
To: Renfrewshire Integration Joint Board

On: 28 June 2019

Report by: Chief Finance Officer

Heading: Unaudited Annual Accounts 2018/19

1. Summary

- 1.1 The IJB's Accounts for 2018/19 will be submitted for audit by the statutory deadline of 30 June 2019. 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 2019. 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 2018/19; and
 - Note that the Auditor is planning to complete the audit of the Accounts by early September 2019 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 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 (ACOP) and International Financial Reporting Standards (IFRS). The ACOP seeks to achieve comparability of financial performance across all IJB's and therefore prescribe the format to be used in presenting income and expenditure information.
- 3.3 LASAAC (The Local Authority (Scotland) Accounts Advisory Committee) and CIPFA have produced additional guidance on accounting for the integration of health and social care.

4. **The Annual Accounts 2018/19**

- 4.1 The Annual Accounts provide an overview of 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 contain the financial statements for Renfrewshire IJB for the year ended 31 March 2019.
- 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.
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5. **Financial Governance and Internal Control**

- 5.1 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 require 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 2019 will be considered at the IJB meeting of 28 June 2019.
 - **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. In addition, any further report by the external auditor on the audited annual accounts should also be considered by the IJB (or a committee of the IJB whose remit include audit & governance).
 - **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.
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6. **External Auditors Report and Audit Certificate**

- 6.1 The IJB Audit Committee will consider the external auditors report and proposed audit certificate (ISA 260 report) prior to inclusion in the audited annual accounts. Subsequently, the external auditor's Board Members Report and the audited annual accounts will be presented to the IJB for approval.

7. Approval Process and Timetable

7.1 Key Dates

The proposed sequence of events to approve the IJB's annual accounts is summarised in the table below:

Meeting	Items to be Approved
IJB: 28 June 2019	Approve Annual Governance statement and associated reports for inclusion in the statutory accounts Approve the submission of the unaudited annual accounts to Audit Scotland
IJB Audit Committee: 20 September 2019	Consider the Report of the External Auditors, the Board Members' Report and the audited annual accounts
IJB: 20 September 2019	Approve the audited annual accounts

7.2 Key Documents

The regulations require a number of key documents to be signed by the Chair of the IJB, the Chief Officer and the Proper Officer. These are detailed in the table below:

Section	Signatory
Management Commentary	Chair of the IJB Chief Officer Chief Finance Officer
Statement of Responsibilities	Chair of the IJB Chief Finance Officer
Remuneration Report	Chair of the IJB Chief Officer
Annual Governance Statement	Chair of the IJB Chief Officer
Balance Sheet	Chief Finance Officer

Implications of the Report

- 1. Financial** – These are the Unaudited Annual Accounts of the IJB for 2018/19. Subject to approval by the IJB, the Accounts will be released for audit by the statutory deadline of 30 June 2019.
- 2. HR & Organisational Development – None.**
- 3. Community Planning – None.**
- 4. Legal** – The Unaudited Annual Accounts form part of the Local Authority Accounts (Scotland) Regulations 2014.

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.**

List of Background Papers – None.

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Renfrewshire
Health & Social Care
Partnership

Renfrewshire Integration Joint Board Annual Accounts 2018/19



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Management Commentary

Purpose

This publication contains the financial statements of Renfrewshire Integration Joint Board (IJB) for the year ended 31 March 2019.

The Management Commentary outlines the key messages in relation to the IJB's financial planning and performance for the year 2018/19 and how this has supported delivery of the IJB's strategic priorities. This commentary also looks forward, outlining the future financial plans for the IJB and the challenges and risks that we will face as we strive to meet the needs of the people of Renfrewshire.

Role and Remit of Renfrewshire Integration Joint Board

Renfrewshire IJB, formally established on 1 April 2016, has responsibility for the strategic planning and commissioning of a wide range of health and adult social care services within the Renfrewshire area. The functions which are delegated to the IJB, under the Public Bodies (Joint Working) (Scotland) Act 2014, are detailed in the formal partnership agreement between the two parent organisations, Renfrewshire Council and NHS Greater Glasgow and Clyde (NHSGGC).

This agreement, referred to as the Integration Scheme, is available at: <http://www.renfrewshire.hsc.scot/article/6315/Governance-Documents>

In March 2018, Renfrewshire Council and NHSGGC agreed an update to the Integration Scheme to reflect the provisions in the Carers (Scotland) Act 2016 to be delegated to the IJB.

The Vision for the IJB is:

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

The IJB's primary purpose is to set the strategic direction for the delegated functions through its Strategic Plan.

The IJB meet five times per year and comprises eight voting members, made up of four Elected Members appointed by Renfrewshire Council and four Non-Executive Directors appointed by NHS Greater Glasgow and Clyde. Non-voting members include the Chief Officer, Chief Finance Officer and 3rd sector, professional, carer and staff side representatives.

A Profile of Renfrewshire

A full profile of Renfrewshire IJB is set out in the Strategic Plan. Some of the key characteristics include the following:

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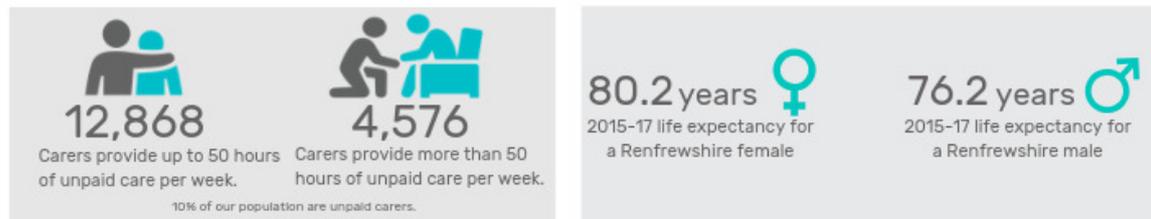
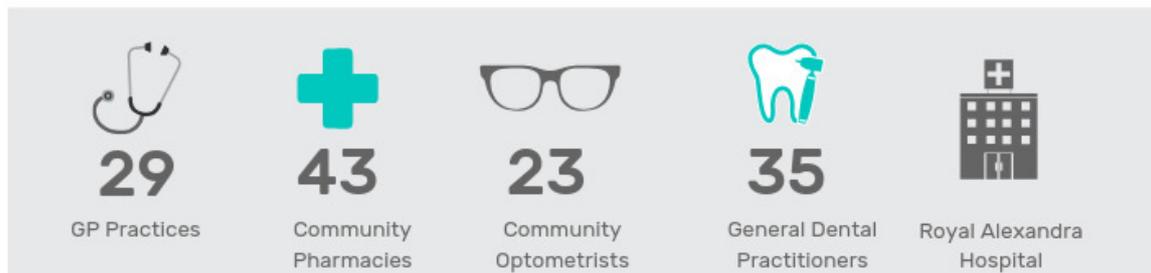
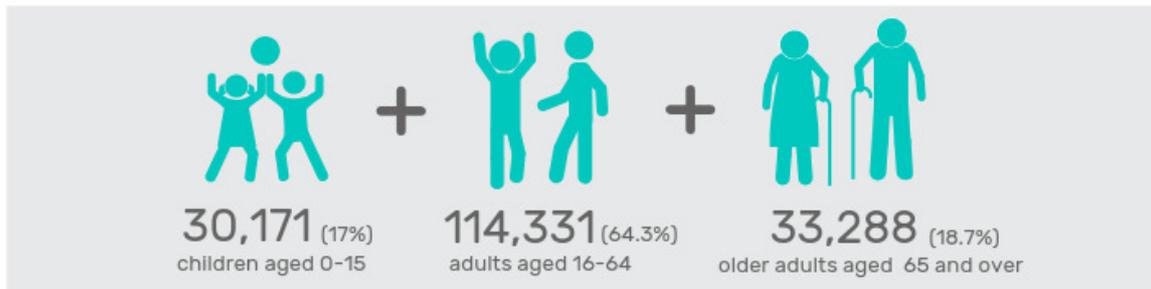
Renfrewshire Population

