
To: Renfrewshire Integration Joint Board

On: 29 June 2018

Report by: Chief Finance Officer

Heading: Unaudited Annual Accounts 2017/18

1. Summary

- 1.1 The IJB's Accounts for 2017/18 will be submitted for audit by the statutory deadline of 30 June 2018. 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 2018. 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 2017/18; and
 - Note that the Auditor is planning to complete the audit of the Accounts by early September 2018 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.
- 3.4 LASAAC (The Local Authority (Scotland) Accounts Advisory Committee) and CIPFA have produced additional guidance on accounting for the integration of health and social care.

4. **The Annual Accounts 2017/18**

- 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 2018.
- 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.

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 2018 will be considered at the IJB meeting of 29 June 2018.
 - **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.

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: 29 June 2018	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: 14 September 2018	Consider the Report of the External Auditors, the Board Members' Report and the audited annual accounts
IJB: 14 September 2018	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 2017/18. Subject to approval by the IJB, the Accounts will be released for audit by the statutory deadline of 30 June 2016.
- 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

Integration Joint Board

Annual Accounts 2017/18



Renfrewshire Integration Joint Board (IJB) – 2017/18 Annual Accounts

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1. Management Commentary

1.1. Introduction

- 1.1.1. The Annual Accounts contain the financial statements of Renfrewshire Integration Joint board ('the IJB') for the year ended 31 March 2018 and report on 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 Strategic Plan. The requirements governing the format and content of local authorities' annual accounts are contained in The Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The 2017/18 Accounts have been prepared in accordance with this Code.
- 1.1.2. This Management Commentary provides an overview of the key messages in relation to the IJB's financial planning and performance for the financial year 2017/18 and how this has supported delivery of the IJB's Strategic Plan. 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.
- 1.1.3. 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.

1.2. Role and Remit of Renfrewshire Integration Joint Board

- 1.2.1. 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 (GGC).
- 1.2.2. This agreement, referred to as the Integration Scheme, is available at <http://renfrewshire.cmis.uk.com/renfrewshire/JointBoardsandOtherForums/RenfrewshireHealthSocialCareIntegrati.aspx>
- 1.2.3. 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.
- 1.2.4. The Vision for the IJB is:

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

- 1.2.5. The IJB's primary purpose is to set the strategic direction for the delegated functions through its Strategic Plan.
- 1.2.6. 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.

1.3. A Profile of Renfrewshire

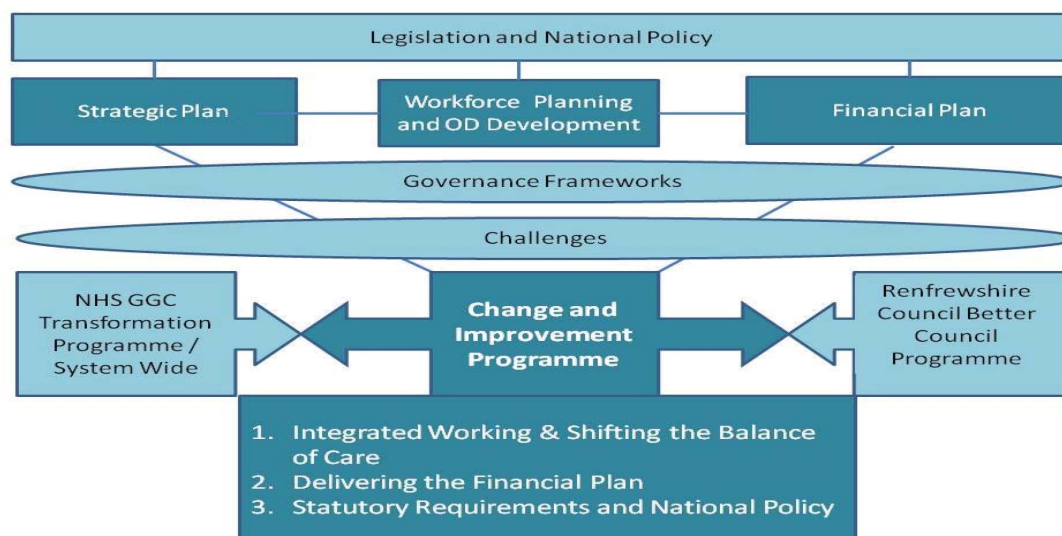
- 1.3.1. Renfrewshire is a diverse area of towns, villages and countryside covering 270 square kilometres and situated 7 miles west of Glasgow City. The area has excellent transport connections to the rest of Scotland and is home to Glasgow International Airport. Scotland's largest business park is situated in Hillington, and key campuses of the University of the West of Scotland and West College Scotland are located in Paisley town centre.
- 1.3.2. Just over 174,000 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 approximately 45%. 2.8% of Renfrewshire residents are members of an ethnic minority group.
- 1.3.3. 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.
- 1.3.4. 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).

1.4. Renfrewshire IJB Operations for the Year

Change and Improvement Programme

- 1.4.1. The Change and Improvement Programme was established in support of the IJB's Vision and to enable the delivery of the Strategic, Workforce and Financial Plans and in line with the directions set out in the National Clinical Strategy and Health and Social Care Delivery Plan – see diagram 1. This Programme provides a structured approach to manage change, optimise the use of change and improvement approaches and develop and share best practice to deliver this vision.

Diagram 1: Change and Improvement Programme



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1.4.2. As illustrated in Diagram 1, the Change and Improvement Programme is being delivered through 3 work streams:

- **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.
- **Delivery of the Financial Plan** – to deliver the approved health and social care savings plans required to address the IJB's budget shortfall in adherence to the IJB's robust financial planning process.
- **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 present.

1.4.3. The IJB approve this programme on annual basis. Thereafter, regular updates are brought to the IJB to report on progress and to seek approval for any large-scale change and improvement activity, including further savings proposals, to be included within this evolving programme.

1.4.4. Highlights from the 2017/18 Change and Improvement Programme include:

- An independent review of Addictions Services which will help inform our change programme over the next three years to ensure our service model is person-centred, and recovery and outcome focused to enable current and future care needs to be met;
- Progressing our joint Unscheduled Care action plan with colleagues in the RAH, as part of the wider NHSGGC Unscheduled Care Programme. It is intended that this work will demonstrate how the HSCP can reduce unscheduled bed day demand on acute services and create a compelling case for resource transfer;
- Since the introduction of new measures to review enhanced observations of patients (within Mental Health) and ensure that therapeutic interventions are delivered where possible, enhanced observation levels have reduced by around a third. The monthly average spend for Months 1 – 8 was £121k, compared to Months 9 - 10 which was an average of £77k. It is anticipated that this downward trend will continue throughout 2018/19 and beyond.
- An objective, focused review to identify service pressures and determine root causes of the drivers and challenges impacting on delivery of Care at Home Services;
- Concluded the tender process to procure a system to support the management and delivery of both internal and external Care at Home services. A number of Health and Social Care Partnerships are now operating an Electronic Scheduling and Monitoring service and are reporting significant benefits in using this type of system. It is anticipated that the preferred supplier will be approved by July 2018;
- Implementation of the provisions in the Carers Act, which are designed to support carers' health and wellbeing, which largely came into force on 1 April 2018;
- Compliance with the new Duty of Candour regulations which commenced on 1 April 2018. The duty will create a legal requirement for health and social care organisations to inform people (or their families/carers acting on their behalf) when they have been harmed (physically or psychologically) as a result of the care or treatment they have received;

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- Implementation of the recommendations arising from the HSCP's recent evaluation of the Self-Directed Support (SDS) system in Renfrewshire;
- Continue to support Renfrewshire GP clusters, including the development of cluster quality improvement plans;
- Service Improvement through the local Diabetes Interface Group which aims to improve the experience and clinical outcomes for people living with diabetes across Renfrewshire; and
- Established a Respiratory Pathways Interface Group to consider 'tests of change' that will impact positively on reducing COPD admissions/bed days. The group will specifically look at improving pathways, promoting self-management and anticipatory care planning.

