial year 2018/19 was £133.479 million:

	£ Million
NHS Greater Glasgow and Clyde Primary Care	68.298
NHS Greater Glasgow and Clyde Large Hospital Services	16.624
East Renfrewshire Council Social Care	48.267
East Renfrewshire Council Housing Aids and Adaptations	0.290
<b>Total Net Funding</b>	<b>133.479</b>

The Comprehensive Income and Expenditure Statement (CIES) (page 30) shows the IJB gross income as £155.237 million, as this presentation shows service income, grant funding, resource transfer and social care fund monies which are included within the net funding from our partners. The purpose of the CIES presentation is to show the gross cost of the services we provide.

Work continues to be progressed with the set aside funding for large hospital services, however arrangements under the control of the IJB (and those across Greater Glasgow) are not yet operating as required by the legislation and statutory guidance. Each Health Board, in partnership with the Local Authority and IJB, must fully implement the delegated hospital budget and set aside budget requirements of the legislation, in line with the statutory guidance published in June 2015. These arrangements must be in place in time for Integrated Authorities to plan their use of their budgets in 2019/20. The work undertaken to date has focussed on the collation of cost and activity data. Moving forward work has commenced on the development of commissioning plans to support the implementation of the set aside arrangements.

Resource Transfer shows NHS Greater Glasgow and Clyde specific funding for historic bed closures and is used to purchase care packages and community based services. The Social Care Fund was allocated by the Scottish Government to IJBs, via the NHS funding stream, to meet specific costs such as living wage and other fair work practices and adult demographic pressures.

## Financial Performance 2018/19

The annual report and accounts for the IJB covers the period 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019, with comparable figures shown for 2017/18.

In addition to the net funding of £132.951 million received from our partners and other income we had also planned to use up to £0.954 million from reserves to bridge our Fit for the Future change programme to balance our budget for 2018/19.

The budgets and outturns for the operational services as reported during the year to the IJB are summarised below;

Service	Budget	Spend	Variance (Over) / Under	Variance (Over) / Under
	£ Million	£ Million	£ Million	%
Children & Families	10.508	9.708	0.800	7.61%
Older Peoples Services	28.995	29.223	(0.228)	(0.79%)
Physical / Sensory Disability	4.664	4.608	0.056	1.20%
Learning Disability – Community	12.091	12.138	(0.047)	(0.39%)
Learning Disability – Inpatients	8.085	7.962	0.123	1.52%
Mental Health	4.377	3.958	0.419	9.57%
Addictions / Substance Misuse	1.554	1.522	0.032	2.06%
Family Health Services	22.217	22.209	0.008	0.04%
Prescribing	15.766	16.194	(0.428)	(2.71%)
Criminal Justice	0.039	-	0.039	100%
Planning & Health Improvement	0.299	0.225	0.074	24.75%
Management & Administration	8.396	8.586	(0.190)	(2.27%)
Planned Contribution from Reserves	(0.954)	(0.556)	(0.398)	(41.72%)
<b>Net Expenditure Health and Social Care</b>	<b>116.037</b>	<b>115.777</b>	<b>0.260</b>	<b>0.22%</b>
Housing	0.290	0.290	-	0.00%
Set Aside for Large Hospital Services	16.624	16.624	-	0.00%
<b>Total Integration Joint Board</b>	<b>132.951</b>	<b>132.691</b>	<b>0.260</b>	<b>0.22%</b>

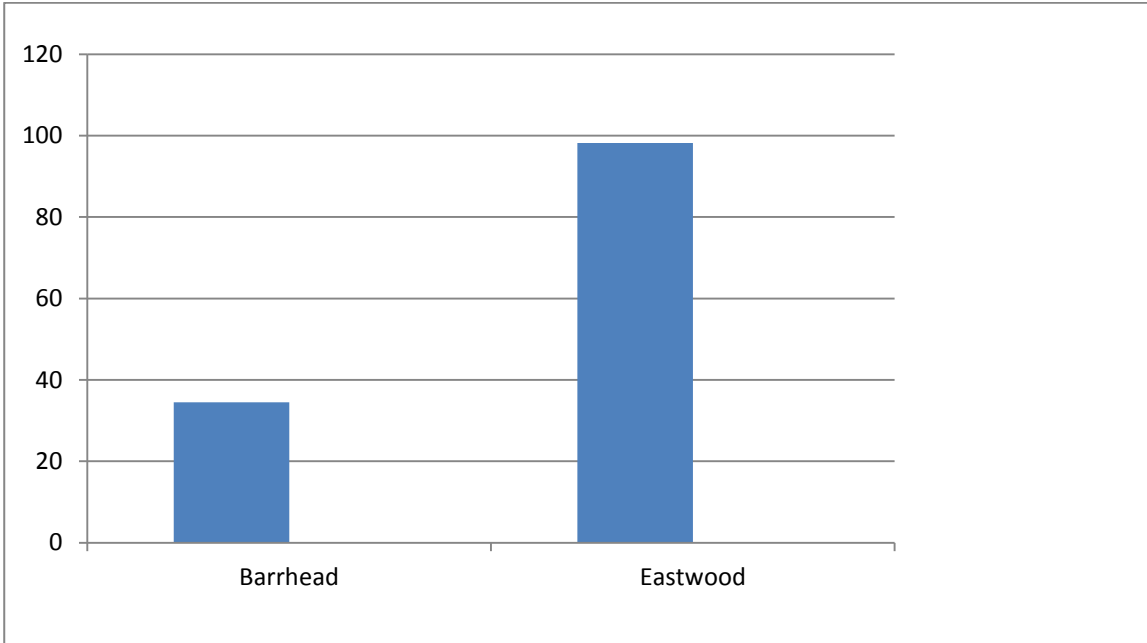
The £0.260 million underspend (0.22%) is in line with the reporting taken to the IJB during the year and this is added to our reserves.

The main variances to the budget were:

- Underspends in a number of services from staff turnover and vacant posts during the year, in part relating to the implementation of our structure but also reflecting recruitment and retention issues within health and social care.
- Care package costs were less than committed as we did not have a difficult winter.
- The overspend in prescribing is a result of both cost and volume, with a number of drugs on short supply during the year.
- East Renfrewshire IJB hosts the Specialist Learning Disability Services on behalf of the other five IJBs who are coterminous with Greater Glasgow and Clyde. The service achieved £0.125 million savings early from the ongoing bed redesign model.