177,790

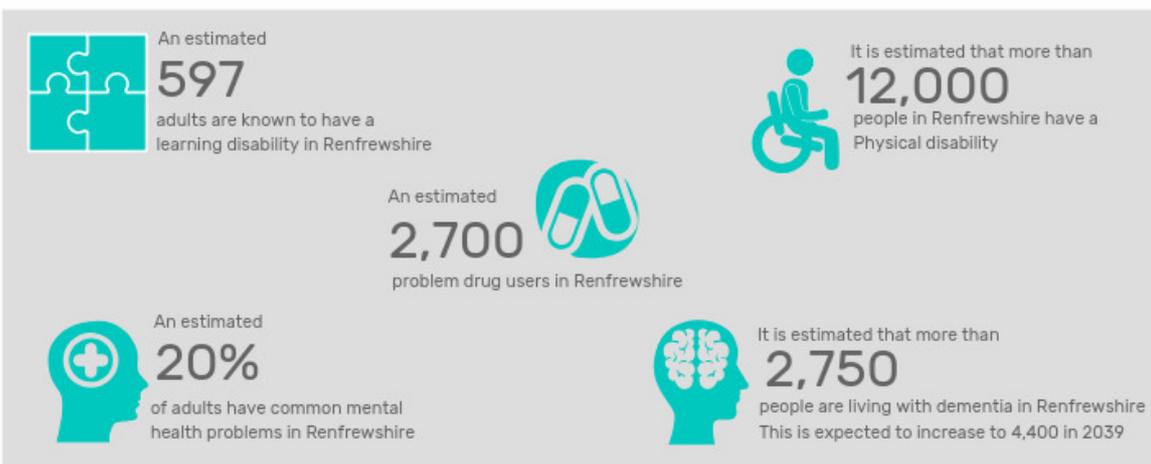
(2018 National Records of Scotland), which is 3.4% of the population of Scotland



It comprises of:



Demographic Profile:



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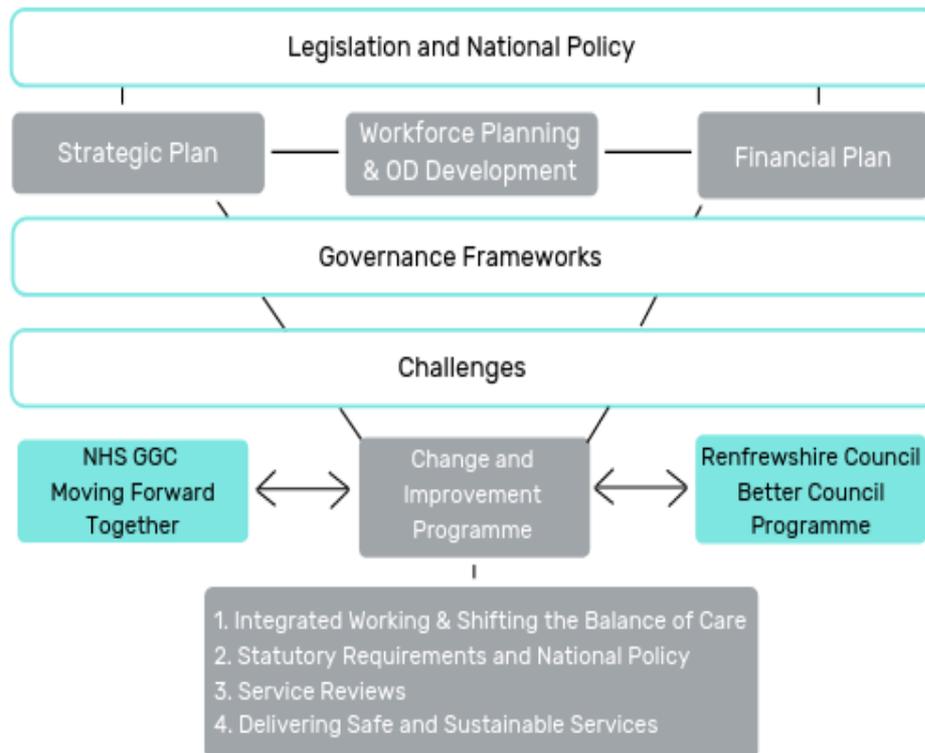
Renfrewshire IJB Operations for the Year

We have remained committed to our 3 key strategic priorities, set out in our Strategic Plan:

- Improving Health and Wellbeing;
- Ensuring that the people of Renfrewshire will get the health and adult social care services they need: the right service, at the right time, in the right place; and
- Working in partnership to support the person as well as the condition.

Renfrewshire HSCP has an established Change and Improvement Programme which is focused on proactively developing our health and social care services in line with national direction and statutory requirements; optimising the opportunities joint and integrated working offers; and ensuring any service redesign is informed by a strategic planning and commissioning approach. This is supporting our work to ensure we provide the best possible services and care to our service users and to enable our service and resource planning to focus on and deliver the right outcomes for all.

A Change & Improvement Programme has been established in support of the IJB's Vision and to enable the delivery of our Strategic, Workforce and Financial Plans and in line with the national direction set out in the National Clinical Strategy and Health and Social Care Delivery Plan. This is outlined in the diagram below. This programme provides a structured approach to manage change, optimise the use of change and improvement approaches and to develop and share best practice to deliver on this vision.



Further detail regarding each strand of the programme and key highlights of activity throughout the last year is provided overleaf.

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Optimising Joint and Integrated Working and Shifting the Balance of Care -

to proactively develop our health and social care services, exploiting the opportunities joint and 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.

Statutory Requirements, National Policy and Compliance -

to ensure the timely delivery of legislative requirements and national policy, whilst managing the wider service, financial and workforce planning implications these can often present.

Service Reviews -

the HSCP is committed to undertaking regular Service Reviews to ensure our Services are modern; flexible; outcomes focused; financially efficient and 'fit for the future' and taking account of changing trends; demographics; demands; local and national policy drivers; changing needs; inequalities; good practice and service user and carer views.

Delivering Safe and Sustainable Services -

to identify innovative and smarter ways of working to support the HSCP deliver on its strategic priorities within budget.

Key Highlights



In addition to the above, a number of additional improvements have been taken forward within specific Renfrewshire HSCP services in the last year to ensure the best possible outcomes for our population.

Early Intervention, Prevention and Harm Reduction

- 100% of Early Education and Childcare Establishments in Renfrewshire (local authority, partnership, and private) are Breastfeeding Friendly Nursery accredited.
- Significant shift to empower and support people to manage their long-term health conditions. Renfrewshire HSCP does this in a range of ways including supporting community-led activity with our community and third-sector partners, promoting tools such as My Diabetes My Way (MDMW) and encouraging people to access local assets and resources to maintain their wellbeing. Over the last year there has been a steady rise in people signing up to MDMW in Renfrewshire from 1,713 (April to June 2018) to 1,869 (January to March 2019).
- Renfrewshire HSCP has been working with the Health and Social Care Alliance over the last few years to populate ALISS (A Local Information System for Scotland) with local community groups, aiming to make it easier for people to find local groups and activities which can support their health and wellbeing. There are currently more than 300 entries for Renfrewshire and this will continue to increase.
- One of our key areas of continued success is the Sunshine Recovery Café which was established to promote recovery and improve the life chances of individuals affected by alcohol and drugs. The Café provides peer led support to assist individuals becoming abstinent and sustaining abstinence from alcohol and drugs, and provides support to access training and employment opportunities. Between 50-60 individuals attend on a weekly basis and benefit from a broad network of activities such as volunteering in the Café and accessing a variety of holistic therapies.

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Providing Greater Self Determination and Choice

- Continued to extend Self-Directed Support (SDS) services across Renfrewshire HSCP area which further embeds the requirement to assess for outcomes rather than services. This continuing practice ensures that the supported person is an active participant and assists those involved in support planning by ensuring the assessment process is a multi-participant exchange that supports decisions to be taken that reflect the outcomes that will be most appropriate to the supported person.

Shifting the Balance of Care

- Introduced the Red Bag Scheme which involves the provision of a transportable red bag to care homes which is used to store information, medication and property, for care home residents who require unplanned acute attendance and/or admission. This bag follows the resident through their journey into acute and back to the care home, with staff using it to provide key information on transfer, speeding up operational processes and supporting better decision making.
- Renfrewshire HSCP continues to work closely with partners in primary and secondary care to ensure that everyone has access to the treatment they need in the most suitable setting. Providing appropriate treatment at the right time and in the right place is at the heart of what the HSCP does.

Enabling Independent Living for Longer

- Our Care at Home Services Transformation Programme continues to work with staff, our service users, Trade Unions and partners to develop services which will enable us to better manage the ongoing demand for our services, within current budgets, whilst supporting people to remain as independent as possible within their own home.

