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| Meeting of East Renfrewshire Health and Social Care Partnership | Integration Joint Board |
| Held on | 27 June 2018 |
| Agenda Item | 9 |
| Title | Annual Report and Accounts 2017/18 |
| <p>Summary</p> <p>This report provides an overview of the unaudited annual report and accounts for the Integration Joint Board covering the period 1 April 2017 to 31 March 2018 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 from the Performance and Audit Committee.</p> | |
| Presented by | Lesley Bairden, Head of Finance and Resources (Chief Financial Officer) |
| <p>Action Required</p> <p>The IJB is requested to:-</p> <ul style="list-style-type: none"> ▪ Agree the unaudited annual report and accounts as remitted from the Performance and Audit Committee for approval ▪ Approve the 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 and / or the Performance and Audit Committee. | |
| <p>Implications checklist – check box if applicable and include detail in report</p> <p> <input type="checkbox"/> Financial <input checked="" type="checkbox"/> Policy <input type="checkbox"/> Legal <input type="checkbox"/> Equalities <input type="checkbox"/> Efficient Government <input type="checkbox"/> Staffing <input type="checkbox"/> Property <input type="checkbox"/> IT </p> | |

EAST RENFREWSHIRE INTEGRATION JOINT BOARD

27 June 2018

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 2017 to 31 March 2018 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 IJB is requested to:
 - Agree the unaudited annual report and accounts as remitted from the Performance and Audit Committee for approval
 - Approve the 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 and / or the Performance and Audit Committee.

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 and 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 third annual report and accounts for the IJB, with the first covering 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. The content of this guidance has been adhered to in the production of the annual report and accounts. However we have maintained our own presentational style, reflecting continuity in our annual report and accounts. In recognition of this guidance the accounting treatment for our hosted service is as principle and not agent and 2016/17 has been restated.

8. Similarly the Audit Scotland good practice note on improving IJB accounts has been reviewed 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 June immediately following the financial year to which they relate. The IJB annual accounts for the year ended 31 March 2018 will be considered at the Performance and Audit Committee on 27 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 26 September 2018 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. In addition to the above as the current Chair of the IJB was not in office during the period of the annual report and accounts best practice determines that an assurance statement be issued by the previous Chair. This assurance statement will be included in the supporting working papers.
19. The main messages from the annual report and accounts are:
- We used £0.177 million from reserves to balance our 2017/18 revenue position and this was £0.777 million less than the maximum we would have required. As reported during the year we have benefited from operational underspends and at the end of the year we gained from support cost recharges and from property costs.
 - We used a total of £0.767 million of reserves as we planned to during the year.
 - We added a modest £0.065 million to the earmarked reserve for transitional funding for the ongoing Specialist Learning Disability Service long stay beds redesign.
 - We have invested in new reserves as agreed during the year by the IJB; prescribing £0.250 million, Bonnyton House £0.450 million and we have reinstated the in-year contingency to £0.500 million.
20. In addition to the movement in existing reserves I am proposing the following new reserves are approved:
- £0.100 million to create a furniture and equipment fund within the Specialist Learning Disability Service to allow us to replace and repair furniture and equipment and meet infection control standards.
 - £0.049 million funding received towards the end of the year for the development of an assessment and treatment tool and autism support within our hosted service.
 - £0.249 million ring fenced funding received in 2017/18 for primary care transition is carried forward.
 - £0.052 million received at the end of the year for smoking cessation and Syrian refugees is carried forward.

21. As with last year 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.
22. 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

23. 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

24. The IJB is requested to:
 - Agree the unaudited annual report and accounts as remitted from the Performance and Audit Committee for approval
 - Approve the 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 and / or the Performance and Audit Committee.

REPORT AUTHOR AND PERSON TO CONTACT

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13 June 2018

HSCP Chief Officer: Julie Murray

BACKGROUND PAPERS

Annual Report and Accounts 2016/17

<http://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=20431&p=0>

Annual Report and Accounts 2015/16

<http://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=17196&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
2017/18**

Covering the period 1st April 2017 to 31st March 2018

(UNAUDITED)

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East Renfrewshire is situated to the south of Glasgow. It covers an area of 67 square miles (174 square km). The north of the area comprises the urban areas of Giffnock, Newton Mearns, Clarkston, Thornliebank and Barrhead. There is also an extensive hinterland to the south, within which the villages of Uplawmoor, Neilston, Waterfoot and Eaglesham are located.

On 30 June 2017, the population of East Renfrewshire was 94,760. This is an increase of 1.0% from 93,810 in 2016. Over the same period, the population of Scotland increased by 0.4%.

In terms of overall size, the 45 to 64 age group was the largest in 2017, with a population of 26,992. In contrast, the 75 and over age group was the smallest, with a population of 8,934. In 2017, more females than males lived in East Renfrewshire in 4 out of 6 age groups.

Between 1997 and 2017, the 25 to 44 age group saw the largest percentage decrease (-21.5%). The 75 and over age group saw the largest percentage increase (+56.1%).

Between 2016 and 2026, the population of East Renfrewshire is projected to increase from 93,810 to 100,958. This is an increase of 7.6%, which compares to a projected increase of 3.2% for Scotland as a whole.

Management Commentary

Introduction

East Renfrewshire Integration Joint Board, hereafter known as the IJB, was legally established on 27th 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 2015-18](#)

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 2015-18 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”***.

