
To: Renfrewshire Integration Joint Board

On: 15 September 2017

Report by: Chief Finance Officer

Heading: IJB Audited Annual Accounts 2016/17

1. Summary

- 1.1 The 2016/17 Annual Accounts were submitted to the IJB for approval on 23 June 2017 and then submitted for audit to Audit Scotland.
- 1.2 The Assistant Director of Audit (Local Government) has provided an audit opinion which is free from qualification.
- 1.3 Under the Local Authority Accounts (Scotland) Regulations 2014, which came into force from 10 October 2014, the IJB must meet to consider the Annual Accounts and approve those accounts for signature no later than 30th September. In order to comply with these requirements the 2016-17 Annual Accounts are now attached for approval.
- 1.4 The Assistant Director of Audit (Local Government) also provided a report to the IJB Audit Committee detailing matters arising over the course of the audit which was considered by the Committee on 15 September 2017.
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2. Recommendation

It is recommended that the IJB:

- Approve the Annual Accounts for 2016/17 for signature in accordance with the Local Authority Accounts (Scotland) Regulations 2014.
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Implications of the Report

- 1. Financial** – The 2016/17 Annual Accounts have been approved as providing a true and fair view of the financial position as at 31 March 2017.
- 2. HR & Organisational Development** – none
- 3. Community Planning** – none
- 4. Legal** – An audit opinion free from qualification demonstrates the IJB's compliance with the statutory accounting requirements set out in the Local Government (Scotland) Act 1973 and the Local Government in Scotland Act 2003.

5. **Property/Assets** – none
 6. **Information Technology** – none
 7. **Equality & Human Rights** – The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the IJB's website.
 8. **Health & Safety** – none
 9. **Procurement** – none
 10. **Risk** – none
 11. **Privacy Impact** – none
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List of Background Papers – None

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Management Commentary

1. Introduction

- 1.1 This publication contains the financial statements for the first operational year of Renfrewshire Integration Joint Board (IJB) for the period 1 April 2016 to 31 March 2017.
- 1.2 The financial reporting responsibilities of the IJB Chief Finance Officer include preparing financial statements to provide a true and fair view of the IJB's financial performance, financial position and cash flows (where relevant).
- 1.3 This Management Commentary provides an overview of the key messages in relation to the IJB's financial planning and performance for the 2016/17 financial year and how this has supported delivery of the IJB's core objectives. It also provides an indication of the challenges and risks which may impact upon the finances of the IJB in the future as we strive to meet the health and social care needs of the people of Renfrewshire.

2. Role and Remit of Renfrewshire Integration Joint Board

- 2.1 The Public Bodies (Joint Working) (Scotland) Act 2014 established the requirement for NHS Boards and Local Authorities to integrate health and adult social care services in Scotland, governed by IJBs.
- 2.2 Following approval from Renfrewshire Council and the Greater Glasgow Health Board (NHSGGC), the Renfrewshire Integration Scheme, the formal legal partnership agreement between the two parent organisations, was submitted to the Scottish Ministers on 16 March 2015. On 27 June 2015, Scottish Ministers legally established Renfrewshire IJB.
- 2.3 Health and adult social care functions in Renfrewshire were formally delegated to the IJB on 1 April 2016, with 2015/16 acting as a 'shadow year' to allow the IJB to implement the necessary preparations for local implementation of integrated health and social care services.

Renfrewshire Health and Social Care Partnership

Our vision: Renfrewshire is a caring place where people are treated as individuals and supported to live well

- 2.4 Renfrewshire Health & Social Care Partnership (HSCP) delivers adult social care services and community health services for adults and children in the Renfrewshire area, under the direction of the IJB.

Services include:

- Community Health services (e.g. District Nursing, Health Visiting, Mental Health, Health Improvement and Learning Disability Services);
- Contracted Health Services (GPs, Pharmacies, Dentists and Optometrists);

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- All adult social care services (e.g. Adult Social Work, Care at Home services, Care Homes, Occupational Therapy, Domestic Violence);
- Elements of Housing services in relation to Aids/Adaptations and Gardening Assistance; and
- Aspects of Acute services (hospitals) relating to unscheduled care.

2.5 Staff delivering these services work closely with other local health and social care professionals and providers to plan and develop services across the HSCP area.

A profile of Renfrewshire

2.6 Renfrewshire is a diverse area of towns, villages and countryside covering 270 square kilometres and situated 7 miles west of Glasgow City. The area has excellent transport connections to the rest of Scotland and is home to Glasgow International Airport. Scotland's largest business park is situated in Hillington, and key campuses of the University of the West of Scotland and West College Scotland are located in Paisley town centre.

2.7 Just over 170,000 people live in Renfrewshire. Over the next 20 years, the number of people aged 16-64 living in Renfrewshire is likely to fall and the number of children will remain broadly the same. A major change will be that the number of older people (over 65) will rise by 51%. 2.8% of Renfrewshire residents are members of an ethnic minority group.

2.8 Carers in Renfrewshire are a valued and important contributor to healthcare provision. 12,868 people in Renfrewshire provide up to 50 hours of unpaid care per week and a further 4,576 people provide more than 50 hours of unpaid care per week. 10% of our population are unpaid carers.

2.9 We have a range of services in Renfrewshire that respond each day to the needs of local people. We have 29 GP practices, 44 community pharmacies, 19 community optometrists and 35 general dental practitioners. We also provide or commission a wide range of community based health and social care services and have a major acute hospital – the Royal Alexandra Hospital (RAH).

3. Renfrewshire IJB Operations for the Year (delivered by Renfrewshire HSCP)

3.1 Over the last year the HSCP Chief Officer has sought to establish a health and social care service managed and delivered through a single organisational model, unlocking the benefits which can be derived from integration. There has been a focus on bringing together GP's, Social Work, District Nursing, Rehabilitation and Mental Health teams and other staff to consider how they can further improve joint working in order to tackle our challenging budget position whilst delivering safe, sustainable and integrated services in line with the priorities set out in the draft Strategic Plan

Key developments over the last year include:

Localities

3.2 Establishment of a locality structure, in line with national guidance, which has provided an opportunity to review and redesign processes and procedures to maximise effective

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use of resources and improve the patient journey across Renfrewshire. Some examples of the work undertaken includes:

- Work within Mental Health & Addictions services to maximise effective use of resources, and, improve patient journey, ensuring systems for access to services are clear, open and responsive.
- Introducing a Single Point of Access (SPoA) for District Nursing services. This simplifies the referral and access process for those referring patients to the service and those who are being referred. This will also create capacity for increased patient-facing time as well as a more flexible service.
- Building a structured approach to how we involve and engage General Practitioners (GPs) to ensure they are included as part of our wider team and service based working.

GP Clusters

3.3 In line with Scottish Government guidance, we have established six GP clusters in Renfrewshire. GP clusters are small groups of geographically connected practices, which work collaboratively to improve outcomes, pathways and services for patients. Some examples of joint work that the HSCP has progressed with our GPs include:

- Realignment of the HSCPs Prescribing Support Pharmacists in order to release GP capacity, which is a recognised pressure amongst this area of the workforce.
- Shared caseloads between GP practices and HSCP services to improve how we support the patients/service users to provide a more seamless service experience e.g sharing patient lists which identify patients within Mental Health services that are registered with GP practices, and which clinicians the patient receives input from and sharing data on children on the child protection register with GP practices.
- Regular update of Anticipatory Care Plans (for patients) to ensure a dynamic patient record that details the preferred actions, interventions and responses that care providers should make following a clinical deterioration or during a crisis in the persons care.
- Improving direct access to a range of self-referral services to provide better direct access to a number of local services with self referral options and to reduce the need for GP referrals to these services.
- Expansion of the 'Live Well Stay Well' initiative from 1 to 5 practices which provide a support programme for self management of long term conditions.

Partnership working

3.4 The HSCP cannot transform health and social care services in isolation. As part of this work we have worked actively with key stakeholders, our parent organisations, community planning partners, NHSGGC Acute Services, the third sector and providers to take forward a number of service improvement initiatives including:

- NHSGGC system-wide initiatives, such as the District Nursing review, Mental Health In-patient Services redesign, Community Mental Health Framework and the Learning Disability redesign.