Public Protection

- Renfrewshire's Adult Protection Committee (RAPC) completed its biennial self-evaluation report in 2018. This self-evaluation included a case file audit of 100 cases and consultation with stakeholders; these were cases in which an Adult Support and Protection (ASP) referral was made, and for which a "no further action under ASP" decision was taken during the Inquiry phase of the process. Good practice was identified, and areas of improvement have been incorporated into an action plan.
- Following a review of the Adult Support and Protection Duty Team within Specialty Services, it was agreed to continue to provide the service on a permanent basis. The Duty Team will be reviewed annually to continue to improve on the service provided.
- The Adult Protection Committee is currently undertaking an audit alongside K-Division of Police Scotland. This audit includes Inverclyde Health and Social Care Partnership; this is an opportunity to compare adult support and protection activity across the shared police division.
- Renfrewshire continues to embed the Safe and Together model of practice and social work, health and third sector managers attended training specifically designed for child protection supervisors in May 2018. Plans have been put in place this year to undertake joint training for health visiting and social work staff on the use of the neglect toolkit. Training took place in May 2019. The aim is to further embed a shared understanding of thresholds in relation to neglect and consolidate the use of a shared approach and language for professionals.
- A multi-agency case file audit was undertaken by the Renfrewshire Child Protection Committee. This audit focused on three quality indicators to measure how well partners are working together to improve the lives of children, young people and families. This also included a GP case file audit of child protection cases.

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Engaging and Developing Our Staff

- Views and options of staff are sought via the iMatter survey which provides results on a team basis and enables them to identify areas of improvement. The iMatter tool from the Scottish Government aims at helping individuals, teams and public sector organisations understand and improve staff experience. Staff experience involves individuals feeling motivated, supported and cared for at work and can be observed in levels of engagement, motivation and productivity.
- Ongoing development of the HSCP's website to improve information on health and social care Integration. During 2018/19 there were 9,500 visitors to this website with 62,670 page views.

Service Performance

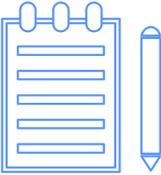
Renfrewshire HSCP has had a proactive approach to reporting on performance since 2015, with changes in our reporting approach reflecting the IJB's views/preferences on how and what is reported. Renfrewshire HSCP produced its second Annual Report on 30 July 2018, which is available at www.renfrewshire.hscp.scot.

In our regular IJB reports, and, in the Annual Report we have used a range of methods to demonstrate progress towards our organisational vision. The IJB discusses performance at every meeting.

An overview of our performance for 2018/19 is included below (full year data is not currently available for all performance indicators. Where it is not available, data to the latest Quarter has been used):

Green Indicators	Performance	Target	Direction of Travel	Performance Update
<p>Smoking cessation: non-smokers at the 3-month follow up in the 40% most deprived areas.</p> <p>The rate has increased from 201 at March 2018 to 229 at Quarter 3 2019, which exceeds the annual target of 228.</p>	229	171	↑	<p>We have used social media to promote tobacco prevention across the Partnership and to gain commitment to the ASH Scotland Charter with key stakeholders. The Charter aims to help deliver a tobacco free Scotland by 2034. 19 primary schools in Renfrewshire have registered to date with a view to reducing exposure of children to second hand smoke to 12% by 2020. (NB: as of November 2018, this service became integrated into the wider NHSGGC service) therefore, Renfrewshire HSCP is no longer responsible for its monitoring and evaluation.</p>
<p>Reduce the rate of pregnancies for those under 16 years (rate per 1,000 population).</p> <p>The rate has reduced from 3.1 in 2017/18 to 2.4 in 2018/19, against a target of 3.1.</p>	2.4	3.1	↑	<p>The Health Improvement Team support school staff to deliver this agenda via ongoing staff training, most recently LGBT+ training.</p> <p>There has also been a national review of curricular resources and these are now available in draft status (near completion) for schools and can be accessed online.</p>

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Green Indicators	Performance	Target	Direction of Travel	Performance Update
Uptake rate of child health 30-month assessment. The rate has continued to increase from 82% at March 2017, to 89% at March 2018, and to 93% of eligible families at March 2019, against a target of 80%.	93%	80%		This has been achieved by using improvement methodology, which resulted in a range of improvements such as: increased frequency of clinics, follow up on non-attendance, and sharing good practice across the Health Visiting Teams.
				
% of complaints within Renfrewshire HSCP responded to within 20 days. Performance has increased from 76% at March 2018 to 81% at March 2019.	81%	70%		Following a dip in performance at September 2018, new parameters were set around timescales for complaints which saw a more stringent approach in receiving investigation outcomes. As a result, we have seen a 5% increase in performance in 2018/19, exceeding the 70% target.
				
Exclusive breastfeeding at 6-8 weeks. At 24.4%, the rate remains above target for 2018/19 (target 21.4%). This is an increase on the 2016 figure of 23.0% and a further 1% increase on the 2017 rate of 23.4%. Whilst the rate in the most deprived areas is still below target (19.9%), it should be noted that it has increased by 3.2% from 14.5% in 2017/18 to 17.7% in 2018/19, which is just outside amber status.	24.4%	21.4%		<p>Both Paisley Maternity Unit and Renfrewshire HSCP have achieved UNICEF Baby Friendly Accreditation.</p> <p>A weekly HSCP Breastfeeding Support Group is available to breastfeeding mothers, facilitated by a trained Health Visitor.</p> <p>43 establishments in Renfrewshire have achieved the Breastfeeding Welcome Award.</p> <p>100% (74/74) of nurseries have achieved the Breastfeeding Friendly Nursery Award.</p>
				

Red Indicators	Performance	Target	Direction of Travel	Performance Update
Emergency admissions from care homes. Performance at Q2 is 281 against a target of 242. Unfortunately, due to a data completion issue, Q3 data is currently unavailable.	281	242		<p>Work is ongoing with Care Home Liaison Nurses continuing to provide support to Care Homes with high admission rates.</p> <p>A Red Bag initiative has also been introduced to support Care Homes' transfers to and from Acute Services. Benefits include:</p> <ul style="list-style-type: none"> • Quicker transfer to hospital • Less time collecting key information • Less time spent in hospital • Better communication at point of discharge
				

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Red Indicators	Performance	Target	Direction of Travel	Performance Update
<p>The percentage of children seen within 18 weeks for paediatric Speech and Language Therapy assessment to appointment has decreased from 73% at March 2018 to 63.0% at March 2019.</p>	63%	100%		<p>% of children seen within 18 weeks for assessment to appointment was 63.0% at March 2019 increasing to 71.0% in May 2019. Urgent referrals are seen within target of 48 hours, those with high risk clinical profiles are seen for assessment within two weeks of referral. An Improvement Plan is in place focusing on reducing lengths of clinical journey, joint capacity building approaches with education, and maximising skill mix. Evidence based pathways in relation to dismissal criteria/thresholds have been applied. It is anticipated that the 18 week target will be achieved in late 2019.</p>
				
<p>Percentage of HSCP staff who have passed the Fire Safety LearnPro module.</p>	45.6%	90%		<p>Percentage of staff who have passed the Fire Safety LearnPro module reduced from 81.9% to 45.6% at March 2019, against a target of 90%. This is due to the module being re-designed and staff must now complete annually. All staff whose compliance has expired should have completed the module by June 2019.</p>
				
<p>Number of delayed discharge bed days.</p>	6,085	3,200		<p>Work is ongoing to reduce delayed discharges. In a small number of cases there have been difficulties with Care at Home provision due to levels of demand in particular areas, steps are being taken to address this. The remainder are awaiting care home places, either in the process of assessment or looking at their second or third choices due to unavailability of their first-choice option.</p>
				
<p>Sickness absence rate for Adult Social Work staff (work days lost per FTE). At 4.64 days at September 2018, performance has deteriorated slightly compared to March 2018 when the rate was 4.34 days against a target of 1.79 days.</p> <p>Unfortunately, year-end data is currently unavailable due to the transfer to the new Business World Council IT system.</p>	4.64 days	1.79 days		<p>There are a number of planned measures in place to address ongoing sickness absence challenges. These include:</p> <ul style="list-style-type: none"> • HR Teams continuing to work closely with service management teams to offer training and identify areas that require additional support. • Ongoing health improvement activities and support through Healthy Working Lives (HWL), aimed at raising employee awareness of health issues.
				

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Renfrewshire IJBs Strategy and Business Model

Strategic Plan

We have now completed our three-year Strategic Plan for 2019-2022, which was approved by our Integration Joint Board on 22 March 2019, subject to final budget agreement.

The Strategic Plan sets out how the Health and Social Care Partnership will meet both local and nationally agreed outcomes. The development of the Strategic Plan was an accessible and inclusive process, enabled and supported by the Partnership's Strategic Planning Group (SPG).

Workshops were established to develop individual sections of the Plan, involving a wide range of staff and stakeholders. These sections were then brought together and tested with the SPG and other stakeholders.

The draft was launched for formal consultation on 18 January 2019 at an event in Johnstone Town Hall, attended by over 100 people. During the formal consultation period, the Plan was presented to the HSCP Leadership Network and to Renfrewshire Council's Corporate Management Team. We used social media to reach into the community for additional feedback. The deadline for responding to the consultation was Friday 1 March 2019.

