

## **Notice of Meeting and Agenda Renfrewshire Health and Social Care Integration Joint Board**

<b>Date</b>	<b>Time</b>	<b>Venue</b>
Friday, 23 June 2017	09:30	Abercorn Conference Centre, Renfrew Road, Paisley, PA3 4DR

KENNETH GRAHAM  
Clerk

### **Membership**

Councillor Jacqueline Cameron: Councillor Jennifer Adam-McGregor: Councillor Lisa-Marie Hughes: Councillor Scott Kerr: Dr Donny Lyons: Morag Brown: John Legg: Dorothy McErlean: Karen Jarvis: Alex Thom: Liz Snodgrass: David Wylie: Alan McNiven: Helen McAleer: Stephen Cruickshank: John Boylan: Graham Capstick: Dr Stuart Sutton: David Leese: Sarah Lavers: Peter Macleod.

Councillor Jacqueline Cameron (Chair) and Dr Donny Lyons (Vice Chair)

### **To Follow Item**

I refer to the agenda for the meeting of the Renfrewshire Health and Social Care Integration Joint Board to be held on 23 June 2017 at 9.30 am and enclose the reports relative to items 5, 6 and 7 previously marked 'to follow'.

## **Items of business**

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| <b>5</b> | <b>Renfrewshire IJB Unaudited Annual Accounts 2016/17</b>           | <b>3 - 52</b>  |
|          | Report by Chief Finance Officer.                                    |                |
| <b>6</b> | <b>Financial Report 1 April to 31 May 2017</b>                      | <b>53 - 74</b> |
|          | Report by Chief Finance Officer.                                    |                |
| <b>7</b> | <b>Health Board Contribution to the IJB for 2016/17 and 2017/18</b> | <b>75 - 82</b> |
|          | Report by Chief Finance Officer.                                    |                |

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**To:** Renfrewshire Integration Joint Board

**On:** 23 June 2017

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**Report by:** Chief Finance Officer

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**Heading:** Renfrewshire IJB Unaudited Annual Accounts 2016/17

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## 1. Summary

- 1.1 Renfrewshire IJB's Accounts for 2016/17 will be submitted for audit by the statutory deadline of 30 June 2017. A copy of the IJB's Unaudited Accounts is attached for members approval. The accounts fully comply with International Financial Reporting Standards (IFRS).
- 1.2 The Auditor is planning to complete the audit process by early September 2017. Their report on the Accounts will be made available to all members and will be submitted to a future meeting of the IJB Audit Committee for consideration.
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## 2. Recommendations

It is recommended that the IJB:

- Approve, subject to Audit, the Annual Accounts for 2016/17.
  - Note that the Auditor is planning to complete the audit of the Accounts by early September 2017 and that their report will be made available to all members and will be submitted to a future meeting of the IJB Audit Committee for detailed consideration.
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## 3. Background

- 3.1 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 adult social care in Scotland, to be governed by Integration Joint Boards (IJB's) with responsibility for the strategic planning of the functions delegated to it and for ensuring the delivery of its functions through the locally agreed operational arrangements.
- 3.2 Following approval from Renfrewshire Council and the Greater Glasgow Health Board (NHS GGC), 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's Integration Joint Board (IJB). The IJB is a legal entity in its own right, responsible for the strategic planning of the

functions delegated to it and for ensuring the delivery of its functions through the locally agreed operational arrangements.

3.3 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.

3.4 LASAAC (The Local Authority (Scotland) Accounts Advisory Committee) and CIPFA have produced additional guidance on accounting for the integration of health and social care.

3.3 As health and social care functions in Renfrewshire were not formally delegated to the IJB until 1 April 2016, 2015/16 was a ‘Shadow Year to allow the IJB to implement the necessary preparations for local implementation of integrated health and social care services. The Accounts for 2016/17 are therefore the first full set of Accounts for Renfrewshire IJB

#### 4. **Annual Accounts 2016/17**

4.1 The Annual Accounts report the financial performance of the IJB. Their main purpose is to demonstrate the stewardship of the public funds for the delivery of the IJB’s vision and its core objectives.

4.2 The attached Unaudited Annual Accounts in Appendix 1 contain the financial statements for Renfrewshire IJB for the year ended 31 March 2017.

4.3 IJB’s need to account for their spending and income in a way which complies with our legislative responsibilities, the annual accounts for the IJB have been prepared in accordance with appropriate legislation and guidance. An overview of the process is set out below:

- **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.
- **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 2017 will be considered at the IJB meeting of 23 June 2017.
- **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.
- **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) by the 30 September immediately following the financial year to which they relate.

- **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. 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.

## 5. Performance

- 5.1 The IJB, through the work led by the HSCP Chief Officer and the Senior Management Team, have worked to embed a delivery and performance management culture within the Partnership. Services are managed and monitored through regular professional governance and operational management arrangements including service and team meetings, case management processes, and regular reviews of services and performance. 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.
- 5.2 Performance is reported at every meeting of the IJB, with comprehensive Performance Reports presented twice a year. These include: data for the last three years; associated targets; performance 'direction of travel' and whether indicators are on track to meet target. In addition, 'Exception Reports' are considered at each IJB to highlight areas of concern and/or improvement. These 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. Our performance is also directly linked to available funding and how our resources are deployed and managed, to our staffing levels and our related workforce planning and to our arrangements for clinical and care governance.
- 5.3 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 annual report is available at <http://renfrewshire.cmis.uk.com/renfrewshire/JointBoardsandOtherForums/RenfrewshireHealthSocialCareIntegrati.aspx>. This report highlights that our performance in 2016/17 was above target in a number of areas e.g. 1,847 have had Anticipatory Care Plans (ACP) created, against a target of 440.

## 6. Financial Outlook, Risks and Plans for the Future

- 6.1 Although no figures are available beyond 2017/18, it is anticipated that the public sector in Scotland will continue to face a very challenging short and medium term financial outlook. There is significant uncertainty over what the scale of this likely reduction in available funding will be. In addition, there

remain 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 current expectation of additional monies to be delegated to the IJB in 2017/8. The Chief Officer, Chief Finance Officer and the HSCP senior management team will work with key stakeholders to continue to 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. That said, almost all of the delegated services we manage have already been subject to constructive review and redesign over recent times with productivity gains and cost efficiencies taken from every service, using where available evidence of best and safe practice, and evidence of best service models.

6.2 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 to be made. This will mean the IJB needs to consider what can services and level of service can be required and what can safely and sustainably be delivered. It remains that 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.

6.3 There are number of key strategic risks and uncertainties for the IJB:

- The impact of Brexit on the HSCP is not currently known, possible areas of risk include:
  - Impact of European funding, regarding how this will be replaced if at all;
  - Whether staff born outwith the UK will be able to continue working for the HSCP.
  - Potential increased overheads of associated new legislation / regulations
- The Scottish Government response to Brexit and the possibility of a second independence referendum creates further uncertainty;
- Complexity of the IJB governance arrangements has been highlighted by Audit Scotland as an ongoing concern, in particular the lack of clarity around decision making;
- Risk to the effectiveness of the IJB's governance caused by turnover in Board members;
- The IJB governance model promotes decision making by consensus, therefore complex and difficult issues being faced by the IJB may prove difficult to get to a position where consensus is possible;
- IJB Voting Members may feel challenged by their competing roles, as members of the IJB and their constituent bodies; and
- A shortage of key professionals including General Practitioners, District Nurses, Mental Health Officers, Psychologists and Care@Home Staff are a current recruitment and retention challenge for Renfrewshire HSCP.

6.4 The most significant financial risks facing the IJB are set out below:

- 2016/17 savings proposals have not been approved.
- The IJB has not agreed its 2017/18 delegated health budget allocation.
- The alignment of our three year financial plan with the Strategic Plan has been delayed due to the lack of an approved delegated health budget
- The set aside budget for 2017/18 has not been confirmed by NHSGGC for 2017/18; in addition, there are a number of risks associated with the set aside budget which may mean the IJB will not be able to deliver the Scottish Government's expectations in relation to the commissioning of set aside services.
- From 2017/18, the current risk sharing arrangement with NHSGGC for prescribing will change.
- The Carers (Scotland) Act will commence on 1 April, 2018. This new legislation will create new demands on our adult care services through the requirement to produce Adult Carer Support Plans and Young Carer Statements.

## 7. **Summary**

7.1 The HSCP is undertaking a review of the IJB's performance in its first year of operation, this review is taking a collaborative approach, working in consultation with key stakeholders to identify:

- Key achievements in delivering the 2016/17 action plan which contribute to the IJB's longer term objectives
- Challenges, both financial and operational, which have had an impact on service delivery over the last year
- Our priorities for 2017/18, taking into account the outcome of this review, financial pressures and any other external drivers e.g. national policy, legislation, workforce.

7.2 In light of the challenging financial position the HSCP faces, a dedicated HSCP Finance and Planning Forum has been established, jointly led by the Chief Finance Officer and Head of Strategic Planning, to ensure the Strategic Plan and supporting action plans, align with budget planning and related cost reductions/savings. This will be carried out in consultation with the HSCP's Operational Heads of Service and Professional Leads to assess any impact reduced resource may have on service delivery and performance, and the aspirations set out in the current Strategic Plan.

7.3 The HSCP is committed to proactively 'transforming' our health and social care services, exploiting the opportunities integrated working offers with service redesign being informed by a strategic commissioning approach. However, this approach must be balanced with the immediate demands to reduce costs where this is safe to do to given the budget pressures we now face

- 7.4 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. This action plan will include proposals to deliver financial savings which will be progressed as part of the Partnership's wider Change and Improvement Programme and be, subject to IJB approval.