We will achieve this by:

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

The 'integration touch points' will be used to guide everything we do as a partnership.

Review of Strategic Plan 2015-18

With our Strategic Planning Group we have reviewed our first strategic plan, considering the progress we have made towards the outcomes and strategic priorities we set for ourselves. We came to the following conclusions.

Children and young people

- Good progress has been made in prevention and early intervention through Early Years and Parenting strategic work and should continue.

- There has been a good start in learning from our Care Experienced young people and the IJB will continue to support the Corporate Parenting Plan.
- The shift in the balance of care for children and young people, timely decision making and move to permanent destinations should be maintained to make sure that we get it right for every child.
- There is an emerging strategic priority of mental wellbeing for children and young people that should be reflected in the new strategic plan.

Community Justice

- Performance under the current Strategic Plan has focused on effective interventions to manage risk.
- East Renfrewshire has a new Community Justice Outcome Improvement Plan with a new focus on preventing and reducing offending and supporting people who have committed offences to reintegrate into the community and realise their full potential.
- Our revised strategic priority should reflect the Community Justice focus and performance measures need to be amended to reflect the HSCP service contribution.

Health Improvement and Inequalities

- Overall East Renfrewshire performs well for healthy life expectancy and on a number of population health targets.
- However over the course to the plan we have not seen the same improvement in reducing health inequalities.
- The strategic priority for the next plan must reflect our commitment as a community planning partner to locality planning with our communities that experience shorter life expectancy and poorer health.

Keeping people at home

- HSCP activity to reduce delayed discharges and reduce lengths of stay by reaching into hospitals and getting people back to East Renfrewshire has been very successful.
- Whilst the HSCP started from a positive baseline, we have not reduced unplanned care in the way that we predicted.
- For us unplanned use of hospital care is a sign that as a health and care system we are not supporting people as well as we could and that we may be missing opportunities to intervene and plan earlier. A strategic priority moving forward must be working with our colleagues in primary and acute care to reduce unplanned admissions to hospital, including at end of life.

Living good lives independently

- The Strategic Planning Group has noted evidence of an increase in older people moving into care homes (although this should be seen alongside a reduction in use of NHS continuing care and in use of palliative care beds.)
- Good progress has been made in learning disability redesign to support people to live as independently as possible this needs to continue and inform our work with older people.
- A strategic priority moving forward should be working together with older people to maintain their independence at home and in their local community - this should include a focus on self-directed support and alternatives to residential care.

Carers

- Over the course of the current Strategic Plan the focus has been developing plans to implement the new Carers legislation and the new detailed national carers performance framework.
- The Care Collective has taken a wider reaching and inclusive approach to developing a Carers strategy and service redesign.
- Whilst understanding the need to support carers health and wellbeing, the Care Collective work has identified choice and control as the key strategic priority for carers.

Mental Health and Recovery

- Mental health and recovery is not a specific priority in the current plan, although there are number of actions in the plan that relate to recovery.
- Performance information for mental health reported to the is limited and focuses primarily on waiting times.
- In light of the national strategy and NHSGGC work it is suggested that mental health and recovery becomes a strategic priority in the new plan.

The IJB continues to build on the long standing delivery of integrated health and care services within East Renfrewshire, previously achieved through our Community Health and Care Partnership between East Renfrewshire Council and NHS Greater Glasgow and Clyde.

In addition to our two main partners the IJB recognises the continued and valued partnership working with 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 2017/18

We have completed our third 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 recognised early on that the scale of future financial challenges meant that we could not achieve financial sustainability by doing more of the same. In 2016/17 the IJB invested funding to allow the delivery of our Fit for the Future change programme on a phased basis; we are progressing with our radical review of the way we deliver our services. At the start of the year we had planned to use a maximum of £0.954 million to bridge our 2017/18 savings and we have only needed to use £0.177 million due to operational gains.

We have had a full year of operation from our headquarters at the Eastwood Health and Care Centre and completed upgrade works to Barrhead Health and Care Centre. This gives us a modern and fit for purpose base in our two main locations and continues to change the way in which health and social care is delivered to the people of East Renfrewshire. Through co-location and collaboration GPs, social workers, nurses and rehabilitation staff work together with voluntary organisations and community groups, in welcoming and inclusive buildings to improve the health and wellbeing of local people.

We have secured the future of Bonnyton House in Busby and are developing this residential care setting to include dedicated beds for intensive rehabilitation and end of life care. We are exploring how we can maximise community services from this location and intend to create a centre of excellence.

Within the Learning Disability hosted service we have closed Waterloo Close and released resource transfer to fund community based placements with our neighbouring HSCPs. The redesign of the remaining long stay unit as well as our shorter stay assessment and treatment units is ongoing.

The Sir Harry Burns Centre was opened during the year in Auchenback and provides a community hub where parents and local people are able to access multiple services supporting children, families and communities to secure better outcomes for themselves.

We have focused on improving young people's mental health and wellbeing and are currently piloting a Family Wellbeing Service. This test of change commenced in September 2017 and supports children and young people with a range of significant mental and emotional wellbeing concerns.

We have continued to develop partnerships with care experienced young people and the Champions Board with the aim of improving the life chances of our care experienced young people in the wider community .

We continue to have the lowest number of days people aged 75+ spend in hospital when ready to be discharged in Scotland. We offer a range of ways of supporting people back home through our safe and supported unscheduled care programme.