Service Performance

- 1.4.5. 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 presented. The HSCP produced its first Annual Report on 30 July 2017 (available online at: http://www.renfrewshire.hscp.scot/media/4627/Annual-Performance-Report-2016-17/pdf/Annual_Performance_Report_2016-17.pdf)
- 1.4.6. An overview of our performance for 2017/18 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).

Positive Performance

Breastfeeding

- 1.4.7. The rate for the number of babies exclusively breast fed at their 6-8 week review remains above target at 21.7% at September 2017 (this is the most recent data available due to NHSGGC Board-wide changes in recording the last two quarters' data are not yet available) against a target of target 21.4%

Alcohol Related Hospital Admissions

The target for alcohol related hospital stays for the period January to December 2017 was 8.9 per 1,000 population aged 16+ (target 8.9). This is the lowest rate achieved since the recording of this indicator in January 2009. This significant improvement reflects the ongoing work in this area

30-month Assessment Uptake

- 1.4.8. The uptake of 30-month child assessments increased from 82% at March 2017 to 89% at March 2018, against a target of 80%. This was achieved from the introduction of developments including; increased frequency of clinics, follow up on non-attendance, and sharing good practice across Health Visiting teams.
- 1.4.9. Within this group, 83% of infants achieved their developmental milestones, an increase of 4% on the 2017 figure. For children where difficulties are identified, an intervention pathway is in place to support behavioural and communication needs.

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Areas for Improvement

Alcohol Brief Interventions (ABIs)

- 1.4.10. Performance on ABIs at the end of Quarter 3 2017/18 was 384 completed compared to 608 for the same period in 2016/17, a reduction of 224. In order to improve performance rather than focusing on primary care we are now targeting the wider community. A baseline indicator will be established for this indicator once the full 2017/18 data is available, with a target then set for 2018/19.
- 1.4.11. Despite a significant amount of training in this area, it has not resulted in an increase in the number of ABIs carried out. In line with other areas in NHSGGC, we are looking at a dedicated resource to focus on these areas.

Alcohol and Drugs Waiting Times for Referral to Treatment - % seen within 3 weeks

- 1.4.12. The most recent data available shows that alcohol and drugs waiting times have decreased from 96.2% at March 2017 to 84.5% at December 2017 against a target of 91.5%. This is the first time this indicator has dropped below target since December 2016. In line with our improvement strategy, the core drug service has now recruited a nursing post which will increase the capacity of assessment appointments. This will be further enhanced with additional nurse bank hours to clear the backlog of assessments. The outcome of the review of addiction services will be published shortly and a work plan will be developed in line with its recommendations.

Mental Health Waiting Times

- 1.4.13. Since 2016/17 performance has deteriorated in relation to the percentage of Primary Care Mental Health Team patients referred to first appointment within 4 weeks from 95% at March 2017 to 79% at March 2018 against a target of 100%.
- 1.4.14. Various factors have adversely affected performance in this area including:
- increase in the number of referrals during February and March 2018
 - increase in the number of short term sickness absences
- 1.4.15. However, despite the above, 98% of patients referred for first treatment appointments were offered appointments within 9 weeks; an increase from 96% for the 2016/17 year against the target of 100%.

Paediatric Speech and Language Therapy Waiting Times-Assessment to Appointment

- 1.4.16. The percentage of children seen within 18 weeks for paediatric Speech and Language Therapy assessment to appointment has increased from 47% at March 2017 to 73% at March 2018. This target remains challenging and although there has been a substantial increase, performance is still below the 95% target. This improvement reflects robust caseload management, and the launch of new 'Drop in Clinics', offering direct access to support and advice.

Sickness Absence

- 1.4.17. NHS sickness absence is measured as a percentage with a target of 4%. Performance in 2017/18 was 5.5%, a slight reduction since March 2017 when the rate was 5.6%.

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- 1.4.18. Renfrewshire Council's sickness absence is recorded as the number of work days lost per full time equivalent (FTE) employee. At March 18 the rate was 4.34 days against a target of 2.36 days, an increase on the rate of 3.65 days in March 2017.
- 1.4.19. There are a number of plans in place to address the ongoing sickness absence challenges. These include:
- A Council review of current attendance policies in collaboration with trade unions. Human Resource (HR) Operational Teams continue to proactively advise and support managers, particularly in teams where absence rates are high; and
 - Ongoing health improvement activities and support through Healthy Working Lives (HWL), aimed at raising employee awareness of health issues.

Adult Service Inspection

- 1.4.20. On 18 April 2018, The Care Inspectorate and Healthcare Improvement Scotland published their findings from the inspection in their report 'Joint Inspection (Adults) the Effectiveness of Strategic Planning in Renfrewshire'. The report highlights that Renfrewshire Health and Social Care Partnership are making significant progress on improving residents' health and social care services, it also concurs with the partnerships self-assessment and evaluated the Quality Indicators as Level 4 – Good. In advance of the inspection, the partnership was advised that Quality Indicator 9 Leadership and direction that promotes partnership would not be given a formal grade, however, a number of very positive comments on this indicator have been included within the report.
- 1.4.21. In relation to financial planning, the inspectors observed that 'positive and trusting relationships exist between the IJB members and the Joint Chief Officer and Joint Chief Financial Officer'. The report noted the partnership's good level of understanding of local needs and pressures, and also highlighted that the financial plan includes a refined approach to identifying savings proposals. The IJB's reserves strategy included as part of the IJB's financial planning, which aims to ensure the partnership maintains an adequate level of reserves to address unforeseen circumstances, was commended as sound financial planning. However, it was noted due to the level of reserves used in 2017/18 to break even and the budget gap going forward, it will be challenging to achieve
- 1.4.22. A copy of the full report is available at:
[http://www.careinspectorate.com/images/documents/4344/Joint%20inspection%20\(Adults\)%20Strategic%20Planning%20Renfrewshire.pdf](http://www.careinspectorate.com/images/documents/4344/Joint%20inspection%20(Adults)%20Strategic%20Planning%20Renfrewshire.pdf)

1.5. Renfrewshire IJBs Strategy and Business Model

Strategic Plan

- 1.5.1. We have completed our year 2 review of the three-year Strategic Plan for 2016-19. Good progress has been made across the 9 national health and wellbeing outcomes. Early work has commenced on our next 3 year Strategic Plan for 2019-22. A planning session with partners and staff is arranged for early June 2018 to agree the format of the Plan. As part of our planning process we will focus on having greater alignment with our Financial Plan and we will be clear on the challenges ahead due to increasing demand against a backdrop of constrained resources. Through our Strategic Planning Group we will involve partners to develop our new Plan with prevention, early intervention and addressing health inequalities high on the agenda. We will ensure our Strategic Plan takes account of national strategies and legislation,

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regional planning, the Council's Plan, the Community Plan and NHS Greater Glasgow and Clyde's Moving Forward Together programme.

1.5.2. Our three strategic priorities are:

- Improving health and wellbeing;
- The Right Service, at the Right Time, in the Right Place; and
- Working in Partnership to Treat the Person as well as the Condition.

1.5.3. 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.

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

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

Market Facilitation

1.5.5. The Scottish Government requires Integration Joint Boards to produce Market Facilitation Plans or Statements to support the objectives of their Strategic Plans as part of a core suite of strategic documents.

