East Dunbartonshire Health & Social Care Partnership

Annual Accounts 2015/16

(Unaudited)
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INTEGRATION JOINT BOARD ANNUAL ACCOUNTS

MANAGEMENT COMMENTARY

1  Purpose and objectives

The Integration Joint Board was established as a body corporate, by order of Scottish Ministers on the 27th July 2015 and empowered on the 3rd September 2015, for the area of East Dunbartonshire, covering a population of around 105,000. The main population centres are Bearsden, Milingavie, Bishopbriggs, Kirkintilloch and Lenzie along with the rural villages including Milton of Campsie, Lennoxtown, Twechar, Torrance and Balmore.

Its purpose is to deliver certain Health and Social Care services as prescribed within the Integration Scheme on behalf of East Dunbartonshire Council and NHS Greater Glasgow & Clyde (NHSGG&C) Health Board. These include all adult and community care health and social care services, and some prescribed acute services.

The IJB Strategic Plan 2015 – 2018 outlines the vision, strategic objectives and services to be delivered within the partnership:

- To improve the quality and consistency of services for service users, carers, service users and their families,
- To provide person centred, seamless, integrated, quality health and social care services in order to care for people in their own homes, or a homely setting, where it is safe to do so,
- To ensure resources are used effectively and efficiently to deliver services that meet the needs of the increasing number of people with long term conditions and often complex needs, many of whom are older.

Our Vision is “Working with people to build strong communities, promote wellbeing and provide access to care and support.

“We will have a healthcare system where we have integrated health and social care, a focus on prevention, anticipation and supported self-management. When hospital treatment is required, and cannot be provided in a community setting, day case treatment will be the norm. Whatever the setting, care will be provided to the highest standards of quality and safety, with the person at the centre of all decisions. There will be a focus on ensuring that people get back into their home or community environment as soon as appropriate, with minimal risk of readmission”.

A Route Map to the 2020 Vision for Health and Social Care

The Strategic Plan has been designed to meet the outcomes and performance measures for integration within the Scottish Government’s National Performance Framework, focussed on achieving the nine national health and wellbeing outcomes.
Table 1 National Health & Well Being 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 well-being. |
| Outcome 7 | People who use 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. |

2 Financial review

The partnership’s performance is presented in these Annual Accounts. The activities of the Health and Social Care Partnership are funded through an arrangement whereby the Council and Health Board agree their respective contributions and it is for the partnership thereafter to deliver on the priorities set out in the strategic plan. The scope of budgets agreed for inclusion within the HSCP for 2015/16 from each of the partnership bodies were:-

IJB Budgets 2015/16 (from the 3rd September 2015 to the 31st March 2016))

<table>
<thead>
<tr>
<th>Budget</th>
<th>Amount (GBP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IJB Health Budget</td>
<td>£48,067,000</td>
</tr>
<tr>
<td>IJB Social Work Budget</td>
<td>£26,059,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>£74,126,000</td>
</tr>
</tbody>
</table>

This includes an element of funding provided by the Scottish Government to deliver on the key outcomes in the form of delayed discharge and integration funding of £2.21m.

Further work has progressed to identify the indicative set aside budget for the Acute Services to be included within the integrated budget. These notional budgets are based on direct costs per bed day for each relevant speciality within the IJB based on average activity for the 3 years 2011/12 – 2013/14 provided by NHSGGC Information Services department and cost for 2013/14 taken from the NHS Scotland Cost Book. Accident & Emergency outpatient attendances will be included at 3 year average activity and direct cost per attendance for 2013/14.

The costing methodology for future years will be the subject of a review within the NHS Board to develop a more accurate costing framework for unscheduled care services which
may in time be used to identify resource shifts to either release funds to HSCPs where activity falls or identify changes to the payment to Acute Services where activity increases. An allocation has been determined by the Greater Glasgow & Clyde Health Board for East Dunbartonshire of £9.570m.

During 2015/16, a due diligence exercise was carried out to consider the sufficiency of the budget provided for the partnership by the Health Board and the Council. This identified significant financial pressure in relation to adult social care packages which have been the subject of regular reports to the IJB. This culminated in an agreement from the Council that in the first year, there would be an under writing of reported pressures from Council reserves.

The table on page 17 shows a net underspend of £1.388m on the partnership funding available for 2015/16.

In terms of the final position for Adult Social Work services, there was an increase in expenditure in relation to care home placements over and above projections as a result of the impact of winter pressures, year-end accruals and conclusion of the financial assessment. A combination of mitigations such as redundancy cost re-direction to Council centralised provision, increase in bad debt provision, application of surpluses from carry forwards from previous financial years and an adjustment to the financial allocation from the Council to reflect the under-writing arrangement, to cover reported cost pressures, provides an overall surplus on budget of £1.398m.