We continue to work with service providers to ensure market choice and sustainability. We have funded the Living Wage and other Fair Work Practices using the funding from the Scottish Government for this purpose.

During the year we have made progress on developing a new way of calculating Individual Budgets for adult care packages. The “Just Enough Support” individual budget calculator will be used for a modest one off intervention through to a complex care package. This removes the barriers and potential inequity of traditional eligibility criteria and recognises the importance of prevention. We are currently testing and refining the calculator.

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

We have prepared for the implementation of the Carers Act and in partnership with the Care Collective have developed a Carers Strategy. The strands of activity are:

1. Establishing a local leadership collaborative
2. An improved carers information service
3. Improved access to carer support in the community
4. Creative short breaks
5. Self-assessment and personal planning
6. Support for young carers
7. Volunteer development and peer support

To ensure our performance is open, transparent and accountable the legislation requires that an [annual performance report](#) is produced. The performance highlights for 2017/18 will be included in the accounts once the latest ISD data is received.

Funding 2017/18

The net total health and social care funding from our partners for financial year 2017/18 partners was £127.866 million:

| | £ Million |
|--|-----------|
| NHS Greater Glasgow and Clyde Primary Care | 67.878 |
| NHS Greater Glasgow and Clyde Large Hospital Services | 14.561 |
| East Renfrewshire Council Social Care | 45.174 |
| East Renfrewshire Council Housing Aids and Adaptations | 0.253 |
| Total Net Funding | 127.866 |

The Comprehensive Income and Expenditure Statement (CIES) (page 29) shows the IJB gross income as £149.444 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.

The funding for the large hospital services represents East Renfrewshire's population's use of unscheduled care in hospital (acute) services. This is currently a notional allocation and work continues to develop a model that will better reflect activity, use and cost.

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 2017/18

The annual report and accounts for the IJB covers the period 1st April 2017 to 31st March 2018, with comparable figures shown for 2016/17.

In addition to the net funding of £127.866 million received from our partners and other income we 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 2017/18.

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

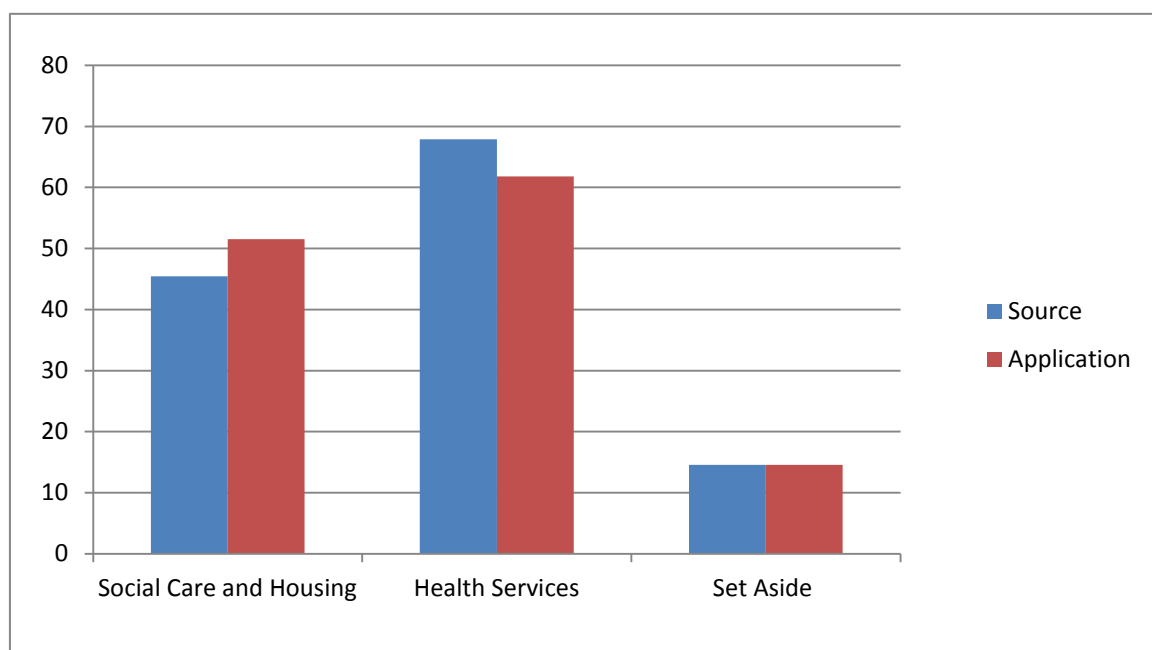
| Service | Budget | Spend | Variance (Over) / Under | Variance (Over) / Under |
|---|----------------|----------------|-------------------------|-------------------------|
| | £ Million | £ Million | £ Million | % |
| Children & Families | 9.788 | 9.705 | 0.083 | 0.85% |
| Older Peoples Services | 27.320 | 27.167 | 0.153 | 0.56% |
| Physical / Sensory Disability | 4.499 | 4.666 | (0.167) | (3.71%) |
| Learning Disability – Community | 12.502 | 12.716 | (0.214) | (1.71%) |
| Learning Disability – Inpatients | 8.194 | 8.194 | - | 0.00% |
| Mental Health | 4.059 | 3.650 | 0.409 | 10.08% |
| Addictions / Substance Misuse | 1.439 | 1.421 | 0.018 | 1.25% |
| Family Health Services | 22.231 | 22.231 | - | - |
| Prescribing | 16.326 | 16.326 | - | - |
| Criminal Justice | 0.022 | 0.011 | 0.011 | 50.00% |
| Planning & Health Improvement | 0.350 | 0.349 | 0.001 | 0.29% |
| Management & Administration | 7.276 | 6.793 | 0.483 | 6.64% |
| Planned Contribution from Reserves | (0.954) | (0.177) | (0.777) | (81.45%) |
| Net Expenditure Health and Social Care | 113.052 | 113.052 | - | (0.00%) |
| Housing | 0.253 | 0.253 | - | 0.00% |
| Set Aside for Large Hospital Services | 14.561 | 14.561 | - | 0.00% |
| Total Integration Joint Board | 127.866 | 127.866 | - | 0.00% |