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### Implications of the Report

1. **Financial** - The report provides an overview of the IJB's finances as at 31 March 2016. The outcome of Audit Scotland's findings will be reported to the first available meeting of the IJB's Audit Committee.
2. **HR & Organisational Development – None.**
3. **Community Planning – None.**
4. **Legal** – subject to approval by the IJB, the Accounts will be released for audit by the statutory deadline of 30 June 2016.
5. **Property/Assets – None.**
6. **Information Technology – None.**
7. **Equality & Human Rights – None.**
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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# Renfrewshire Integration Joint Board Annual Accounts 2016/17



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

### 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 External auditors have a responsibility to provide an opinion on the financial statements, which will commonly involve challenging and testing the unaudited accounts. The external audit process will normally lead to some changes and adjustments being made before the accounts are approved by the IJB (or relevant committee) for signature. For 2016/17 IJB annual accounts, the following indicate some of the potential areas which may give rise to audit adjustments:
  - New external audit appointments for 2016/17 may result in new issues being raised
  - For many IJBs 2016/17 has been the first full year of operation, and the external audit process for 2016/17 will therefore be the first 'full audit' of the IJB's governance, procedures and operation
  - There are significant variations and differences between IJBs. This includes the services within the Integration Scheme, the IJB's remit, the form and detail of communications between partners, the governance and control arrangements, the financial regulations and the financial management processes. Therefore, absolute consistency and direct comparability between IJB annual accounts is not necessarily to be anticipated in providing a true and fair view for an individual IJB.
  - Definitive judgements regarding some areas, for example the interpretation of some aspects of legislation, may only become evident during the audit process
- 1.4 In order to assist in managing the risk of unexpected audit adjustments an accounts template was commissioned, by the national CFO network working with CIPFA and the Scottish Government, for each IJB to use and adapt as appropriate. Workshops were also held to address areas of uncertainty, and issues were raised for discussion with relevant stakeholders. The governance, working practices and financial reporting arrangements for IJBs are however still developing areas as IJBs mature and implement their Strategic Plans, and future changes and improvements can be anticipated.
- 1.5 The attached annual accounts have been prepared in accordance with the agreed template where appropriate.

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

### Management Commentary

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. This commentary 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.

#### **1. Role and Remit of Renfrewshire Integration Joint Board**

- 1.1 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. It was envisaged that, health and adult social care services can work together to deliver health and care needs of patients and service users, ensuring those who use services get the right care and support at any point in their care journey.
- 1.2 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.
- 1.3 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***

- 1.4 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);
- 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.

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

- 1.5 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*

- 1.6 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.
- 1.7 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.
- 1.8 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.
- 1.9 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).

## **2. Renfrewshire IJB Operations for the Year (delivered by Renfrewshire HSCP)**

### *Change and Improvement Programme*

- 2.1 To support the delivery of Renfrewshire IJB's Strategic and Financial Plans in 2016/17, the HSCP Chief Officer established an ambitious Change and Improvement Programme, 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. This programme was split into two key Workstreams.
- 2.2 The first, 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. These projects have brought together GP's, Social Work, District Nursing, Rehabilitation and Mental Health teams and other staff to consider how they can further improve joint working to better support the needs of local patients and service users.
- 2.3 Over the last year a number of change programmes have been progressed to help inform how the HSCP can best deliver effective and dynamic 'locality' and 'cluster' based working and to build on existing collaboration and joint working between services.



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

### Localities

- 2.4 In the context of health and social care integration, a 'locality' is defined as a smaller area within the borders of the HSCP. Their purpose is to provide a mechanism of local leadership to inform service planning and delivery and to support greater service integration between primary and secondary care providers.
- 2.5 In Renfrewshire, we have established two localities – Paisley and West Renfrewshire. Within our locality structures we have carried out a number of service review and redesign work strands to maximise effective 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.
- 2.6 During 2016/17 there has been a focus on 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, and to align with new national policy and professional guidance. This is directly consistent with the recent changes to the national GP contract, and, its related guidance on how GPs should be working in collaboration with other each other and with HSCPs.

### GP Clusters

- 2.7 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. In addition, as required in the 2016/17 GP Contract, Practice Quality Leads (PQLs) and Cluster Quality Leads (CQLs) have been identified, to support these emerging integrated models of working. One named GP within each practice will undertake the role of the PQL. The Cluster Quality Lead role has dual accountability. They are accountable to 'the cluster' for developing effective joint working, for developing and delivering the cluster quality improvement programme (CQIP). The CQL will also be accountable to the HSCP for these functions and through these will bring advice and influence within the partnership that connecting the CQIP to the wider partnership plans and responsibilities.
- 2.8 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

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

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 in Renfrewshire which provides a support programme for self management of long term conditions.

2.9 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.
- 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.

2.10 The second workstream framed the HSCP's delivery of social care savings, legislative requirements and service improvement work to assist the IJB to mitigate a number of the key demographic and financial pressures identified within adult social care. Examples of this work 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

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

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 Part I: Resource Implications of SDS: Overview, Part II: Management Considerations and Part III: Self-Evaluation Framework) 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 to approve an indicative budget for the service user's support plan from 16 days in 2014 to 4 days in 2016.
- Negotiations have successfully concluded to bring all contracted providers currently delivering services in Renfrewshire in line with the Living Wage from 1 October 2016

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

### Service Performance

- 2.12 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.
- 2.13 Performance is reported at every meeting of the 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



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

performance scorecard reports on 90 national and local indicators which are categorised under the 9 National Health and Wellbeing Outcomes.

- 2.14 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](http://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.

### Service Drivers & Demand

- 2.15 As a result of a number of policy, demographic, marketplace and digital drivers and increasing financial pressures, there is widespread recognition, as set out in the National Clinical Strategy and Health and Social Care Delivery Plan that we need to change how we deliver health and social services.

### Policy Drivers

#### Public Bodies (Joint Working) (Scotland) Act 2014

- 2.16 The original purpose of health and social care integration, embodied in the Public Bodies (Joint Working) (Scotland) Act 2014, was focussed on meeting the challenges of Scotland's ageing population by shifting resources from hospital based care towards community based, preventative care at home, or in a homely setting. Under the 2014 Act, IJBs were established to lead this local 'transformation' of health and social care delivery, using 'integrated resources', to make a positive impact on service users and improve outcomes.

### National Clinical Strategy

- 2.17 The Scottish Government's National Clinical Strategy published in February 2016, sets out the framework for the development of health services over the next 15 years and the direction this change should take. The Strategy makes proposals for how clinical services need to change in order to provide sustainable health and social care services which are fit for the future.
- 2.18 Central to this step change is the need to increasingly divert resources from acute hospitals services, to create greater capacity within primary care and community services. This capacity would assist primary care to further develop multidisciplinary community team based working models, which would be fully integrated with social care and the independent and third sector.

### Health and Social Care Delivery Plan

- 2.19 In December 2016, the Scottish Government published its Health and Social Care Delivery Plan. The Plan sets out three clear aims – to deliver better health, better care

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and better value. These aims are being driven forward by four major programmes of activity:

- health and social care integration;
- the National Clinical Strategy;
- public health improvement; and
- NHS Board reform

2.20 The main priority for the HSCP is to improve health by optimising the benefits of health and social care integration. This will continue to be achieved by supporting people to live and remain in their own homes and communities and by avoiding unnecessary demands on hospital and other inpatient care. The Plan highlights that in order for this to be realised, services need to be well managed, well-resourced and based on an appropriate assessment of people's needs. This has been a distinct and clear priority of the Renfrewshire IJB since its inception in 2015 and builds on the successful programme of work progressed locally over the previous 5 years to reduce delays in discharge from hospital and to support people in the community

2.21 The Plan sets out a series of ambitious targets for each area. Some of the key objectives are outlined below:

2.22 *Reducing inappropriate use of hospital services:*

- By 2018, unscheduled bed-days in hospital care will reduce by up to 10 percent (i.e. by as many as 400,000 bed-days) by reducing delayed discharges, avoidable admissions and inappropriately long stays in hospital; and
- By 2021, everyone who needs palliative care will get hospice, palliative or end of life care.

2.23 *Shifting resources to primary and community care:*

- By 2021, Health and Social Care Partnership spending on primary care services to rise to 11 percent of the frontline NHS Scotland budget;
- By 2022, there will be more GPs, with every GP practice having access to a pharmacist with advanced clinical skills and 1,000 new paramedics will be in post;
- By 2020, every family will be offered a minimum of 11 home visits including three child health reviews ensuring that children and their families are given the support they need for a healthier start in life.

2.24 *Supporting capacity of community care:*

- In 2017, the Scottish Government will continue to take forward a collaborative, national programme of work to deliver change in the adult social care sector in areas such as the reform of the National Care Home Contract; social care workforce issues and new models of care in the home care sector.

2.25 The HSCP Chief Officer, the Senior Management Team and all our staff are fully committed to the principles of integration and the direction set out by the Scottish Government. However, there are significant governance, financial challenges, and,

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risks which need to be addressed if integration is to fundamentally change the delivery of health and social care services.

2.26 Recent reports from Audit Scotland in relation to health and social care integration clearly articulate many of these risks, including:

- The need for greater clarity on how shifting the balance of care will work in practice, in order to release money for IJBs to invest in more community based and preventative care;
- How IJB members, from different backgrounds, can work effectively and manage conflicts of interest, and often complex relationships with partner organisations;
- Most IJBs do not oversee the operation of acute services which could potentially limit the impact they can achieve; and
- Budget setting challenges: as budgets flow through parent organisations and not directly from the Scottish Government. Furthermore, parent organisation budget setting timelines do not currently align.

2.27 In addition, subsequent Audit Scotland reports on both the NHS and Social Work in Scotland set out the real delivery challenges facing IJBs. These include:

- Social care faces growing demographic demand pressures which are unsustainable within existing service models and resources. Furthermore, the implementation of new legalisation and policies such as the Living Wage create additional cost pressures;
- The NHS is facing a combination of increasing costs, staffing pressures and unprecedented savings targets which challenge how NHS boards balance demand for hospital care with investing in community-based services to meet future need.

2.28 The current situation therefore places significant challenges on the HSCP's ability to deliver the original policy intentions and the more recent policy statements within the National Clinical Strategy and the Health and Social Care Delivery Plan.

2.29 The current model of funding, delivered via NHS Boards to HSCPs, is driving demands to deliver savings that cannot now be achieved without major impact on service capacity, performance and delivery and with a direct impact on service users. Decisions on these savings are made by IJBs whose guiding purpose is to ensure there is a local Strategic Plan in place to enable the balance of care shifts to take place, allowing local people to be supported to live and remain in their own homes and communities. The challenge in delivering this is compounded by the wider financial and demand pressures in other related parts of the health and social care system – particularly acute services, GP services, home care, rehabilitation services and mental health services.

### Self-Directed Support (SDS) – sustainability of services

2.30 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.

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- 2.31 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 require to consider potential decommissioning / withdrawal options where service demand is not as anticipated or where the service is no longer financial viable.

### Adult Protection

- 2.32 Renfrewshire Adult Protection procedures have been revised and updated to reflect the new HSCP structure, roles and responsibilities. The numbers of referrals under adult protection has continued to increase year on year. In 2014-15 there were 1708 referrals to social work under adult protection. 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.
- 2.33 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

- 2.34 The Carers (Scotland) Act will commence on 1 April 2018 and will introduce provisions designed to support carers' health and wellbeing.
- 2.35 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.
- 2.36 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.
- 2.37 The new processes involved in preparing and implementing the new Act will incur significant costs, yet to be fully quantified.