In terms of the final position for NHS budgets, there was a surplus generated across community NHS budgets of £400k in relation to Adult Community Care Services. In addition there was planned slippage of £400k against the HSCP’s delayed discharge funding allocation. This was transferred to the Council to carry forward as reserves into 2016/17 leaving a small under spend of £7k at 2015/16.

The overall position for the HSCP is that of surplus of £1.388m which will be allocated to reserves and carried forward to 2016/17. An element of the carry forward is required to meet on-going commitments; however there will be a surplus to meet the priorities set out in the Strategic Plan, and to provide some resilience for on-going pressure and slippage in savings plans.

The partnership continues to face significant financial pressures from demographic growth particularly amongst the elderly population generating demand and increased costs across a range of adult care services.

Both partnership organisations continue to face significant financial challenge. The health board has savings of £70m to secure during 2016/17 with a number of initiatives underway to deliver on this challenge. Of the £70m savings target, £20m relates to Health & Social Care Partnerships of which £1.08m relates to East Dunbartonshire.

The Council is also facing significant challenges with £10.9m to close the funding gap during 2016/17 predominantly delivered through the Council’s transformation and budget reduction programme with the aim of protecting the provision of frontline service delivery.

There is some recurring funding available to partnerships from the Scottish Government in 2016/17 in the form of Integration Funding (ED - £1.7m) and Delayed Discharge Funding (ED - £510k) and additional funding from a share of £250m (ED £4.31m) aimed at delivering the living wage across the care home and care at home sectors, support additional spend on
expanding social care to support the objectives of integration and raising charging thresholds for all non-residential services.

The period of public sector austerity and reduction in the overall level of UK public sector expenditure is anticipated to extend over the medium term horizon. Future Scottish Government grant settlements remain uncertain with further reductions in government funding predicted to 2018/19. The partnership will prepare a financial plan aligned to its strategic priorities to plan ahead to meet the challenges of demographic growth and policy pressures, taking appropriate action to maintain budgets within expected levels of funding and to maximise opportunities for delivery of the Strategic Plan.

Financial governance arrangements have been developed to support the IJB in the discharge of it’s business including financial scoping, budget preparation, standing orders, financial regulations and the establishment of an Audit Committee to ensure the adequacy of the arrangements for risk management, governance and the control of the delegated resources.

3 Operational review

The period since the partnership has gone ‘live’ and the preparation running up to this date have been focussed on establishing robust governance and management arrangements to effectively deliver on the outcomes agreed for the partnership. The appointment of the Chief Officer, Interim Chief Finance Officer, Head of Adult and Community Care Services and Head of Strategic Planning as well as the establishment of an Integrated Joint Board (IJB) and the Audit Committee are fundamental to effectively deliver on the agenda.

The preparation of the Strategic Plan captures the outcomes to be achieved by the Partnership and sets the agenda and way forward on how this will be delivered. This also identified a suite of performance indicators which will measure and provide a level of scrutiny on how well the partnership is delivering it’s objectives.

In 2015/16, 61% of our performance indicator targets have been achieved (based on Quarter 4 data).

In terms of Outcome one which aims to ensure people are able to look after and improve their own health and well-being and live in good health for longer, there are a number of areas of positive performance for the partnership that demonstrates effective delivery in this area. The number of successful smoke quits at 12 weeks in the 40% most deprived areas of East Dunbartonshire and the number of alcohol brief interventions per year have exceeded targets pointing to a healthier population taking control of their own health outcomes. There is also good performance in relation to the percentage uptake of bowel, cervical and breast screening programmes. There are some areas for improvement in terms of patient access to GP teams and the rates of unplanned care where specific actions are in place to improve performance and target resource to ensure effective delivery.

In terms of Outcome two which seeks to ensure people are able to live independently and at home or in a homely setting in their community, there are a range of good performance indications. Of particular significance is the achievement of the 50% target reduction for the partnership of the number of acute bed days lost to delayed discharges (including Adults with Incapacity). This is a key area which ensures people who are assessed as fit for discharge, from hospital, return home or to a homely setting as soon as possible. There has been substantial investment in this area through delayed discharge funding, Change Fund
monies and integration funding to deliver on this particular objective and the partnership is showing signs of continued improvement in this area. There is also good performance on the timescales for completion of a community care assessment to the point of service delivery, the percentage of people with intensive needs being supported at home, the increase in homecare support at weekend, during evening and overnight all exceeding targets during 2015/16. The number of admissions to care home is also ahead of target demonstrating that more people are being supported in their own homes.