At the end of the year we used £0.177million from the budget saving reserve to balance the year. This was £0.777 million less than the maximum we had planned to use as we made a number of operational underspends in year through our robust monitoring and financial management. We also gained from the costs of support services and added to our reserves for new funding received.

- Children & Families services underspent in care package costs offset by additional costs in Health Visiting.
- Older Peoples Services were underspent in care packages and staffing.
- Learning Disability Community services overspent in care package costs due to increased numbers and the cost of sleepovers of £0.300 million offset in part by staff turnover.
- Mental Health services have underspent in care package costs by £0.210 million due to a drop in the number of individuals supported, along with some staff turnover.
- Management and Administration underspent in property costs of £0.160 million and we had a year end gain in support services costs from one of our partners of £0.164 million.
- East Renfrewshire IJB hosts the Specialist Learning Disability Services on behalf of the other five IJBs who are coterminous with Greater Glasgow and Clyde. We have added the in-year underspend to reserves (£0.065 million) as part of the ongoing service redesign strategy.

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 38).

Source and Application of our Net Funding of £127.866 million



Reserves

We used £0.177 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 (Page38) and is summarised:

| | £ Million | £ Million |
|--|-----------|-----------|
| Reserves at 31 March 2017 | | 4.360 |
| Planned use of existing reserves during the year | (0.767) | |
| Funds added to existing reserves during the year | 0.065 | |
| New reserves created during the year | 1.151 | |
| Net increase in reserves during the year | 0.449 | |
| Reserves at 31 March 2018 | | 4.809 |

The new reserves of £1.151 million we have created are:

- £0.250million Prescribing; to allow us to manage the volatility in prescribing cost and volume given that the previous risk share arrangements are no longer in place.
- £0.100 million Learning Disability Specialist Services; to create a furniture and equipment fund to allow the service to replace and / or repair furniture and equipment to meet infection control standards and recognise the wear and tear within the in-patient services.
- £0.049 million Learning Disability Specialist Services; ring-fenced funding received for developing an assessment and treatment tool and adult autism support.
- £0.249 million Primary Care Transition Fund; ring fenced funding relation to the primary care improvement plan and associated activities.
- £0.052 million Projects; ring-fenced funding received in March 2018 for smoking cessation and for Syrian refugees.
- £0.450 million Bonnyton House; agreed by the IJB to meet transitional costs until the financial framework relating to continuing care beds becomes operational.

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

| Total 2016/17 £000 | 1st April 2017 to 31st March 2018 | NHS Greater Glasgow and Clyde £000 | East Renfrewshire Council £000 | Total 2017/18 £000 |
|-----------------------------------|--|---|---|-----------------------------------|
| 147,410 | Funds Received from Partners | 87,581 | 61,863 | 149,444 |
| 144,191 | Funds Spent with Partners | 87,581 | 61,414 | 148,995 |
| (3,219) | Underspend In Year | - | (449) | (449) |
| 3,219 | Earmarked Reserve Contributions | - | 449 | 449 |
| - | General Reserve Contributions | - | - | - |

The Comprehensive Income and Expenditure Statement (Page 29), details our income and expenditure by care group and service along with our sources of funding.

Future Challenges

The IJB is facing a number of challenges, risks and uncertainties in the coming years. The financial challenge based on our worst case scenario is a potential savings challenge of £8.5 million over financial years 2019/20 – 2020/21. The 2018/19 settlement was better than expected and we have plans in place to meet the £ 1 million required savings.

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 2018) are:

- Death or significant harm to a service user or patient
- Historical sexual abuse
- Child protection, adult protection and multi-agency public protection
- Financial sustainability
- Failure of a provider
- Primary care capacity
- Workforce planning and change
- Children and Young People (Scotland) Act
- Increase in vulnerable adults

Demographic pressures remain a 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.

Equity of funding; as we have successfully operated integrated services for a number of years 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.

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. In previous years NHS Greater Glasgow and Clyde has underwritten this expenditure so the IJB has not had to meet the cost of any overspend, nor benefited from an underspend. This approach has ceased so we have to incorporate the costs and risks of prescribing in our financial planning.

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 funding mechanism to achieve this remains ongoing with NHS Greater Glasgow and Clyde and its partner IJBs.

Forward Financial Planning; we continue to develop our financial modelling to allow us to estimate the impact of different funding scenarios and the impact this would have on our current and future planning assumptions. We recently undertook work with an external agency to facilitate workshops and prioritise the top five scenarios from that work. Our new Strategic Plan sets out the potential challenge and how we aim to address the funding gap.