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- Contributing to the review of Community Planning arrangements in Renfrewshire. The new structure (approved by Renfrewshire Council on 15 December 2016) recognises the Strategic Planning Group (SPG) as the main planning group for health and social care.
- Contributing to the NHSGGC wide review of unscheduled care which aims to ensure we have the right services and access arrangements in place
- Contributing to ongoing work to improve the GP out of hours emergency services
- Working with the third sector to take forward the following areas:
 - Housing and health information hubs to provide easy access to a range of housing and health information for local people;
 - A GP Social Prescribing service ("Community Links") working with GP practices to refer people into social and wellbeing supports in their own communities, reducing demand on GPs for non-medical support;
 - Community Health Champions project which recruits and supports local residents in designing and delivering health and well being activities in local communities.

Mitigation Programmes

3.5 Over the last year, the Partnership has successfully commenced a number of adult social care reviews to mitigate a number of the key demographic and financial pressures identified in the social care budget. These include:

- A three-year transformation programme for our Care at Home services is underway which seeks to modernise and redesign the service to enable it to respond to increasing need. This service has been pivotal to our success in minimising hospital delays and in shifting the balance of care from long-term settings. As the older population increases, the service is expected to continue to experience growing demand, resulting in financial and operational pressures. The transformation will be wide ranging and will focus on attracting new staff through sustained recruitment campaigns, creating and implementing a learning and development strategy to ensure staff are suitably equipped to meet the changing needs of service users and developing a range of tools and processes that will improve the supervision and support that staff receive. The programme will also see the procurement and implementation of an electronic scheduling and monitoring system.
- Care & Repair - the service has experienced a significant and continuing level of increase in demand pressures in recent years, with the service handling a higher level of demand than in the original contract. Additional non-recurring resources from Renfrewshire Council in 2016/17 enabled an historic issue in relation to a lengthy waiting list to be cleared. As at May 2017 there was no waiting list for (Care and Repair). This figure compares very favourably with the July 2016 figures, when 126 people were on the waiting list with the longest wait being from February 2015. The Council's Procurement Service is currently preparing the tender for a new care and repair contract, (to commence in November 2017) in partnership with East Renfrewshire HSCP.
- New streamlined and controlled Self Directed Support (SDS) business processes (in line with CIPFA 's Self-directed Support Guidance) have been introduced to promote equity and to quickly enable frontline staff to deliver the agreed support plan within the approved budget. The new processes have reduced the time taken

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to approve an indicative budget for the service user's support plan from 16 days in 2014 to 4 days in 2016.

- 3.6 These prioritised areas reflect the national policy direction to shift the balance of care, promote independent living and ensure person centred care. Reviews involve critically appraising and challenging our current models of service delivery to ensure resources are focused on greatest need and deliver the best outcomes for our services users.

Service Performance

- 3.7 Our Health and Adult Social Work Services are managed and monitored via regular professional governance and operational management arrangements including meetings, case management, and regular reviews. Meetings involving Heads of Service and Service Managers take place on a 4-6 weekly basis and cover a variety of local and national strategic and operational indicators. Managers scrutinise and discuss performance data, agree remedial action, timescales for improvement and consider future challenges which may affect services.
- 3.8 Performance is reported at every meeting of Renfrewshire IJB. Twice a year a comprehensive Performance Report is presented which includes data for the last three years, associated targets, performance 'direction of travel' and whether indicators are on track to meet target. Over and above this, 'Exception Reports' are considered at each IJB highlighting areas of concern and/or improvement. The reports detail what is working well, current challenges and intended remedial action, where relevant. Our performance scorecard reports on 90 national and local indicators which are categorised under the 9 National Health and Wellbeing Outcomes.
- 3.9 The Public Bodies (Joint Working) (Scotland) Act 2014 obliges all Partnerships to publish an annual performance report no later than four months after the end of the reporting year. The 2016/17 performance report is available at www.renfrewshire.cmis.uk.com/renfrewshire/JointBoardsandOtherForums/RenfrewshireHealthSocialCareIntegrati.aspx. Performance in 2016/17 was above target in a number of areas e.g. All healthcare support workers had a mandatory induction completed within the target timescale; the average number of clients on the Occupational Therapy waiting list has fallen to 340, which is below the target of 350; and, 1847 partners have had Anticipatory Care Plans (ACP) created, against a target of 440. Areas that proved more challenging and where we seek improvement during 2017/18 include emergency admissions from care homes; alcohol brief interventions; drug related hospital discharge rate; paediatric speech and language therapy assessment to appointment waiting times and breastfeeding rates at 6-8 weeks in deprived areas.

4. Analysis of the Financial Statements

- 4.1 The Annual Accounts report the financial performance of the IJB. Its main purpose is to demonstrate the stewardship of the public funds which have been entrusted to us for the delivery of the IJB's vision and its core objectives. The requirements governing the format and content of local authorities' annual accounts are contained in The Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The 2016/17 Accounts have been prepared in accordance with this Code.

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- 4.2 The IJB needs to account for its spending and income to comply with our legislative responsibilities and external auditors will provide an opinion on whether this Management Commentary complies with the statutory requirements and is consistent with the financial statements.
- 4.3 2015/16 Renfrewshire IJB Accounts were published only to provide an opinion on consistency with the financial statements. The 2016/17 Accounts will be the IJB's first full set of accounts.
- 4.4 For 2016/17, the IJB budget to deliver Partnership Services was a net budget of £243.426m including the notional Hospital set aside budget. The IJB's position at 31 March 2017 was an underspend of £5.494m.
- 4.5 Early in 2016/17, the Chief Finance Officer, considering the climate of on-going financial austerity and increasing demand, made the decision to hold back on the application of the use of a proportion of the resources passed over to the IJB as part of the 2016/17 Council budget allocation to the HSCP. This prudent approach enabled increasing demand and associated cost pressures within Adult Social Care Services to be funded in 2016/17 leaving a balance of £1.519m to be transferred to reserves for use in 2017/18 to meet ongoing pressures within the adult social care service budget.
- 4.6 In addition, given the significant budget gap to be met for 2017/18, with regards to the Health budget allocation, the Chief Officer and Chief Finance officer worked with the senior management team on a number of cost containment programmes through the final quarter of 2016/17 to enable reserves of £1.125m to be created to assist in covering this gap and £0.756m in ear marked reserves to meet specific commitments in 2017/18.
- 4.7 The balance of the underspend (£2.094m) is in respect of Primary Care balances carried forward by Renfrewshire HSCP (as the host authority), on behalf of the 6 NHSGGC HSCP's, which have been put into an earmarked reserve.
- 4.8 The full year financial position for the IJB is summarised in the table below:

1 April 2016 to 31 March 2017	NHSGGC £000's	Renfrewshire Council £000's	Total £000's
Funds Received from Partners	164,339	79,087	243,426
Funds Spent with Partners	160,364	77,568	237,932
Underspend in year	3,975	1,519	5,494

5. The IJB's Position at 31 March 2017

- 5.1 The Scottish Government draft budget announcement of 15 December 2016 had a number of key messages for IJB's 2017/18 budget allocations including:
- A further £107m Social Care Funding in addition to the £250m allocated as part of the 2016/17 budget process;
 - Local Authorities are able to adjust their allocations to IJB's by up to £80m; and

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- Health Board allocations to IJB's must be maintained at 2016/17 cash levels including the set aside budget for large hospital services
- 5.2 At its meeting on 10 March 2017, the IJB approved the 2017/18 adult social care budget allocation and rejected NHS GGC's proposed 2017/18 health budget allocation on the basis that it did not meet the Scottish Government direction that the level of budget to be allocated is maintained at 2016/17 cash levels.