The performance management framework will be further developed to ensure we have a robust process for scrutinizing performance across the full range of objectives which are to be delivered through the HSCP including benchmarking to compare with other partnerships and provide a culture of improvement and sharing good practice.
STATEMENT OF RESPONSIBILITIES FOR THE STATEMENTS OF ACCOUNT

The Integration Joint Board is required:

• To make arrangements for the proper administration of its financial affairs and to secure that it has an officer responsible for the administration of those affairs. In this Integration Joint Board, that officer is the Chief Finance & Resources Officer.
• To manage its affairs to achieve best value in the use of its resources and safeguard its assets; and
• To approve the statement of accounts

Chairperson

Date

Responsibilities of the financial officer

As financial officer I am responsible for the preparation of the Integration Joint Board’s statement of accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (“the Code of Practice”), is required to give a true and fair view of the financial position of the Integration Joint Board at the financial year end and its income and expenditure for the year then ended.

In preparing the financial statements I am responsible for:

• Selecting suitable accounting policies and applying them consistently;
• Making judgements and estimates that are reasonable and prudent;
• Complying with the Code of Practice.

I am also required to:

• Keep proper accounting records which are up to date; and
• Take reasonable steps to ensure the propriety and regularity of the finances of the Integration Joint Board;

Statement of Accounts

The Statement of Accounts presents a true and fair view of the financial position of the East Dunbartonshire Integration Joint Board as at 31 March 2016, and its income and expenditure for the year then ended.

Chief Finance & Resources Officer

Date
REMUNERATION REPORT

1 Integration Joint Board

The members of the Integration Joint Board are appointed by nomination from the partner organisations in equal numbers to sit on the Board. This will be a minimum of three nominees each as voting members. The Council have nominated three Councillors and the Health Board have nominated three non–executive Directors for a period not exceeding three years.

The Chair person and the Vice Chairperson will be drawn from the Health Board and the Council voting members of the IJB – the first Chairperson has been appointed from the Council for the period to the local government elections in May 2017. Thereafter the term of office will rotate to a nomination of the Health Board for a period of two years.

2 Senior officers

The IJB does not directly employ any staff, all partnership officers are employed through either the Health Board or the Council and remuneration for senior staff is reported through those bodies.

The Chief Officer is appointed by the Integration Joint Board on consultation with the Health Board and Local Authority. The Chief Officer is employed by NHS GGC and seconded to the Integration Joint Board.

An interim Chief Finance Officer was seconded part time from the Health Board to the IJB for the period to the 31st March 2016 following which a full time post was appointed in the form of the Chief Finance & Resources Officer. The costs associated with this post for 2015/16 were already built into health budgets, no transfer was made into the integrated budget for this support and the costs were borne entirely by the Health Board, therefore at no cost to the IJB.

3 Remuneration policy

Board Members

The remuneration of Senior Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulation 2007. A Senior Councillor is a Councillor who holds a significant position of responsibility in the Council’s political management structure, such as the Chair or Vice Chair of a committee, sub-committee or board (such as the Integrated Joint Board).

The remuneration of Non-Executive Directors is regulated by the Remuneration Sub-committee which is a sub-committee of the Staff Governance Committee within the NHS Board. Its main role is to ensure the application and implementation of fair and equitable systems for pay and for performance management on behalf of the Board as determined by Scottish Ministers and the Scottish Government Health and Social Care Directorates.

The Integrated Joint Board does not pay allowances or remuneration to voting board members. They are remunerated by their respective organisations and any additional expenses are disclosed within the financial accounts (where material).
The position for which remuneration is paid to Board members by the respective partner organisations is:

<table>
<thead>
<tr>
<th>Name</th>
<th>Office held as at 31 March 2016</th>
<th>Partner Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>R Geekie</td>
<td>Chairperson (IJB) and Leader of the Council</td>
<td>East Dunbartonshire Council</td>
</tr>
<tr>
<td>I Fraser</td>
<td>Vice Chairperson (IJB) and Non-Executive Director</td>
<td>NHS Greater Glasgow</td>
</tr>
<tr>
<td>M. O’Donnell</td>
<td>Board Member (IJB) and Councillor</td>
<td>East Dunbartonshire Council</td>
</tr>
<tr>
<td>A McNair</td>
<td>Board Member (IJB) and Councillor</td>
<td>East Dunbartonshire Council</td>
</tr>
<tr>
<td>R Finnie</td>
<td>Board Member (IJB) and Non-Executive Director</td>
<td>NHS Greater Glasgow</td>
</tr>
<tr>
<td>T. McAulay</td>
<td>Board Member (IJB) and Non-Executive Director</td>
<td>NHS Greater Glasgow</td>
</tr>
</tbody>
</table>

Chief Officer

The appointment of an IJB Chief Officer (CO) is required by section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 which includes the statement “An integration joint board is to appoint, as a member of staff, a Chief Officer”. The Chief Officer is regarded as an employee of the IJB although their contract of employment is with the NHS Greater Glasgow & Clyde Health Board. The post is funded by the IJB and the remuneration of the Chief Officer is set by Greater Glasgow & Clyde Health Board in line with Senior Officer grading structures and, as with non-executive Directors, is regulated by the Remuneration Sub-committee.