### Social Drivers

#### Demographic

- 2.38 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.

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### 2.39 Key local challenges<sup>1</sup> 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 aging 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.

2.40 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

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

2.42 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.

2.43 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.

2.44 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,

<sup>1</sup> (Renfrewshire) ScotPHO Health and Wellbeing Profiles  
<http://www.scotpho.org.uk/comparative-health/profiles/reports/health-and-wellbeing-profiles>



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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.

- 2.45 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

- 2.46 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.
- 2.47 Development of the use of digital across society, including throughout the public sector, is a key strategic priority of the Scottish Government. There is an opportunity to bring together all IT, digital services, telehealth and telecare, business and clinical intelligence, predictive analytics, digital innovation and data use interests in health and social care. This will be taken forward through a review to be completed in 2017, and a new Digital Health and Social Care Strategy for Scotland is to be published in 2017.
- 2.48 The HSCP recognises that further investment in digital systems is required to facilitate collaborative working practices. 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. The HSCP has already undertaken a range of improvements to address a number of digital and ICT issues.
- 2.49 Further improvements through digital enhancement will:
- Support easier access to business intelligence and predictive analytics for the whole HSCP to support planning and reporting activity;
  - Enable staff to have ‘real time’ access to the information they need so they are better informed to make decisions sooner, offering a more seamless service;
  - Focus efforts on more integrated IT structures which will reduce duplication;

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- Provide an opportunity to automate some tasks to improve the way service users access services
  - Better manage the growing demand for some services through more seamless pathways whilst making effective use of critical resources;
  - Provide ways for people to manage their own health and well-being at home and in the community giving them greater control of their lives.
- 2.50 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.
- 2.51 One example of where the HSCP is investing in new technology is Care at Home. This is one of the HSCP's most critical services which enables service users to continue to be cared for in their own homes. The planned procurement of a new monitoring and scheduling system will bring many benefits including:
- Reduce risk to our service users and the Council in the provision of a more robust, monitored service.
  - Improve outcomes for service users with a greater ability to provide a person-centred experience through: ensuring workers arrive on time and managing requests to amend visits, greater consistency in the service e.g. where possible send the same carer.
  - Deliver staff time efficiencies and associated reinvestment of these into quality monitoring improvements
  - Improve management data available which will allow us to improve care planning and delivery, as well as improving reporting ability – e.g. financial monitoring, inspection and regulatory requirements
  - Improve monitoring and management of external provision
  - Improve financial and charging / billing accuracy

### Financial Outlook

- 2.52 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
  - Health Board allocations to IJB's must be maintained at 2016/17 cash levels including the set aside budget for large hospital services
- 2.53 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.

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### Social Care Budget

- 2.54 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.
- 2.55 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.
- 2.56 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.
- 2.57 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.
- 2.58 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

- 2.59 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 include an indication of the level of set aside budget for 2017/18. 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.
- 2.60 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.



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- 2.61 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.
- 2.62 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.
- 2.63 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.
- 2.64 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.
- 2.65 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 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.

### **3. The IJB's Position at 31 March 2017**

- 3.1 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

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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.

- 3.2 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.
- 3.3 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.
- 3.4 For the 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 a planned underspend of £5.495m.
- 3.5 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.
- 3.6 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.
- 3.7 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.
- 3.8 The full year financial position for the IJB is summarised in the table overleaf:

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
<b>Underspend in year</b>	<b>3,975</b>	<b>1,519</b>	<b>5,494</b>

## 4. Renfrewshire IJBs Strategy and Business Model

### Strategic Plan

- 4.1 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

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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.

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

<b>Outcome 1:</b>	People are able to look after and improve their own health and wellbeing and live in good health for longer
<b>Outcome 2:</b>	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
<b>Outcome 3:</b>	People who use health and social care services have positive experiences of those services, and have their dignity respected
<b>Outcome 4:</b>	Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services
<b>Outcome 5:</b>	Health and social care services contribute to reducing health inequalities
<b>Outcome 6:</b>	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
<b>Outcome 7:</b>	People using health and social care services are safe from harm
<b>Outcome 8:</b>	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
<b>Outcome 9:</b>	Resources are used effectively and efficiently in the provision of health and social care services

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### Finance and Planning Forum

- 4.3 It is recognised that the IJBs Strategic Plan must be dynamic in nature, to ensure it continues to reflect national and local priorities, the impact to changing external drivers and aligns with the IJB's financial plan.
- 4.4 The HSCP is undertaking a review of the IJB's performance in its first year in operation, in line with the objectives and actions set out in its Strategic Plan. This review is taking a collaborative approach, working in consultation with our key stakeholders including staff, the HSCP Leadership Network, the Strategic Planning Group and parent organisations to identify:
- Key achievements in delivering the 2016/17 action plan which contribute to the IJB's longer term objectives
  - Challenges, both financial and operational, which have had an impact on service delivery over the last year
  - Our priorities for 2017/18, taking into account the outcome of this review, financial pressures and any other external drivers e.g. national policy, legislation, workforce.
- 4.5 In light of the challenging financial position the HSCP now faces, a dedicated HSCP finance and planning forum has been established, jointly led by the Chief Finance Officer and Head of Strategic Planning, to ensure the Strategic Plan, and supporting action plans, align with budget planning. This will be carried out in consultation with the HSCP's Operational Heads of Service and Professional Leads to assess any impact that reduced resources may have on service delivery and performance, and the aspirations set out in the current Strategic Plan.
- 4.6 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.
- 4.7 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. Similar to 2016/17, these larger projects will be progressed as part of the Partnership's wider Change and Improvement Programme, and will be subject to IJB approval.



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### Delegation and Delivery of Services

- 4.8 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.
- 4.9 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 provides 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.
- 4.10 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.
- 4.11 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.
- 4.12 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 HSCP Senior Management Team (SMT) and the IJB throughout the year.

## **5. Key Risks and Uncertainties**

- 5.1 There are number of key strategic risks and uncertainties for the IJB:
- 5.2 The impact of UK wide decisions such as Brexit on the HSCP is not currently known. However, possible areas of risk include:
- The HSCP currently benefits from European funding and there will need to be clarity around how this will be replaced if at all;
  - Whether staff born out with the UK will be able to continue working for the HSCP.
  - There could be additional resource overhead if new legislation and regulations require to be implemented.

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- 5.3 The Scottish Government response to Brexit and the possibility of a second independence referendum creates further uncertainty.
- 5.4 The complexity of IJB governance arrangements has been highlighted by Audit Scotland, in particular the lack of clarity around decision making:
- There is risk to the effectiveness of the IJB's governance caused by the high turnover in Board members. Recent changes due to NHS Board appointment changes and local elections have changed the membership of the IJB. Over 2016/17 there were a number of changes to the NHS Non-Executive membership, and with a change to Renfrewshire Council's Administration from May 2017, there will be four new voting members.
  - The IJB governance model promotes decision making by consensus. There is a risk that complex and difficult issues being faced by the IJB may prove difficult to get to a position where consensus is possible. As mitigation, the IJB has an agreed mechanism for resolving disputes
  - There is a risk that some IJB Voting Members may feel challenged by their competing roles, as members of the IJB and their constituent bodies. There is an acknowledged need for training and development in this area to support members, which are flagged up in the recommendations in the Accounts Commission report from December 2015.
- 5.5 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 negative effect on:
- 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.

The HSCP's Workforce Plan identifies the key actions the HSCP will take in 2017/18 to improve current recruitment and retention challenges in our workforce.

- 5.6 The most significant financial risks facing the IJB are set out in the table below:

Financial Risk		Impact	Mitigation
1.	<p><b>2017/18 delegated Health Budget</b></p> <p>To date, the IJB has not agreed its 2017/18 delegated health budget allocation.</p>	<p>The Chief Finance Officer cannot provide the IJB with a Financial Plan and complete Due Diligence for this component of the IJB's budget.</p>	<p>The Chief Officer implemented a financial recovery plan immediately following the IJB meeting on 10 March 2017.</p> <p>The Chief Officer and Chief Finance officer have 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. The Directions which will be issued to NHSGGC in respect of the health delegated budget will reflect this position.</p>

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

2.	<p><b>2016/17 delegated Health budget savings proposals</b></p> <p>The IJB's 2016/17 saving proposals have not been approved.</p>	<p>The Chief Finance Officer could not provide the IJB with a Financial Plan and complete Due Diligence for this component of the IJB's budget.</p> <p>If outstanding savings are not agreed early on in 2017/18, there is risk that delays will impact negatively on the financial management of the IJB and service delivery.</p>	<p>NHS GGC agreed to fund this shortfall on the basis that the IJB would agree saving proposals to address this gap as part of its 2017/18 budget process.</p> <p>Saving proposals will be presented to the IJB when they meet in June 2017</p>
3.	<p><b>Financial planning</b></p> <p>The alignment of our three-year financial plan with the Strategic Plan has been delayed due to the lack of an approved delegated health budget</p>	<p>There is no fully integrated financial planning process to support the IJB's delivery of its three-year Strategic Plan. This creates uncertainty in relation to service delivery and ongoing provision of resources.</p>	<p>The Chief Finance Officer is taking saving proposals to the June meeting of the IJB to approve. Thereafter, the Chief Finance Officer will be able to complete her Financial Plan.</p> <p>Regular budget meetings with budget holders are in place.</p> <p>Regular budget reporting to the IJB</p>
4.	<p><b>Set Aside</b></p> <p>The notional set aside budget delegated to the IJB for 2016/17 is £29.6m.</p> <p>There are a number of risks associated with the notional delegated budget which may mean the IJB will not be able to deliver the Scottish Government's expectations in relation to the commissioning of set aside services</p>	<p>As this budget is notional and based on historical data, the Chief Finance Officer cannot provide any assurance to members on the sufficiency of this budget as part of due diligence</p> <p>At present, there is no agreed financial management reporting model in place to monitor actual service consumption against the levels Renfrewshire has commissioned</p> <p>If the IJB commission less unscheduled care than we consume in 2017/18, there is a risk that we could be charged for this over consumption.</p> <p>Conversely, if we under consume, or reduce our consumption, through effectively shifting the balance of care and reducing demand on Acute Services, there is no mechanism for the associated resource transfer from NHS GGC to the IJB.</p>	<p>During 2016/17, work commenced with the Acute sector and colleagues from other NHS Greater Glasgow and Clyde HSCPs to develop a set of Acute Commissioning Intentions for Unscheduled Care. These were approved by the IJB in March 2017 and work is now underway to develop a set of matrices and targets to support the commissioning intentions.</p> <p>It is intended that this work will demonstrate how the HSCP can reduce demand on Acute Services and create a compelling case for resource transfer.</p>
5.	<p><b>Prescribing</b></p> <p>As of 2017/18, the current risk sharing arrangement with NHS GGC for prescribing will change.</p> <p>Under the risk sharing arrangement across NHS GGC budgets are currently adjusted</p>	<p>The main impact of the proposed changes will be that the HSCPs will be required to deliver significant levels of savings to the prescribing budget in 2017/18</p>	<p>A number of plans on how this outstanding pressure could be delivered in 2017/18 are being considered by a newly formed 'Prescribing Efficiency Group', consisting of cross party representation across HSCPs, GP practices and the Board's prescribing advisors.</p> <p>Given this level of financial risk, the IJB, has agreed that an earmarked reserve is held</p>