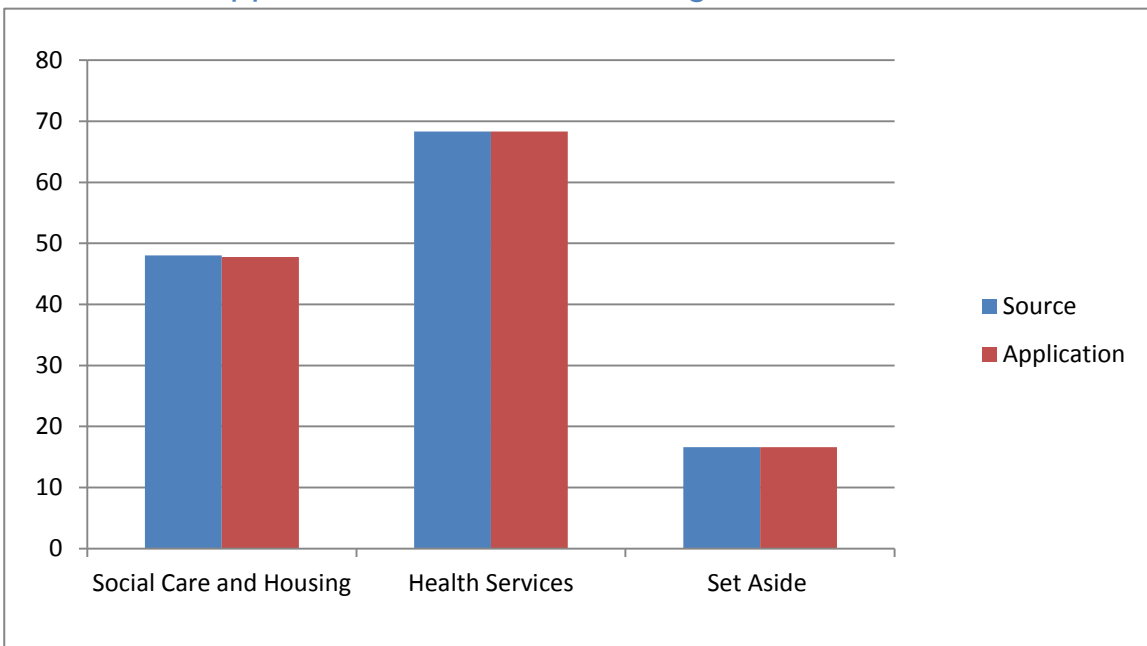
A number of services are hosted by the other IJBs who partner NHS Greater Glasgow and Clyde and our use of hosted services is detailed at Note 4 (Page 37). The hosted services are accounted for on a principal basis.

### Expenditure of £132.691 million by Locality



The expenditure split by Locality is shown using a combination of support plans and population.

### Source and Application of our Net Funding of £132.951million



## Reserves

We used £0.802 million of reserves in year to balance our budget and we also invested new monies into earmarked reserves. The year on year movement in reserves is set out at Note 8 (Page 40) and is summarised:

	£ Million	£ Million
Reserves at 31 March 2018		4.809
Planned use of existing reserves during the year	(0.902)	
Funds added to existing reserves during the year	0.338	
New reserves created during the year	1.092	
Net increase in reserves during the year	0.528	
Reserves at 31 March 2019		5.337

The new reserves of £1.092 million we have created are:

- £0.111 million Mental Health Action 15
- £0.068 million Alcohol & Drugs Partnership
- £0.186 million Primary Care Improvement Programme
- £0.142 million to support the Active Lives programme, organisational learning and development and other small projects
- £0.200 million to support development of the Partnership Strategic Framework
- £0.250 million agreed by the IJB to support the Care at Home Improvement Programme
- £0.135 million within Children and Families projects (Home & Belonging and Continuing Care)

The overall financial position for the IJB can be summarised as follows:

<b>Total 2017/18 £000</b>	<b>1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019</b>	<b>NHS Greater Glasgow and Clyde £000</b>	<b>East Renfrewshire Council £000</b>	<b>Total 2018/19 £000</b>
149,444	Funds Received from Partners	89,485	65,752	155,237
148,995	Funds Spent with Partners	89,485	65,224	154,709
(449)	Underspend In Year	-	(528)	(528)
449	Earmarked Reserve Contributions	-	528	528
-	General Reserve Contributions	-	-	-

The Comprehensive Income and Expenditure Statement (Page 30), details our income and expenditure by care group and service along with our sources of funding.

## Future Challenges

The IJB continues to face a number of challenges, risks and uncertainties in the coming years. The Medium Term Financial Plan sets out the potential cost pressures of circa £5.1 to £5.7 million per year for the five years 2019/20 to 2023/24.

For 2019/20 the cost pressure was £5.7 million and when we applied the available funding from our partners for uplifts and pressures the remaining gap and therefore savings requirement of £3.1 million. We have an agreed plan for these savings for 2019/20 however a similar scale of challenge in future years will mean an impact on our front line services and care packages.

We continue to maintain our strategic risk register for the IJB which identifies the key areas of risk that may impact the IJB and have implemented a range of mitigating actions to minimise any associated impact.

The areas identified (as at June 2019) are:

1. In-House Care at Home Service.
2. Death or significant harm to a service user or patient.
3. Historical sexual abuse inquiry.
4. Child protection, adult protection and multi-agency public protection arrangements.
5. Financial sustainability.
6. Failure of a provider.
7. Access to primary care.
8. Increase in our older population.
9. Workforce planning and change.
10. Increase in children and adults with additional support needs.

Demographic pressures remain a very specific challenge for East Renfrewshire as we have an increasing elderly population with a higher life expectancy than the Scottish average and a rise in children with complex needs resulting in an increase in demand for services.

A number of wider issues such as economy; the impact of Brexit, Regional Planning, potential reform of NHS boards and local government could all impact on the future of the service we provide and our ability to meet the needs of the communities we serve.

We have successfully operated integrated services for a number of years and we have already faced a number of challenges and opportunities open to newer partnerships, however our funding and savings challenge take no account of this history. Whilst we have agreed a population based approach for future (NHS) financial frameworks and models this does not address the base budget.