The remuneration report presents the pension entitlement attributable to the post of Chief Officer but the IJB has no formal ongoing pension liability. Instead the IJB will fund employer pension contributions as they become payable during the Chief Officers’ period of service. There will therefore be no pension liability reflected on the IJB balance sheet for this post.

4 Remuneration

The IJB accounts will reflect the remuneration of the Chief Officer for the period from the 3rd September 2015 to the 31st March 2016 when the partnership became ‘live’:

<table>
<thead>
<tr>
<th>Name and Post Title</th>
<th>Salary, Fees and Allowances</th>
<th>Taxable Expenses</th>
<th>Total Remuneration 2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>K Murray Chief Officer</td>
<td>70-75k</td>
<td>0</td>
<td>70-75K</td>
</tr>
</tbody>
</table>
5 Pension benefits

The Chief Officer is a member of the NHS Superannuation Scheme (Scotland) under the pre 2008 entitlements. This is a final salary pension which means that pension benefits are based on final year’s pay and the number of years an individual has been a member of the scheme. The scheme’s normal retirement age for employees is 65. The lump sum payable on retirement can alter from year to year due to added years and commutation.

Costs of the pension scheme contributions for the year to 31 March 2016 are shown in the table below:

<table>
<thead>
<tr>
<th></th>
<th>To 31 March 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>K Murray</td>
<td>£</td>
</tr>
<tr>
<td>In Year pension benefits</td>
<td>17,000</td>
</tr>
<tr>
<td>Accrued Pension Benefits</td>
<td></td>
</tr>
<tr>
<td>• Pension</td>
<td>45,000 - 50,000</td>
</tr>
<tr>
<td>• Lump Sum</td>
<td>145,000 – 150,000</td>
</tr>
<tr>
<td>Movement in accrued pension benefits</td>
<td></td>
</tr>
<tr>
<td>• Pension</td>
<td>2,500 – 5,000</td>
</tr>
<tr>
<td>• Lump Sum</td>
<td>7,500 – 10,000</td>
</tr>
</tbody>
</table>

Chief Officer       Chairperson

Date        Date
ANNUAL GOVERNANCE STATEMENT

Scope of Responsibility

The Integration Joint Board is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, safeguarding public funds and assets and making arrangements to secure best value in their use.

In discharging this responsibility, the Chief Officer has put in place arrangements for governance which includes the system of internal control. This is designed to manage risk to a reasonable level, but cannot eliminate the risk to failure to achieve policies, aims and objectives and can therefore only provide reasonable but not absolute assurance of effectiveness.

Governance framework

The system of internal control is based on a framework designed to identify and prioritise the risks to the achievement of the Partnerships key outcomes, aims and objectives and comprises the structures, processes, cultures and values through which the partnership is directed and controlled.

The system of internal control is an ongoing process designed to identify and prioritise those risks that may impact the ability of the Partnership to deliver its aims and objectives. In doing so it evaluates the likelihood and impact of those risks and seeks to manage them efficiently, effectively and economically.

Governance arrangements have been in place throughout the year and up to the date of approval of the statement of accounts.

Key features of the governance framework during 2015/16 are:

- The Integrated Joint Board (IJB) is a formal full partner of the East Dunbartonshire Community Planning Partnership Board (CPPB) and will provide regular relevant update to the CPPB on the work of the Health & Social Care Partnership

- The Integrated Joint Board comprises six voting members – three non-executive Directors of the Healthboard and three local Councillors from the Local Authority. The Board are charged with responsibility for the planning of Integrated Services through directing the Council and the Healthboard to deliver on the strategic priorities set out in the Strategic Plan. In order to effectively discharge their responsibilities, board members are supported with a development programme aimed at providing opportunities to explore individual member and Board collective responsibilities and values that facilitate decision making, develop understanding of service provision within the HSCP and engage with staff delivering these services and specific sessions on the conduct of the business of the IJB.