Responses to the formal consultation raised a wide range of issues. These included requests to:

- Focus even more on prevention and early intervention
- Highlight the importance of availability of appropriate housing
- Ensure a balance of health and social care
- Dovetail the plan with service reviews
- Highlight the importance of the voluntary sector in delivering care in Renfrewshire
- Link closely with the work of Renfrewshire Council and Community Planning partners.

The new Strategic Plan takes account of national strategies and legislation, regional planning, Renfrewshire Council's Plan, the Community Plan and NHS GGC's Moving Forward Together programme.

The Strategic Plan is also aligned to our Market Facilitation Plan, which aims to inform, influence and adapt service delivery to offer a diverse range of sustainable, effective and quality care so people can access the right services for themselves and their families at the right time and in the right place.

The Market Facilitation Plan is a live document which is continually updated as data becomes available. It will help inform financial planning and ultimately how we allocate our resources moving forward. It will also give service providers an insight into the changes in the health and care needs of the population of Renfrewshire and the future shape of services that need to be developed and delivered to meet those changing needs.

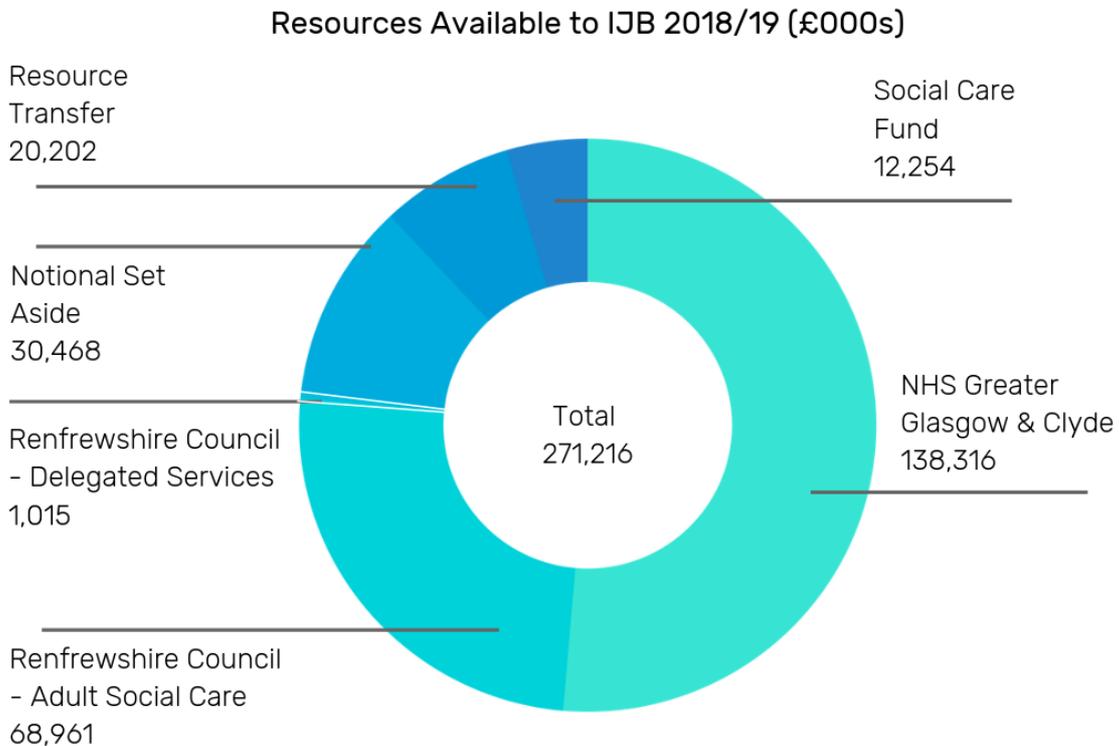
Financial Performance 2018/19

The financial position for public services continues to be challenging, with the IJB operating within ever increasing budget restraints and pressures which were reflected in the IJB's Financial Plan and regular monitoring reports by the Chief Finance Officer to the IJB. This also requires the IJB to have robust financial arrangements in place to deliver services within the funding available in year as well as planning for 2019/20.

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Resources Available to the IJB 2018/19

The resources available to the IJB in 2018/19 to take forward the commissioning intentions of Renfrewshire Health and Social Care Partnership in line with the strategic plan totalled £271.216m. The chart below provides a breakdown of where this funding came from.



Included within the funding sources above is a 'Large Hospital Services' (Set Aside) budget totalling £30.468m. This is a notional allocation in respect of those functions delegated by the health board which are carried out in a hospital within the health board area. The IJB is responsible for the strategic planning of these services but not their operational delivery.

Summary of Financial Position

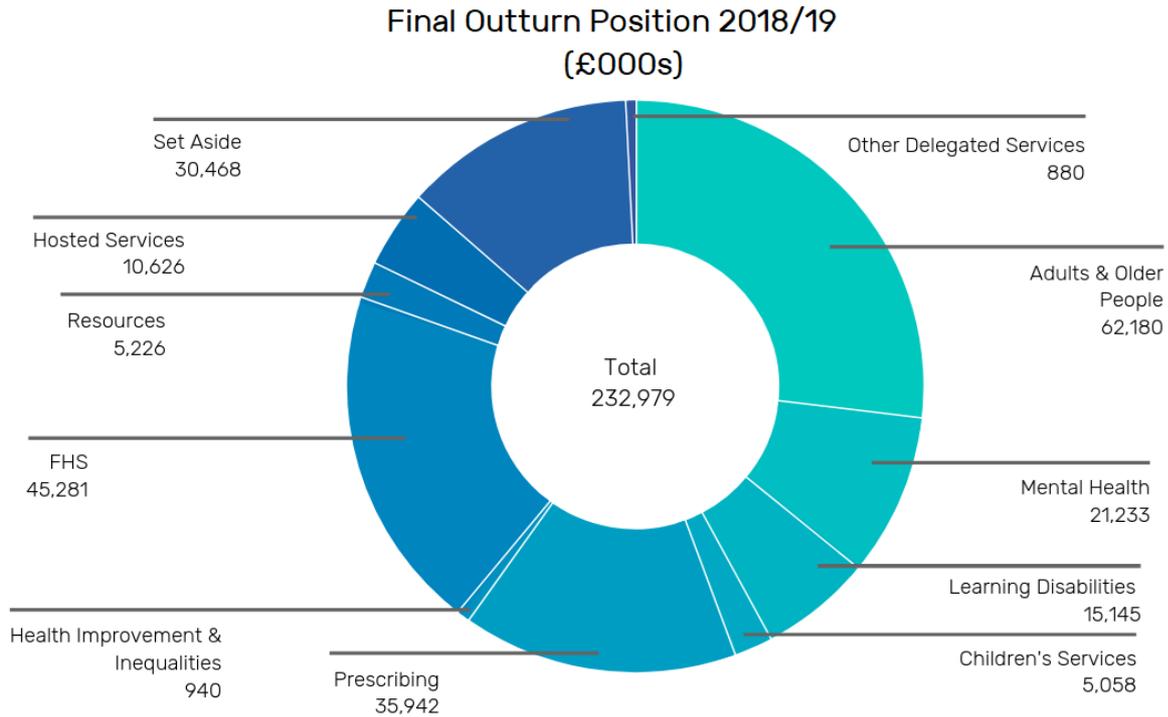
Throughout 2018/19, the Chief Finance Officer's budget monitoring reports to the IJB, forecast a breakeven position subject to the drawdown of reserves to fund any delays in the delivery of approved savings and, the transfer of specific ring-fenced monies (including Scottish Government funding for Primary Care Improvement, Mental Health Action 15 and ADP monies) and transfers to ear marked reserves which relate to commitments made in 2018/19 which will not be fully delivered until future years.

The final HSCP outturn position includes the flexible use of recurring and non-recurring resources made available by Renfrewshire Council to support the financial sustainability of Adult Social Care services as well as a drawdown from earmarked and general reserves.

The Comprehensive Income and Expenditure Statement describes income and expenditure by client group across the partnership, and, shows that a surplus of £2.031m was generated in 2018/19.