Prescribing Costs; the cost of drugs prescribed to the population of East Renfrewshire by GPs and other community prescribers is delegated to the IJB. This is a complex and volatile cost base of around £16 million per year. Financial year 2018/19 was the first year without any risk share or underwriting of this cost and despite increasing our budget by 5% we ended the year with an £0.428 million overspend.

Delayed Discharge; in order to achieve the target time of 72 hours we continue to require more community based provision. The medium term aspiration is that the costs of increased community services will be met by shifting the balance of care from hospital services. The work to agree a funding mechanism to achieve this remains ongoing with NHS Greater Glasgow and Clyde and its partner IJBs. Our increased attendances at Accident & Emergency will impact here.

The Annual Budget setting timetables remain an issue as the NHS timetable poses a challenge as the NHS Board does not agree its budget before 31 March, whereas the IJB is required to set its budget by the end of March of each year. However the IJB had sufficient detail and confirmation of a verbal offer from the NHS Greater Glasgow and Clyde and a confirmed offer from East Renfrewshire Council to set a budget prior to 31 March, subject to formal confirmation by NHS Greater Glasgow and Clyde (subsequently received).

Developing our performance and financial reporting in more detail at a locality level to allow fuller reporting and understanding of future trends and service demands.

We plan to deal with these challenges by:

- We have an agreed Medium Term Financial Plan and will maintain this with update at least annually. We will also continue to use scenario based financial planning and modelling to assess and refine the impact of different levels of funding, pressures and possible savings.
- We have invested £1 million in our Care at Home service to support our improvement plan for this service.
- We have identified and prioritised savings proposals for 2019/20 and have indicated that future year savings proposals may require us to move to the adoption of a criteria based model for care package support.
- We will realign our financial reporting to reflect our new service structure.

- We are developing our Data and Management Information Strategy and have strengthened performance and governance reporting in our new staffing structure. This will support informed planning and decision making.
- We have refreshed the membership of our Strategic Planning Group and we are commencing work to support development of our future contractual frameworks for Care at Home and Care and Support to develop sustainable, outcome focussed services. We have identified funding to support this development.
- We routinely report our performance to the IJB with further scrutiny from our Performance and Audit Committee and our Clinical and Care Governance Group. The service user and carer representation on the IJB and its governance structures is drawn from Your Voice which includes representatives from community care groups, representatives from our localities and representatives from equality organisations including disability and faith groups.
- We have recognised the challenges in the medium term and will continue to use ‘invest to save’ and “test of change” models. Our reserves strategy allows us to smooth the impact of change and to implement savings on a phased basis. Some examples include:
  - Investment in an additional pharmacy technician to mitigate prescribing pressures
  - Implementing our Digital Programme
  - Care at Home to support recruitment and retention and service improvement
  - Partnership Framework development
  - Organisational Learning and Development
- Governance Code; we have robust governance arrangements supported by a Governance Code.
- We need to review our Integration Scheme during 2019/20 to meet legislative requirements.
- The IJB continues to operate in a challenging environment and our financial, risk and performance reporting will continue to be a key focus of each IJB agenda.

## **Conclusion**

East Renfrewshire Integration Joint Board remains well placed in the short term to meet the coming challenges, building on many years of delivering integrated health and social care services and continuing to lead on developing new and innovative models of service delivery, not only ensuring financial sustainability, but also meeting the needs of our population. Whilst there is a degree of uncertainty over the medium to longer term funding which could pose risk to meeting future demand we continue to plan ahead and prepare for a range of scenarios.

**Anne-Marie Monaghan**  
**Chair**  
**Integration Joint Board    26<sup>th</sup> June 2019**

**Julie Murray**  
**Chief Officer**  
**Integration Joint Board    26<sup>th</sup> June 2019**

**Lesley Bairden ACMA CGMA**  
**Chief Financial Officer**  
**Integration Joint Board    26<sup>th</sup> June 2019**



## Statement of Responsibilities

### Responsibilities of the Integration Joint Board

The IJB is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In East Renfrewshire IJB, the proper officer is the Chief Financial Officer.
- Manage its affairs to secure economic, efficient and effective use of resources and 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).
- Approve the Statement of Accounts.

I confirm that the audited Annual Accounts were approved for signature at a meeting of the Integration Joint Board on 25<sup>th</sup> September 2019.

**Anne-Marie Monaghan**  
**Chair**  
**Integration Joint Board    26<sup>th</sup> June 2019**

## Responsibilities of the Chief Financial Officer

The Chief Financial Officer is responsible for the preparation of the IJB'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 these annual accounts, the Chief Financial Officer has:

- Selected appropriate accounting policies and applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the legislation.
- Complied with the Accounting Code (in so far as it is compatible with the legislation).

The Chief Financial Officer has also:

- Kept proper accounting records that were up-to-date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the financial statements give a true and fair view of the financial position of East Renfrewshire Integration Joint Board as at 31<sup>st</sup> March 2019 and the transactions for the IJB for the period covering 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019.

**Lesley Bairden ACMA CGMA**  
**Chief Financial Officer**  
**Integration Joint Board      26<sup>th</sup> June 2019**

## Remuneration Report

### Introduction

The Local Authority Accounts (Scotland) Regulations 2014 (SSI No. 2014/200) requires local authorities and IJBs in Scotland to prepare a Remuneration Report as part of the annual statutory accounts.

The IJB does not directly employ any staff in its own right. All staff are employed through either East Renfrewshire Council or NHS Greater Glasgow and Clyde. The report contains information on the IJB's Chief Officer's remuneration together with any taxable expenses relating to voting members claimed in the year. The remuneration of senior officers is determined by the contractual arrangements of East Renfrewshire Council and NHS Greater Glasgow and Clyde.

For 2018/19 no taxable expenses were claimed by members of the IJB.

The board members are entitled to payment for travel and subsistence expenses relating to approved duties. Payment of voting board members allowances is the responsibility of the member's individual partnership body. Non-voting Members of the IJB are entitled to the payment of travel expenses.

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

### Integration Joint Board

The voting members of the IJB were appointed through nomination by East Renfrewshire Council and NHS Greater Glasgow and Clyde.

### Senior Officers

The Chief Officer is appointed by the IJB in consultation with East Renfrewshire Council and NHS Greater Glasgow and Clyde. The Chief Officer is employed by East Renfrewshire Council and is funded equally between East Renfrewshire Council and NHS Greater Glasgow and Clyde.