- IJBs are ‘devolved public bodies’ for the purposes of the Ethical Standards in Public Life (Scotland) Act 2000 which requires them to produce a code of conduct for members. The members of the IJB have adopted and signed up to the Code of Conduct for Members of Devolved Public Bodies and have committed to comply with the rules and regularly review their personal circumstances on an annual basis.
• The IJB has produced and adopted a Scheme of Administration that defines the powers, relationships and organisational aspects for the IJB. This includes the Integration Scheme, Standing Orders for meetings, Terms of reference and membership of IJB committees, the Scheme of Delegation to Officers and the Financial Regulations.

• The Strategic Plan for 2015-2018 was approved at the inaugural meeting of the HSCP Board on the 3rd September 2015. It sets out the identified strategic priorities for the HSCP under each of the nine national outcomes and describes for each priority what success will look like and the outcome measures to be used to monitor delivery.

• Financial regulations have been developed for the Health & Social Care Partnership in accordance with the Integrated Resources Advisory Committee (IRAG) guidance and in consultation with the Director of Finance of East Dunbartonshire Council and the Assistant Director of Finance of NHS Greater Glasgow and Clyde. They set out the respective responsibilities of the Chief Officer and the Chief Finance Officer in the financial management of the monies delegated to the partnership.

• Establishment of an Audit Committee. The Audit Committee will advise the Partnership Board and its Chief Financial Officer on:
  o The strategic processes for risk, control and governance and the governance statement.
  o The financial governance and accounts of the Partnership Board, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors.
  o The planned activity and results of both internal and external audit as they relate to the activities of the Partnership Board.
  o The adequacy of management response to issues identified by audit activity, including external audit's management letter/report.
  o The effectiveness of the internal control environment.
  o Assurances relating to the corporate governance requirements for the Partnership Board.
  o Appointment of the internal audit service or for purchase of non-audit services from contractors who provide audit services.

• Performance Reporting – regular performance reports are presented to the IJB to monitor progress on an agreed suite of measures and targets against the priorities set out in the strategic plan. This includes the provision of exception reports for targets not being achieved identifying corrective action and steps to be taken to address performance not on target.

• Clinical and Care Governance arrangements have been developed and led locally by the Associate Clinical Director for the HSCP and involving the Chief Social Work Officer for East Dunbartonshire Council.

• A Risk Management Register has been developed which covers the partnership’s risk policy, procedure, process, systems, risk management roles and responsibilities.

• Internal / External Review of Governance Arrangements – there has been specific work undertaken by each partners audit functions on the integrity of financial governance, financial assurance and risk assessment arrangements as they relate to the integration of adult health and social care services.
Information Governance – the Public Records (Scotland) Act 2011 (Section 1 (1)) requires the HSCP Board to prepare a Records Management Plan setting out the proper arrangements for the authority’s public records. In addition, under the Freedom of Information (Scotland) Act, the HSCP Board is required to develop a Freedom of Information Publication Scheme.

With regard to the entries taken from the Health Board and Council Accounts, the IJB is not aware of any weaknesses within their internal control systems and has placed reliance on the individual Statements of Internal Financial Control where appropriate.

Review of Effectiveness

East Dunbartonshire IJB has responsibility for reviewing the effectiveness of the governance arrangements including the system of internal control. This review is informed by the work of the Chief Officer and the Senior Management Team who have responsibility for the development and maintenance of the governance environment, the Annual Governance Report, the work of internal audit functions for the respective partner organisations and also by comments made by external auditors and other review agencies and inspectorates.

The partnership has put in place appropriate management and reporting arrangements to enable it to be satisfied that its approach to corporate governance is both appropriate and effective in practice.

On the basis of internal audit work, there were a range of audit work relevant to the operation of internal controls of relevance to the IJB. These were generally found to operate as intended with reasonable assurance provided on the integrity of control. A number of recommendations have been made for areas for further improvement and action plans developed to address the risks identified.

There has been specific work undertaken by each partners audit functions on the integrity of financial governance, financial assurance and risk assessment arrangements as they relate to the Council’s contribution toward the integration of adult health and social care services and the robustness of the process for setting NHS budgets to be allocated to IJB’s. The Council’s internal auditors were able to provide reasonable assurance over the areas reviewed and the auditors acting for NHS Greater Glasgow and Clyde found no significant issues or findings from their review. There were a number of areas identified with actions to be progressed and these are being taking forward within the partnership.

There have been regular Integrated Joint Board meetings since the partnership came into being which have received a wide range of reports to enable effective scrutiny of the partnerships’ performance including regular Chief Officer Updates, Financial reports, quarterly performance reports and service development reports which contribute to the delivery of the Strategic Plan. There been a number of development sessions for members as well as induction visits to some of the operational hubs of service delivery. These have been very positive and have resulted in a programme of development activities being agreed for 2016/17.