Social Care Budget

- 5.3 Demographic and socio-economic factors continue to play a major role in driving spending pressures within the Adult Social Care budget, including:
- **Homecare:** costs associated with shifting the balance of care by supporting people to live safely at home for as long as possible, and facilitating prompt discharge from hospital;
 - **Adult Placement Budget:** increasing numbers and complexity of care packages required to support clients to live as independently as possible in the community.
- 5.4 Over the past years, Adult Social Care has successfully managed to take forward a wide range of mitigation programmes designed to dampen the impact of demand led growth including investing in preventative measures and redesigning services to reduce longer term demand e.g. Implementation of telecare services which support people to remain in their own home independently with the security of technology which can link them quickly to health and social care staff should they require.
- 5.5 However, despite these programmes, the scale of demand led cost pressures continues to grow. In addition to these, during 2017/18 Adult Social Care will also have to manage potentially significant cost pressures in relation to a number of contractual arrangements which cease during 2017/18 and which will require to go out to tender. It is likely that the financial impact of the increase in the living wage along with other legislative changes will have a significant impact on these negotiations.
- 5.6 Working with Renfrewshire Council's Director of Finance, the Chief Finance Officer, using a broad range of assumptions, estimated the demand and cost growth for Adult Social Care in 2017/18 to be in the region of a net increase of £4.406m. Renfrewshire Council recognised these pressures in its 2017/18 adult social care budget allocation. In recognising these pressures, Renfrewshire Council have allocated 100% of the 2017/18 Social Care Fund monies plus an additional £683k from the Council's direct settlement.
- 5.7 Balances in respect of resources passed over to the IJB as part of the 2016/17 Council budget allocation were held throughout 2016/17 in order to be carried forward into 2017/18 to dampen down the impact of pressures which will emerge throughout 2017/18. The Chief Finance Officer has carried forward these balances using the Reserves mechanism available to the IJB.

Health Budget

- 5.8 In response to the directions from the Scottish Government, the NHSGGC Chief Executive wrote to all HSCP Chief Officers on 11 January 2017 setting out initial assumptions for the NHS budget allocation to IJB's within NHS GGC. This did not

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include an indication of the level of set aside budget for 2017/18. As detailed in paragraph 5.2 above at its meeting of 10 March 2017, Renfrewshire IJB took the decision not to approve the proposed health budget allocation from NHS GGC as it did not meet the Scottish Government direction that the level of budget to be allocated must be maintained at 2016/17 cash levels.

- 5.9 In addition, there are also significant pressures in respect of salary uplifts, prescribing pressures, contractual inflation, apprenticeship levy costs and outstanding savings for 2016/17.
- 5.10 Savings proposals in respect of the 2017/18 delegated Health budget inflation and cost pressures in respect of the minimum level of savings which the IJB needs to consider, will be brought to the June 2017 IJB for approval. This includes proposals for the outstanding balance of £1.378m in respect of the 2016/17 savings target, where savings proposals were not approved by the IJB in year. These delays in the implementation of the savings target have required the Chief Officer to affect the necessary management action to implement a financial recovery plan from 1 April 2017 in order to help mitigate the shortfall in funding in 2017/18 until saving proposals are approved by the IJB.
- 5.11 Given the significant budget gap to be met for 2017/18, in addition to the financial recovery programme, the Chief Officer is also leading a programme of recurring cost containment and redesign work to deliver the required level of efficiencies for 2017/18. Building on a long-standing approach to deliver savings and efficiencies for local health services, it will include a review of all major services, workforce planning changes and budget efficiencies. Having undertaken such work over the last 6 to 7 years, it is important to note that there is limited scope for further recurring savings to be identified and delivered without impacting on service capacity, performance and delivery.
- 5.12 The delegated health budget includes Family Health Service budgets which directly fund income to contractor services such as GPs; Opticians etc. which cannot be considered for planned savings.

Financial outlook

- 5.13 Although no figures are available beyond 2017/18, it is anticipated that the public sector in Scotland will continue to face a challenging medium term financial outlook. There is significant uncertainty over what the scale of this challenge will be. In addition, there remains wider risks which could further impact on the level of resources made available to the Scottish Government including, the changing political and economic environment, within Scotland, the UK, and wider. This will potentially have significant implications for Renfrewshire IJB's parent organisations and therefore the delegated Health and Adult Social Care budgets. There is consequently no expectation of additional monies to be delegated to the IJB in year. The Chief Officer, Chief Finance Officer and the HSCP senior management team will work with key stakeholders to continually critically appraise and challenge current models of service delivery to ensure resources are focused on areas of greatest need delivering the best outcomes to clients.
- 5.14 Looking into 2017/18 and beyond, it is important to be clear that within the current models of working, the reducing budgets available will require further recurring savings

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to be made by this HSCP, this will mean the IJB needs to consider what can safely be delivered. We must work to deliver both a balanced budget and also continue to deliver accessible, high quality and safe services. After many years of budget reductions, it is fair and reasonable to state that these dual objectives cannot be assured.

The main trends and factors likely to affect the IJB in the future

Self-Directed Support (SDS) – sustainability of services

- 5.15 SDS is where, once a service user has been assessed, they are then allocated an appropriate level of funding for their care and support needs. Service users can spend their allocated budgets either by arranging their own care or by letting the HSCP arrange it for them.
- 5.16 Whilst SDS offers our service users the advantage of greater choice and control over the services they commission, this can create uncertainty for service providers', including the HSCP's, ability to project demand for their services. Whilst traditional services remain the preferred choice for some service users the HSCP may need to work with providers to see how services can be reconfigured where service demand is not as anticipated or the service is no longer financial viable.

Adult Protection

- 5.17 Renfrewshire Adult Protection procedures have been revised and updated to reflect the new HSCP structure, roles and responsibilities. The number of referrals under adult protection has continued to increase year on year. In 2014-15 there were 1708 adult protection referrals. In 2015-16 changes were agreed to the system for reporting referrals under adult protection that separated adult protection concerns from adult welfare concerns. In that year there were a combined total of 2515 referrals. In 2016-17, the total number of referrals received by Renfrewshire HSCP rose to 2578. It should be noted that all referrals are initially treated as potential adult protection cases and therefore go through the same screening processes that may result in protection plans for adults assessed as at risk of harm.
- 5.18 The upward trend in adult protection referrals translates into increased pressure on the existing workforce, mainly social workers, to undertake inquiries and assessment under the Adult Support and Protection Act.

The Carers (Scotland) Act 2016

- 5.19 The Carers (Scotland) Act will commence on 1 April 2018 and will introduce provisions designed to support carers' health and wellbeing.
- 5.20 This legislation will place new demands on our adult care services through the requirement to produce Adult Carer Support Plans and Young Carer Statements. Additional resources will be required to complete assessments on carers, and also through the waiving of charges to carers receiving short breaks.
- 5.21 Full implementation of the Carers Act will not be until April 2018. The Act requires a Local Carers Strategy and local eligibility criteria to be agreed in consultation with Carers and Carers organisations prior to implementation.

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- 5.22 The new processes involved in preparing and implementing the new Act will incur significant costs, yet to be fully quantified.

Demographic

- 5.23 Local demographics and socio-economic issues such as poverty, deprivation and inequalities can vary significantly across Renfrewshire, which in turn, can impact upon the demand and supply of services in the community.

- 5.24 Key local challenges include:

- 26% of the population of Renfrewshire are in the top 20% most deprived data zones in Scotland, with the main issues being health, income and employment.
- The most deprived data zone in Renfrewshire is ranked 1 in Scotland.
- Life expectancy in Renfrewshire is lower than the Scottish average
- People in Renfrewshire have slightly poorer mental health wellbeing compared to the Scottish average
- In light of the ageing population, Renfrewshire is facing a future with more people with multiple long-term conditions (also referred to as multi-morbidities). Multi-morbidities bring both person centred as well as long term challenges.
- In 2012/2013, 2.6% of Renfrewshire's population consumed around 50% of our health resources (inpatient and day care hospital admissions, A&E attendances, consultant led outpatient clinics and community prescribing)
- For Renfrewshire in 2014/15, the crude rate of drug crimes recorded was 116/10,000, which was 68% higher than the Scottish level of 69/10,000.
- In 2014/15, the rate for alcohol-related hospital stays was 982/100,000, which was 46% higher than the Scottish level of 672/100,000.

- 5.25 Services across Renfrewshire HSCP require capacity, capability, flexibility and a resilient workforce that can respond to the pressures of a changing local community. This societal change creates increased demand on our workforce with the need to provide care for a larger proportion of the population, often living with multiple and complex health needs (co-morbidity).