The total remuneration received by the Chief Officer in 2018/19 amounted to £107,767 in regards to all of the duties undertaken during the financial year. In respect of the Chief Financial Officer, total remuneration for 2018/19 amounted to £82,342.

<b>Name and Post</b>	<b>Salary, Fees and Allowances £</b>	<b>Taxable Expenses £</b>	<b>Total Remuneration 2018/19 £</b>
Julie Murray, Chief Officer 2018/19	107,767	-	107,767
Julie Murray, Chief Officer 2017/18	106,961	-	106,961

<b>Name and Post</b>	<b>Salary, Fees and Allowances £</b>	<b>Taxable Expenses £</b>	<b>Total Remuneration 2018/19 £</b>
Lesley Bairden, Chief Financial Officer 2018/19	82,342	-	82,342
Lesley Bairden, Chief Financial Officer 2017/18	65,963	-	65,963

Voting Board Members 2018/19		Total Taxable IJB Related Expenses 2018/19 £
Councillor Tony Buchanan	East Renfrewshire Council	Nil
Councillor Caroline Bamforth (Vice Chair)	East Renfrewshire Council	Nil
Councillor Paul O' Kane	East Renfrewshire Council	Nil
Councillor Jim Swift	East Renfrewshire Council	Nil
Susan Brimelow	NHS Greater Glasgow and Clyde	Nil
Morag Brown (Chair to 31 March 2019)*	NHS Greater Glasgow and Clyde	Nil
John Mathews	NHS Greater Glasgow and Clyde	Nil
Anne-Marie Monaghan (Chair from 1 April 2019)*	NHS Greater Glasgow and Clyde	Nil

The equivalent cost in 2017/18 was nil for all IJB members.

\* From April 2019 Anne Marie Monaghan succeeded Morag Brown as Chair of the IJB.

The Pension entitlement for the Chief Officer for the year to 31<sup>st</sup> March 2019 is shown in the table below, together with the contribution made by the employing body to this pension during the year.

Name and Post	In Year Pension Contribution For year to 31 <sup>st</sup> March 2019 £	Accrued Pension Benefit as at 31 <sup>st</sup> March 2019	
		Pension £	Lump Sum £
Julie Murray, Chief Officer 2018/19	20,799	38,772	56,800
Julie Murray, Chief Officer 2017/18	20,644	35,910	55,946

The Chief Financial Officer joined the pension scheme on appointment in August 2015 and under the terms of the scheme no lump sum benefit has been identified.

Name and Post	In Year Pension Contribution For year to 31 <sup>st</sup> March 2019 £	Accrued Pension Benefit as at 31 <sup>st</sup> March 2019	
		Pension £	Lump Sum £
Lesley Bairden, Chief Financial Officer 2018/19	15,892	5,247	-
Lesley Bairden, Chief Financial Officer 2017/18	12,731	3,460	-

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 pension liability reflected on the IJB balance sheet for the Chief Officer, Chief Financial Officer, or any other officers.

However the IJB has responsibility for funding the employer's contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the IJB. The table above shows the IJB's funding during 2018/19 to support officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned from a previous employment and from each officers own contributions.

## General Disclosure by Pay Bands

The regulations require the Remuneration Report to provide information on the number of persons whose remuneration was £50,000 or above. This information is provided in bands of £5,000.

## General Disclosure by Pay Bands

Number of Employees 31 <sup>st</sup> March 2018	Remuneration Band	Number of Employees 31 <sup>st</sup> March 2019
1	£65,000 - £69,999	-
-	£80,000 - £85,999	1
1	£105,000 - £109,999	1

**Anne-Marie Monaghan**  
**Chair**  
**Integration Joint Board 26<sup>th</sup> June 2019**

**Julie Murray**  
**Chief Officer**  
**Integration Joint Board 26<sup>th</sup> June 2019**

## 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. This is in line with the Code of Corporate Governance and meets the requirements of the 'Code of Practice for Local Authority Accounting in the UK: A Statement of Recommended Practice', in relation to the Statement on the System of Internal Financial Control. This should ensure:

- A focus on the assessment of how well the governance framework is working and what actions are being taken.
- The importance of the role and responsibilities of partners in supporting IJB good governance is adequately reflected.

### Scope of Responsibility

The IJB is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. To ensure best value the IJB commits to continuous quality improvement in performance across all areas of activity.

To meet this responsibility the IJB continues to operate the governance arrangements first put in place during 2015/16, including the system of internal control. This is intended to manage risk to a reasonable level, but cannot eliminate the risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable, but not absolute assurance of effectiveness.

In discharging these responsibilities, the Chief Officer has a reliance on East Renfrewshire Council and NHS Greater Glasgow and Clyde systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisations' aims and objectives, as well as those of the IJB.

### The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values by which the IJB is directed and controlled and the activities through which it accounts to, engages with and leads the community. It enables the IJB to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the IJB's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

We have robust governance arrangements and have consolidated these into a Governance Code.



## The Governance Framework

The main features of the governance framework in place during 2018/19 are summarised below:

- The IJB, comprising all IJB Board members, is the key decision making body.
- The scope, authority, governance and remit of the IJB is set out in constitutional documents including the Integration Scheme, Board terms of reference, scheme of administration and financial regulations and as reflected in our Code of Governance.
- The Performance and Audit Committee and Clinical and Care Governance Group provide further levels of scrutiny for the IJB.
- The IJB's purpose and vision is outlined in the IJB Strategic Plan which sets out how we will deliver the national health and wellbeing outcomes. This is underpinned by an annual implementation plan and performance indicators. Regular progress reports on the delivery of the Strategic Plan are provided to the Performance and Audit Committee and the IJB.
- The IJB has adopted a 'Code of Conduct' for all of its Board Members and employees. A register of interests is in place for all Board members and senior officers.
- The Performance and Audit Committee routinely review the Strategic Risk Register.
- The IJB has in place a continuous development programme with an ongoing series of seminars covering a wide range of topics and issues.
- The IJB has two localities Eastwood and Barrhead, aligned with hospital use and includes three clusters of GP practices. Each Locality has a dedicated Locality Manager.

The governance framework was put in place during 2015/16 when the IJB was established and the Governance Code was formalised and audited in 2017/18 and continues to operate effectively.