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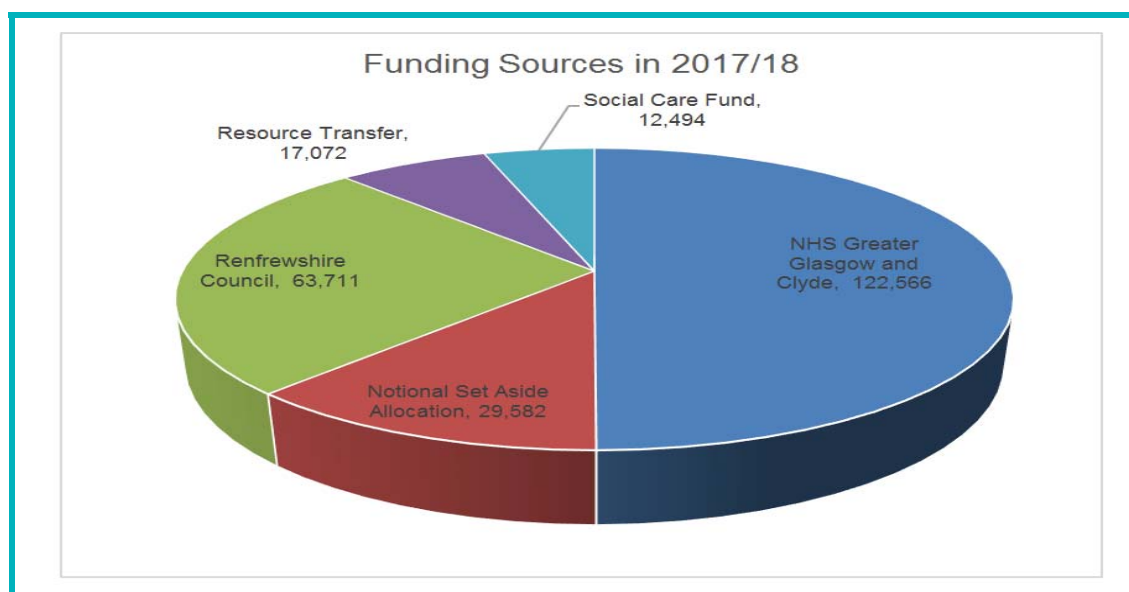
- 1.5.6. Market facilitation aims to inform, influence and adapt service delivery to offer a diverse range of sustainable, effective and quality care so people can access the right services for themselves and their families at the right time and in the right place.
- 1.5.7. Our Market Facilitation Plan will link to our existing Strategic Plan 2016-2019 and be aligned to our Strategic Plan for 2019-22. It will help inform financial planning and ultimately how we allocate our resources moving forward. This will include the decommissioning of ineffective or outdated service models, replacing them with person centred, more outcome based services.
- 1.5.8. Population projections show the percentage of the population in older age groups is due to rise, with an expected increase of over 70% for those aged 75+, from 8% in 2014 to 13% in 2039. The size and make-up of the population going forward will be a key consideration when planning and delivering Renfrewshire's health and social care services. It will also provide 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.

1.6. Financial Performance 2017/18

- 1.6.1. 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 CFO 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 2018/19.

Resources Available to the IJB 2017/18

- 1.6.2. The resources available to the IJB in 2017/18 to take forward the commissioning intentions of Renfrewshire Health and Social Care Partnership in line with the strategic plan totalled £245.425m (not including reserves of £5.494m). The chart below provides a breakdown of where this funding came from:



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- 1.6.3. Included within the funding available is a 'Large Hospital Services' (Set Aside) budget totalling £29.582m. 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.
- 1.6.4. Over recent financial years a number of pressures on health and social care services have had to be addressed within reduced levels of public sector funding. These pressures include:
- The move to the Scottish Living Wage;
 - Increasing 'employer' costs due to: the introduction of the Apprenticeship Levy; increases in national insurance contributions and costs associated with the new requirement for all new starts to be automatically enrolled in pension schemes.
 - Increasing costs of medication; and
 - Impact of: an ageing population; increased number of people with dementia and an increase in the number of people with complex needs.
- 1.6.5. In order to facilitate transformational change, additional funding was provided by the Scottish Government to support integration and the focus on shifting the balance of care to community- based services. In 2016/17, the Scottish Government directed £250m from the national health budget to Integration Authorities for Social Care, and in 2017/18 a further £110m was allocated on the same basis. Renfrewshire IJB's share of this funding was c£12.5m, which was allocated to a range of adult social care services including: the payment of the living wage for all adult social care workers; reducing the level of charges to service users; investment in the care at home service and meeting the costs of increasing demand across all areas.

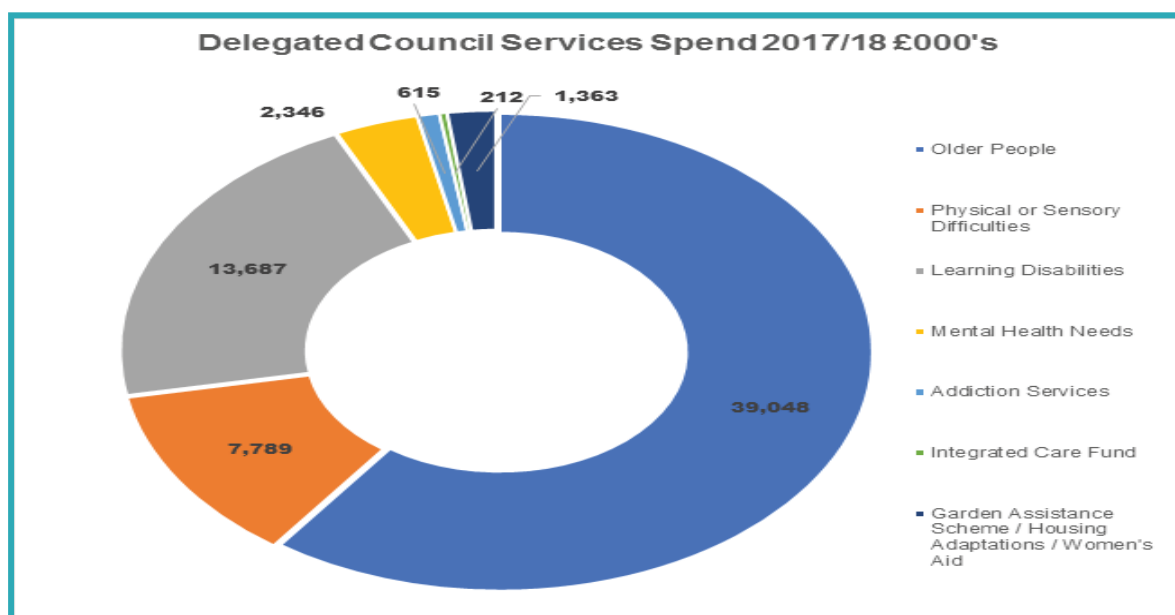
Summary of Financial Position

- 1.6.6. Budget Monitoring throughout 2017/18 has shown the IJB projecting a break-even position subject to the draw down of reserves to fund any shortfalls, and, the transfer of specific ring-fenced monies (including Scottish Government funding for Health Visitors and the Primary Care Improvement Fund) and agreed commitments to earmarked reserves. At the close of 2017/18, as anticipated, the IJB showed an overspend of £2.052m. The IJB approved the drawdown of reserves throughout 2017/18, in order to deliver a breakeven position. This leaves an overall reserves balance of £3.442m, of which £2.5m is ring-fenced or earmarked for specific commitments in 2018/19. The balance of £930k will be carried forward as a general contingency to manage unanticipated budget pressures in future years in support of our Strategic Plan priorities.