Marketplace

- 5.26 The increasing demand on services is often compounded by difficulties in recruitment to specific posts.

- 5.27 In addition to an ageing population, there is an ageing workforce (47% of our workforce are over 50 years old), who bring both an invaluable and incalculable level of experience to the services they deliver. Renfrewshire HSCP will need to mitigate the loss these staff may present when planning future services, to ensure we have a sufficiently resourced and experienced workforce.

- 5.28 A shortage of key professionals including General Practitioners, District Nurses, Mental Health Officers, Psychologists and Care at Home Staff are a current recruitment and retention challenge for Renfrewshire HSCP. Potential impacts include:

- the sustainability of, access to, and quality of, services;
- the resilience and health of our existing workforce as they attempt to provide the required level of services with reduced resources;
- the additional cost of using bank and agency staff.

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5.29 The HSCP is recruiting in a very competitive local market where an increasing number of social care providers are paying the Living Wage and neighbouring HSCPs provide a higher level of financial remuneration for some posts. Furthermore, some other sectors, such as retail, can be viewed as less physically and emotionally demanding, with rates of pay being equal or greater than that of health and social care services. We need to attract more people to choose a career path in the health and social care sector. The HSCP is currently doing this in a number of ways:

- Effective succession planning methods to ensure staff are “next job” ready – offering career development opportunities e.g. coaching (we have a number of staff being coached at any given time, as well as providing access to training in coaching conversations for managers, shadowing and acting up opportunities;
- Working with local further education establishments who provide health and social care related courses and qualifications to influence intake levels and the courses delivered;
- Innovative approaches to developing local talent such as apprenticeships and graduate internships; and
- Positive advertising campaigns where current staff are promoting the HSCP as a good and rewarding place to work.

5.30 There is a need to acknowledge that all of this requires investment at a time of financial challenge, however this needs to be balanced against the need to ensure that our workforce is adequate and equipped to meet the health and social care needs of the population.

Digital Drivers

5.31 Digital technology offers new and exciting opportunities for transforming the outcomes and experience of our citizens – including service users and carers – as well as transforming the quality and reducing costs of health and care services.

5.32 As a newly integrated organisation, with services that previously sat within Renfrewshire Council and NHSGGC, we still have different legacy, professional ICT systems and supporting processes. These systems are not currently integrated, as such there is often a day to day need for staff to access and source information from two different business systems, which is cumbersome and time consuming.

5.33 The HSCP recognises the real opportunities digital technology offers, and the need to make on-going investment. This will however be subject to the significant financial pressures and other demands on IJB resources. Any investment in new technology must align with the IJB's strategic priorities, with a focus on delivering operational efficiencies and reducing the increasing pressure on service delivery.

5.34 The HSCP has already undertaken a range of improvements to address a number of digital and ICT issues. One example of where the HSCP is investing in new technology is Care at Home, with the planned procurement of a new monitoring and scheduling system. This is one of the HSCP's most critical services which enable service users to continue to be cared for in their own homes.

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6. Renfrewshire IJBs Strategy and Business Model

6.1 Our Strategic Plan describes the themes and high-level priorities for the HSCP over the three-year period 2016-19. Our three strategic priorities are improving health and wellbeing; the Right Service, at the Right Time, in the Right Place; and Working in Partnership to Treat the Person as well as the Condition. Examples of areas included within these priorities are:

- Supporting people to take control of their own health and wellbeing so they maintain their independence and improve self-care where possible;
- Supporting the Renfrewshire Tackling Poverty Programme through a range of specific programmes;
- Targeting our interventions and resources to narrow inequalities and build strong resilient communities;
- Delivering on our statutory duty to protect and support adults and children at risk of harm;
- Continuing to adapt and improve our services by learning from all forms of patient and service users' feedback; and
- Supporting the health and wellbeing of carers to allow them to continue to provide crucial care.

6.2 In pursuit of our vision we work to deliver on the 9 national health and social care outcomes:

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

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- 6.3 Due to growing demand on our resources, we know that more of the same is often not an option. If we continue to deliver services only in their current form, the health and social care system will be unable to deliver the high-quality services the people of Renfrewshire need. We therefore have to plan, commission and deliver services that are focused on the outcomes we must achieve and make the best use of the resources available. It is an established feature of both national and local policy that more joined up care, more self-care, and targeted anticipatory and preventative approaches, must be prioritised and shape our planning if we are to manage the growing demands we face. Linked to this we must ensure a clear and consistent focus in our resource prioritisation on home and community based care reducing demands on hospital and other more specialist services where appropriate. Adult and child protection remain significant features of what we do and how we work.
- 6.4 In 2017/18, our year 2 Strategic Plan action plan will be developed to support the HSCP's service developments and improvements for year 2 of the Strategic Plan. In addition to operational continuous improvement activity, this action plan will include transformational projects and proposals to deliver financial savings.

Delegation and Delivery of Services

- 6.5 The IJB use Directions as the mechanism to instruct the Council and NHSGGC (via the HSCP) to carry out their delegated functions. These are documents which set out how the IJB expect the constituent bodies to deliver each function, and spend IJB resources, in line with the Strategic and Financial Plans. As approved by the IJB on 18 March 2016, the Chief Officer issued Directions to the parent organisations on 1 April 2016. In line with national guidance, there is a requirement for the IJB to update Directions to reflect any change in local circumstances (e.g. material budget changes, a change of payment) in relation to their respective delegated functions. The IJB has delegated this responsibility to the Chief Officer.
- 6.6 Our delegated services are delivered through an integrated, locality based operational structure. There are two Heads of Health and Social Care, each with responsibility for leading one of our two localities – Paisley and West Renfrewshire. In addition, we have a dedicated Head of Mental Health, Addictions and Learning Disabilities, which provide overarching services across Renfrewshire. Our operational Heads of Service work in close partnership to optimise how our services connect and work together. This approach provides a clear basis for building joint and collaborative working.
- 6.7 Interface arrangements are also in place to ensure the HSCP works closely with the Council's Children's Services, our GPs, NHS Acute Services, the Police, Community Planning and other key partners to provide a seamless experience for the people who use our services and keep their safety and well-being paramount.
- 6.8 The HSCP has a robust Quality, Care and Professional Governance Framework and supporting governance structures which are based on service delivery, care and interventions that are: person centred, timely, outcome focused, equitable, safe, efficient and effective. Our Clinical Director, Lead Clinicians, service specific Professional Leads and the Senior Professional Nurse Advisor are members of the RHSCP management team with a clear role to provide clinical, nursing and allied health professional leadership, advice and support.

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- 6.9 To ensure activity levels and spend are closely monitored, the Chief Finance Officer holds regular budget and performance monitoring meetings with operational managers and reports into the HSCP Senior Management Team (SMT) and the IJB throughout the year.

7. Key Risks and Uncertainties

- 7.1 The IJB approved its Risk Management Strategy on 18 September 2015. The IJB's Risk Register is reviewed regularly by the HSCP Management Team and by the IJB Audit Committee. The IJB also reviews its own risk register on a twice yearly basis.

- 7.2 The key risks identified in the IJB Risk Register are:

- Delays agreeing the 2017/18 budget including Set Aside, and aligning the financial plan with the Strategic Plan;
- Expectation that IJBs will be required to deliver significant levels of savings to the prescribing budget in 2017/18;
- An inability to deliver financial balance;
- Budget settlement being lower than anticipated;
- The complexity of IJB governance arrangements has been highlighted by Audit Scotland, in particular the lack of clarity around decision making;
- A shortage of key professionals including General Practitioners, District Nurses, Mental Health Officers, Psychologists and Care at Home Staff.

- 7.3 A range of wider issues present some degree of uncertainty to the IJB, particularly in terms of future planning relating to finance, the workforce and scope of the IJB. Examples include:

- Potential reform(s) of NHS boards and local government;
- The national and local political landscape;
- Impacts of Brexit, such as uncertainty regarding the future employment of health and social care staff from EU countries
- The wider financial and economic environment, with significant restraint in public expenditure anticipated in future years;
- Increased demand for and cost of health and social care services linked to demographic change including an aging and increasing population with multiple and long-term conditions; linked to this is the risk of additional service demand anticipated through the implementation of the Carers Act.