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	to report a cost neutral position for all HSCPs. The arrangements for this change have not yet been finalised.		to assist with mitigating this risk until a more definitive position is agreed and plans put in place to delivery this on a recurring basis.
<b>6.</b>	<p><b>Carers Act</b></p> <p>The Carers (Scotland) Act will commence on 1 April, 2018. The package of provisions in the Act is designed to support carers' health and wellbeing.</p> <p>This Act will place a duty on the HSCP to provide support to carers in their own right.</p> <p>This new legislation will create new demands on our adult care services through the requirement to produce Adult Carer Support Plans and Young Carer Statements.</p>	<p>Additional resources will be required to complete assessments on carers, and also through the waiving of charges to carers receiving short breaks.</p> <p>Full implementation of the Carers Act will not be until April 2018 however there will be a requirement to produce a Local Carers Strategy and to agree local eligibility criteria prior to implementation. There is a requirement that Carers and Carers organisation are directly involved in consultation.</p> <p>The new processes involved in preparing and implementing the new Act will incur significant costs, yet to be fully quantified.</p>	<p>The Scottish Government has agreed to provide IJBs with some funding assistance however this has not yet been finalised.</p> <p>The Chief Finance Officers national network is working closely with the Scottish Government to identify the level of financial exposure.</p>

**Dr Donald Lyons**

XX/09/17

IJB Chair

**David Leese**

XX/09/17

Chief Officer

**Sarah Lavers**

XX/09/17

Chief Financial Officer

**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.



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

- 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 29 September 2017.

Signed on behalf of Renfrewshire IJB

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**Dr Donald Lyons**  
IJB Chair

**Date:**  
XX/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.

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**Sarah Lavers**  
Chief Financial Officer

Date:  
XX/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.

### Voting Board Members

- 1.2 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.
- 1.3 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.
- 1.4 The IJB does not pay allowances or remuneration to voting board members; voting board members are remunerated by their relevant IJB partner organisation.
- 1.5 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)	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 (1).	NHSGGC	Nil	Nil
Mr John Brown (1)	NHSGGC	Nil	Nil
Ms Dorothy McErlean (2)	NHSGGC	Nil	Nil
Mr John Legg (2)	NHSGGC	Nil	Nil

Notes: (1) Left Office 16 August 2016; (2) Appointed 16 August 2016.

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

### Officers of the IJB

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

### IJB Chief Officer

- 1.7 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 (NHSGGC). The remuneration terms of the Chief Officer's employment were approved by the IJB.

### Other Officers

- 1.8 No other staff are appointed by the IJB under a similar legal regime. Other non-voting board member 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)	<b>D Leese</b> Chief Officer, Renfrewshire IJB	114,305	-	114,305
64,525 (FYE 74,740)	<b>S Lavers</b> Chief Financial Officer, Renfrewshire IJB	81,844	-	81,844

FYE = Full Year Equivalent

- 1.9 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.
- 1.10 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

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

**Disclosure by Pay Bands**

- 1.11 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

**Dr Donald Lyons**  
IJB Chair

XX/09/17

**David Leese**  
Chief Officer

XX/09/17

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

### ANNUAL GOVERNANCE STATEMENT

#### 1. Introduction

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

##### *Scope of Responsibility*

- 1.2 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.
- 1.3 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.
- 1.4 This system can only provide reasonable and not absolute assurance of effectiveness.

#### 2. Governance Framework

- 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 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.



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

- 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 and reported regularly to the Senior Management Team and the IJB.
- 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.

### 3. Roles and Responsibilities

- 3.1 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.
- 3.2 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.
- 3.3 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".
- 3.4 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.
- 3.5 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.

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

### 4. Review of Adequacy and Effectiveness

- 4.1 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.
- 4.2 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.
- 4.3 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.
- 4.4 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.
- 4.5 Section 5, 'Key Risks and Uncertainties' within the management commentary provides details of the most significant financial risks facing the IJB along with the impact and mitigation to manage these.
- 4.6 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.

### 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.



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

- 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.

**Dr Donald Lyons**  
IJB Chair

XX/09/17

**David Leese**  
Chief Officer

XX/09/17

**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
			<b>Health Services</b>				
			Addiction Services		2,746	(245)	2,501
			Adult Community Services		6,567	(252)	6,315
133	-	133	Business Support and Admin		3,658	(1,020)	2,638
			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		1,377	(294)	1,083
			Podiatry		6,564	(27)	6,537
			Prescribing		35,007		35,007
			Primary Care Support		5,087	(137)	4,950
			Resource Transfer		25,817		25,817
133	-	133	<b>Health Services Directly Managed by Renfrewshire IJB</b>		<b>162,702</b>	<b>(5,025)</b>	<b>157,677</b>
			Services Hosted by Renfrewshire IJB for Other IJBs	7	(9,869)	140	(9,729)
			Services Hosted by Other GGC IJBs	8	12,690	(2,004)	10,686
			Resource Transfer Adjustment		(25,817)	-	(25,817)
			Reserve Adjustment		(2,035)	-	(2,035)
			Set Aside for Delegated Services Provided in Large Hospitals		29,582	-	29,582
133	-	133	<b>Total Cost of Health Services</b>		<b>167,253</b>	<b>(6,889)</b>	<b>160,364</b>
			<b>Social Care Services</b>				
			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		54,630	(9,869)	44,761
			Physical or Sensory Difficulties		7,821	(489)	7,332
134	-	134	<b>Social Care Services Directly Managed by Renfrewshire IJB</b>		<b>92,010</b>	<b>(14,143)</b>	<b>77,867</b>
			Reserve Adjustment		(1,519)	-	(1,519)
			Services Delegated to Social Care	9	1,251	(31)	1,220
134		134	<b>Total Social Care Services</b>		<b>91,742</b>	<b>(14,174)</b>	<b>77,568</b>
267	-	267	<b>Total Cost of Services</b>		<b>258,995</b>	<b>(21,063)</b>	<b>237,932</b>
-	(267)	(267)	Taxation and Non-Specific Grant Income	4	-	(243,426)	(243,426)
267	(267)	-	<b>Surplus on Provisions of Services (movement in reserves)</b>		<b>258,995</b>	<b>(264,489)</b>	<b>(5,494)</b>

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.

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

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

### Movement in Reserves Statement

This statement shows the movement in the year on the 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.

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

### 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.

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

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 29 September 2017.

Balance Sheet signed by:

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**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. , 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.

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

### **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.

### **Reserves**

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**

Renfrewshire IJB provides clinical services to patients under the statutory responsibility of NHSGGC. In connection with this, it is responsible for any claims for medical negligence arising from the services it commissions, up to a specific threshold per claim. For claims of this threshold NHSGGC and IJB are members of the 'Clinical Negligence and Other Risks Indemnity Scheme' (CNORIS). This is a risk transfer and financing scheme which was established in 1999 for NHS organisations in Scotland, the primary objective of which is to provide a cost-effective risk pooling and claims management arrangement for those organisations which it covers.

The Regulations governing the CNORIS Scheme were amended on 3 April 2015 so that Integration Joint Boards and Local Authorities could apply to the Scottish Ministers to become members of the Scheme.

CNORIS provides indemnity to member organisations in relation to Employer's Liability, Public/Product Liability and Professional Indemnity type risks (inter alia) no less wider than that generally available within the commercial insurance market.



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

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHSGGC and Renfrewshire Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide. NHSGGC (through CNORIS) and Renfrewshire Council (through AIG); this will remain in place to cover the employees who are employed by and the services that are delivered by those organisations.

Renfrewshire IJB have joined the CNORIS scheme to cover for Board members at this stage. The NHSGGC pays the financial contribution on behalf of all NHSGGC IJB's, which is presently set at £3,000 per annum per IJB. 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 analogous to normal insurance arrangements

The IJB are required to make provision for any claims notified by the NHS Central Legal Office according to the value and probability of settlement. Where a claim is not provided for in full, the balance would be included as a contingent liability. The corresponding recovery from CNORIS in respect of amounts provided for would be recorded as a debtor and that in respect of amounts disclosed as contingent liabilities are disclosed as contingent assets.

**Note 2: 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.

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

### Note 3: 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
<b>Health Services</b>		
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)
<b>Social Care Services</b>		
Employee Costs	129	28,841
Property Costs	-	551
Supplies and Services	-	2,492
Contractors	-	52,465
Transport	-	727
Administrative Costs	-	247
Payments to Other Bodies	5	6,419
Income	-	(14,174)
<b>Total Cost of Services</b>	<b>267</b>	<b>237,932</b>
<b>Partners Funding Contributions and Non-Specific Grant Income</b>	<b>(267)</b>	<b>(243,426)</b>
<b>Surplus on Provision of Services</b>	<b>-</b>	<b>(5,494)</b>

### Note 4: 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
<b>TOTAL</b>	<b>267</b>	<b>243,426</b>

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

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

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 5: 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	2016/17 £000's
NHS Greater Glasgow and Clyde Health Board	-	3,975
Renfrewshire Council	-	1,519
<b>TOTAL</b>	<b>-</b>	<b>5,494</b>

Short Term Creditors	2015/16 £000's	2016/17 £000's
NHS Greater Glasgow and Clyde Health Board	-	-
Renfrewshire Council	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

### Note 6: Reserves

The IJB's reserves are classified as either Usable or Earmarked 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
<b>TOTAL GENERAL RESERVES</b>	<b>-</b>	<b>2,644</b>

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

<b>Earmarked Reserves</b>	<b>2015/16 £000's</b>	<b>2016/17 £000's</b>
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
<b>TOTAL EARMARKED RESERVES</b>	<b>-</b>	<b>2,850</b>

**Note 7: 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:

<b>Agency Income and Expenditure (Hosted Services)</b>	<b>2015/16 £000's</b>	<b>2016/17 £000's</b>
Expenditure on Agency Services	-	9,869
Reimbursement for Agency Services	-	(140)
<b>NET AGENCY EXPENDITURE (EXCLUDED FROM THE CIES)</b>	<b>-</b>	<b>9,729</b>

Primary Care Support hosted service includes £946k transferred into the Earmarked Reserve.