Delegated Council Services

- 1.6.7 The diagram, overleaf, shows the final outturn position for delegated Council services for Renfrewshire HSCP in 2017/18:

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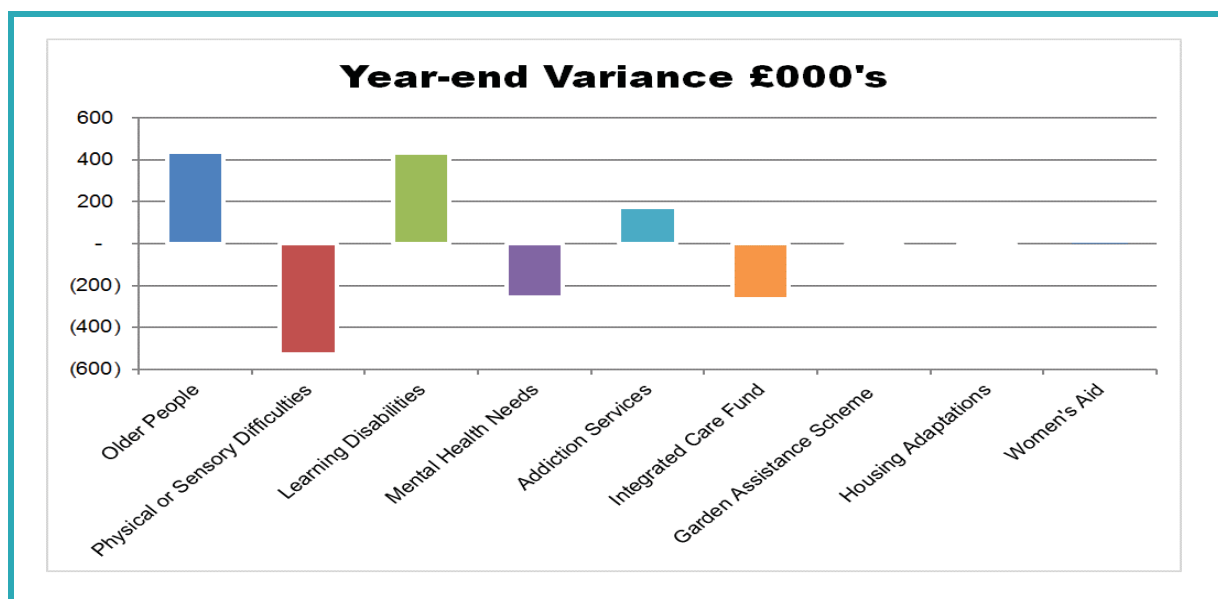
1.6.8 Throughout 2017/18, the Chief Finance Officer's budget monitoring reports to the IJB forecast a breakeven position (subject to the above draw down of general reserves and resources made available by Renfrewshire Council). The final outturn position, inclusive of the draw down of reserves and net of the ear marked reserves of £484k, was a breakeven. The main broad themes of which are:

- An underspend of £174k in Older People services mainly in relation to vacancies within HSCP managed Local Authority Care Homes due to staff turnover and occupancy levels. This underspend offset the continued pressure within the Care at Home service reflecting a growing elderly population who are living longer with more complex needs. Despite additional recurring resources of £747k allocated from Renfrewshire Council's additional budget made available in 2017/18, along with the draw down from reserves of £1.519m the year end position of Care at Home was an overspend of £427k;
- An underspend in Learning Disabilities of £434k, and in Addictions of £174k, mainly due to a number of vacant posts and the current client profile of care packages within these areas; and
- An overspend in Physical Disabilities of £526k mainly due to increasing demand, Living Wage associated costs, and, the growing impact of SDS.

1.6.9 In order to fund short term non-recurring restructuring costs of the Care at Home Service throughout the first quarter of 2018/19, and costs relating to the requirement to replace the SWIFT Adult Social Care ICT system, an additional £484k was drawn down (from the resources made available by Renfrewshire Council as part of their 2017/18 budget allocation) at the year end and moved to earmarked reserves. The remaining balance of c£1.6m will be carried forward as a non-recurring balance by Renfrewshire Council to be made available to the HSCP in 2018/19.

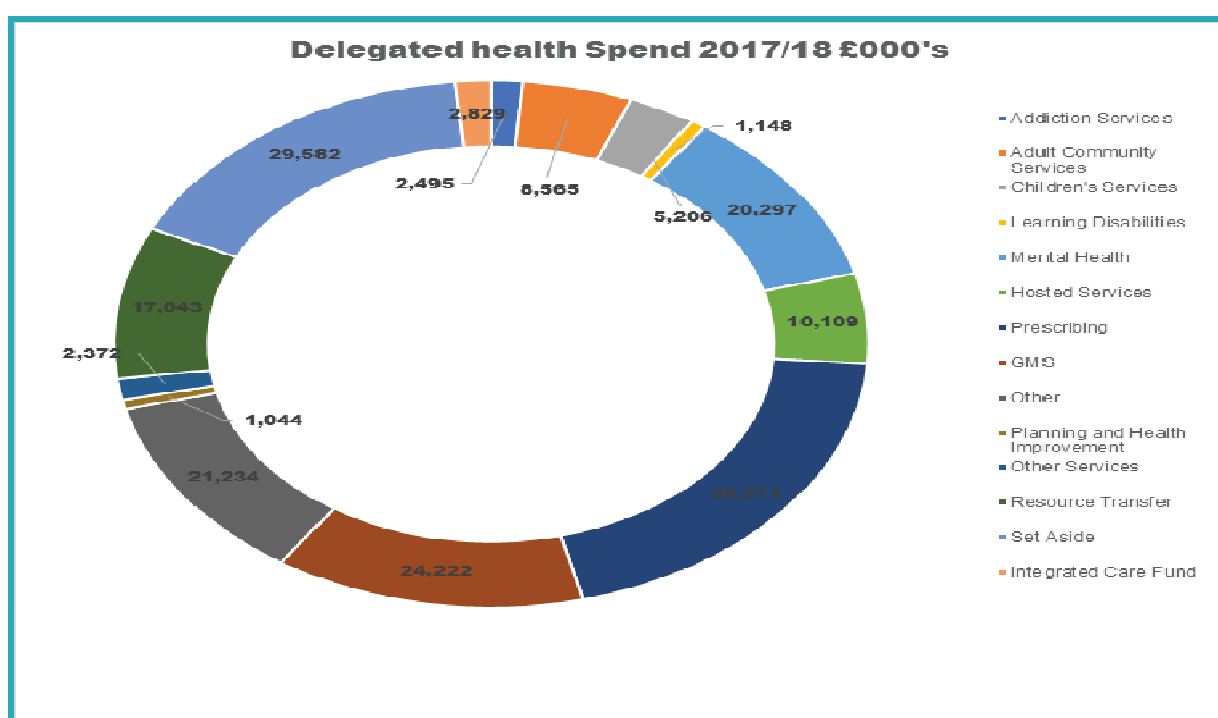
1.6.10 The graph, overleaf, summarises the year end variances per client group for all delegated council services.

Renfrewshire Integration Joint Board (IJB) – 2017/18 Annual Accounts



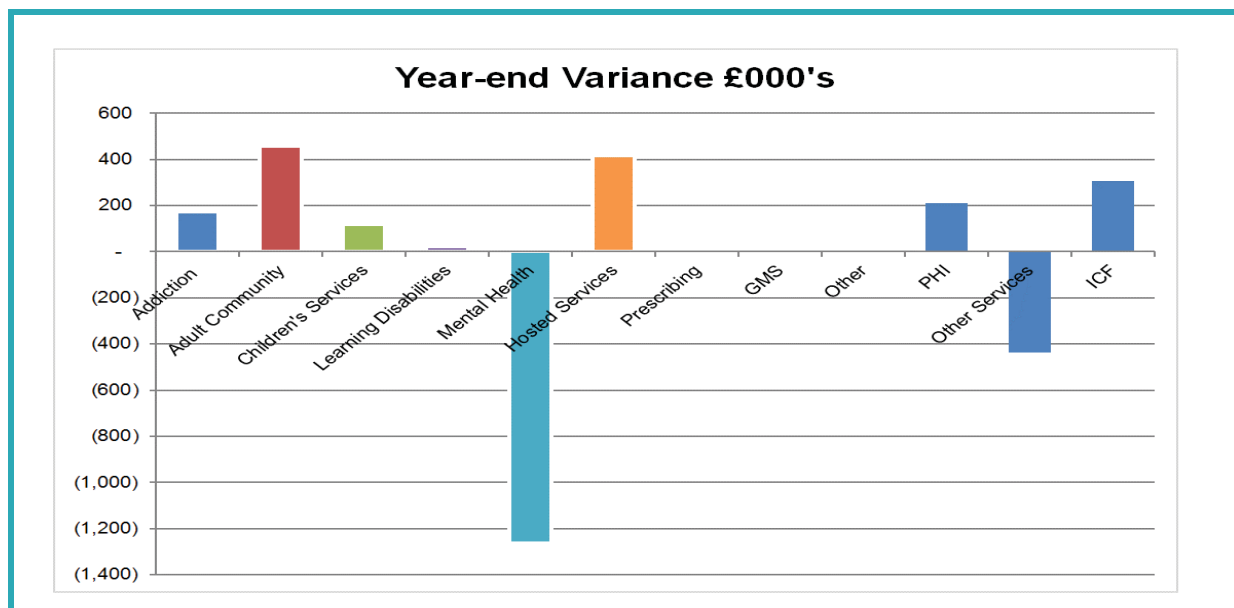
Health Budget

1.6.11 The diagram, below, shows the final outturn position across each delegated Health service client group for Renfrewshire HSCP in 2017/18:



1.6.12 The graph, overleaf, summarises the year end variances per client group for all delegated health services.

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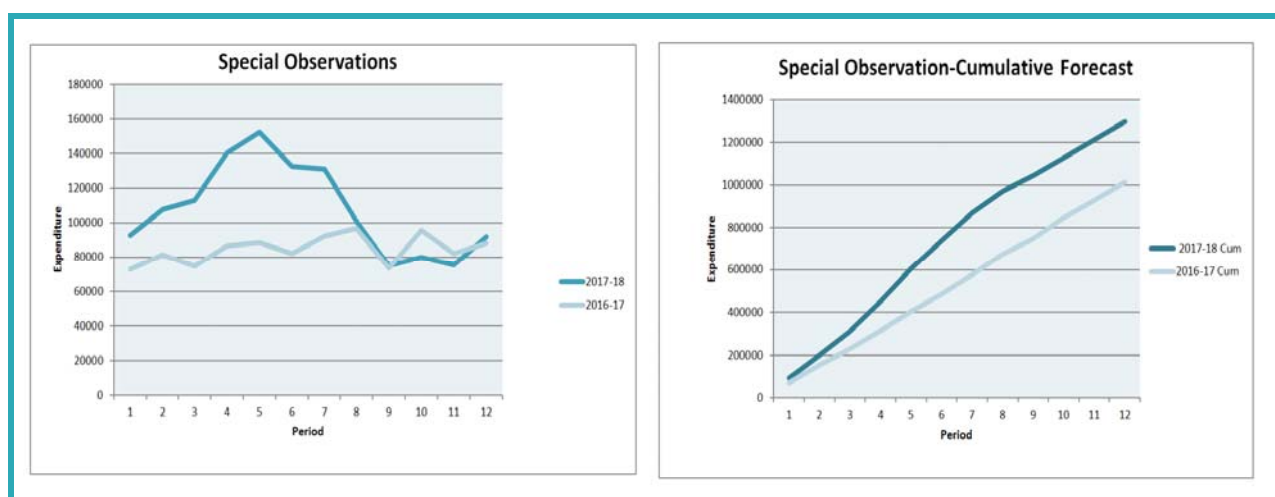
1.6.13 A breakeven position was reported to the IJB throughout 2017/18 (subject to the draw-down of general reserves and transfer of ring fenced balances at the year end to ear marked reserves). The final outturn position, inclusive of the draw down of reserves and net of the ear marked reserves of £2.958m, was a breakeven. The main broad themes of which are:

- An underspend of £458k in Adult Community Services due to turnover across the Rehabilitation and District Nursing services, and an underspend in relation to external charges for Adults with Incapacity (AWI) bed usage;
- Underspends within Addiction Services, Planning and Health Improvement, the Integrated Care Fund and Children's Services reflecting staff turnover including planned vacancies in respect of the reduction in Speech and Language Therapy funding from 2018/19, and use of non-recurring monies to maximise the transfer to ear marked reserves; and
- An underspend of £418k in Renfrewshire Hosted Services due to vacant administrative posts in the Primary Care screening service, and an underspend within Podiatry due to a combination of staff turnover and maternity/unpaid leave, some of which were covered by bank staff.

1.6.14 These underspends offset the overspend in Mental Health Services of £1.263m due to the significant costs (overtime, agency and bank costs) associated with patients requiring enhanced levels of observation across all ward areas. The IJB inherited significant financial pressures with regards to meeting the costs associated with enhanced observations. Historically there was no budget in place to meet these costs, which were previously managed from slippage and underspends in other budgets across the whole former Health budget. The IJB's requirement to deliver year on year recurring savings means there is now limited slippage from which we can fund the costs. Over 2017/18 this pressure created an overspend of (£1.3m).

1.6.15 The graphs, overleaf, summarise the fluctuation in enhanced observation costs over the past 2 years. In 2017/18 spend increased by £278k from £1.015m in 2016/17 to £1.293m for 2017/18.

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- 1.6.16 Given the significant budget gap to be met for 2018/19, 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 2017/18 to enable ear marked reserves to be created to meet specific commitments in 2018/19. In addition, in order to fund the continuing pressure associated with enhanced observations, base budget realignments from other areas of the HSCP budget were identified as part of the overall HSCP 18/19 budget realignment exercise, (as requested by the IJB), and transferred to Mental Health to create a recurring budget to fund these costs.
- 1.6.17 Going forward into 2018/19 the main pressure on the delegated Health budget is likely to be on Prescribing as the current risk sharing arrangement across NHSGGC ceased on 31 March 2018. The main challenge to the prescribing budget relates to additional premiums paid for drugs on short supply, along with the impact of increased volumes and general price increases.
- 1.6.18 In preparing the 2017/18 financial statements the treatment of Hosted Services has changed. The full cost of these services are now reflected in our financial accounts and are no longer adjusted to reflect activity to/for other IJB's within the Greater Glasgow and Clyde area. This change is fully explained in Note 2 to the Accounts: Critical Judgements and reflects our responsibility in relation to service delivery and the risk associated with it.
- 1.6.19 The services hosted by Renfrewshire are identified in the table below which includes expenditure for 2017/18 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	6,235,691	5,357,082
Renfrewshire	Primary Care Support	3,873,082	3,330,850
TOTAL		10,108,773	8,687,932

- 1.6.20 The services which are hosted by the other IJB's on behalf of the other IJB's including Renfrewshire are detailed in the table overleaf. This table also includes expenditure in 2017/18 and the value consumed by Renfrewshire IJB.

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Host	Service	Actual Net Expenditure to Date	Consumed by Renfrewshire IJB's
East Dunbartonshire	Oral Health	£10,094,336	£1,470,745
TOTAL		£10,094,336	£1,470,745
East Renfrewshire	Learning Disability Tier 4 Community & Others	£2,046,333	£177,425
TOTAL		£2,046,333	£177,425
Glasgow	Continence	£3,683,091	£551,631
Glasgow	Sexual Health	£9,697,602	£1,223,651
Glasgow	MH Central Services	£7,707,927	£1,341,383
Glasgow	MH Specialist Services	£11,517,713	£1,866,615
Glasgow	Alcohol & Drugs Hosted	£16,585,776	£1,607,162
Glasgow	Prison Healthcare	£7,177,437	£977,658
Glasgow	HC in Police Custody	£2,274,008	£345,649
TOTAL		£58,643,554	£7,913,749
West Dunbartonshire	MSK Physio	£5,858,142	£859,897
West Dunbartonshire	Retinal Screening	£798,272	£124,930
TOTAL		£6,656,414	£984,827

1.7. Future Challenges

- 1.7.1 Looking into 2018/19 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 to be clear that within the current models of working, the reducing budgets available will require further recurring savings to be made.
- 1.7.2 Taking into account a range of scenarios, current projections for the period 2018/19 to 2020/21 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 £16m to £21m 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 of up to £6.4m per annum in the years 2018/19-20/21.
- 1.7.3 The current budget gap does not take into account potential additional funding for any pressures from either the Scottish Government or our partner organisations. In addition, it does not include potential costs in relation to:
- Changes to the GP Contract;
 - Impact of the Carers Scotland Act (2016);
 - Impact of the extension of free personal care to adults under the age of 65; and
 - Unintended consequences of our partner organisation's changes in activity from 2018/19 onwards.
- 1.7.4 An on-going assessment and update of key assumptions will be required 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.