## The System of Internal Financial Control

The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability. Development and maintenance of these systems is undertaken by East Renfrewshire Council and NHS Greater Glasgow and Clyde as part of the operational delivery of the HSCP. In particular, these systems include:

- Financial regulations and codes of financial practice.
- Comprehensive budgeting systems.
- Regular reviews of periodic and annual financial reports that indicate financial performance against the forecasts.
- Setting targets to measure financial and other performance.
- Clearly defined capital expenditure guidelines.
- Formal project management disciplines.
- The IJB's financial management arrangements conform to the governance requirements of the CIPFA statement: 'The Role of the Chief Financial Officer in Local Government (2010)'.

With regard to the entries taken from East Renfrewshire Council and NHS Greater Glasgow and Clyde accounts, the IJB is not aware of any weaknesses within their internal control systems and has placed reliance on the individual Statements of Internal Financial Control where appropriate.

## Review of Adequacy and Effectiveness

The IJB has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of the effectiveness of the framework is informed by the work of the Senior Management Team who have responsibility for development and maintenance of the governance environment, the annual report by the Chief Internal Auditor and reports from Audit Scotland and other review agencies.

The Chief Internal Auditor reports directly to the IJB Performance and Audit Committee on all audit matters, with the right of access to the Chief Officer, Chief Financial Officer and Chair of the Performance and Audit Committee on any matter. In accordance with the principles of the code of corporate governance, regular reports were made to the IJB's Performance and Audit Committee during 2018/19. A member of East Renfrewshire Council's Audit and Scrutiny Committee was co-opted to the IJB Performance and Audit Committee during 2016/17 to promote transparency.

The Internal Audit function has independent responsibility for examining, evaluating and reporting on the adequacy of internal control. During 2018/19, the service operated in accordance with relevant professional audit standards and the Public Sector Internal Audit Standards. The Chief Internal Auditor prepares an annual report to the Audit Committee, including an assurance statement containing a view on the adequacy and effectiveness of the systems of internal control.

We have a formal Code of Governance and the sections in the code and our level of compliance can be summarised as detailed below:

Code Section	Level of Compliance
Integration Scheme	Full
Local Governance Arrangements & Delegation of Functions	Full
Local Operational Delivery Arrangements	Full
Performance and Audit	Full
Clinical and Care Governance	Part
Chief Officer	Full
Workforce	Part
Finance	Full
Participation and Engagement	Full
Information Sharing and Data Handling	Full
Complaints/ Dispute Resolution Mechanism	Full
Claims Handling, Liability & Indemnity	Full
Risk Management	Full

The two areas where we are partly compliant are:

- Clinical and Care Governance; the Integration Scheme identifies a Carers representative should be on this group. We do have an allocated committee place however capacity has been an issue and we are actively reviewing membership with supporting guidance.
- Workforce; we are working on our workforce and learning & development plans and aim to have these completed by autumn 2019. Our three year Workforce Plan covering 2020-23 needs to be approved and published by 31<sup>st</sup> March 2020.

## Governance Issues during 2018/19

Whilst all operational and transactional governance issues are considered within our partner's governance frameworks the IJB Performance and Audit Committee take an overview on all actions resulting from both internal and external audit reports, covering all live actions whether pre or post 31<sup>st</sup> March 2019.

The recommendations from the follow up audit on the implementation of the Care Finance system are taken to the Performance and Audit Committee with progress updates on a six monthly timescale. Whilst there is acknowledgement of the progress made and that the previous payments to providers audit is closed the Performance and Audit Committee will review progress until full completion.

Regular reports on all audit recommendations and associated actions are presented to and considered by the Performance and Audit Committee of the IJB.

Any audit issues that impact on the IJB from our partners will be included in the final accounts following review of the IJB Chief Auditor.

## Action Plan

The IJB has identified the following actions for 2019/20 that will assist with the further strengthening of corporate governance arrangements:

- Continue to develop our management information to better inform our strategic and financial planning, commissioning strategy, change programme and decision making processes.
- Maintain and report, at least annually an updated Medium Term Financial Plan reflecting the latest intelligence and assumptions to support and inform future funding modelling and scenarios. This will be supplemented by seminars at specific stages in the budget setting process.
- To implement commissioning arrangements for the set aside budget and reduce our Accident and Emergency attendances.
- Continue to work with NHS Greater Glasgow and Clyde regarding the timing of future years funding confirmation, the budget setting timescale for 2019/20 demonstrates progress despite timeframe constraints.
- To regularly report on the local and national actions, along with our partners, resulting from the Audit Scotland Review of Integration and the Ministerial Strategic Group review of Health and Community Care.
- To continue to progress our Care at Home improvement plan.
- To develop and publish our Workforce Plan for 2020-23.

## Conclusion and Opinion on Assurance

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the IJB system of governance.

We consider the internal control environment provides reasonable and objective assurance that any significant risks impacting on our principle objectives will be identified and actions taken to avoid or mitigate their impact.

Systems are in place to regularly review and improve the internal control environment.

**Anne-Marie Monaghan**  
Chair  
Integration Joint Board 26<sup>th</sup> June 2019

**Julie Murray**  
Chief Officer  
Integration Joint Board 26<sup>th</sup> June 2019

## Independent auditor's report to the members of East Renfrewshire Health and Social Care Partnership Integration Joint Board and the Accounts Commission

(Provided by Audit Scotland)

The report from Audit Scotland will be included in the final Audited Accounts to be presented in September 2019, following the due audit process.

## The Financial Statements

The (Surplus) or Deficit on the Income and Expenditure Statement shows the income received from and expenditure directed back to East Renfrewshire Council and NHS Greater Glasgow and Clyde for the delivery of services.

### COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

For the year ended 31<sup>st</sup> March 2019

2017/18			2018/19			
Gross Expenditure (Restated) £000	Gross Income (Restated) £000	Net Expenditure (Restated) £000	Objective Analysis	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
10,349	542	9,807	Children and Families	10,252	443	9,809
35,094	3,140	31,954	Older People's Services	37,929	3,510	34,419
5,158	50	5,108	Physical/Sensory Disability	5,312	264	5,048
17,634	739	16,895	Learning Disability – Community	17,939	1,631	16,308
9,461	1,267	8,194	Learning Disability – Inpatients	9,422	1,460	7,962
4,671	249	4,422	Mental Health	4,904	176	4,728
2,122	187	1,935	Addictions / Substance Misuse	2,099	65	2,034
23,610	1,379	22,231	Family Health Services	23,722	1,513	22,209
16,326	-	16,326	Prescribing	16,194	-	16,194
587	576	11	Criminal Justice	563	563	-
373	24	349	Planning and Health Improvement	225	-	225
8,454	1,617	6,837	Management and Admin	9,019	552	8,467
342	-	342	Corporate Services	215	-	215
<b>134,181</b>	<b>9,770</b>	<b>124,411</b>	<b>Cost of Services Managed by East Renfrewshire IJB</b>	<b>137,795</b>	<b>10,177</b>	<b>127,618</b>
14,561	-	14,561	Set Aside for delegated services provided in large hospitals	16,624	-	16,624
253	-	253	Aids and Adaptations	290	-	290
<b>148,995</b>	<b>9,770</b>	<b>139,225</b>	<b>Total Cost of Services to East Renfrewshire IJB</b>	<b>154,709</b>	<b>10,177</b>	<b>144,532</b>
-	82,439	82,439	NHS Greater Glasgow and Clyde	-	84,922	84,922
-	45,625	45,625	East Renfrewshire Council	-	48,557	48,557
-	6,449	6,449	Resource Transfer	-	6,449	6,449
-	5,161	5,161	Social Care Fund	-	5,132	5,132
-	139,674	139,674	Taxation and Non Specific Grant Income	-	145,060	145,060
<b>148,995</b>	<b>149,444</b>	<b>(449)</b>	<b>(Surplus) or Deficit on Provision of Services</b>	<b>154,709</b>	<b>155,237</b>	<b>(528)</b>
<b>148,995</b>	<b>149,444</b>	<b>(449)</b>	<b>Total Comprehensive (Income) and Expenditure</b>	<b>154,709</b>	<b>155,237</b>	<b>(528)</b>

## MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the financial year on the reserve held by the IJB, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and 'non usable reserves'. The (Surplus) or Deficit on the Provision of Services reflects the true cost of providing services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

<b>2017/18 £000</b>	<b>General Reserves</b>	<b>2018/19 £000</b>
(4,360) (449)	Balance as at 31 <sup>st</sup> March 2018 brought forward (Surplus)/Deficit on provision of services	(4,809) (528)
(449)	<b>TOTAL COMPREHENSIVE INCOME &amp; EXPENDITURE</b>	(528)
(4,809)	<b>BALANCE AS AT 31<sup>st</sup> MARCH 2019 CARRIED FORWARD</b>	(5,337)



**BALANCE SHEET****As at 31st March 2019**

The Balance Sheet as at 31<sup>st</sup> March 2019 is a snapshot of the value at that reporting date of the assets and liabilities recognised by the IJB. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

<b>31<sup>st</sup> March 2018 £000</b>		<b>Notes</b>	<b>31<sup>st</sup> March 2019 £000</b>
<b>4,986</b>	<b>Current Assets</b>		<b>5,469</b>
4,986	Short Term Debtors	7	5,469
<b>177</b>	<b>Current Liabilities</b>		<b>132</b>
177	Short Term Creditors	7	132
<b>4,809</b>	<b>Net Assets</b>		<b>5,337</b>
(4,809)	Reserves	8	(5,337)
<b>(4,809)</b>	<b>Total Reserves</b>		<b>(5,337)</b>

The Statement of Accounts present a true and fair view of the financial position of the IJB as at 31<sup>st</sup> March 2019 and its income and expenditure for the year then ended.

The unaudited accounts were submitted for approval on 26th June 2019 and audited annual accounts will be submitted for approval and issue by the IJB on 25th September 2019.

**Lesley Bairden ACMA CGMA**  
**Chief Financial Officer**  
**Integration Joint Board 26<sup>th</sup> June 2019**

## Notes to the Financial Statements

### 1. Accounting Policies

#### 1.1 General Principles

The Statement of Accounts summarises the IJB's transactions for the 2018/19 reporting period and its position as at 31<sup>st</sup> March 2019.

The East Renfrewshire IJB is formed under the terms of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a joint venture between East Renfrewshire Council and NHS Greater Glasgow and Clyde.

IJBs are specified as Section 106 bodies under the Local Government (Scotland) Act 1973 and as such are required to prepare their financial statements in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 supported by International Finance Reporting Standards (IFRS).

#### 1.2 Accruals of Income and Expenditure

Activity is accounted for in the year it takes place not simply when cash payments are made or received. In particular:

All known specific and material sums payable to the IJB have been brought into account.

Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

#### 1.3 Going Concern

The accounts are prepared on a going concern basis, which assumes that the IJB will continue in operational existence for the foreseeable future.

#### 1.4 Accounting Convention

The accounting convention adopted in the Statement of Accounts is a historic cost basis.

#### 1.5 Funding

East Renfrewshire IJB receives contributions from its funding partners, namely East Renfrewshire Council and NHS Greater Glasgow and Clyde to fund its services. Expenditure is incurred in the form of charges for services provided to the IJB by its partners.

## 1.6 Reserves

Reserves are created by appropriate amounts from the Statement of Income and Expenditure in the Movement In Reserves Statement.

Reserves have been created in order to finance expenditure in relation to specific projects. When expenditure to be financed from a reserve is incurred it will be charged to the appropriate service in that year and will be funded by an appropriation back to the Comprehensive Income and Expenditure Statement in the Movement In Reserves Statement.

A general reserve has also been established as part of the financial strategy of the East Renfrewshire IJB in order to better manage the risk of any future unanticipated events that may materially impact on the financial position of the IJB.

## 1.7 Events after the Balance Sheet Date

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.

Where events take place before the date of authorisation and provide information about conditions existing as at 31<sup>st</sup> March 2019 the figures in the financial statements and notes have been adjusted in all material aspects to reflect the impact of this information.

Events taking place after the date when the Accounts were authorised are not reflected in the financial statement or notes.

## 1.8 Related Party Transactions

As partners of East Renfrewshire IJB both East Renfrewshire Council and NHS Greater Glasgow and Clyde are related parties and material transactions with those bodies are disclosed in Note 5 (Page 38) in accordance with the requirements of International Accounting Standard 24.

## 1.9 Provisions, Contingent Assets and Liabilities

Provisions are made where an event has taken place that gives the IJB a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Statement of Income and Expenditure in the year that the IJB becomes aware of the obligation and measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made they are charged to the provision held in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less probable that a transfer of economic benefits will be required (or a lower settlement than anticipated is made) the provision is reversed and credited back to the relevant service.