**Note 8: Services Hosted by Other GGC IJBs**

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

<b>Services Hosted by Other GGC IJBs</b>	<b>2015/16 £000's</b>	<b>2016/17 £000's</b>
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

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

Sexual Health	-	1,443
Reimbursement for Services Hosted by Other GGC IJBs	-	(2,004)
<b>NET AGENCY EXPENDITURE (INCLUDED IN THE CIES)</b>	<b>-</b>	<b>10,686</b>

**Note 9: 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.

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

**Note 10: 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.

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

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

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

<b>Debtors</b>	<b>2015/16 £000's</b>	<b>2016/17 £000's</b>
NHS Greater Glasgow and Clyde Health Board	-	-
Renfrewshire Council	-	5,494
<b>TOTAL</b>	<b>-</b>	<b>5,494</b>



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

### Note 11: 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
<b>TOTAL</b>	<b>267</b>	<b>288</b>

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 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.

### Note 13: 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.



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**To: Renfrewshire Integration Joint Board**

**On: 23 June 2017**

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**Report by: Chief Finance Officer**

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**Heading: Financial Report 1 April to 31 May 2017**

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**1. Purpose**

- 1.1. The purpose of this report is to advise the Integration Joint Board (IJB) of the Revenue Budget current year position as at 26 May (Social Work) and 31 May 2017 (Health).
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**2. Recommendation**

It is recommended that the IJB:

- Note the contents of the paper.
- 

**3. Introduction**

- 3.1 Members are reminded of the current position as regards the delegated health budget allocation for 2017/18 which was presented to the IJB on 10 March 2017.

- 3.2 In summary, on 18 January 2017, the Director of Health and Social Care Integration, and Director of Health Finance, Scottish Government, wrote to NHS Board Chief Executives setting out the draft budget and providing direction to NHS Boards, which included the following statement:

- NHS Boards contributions to IJBs “must be at least equal to the recurrent budgeted allocations in 2016/17. The allocation should include the total of the sum set aside for hospital services”.

- 3.3 Based on the Chief Finance Officer’s recommendation the IJB did not accept the 2017/18 delegated Health Budget offer on the basis of:

- the level of budget did not match the cost of delegated services;
- the level of budget to be allocated falls below the 2016/17 cash level; and
- the historic Community Health Partnership (CHP) undelivered savings, and NHS pension costs should not have been allocated as a charge to the IJB as these predate the establishment of the IJB and did not feature in the due diligence work undertaken by the Chief Finance Officer during 2015/16 or the September 2015 due diligence report by PWC on behalf of NHSGGC.

- 3.4 Included within the letter of 18 January 2017 (from the Director of Health and Social Care Integration, and Director of Health Finance, Scottish Government) were directions that the NHS allocation for 2017/18 should include the total

sum set aside for hospital services. The acute set aside budget is a key component of the Scottish Government's model for integrated health and social care services. No set aside resource has yet been identified as part of NHS GGC's budget allocation to HSCP's for 2017/18. The notional allocation to Renfrewshire HSCP for 2016/17 was £29.582m.

- 3.5 At the meeting of the IJB on 10 March 2017 it was agreed that the Chair of the IJB would write to NHS GGC to formally reject their offer on the basis of the Chief Finance Officer's recommendations a copy of the letter, dated 16 March 2017, is attached at Appendix 6.
- 3.6 To date there has been no formal response to that letter. On 29 March 2017, the former Chief Executive of the Health Board wrote out to all six IJBs on this issue. A copy of this letter is attached at Appendix 7.
- 3.7 Members should note that for 2017/18 there are a number of continuing risks related to both Adult Social Care and Health delegated services. This includes service areas which will be impacted by demographic changes, as well as external factors such as the increasing cost of medicines. The requirement to deliver cash releasing efficiency savings on the delegated health budget represents a significant financial risk which is heightened due to the impact of the exclusion of elements of Primary Care budgets from efficiency savings. Savings of up to £2.464m (including the outstanding savings target from 2016/17) in 2017/18 are assumed subject to agreement with NHS GGC on the 2017/18 allocation to Renfrewshire HSCP.

#### ***Current Financial position at 31 May 2017***

- 3.8 The overall revenue position for the HSCP at 31 May 2017 is an overspend of £167k, as detailed in the table below. The achievement of a year-end breakeven position is dependent on: the application of reserves carried forward from 2016/17 for both the Adult Social Care budget, and the Health Services budget; and, delivery of the delegated Health budget savings plans which are detailed in a separate report to this IJB, ("Health Board Contribution to the IJB for 2016/17 and 2017/18"). In addition, Members should be aware that this position may be adversely affected depending on the outcome of the NHS GGC financial planning process for 2017/18.

<b>Division</b>	<b>Current Reported Position</b>	<b>Previously Reported Position</b>
Social Work – Adult Services	Breakeven	n/a
Renfrewshire Health Services	£167k Overspend	n/a
<b>Total Renfrewshire HSCP</b>	<b>£167k Overspend</b>	<b>n/a</b>

- 3.9 The key pressures are highlighted in section 4 and 5.
- 3.10 Appendix 3 and 4 provide a reconciliation of the main budget adjustments applied this current financial year to bring us to the net budget as reported.

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#### **4. Social Work – Adult Services**

**Current Position:** breakeven  
**Previously Reported:** n/a

##### **4.1. Older People**

**Current Position:** Net underspend of 4k  
**Previously Reported:** n/a

As reported throughout 2016/17, demand pressures continue to be experienced on the Care at Home Service. These pressures have been partially offset by vacancies within HSCP managed, Local Authority owned Care Homes, which have been recruited to, and, through the application of reserves carried forward from the Council's 2016/17 budget allocation. The overall position within Older People's services was a net underspend after the application of these resources.

#### 4.2. **Learning Disabilities**

Current Position:	Net overspend of £75k
Previously Reported:	n/a

As reported throughout 2016/17, this overspend is due to ongoing pressures within the Adult Placement budget.

#### 4.3 **Budget Realignment**

As part of the 2017/18 financial planning exercise a review of all budget lines within Adult Social Care has been carried out to take into account the full year impact of:

- Living Wage on all external care packages
- Increasing demand levels and changes in provider rates
- SDS
- Impact of 2016/17 council budget decisions on charging budgets

Where possible, budgets (using the additional resources allocated by the Scottish Government and Renfrewshire Council in 2016/17 and a proportion of the 2017/18 allocation) have been aligned to reflect client group spend profiles and demand pressures throughout the service. Members, should however note that work will continue throughout 17/18 to further refine the budget alignment as the impact of the living wage and other contractual pressures on specific budgets emerge throughout 17/18.

### 5. **Renfrewshire Health Services**

Current Position:	Net overspend £167k
Previously Reported:	n/a

#### 5.1. ***Adult Community Services (District and Out of Hours Nursing; Rehabilitation Services, Equipu and Hospices)***

Current Position:	Net underspend of £70k
Previously Reported:	n/a

The net underspend within Adult Community Services is mainly due to vacancies within the rehabilitation service, and an underspend in relation to external charges for Adults with Incapacity (AWI) bed usage. As these placements are subject to variations through the year the current reported underspend may change.



5.2. **Hosted Services (*support to GP's for areas such as breast screening, bowel screening and also board wide podiatry service*)**

Current Position: Net underspend of £41k  
Previously Reported: n/a

This underspend reflects turnover within the service due to vacant administrative posts within the screening services. In addition, there continues to be an underspend within podiatry, due to a combination of service redesign, staff turnover and maternity / unpaid leave, some of which are covered by bank staff.

5.3. **Mental Health**

Current Position: Net overspend of £288k  
Previously Reported: n/a

Overall, Mental Health services are reporting an over spend of £288k. This overspend is due to a number of contributing factors within both adult and elderly in-patient services.

As reported throughout 2016/17, the main overspends within in-patient services continue to relate to significant costs (overtime, agency and bank costs) associated with patients requiring enhanced levels of observation across all ward areas. In addition, pressures continue in relation to maintaining the recommended safe staffing and skill mix for registered nurse to bed ratios.

5.4. **Prescribing**

Current Position: Breakeven  
Previously Reported: n/a

The year-end reported position to the IJB was based on the actual position for the year to 28 February 2017, with an overall position across all partnerships of (£1.502m) with Renfrewshire HSCP reporting a £0.181m underspend. Under the risk sharing arrangement across NHSGGC this was adjusted to report a cost neutral position.

The final 2016/17 prescribing outturn is due in mid-June 2017. Until this information is available the 2017/18 budget allocation cannot be confirmed. The current overall prescribing pressure (for the 6 NHSGGC's HSCP's) for 2017/18, before the application of £8m of cost containment/savings and efficiency plans is estimated to be a £16.5m budget shortfall. This leaves a further £8.5m pressure attributable to HSCPs.

A number of plans on how to address this pressure in 2017/18 are being considered by a newly formed 'Prescribing Efficiency Group', consisting of cross party representation across HSCPs, GP practices and the NHS Board's Lead Pharmacists. This group held its first workshop on 26<sup>th</sup> April 2017 with a follow up on 8<sup>th</sup> June 2017. The overarching theme being to drive down volumes and costs and influence current prescribing practice across both Acute and Community through tightened application of ScriptSwitch, and refreshed approaches to polypharmacy reviews, repeat prescribing, serial dispensing and care home patient reviews.

The 2017/18 budget allocations for prescribing are still to be finalised, along with a new prescribing risk sharing arrangement between the six HSCPs and NHSGGC.

Given the level of financial risk to the IJB, the CFO has recommended that an earmarked reserve (as set out in the IJB 'Financial Report 1 April 2016 to 31 March 2017') is held to assist with mitigating this risk until a more definitive position is agreed and plans put in place to deliver any remaining shortfall on a recurring basis.

## 6 Set Aside Budget

6.1 As highlighted earlier in this report (para 3.4) no set aside budget has yet been identified as part of NHSGGC's budget allocation to HSCP's for 2017/18. It is expected that the NHS Board will receive a report soon on improvements in unscheduled care which should fully reflect the 6 HSCP Unscheduled Care Commissioning Intentions for 2017/18.