The Annual Budget setting timetables remain an issue as the NHS timetable poses a challenge as the Board does not agree its budget until June, whereas the IJB is required to set its budget by March of each year. However the IJB had sufficient proposals to allow us to assume a likely funding range in February for the contribution from both partners and to set our budget on 4 April with a firm indicative budget from NHS Greater Glasgow and Clyde and confirmed budget from East Renfrewshire Council.

Agreeing a mechanism to transfer actual funding from the notional set aside budget; this is a national issue and our local working group continues to work towards a solution.

Developing performance and financial reporting 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 a scenario based Financial Framework that allows us to plan and model the impact of different levels of funding, pressures and possible savings. This is included in the Strategic Plan for 2018-21 and sets out:

- Assumptions on the level of inflation, demographic and cost pressure funding we may receive from our partners.
- Possible savings targets and how we will achieve them.
- Illustrative budgets by service area through to 2020/21.
- How we intend to consult on savings.

We are revising our Strategic Plan for the period 2018 to 2021 as detailed at page 2. We have identified and prioritised proposals that we will consult on to address any funding gap, dependent on our partner funding settlements and associated contributions to the IJB, per our financial framework.

We are developing a Management Information Strategy and have strengthened performance and governance reporting in our new staffing structure.

We routinely reported our performance to the IJB with further scrutiny from our Performance and Audit and Clinical and Care Governance Committees. The service user and carer representation on the IJB and its governance structures is drawn from the Public Partnership Forum. The Public Partnership Forum 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' models and reserves to smooth the impact of change over a number of years. This will support our Fit for the Future change programme, looking at:

- Reshaping our workforce
- Responsive services
- Finance and resources
- Commissioning development
- Primary and unscheduled care
- Practice assurance
- Recovery
- Self-directed support

These eight work streams summarise around thirty individual projects.

Within self-directed support we continue to test our Individual Budget allocation methodology, based on the principles of transparency, simplicity and sufficiency. We are reviewing all supporting processes to ensure we are as streamlined as possible. We will centralise some processes to maximize our staff skill mix and maximize social worker time to be spent with individuals.

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

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 to medium 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 longer term funding which could pose risk to meeting future demand we continue to plan ahead and prepare for a range of scenarios.

Caroline Bamforth
Chair
Integration Joint Board 27th June 2018

Julie Murray
Chief Officer
Integration Joint Board 27th June 2018

Lesley Bairden ACMA CGMA
Chief Financial Officer
Integration Joint Board 27th June 2018

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 26th September 2018.

Caroline Bamforth
Chair
Integration Joint Board 27th June 2018

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 31st March 2018 and the transactions for the IJB for the period covering 1st April 2017 to 31st March 2018.

Lesley Bairden ACMA CGMA
Chief Financial Officer
Integration Joint Board 27th June 2018

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 IJBs 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 2017/18 no taxable expenses were claimed by members of the Joint Board.

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.

1. Integration Joint Board

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

2. Senior Officers

The Chief Officer is appointed by the IJB in consultation with East Renfrewshire Council and the 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 2017/18 amounted to £106,961 in regards to all of the duties undertaken during the financial year. In respect of the Chief Financial Officer, total remuneration for 2017/18 amounted to £65,963.

| Name and Post | Salary, Fees and Allowances £ | Taxable Expenses £ | Total Remuneration 2017/18 £ |
|-------------------------------------|--|-------------------------------|---|
| Julie Murray, Chief Officer 2017/18 | 106,961 | - | 106,961 |
| Julie Murray, Chief Officer 2016/17 | 104,977 | - | 104,977 |

| Name and Post | Salary, Fees and Allowances £ | Taxable Expenses £ | Total Remuneration 2017/18 £ |
|---|--|-------------------------------|---|
| Lesley Bairden, Chief Financial Officer 2017/18 | 65,963 | - | 65,963 |
| Lesley Bairden, Chief Financial Officer 2016/17 | 63,074 | - | 63,074 |

| Voting Board Members 2017/18 | | Total Taxable IJB Related Expenses 2017/18 £ |
|---|-------------------------------|---|
| Councillor Tony Buchanan April 2017 to March 2018 | East Renfrewshire Council | Nil |
| Councillor Jim Fletcher April 2017 to June 2017 | East Renfrewshire Council | Nil |
| Councillor Alan Lafferty (Chair) April 2017 to June 2017 | East Renfrewshire Council | Nil |
| Councillor Ian McAlpine April 2017 to June 2017 | East Renfrewshire Council | Nil |
| Councillor Caroline Bamforth (Chair) July 2017 to March 2018 | East Renfrewshire Council | Nil |
| Councillor Paul O' Kane July 2017 to March 2018 | East Renfrewshire Council | Nil |
| Councillor Jim Swift July 2017 to March 2018 | East Renfrewshire Council | Nil |
| Susan Brimelow | NHS Greater Glasgow and Clyde | Nil |
| Morag Brown (Vice Chair) | NHS Greater Glasgow and Clyde | Nil |
| John Mathews | NHS Greater Glasgow and Clyde | Nil |
| Anne-Marie Monaghan | NHS Greater Glasgow and Clyde | Nil |

The equivalent cost in 2016/17 was nil for all IJB members.

Note: following the local council elections in June 2017, Councillors Fletcher, Lafferty and McAlpine stepped down as members of the IJB. The new members who joined the IJB were Councillors Bamforth (Chair), O'Kane and Swift.