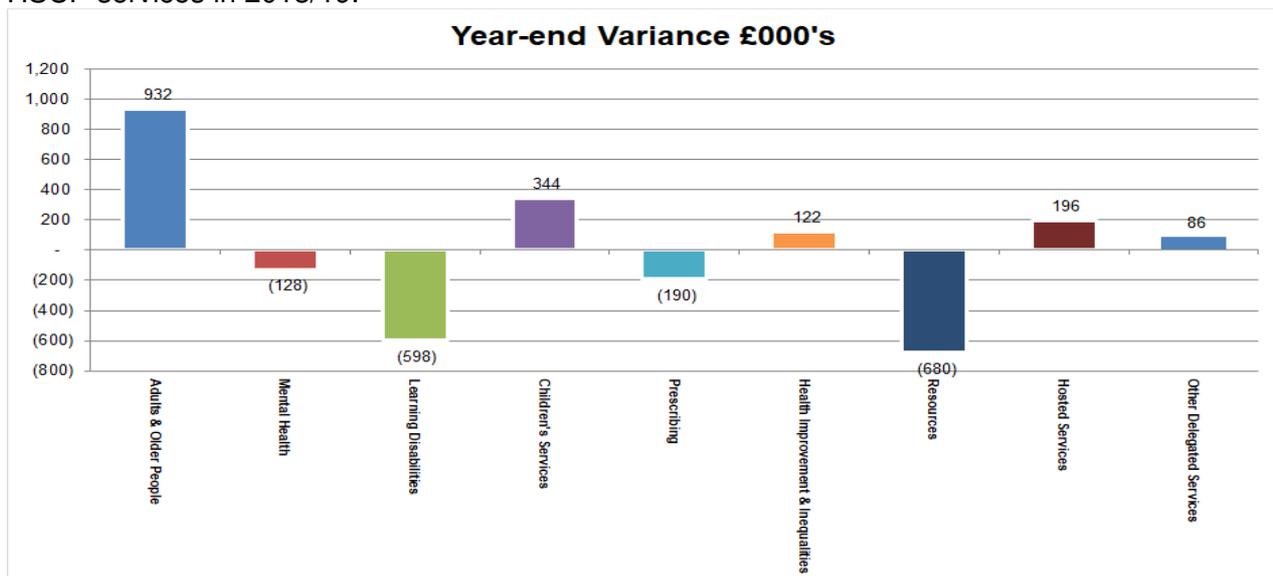
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The diagram below shows the final outturn position for all delegated Renfrewshire HSCP services in 2018/19.



The IJB approved the drawdown of reserves throughout 2018/19, in order to deliver on specific commitments including e.g. funding to mitigate any delays in delivery of approved savings, Care at Home redesign costs etc. The total amount drawn down in 2018/19 was £1.305m from earmarked reserves and £0.824m from the flexible use of non-recurring resources made available by Renfrewshire Council.

The following graph summarises the year-end variances, per client group, for all delegated HSCP services in 2018/19.



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The main broad themes of the final outturn include:

Adults and Older People Underspend £932k:

- *Care at Home*: Continued pressures within the care at home service which were subject to a range of strengthened financial governance arrangements put in place by the Chief Officer and Chief Finance Officer early on in 2018/19. However, success in keeping delayed discharges to a minimum had a significant adverse impact on this budget.
- *Employee costs - Adult Social Care*: Underspend reflecting vacancies throughout all service areas which helped to offset pressures within the Care at Home service.
- *Addictions (including ADP)* Underspend reflecting planned hold on recruitment pending the implementation of the review of addiction services.

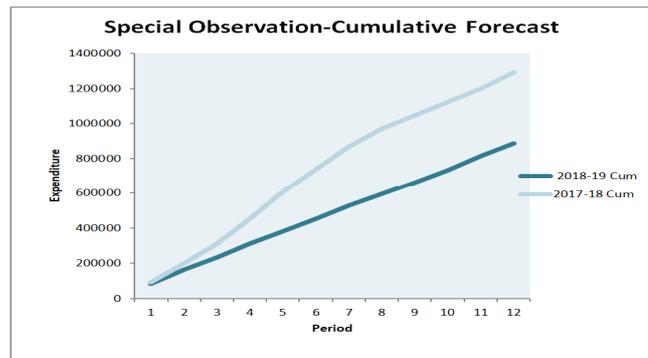
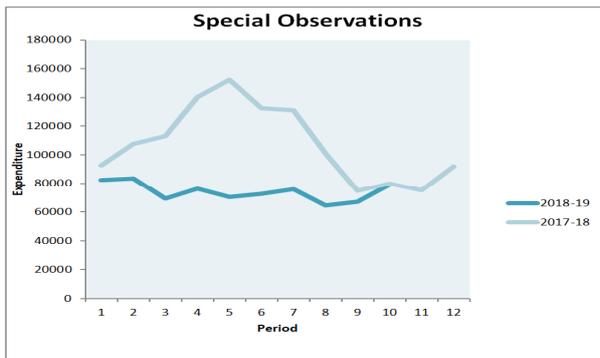
Learning Disabilities - Overspend £598k: Overspend due to ongoing pressures within the Adult Placement budget and the historical budget profile versus current client mix.

Children's Services – Underspend £344k: Underspend reflects vacancies within School Nursing and Health Visiting.

Resources – Overspend £680k: The mechanism to create reserves from the delegated Health budget to the IJB balance sheet is via the 'resources' account code within the health ledger. Accounting for reserves through this resource code ensures the client group year-end position is accurate. A number of accounting entries in relation to the draw down and creation of reserves are posted through this code which resulted in the overall net overspend of £680k.

Enhanced Observations: As part of the 2018/19 Financial Plan a £900k budget was created for enhanced observations and a commitment was made by the management team to work towards reducing these costs in line with this budget, which they successfully delivered. At 31 March 2019, expenditure on enhanced observations was £902k.

The graphs below show that the full year spend for 2018/19 was significantly lower than in 2017/18. Enhanced observation costs reduced by £389.7k from 2017/18 to 2018/19.



Prescribing

With the ending of the risk sharing arrangement across NHSGGC partnerships on 31 March 2018, prescribing costs represent the greatest financial risk to the HSCP, mainly due to the volatility of global markets and the impact of drug tariffs in relation to contracts with community pharmacy.

The year-end position for prescribing was an overspend of £640k. Earmarked reserves of £450k were drawn down to partially offset this pressure reducing it to £190k of an overspend. As activity data is two months behind the figures in the financial ledger, the year-end adjustments were based on the position as at 31 January 2019.

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Services Hosted by other Health & Social Care Partnerships (HSCPs)

The services hosted by Renfrewshire are identified in the table below which includes expenditure for 2018/19 and the value consumed by other IJB's within Greater Glasgow and Clyde.

Host	Service	Actual Net Expenditure to Date	Consumed by other IJB's
Renfrewshire	Podiatry	6,563,080	5,638,342
Renfrewshire	Primary Care Support	4,040,145	3,474,836
TOTAL		10,603,225	9,113,178

The services which are hosted by the other 5 Greater Glasgow and Clyde IJB's, on behalf of the other IJB's including Renfrewshire are detailed in the table overleaf. The table also includes expenditure in 2018/19 and the value consumed by Renfrewshire IJB.

Host	Service	Actual Net Expenditure to Date	Consumed by Renfrewshire IJB
East Dunbartonshire	Oral Health	£9,719,289	£1,416,100
TOTAL		£9,719,289	£1,416,100
East Renfrewshire	Learning Disability Tier 4 Community & Others	£1,666,932	£213,059
TOTAL		£1,666,932	£213,059
Glasgow	Continence	£3,802,932	£581,402
Glasgow	Sexual Health	£10,164,132	£1,299,214
Glasgow	MH Central Services	£6,027,304	£1,076,875
Glasgow	MH Specialist Services	£11,345,743	£1,660,070
Glasgow	Alcohol & Drugs Hosted	£16,019,893	£1,552,328
Glasgow	Prison Healthcare	£6,905,286	£940,587
Glasgow	HC in Police Custody	£2,330,293	£354,205
TOTAL		£56,595,583	£7,464,681
West Dunbartonshire	MSK Physio	£5,864,493	£856,646
West Dunbartonshire	Retinal Screening	£752,278	£117,732
TOTAL		£6,616,771	£974,378

Future Challenges

Looking into 2019/20 and beyond, 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. It is therefore important that the IJB plans for a range of potential outcomes, ensuring sufficient flexibility to manage in a sustainable manner the position which emerges over the next few years – with the likely scenario that a significant level of further recurring savings will be required.

Taking into account a range of scenarios, current projections for the two-year period 2020/21 to 2021/22 include a wide range of assumptions in respect of key cost pressures and demand, highlighting a potential budget gap for the HSCP within a range of £11m to £14m for this period. Subject to clarification over the coming months and years, the Chief Finance Officer (CFO) recommends that the IJB adopts a financial planning assumption to deliver savings between £5m - £7m per annum in the years 2020/21-21/22. This assumed budget gap does not take into account potential additional funding for any pressures from either the Scottish Government or our partner organisations.

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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. In addition to local pressures, it is important to note the impact of pressures associated with national strategies such as the Scottish Living Wage and local GGC system wide pressure.