A contingent asset or liability arises where an event has taken place that gives the IJB a possible obligation or benefit whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the IJB. Contingent assets or liabilities also arise in circumstances where a provision would otherwise be made but, either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in a Note to the Accounts where they are deemed material.

### **1.10 Indemnity Insurance**

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Greater Glasgow and Clyde and East Renfrewshire Council have responsibility for claims in respect of the services they are statutorily responsible for and that they provide.

Unlike NHS Boards the IJB does not have any 'shared risk' exposure from participation in CNORIS. The IJB participation in the CNORIS scheme is therefore similar to normal insurance arrangements.

In the event that known claims were identified they would be assessed as to the value and probability of settlement. Where material the overall expected value of any such known claims, taking probability of settlement into consideration, would be provided for in the IJB's Balance Sheet. No such claims were identified as at 31<sup>st</sup> March 2019.

Similarly, the likelihood of receipt of an insurance settlement to cover any claims would be separately assessed, and where material, they would be presented as either a debtor or disclosed as a contingent asset. No such receipts were identified as at 31<sup>st</sup> March 2019.

The cost of participation in the CNORIS scheme was funded on our behalf by NHS Greater Glasgow and Clyde.

### **1.11 Corresponding Amounts**

These Financial Statements cover the period 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019, with corresponding full year amounts for 2017/18.

### **1.12 VAT**

The IJB is not a taxable person and does not charge or recover VAT on its functions.

The VAT treatment of expenditure and income within the Accounts depends upon which of the partners is providing the service as these bodies are treated differently for VAT purposes.

The services provided by the Chief Officer to the IJB are outside the scope of VAT as they are undertaken under a specific legal regime.

### 1.13 Post - Employment Benefits – Pension Costs

The accounting requirements for pension costs in respect of Post - Employment Benefits under IAS9 and FRS17 are reflected in the accounts of East Renfrewshire Council and NHS Greater Glasgow and Clyde as the respective employers of current and former staff members. The IJB does not directly employ any members of staff in its own right and accordingly has accrued no liability in regards to post employment pension benefits.

## 2. Expenditure and Income Analysis by Nature

2017/18 £000		2018/19 £000
(139,674)	Partners funding contribution and non-specific grant income	(145,060)
( 9,770)	Fees and charges and other service income	(10,177)
<b>(149,444)</b>	<b>2018/19 TOTAL FUNDING</b>	<b>(155,237)</b>
36,664	Employee Costs	36,602
974	Premises Costs	818
328	Transport Costs	375
6,803	Supplies & Services	7,201
47,501	Third Party Payments	50,995
2,045	Support Costs	2,126
18,894	Prescribing	16,024
20,883	Family Health Service	23,729
14,561	Acute Hospital Services	16,624
318	Corporate Costs	190
24	External Audit Fee	25
<b>148,995</b>	<b>2018/19 COST OF SERVICES</b>	<b>154,709</b>

There are no statutory or presentational adjustments which affect the IJB's application of funding received from partner organisations. The movement in the IJB balance sheet 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 accounts.

### 3. Taxation and Non Specific Grant Income

2017/18 £000		2018/19 £000
45,625	East Renfrewshire Council	48,557
82,439	NHS Greater Glasgow and Clyde	84,922
6,449	Resource Transfer	6,449
5,161	Social Care Fund	5,132
<b>139,674</b>	<b>PARTNERS FUNDING CONTRIBUTION &amp; NON SPECIFIC GRANT INCOME</b>	<b>145,060</b>

The funding contribution from NHS Greater Glasgow and Clyde includes £16.624 million in respect of East Renfrewshire's use of set aside for delegated services provided in large hospitals. These are provided by the NHS, which retains responsibility for managing the costs of providing the service. The IJB however, has responsibility for the consumption of and level of demand placed on these services.

### 4. Learning Disability – Inpatients

As detailed at Note 11 the IJB has considered the basis of the preparation of the 2018/19 accounts in respect of Learning Disability In Patient Services hosted by the East Renfrewshire IJB for other IJBs within the NHS Greater Glasgow & Clyde Area. Accordingly, the IJB is considered to be acting as a 'principal' and the 2018/19 financial statements have been prepared on this basis with the full costs of such services being reflected in the 2018/19 financial statements. The cost of the hosted service provided to other IJBs in regards Learning Disability Inpatients is detailed below.

2017/18 £000	LEARNING DISABILITY IN PATIENTS SERVICES HOSTED BY EAST RENFREWSHIRE IJB	2018/19 £000
6,600	Glasgow	6,234
688	Renfrewshire	918
416	Inverclyde	142
381	West Dunbartonshire	570
-	East Dunbartonshire	-
<b>8,085</b>	<b>LEARNING DISABILITY – INPATIENTS SERVICES</b>	<b>7,864</b>

Likewise, other IJBs act as the principal for a number of other hosted services on behalf of the East Renfrewshire IJB, as detailed below; such costs are reflected in the financial statements of the host IJB.

<b>2017/18 £000</b>	<b>SERVICES PROVIDED TO EAST RENFREWSHIRE IJB BY OTHER IJBs WITHIN NHS GREATER GLASGOW AND CLYDE</b>	<b>2018/19 £000</b>
348	Physiotherapy	434
57	Retinal Screening	53
430	Podiatry	452
283	Primary Care Support	295
287	Continence	293
616	Sexual Health	613
1,014	Mental Health	876
891	Oral Health	858
347	Addictions	335
191	Prison Health Care	184
159	Health Care in Police Custody	163
4,000	Psychiatry	3,811
<b>8,623</b>	<b>NET EXPENDITURE ON SERVICES PROVIDED</b>	<b>8,367</b>

## 5. Related Party Transactions

The following financial transactions were made with East Renfrewshire Council and NHS Greater Glasgow and Clyde relating to integrated health and social care functions during 2018/19. The nature of the partnership means that the IJB may influence, and be influenced by its partners.