The Pension entitlement for the Chief Officer for the year to 31st March 2018 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 st March 2018 £ | Accrued Pension Benefit as at 31 st March 2018 | |
|-------------------------------------|---|---|---------------|
| | | Pension £ | Lump Sum £ |
| Julie Murray, Chief Officer 2017/18 | 20,644 | 35,910 | 55,946 |
| Julie Murray, Chief Officer 2016/17 | 20,260 | 31,434 | 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 st March 2017 £ | Accrued Pension Benefit as at 31 st March 2018 | |
|---|---|---|---------------|
| | | Pension £ | Lump Sum £ |
| Lesley Bairden, Chief Financial Officer 2017/18 | 12,731 | 3,460 | - |
| Lesley Bairden, Chief Financial Officer 2016/17 | 12,173 | 2,019 | - |

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.

The IJB has however 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 2017/18 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 31st March 2017 | Remuneration Band | Number of Employees 31st March 2018 |
|---|--------------------------|---|
| 1 | £60,000 - £64,999 | - |
| - | £65,000 – £69,999 | 1 |
| 1 | £100,000 -£104,999 | - |
| - | £105,000 -£109,999 | 1 |

Signed by

Caroline Bamforth
Chair
Integration Joint Board 27th June 2018

Julie Murray
Chief Officer
Integration Joint Board 27th June 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. 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 2017/18 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. This is now reflected in our Code of Governance.
 - The IJB has two governance sub committees; Performance and Audit Committee and Clinical and Care Governance Committee.
 - 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 currently has three localities, based on clusters of GP practices linked to the local areas of:
 - Eastwood 1 (Netherlee, Stamperland, Clarkston, Eaglesham, Waterfoot and Busby)
 - Eastwood 2 (Newton Mearns, Giffnock and Thornliebank)
 - Levern Valley (Barrhead, Neilston and Uplawmoor)
- The 2018-21 Strategic Plan signals a move to two localities for planning and operational purposes and the three GP clusters will remain in place.

The governance framework was put in place during 2015/16 when the IJB was established 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 2017/18. 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 2017/18, 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 recently reviewed our governance arrangements into a formal Code of Governance, which has been audited. 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 the committee. We do have an allocated committee place however capacity has been an issue. We will look to recruit a Carers representative to this committee.

Workforce; we are working on our workforce development plan and aim to have this completed by September 2018.

Governance Issues during 2017/18

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 31st March 2018.

The most significant audit actions and activity during the year were a follow up audit on the implementation of the Care Finance system. Whilst recognising there are recommendations we continue to work through there is acknowledgement of the progress made and that the previous payments to providers audit is now closed.

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 2018/19 that will assist with the further strengthening of corporate governance arrangements:

- Developing our management information to better inform our strategic planning, financial and commissioning strategy, change programme and decision making processes. We have created a post within our new structure to lead on a management information strategy.
- Continue to develop our longer term financial strategy and future funding modelling and scenarios which needs to include any shift of resources from hospital to community services. We will continue to report to the IB on a regular basis, supplemented by seminars at specific stages in the budget setting process.
- Continue to work with NHS Greater Glasgow and Clyde regarding the timing of future years funding confirmation, the budget setting timescale for 2018/19 demonstrates some progress despite timeframe constraints.

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.

Caroline Bamforth
Chair
Integration Joint Board 27th June 2018

Julie Murray
Chief Officer
Integration Joint Board 27th June 2018

Independent Auditor's Report

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 2018, 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 31st March 2018

| 2016/17 | | | 2017/18 | | | |
|---------------------------|----------------------|-------------------------|--|---------------------------|----------------------|-------------------------|
| Gross Expenditure £000 | Gross Income £000 | Net Expenditure £000 | Objective Analysis | Gross Expenditure £000 | Gross Income £000 | Net Expenditure £000 |
| 10,774 | 1,211 | 9,563 | Children and Families | 10,349 | 542 | 9,807 |
| 31,439 | 2,442 | 28,997 | Older People's Services | 35,094 | 3,140 | 31,954 |
| 4,696 | 44 | 4,652 | Physical/Sensory Disability | 5,158 | 50 | 5,108 |
| 15,996 | 715 | 15,281 | Learning Disability – Community | 17,634 | 739 | 16,895 |
| 10,283 | 1,385 | 8,898 | Learning Disability – Inpatients | 9,461 | 1,267 | 8,194 |
| 4,727 | 210 | 4,517 | Mental Health | 4,671 | 249 | 4,422 |
| 2,475 | 180 | 2,295 | Addictions / Substance Misuse | 2,122 | 187 | 1,935 |
| 22,967 | 1,376 | 21,591 | Family Health Services | 23,610 | 1,379 | 22,231 |
| 15,451 | - | 15,451 | Prescribing | 16,326 | - | 16,326 |
| 599 | 567 | 32 | Criminal Justice | 587 | 576 | 11 |
| 489 | 42 | 447 | Planning and Health Improvement | 373 | 24 | 349 |
| 9,294 | 1,256 | 8,038 | Management and Admin | 8,454 | 1,617 | 6,837 |
| 185 | - | 185 | Corporate Services | 342 | - | 342 |
| 129,375 | 9,428 | 119,947 | Cost of Services Managed by East Renfrewshire IJB | 134,181 | 9,770 | 124,411 |
| 14,561 | - | 14,561 | Delegated Hospital Acute Services | 14,561 | - | 14,561 |
| 255 | - | 255 | Aids and Adaptations | 253 | - | 253 |
| 144,191 | 9,428 | 134,763 | Total Cost of Services to East Renfrewshire IJB | 148,995 | 9,770 | 139,225 |
| - | 80,738 | 80,738 | NHS Greater Glasgow and Clyde | - | 82,439 | 82,439 |
| - | 47,030 | 47,030 | East Renfrewshire Council | - | 45,625 | 45,625 |
| - | 6,593 | 6,593 | Resource Transfer | - | 6,449 | 6,449 |
| - | 3,621 | 3,621 | Social Care Fund | - | 5,161 | 5,161 |
| - | 137,982 | 137,982 | Taxation and Non Specific Grant Income | - | 139,674 | 139,674 |
| 144,191 | 147,410 | (3,219) | (Surplus) or Deficit on Provision of Services | 148,995 | 149,444 | (449) |
| 144,191 | 147,410 | (3,219) | Total Comprehensive Income and Expenditure | 148,995 | 149,444 | (449) |