Other key financial risks and pressures for Renfrewshire include:



How we agree the budget for HSCPs to deliver unscheduled hospital care

The Health Board is required to determine an amount set aside for integrated services provided by large hospitals. Since the Joint Bodies Act came into force, this has not operated fully as the legislation required.

The recent Ministerial Steering Group (MSG) Review of Integration Report (February 2019) proposes that all delegated hospital budgets and set aside requirements must be fully implemented over 2019.

The increased costs of drugs, that have a short supply, created an additional financial pressure over 2018/19 in the region £2.1m and this is projected in 2019/20 to be at the same level.



Rising costs of prescriptions



Delivery of new statutory requirements such as the Carers Act, the Living Wage, free personal care for under 65s and the National Dementia Strategy

A number of new statutory requirements such as the Carers Act, the Living Wage, free personal care for under 65s and the National Dementia Strategy are anticipated to create additional financial pressures for Renfrewshire IJB over 2019/20, some of which cannot yet be fully quantified. Without raising eligibility criteria to manage demand for services, any required funding will need to be redirected from other sources.

The Health and Social Care Delivery Plan identifies digital technology as key to transforming social care services so that care can be more citizen centred, our need to further invest in digital technology is therefore paramount, creating additional financial pressure. Locally, all telecare equipment (used to support our most vulnerable service users in their home) must be upgraded from analogue to digital by 2025, creating a pressure of circa £1m.



Required investment in digital technology, key to transforming health and social care services so that care can be more person centred

Renfrewshire HSCP will continue to monitor and update these key assumptions and risks to ensure the IJB is kept aware of any significant changes, especially where there is an indication of an increased projection of the current gap.

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.

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These wider strategic risks and uncertainties for the IJB include:

- The impact of Brexit on the IJB is not currently known;
- 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. The Ministerial Strategic Group (MSG) Review of Integration Report acknowledges the challenging environment in which Integration Authorities are operating and makes specific proposals around governance and accountability arrangements to be implemented over 2019/20; 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. 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; and
 - the additional cost of using bank and agency staff.

Renfrewshire's Financial Planning Strategy

Given this budget gap, going forward we need to consider what type and level of service is required, and can safely and sustainably be delivered. We must continue to strive to deliver both a balanced budget and 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.

Two key national documents, The Scottish Government's Medium-Term Framework for Health and Social Care and Audit Scotland's Health and Social Care Integration Review (February 2018) both highlight the need for integrated finance and financial planning to be a core component to shifting the balance of care.

Framed by these two key documents, our Financial Plan reflects the economic outlook beyond 2018/19, it focuses on a medium-term perspective centred on financial sustainability; acknowledging the uncertainty around key elements including the potential scale of savings required and the need to redirect resources to support the delivery of key priorities set out in our Strategic Plan.

Critical to its delivery are:

- Implementation of the MSG's proposals for integrated service and financial planning to enable us to deliver and focus on the gaps identified in the Audit Scotland report and the required environment to deliver the Scottish Government's medium-term strategy; and
- Delivery of our local medium-term financial strategy.

MSG - Review of Progress with Integration of Health & Social Care

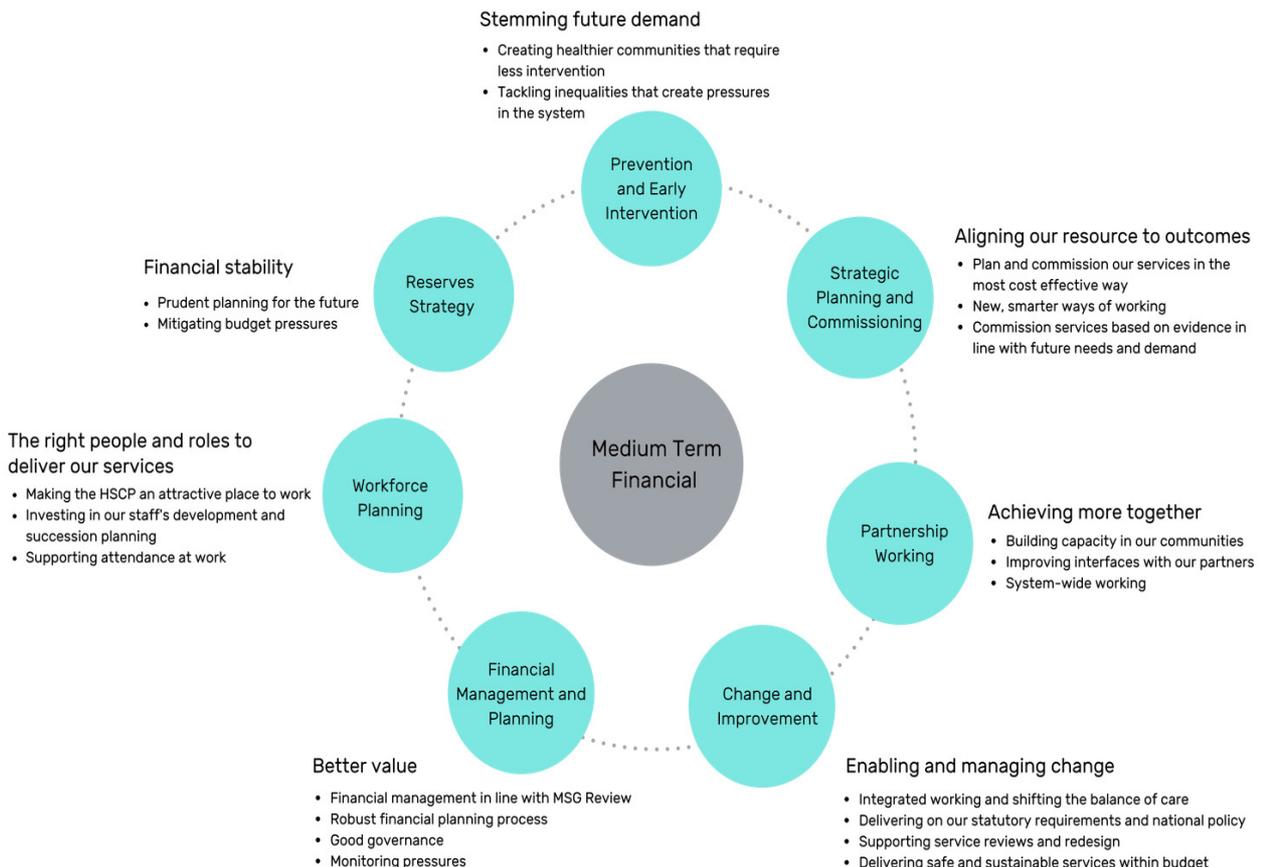
The recent MSG Review of Progress with Integration of Health and Social Care (February 2019), highlights **integrated finance and financial planning** as one of six key features which support integration. The report highlights a number of proposals central to ensuring that *"money must be used for maximum benefit across health and social care and to ensure arrangements are in place to support the Scottish Government's Medium-Term Framework for Health and Social Care"*:

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- Health Boards, Local Authorities and IJBs should have a joint understanding of their respective financial positions as they relate to integration
- Delegated budgets for IJBs must be agreed timeously
- Delegated hospital budgets and set aside requirements must be fully implemented
- Each IJB must develop a transparent and prudent reserves policy
- Statutory partners must ensure appropriate support is provided to IJB S95 Officers
- IJBs must be empowered to use the totality of resources at their disposal to better meet the needs of their local populations.

Locally, NHSGGC, Local Authorities and Integration Joint Boards have carried out a self-evaluation to collectively evaluate their current position in relation to the findings of the MSG review. Based on the outcome of this evaluation, an Action Plan will be developed. Actions relating to integrated finance and financial planning will be led by the Chief Officer and Chief Finance Officer working with the Scottish Government and partner organisations.

Medium Term Financial Strategy



Renfrewshire Integration Joint Board (IJB) – 2018/19 Annual Accounts

Jacqueline Cameron

XX/09/19

IJB Chair

David Leese

XX/09/19

Chief Officer

Sarah Lavers CPFA

XX/09/19

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.
- 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 XX September 2019.

Signed on behalf of Renfrewshire IJB

ClIr Jacqueline Cameron

Date:

IJB Chair

XX/09/19

Renfrewshire Integration Joint Board (IJB) – 2018/19 Annual Accounts

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 2019 and the transactions for the year then ended.

Sarah Lavers CPFA
Chief Finance Officer

Date XX/09/19

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Remuneration Report

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.

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

Voting Board Members

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 NHSGGC and Renfrewshire Council.

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.

The IJB does not pay allowances or remuneration to voting board members; voting board members are remunerated by their relevant IJB partner organisation.

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 2018/19, no voting member received any form or remuneration from the IJB.

There were no exit packages payable during the financial year.