8. Matters of Strategic Importance

- 8.1 As a result of a number of demographic, marketplace and digital drivers, and increasing financial pressures, there is widespread recognition, as set out in the Public Bodies (Joint Working) (Scotland) Act 2014, National Clinical Strategy and Health and Social Care Delivery Plan that we need to change how we deliver health and social services. Central to this step change is the need to increasingly divert resources from acute

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hospitals services, to create greater capacity within primary care and community services. This capacity will assist primary care to further develop multidisciplinary community team based working models, fully integrated with social care and the independent and third sector.

Cllr Jacqueline Cameron**Date 15/09/17**

IJB Chair

David Leese**Date 15/09/17**

Chief Officer

Sarah Lavers CPFA**Date 15/09/17**

Chief Finance Officer

Renfrewshire Integration Joint Board (IJB) - Annual Accounts for the year ended 31 March 2017**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 the proper officer of the board has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this authority, that 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 Annual Accounts.

I confirm that these Annual Accounts were approved for signature at a meeting of Renfrewshire IJB held on 15 September 2017.

Signed on behalf of Renfrewshire IJB

Cllr Jacqueline Cameron
IJB Chair

Date 15/09/17

Renfrewshire Integration Joint Board (IJB) - Annual Accounts for the year ended 31 March 2017**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 the Annual Accounts, the chief financial officer has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with legislation
- complied with the local authority Code (in so far as it is compatible with legislation)

The chief financial officer has also:

- kept proper accounting records which 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 Renfrewshire IJB as at 31 March 2017 and the transactions for the year then ended.

Sarah Lavers CPFA
Chief Finance Officer

Date 15/09/17

Renfrewshire Integration Joint Board (IJB) - Annual Accounts for the year ended 31 March 2017

Remuneration Report

- 1.1 The Local Authority Accounts (Scotland) Regulations 2014 (SSI No. 2014/200) require local authorities and IJB's in Scotland to prepare a Remuneration Report as part of the annual statutory accounts.
- 1.2 The information in the tables below is subject to external audit. The explanatory text in the Remuneration Report is reviewed by the external auditors to ensure it is consistent with the financial statements.

Voting Board Members

- 1.3 Voting IJB members constitute councillors nominated as board members by constituent authorities and NHS representatives nominated by the NHS Board. The voting members of the Renfrewshire IJB were appointed through nomination by NHS GGC and Renfrewshire Council.
- 1.4 Voting board members do not meet the definition of a 'relevant person' under legislation. However, in relation to the treatment of joint boards, Finance Circular 8/2011 states that best practice is to regard Convenors and Vice-Convenors as equivalent to Senior Councillors. The Chair and the Vice Chair of the IJB should therefore be included in the IJB remuneration report if they receive remuneration for their roles. For Renfrewshire IJB, neither the Chair nor Vice Chair receives remuneration for their roles.
- 1.5 The IJB does not pay allowances or remuneration to voting board members; voting board members are remunerated by their relevant IJB partner organisation.
- 1.6 The IJB does not have responsibilities, either in the current year or in future years, for funding any pension entitlements of voting IJB members. Therefore, no pension rights disclosures are provided for the Chair or Vice Chair. For 2016/17 no voting member received any form or remuneration from the IJB as detailed in the table below.

Voting Board Members	Nominated By	Taxable Expenses 2015/16	Taxable Expenses 2016/17
Councillor Iain McMillan (Chair) (1)	Renfrewshire Council	Nil	Nil
Councillor Michael Holmes	Renfrewshire Council	Nil	Nil
Councillor Derek Bibby	Renfrewshire Council	Nil	Nil
Councillor Jacqueline Henry	Renfrewshire Council	Nil	Nil
Dr. Donald Lyons (Vice Chair)	NHSGGC	Nil	Nil
Ms Morag Brown	NHSGGC	Nil	Nil
Mr Donald Sime (2).	NHSGGC	Nil	Nil
Mr John Brown (2)	NHSGGC	Nil	Nil
Ms Dorothy McErlean (3)	NHSGGC	Nil	Nil
Mr John Legg (3)	NHSGGC	Nil	Nil

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Notes: (1) Left IJB in May 2017, replaced by Jacqueline Cameron (2) Left Office 16 August 2016; (3) Appointed 16 August 2016.

Officers of the IJB

- 1.7 The IJB does not directly employ any staff in its own right; however specific post-holding officers are non-voting members of the Board.
- 1.8 Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 a Chief Officer for the IJB has to be appointed and the employing partner has to formally second the officer to the IJB. The employment contract for the Chief Officer adheres to the legislative and regulatory framework of the employing partner organisation (NHS GGC). The remuneration terms of the Chief Officer's employment were approved by the IJB.
- 1.9 No other staff are appointed by the IJB under a similar legal regime. Other non-voting board members who meet the criteria for disclosure are included in the table below:

Total Earnings 2015/16 £	Name and Post Title	Salary, Fees & Allowances £	Compensation for Loss of Office £	Total Earnings 2016/17 £
83,025 (FYE 109,198)	D Leese Chief Officer, Renfrewshire IJB	114,305	-	114,305
64,525 (FYE 74,740)	S Lavers Chief Financial Officer, Renfrewshire IJB	81,844	-	81,844

FYE = Full Year Equivalent

Pension Benefits

- 1.10 In respect of officers' pension benefits the statutory liability for any future contributions to be made rests with the relevant employing partner organisation. On this basis, there is no pensions liability reflected on the IJB balance sheet for the Chief Officer or the Chief Finance Officer.
- 1.11 The IJB however has responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the IJB. The following table shows the IJB's funding during the year to support officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

Name and Post Title	In Year Pension Contributions		Accrued Pension Benefits		
	For Year to 31/03/16 £	For Year to to 31/03/17 £		As at 31/03/16 £	As at 31/03/17 £
D Leese Chief Officer, Renfrewshire IJB	16,535	16,467	Pension	18,163	19,909
			Lump sum	54,489	59,726
S Lavers Chief Financial Officer, Renfrewshire IJB	14,425	15,757	Pension	27,810	30,502
			Lump sum	55,353	57,444

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* Accrued pension benefits have not been accrued solely for IJB remuneration

Disclosure by Pay Bands

1.12 As required by the regulations, the following table shows the number of persons whose remuneration for the year was £50,000 or above, in bands of £5,000.

Remuneration Band	Number of Employees 31 March 2016	Number of Employees 31 March 2017
£70,000 - £74,999*	1	-
£80,000 - £84,999	-	1
£105,000 - £109,999*	1	-
£110,000 - £114,999	-	1

* The posts of Chief Officer and Chief Finance Officer were in post from 27 June 2015

Cllr Jacqueline Cameron
IJB Chair

Date 15/09/17

David Leese
Chief Officer

Date 15/09/17

Renfrewshire Integration Joint Board (IJB) - Annual Accounts for the year ended 31 March 2017

ANNUAL GOVERNANCE STATEMENT

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

1. Scope of Responsibility

- 1.1 The Integration Joint Board (IJB) is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively to secure best value.
- 1.2 To meet this responsibility the IJB has established arrangements for governance which includes a system of internal control. The system is intended to manage risk to support the achievement of the IJB's policies, aims and objectives. Reliance is also placed on the NHSGGC and Renfrewshire Council systems of internal control which support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the IJB.
- 1.3 This system can only provide reasonable and not absolute assurance of effectiveness.