The Accounts Commission published a report on Health and Social Care Integration in December 2015 providing a national overview of the emerging arrangements for setting up, managing and scrutinizing Integration Authorities as they become established. East Dunbartonshire undertook a process of Self Evaluation against the recommendations and
developed an action plan to progress areas for improvement to ensure effective implementation.

**Governance Improvement Plans**

There are a number of areas of improvement identified which will be progressed during 2016/17 which will seek to enhance governance arrangements within the partnership:

- **External Reports** – there are a number of areas of scrutiny as partnerships develop and the HSCP will take cognisance of these and develop action plans which seek to improve governance arrangements in line with best practice. Reports published by the Accounts Commission in respect of ‘Health & Social Care Integration’ and ‘Changing Models of Health and Social Care’ are key documents in this regard.

- **Internal Audit Reports** – There have been a number of areas the subject of scrutiny through organisation internal audit processes including delayed discharge, homecare review, Clients budgetary accounts and Social Care contract monitoring which are of interest to the HSCP. These highlighted areas requiring further improvement and formal action plans have been developed to mitigate the risks identified – these will continue to be monitored for compliance during 2016/17.

- **There is a review of planning structures to effectively support decision making and progress of developments which deliver on the priorities set out in the Strategic Plan.**

- **Information Governance** – The Public Records (Scotland Act) 2011 (Section 1(1)) requires the HSCP Board to prepare a Records Management Plan setting out the partnership’s proper arrangements for it’s public records. Under the Freedom of Information (Scotland) Act, the HSCP Board is required to develop a freedom of information publication scheme to be approved by the Scottish Commissioner. Both these documents are in early stage of development and will be presented to the IJB in early 2017 for implementation by the 1st April 2017.

- **Risk Management** – the development of a HSCP risk register will be further enhanced by the development of a HSCP Risk Management Strategy.

- **Public protection arrangements will be strengthened with the appointment on the new Chief Social Work Officer to progress this agenda.**
Assurance

The system of governance (including the system of internal control) operating during 2015/16, provides reasonable assurance that transactions are authorised and properly recorded; that material errors or irregularities are either prevented or detected within a timely period; and that significant risks impacting on the achievement of our strategic priorities and outcomes have been mitigated.

Systems are in place to continually review and improve the governance and internal control environment and action plans are in place to address identified areas for improvement.

Certification

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the East Dunbartonshire Integration Joint Board’s systems of governance.

Chief Officer        Chairperson

Date                Date
## STATEMENT OF INCOME AND EXPENDITURE

<table>
<thead>
<tr>
<th>Notes</th>
<th>Gross Expenditure</th>
<th>2015-16 Gross Income</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
</tbody>
</table>

### Local Authority Services
- **Social Work**
  - Expenditure: £24,064
  - Income: (25,462)
  - Surplus/deficit: (1,398)
- **Housing**
  - Expenditure: £18
  - Income: (18)
  - Surplus/deficit: 0
- **Neighbourhood**
  - Expenditure: £387
  - Income: (387)
  - Surplus/deficit: 0
- **Fleet**
  - Expenditure: £192
  - Income: (192)
  - Surplus/deficit: 0

**Sub Total**
- Expenditure: £24,661
- Income: (26,059)
- Surplus/deficit: (1,398)

### Health Care Services
- **Community Healthcare**
  - Expenditure: £32,577
  - Income: (32,584)
  - Surplus/deficit: (7)
- **Hosted Services**
  - Expenditure: £5,913
  - Income: (5,913)
  - Surplus/deficit: 0
- **Acute Services**
  - Expenditure: £9,570
  - Income: (9,570)
  - Surplus/deficit: 0

**Sub Total**
- Expenditure: £48,060
- Income: (48,067)
- Surplus/deficit: (7)

### Corporate Services
- **Expenditure**
  - £17
- **Income**
  - £0
- **Surplus/deficit**
  - £17

### (Surplus)/deficit on provision of services
- **Expenditure**
  - £72,738
- **Income**
  - (74,126)
- **Surplus/deficit**
  - (1,388)

### Net income and expenditure
- **Expenditure**
  - £72,738
- **Income**
  - (74,126)
- **Surplus/deficit**
  - (1,388)
# BALANCE SHEET

<table>
<thead>
<tr>
<th>Notes</th>
<th>31 March 2016 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Short term debtors</td>
<td>4</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Short term creditors</td>
<td>5</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
</tr>
<tr>
<td>Usable reserves</td>
<td>6</td>
</tr>
<tr>
<td>Unusable reserves</td>
<td></td>
</tr>
<tr>
<td><strong>Total Reserves</strong></td>
<td></td>
</tr>
</tbody>
</table>

The Statement of Accounts present a true and fair view of the financial position of the Integration Joint Board as at 31 March 2016 and its income and expenditure for the year then ended.