Officers of the IJB

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

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.

No other staff are appointed by the IJB under a similar legal regime. Other non-voting board members who meet the criteria for disclosure are included in the table below:

Total Earnings 2017/18 £	Name and Post Title	Salary, Fees & Allowances £	Compensation for Loss of Office £	Total Earnings 2018/19 £
119,111	D Leese Chief Officer, Renfrewshire IJB	122,632	-	122,632
84,949	S Lavers Chief Financial Officer, Renfrewshire IJB	88,983	-	88,983

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Pension Benefits

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.

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 31/03/18 £	For Year to 31/03/19 £		As at 31/03/18 £	As at 31/03/19 £
D Leese , Chief Officer, Renfrewshire IJB	16,979	17,469	Pension	21,898	25,085
			Lump sum	65,695	60,478
S Lavers , Chief Finance Officer, Renfrewshire IJB	16,395	17,101	Pension	32,432	36,859
			Lump sum	57,602	62,440

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

Disclosure by Pay Bands

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.

Number of Employees 31 March 2018	Remuneration Band	Number of Employees 31 March 2019
1	£80,000 - £84,999	-
-	£85,000 - £89,999	1
1	£115,000 - £119,999	-
-	£120,000 - £124,999	1

Cllr Jacqueline Cameron
IJB Chair

Date XX/09/19

David Leese
Chief Officer

Date XX/09/19

Annual Governance Statement

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

Scope of Responsibility

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.

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 NHS GGC 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.

This system can only provide reasonable and not absolute assurance of effectiveness.

Governance Framework and Internal Control System

The Board of the IJB comprises voting members, nominated by either Renfrewshire Council or NHS GGC, as well as non-voting members including a Chief Officer appointed by the Board.

The main features of the governance framework in existence during 2018/19 were:

- The IJB is formally constituted through the Integration Scheme agreed by Renfrewshire Council and NHS GGC and approved by Scottish Ministers.
- 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.
- 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, as appropriate.
- 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. This is reported annually to the IJB and provides a variety of evidence to demonstrate the delivery of the core components within Renfrewshire HSCP Quality, Care and Professional Governance Framework and the Clinical and Care Governance principles specified by the Scottish Government.
- The HSCP has an Organisation Development and Service Improvement Strategy developed in partnership with its parent organisations. Progress, including an update on the Workforce Plan, is reported annually to the IJB.
- 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

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by the Health Board and Local Authority and resources paid to its local authority and health service partners.

- The IJB's approach to risk management is set out in its Risk Management Strategy and the Corporate Risk Register. Regular reporting on risk management is undertaken through regular reporting to the Senior Management Team and annually to the IJB Audit Committee.

The governance framework described operates on the foundation of internal controls, including management and financial information, financial regulations, administration, supervision and delegation. During 2018/19 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.
- Scottish Government approved Renfrewshire's revised Integration Scheme which was updated to reflect the provisions in the Carers (Scotland) Act 2016 to be delegated to the IJB from 1 April 2018.

Roles and Responsibilities

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.

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.

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 2017".

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.

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.

Review of Adequacy and Effectiveness

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.

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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.

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.

The Management Commentary provides an overview of the key risks and uncertainties facing the IJB.

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 a reasonable level of assurance can be given that the system of internal control, risk management and governance is operating effectively within the organisation.

Action Plan

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

Agreed action	Responsible person	Date
Review and update, as necessary, the Audit Committee Terms of Reference.	Jean Still	March 2020
Implement Ministerial Steering Group Review of Integration Proposals and Self Evaluation Actions identified to be delivered over 2019/20.	David Leese	March 2020
Carry out a review of the Renfrewshire Integration Scheme in line with the Public Bodies (Joint Working) (Scotland) Act 2014	David Leese	June 2020

Update on the 2017/18 Action Plan

Agreed action	Progress	Responsible person	Date
Head of Administration should make arrangements to ensure that as part of the annual review the Sources of Assurance used to review and assess the IJB's governance arrangements. The document should also be updated to cover all behaviours and actions in each sub-principle as required by the CIPFA and SOLACE's framework 'Delivering Good Governance' with reference made to identify which evidence is applicable to each behaviour and action.	Completed and approved by the IJB in March 2019.	Jean Still	March 2019

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Review of financial regulations and associated guidance by Internal Audit.	Review of governance has been completed, including a review of financial governance documents.	Andrea McMahon	March 2019
Alignment of the new Strategic Plan, to be developed over 2018/19, to the Financial Plan.	Completed, new Strategic Plan approved by IJB in March 2019.	Fiona MacKay	March 2019

Conclusion and Opinion on Assurance

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.

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.

Systems are in place to regularly review and improve the internal control environment and the implementation of the action plan will be monitored by the HSCP Senior Management Team throughout the year.

Cllr Jacqueline Cameron

Date XX/09/19

IJB Chair

David Leese

Date XX/09/19

Chief Officer

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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.

2017/18 Gross Exp. £000's (Restated)	2017/18 Gross Income £000's (Restated)	2017/18 Net Exp. £000's (Restated)	Renfrewshire Health & Social Care Partnership Integration Joint Board	Note	2018/19 Gross Exp. £000's	2018/19 Gross Income £000's	2018/19 Net Exp. £000's
82,489	(13,778)	68,711	Adults & Older People		81,683	(12,402)	69,281
25,141	(326)	24,815	Mental Health		23,657	(330)	23,328
24,934	(1,323)	23,611	Learning Difficulties		26,987	(1,228)	25,760
5,548	(525)	5,023	Children's Services		5,449	(390)	5,058
36,271		36,271	Prescribing		35,942		35,942
1,044		1,044	Health Improvement & Inequalities		1,066	(127)	939
47,412	(2,274)	45,138	FHS		47,777	(2,495)	45,282
2,513	(703)	1,810	Resources		4,241	(230)	4,011
10,342	(233)	10,109	Hosted Services		10,900	(296)	10,603
29,582		29,582	Set aside for Delegated Services Provided in Large Hospitals		30,468		30,468
1,502	(139)	1,363	Services Delegated to Social Care	8	1,015	(135)	880
266,778	(19,301)	247,477	Total Costs of Services		269,185	(17,633)	251,552
	(245,425)	(245,425)	Taxation and Non-Specific Grant Income	5		(253,583)	(253,583)
266,778	(264,726)	2,052	(Surplus) or deficit on Provisions of Services (movements in Reserves)		269,185	(271,216)	(2,031)

The Comprehensive Income and Expenditure Statement has been restated in 2017/18 to reflect revised segmental reporting inline with the IJB's financial monitoring reporting.

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 as it is not required to provide a true and fair view of the IJB's finances.

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.

	General Fund Balance £000's	Earmarked Reserves £000's	Total Reserves £000's
Movement in Reserves during 2017 – 2018:			
Opening Balance at 31 March 2017	(2,644)	(2,850)	(5,494)
Total Comprehensive Income and Expenditure			
(Increase) or Decrease in 2017/18	1,714	338	2,052
Closing Balance at 31 March 2018	(930)	(2,512)	(3,442)
Movement in Reserves during 2018 – 2019:			
Opening Balance at 31 March 2018	(930)	(2,512)	(3,442)
Total Comprehensive Income and Expenditure			
(Increase) or Decrease in 2018/19		(2,031)	(2,031)
Closing Balance at 31 March 2019	(930)	(4,543)	(5,473)

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Balance Sheet

The Balance Sheet shows the value of the IJB's assets and liabilities as at 31 March 2019. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

31 March 2018 £000's		Notes	31 March 2019 £000's
3,442	Short Term Debtors	6	5,473
3,442	Current Assets		5,473
-	Short Term Creditors	6	-
-	Current Liabilities		-
3,442	Net Assets		5,473
(930)	Usable Reserves: General Fund	7	(930)
(2,512)	Unusable Reserves: Earmarked	7	(4,543)
(3,442)	Total Reserves		(5,473)

The statement of Accounts presents a true and fair view of the financial position of the Integration Joint Board as at 31 March 2019 and its income and expenditure for the year then ended.

The unaudited accounts were issued on 28 June 2019 and the audited accounts were authorised for issue on **xx September 2019**.

Balance Sheet signed by:

Sarah Lavers CPFA
Chief Finance Officer
XX/09/2019

Notes to the Financial Statements

Note 1: Significant Accounting Policies

General Principles

The Financial Statements summarise the transactions of Renfrewshire IJB for the 2018/19 financial year and its position at 31 March 2019.

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. It is a joint venture between NHSGGC and Renfrewshire Council.