2. Governance Framework and Internal Control System

- 2.1 The Board of the IJB comprises voting members, nominated by either Renfrewshire Council or NHSGGC, as well as non-voting members including a Chief Officer appointed by the Board.
- 2.2 The main features of the governance framework in existence during 2016/17 were:
 - The IJB is formally constituted through the Integration Scheme agreed by Renfrewshire Council and NHSGGC and approved by Scottish Ministers.
 - The overarching strategic vision and objectives of the IJB are detailed in the IJB's draft Strategic Plan which sets out the key outcomes the IJB is committed to delivering with its partners.
 - The Strategic Planning Group sets out the IJB's approach to engaging with stakeholders. Consultation on the future vision and activities of the IJB is undertaken with its health service and local authority partners. The IJB publishes information about its performance regularly as part of its public performance reporting.
 - Effective scrutiny and service improvement activities are supported by the formal submission of reports, findings and recommendations by Audit Scotland, the external auditors, Inspectorates and the appointed Internal Audit service to the IJB's Senior Management Team and the main Board and Audit Committee.
 - The HSCP has a robust Quality, Care and Professional Governance Framework and supporting governance structures which are based on service delivery, care and interventions that are: person centred, timely, outcome focused, equitable, safe, efficient and effective. The annual report was presented to the IJB on 10 March 2017, and provided a variety of evidence to demonstrate the delivery of the core components within Renfrewshire HSCP Quality, Care and Professional

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Governance Framework and the Clinical and Care Governance principles specified by the Scottish Government.

- The HSCP has an Organisation Development and Service Improvement Strategy developed in partnership with its parent organisations. On 23 June 2017, an annual progress report was shared with the IJB along with a supporting 3-year Workforce Plan.
- The IJB follows the principles set out in CoSLA's Code of Guidance on Funding External Bodies and Following the Public Pound for both resources delegated to the Partnership by the Health Board and Local Authority and resources paid to its local authority and health service partners.
- The IJB's approach to risk management is set out in its Risk Management Strategy, and the Corporate Risk Register. Regular reporting on risk management is undertaken through regular reporting to the Senior Management Team and annually to the IJB Audit Committee.

2.3 The governance framework described operates on the foundation of internal controls, including management and financial information, financial regulations, administration, supervision and delegation. During 2016/17 this included the following:

- Performance management, monitoring of service delivery and financial governance is provided by the Health and Social Care Partnership to the IJB who are accountable to both the Health Board and the Local Authority. It reviews reports on the effectiveness of the integrated arrangements including the financial management of the integrated budget.
- The IJB operates within an established procedural framework. The roles and responsibilities of Board members and officers are defined within Standing Orders and Scheme of Administration, Contract Standing Orders, Scheme of Delegation, Financial Governance arrangements; these are subject to regular review. A Local Code of Corporate Governance was approved by the IJB early in 2017.
- Board members adhere to an established Code of Conduct and are supported by induction and ongoing training and development.

Roles and Responsibilities

- 2.4 The Chief Officer is the Accountable Officer for the IJB and has day-to-day operational responsibility to monitor delivery of integrated services, other than acute services, with oversight from the IJB.
- 2.5 The IJB complies with the CIPFA Statement on "The Role of the Chief Financial Officer in Local Government 2010". The IJB's Chief Finance Officer has overall responsibility for the Partnership's financial arrangements and is professionally qualified and suitably experienced to lead the IJB's finance function and to direct finance staff.
- 2.6 The Partnership complies with the requirements of the CIPFA Statement on "The Role of the Head of Internal Audit in Public Organisations 2010". The IJB's appointed Chief Internal Auditor has responsibility for the IJB's internal audit function and is professionally qualified and suitably experienced to lead and direct internal audit staff. The Internal Audit service operates in accordance with the CIPFA "Public Sector Internal Audit Standards 2016".

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- 2.7 Board members and officers of the IJB are committed to the concept of sound internal control and the effective delivery of IJB services. The IJB's Audit Committee will operate in accordance with CIPFA's Audit Committee Principles in Local Authorities in Scotland and Audit Committees: Practical Guidance for Local Authorities.
- 2.8 The Audit Committee's core function is to provide the IJB with independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance arrangements.

3. Review of Adequacy and Effectiveness

- 3.1 The IJB has responsibility for conducting at least annually, a review of effectiveness of the system of internal control. The review is informed by the work of the Senior Management Team (who have responsibility for the development and maintenance of the internal control framework environment), the work of the internal auditors and the Chief Internal Auditor's annual report, and reports from external auditors and other review agencies and inspectorates.
- 3.2 The review of the IJB's governance framework is supported by a process of self-assessment and assurance certification by the Chief Officer. The Chief Officer completes "Self-assessment Checklists" as evidence of review of key areas of the IJB's internal control framework, these assurances are provided to Renfrewshire Council and NHSGGC. The Senior Management Team has input to this process through the Chief Finance Officer. In addition, the review of the effectiveness of the governance arrangements and systems of internal control within the Health Board and Local Authority partners places reliance upon the individual bodies' management assurances in relation to the soundness of their systems of internal control. There were no significant internal control issues identified by the review.
- 3.3 Internal Audit undertakes an annual programme following an assessment of risk completed during the strategic audit planning process. The appointed Chief Internal Auditor provides an annual report to the Audit Committee and an independent opinion on the adequacy and effectiveness of the governance framework, risk management and internal control.
- 3.4 The Chief Internal Auditor has conducted a review of the Internal Audit reports issued to the IJB in the financial year and the internal audit annual reports from the partner organisations. In conclusion, there is a significant risk relating to on-going financial sustainability. The IJB have yet to agree on savings options to close the budget gap, this impacts on financial management, medium and long-term planning which could impact on the IJB's ability to achieve its objectives.
- 3.5 Section 7 Key Risks and Uncertainties of the Management Commentary provides an overview of risk management arrangements and details of the most significant risks facing the IJB.
- 3.6 The key financial risks note include:
- Delays agreeing the 2017/18 budget including Set Aside, and aligning the financial plan with the Strategic Plan;
 - An inability to deliver financial balance;

Renfrewshire Integration Joint Board (IJB) - Annual Accounts for the year ended 31 March 2017

- A shortage of key professionals including General Practitioners, District Nurses, Mental Health Officers, Psychologists and Care at Home Staff
- Increased demand for and cost of health and social care services linked to demographic change including an aging and increasing population with multiple and long-term conditions; linked to this is the risk of additional service demand anticipated through the implementation of the Carers Act.

3.7 Although no system of internal control can provide absolute assurance nor can Internal Audit give that assurance. On the basis of audit work undertaken during the reporting period and the assurances provided by the partner organisations, the Chief Internal Auditor is able to conclude that subject to satisfactory management of the financial sustainability risk a reasonable level of assurance can be given that the system of internal control, risk management and governance is operating effectively within the organisation.

4. Action Plan

4.1 Following consideration of the review of adequacy and effectiveness the following action plan has been agreed to ensure continual improvement of the IJB's governance.

Agreed action	Responsible person	Date
1. Implementation of the local code of governance action plan, as approved by the IJB in June 2017.	Sarah Lavers, Chief Finance Officer	March 2018
2. All outstanding savings plans have now been agreed. The Chief Finance Officer is currently working on a three-year Financial Plan for the IJB which will be presented to the IJB at its September Board.	Sarah Lavers, Chief Finance Officer	Sept 2017
3. Mid-year Risk Management reporting to the IJB will be implemented	Jean Still, Head of Admin	Dec 2017
4. Continuing development of performance management and performance scrutiny aligned with the Strategic Plan objectives and national health and well-being indicators. A schedule for progress reporting to the parent organisations will be agreed to provide regular assurance on the delivery of functions delegated to the IJB.	Fiona MacKay. Head of Strategic Planning & Health improvement	March 2018
5. Further develop locality planning capability and capacity to facilitate the implementation of Strategic Plan objectives at a locality level.	Ian Beattie and Mandy Ferguson, Heads of Health and Social Care Services	March 2018

Renfrewshire Integration Joint Board (IJB) - Annual Accounts for the year ended 31 March 2017**5. Conclusion and Opinion on Assurance**

- 5.1 While recognising that improvements are required, as detailed above, it is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the IJB's governance arrangements.
- 5.2 We consider that the internal control environment provides reasonable and objective assurance that any significant risks impacting on the IJB's principal objectives will be identified and actions taken to avoid or mitigate their impact.
- 5.3 Systems are in place to regularly review and improve the internal control environment.