1.8. Risks and Uncertainties

- 1.8.1 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

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potentially have significant implications for Renfrewshire IJB's parent organisations, and therefore the delegated Health and Adult Social Care budgets.

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

- 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;
- 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.
- In Renfrewshire the health inequalities between the affluent and more deprived areas and the wider challenge of deprivation, housing and employment.

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

- The Health Board is required to determine an amount set aside for integrated services provided by large hospitals. In 2016/17 and 2017/18, this did not operate fully as the guidance required. The set aside budget for 2018/19 has not yet been confirmed by NHSGGC; in addition, there are a number of risks associated with the set aside budget which may mean we will not be able to deliver the Scottish Government's expectations in relation to the commissioning of set aside services.
- From 2018/19, the current risk sharing arrangement with NHSGGC for prescribing will change. This creates a new risk for IJBs as the increased costs of drugs, that have a short supply, is projected to create an additional financial pressure over 2018/19 in the region c£0.85m to c£1.7m.
- A number of new statutory requirements such as the Carers Act, the Living Wage and the National Dementia Strategy are anticipated to create additional financial pressures for the Renfrewshire IJB over 2018/19, 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.
- Investment in Digital technology is required, creating a further financial pressure. 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. Furthermore, the current social care management system requires to be replaced within the next three years and all telecare equipment (used to support our most vulnerable service users in their home) must be upgraded from analogue to digital by 2025. These developments alone are projected to create a pressure of circa £2m.
- Further cost pressures may emerge during 2018/19 that are not yet projected or provided for within either partner's 2018/19 financial plan, nor the resources delegated to the IJB.
- Given recent market failures within the national Care at Home and Care Home provider sectors, which have had a direct impact on our local service provision,

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there is a risk that further market failure would result in additional costs as alternative supply is transitioned to new providers.

1.9. Renfrewshire's Financial Planning Strategy

- 1.9.1 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.
- 1.9.2 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. 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 effective service models. There are few remaining areas to apply this scrutiny to.
- 1.9.3 The IJB's three-year Financial Plan reflects the economic outlook beyond 2018/19, adopting a strategic and sustainable financial plan linked to the delivery of priorities in our Strategic Plan. These strategic priorities will continue to provide a focus for future budget decisions, where the delivery of core services must be balanced with the resources available.
- 1.9.4 Our Financial Plan, underpinned by a robust financial planning process, 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. In addition, it is important that we work towards creating sufficient reserves to protect it during the course of the financial year.
- 1.9.5 To deliver the Financial Plan a medium term financial strategy has been developed, with key strands set out below:

Financial Planning Strand	Priority over 2018/19
Prevention and Early Intervention	<p>Continuing the shift towards prevention and early intervention services to promote positive outcomes, tackling inequalities in society and creating savings in high cost, reactive and resource intensive services by intervening earlier to prevent issues arising in the first place, or where the problem is not preventable, to reduce cost and the need for intervention.</p> <p>Examples include:</p> <ul style="list-style-type: none">• Investment in services to support people to live independently including the Community alarm and responder service; Care at Home, RES Service and Occupational Therapy equipment and adaptations services which enable people to undertake daily living activities more independently and support informal carers to continue their caring role.• Partnership initiatives to promote smoking cessation, active lifestyles, alcohol brief interventions and breast feeding; and• Commissioning a number of third sector providers to deliver early intervention services including ROAR. Food Train, Carers Centre.

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Strategic Planning and Commissioning	We are committed to proactively ‘transforming’ our health and social care services, exploiting the opportunities integrated working offers with service redesign. This will inform the IJB’s Market Facilitation Plan and Strategic Plan. This approach must be balanced with the immediate demands to reduce costs where this is safe to do so given budget pressures.
Financial Planning Process	To support the delivery of our Financial Plan, we have established a robust and inclusive financial planning process to ensure: <ul style="list-style-type: none"> • our parent organisations, professional leads, staff and other key stakeholders are actively engaged with their views taken into account; • all Service Reviews, and associated saving proposals, are conducted within the context of our Strategic and Market Facilitation Plans.
Current and future pressures	We seek to continuously manage and monitor financial pressures such as the impact of new legislation; demographic changes and the economy. CFO will keep the IJB and Parent Organisations sighted on these pressures; their impact on the in-year financial position and any associated assumptions for future budget projections.
Change and Improvement Programme	The 2018/19 Programme provides a structured approach to ensure we manage change activity across the HSCP in a timely, inclusive and effective manner to support the delivery of our strategic, financial and statutory objectives.
NHSGGC and Partner IJBs system-wide Initiatives	We recognise the importance of system wide working to support ‘shifting the balance of care’; allowing best use of our limited resources and offering greater consistency in professional care standards. Renfrewshire is already involved in a number of initiatives including: <ul style="list-style-type: none"> • NHSGGC’s Unscheduled Care Programme • NHSGGC’s Mental Health Strategy • Parent Organisation Transformation Programmes - NHSGGC’s ‘Moving Forward Together’ and Renfrewshire Council’s ‘Better Council’ Programme.
Reserves Strategy	In line with the IJB Reserves Policy, to provide future security against unexpected cost pressures and aid financial stability, the surplus from 2017/18 has been transferred to reserves.
Workforce Planning	The 2018/19 Workforce Plan identifies the key actions the HSCP is taking to improve current recruitment and retention challenges in our workforce.

Dr Donald Lyons

XX/09/18

IJB Chair

David Leese

XX/09/18

Chief Officer

Sarah Lavers CPFA

XX/09/18

Chief Financial Officer

2 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 2018.

Signed on behalf of Renfrewshire IJB

Dr Donald Lyons

Date:

IJB Chair

XX/09/18

Renfrewshire Integration Joint Board (IJB) – 2017/18 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 2018 and the transactions for the year then ended.

Sarah Lavers CPFA
Chief Finance Officer

Date XX/09/18

3 Remuneration Report

- 3.1 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.
- 3.2 The information in the tables below is subject to external audit. The explanatory text in the Remuneration Report is reviewed by the external auditors to ensure it is consistent with the financial statements.

Voting Board Members

- 3.3 Voting IJB members constitute councillors nominated as board members by constituent authorities and NHS representatives nominated by the NHS Board. The voting members of the Renfrewshire IJB were appointed through nomination by NHSGGC and Renfrewshire Council.
- 3.4 Voting board members do not meet the definition of a 'relevant person' under legislation. However, in relation to the treatment of joint boards, Finance Circular 8/2011 states that best practice is to regard Convenors and Vice-Convenors as equivalent to Senior Councillors. The Chair and the Vice Chair of the IJB should therefore be included in the IJB remuneration report if they receive remuneration for their roles. For Renfrewshire IJB, neither the Chair nor Vice Chair receives remuneration for their roles.
- 3.5 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 2017/18 no voting member received any form or remuneration from the IJB.
- 3.6 There were no exit packages payable during the financial year.

Officers of the IJB

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

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Total Earnings 2016/17 £	Name and Post Title	Salary, Fees & Allowances £	Compensation for Loss of Office £	Total Earnings 2017/18 £
114,305	D Leese Chief Officer, Renfrewshire IJB	119,111	-	119,111
81,844	S Lavers Chief Financial Officer, Renfrewshire IJB	84,949	-	84,949

Pension Benefits

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

Name and Post Title	In Year Pension Contributions		Accrued Pension Benefits		
	For Year to 31/03/17 £	For Year to to 31/03/18 £		As at 31/03/17 £	As at 31/03/18 £
D Leese , Chief Officer, Renfrewshire IJB	16,467	16,979	Pension	19,909	21,898
			Lump sum	59,726	65,695
S Lavers , Chief Finance Officer, Renfrewshire IJB	15,757	16,395	Pension	30,502	32,432
			Lump sum	57,444	57,602

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

Disclosure by Pay Bands

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

Number of Employees 31 March 2017	Remuneration Band	Number of Employees 31 March 2018
1	£80,000 - £84,999	-
-	£85,000 - £89,999	1
1	£110,000 - £114,999	-
-	£115,000 - £119,999	1

Dr Donald Lyons
IJB Chair

Date XX/09/18

David Leese
Chief Officer

Date XX/09/18

4 Annual Governance Statement

4.1 Scope of Responsibility

- 4.1.1 The Annual Governance Statement explains the IJB's governance arrangements and reports on the effectiveness of the IJB's system of internal control.
- 4.1.2 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.
- 4.1.3 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 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.
- 4.1.4 This system can only provide reasonable and not absolute assurance of effectiveness.