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.

| 2016/17 £000 | General Reserves | 2017/18 £000 |
|-------------------------|---|-------------------------|
| (1,141) | Balance as at 31 st March 2017 brought forward | 4,360) |
| (3,219) | (Surplus)/Deficit on provision of services | (449) |
| - | Other Comprehensive Income & Expenditure | - |
| (3,219) | TOTAL COMPREHENSIVE INCOME & EXPENDITURE | (449) |
| (4,360) | BALANCE AS AT 31st MARCH 2018 CARRIED FORWARD | (4,809) |

BALANCE SHEET

As at 31st March 2018

The Balance Sheet as at 31st March 2018 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.

| 31st March 2017 £000 | | Notes | 31st March 2018 £000 |
|--|----------------------------|--------------|--|
| 4,360 | Current Assets | | 4,986 |
| 4,360 | Short term debtors | 7 | 4,986 |
| - | Current liabilities | | 177 |
| - | Short term creditors | 7 | 177 |
| 4,360 | Net Assets | | 4,809 |
| (4,360) | Reserves | 8 | (4,809) |
| (4,360) | Total Reserves | | (4,809) |

The Statement of Accounts present a true and fair view of the financial position of the IJB as at 31st March 2018 and its income and expenditure for the year then ended.

The unaudited accounts are submitted for approval by the IJB on 27 June 2018 and audited annual accounts will be issued for approval by the IJB on 26th September 2018.

Lesley Bairden ACMA CGMA
Chief Financial Officer
Integration Joint Board 27th June 2018

Notes to the Financial Statements

1. Accounting Policies

1.1 General Principles

The Statement of Accounts summarises the IJB's transactions for the 2017/18 reporting period and its position as at 31st March 2018.

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 2017/18 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 31st March 2018 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 35) in accordance with the requirements of International Accounting Standard 24.

1.9 Provision, 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 March 2018.

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 March 2018.

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 1st April 2017 to 31st March 2018, with corresponding full year amounts for 2016/17. The corresponding figures for 2016/17 have been restated to reflect the basis on which the 2017/18 accounts have been prepared in respect of hosted services.

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

| 2016/17 £000 | | 2017/18 £000 |
|-----------------------|--|-----------------------|
| (137,982) (9,428) | Partners funding contribution and non-specific grant income Fees and charges and other service income | (139,674) (9,770) |
| (147,410) | 2017/18 TOTAL FUNDING | (149,444) |
| 36,752 | Employee Costs | 36,664 |
| 924 | Premises Costs | 974 |
| 261 | Transport Costs | 328 |
| 8,419 | Supplies & Services | 6,803 |
| 42,770 | Third Party Payments | 47,501 |
| 1,901 | Support Costs | 2,045 |
| 15,451 | Prescribing | 18,894 |
| 22,967 | Family Health Service | 20,883 |
| 14,561 | Acute Hospital Services | 14,561 |
| 168 | Corporate Costs | 318 |
| 17 | External Audit Fee | 24 |
| 144,191 | 2017/18 COST OF SERVICES | 148,995 |

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

| 2016/17 £000 | | 2017/18 £000 |
|-----------------|--|-----------------|
| 47,030 | East Renfrewshire Council | 45,625 |
| 80,738 | NHS Greater Glasgow and Clyde | 82,439 |
| 6,593 | Resource Transfer | 6,449 |
| 3,621 | Social Care Fund | 5,161 |
| 137,982 | PARTNERS FUNDING CONTRIBUTION & NON SPECIFIC GRANT INCOME | 139,674 |

The funding contribution from NHS Greater Glasgow and Clyde includes £14.561 million in respect of East Renfrewshire's unscheduled care in large hospital (acute) services. 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 2017/18 accounts in respect of Learning Disability In Patients Services hosted by the East Renfrewshire IJB for other IJB's within the NHS Greater Glasgow & Clyde Area. Accordingly, the IJB is considered to be acting as a 'principal' and the 2017/18 financial statements have been prepared on this basis with the full costs of such services being reflected in the 2017/18 financial statements. The cost of the hosted service provided to other IJB's in regards Learning Disability Inpatients is detailed below.