<b>2017/18 £000</b>	<b>Income – payments for integrated functions</b>	<b>2018/19 £000</b>
87,581	NHS Greater Glasgow and Clyde	89,485
61,863	East Renfrewshire Council	65,224
<b>149,444</b>	<b>TOTAL</b>	<b>154,709</b>

2017/18 £000	Expenditure – payments for delivery of integrated functions	2018/19 £000
87,581	NHS Greater Glasgow and Clyde	89,485
61,414	East Renfrewshire Council	65,752
<b>148,995</b>	<b>TOTAL</b>	<b>155,237</b>

## 6. Corporate Expenditure

2017/18 £000	Corporate Expenditure	2018/19 £000
173	Staff Costs	190
145	Administration Costs	-
24	Audit Fee	25
<b>342</b>	<b>TOTAL</b>	<b>215</b>

The cost associated with running the IJB has been met in full by East Renfrewshire Council and NHS Greater Glasgow and Clyde reflecting the continuation of the arrangement for the previous Community Health and Care Partnership.

The costs charged to the IJB in respect of non-voting members include the Chief Officer and Chief Financial Officer. Details of the remuneration for post holders are provided in the Remuneration Report.

The costs of other key management staff who advise the IJB, such as the Chief Social Work Officer and the Chief Nurse are reflected within operational budgets. Those costs above reflect only the IJB statutory posts.

NHS Greater Glasgow and Clyde did not charge for any support services provided in the year ended 31<sup>st</sup> March 2019.



The support services for East Renfrewshire Council are included within the funding provided to the IJB as set out in the Scheme of Integration and as such have been charged for in 2018/19.

Fees payable to Audit Scotland in respect of external audit services undertaken in accordance with Audit Scotland's Code of Audit Practice 2018/19 amounted to £25,000. There were no fees paid to Audit Scotland in respect of any other services.

VAT is not included in the costs identified.

## 7. Short Term Debtors and Creditors

2017/18 £000	Short Term Debtors	2018/19 £000
683 4,303	NHS Greater Glasgow and Clyde East Renfrewshire Council	761 4,708
<b>4,986</b>	<b>TOTAL</b>	<b>5,469</b>

2017/18 £000	Short Term Creditors	2018/19 £000
116 61	NHS Greater Glasgow and Clyde East Renfrewshire Council	71 61
<b>177</b>	<b>TOTAL</b>	<b>132</b>

## 8. Reserves

As at 31<sup>st</sup> March 2019 the IJB has created earmarked reserves in order to fund expenditure in respect of specific projects. In addition a general reserve has been created as part of the financial strategy of the IJB in order to better manage the risk of any future unanticipated events that may materially impact on the financial position of the IJB.

2017/18 £000	Reserves	Transfers Out £000	Transfers In £000	2018/19 £000
	<b>Scottish Government Funding</b>			
	- Mental Health Action 15	-	111	111
	- Alcohol & Drugs Partnership	-	68	68
249	Primary Care Improvement	15	186	420
	<b>Bridging Finance</b>			
1,465	Budget Savings Reserve	326	-	1,139
500	In Year Pressures Reserve	-	-	500
250	Prescribing	28	-	222
529	<b>Children &amp; Families</b>	-	135	664
	<b>Transitional Funding</b>			
450	Bonnyton	450	-	-
701	Learning Disability Specialist Services	-	338	1,039
	<b>Project Reserves</b>			
58	District Nursing	19	-	39
	- Active Lives	-	55	55
52	Projects and Initiatives	-	57	109
49	Learning Disability Non Specialist Services	-	-	49
9	Speech & Language Therapy	9	-	-
	<b>Renewals &amp; Repairs</b>			
100	Learning Disability Non Specialist Services	-	-	100
	<b>Capacity</b>			
	- Care at Home	-	250	250
	- Partnership Strategic Framework	-	200	200
70	Organisational Learning & Development	-	30	100
55	Community Capacity	55	-	55
<b>4,537</b>	<b>TOTAL EARMARKED RESERVES</b>	<b>902</b>	<b>1,430</b>	<b>5,065</b>
<b>272</b>	<b>TOTAL GENERAL RESERVES</b>	<b>-</b>	<b>-</b>	<b>272</b>
<b>4,809</b>	<b>TOTAL ALL RESERVES</b>	<b>902</b>	<b>1,430</b>	<b>5,337</b>

## **9. Contingent Assets and Liabilities**

There are no contingent assets or liabilities as at 31<sup>st</sup> March 2019.

## **10. New standards issued but not yet adopted**

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. The IJB considers that there are no such standards which would have a significant impact on the 2018/19 annual accounts.

## **11. Critical Judgements & Estimation Uncertainty**

In applying the accounting policies set out above, the IJB has had to make a critical judgement relating to complex transactions in respect of Learning Disability Inpatients Services hosted within the East Renfrewshire IJB for other IJB's within the NHS Greater Glasgow & Clyde area. Within NHS Greater Glasgow & Clyde each IJB has operational responsibility for services which it hosts on behalf of other IJB's. In delivering these services the IJB has primary responsibility for the provision of services and bears the risk and reward associated with this service delivery in terms of demand and the financial resources required. As such the IJB is considered to be acting as 'principal' and the full costs should be reflected within the financial statements for the services which it hosts. This is the basis on which the 2018/19 accounts have been prepared.

The figure included in the 2018/19 financial statements in respect of set aside for delegated services provided in large hospitals is provided by the NHS which retains responsibility for managing the costs of providing the services. The IJB, however, has responsibility for the consumption of, and level of demand placed on, these resources.

## Where to find more information

### In This Document

The requirements governing the format and content of the IJB annual accounts follows guidance issued by the Integrated Resources Advisory Group and by The Local Authority (Scotland) Accounts Advisory Committee (LASAAC).

### On Our Website

Further information on the Accounts can be obtained on East Renfrewshire Council's website <http://www.eastrenfrewshire.gov.uk/health-and-social-care-integration> or from East Renfrewshire HSCP, Eastwood Health and Care Centre, Drumby Crescent, Clarkston, G76 7HN.

### Acknowledgement

I wish to record my thanks to staff within the HSCP for their co-operation in producing the Annual Report and Accounts in accordance with the prescribed timescale. In particular the efforts of the Accountancy and Finance staff within the partnership are gratefully acknowledged.

**Anne-Marie Monaghan**  
Chair

Integration Joint Board

26<sup>th</sup> June 2019

**Julie Murray**

Chief Officer

Integration Joint Board

26<sup>th</sup> June 2019

**Lesley Bairden ACMA CGMA**

Chief Financial Officer

Integration Joint Board

26<sup>th</sup> June 2019