4.2 Governance Framework and Internal Control System

- 4.2.1 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.
- 4.2.2 The main features of the governance framework in existence during 2017/18 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 reported annually to the IJB, and provides a variety of evidence to demonstrate the delivery of the core components within

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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 updated 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 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.

4.2.3 The governance framework described operates on the foundation of internal controls, including management and financial information, financial regulations, administration, supervision and delegation. During 2017/18 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.

4.3 Roles and Responsibilities

- 4.3.1 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.
- 4.3.2 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.
- 4.3.3 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 2017".

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- 4.3.4 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.
- 4.3.5 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.

4.4 Review of Adequacy and Effectiveness

- 4.4.1 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.
- 4.4.2 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.
- 4.4.3 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.
- 4.4.4 The Management Commentary provides an overview of the key risks and uncertainties facing the IJB.
- 4.4.5 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.

4.5 Action Plan

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

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Agreed action	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.	Jean Still	March 2019
Review of financial regulations and associated guidance by Internal Audit.	Andrea McMahon	March 2019
Alignment of the new Strategic Plan, to be developed over 2018/19, to the Financial Plan.	Fiona MacKay	March 2019

Update on the 2016/2017 Action Plan

- 4.5.2 The 2016/17 Governance Statement identified a number of continuous improvement activities to be taken forward to improve the overall governance, risk management and internal control environment. Progress over the last 12 months against the agreed action plan is detailed below.

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

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4.6 Conclusion and Opinion on Assurance

- 4.6.1 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.
- 4.6.2 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.
- 4.6.3 Systems are in place to regularly review and improve the internal control environment.

Dr. Donald Lyons

Date XX/09/18

IJB Chair

David Leese

Date XX/09/18

Chief Officer

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5 Comprehensive Income and Expenditure Statement

- 5.1 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.

2016/17 Gross Exp. £000's (Restated)	2016/17 Gross Income £000's (Restated)	2016/17 Net Exp. £000's (Restated)	Renfrewshire health & Social Care Partnership Integration Joint Board	Note	2017/18 Gross Exp. £000's	2017/18 Gross Income £000's	2017/18 Net Exp. £000's
Health Services							
2,746	(245)	2,501	Addiction Services		2,485	(330)	2,155
6,567	(252)	6,315	Adult Community Services		8,643	(79)	8,564
1,777	(1,020)	757	Business Support and Admin		2,513	(703)	1,810
5,628	(615)	5,013	Children's Services		5,548	(525)	5,023
23,134	(2,270)	20,864	Dentists, Pharmacists, Optometrists		23,190	(2,274)	20,916
22,842		22,842	GMS (GP Services)		24,222		24,222
3,490		3,490	Integrated Care Fund		2,829		2,829
1,044		1,044	Learning Difficulties		1,148		1,148
19,740	(164)	19,576	Mental Health		20,460	(192)	20,268
1,377	(294)	1,083	Planning Health Improvement		1,044		1,044
6,564	(27)	6,537	Podiatry		6,256	(20)	6,236
35,007		35,007	Prescribing		36,271		36,271
3,987	(137)	3,850	Primary Care Support		4,086	(213)	3,873
25,817		25,817	Resource Transfer		29,566		29,566
159,720	(5,024)	154,696	Health Services Directly Managed by Renfrewshire IJB		168,261	(4,336)	163,925
-25,817		(25,817)	Resource Transfer Adjustment		(29,566)		(29,566)
29,582		29,582	Set aside for Delegated Services Provided in Large Hospitals		29,582		29,582
163,485	(5,024)	158,461	Total Cost of Health Services		168,277	(4,336)	163,941
Social Care Services							
1,287	(599)	688	Addiction Services		1,237	(605)	632
2,299	(1,649)	650	Integrated Care Fund		2,583	(2,371)	212
21,619	(1,394)	20,225	Learning Difficulties		23,786	(1,323)	22,463
4,354	(143)	4,211	Mental Health		4,681	(134)	4,547
53,111	(9,869)	43,242	Older People		55,896	(9,891)	46,005
7,821	(489)	7,332	Physical or Sensory Difficulties		8,816	(502)	8,314
90,491	(14,143)	76,348	Social Care Services Directly Managed by Renfrewshire IJB		96,999	(14,826)	82,173
1,251	(31)	1,220	Services Delegated to Social Care	9	1,502	(139)	1,363
91,742	(14,174)	77,568	Total Social Care Services		98,501	(14,965)	83,536
255,227	(19,198)	236,029	Total Cost of Services		266,778	(19,301)	247,477
	(241,523)	(241,523)	Taxation and Non-Specific Grant Income	5		(245,425)	(245,425)
255,227	(260,721)	(5,494)	Surplus on Provisions of Services (movement in reserves)		266,778	(264,726)	2,052

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- 5.2 The income and expenditure statement has been restated in 2016/17 to reflect the revised position in relation to hosted services. See section 1.6.18 - 20 for further details.
- 5.3 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.
- 5.4 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.

6 Movement in Reserves Statement

- 6.1 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.

Movement in Reserves	General Fund Balance £000's	Earmarked Reserves £000's	Total Reserves £000's
Balance at 31 March 2017 carried forward	(2,644)	(2,850)	(5,494)
Movement in reserves during 2017-2018:			
Total Comprehensive Income and Expenditure			
Increase or Decrease in 2017/18	1,714	338	2,052
Balance at 31 March 2018 carried forward	(930)	(2,512)	(3,442)

7 Balance Sheet

- 7.1 The Balance Sheet shows the value of the IJB's assets and liabilities as at 31 March 2018. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

31 March 2017 £000's		Notes	31 March 2018 £000's
5,494	Short Term Debtors	6	3,442
5,494	Current Assets		3,442
-	Short Term Creditors	6	-
-	Current Liabilities		-
5,494	Net Assets		3,442
(2,644)	Usable Reserves: General Fund	7	(930)
(2,850)	Unusable Reserves: Earmarked	7	(2,512)
(5,494)	Total Reserves		(3,442)

The statement of Accounts presents a true and fair view of the financial position of the Integration Joint Board as at 31 March 2018 and its income and expenditure for the year then ended.

The unaudited accounts were issued on XX June 2018 and the audited accounts were authorised for issue on XX September 2018.

Balance Sheet signed by:

Sarah Lavers CPFA
Chief Finance Officer

XX/09/2018

8 Notes to the Financial Statements

8.1 **Note 1: Significant Accounting Policies**

General Principles

- 8.1.1 The Financial Statements summarise the IJB's transactions for the 2017/18 financial year and its position at the year-end of 31 March 2018.
- 8.1.2 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.
- 8.1.3 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.
- 8.1.4 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

- 8.1.5 Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular, where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet.

Funding

- 8.1.6 The IJB is primarily funded through funding contributions from its statutory funding partners, Renfrewshire Council and NHSGGL. 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

- 8.1.7 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

- 8.1.8 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.
- 8.1.9 The IJB has a legal responsibility to appoint a Chief Officer. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partners are treated as employee costs.