Cllr Jacqueline Cameron**Date 15/09/17**

IJB Chair

David Leese**Date 15/09/17**

Chief Officer

Renfrewshire Integration Joint Board (IJB) - Annual Accounts for the year ended 31 March 2017

Comprehensive Income and Expenditure Statement

This statement shows the cost of providing services for the year according to accepted accounting practices. It includes, on an accruals basis, all expenses and related income.

2015/16 Gross Exp. £000's	2015/16 Gross Income £000's	2015/16 Net Exp. £000's	Renfrewshire Health & Social Care Partnership Integration Joint Board	Note	2016/17 Gross Exp. £000's	2016/17 Gross Income £000's	2016/17 Net Exp. £000's
			Health Services				
			Addiction Services		2,746	(245)	2,501
			Adult Community Services		6,567	(252)	6,315
133	-	133	Business Support and Admin		1,777	(1,020)	757
			Children's Services		5,628	(615)	5,013
			Dentists, Pharmacists, Optometrists		23,134	(2,270)	20,864
			GMS (GP Services)		22,842	-	22,842
			Integrated Care Fund		3,490	-	3,490
			Learning Difficulties		1,044	-	1,044
			Mental Health		19,740	(164)	19,576
			Planning Health Improvement		1,378	(295)	1,083
			Podiatry		6,564	(27)	6,537
			Prescribing		35,007	-	35,007
			Primary Care Support		4,933	(137)	4,796
			Resource Transfer		25,817	-	25,817
133	-	133	Health Services Directly Managed by Renfrewshire IJB		160,667	(5,025)	155,642
			Services Hosted by Renfrewshire IJB for Other IJBs	8	(9,869)	140	(9,729)
			Services Hosted by Other GGC IJBs	9	12,690	(2,004)	10,686
			Resource Transfer Adjustment		(25,817)	-	(25,817)
			Set Aside for Delegated Services Provided in Large Hospitals		29,582	-	29,582
133	-	133	Total Cost of Health Services		167,253	(6,889)	160,364
			Social Care Services				
			Addiction Services		1,287	(599)	688
			Integrated Care Fund		2,299	(1,649)	650
			Learning Difficulties		21,619	(1,394)	20,225
			Mental Health		4,354	(143)	4,211
134	-	134	Older People		53,111	(9,869)	43,242
			Physical or Sensory Difficulties		7,821	(489)	7,332
134	-	134	Social Care Services Directly Managed by Renfrewshire IJB		90,491	(14,143)	76,348
			Services Delegated to Social Care	10	1,251	(31)	1,220
134	-	134	Total Social Care Services		91,742	(14,174)	77,568
267	-	267	Total Cost of Services		258,995	(21,063)	237,932
-	(267)	(267)	Taxation and Non-Specific Grant Income	5	-	(243,426)	(243,426)
267	(267)	-	Surplus on Provisions of Services (movement in reserves)		258,995	(264,489)	(5,494)

Renfrewshire Integration Joint Board (IJB) - Annual Accounts for the year ended 31 March 2017

Renfrewshire IJB was established on 27 June 2015. Integrated delivery of health and care services did not commence until 1 April 2016. Consequently the 2016/17 financial year is the first fully operational financial year for the IJB and the figures above reflect this.

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

Renfrewshire Integration Joint Board (IJB) - Annual Accounts for the year ended 31 March 2017

Movement in Reserves Statement

This statement shows the movement in the year on the IJB's reserves. The movements which arise due to statutory adjustments which affect the General Fund balance are separately identified from the movements due to accounting practices.

The opening and closing reserves for 2015/16 were zero.

Movement in Reserves During 2016/17	General Fund Balance £000's	Earmarked Reserves £000's	Total Reserves £000's
Opening Balance at 31 March 2016	-	-	-
Total Comprehensive Income and Expenditure	-	-	-
Increase or Decrease in 2016/17	(2,644)	(2,850)	(5,494)
Closing Balance at 31 March 2017	(2,644)	(2,850)	(5,494)

Renfrewshire Integration Joint Board (IJB) - Annual Accounts for the year ended 31 March 2017

Balance Sheet

The Balance Sheet shows the value of the IJB's assets and liabilities as at 31 March 2017. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

31 March 2016 £000's (Restated)		Notes	31 March 2017 £000's
-	Short Term Debtors	6	5,494
-	Current Assets		5,494
-	Short Term Creditors	6	-
-	Current Liabilities		-
-	Net Assets		5,494
-	Usable Reserves: General Fund	7	(2,644)
-	Unusable Reserves: Earmarked	7	(2,850)
-	Total Reserves		(5,494)

The statement of Accounts present a true and fair view of the financial position of the Integration Joint Board as at 31 March 2017 and its income and expenditure for the year then ended.

The unaudited accounts were issued on 23 June 2017 and the audited accounts were authorised for issue on 15 September 2017.

Balance Sheet signed by:

Sarah Lavers CPFA
Chief Finance Officer

Renfrewshire Integration Joint Board (IJB) - Annual Accounts for the year ended 31 March 2017

Notes to the Financial Statements

Note 1: Significant Accounting Policies

General Principles

The Financial Statements summarise the IJB's transactions for the 2016/17 financial year and its position at the year-end of 31 March 2017.

The IJB was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a section 106 body as defined in the Local Government (Scotland) Act 1973.

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

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

Accruals of Income and Expenditure

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

Funding

The IJB is primarily funded through funding contributions from its statutory funding partners, Renfrewshire Council and NHSGGC. Expenditure is incurred as the IJB commissions' specified health and social care services from the funding partners for the benefit of service recipients in the Renfrewshire area.

Cash and Cash Equivalents

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

Employee Benefits

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

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

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Provisions, Contingent Liabilities and Assets

Provisions are liabilities of uncertain timing or amount. A provision is recognised as a liability on the balance sheet when there is an obligation as at 31 March due to a past event; settlement of the obligation is probable; and a reliable estimate of the amount can be made. Recognition of a provision will result in expenditure being charged to the Comprehensive Income and Expenditure Statement and will normally be a charge to the General Fund.

A contingent liability is a possible liability arising from events on or before 31 March, whose existence will only be confirmed by later events. A provision that cannot be reasonably estimated, or where settlement is not probable, is treated as a contingent liability. A contingent liability is not recognised in the IJB's balance sheet, but is disclosed in a note where it is material.

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

Usable Reserves

Usable reserves are created by appropriate amounts from the Comprehensive Income and Expenditure Statement 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 Renfrewshire IJB in order to manage the risk of any future unanticipated events that may materially impact on the financial position of the IJB.

Indemnity Insurance / Clinical and Medical Negligence

The IJB is responsible for the strategic planning of the functions delegated to it by Renfrewshire Council and NHS Greater Glasgow & Clyde, and for ensuring the discharge of those functions through the Health and Social Care Partnership.

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

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

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

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The likelihood of receipt of an insurance settlement to cover any claims is separately assessed and, where material, presented as either a debtor or disclosed as a contingent asset.

Debtors

Financial instruments are recognised in the balance sheet when an obligation is identified and released as that obligation is fulfilled. Debtors are held at cost, and represent funding due from partner bodies that was not utilised in year.

Note 2: Critical Judgements

A critical judgement made in the Financial Statements relating to complex transactions is in respect of the values included for services hosted within Renfrewshire HSCP for other IJBs within the Greater Glasgow and Clyde area. At the end of the financial year an assessment of costs associated with activity for these services related to non – Renfrewshire residents is made and an appropriate share of the costs is removed from the accounts of Renfrewshire HSCP Board and transferred to those other IJBs. The costs removed are based upon budgeted spend such that any overspend or under spend remains with the hosting partnership.

Note 3: Events after the Balance Sheet Date

The Annual Accounts were authorised for issue by the Chief Financial Officer on 29 September 2017. Events after the balance sheet date are those events that occur between the end of the reporting period and the date when the Statements are authorised for issue.

Where events take place before the date of authorisation and provide information about conditions existing as at 31 March 2017 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.

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Note 4: Expenditure and Income Analysis by Nature

The table below shows the gross expenditure and income for Renfrewshire Health and Social Care Partnership IJB against subjective headings.