6.2 For 2016/17 the HSCP was allocated a notional set aside budget of £29.582m. This allocation is included in the 2016/17 IJB accounts along with a note to confirm that this is a notional figure based on historical data and costs, and for the purpose of the accounts it is assumed that activity levels match the notional budget allocated.

## 7. Garden Assistance Scheme and Housing Adaptations

Description	Full Year Budget	Year to date Budget	Spend to Date	Year-end Projection
Garden Assistance Scheme	£369k	£57k	£57k	£369k
Housing Adaptations	£905k	£143k	£175k	£905k
<b>Total</b>	<b>£1,274k</b>	<b>£200k</b>	<b>£232k</b>	<b>£1,274k</b>

7.1. The summary position for the period to 26 May 2017 is reported in the table above, and reports an overall spend of £232k with an anticipated breakeven at the year end.

7.2 Members should note that Renfrewshire Council has increased the budget for Garden Assistance by £73k for 2017/18. This increase reflects current demand for the service following a review of users which confirmed the current cost of service provision.

## 8 Living Wage Update

### 8.1. *Living Wage commitment 2016/17*

Renfrewshire Council on behalf of Renfrewshire HSCP led negotiations with providers of homecare services, supported living services and housing support services to agree a fair settlement which would enable providers to pay their care staff the Living Wage of £8.25 per hour from 1<sup>st</sup> October 2016 – 30 April 2017.

Negotiations were conducted across two work streams:

- Contracted care providers delivering services under the terms of established contractual agreements;
- Out of area placements established either under host local authority agreements, or by mutual agreement under the providers terms.

Negotiations with our own contracted providers were concluded by December 2016, negotiations with Out of Area providers have now concluded, with settlements for all providers backdated to 1<sup>st</sup> October 2016.

The process of negotiation was complicated by the requirement set by Scottish Government for providers to make a contribution to the payment of the Living Wage to staff as the funding settlement provided only covered 75% of the total cost. When negotiating with providers, Renfrewshire HSCP contributed a sum to cover the cost of salary / grade differentials and statutory on-costs and providers were asked to contribute 25% of the net difference.

Renfrewshire HSCP provided feedback to the Scottish Government confirming that this approach placed a strain on providers and that any future settlements could not be predicated on a provider contribution.

## 8.2. ***Living Wage commitment 2017/18***

As Part of the 2017/18 budget settlement the Scottish Government provided funding for the uplift in the Living Wage from £8.25 per hour to £8.45 per hour to take effect from 1<sup>st</sup> May 2017.

This uplift should take account of the cost of increase, including an allowance for on-costs and differentials, no provider contribution will be required.

Renfrewshire HSCP have calculated a settlement based on the 20 pence difference plus an additional percentage to cover statutory on-costs. All contracted providers have received an offer, progress is as follows:

- **Care At Home**: new rate offered to the 7 Framework providers. All 7 have agreed to the rate uplift and to the conditions attached and staff will receive the uplifted rates from 1<sup>st</sup> May 2017.
- **Supported Living**: new hourly rates offered to all of the (11) current Supported Living framework providers who provide services to Renfrewshire Council. The offered uplift includes an increase in the allowance for sleepover. This will allow providers to pay £8.45 per hour for all contracted hours worked.  
To date 6 providers have accepted the offered uplift and agreed to the terms; 3 have noted that as they work across multiple authorities, they cannot agree to implement the new pay scales until all of the councils they work with have concluded negotiations; one provider has asked for more time to allow them to discuss the offer with their board, and one has yet to respond.
- **Out of Area**: uplifts will be offered to providers either based on host local authority agreement or a percentage uplift calculated based on increase plus on-costs.
- **National Care Home Contract**: the terms of this contract are negotiated annually by COSLA and Scottish Government with Scottish Care and the Coalition of Care and Support Providers in Scotland (CCPS). This year an offer of 2.8% increase was made, this includes an allowance to support delivery of £8.45 per hour to all care staff.

Minutes of Variation have been issued to all our providers however not all have agreed to the settlement. Discussions with providers are ongoing and a further update will be provided at the next meeting.

## **9. 2017/18 Delegated Health budget update: Financial Recovery Plan**

- 9.1 IJB's have responsibility for developing recovery plans for services which are overspending. Due to delays in the approval of the delegated Health budget savings from 2016/17 to be delivered fully recurring from April 2017, on 10 March 2017 members approved the CFO's recommendation for the Chief Officer to effect the necessary management action to implement a financial recovery plan from 1 April 2017 in order to mitigate the shortfall in funding in 2017/18.
- 9.2 The Chief Officer, immediately following the meeting of 10 March 2017, and working with the Chief Finance Officer and the Senior Management Team, put in place a number of management actions to manage the budget shortfall. These actions included:
- All discretionary spend decisions to be agreed by the Chief Officer in partnership with the relevant Head of Service;
  - Suspension of new development initiatives and programmes which would have been funded from the Integrated Care Fund (ICF) and delayed discharge (DD) allocations;
  - Holding, on a temporary basis, any 'non frontline' health service vacancies, only appointing to those posts which the Chief Officer considers to be a service priority. These decisions have been taken on an individual and fully risk assessed basis; and
  - A review of all non-recurring monies to determine where these can be used in-year to fund the budget shortfall.
- 9.3 In addition, (as detailed in an earlier report to the IJB today 'Financial Report 1 April 2016 to 31 March 2017'), given the significant assumed health budget gap to be met in 2017/18, 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 mitigating the delay in having an approved savings plan for the delegated health services budget.
- 9.4 Members should note that unless savings schemes are approved and implemented with immediate effect it is unlikely that the health delegated budget will deliver a breakeven position by 31 March 2018.

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### **Implications of the Report**

1. **Financial** – Financial implications are discussed in full in the report above.
2. **HR & Organisational Development** – none
3. **Community Planning** - none
4. **Legal** – This is in line with Renfrewshire IJB's Integration Scheme
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 Council's website.

8. **Health & Safety** – none

9. **Procurement** – Implementation of the living wage impact on existing contracts with providers and their ability to deliver within the allocated funding package

10. **Risk** – There are a number of risks which should be considered on an ongoing basis: a) adequate funding to deliver core services, delivery of additional unallocated savings within the current financial year and the allocation of non-recurring funds by NHSGGC Board to meet this shortfall in 2016/17.

11. **Privacy Impact** – none.

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**List of Background Papers** – None.

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**Author:** Sarah Lavers, Chief Finance Officer



**Social Work Revenue Budget Position**  
**1st April 2016 to 26th May 2017**

Subjective Heading	Annual Budget £000's	Year to Date Budget £000's	Actual to Date £000's	Variance		
				£000's	%	
Employee Costs	27,841	3,469	2,857	612	17.6%	underspend
Property Costs	383	(1)	(31)	30	-3000.0%	underspend
Supplies and Services	1,555	(34)	(19)	(15)	44.1%	overspend
Contractors	51,534	4,515	5,088	(573)	-12.7%	overspend
Transport	692	49	30	19	38.8%	underspend
Administrative Costs	239	34	13	21	61.8%	underspend
Payments to Other Bodies	4,926	(80)	(84)	4	-5.0%	underspend
Capital Charges	-	-	-	-	0.0%	breakeven
<b>Gross Expenditure</b>	<b>87,170</b>	<b>7,952</b>	<b>7,854</b>	<b>98</b>	<b>1.2%</b>	<b>underspend</b>
<b>Income</b>	<b>(22,201)</b>	<b>(3,210)</b>	<b>(3,112)</b>	<b>(98)</b>	<b>3.1%</b>	<b>overspend</b>
<b>NET EXPENDITURE</b>	<b>64,969</b>	<b>4,742</b>	<b>4,742</b>	<b>-</b>	<b>0.00%</b>	<b>breakeven</b>

Position to 26th May is a breakeven of **£0** **0.00%**

Anticipated Year End Budget Position is a breakeven of **£0** **0.00%**

Client Group	Annual Budget £000's	Year to Date Budget £000's	Actual to Date £000's	Variance		
				£000's	%	
Older People	42,678	2,694	2,690	4	0.1%	underspend
Physical or Sensory Difficulties	6,180	272	270	2	0.7%	underspend
Learning Difficulties	14,037	1,743	1,818	(75)	-4.3%	overspend
Mental Health Needs	693	117	84	33	28.2%	underspend
Addiction Services	731	72	36	36	50.0%	underspend
Integrated Care Fund	650	(156)	(156)	-	0.0%	breakeven
<b>NET EXPENDITURE</b>	<b>64,969</b>	<b>4,742</b>	<b>4,742</b>	<b>-</b>	<b>0.00%</b>	<b>breakeven</b>

Position to 26th May is a breakeven of **£0** **0.00%**

Anticipated Year End Budget Position is a breakeven of **£0** **0.00%**



**Health Revenue Budget Position  
1st April 2017 to 31st May 2017**

Subjective Heading	Annual Budget £000's	Year to Date Budget £000's	Actual to Date £000's	Variance		
				£000's	%	
Employee Costs	43,147	7,185	7,316	(131)	-1.8%	overspend
Property Costs	21	3	15	(12)	-347.1%	overspend
Supplies and Services	20,533	3,489	3,443	46	1.3%	underspend
Purchase of Healthcare	2,473	412	411	1	0.3%	underspend
Resource Transfer	16,871	2,812	2,812	-	0.0%	breakeven
Family Health Services	80,929	12,035	12,062	(27)	-0.2%	overspend
Savings	(275)	(46)		(46)	100.0%	overspend
Capital Charges				-	0.0%	breakeven
<b>Gross Expenditure</b>	<b>163,699</b>	<b>25,891</b>	<b>26,058</b>	<b>(168)</b>	<b>-0.6%</b>	<b>overspend</b>
<b>Income</b>	<b>(3,789)</b>	<b>(486)</b>	<b>(486)</b>	<b>0</b>	<b>0.0%</b>	<b>overspend</b>
<b>NET EXPENDITURE</b>	<b>159,910</b>	<b>25,405</b>	<b>25,572</b>	<b>(167)</b>	<b>-0.66%</b>	<b>overspend</b>