| 2016/17 £000 | LEARNING DISABILITY IN PATIENTS SERVICES HOSTED BY EAST RENFREWSHIRE IJB | 2017/18 £000 |
|-----------------|---|-----------------|
| 6,059 | Glasgow | 6,600 |
| 1,264 | Renfrewshire | 688 |
| 788 | Inverclyde | 416 |
| 588 | West Dunbartonshire | 381 |
| 91 | East Dunbartonshire | - |
| 8,790 | Learning Disability – Inpatients Services | 8,085 |

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.

| 2016/17 £000 | SERVICES PROVIDED TO EAST RENFREWSHIRE IJB BY OTHER IJBs WITHIN NHS GREATER GLASGOW AND CLYDE | 2017/18 £000 |
|-----------------|--|-----------------|
| 440 | Physiotherapy | 348 |
| 53 | Retinal Screening | 57 |
| 311 | Podiatry | 430 |
| 359 | Primary Care Support | 283 |
| 364 | Continence | 287 |
| 617 | Sexual Health | 616 |
| 850 | Mental Health | 1,014 |
| 915 | Oral Health | 891 |
| 350 | Addictions | 347 |
| 182 | Prison Health Care | 191 |
| 148 | Health Care in Police Custody | 159 |
| 3,368 | Psychiatry | 4,000 |
| 7,957 | NET EXPENDITURE ON SERVICES PROVIDED | 8,623 |

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 2017/18. The nature of the partnership means that the IJB may influence, and be influenced by its partners.

| 2016/17 £000 | Income – payments for integrated functions | 2017/18 £000 |
|-----------------|--|-----------------|
| 85,152 | NHS Greater Glasgow and Clyde | 87,581 |
| 62,258 | East Renfrewshire Council | 61,863 |
| 147,410 | TOTAL | 149,444 |

| 2016/17 £000 | Expenditure – payments for delivery of integrated functions | 2017/18 £000 |
|-----------------|---|-----------------|
| 85,152 | NHS Greater Glasgow and Clyde | 87,581 |
| 59,039 | East Renfrewshire Council | 61,414 |
| 144,191 | TOTAL | 148,995 |

6. Corporate Expenditure

| 2016/17 £000 | Corporate Expenditure | 2017/18 £000 |
|-----------------|-----------------------|-----------------|
| 168 | Staff Costs | 173 |
| - | Administration Costs | 145 |
| 17 | Audit Fee | 24 |
| 185 | TOTAL | 342 |

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 31st March 2018.

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 2017/18.

Administration costs incurred during 2017/18 relates to the preparation of the Strategic Plan and Carer's Plan.

VAT is not included in the costs identified.

7. Short Term Debtors and Creditors

| 2016/17 £000 | Short Term Debtors | 2017/18 £000 |
|-----------------|--|-----------------|
| 724 3,636 | NHS Greater Glasgow and Clyde East Renfrewshire Council | 683 4,303 |
| 4,360 | TOTAL | 4,986 |

| 2016/17 £000 | Short Term Creditors | 2017/18 £000 |
|-----------------|--|-----------------|
| - - | NHS Greater Glasgow and Clyde East Renfrewshire Council | 116 61 |
| - | TOTAL | 177 |

8. Reserves

As at 31 March 2018 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.

| 2016/17 £000 | Reserves | 2017/18 £000 |
|-----------------|---|-----------------|
| | Earmarked Reserves: | |
| 635 | Learning Disability Specialist Services | 701 |
| 104 | Barrhead Health and Care Centre | - |
| 75 | District Nursing | 58 |
| 27 | Speech & Language Therapy | 9 |
| 70 | Integrated Learning and Development Function | 70 |
| 80 | Community Capacity Building | 55 |
| 660 | Children and Families | 529 |
| 1,937 | Budget Savings Reserve | 1,465 |
| 500 | In Year Pressures | 500 |
| - | Learning Disability – Non Specialist Services | 49 |
| - | Primary Care Transition Fund | 249 |
| - | Prescribing | 250 |
| - | Bonnyton Service Re-Design | 450 |
| - | LD Furniture & Equipment | 100 |
| - | NHS Initiatives | 52 |
| 4,088 | TOTAL EARMARKED RESERVES | 4,537 |
| 272 | TOTAL GENERAL RESERVES | 272 |
| 4,360 | TOTAL ALL RESERVES | 4,809 |

9. Contingent Assets and Liabilities

There are no contingent assets or liabilities as at 31 March 2018.

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 2017/18 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. In previous financial years the financial accounts have been prepared on the basis that the costs associated with the activity for services related to non-East Renfrewshire residents were removed and transferred to other IJB's to reflect the location of the service recipients. Costs were also added to reflect activity for services delivered by other IJB's related to East Renfrewshire residents. The costs removed/added were based on budgeted spend such that any over or underspend remained within the hosting IJB.

In preparing the 2017/18 financial statements this adjustment will no longer be made. 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 2017/18 accounts have been prepared.

The figure included in the 2017/18 financial statements in respect of Hospital Acute Services is based on 2016/17 and as such will not reflect actual hospital usage in 2017/18.

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 Accounts in accordance with the prescribed timescale. In particular the efforts of the Accountancy and Finance staff within the partnership are gratefully acknowledged.

Caroline Bamforth
Chair
Integration Joint Board

27th June 2018

Julie Murray
Chief Officer
Integration Joint Board

27th June 2018

Lesley Bairden ACMA CGMA
Chief Financial Officer

27th June 2018