Renfrewshire Health & Social Care Partnership Integration Joint Board	2015/16 £000's	2016/17 £000's
Health Services		
Employee Costs	133	46,071
Property Costs	-	73
Supplies and Services	-	9,508
Prescribing	-	740
Payments to Other Bodies	-	179
Purchase of Healthcare	-	56
Family Health Service	-	81,024
Transport	-	20
Set Aside	-	29,582
Income	-	(6,889)
Social Care Services		
Employee Costs	129	28,471
Property Costs	-	551
Supplies and Services	-	2,269
Contractors	-	53,058
Transport	-	727
Administrative Costs	-	247
Payments to Other Bodies	5	6,419
Income	-	(14,174)
Total Cost of Services	267	237,932
Partners Funding Contributions and Non-Specific Grant Income	(267)	(243,426)
Surplus on Provision of Services	-	(5,494)

Note 5: Taxation and Non-Specific Grant Income

The table below shows the funding contribution from the two partner organisations:

Taxation and Non-Specific Grant Income	2015/16 £000's	2016/17 £000's
NHS Greater Glasgow and Clyde Health Board	133	164,339
Renfrewshire Council	134	79,087
TOTAL	267	243,426

The funding contribution from the NHS Board shown above includes £29.582m in respect of 'set aside' resources relating to hospital services. These are 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.

A notional set aside budget for 2016/17 was identified by NHSGGC. However, the sum recorded in the annual accounts does not reflect actual hospital use in 2016/17. This is a transactional arrangement for this financial year only. NHSGGC and the IJB, will prioritise

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establishing revised processes for planning and performance management of delegated hospital functions and associated resources in 2017/18.

The funding contributions from the partners shown above exclude any funding which is ring-fenced for the provision of specific services. Such ring-fenced funding is presented as income in the Cost of Services in the Comprehensive Income and Expenditure Statement.

Note 6: Short Term Debtors and Creditors

At the end of this financial year, Renfrewshire IJB had short term debtors of £5.494m relating to the reserves held. There were no creditors. Amounts owed by the funding partners are stated on a net basis.

Short Term Debtors	2015/16 £000's (Restated)	2016/17 £000's
NHS Greater Glasgow and Clyde Health Board	-	3,975
Renfrewshire Council	-	1,519
TOTAL	-	5,494

Short Term Creditors	2015/16 £000's (Restated)	2016/17 £000's
NHS Greater Glasgow and Clyde Health Board	-	-
Renfrewshire Council	-	-
TOTAL	-	-

Note 7: Usable Reserves

As at 31 March 2017 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 Joint Board. This will be used to manage the risk of any future unanticipated events and support service provision that may materially impact on the financial position of the IJB in later years.

The table below shows how the general reserve and earmarked reserves are allocated:

General Reserves	2015/16 £000's	2016/17 £000's
Renfrewshire HSCP – Health delegated budget 2016/17 under spend carried forward	-	1,125
Renfrewshire Council 2016/17 under spend carried forward	-	1,519
TOTAL GENERAL RESERVES	-	2,644

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Earmarked Reserves	2015/16 £000's	2016/17 £000's
Renfrewshire HSCP – Health delegated budget planned contribution to reserve:		
Primary Care Fund	-	1,100
GP Digital Transformation	-	289
GP Primary Scan Patient Records	-	705
Funding for Temp Mental Health Posts	-	82
Primary Care Transformation Fund Monies	-	39
District Nurse 3 Year Recruitment Programme	-	150
Health & Safety Inspection Costs to Refurbish Mental Health Shower Facilities	-	35
Prescribing Funding Shortfall	-	450
TOTAL EARMARKED RESERVES	-	2,850

Note 8: Agency Income and Expenditure (Hosted Services)

On behalf of all IJBs within the NHS Greater Glasgow and Clyde, Renfrewshire IJB acts as the lead manager for podiatry and primary care. It commissions services on behalf of the other IJBs and reclaims the costs involved. The payments that are made on behalf of the other IJBs, and the consequential reimbursement, are not included in the Comprehensive Income and Expenditure Statement (CIES) since the IJB is not acting as principal in these transactions.

The amount of expenditure and income relating to the agency arrangement is shown below:

Agency Income and Expenditure (Hosted Services)	2015/16 Exp on Agency Services £000's	2015/16 Income on Agency Services £000's	2015/16 Net Exp £000's	2016/17 Exp on Agency Services £000's	2016/17 Income on Agency Services £000's	2016/17 Net Exp £000's
Podiatry	-	-	-	5,474	(5,474)	-
Primary Care Support	-	-	-	4,255	(4,255)	-
Services Hosted by Renfrewshire IJB for Other IJBs	-	-	-	9,729	(9,729)	-

Earmarked reserves of £1.1m relating to Primary Care Support service includes £946k (86%) of services hosted by Renfrewshire IJB on behalf of other IJBs within the NHS Greater Glasgow and Clyde.

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Note 9: Services Hosted by Other GGC IJBs

The table below shows the costs to Renfrewshire IJB of services hosted by the other 5 NHSGGC IJBs.

Services Hosted by Other GGC IJBs	2015/16 £000's	2016/17 £000's
Addictions	-	1,658
Continence	-	663
Health Care in Police Custody	-	345
Learning Disability Tier 4 Community	-	478
Mental Health Central Services	-	2,560
Mental Health Citywide Services	-	1,937
MSK Physiotherapy	-	895
Oral Health	-	1,623
Prison Healthcare	-	968
Retinal Screening	-	120
Sexual Health	-	1,443
Reimbursement for Services Hosted by Other GGC IJBs	-	(2,004)
NET AGENCY EXPENDITURE (INCLUDED IN THE CIES)	-	10,686

Note 10: Additional Council Services Delegated to the IJB

The table below shows the costs of Renfrewshire Council services delegated to the IJB. Under the 2014 Act, the IJB is accountable for these services, however, these continue to be delivered by Renfrewshire Council. The HSCP monitor the delivery of these services on behalf of the IJB.

Additional Council Services Delegated to the IJB	2015/16 £000's	2016/17 £000's
Garden Assistance Scheme	-	369
Housing Adaptations	-	770
Women's Aid		112
Grant Funding for Women's Aid		(31)
NET AGENCY EXPENDITURE (INCLUDED IN THE CIES)	-	1,220

Note 11: Related Party Transactions

The IJB has related party relationships with NHSGGC and Renfrewshire Council. The nature of the partnership means the IJB may influence and be influenced by its partners. Renfrewshire IJB assumed delegated financial responsibility on 27 June 2015. From that date, the following financial transactions were made relating to integrated health and social care functions.

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Service Income Received	2015/16 £000's	2016/17 £000's
NHS Greater Glasgow and Clyde Health Board	-	(6,889)
Renfrewshire Council	-	(14,174)
TOTAL	-	(21,063)

Expenditure on Services Provided	2015/16 £000's	2016/17 £000's
NHS Greater Glasgow and Clyde Health Board	133	167,253
Renfrewshire Council	134	91,742
TOTAL	267	258,995

Funding Contributions Received	2015/16 £000's	2016/17 £000's
NHS Greater Glasgow and Clyde Health Board	133	164,339
Renfrewshire Council	134	79,087
TOTAL	267	243,426

Debtors	2015/16 £000's	2016/17 £000's
NHS Greater Glasgow and Clyde Health Board	-	3,975
Renfrewshire Council	-	1,519
TOTAL	-	5,494

Note 12: IJB Operational Costs

The costs associated with running the IJB are shown overleaf, these are funded equally between NHSGGC and Renfrewshire Council.

IJB Operational Costs	2015/16 £000's	2016/17 £000's
Staff Costs	217	271
Strategic Plan	44	-
Development Sessions	1	-
Audit Fees	5	17
TOTAL	267	288

The cost associated with running the IJB has been met in full by NHS Greater Glasgow and Clyde and Renfrewshire Council. For the 2016/17 Accounts this is combined within the gross expenditure for both partners.

Note 13: 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.

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Note 14: External Audit Costs

Fees payable to Audit Scotland in respect of external audit services undertaken in accordance with Audit Scotland's Code of Audit Practice in 2016/2017 are £17,400. There were no fees paid to Audit Scotland in respect of any other services.