Position to 31st May is a breakeven

**-£167k**      **-0.66%** overspend

Anticipated Year End Budget Position is an overspend of

**-£1.330m**

Client Group	Annual Budget £000's	Year to Date Budget £000's	Actual to Date £000's	Variance		
				£000's	%	
Addiction Services	2,565	419	423	(4)	-1.0%	overspend
Adult Community Services	9,284	1,555	1,485	70	4.5%	underspend
Children's Services	5,022	917	904	13	1.4%	underspend
Learning Disabilities	1,126	188	184	4	2.2%	underspend
Mental Health	18,814	3,155	3,443	(288)	-9.1%	overspend
Hosted Services	10,362	1,684	1,644	41	2.4%	underspend
Prescribing	35,007	4,038	4,038	-	0.0%	breakeven
GMS	22,402	3,958	3,958	-	0.0%	breakeven
Other	20,864	3,622	3,622	-	0.0%	breakeven
Planning and Health Improvement	1,188	192	167	24	12.7%	underspend
Other Services	655	262	288	(26)	-10.0%	overspend
Resource Transfer	16,871	2,812	2,812	-	0.0%	breakeven
Integrated Care Fund	3,494	562	562	-	0.0%	breakeven
Social Care Fund	12,255	2,043	2,043	-	0.0%	breakeven
<b>NET EXPENDITURE</b>	<b>159,910</b>	<b>25,406</b>	<b>25,572</b>	<b>(166)</b>	<b>-0.65%</b>	<b>overspend</b>

Position to 31st May is a breakeven

**-£167k**      **-0.66%**

Anticipated Year End Budget Position is an overspend of

**-£1.330m**

**for information:**

1. Adult Community Services includes: District and Out of Hours Nursing; Rehabilitation Services, Equipu and Hospices
2. Children's Services includes: Community Services - School Nurses and Health Visitors; Specialist Services - Children's Mental Health Team, Speech Therapy
3. GMS = costs associated with GP services in Renfrewshire
4. Other = costs associated with Dentists, Pharmacists, Optometrists
5. Hosted Services = board wide responsibility for support to GP's for areas such as eg breast screening, bowel screening as well as board wide responsibility for Podiatry
6. Other Services = Business Support staff; Admin related costs, hotel services and property related costs including rates and rental



**2017/18 Adult Social Care Financial Allocation to Renfrewshire HSCP**

	£k
2017/18 Renfrewshire HSCP Opening Budget:	60,468.4
	<b>60,468.4</b>
<b><u>Adjustments to Base Budget:</u></b>	
Impact of increase in the Living Wage and changes in sleepover costs	1,989.0
Inflationary pressures on commissioned contracts	1,170.0
Impact of demographic and socio-economic demand pressures	1,276.6
Transfers from Corporate	65.4
<b>Adult Social Care Budget as reported @ 26 May 2017</b>	<b>64,969.4</b>





## Appendix 4

### **2017/18 Health Financial Allocation to Renfrewshire HSCP**

	£k
2016/17 Renfrewshire HSCP Closing Budget:	157,676.9
<b><u>less:</u></b> non-recurring budgets (allocated annually)	-3,722.2
= base budget rolled over	<b>153,954.7</b>
<b><u>Additions:</u></b>	
Social Care Integration Fund to transfer to Council	3,480.0
Hospice - transfer of Hospice budgets to HSCP	2,483.0
	<b>5,963.0</b>
<b><u>Reductions:</u></b>	
LD Supplies RAM	-7.9
	<b>-7.9</b>
<b>Budget allocated as per 2017/18 Financial Allocation 15th June 2017</b>	<b>159,909.8</b>
<b><u>Health Budget as reported @ 31 May 2017</u></b>	<b>159,909.8</b>



**GP Prescribing - 2016/17 to November (£000)**

	<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance</u></b>	<b><u>Var %</u></b>	<b><u>Prev Mth Var %</u></b>
Glasgow South	31,417	31,402	15	0.0%	0.5%
Glasgow North East	27,564	27,118	446	1.6%	2.1%
Glasgow North West	26,608	26,229	379	1.4%	1.7%
<b>Glasgow City</b>	<b>85,589</b>	<b>84,749</b>	<b>840</b>	<b>1.0%</b>	<b>1.4%</b>
Renfrewshire	23,313	23,267	46	0.2%	0.5%
West Dunbartonshire	12,775	12,845	-70	-0.5%	-0.1%
East Dunbartonshire	12,436	12,620	-184	-1.5%	-0.9%
Inverclyde	11,890	12,058	-168	-1.4%	-0.9%
East Renfrewshire	10,286	10,288	-2	0.0%	0.6%
<b>Total HSCPs</b>	<b>156,289</b>	<b>155,827</b>	<b>462</b>	<b>0.3%</b>	<b>0.7%</b>
Central Services	4,128	4,059	69	1.7%	2.1%
<b>Total (GlC)</b>	<b>160,417</b>	<b>159,886</b>	<b>531</b>	<b>0.3%</b>	<b>0.7%</b>



**Councillor Iain McMillan**  
**Chairperson of Renfrewshire Health & Social Care**  
**Integration Joint Board**

**Tel:** 0300 300 1281  
**Fax:** 0141 618 7059  
**Our Ref:** IMcM/JH  
**Date:** 16 March 2017  
**E-mail:** [cllr.iain.mcmillan@renfrewshire.gov.uk](mailto:cllr.iain.mcmillan@renfrewshire.gov.uk)



Mr John Brown  
 Chairman  
 NHS Greater Glasgow and Clyde  
 J B Russell House  
 Gartnavel Royal Hospital  
 1055 Great Western Road  
 Glasgow G12 0XH

Dear John

At our recent IJB meeting on 10 March 2017 the NHS GGC's delegated 2017/18 health budget allocation was presented to members for approval.

The Board made a decision, based on recommendations from our Chief Finance Officer, to not accept this offer on the basis:

- the level of budget does not match the cost of delegated services;
- the level of budget to be allocated falls below the 2016/17 cash level; and
- the historic Community Health Partnership (CHP) undelivered savings, and NHS pension costs predate the establishment of the IJB and did not feature in the due diligence work undertaken by the Chief Finance Officer during 2015/16 or the September 2015 due diligence report by PWC on behalf of NHS GGC.

Based on this decision, I am writing to you as Chair person of Renfrewshire IJB to formally confirm that the IJB unanimously decided to reject the 2017/18 delegated health budget.

You will appreciate this places Renfrewshire IJB in a challenging financial position, which will require the Chief Officer to effect a financial recovery plan from 1 April 2017 in order to manage the shortfall in funding in 2017/18, if no health budget is agreed.

In light of the matters highlighted above, I would ask that NHS GGC review their 2017/18 budget allocation offer. Whilst it is fair to expect reasonable and deliverable efficiency and productivity gains to be made, the minimum Scottish Government direction will also present a major challenge for this IJB. Therefore, my call to you is that the Health board allocates a budget that minimally reflects the full cost of delegated services and is set within the clear context of the National Clinical strategy and Health and Social Care Delivery Plan. This would ensure the capacity and immediate/...

*Elected Members' Suite, Renfrewshire House, Cotton Street, Paisley PA1 1WD*  
[www.renfrewshire.gov.uk](http://www.renfrewshire.gov.uk)





immediate term sustainability within the delegated community based health services and allow for the agreed shifts in the balance of care to be planned and delivered between acute services and those services we deliver.

I look forward to hearing from you.

Yours sincerely

A handwritten signature in black ink that reads "Iain McMillan". The signature is written in a cursive, slightly slanted style.

**Councillor Iain McMillan**

**Greater Glasgow and Clyde NHS Board**

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David Leese  
Chief Officer  
Renfrewshire Health and Social Care  
Partnership  
Renfrewshire House  
Cotton Street  
Paisley  
PA1 1AL

Date: 29<sup>th</sup> March 2017  
Our Ref: RC/LL026

Enquiries to: Robert Calderwood  
Direct Line: 0141-201-4614  
E-mail: [robert.calderwood@ggc.scot.nhs.uk](mailto:robert.calderwood@ggc.scot.nhs.uk)

Dear David

**Budget Allocations to Health and Social Care Partnerships for 2017/18**

I refer to previous correspondence and the Board's subsequent decision on 21<sup>st</sup> February 2017 to allocate the £7.8m across the Board (Corporate and Acute Services) and the 6 Health and Social Care Partnership's (HSCPs) in 2017/18 on a pro rata basis to the Budget. The Board's Standing Orders do not allow a motion which contradicts a previous decision to be competent within a six month period. The Board's allocations to HSCPs from 1<sup>st</sup> April 2017 will therefore incorporate a deduction of £3.6m in accordance with the decision taken by the Board on 21<sup>st</sup> February 2017. I appreciate that HSCPs have not accepted this position and there will be ongoing discussions over the next few weeks which may ultimately require arbitration.

However, as the Accountable Officer for NHS Greater Glasgow and Clyde it is my expectation that as the Accountable Officer for your partnership you will operate within the budget offer from NHS Greater Glasgow and Clyde until such time the above matter is finally resolved.

Yours sincerely



**Robert Calderwood**  
Chief Executive  
NHS Greater Glasgow and Clyde



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**To: Renfrewshire Integration Joint Board**

**On: 23 June 2017**

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**Report by: Chief Officer and Chief Finance Officer**

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**Heading: Health Board Contribution to the IJB for 2016/17 and 2017/18**

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**1. Purpose**

- 1.1. The purpose of this report is to provide an update to the IJB on the savings proposals identified to deliver a balanced budget in respect of the Health Board Contribution to the IJB for 2016/17 and 2017/18.
- 

**2. Recommendation**

It is recommended that the IJB approve:

- The revised 2016/17 savings proposals of £1.105m (Appendix 1)
- 2017/18 savings proposals of £1.330m (Appendix 2) to deliver recurring financial balance to the Health budget in 2017/18
- The use of general reserves (from the health budget) to fund the impact of the delays in the implementation of the required savings for the Health delegated budget in 2017/18.
- Early engagement with our two partner Directors of Finance to enable the Chief Finance Officer to bring a forecast budget for 2018/19 to the 29 September 2017 IJB meeting. This will include the first tranche of savings for both the delegated health and adult social care budgets to be approved as part of the 2018/19 budget process. The second tranche of savings to be approved will be brought to the November 2017 IJB.

Members are also asked to note that until the 2017/18 savings have been approved it is not possible for the CFO to complete due diligence in respect of the Health Budget allocation for 2016/17 and 2017/18.

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**3. Introduction**

- 3.1 Renfrewshire IJB is a legal entity in its own right created by Parliamentary Order, following ministerial approval of the Integration Scheme. It is accountable for the stewardship of public funds and ensuring that its business is conducted under public sector best practice governance arrangements including ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The budget delegated by our two partner bodies, NHSGGC and Renfrewshire Council is used by the IJB to commission services from its two partner organisations. The principles of the funding allocated by the two partner organisations is set out in the Integration Scheme, however, utilisation of this funding is delegated to the IJB.