The unaudited financial statements were authorised for issue on 20th June 2016 and the audited financial statements were authorised for issue September 2016.

**Chief Finance & Resources Officer**

Date
NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

1.1 General principles

The East Dunbartonshire Integration Joint Board is formed under the terms of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a partnership arrangement between East Dunbartonshire Council and Greater Glasgow and Clyde Health Board.

Integration Joint Boards (IJB’s) are specified as section 106 bodies under the Local Government (Scotland) Act 1973 and as such are required to prepare their financial statements in compliance with the Code of Practice on Accounting for Local Authorities in the United Kingdom.

The Financial Statements summarise the Integration Joint Boards transactions for the 2015-2016 financial year and its position at the year end of 31 March 2016.

1.2 Accruals of income and expenditure

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

- All known specific and material sums payable to the IJB have been brought into account.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

1.3 Going Concern

The Accounts are prepared on the going concern basis, which provides that the entity will continue in operational existence for the foreseeable future.

1.4 Accounting Convention

The financial statements are prepared under the historical cost convention as modified for the valuation of certain assets.

1.5 Funding

The Integration Joint Board receives contributions from its funding partners namely East Dunbartonshire Council and Greater Glasgow & Clyde Health Board to fund its services. Expenditure is incurred in the form of charges for services provided to the IJB by these partners.

1.6 VAT status

The VAT treatment of expenditure in the IJB Accounts depends on which of the partner agencies is providing the service as these agencies are treated differently for VAT purposes.
Where the Council is the provider, income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to H.M. Revenue & Customs and all VAT paid is recoverable from it. The Council is not entitled to fully recover VAT paid on a very limited number of items of expenditure and for these items the cost of VAT paid is included within service expenditure to the extent that it is irrecoverable from H.M. Revenue and Customs.

Where the NHS is the provider, expenditure incurred will include irrecoverable VAT as generally the NHS cannot recover VAT paid as input tax and will seek to recover its full cost as Income from the Commissioning IJB.

1.7 Support Services

Support services were not delegated to the Integration Joint Board through the Integration Scheme and are instead provided by the Health Board and Council free of charge as a ‘service in kind’. The support services provided is mainly comprised of: provision of the Interim Chief Financial Officer, financial management, human resources, legal, committee services, ICT, payroll, internal audit and the provision of the Chief Internal Auditor.

The cost attaching to the preparation of the Strategic Plan is also considered to be a support service provided as a ‘service in kind’. The preparation of this document occurred prior to the partnership going ‘live’ and is not considered as material for inclusion within these Accounts.

1.8 Provisions, contingent liabilities and assets

Provisions

Provisions are made where an event has taken place that gives the IJB a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Income and Expenditure Statement in the year that the IJB becomes aware of the obligation and measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision held in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

1.9 Contingent assets and liabilities

A contingent asset or liability arises where an event has taken place that gives the IJB a possible obligation or benefit whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the IJB. Contingent liabilities or assets also arise in circumstances where a provision
would otherwise be made but, either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent assets and liabilities are not recognised in the Balance Sheet but disclosed in a note to the Accounts where they are deemed material.

1.10 Events after the reporting period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts is authorised for issue. Two types of events can be identified:

- Adjusting events: Those that provide evidence of conditions that existed at the end of the reporting period. The Annual Accounts are adjusted to reflect such events.
- Non-adjusting events: Those that are indicative of conditions that arose after the reporting period and the Statements are not adjusted to reflect such events. Where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Annual Accounts.

1.11 Reserves

The reserves are created by appropriating amounts out of revenue balances. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year so as to be included within the Income and Expenditure Statement. Movements in reserves are reported in the Movement in Reserves Statement.

1.12 Corresponding Amounts

The Integration Joint Board was established on 3rd September 2015 and hence the period to 31st March 2016 is its first year of operation. Consequently there are no corresponding amounts for previous years to be shown.

1.13 Exceptional Items

When items of income and expenditure are material, their nature and amount is disclosed separately, either on the face of the Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to the understanding of the IJB’s financial performance.