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19, 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 settlement in cash occurs. In particular:

- Expenditure is recognised when goods or services are received, and their benefits are used by the IJB.
- Income is recognised when the IJB has a right to the income, for instance by meeting any terms and conditions required to earn the income, and receipt of the income is probable.
- Where income and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the Balance Sheet.
- Where debts may not be received, the balance of debtors is written down.

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 and service recipients in Greater Glasgow & Clyde, for services which are delivered under Hosted arrangements.

Cash and Cash Equivalents

The IJB does not operate a bank account or hold cash. All 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. This has resulted in there being no requirement for the IJB to produce a cash flow statement. The funding balance due to or from each funding partner as at 31 March, is represented as a debtor or creditor on the IJB's balance sheet.

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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. Where material, the Chief Officer's absence entitlement at 31 March is accrued, for example in relation to annual leave earned but not yet taken.

Provisions, Contingent Liabilities and Contingent 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 have been created from net surpluses in current or prior years, some of which are earmarked for specific purposes, the remainder is the general reserve. In light of the size and scale of the IJB's responsibilities, the IJB's approved Reserve Policy recommends the holding of general reserves at a maximum of 2% of the net budget of the IJB.

When expenditure to be financed from a reserve is incurred it will be charged to the appropriate service in that year and will be processed through the Movement in Reserves Statement.

Indemnity Insurance / Clinical and Medical Negligence

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

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

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

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

Debtors

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

Note 2: Critical Judgements

In applying the accounting policies set out above, the IJB has had to make a critical judgement relating to the values included for set aside services. The set aside figure included in the IJB accounts is based on acute hospital activity data provided in September 2018 and is based on 3-year average activity and cost data to 2016/17. As such, the sum set aside included in the accounts does not reflect actual hospital usage in 2018/19.

In preparing the 2018/19 financial statements within NMSGC, each IJB has operational responsibility for services, which it hosts on behalf of the other IJB's. In delivering these services the IJB has primary responsibility for the provision of the services and bears the risk and reward associated with this service delivery in terms of demand and the financial resources required. As such the IJB is considered to be acting as 'principal', and the full costs should be reflected within the financial statements for the services which it hosts. This is the basis on which Renfrewshire IJB accounts have been prepared.

Note 3: Events after the Balance Sheet Date

The Annual Accounts were authorised for issue by the Chief Financial Officer on **xx September 2019**. 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 2019, the figures in the financial statements and notes have been adjusted in all material aspects to reflect the impact of this information.

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

Note 4: Expenditure and Income Analysis by Nature

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

Due to the introduction of a new chart of accounts by Renfrewshire Council in 2018/19, Adult Social Care has been restated in 2017/18 to reflect the revised position in relation to a realignment of some subjective categories.

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Renfrewshire Health & Social Care Partnership Integration Joint Board	2017/18 £000's Restated	2018/19 £000's
Health Services		
Employee Costs	43,749	43,880
Property Costs	29	55
Supplies and Services	8,779	6,496
Purchase of Healthcare	2,483	2,476
Family Health Service	83,655	83,712
Set Aside	29,582	30,468
Income	(4,336)	(3,884)
Total Health Services	163,941	163,203
Adult Social Care Services		
Employee Costs	30,641	31,157
Property Costs	968	1,010
Supplies and Services	1,950	2,120
Contractors	60,717	63,845
Transport	757	765
Administrative Costs	966	58
Payments to Other Bodies	2,502	3,143
Income	(14,965)	(13,749)
Total Adult Social Care Services	83,536	88,349
Total Cost of Services	247,477	251,552
Partners Funding Contributions and Non-Specific Grant Income	(245,425)	(253,583)
(Surplus)/Deficit on Provision of Services	2,052	(2,031)

Note 5: Taxation and Non-Specific Grant Income

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

Taxation and Non-Specific Grant Income	2017/18 £000's	2018/19 £000's
NHS Greater Glasgow and Clyde Health Board	162,925	164,900
Renfrewshire Council	82,500	88,683
Total	245,425	253,583

The funding contribution from the NHS Board shown above includes £30.468m 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.

Note 6: Short Term Debtors and Creditors

At 31 March 2019, Renfrewshire IJB had short term debtors of £5.473m relating to the reserves held, there were no creditors. Amounts owed by funding partners are stated on a net basis.

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Short Term Debtors	2017/18 £000's	2018/19 £000's
NHS Greater Glasgow and Clyde Health Board	2,958	4,655
Renfrewshire Council	484	818
TOTAL	3,442	5,473
Short Term Creditors	2017/18 £000's	2018/19 £000's
NHS Greater Glasgow and Clyde Health Board	-	-
Renfrewshire Council	-	-
TOTAL	-	-

Note 7: Usable Reserves

As at 31 March 2019 the IJB has created earmarked reserves in order to fund expenditure in respect of specific projects. In addition, a general reserve has been created as part of the financial strategy of the IJB. 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 tables below show how reserves are allocated:

General Reserves	2017/18 £000's	2018/19 £000's
Renfrewshire HSCP – Health delegated budget underspend carried forward	930	930
TOTAL GENERAL RESERVES	930	930

Earmarked Reserves	2017/18 £000's	2018/19 £000's
Renfrewshire HSCP – Health delegated budget planned contribution to reserve:		
PCTF Monies Allocated in 16/17 and 17/18 for Tests of Change and GP Support	438	419
Primary Care Improvement Program (19/20)		816
GP Premises Fund – Renfrewshire share of NHSGGC funding for GP premises improvement	414	562
Primary Care Transformation Fund Monies	39	39
District Nurse 3 year Recruitment Programme	150	161
Prescribing	450	557
ADP Funding (19/20)		321
Tec Grant		20
Single Point of Access Implementation (19/20)		28
Funding to Mitigate Any Shortfalls in Delivery of Approved Savings	339	150
Health Visiting	181	181
Tannahill Diet and Diabetes Pilot Project	17	15
Mental Health Improvement Works		150
Mental Health Action 15 (19/20)		306
TOTAL Renfrewshire HSCP	2,028	3,725
Renfrewshire Council delegated budget planned contribution to reserve:		
Care @ Home Redesign/Locality Services Redesign Associated Costs	399	0
Costs Associated With Additional Set Up Costs for Specific Planned Placement	35	60
ICT Swift Update Costs	50	27
Mile End Refurbishment		100
LA Care Home Refurbishment		300
Westland Gardens Refurbishment		105
Eclipse Support Costs (2 Year)		156
Care @ Home Refurbishment and Uniform Replacement		70
TOTAL Renfrewshire Council	484	818
TOTAL EARMARKED RESERVES	2,512	4,543

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Note 8: Additional Council Services Delegated to the IJB

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

Additional Council Services Delegated to the IJB	2017/18 £000's	2018/19 £000's
Garden Assistance Scheme	370	
Housing Adaptations	910	800
Women's Aid	222	215
Grant Funding for Women's Aid	(139)	(135)
NET AGENCY EXPENDITURE (INCLUDED IN THE CIES)	1,363	880

Note 9: Related Party Transactions

The IJB has related party relationships with NHSGGC and Renfrewshire Council. In particular the nature of the partnership means that the IJB may influence, and be influenced by, its partners. The following transactions and balances included in the IJB's accounts are presented to provide additional information on the relationships. The table below shows the funding that has transferred from the NHS Board via the IJB to the Council. This amount includes Resource Transfer Funding.

Service Income Received	2017/18 £000's	2018/19 £000's
NHS Greater Glasgow and Clyde Health Board	(4,336)	(3,884)
Renfrewshire Council	(14,965)	(13,749)
TOTAL	(19,301)	(17,633)

Expenditure on Services Provided	2017/18 £000's	2018/19 £000's
NHS Greater Glasgow and Clyde Health Board	168,277	167,087
Renfrewshire Council	98,501	102,098
TOTAL	266,778	269,185

Funding Contributions Received	2017/18 £000's	2018/19 £000's
NHS Greater Glasgow and Clyde Health Board	162,925	164,900
Renfrewshire Council	82,500	88,683
Total	245,425	253,583

Debtors	2017/18 £000's	2018/19 £000's
NHS Greater Glasgow and Clyde Health Board	2,958	4,655
Renfrewshire Council	484	818
TOTAL	3,442	5,473

Note 10: IJB Operational Costs

NHSGGC and Renfrewshire Council provide a range of support services for the IJB including finance services, personnel services, planning services, audit services, payroll services and creditor services. There is no charge to the IJB for these support services.

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The costs associated with running the IJB are shown in the table below:

IJB Operational Costs	2017/18 £000's	2018/19 £000's
Staff Costs	281	292
Audit Fees	24	25
TOTAL	305	317

Note 11: 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 12: 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 2018/19 are £25,000. There were no fees paid to Audit Scotland in respect of any other services.

Note 13: New Standards issued but not yet adopted

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