- 3.2 Under the terms of the Integration Scheme partner organisations should make appropriate arrangements to fund pay awards, contractual uplifts, the impact of

demographic changes and determine efficiency targets as part of their respective budget setting processes.

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#### **4. Summary**

- 4.1. Members are reminded that at the November 2016 IJB the Chief Finance Officer brought forward outline savings proposals to achieve the tranche 2 health services savings target of £1.378m.
  - 4.2. At that meeting the savings proposals were not approved by IJB members. These savings were required to deliver a recurring balanced budget for 2016/17 and to trigger in year non-recurring support from NHSGGC to enable the HSCP to fully implement these proposals from 1 April 2017.
  - 4.3. In the January 2017 IJB finance report; the Chief Finance Officer brought forward an update on the Health Board contribution to the IJB for 2016/17. This update included confirmation of additional non-recurring support from NHSGGC of £1.378m for 2016/17.
  - 4.4. This amount was transferred to the Health delegated budget for 2016/17 on the basis that savings proposals to achieve the tranche 2 savings target of £1.378m would be agreed as part of the 2017/18 budget process to be delivered on a recurring basis from April 2017.
  - 4.5. Appendix 1 and 2 provide a summary of the savings proposals in respect of the outstanding 2016/17 and 2017/18 savings target.
  - 4.6. In the 'Financial Due Diligence Update' report to the IJB on March 18 2016 it was noted that the CFO was unable to complete due diligence on the delegated health budget for 2016/17 and that a further report would need to be brought back to the IJB once the final 2016/17 delegated health budget had been agreed.
  - 4.7. Until the full 2016/17, and 2017/18 savings have been approved by the IJB it is not possible for the CFO to complete due diligence in respect of the Health Budget allocation for 2016/17 and 2017/18.
- 

#### **5. Assessment and Consideration of Savings Proposals**

- 5.1. In light of the challenging financial position the HSCP now faces, a dedicated HSCP Finance and Planning forum has been established, jointly led by the Chief Finance Officer and Head of Strategic Planning, to ensure the Strategic Plan and supporting service action plans, explicitly align with budget planning and that services risks are comprehensively understood. This will be carried out in consultation with the HSCP's Operational Heads of Service and Professional Leads to assess the impact reduced resource will have on service capacity, delivery and performance and assessed in the context of the aspirations set out in the HSCP Strategic Plan.
- 5.2. The HSCP is committed to proactively developing our health and social care services, exploiting the opportunities integrated working offers and with service redesign being informed by a strategic commissioning approach. This in turn will support the financial sustainability of the Partnership and deliver the savings required to address the IJB's budget shortfall.
- 5.3. 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. Similar to 2016/17, these larger projects will be progressed as part of the Partnership's wider Change and Improvement Programme, and will be subject to IJB approval.

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## **6. Health Board Contribution to the IJB for 2017/18**

- 6.1 As previously reported, the overall savings target for 2016/17 for Renfrewshire HSCP of £1.874m was allocated in two tranches:
- Tranche 1 reflected partnership proposals identified earlier in the year of £496k.
  - Tranche 2 was a further in-year target of £1.378m our proportion of the remaining savings required for partnerships to meet the target set by NHSGGC of £20m.
- 6.2 Following discussions with IJB members at the November 2016 IJB, the CO, working with the CFO and the Senior Management team, revised the original proposals. These are attached in Appendix 1. The IJB is asked to approve these savings proposals along with the 2017/18 proposals. These proposals have been subject to comprehensive risk and outcome focused assessments.
- 6.3 As detailed in the Chief Finance Officer's Financial Report 1 April 2016 to 31 March 2017 given the significant health budget gap to be met for 2017/18, 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. It is therefore recommended that members agree to the use of these reserves to fund the impact of the delays in the implementation of the required savings for the Health delegated budget in 2017/18.
- 6.4 Members are also asked to note that the CFO has revised the original assumptions in relation to the pressures on the 2017/18 budget. The original forecast was a c£3.69m pressure which has been revised to c£2.4m. This pressure has reduced mainly due to a reduction in the estimated prescribing funding gap, and revised inflation assumptions. This reduction reflects a range of actions being taken across HSCPs in collaboration with the NHSGGC Lead Pharmacist to deliver a programme of prescribing cost containment and cost efficiencies by March 2018.
- 6.5 The revised budget pressure figure of c£2.4m includes the outstanding target from 2016/17 of £1.378m, and assumes that the NHSGGC contribution for 2017/18 will "be at least equal to the recurrent budgeted allocations in 2016/17" as per direction from Scottish Government. If the disputed budget is not resolved as per the Scottish Government's guidance from 15 December 2016, the 2017/18 pressure will be c£3.135m.

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## **Implications of the Report**

1. **Financial** – Financial implications are discussed in full in the report above.
2. **HR & Organisational Development** – there will be a reduction in staffing levels as a result of vacancy management
3. **Community Planning** - none
4. **Legal** – This is in line with Renfrewshire IJB's Integration Scheme
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 Council's website.

8. **Health & Safety** – none

9. **Procurement** – none

10. **Risk** – There are a number of risks which should be considered on an ongoing basis: adequate funding to deliver core services; the IJB's commitment to deliver safe health and social services in line with the HSCP Quality, Care and Professional Governance Framework

11. **Privacy Impact** – none.

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#### List of Background Papers

- IJB 2017/18 Health and Social Care Budget Update, 10 March 2017

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**Author:** Sarah Lavers, Chief Finance Officer

# APPENDIX 1: RENFREWSHIRE HEALTH & SOCIAL CARE PARTNERSHIP – SUMMARY OF HEALTH SAVINGS 2016/17

Ref	Proposal	Saving	Description	Mitigation	Ability to Deliver Safely
1.	Review of supervisory and practice development and specialist nurse roles in community nursing service	£217k	A review of roles which have remits associated with leadership, specialist nursing post and practice development has been progressed. There are a number of roles which will be redesigned in order to maximise the opportunities to deliver safe, effective and person centred care whilst enhancing leadership. This work has involved senior nursing staff in developing this redesigned approach.	There are a number of vacant posts which will be utilised to support the transition and realise the saving.  A review of pathways and processes is underway to support this work.	Green
2.	Implementation of procurement efficiencies in the purchase of patient supplies	£54k	Adopt the learning from the Glasgow City review of the service to deliver more efficient practices in purchasing and provision of supplies for enteral feeding.	None necessary as this is an evidenced based saving, adopting procurement practices already in place across NHS GGC with no patient impact.	Green
3.	Commissioning efficiencies in relation to the Employability Service	£80k	Efficiencies through reductions in rental costs reflecting the service's move towards a more community outreach service, in line with our commitment to engage more actively with our communities.  In addition, commissioning savings were achieved through bringing the current peer support model in house when the previous contract terminated in March 2017.	Premises no longer required as we will operate a more peripatetic, outreach approach. .  We now have 6 fully trained peer support workers delivering this service for the HSCP	Green
4.	Payroll budget realignment to reflect the current staffing structure within Mental Health and Addiction Services	£150k	Savings due to payroll budget realignment in line with the current staffing structures in these services. The budget which transferred to the HSCP had not been realigned in a number of years and reflected previous historical structures which are no longer in place.	These budgets will be subject to an annual review to ensure they continue to be sufficient.	Green

Ref	Proposal	Saving	Description	Mitigation	Ability to Deliver Safely
5.	System-wide redesign of Health Improvement services	£45k	HSCP Chief Officers commissioned a redesign of health improvement services. This saving reflects Renfrewshire HSCP's share of efficiencies realised through this work.	New Health Improvement models have been developed, e.g. smoking cessation clinics at a number of pharmacies. These types of models are replacing the previous resource intensive support services. These changes have had positive service user feedback to date	Green
6.	Benefit from improved and extended hospital visiting times	£10k	Over the past 18 months there has been no request for a short term patient evening transport service and this reflects the extended and improved revised visiting hours at the RAH. This is consistent with similar reductions in demand for this type of services across Greater Glasgow and Clyde.	None required due to improved access to hospital with changed visiting hours.	Green
7.	Local review and redesign into meeting the healthcare needs of school aged children	£150k	The introduction of a new centralised school immunisation programme and enuresis service has created capacity in school nursing who traditionally delivered these service elements. The redesign provides an opportunity to ensure delivery of safe effective and person centred services to school age children, whilst maximising collaborative working with the Renfrewshire children service partnership.	This savings will be achieved through vacancy management.  This system change is supported by a system wide approach to ensuring core service delivery is continued.	Green
8.	Review of Podiatry Service (NHSGGC)	£226k	This efficiency is the final tranche of planned savings resulting from a 5 year service transformation programme which commenced prior to the establishment of the IJB. This includes the integration of services for learning disability clients; efficiencies as a direct result of the Trak Care IT system being used optimally and further efficiencies from single use instruments.	No further mitigation required as these changes are part of an agreed service transformation programme which has already built in workforce and service ways of working consistent with these changes and efficiencies.	Green

Ref	Proposal	Saving	Description	Mitigation	Ability to Deliver Safely
9.	Review of staffing levels across Services	£173k	Review of administration workforce within the HSCP with a view to releasing financial savings through improved use of IT, seeking to reduce duplication and further opportunities to introduce smarter ways of working. Ongoing reviews and monitoring of vacancies will also allow for realignment and integration of posts and roles as our models of joint working and integration mature	This savings will be achieved through risk assessed vacancy management.	Green
<b>Total</b>		<b>£1,105k</b>			

## APPENDIX 2: RENFREWSHIRE HEALTH & SOCIAL CARE PARTNERSHIP – SUMMARY OF HEALTH SAVINGS 2017/18

Ref	Proposal	Saving	Description	Mitigation	Ability to Deliver Safely
1.	Integration and Change Resource Release	£950k	These funds have been available to support integration and change programmes over the last two years. As these do not currently have any planned commitments against them it is proposed these are now taken as an efficiency to reduce the level of savings which will impact on front line services.	These budgets do not currently have any planned commitments against them, and therefore there will be no impact on service users.	
2.	Base Budget Realignment	£175k	This relates to historical budgets which, following detailed review are no longer required, as services are now provided to individuals through existing mainstream services or service users have transitioned to other care settings.	All care packages are reviewed on an annual basis to ensure they align with the assessed need of the individual. The associated budgets will also be reviewed annually.	
3.	Review of HSCP staffing structures	£205k	The Senior Management Team will use our updated workforce plan analysis - which allows us to be smarter at planning staff turnover – to continue to adapt service leadership and related arrangements as our programme of service reviews and change delivers more joint and integrated ways of working.	This savings will be achieved through vacancy management.	
	<b>Total</b>	<b>£1,330k</b>			