1.14 External Audit Costs

The appointed Auditors to ED HSCP were Audit Scotland. Fees payable to Audit Scotland in respect of external audit service undertaken in accordance with the Code of Audit Practice in financial year 2015/16 were £17k. Given the IJB cannot physically pay for invoices, this will be paid through the Council or the Health Board and charged as a cost in the IJB Accounts.
1.15 **Claims Handling, Liability and Indemnity**

The HSCP Board, while having legal personality in its own right, has neither replaced nor assumed the rights or responsibilities of either the Health Board or the Council as the employers of the staff delivering integrated services; or for the operation of buildings or services under the operational remit of those staff. The Health Board and Council continue to indemnify, insure and accept responsibility for the staff that they each employ; their particular capital assets that integrated services are delivered from or with; and the respective services themselves that each has delegated to the HSCP Board. Liabilities arising from decisions taken by the HSCP Board will be equally shared between the Council and Health Board.

With specific respect to the HSCP Board's strategic planning responsibilities and decisions that it may make, during 2015/16 arrangements were made for members of the HSCP Board to join the Clinical Negligence & Other Risks Indemnity (CNORIS) scheme. The risks associated with Integration Joint Boards membership of CNORIS is considered low and therefore an annual contribution of £3,000, payable each financial year; has been set, with the Health Board having agreed to meet this cost for all of the IJBs within its area. The contribution level has been assessed at this level due to the limited risks anticipated in relation to the statutory status of IJBs; and CNORIS cover being provided mainly in relation to indemnity for IJB members and officials.

1.16 **Standards issued not yet effective**

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors requires disclosure of information on the expected impact of new accounting standards that have been issued but are not yet effective. These have been reviewed and are not deemed to be significant for the financial statements.

2 **Related party transactions**

The East Dunbartonshire Integration Joint Board was established on the 3rd September 2015. In the year the following financial transactions were made with the Greater Glasgow & Clyde Health Board and East Dunbartonshire Council relating to integrated health and social care functions:

**Income – payments for integrated functions**

<table>
<thead>
<tr>
<th></th>
<th>2015-16 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>NHS Greater Glasgow &amp; Clyde</td>
<td>48,067</td>
</tr>
<tr>
<td>East Dunbartonshire Council</td>
<td>26,059</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>74,126</strong></td>
</tr>
</tbody>
</table>
Expenditure - payments for delivery of integrated functions

<table>
<thead>
<tr>
<th></th>
<th>2015-16</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>NHS Greater Glasgow &amp; Clyde</td>
<td></td>
<td>48,060</td>
</tr>
<tr>
<td>East Dunbartonshire Council</td>
<td></td>
<td>24,661</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>72,721</td>
</tr>
</tbody>
</table>

The NHS Board figure contains £9.570m set aside for certain hospital services as prescribed within the Scheme of Integration. This reflects a notional allocation based on direct costs per bed day for each relevant speciality within the IJB and average activity for the 3 years 2011/12 – 2013/14 provided by NHSGGC Information Services department. The costs for 2013/14 are taken from the NHS Scotland Cost Book.

The costing methodology for future years will be the subject of a review within the NHS Board to develop a more accurate costing framework for unscheduled care services which may in time be used to identify resource shifts to either release funds to HSCPs where activity falls or identify changes to the payment to Acute Services where activity increases. An allocation has been determined by the Greater Glasgow & Clyde health board for East Dunbartonshire of £9.570m.

3 Corporate expenditure

<table>
<thead>
<tr>
<th></th>
<th>2015-16</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit Fees</td>
<td></td>
<td>17</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>17</td>
</tr>
</tbody>
</table>

4 Short Term Debtors

<table>
<thead>
<tr>
<th></th>
<th>31 March 2016</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central government bodies</td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>Other local authorities</td>
<td></td>
<td>1,398</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1,405</td>
</tr>
</tbody>
</table>
The short term debtor relates to the reported surplus on the respective health and social care expenditure and is money held by the parent bodies as reserves available for the HSCP.

5  Short Term Creditors

<table>
<thead>
<tr>
<th></th>
<th>31 March 2016</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central government bodies</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Other local authorities</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>17</strong></td>
<td></td>
</tr>
</tbody>
</table>

This relates to the external audit fee as disclosed in note 1.14 to these accounts.

6  Movement in reserves

<table>
<thead>
<tr>
<th>Usable reserves – general fund</th>
<th>31 March 2016</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 31 March brought forward</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Surplus / (deficit) on provision of services</td>
<td>1,388</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive expenditure and income</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Total comprehensive expenditure and income</strong></td>
<td><strong>1,388</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Balance at 31 March carried forward</strong></td>
<td><strong>1,388</strong></td>
<td></td>
</tr>
</tbody>
</table>

7  Post balance sheet events

The Unaudited Accounts were issued on the 30th May 2016 and the Audited Annual Accounts were authorised for issue by the 30th September 2016. Events taking place after this date, are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at the 31st March 2016, the figures in the financial statement and notes have been adjusted in all material respects to reflect the impact of this information.