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Usable Reserves

- 8.1.10 Usable reserves are created by appropriate amounts from the Comprehensive Income and Expenditure Statement in the Movement in Reserves Statement.
- 8.1.11 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.
- 8.1.12 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

- 8.1.13 The IJB is responsible for the strategic planning of the functions delegated to it by Renfrewshire Council and NHS Greater Glasgow & Clyde, and for ensuring the discharge of those functions through the Health and Social Care Partnership.
- 8.1.14 The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities through the CNORIS scheme. NHS Greater Glasgow & Clyde and Renfrewshire Council have responsibility for claims in respect of the services for which they are statutorily responsible and that they provide.
- 8.1.15 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.
- 8.1.16 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.
- 8.1.17 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

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

8.2 Note 2: Critical Judgements

- 8.2.1 In applying the accounting policies set out above, the IJB has had to make a critical judgement relating to complex transactions in respect of the values included for services hosted within Renfrewshire IJB for other IJBs within the NHS Greater Glasgow and Clyde area. In previous financial years the financial accounts have been prepared on the basis that the costs associated with activity for services related

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to non- Renfrewshire residents were removed and transferred to other IJB's to reflect the location of the service recipients. Costs were also added to reflect activity for services delivered by other IJB's related to Renfrewshire residents. The costs removed/added were based upon budgeted spend such that any overspend or underspend remains with the hosting IJB.

- 8.2.2 In preparing the 2017-18 financial statements these adjustments will no longer be made. Within Greater Glasgow and Clyde, 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 responsible 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 2017-18 accounts have been prepared.

8.3 Note 3: Events after the Balance Sheet Date

- 8.3.1 The Annual Accounts were authorised for issue by the Chief Financial Officer on XX September 2018. 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.
- 8.3.2 Where events take place before the date of authorisation and provide information about conditions existing as at 31 March 2018 the figures in the financial statements and notes have been adjusted in all material aspects to reflect the impact of this information.
- 8.3.3 Events taking place after the date when the Accounts were authorised are not reflected in the financial statement or notes.

8.4 Note 4: Expenditure and Income Analysis by Nature

- 8.4.1 The table below shows the gross expenditure and income for Renfrewshire Health and Social Care Partnership IJB against subjective headings.
- 8.4.2 This note has been restated in 2016/17 to reflect the revised position in relation to hosted services. See section 1.6.18 - 20 for further details.

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Renfrewshire Integration Joint Board	2016/17 £000's Restated	2017/18 £000's
Health Services		
Employee Costs	43,718	43,749
Property Costs	33	29
Supplies and Services	8,722	8,779
Purchase of Healthcare	56	2,483
Family Health Service	81,375	83,655
Set Aside	29,582	29,582
Income	(5,025)	(4,336)
Total Health Services	158,461	163,941
Adult Social Care		
Employee Costs	28,471	30,817
Property Costs	551	996
Supplies and Services	2,269	1,723
Contractors	53,058	60,578
Transport	727	655
Administrative Costs	247	1,168
Payments to Other Bodies	6,419	2,564
Income	(14,174)	(14,965)
Total Adult Social Care Services	77,568	83,536
Total Cost of Services	236,029	247,477
Partners Funding Contributions and Non-Specific Grant Income	(241,523)	(245,425)
Surplus on Provision of Services	(5,494)	2,052

8.5 Note 5: Taxation and Non-Specific Grant Income

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

Taxation and Non-Specific Grant Income	2016/17 £000's Restated	2017/18 £000's
NHS Greater Glasgow and Clyde Health Board	162,436	164,642
Renfrewshire Council	79,087	80,783
Total	241,523	245,425

This note has been restated in 2016/17 to reflect the revised position in relation to hosted services. See section 1.6.18 - 20 for further details.

8.5.2 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.

8.6 Note 6: Short Term Debtors and Creditors

8.6.1 At the end of this financial year, Renfrewshire IJB had short term debtors of £3.442m relating to the reserves held. There were no creditors. Amounts owed by the funding partners are stated on a net basis.

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Short Term Debtors	2016/17 £000's	2017/18 £000's
NHS Greater Glasgow and Clyde Health Board	3,975	2,958
Renfrewshire Council	1,519	484
TOTAL	5,494	3,442

Short Term Creditors	2016/17 £000's	2017/18 £000's
NHS Greater Glasgow and Clyde Health Board	-	-
Renfrewshire Council	-	-
TOTAL	-	-

8.7 Note 7: Usable Reserves

8.7.1 As at 31 March 2018 the IJB has created earmarked reserves in order to fund expenditure in respect of specific projects. In addition, a general reserve has been created as part of the financial strategy of the IJB. 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.

8.7.2 The table below shows how reserves are allocated:

General Reserves	2016/17 £000's	2017/18 £000's
Health delegated budget under spend carried forward	1,125	930
Renfrewshire Council under spend carried forward	1,519	-
TOTAL GENERAL RESERVES	2,644	930

Earmarked Reserves	2016/17 £000's	2017/18 £000's
Health delegated budget planned contribution to reserve:		
16/17 & 17/18 PCTF Monies for Tests of Change & GP Support	1,100	438
GP Digital Transformation	289	-
GP Premises Fund - Renfrewshire Allocation	705	414
Funding for Temp Mental Health Posts	82	-
Primary Care Transformation Fund Monies	39	39
District Nurse 3 year Recruitment Programme	150	150
Health & Safety Costs for Mental Health Shower Facilities	35	-
Prescribing	450	450
Funding to Mitigate Any Shortfalls in Delivery of savings in 18/19	-	339
Health Visiting	-	181
Tannahill Diet and Diabetes Pilot Project	-	17
TOTAL Renfrewshire HSCP	2,850	2,028
Renfrewshire Council delegated budget planned contribution to reserve:		
Care @ Home Redesign/Locality Services Redesign Costs	-	399
Additional Specific Planned Placement start up costs	-	35
ICT Swift Update Costs	-	50
TOTAL Renfrewshire Council	-	484
TOTAL EARMARKED RESERVES	2,850	2,512

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8.8 Note 8: Additional Council Services Delegated to the IJB

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

Additional Council Services Delegated to the IJB	2016/17 £000's	2017/18 £000's
Garden Assistance Scheme	369	370
Housing Adaptations	770	910
Women's Aid	112	222
Grant Funding for Women's Aid	(31)	(139)
NET AGENCY EXPENDITURE (INCLUDED IN THE CIES)	1,220	1,363

8.9 Note 9: Related Party Transactions

- 8.9.1 The IJB has related party relationships with NHSGGC and Renfrewshire Council which 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.

Service Income Received	2016/17 £000's Restated	2017/18 £000's
NHS Greater Glasgow and Clyde Health Board	(5,024)	(4,336)
Renfrewshire Council	(14,174)	(14,965)
TOTAL	(19,198)	(19,301)

Expenditure on Services Provided	2016/17 £000's Restated	2017/18 £000's
NHS Greater Glasgow and Clyde Health Board	163,485	168,277
Renfrewshire Council	91,742	98,501
TOTAL	255,227	266,778

Funding Contributions Received	2016/17 £000's Restated	2017/18 £000's
NHS Greater Glasgow and Clyde Health Board	162,436	164,642
Renfrewshire Council	79,087	80,783
Total	241,523	245,425

Debtors	2016/17 £000's	2017/18 £000's
NHS Greater Glasgow and Clyde Health Board	3,975	2,958
Renfrewshire Council	1,519	484
TOTAL	5,494	3,442

This note has been restated in 2016/17 to reflect the revised position in relation to hosted services. See section 1.6.18 - 20 for further details.

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8.10 Note 10: IJB Operational Costs

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

IJB Operational Costs	2016/17 £000's	2017/18 £000's
Staff Costs	271	281
Audit Fees	17	24
TOTAL	288	305

- 8.10.2 The cost associated with running the IJB has been met in full by NHS Greater Glasgow and Clyde and Renfrewshire Council. This is combined within the gross expenditure for both partners.

8.11 Note 11: VAT

- 8.11.1 The IJB is not a taxable person and does not charge or recover VAT on its functions.
- 8.11.2 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.
- 8.11.3 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.

8.12 Note 12: External Audit Costs

- 8.12.1 Fees payable to Audit Scotland in respect of external audit services undertaken in accordance with Audit Scotland's Code of Audit Practice in 2017/18 are £24,000. There were no fees paid to Audit Scotland in respect of any other services.