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MANAGEMENT COMMENTARY

Introduction

This document contains the financial statements for the 2018/19 operational year for East Dunbartonshire Health & Social Care Partnership (HSCP).

The management narrative outlines the key issues in relation to the HSCP financial planning and performance and how this has provided the foundation for the delivery of the priorities described within the Strategic Plan. The document also outlines future financial plans and the challenges and risks that the HSCP will face in meeting the continuing needs of the East Dunbartonshire population.

East Dunbartonshire

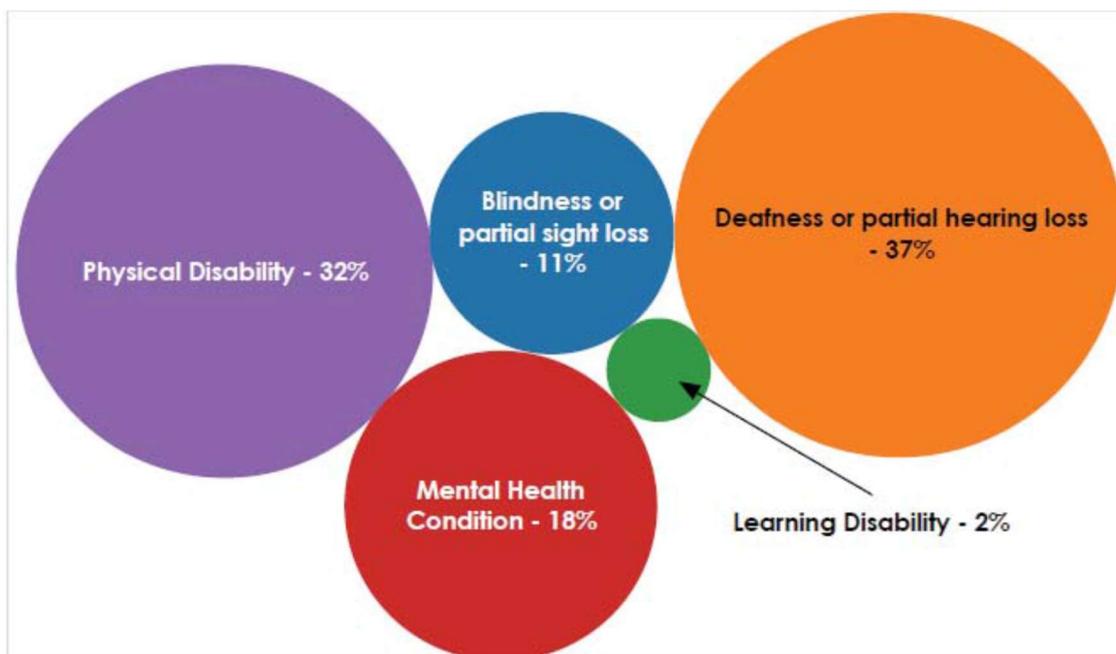
East Dunbartonshire has a population of approximately 108,000 and is a mix of urban and rural communities. It has frequently been reported in quality of life surveys as one of the best areas to live in Scotland based on people's health, life expectancy, employment and school performance. Economic activity and employment rates are high and the level of crime is significantly below the Scottish average. Despite this, inequalities exist across the authority and there are pockets of deprivation where the quality of life falls well below the national average.

East Dunbartonshire has eight datazones which fall into the top 25% most deprived in Scotland; these datazones are located in Hillhead, Lennoxton, Auchinairn and Milngavie (Keystone / Dougalston). The most deprived area in East Dunbartonshire is Hillhead, certain parts of which are among the 5% most deprived areas in Scotland according to the Scottish Index of Multiple Deprivation 2012 (SIMD). Overall, 8.2% of working age population in East Dunbartonshire is Employment Deprived which is below the Scottish average, but with significant local variation showing 14.2% in Auchinairn, 14.7% in Twechar & Harestanes East, 15.8% in Harestanes and 22.1% in Hillhead. (SIMD, Scottish Government 2014)

Compared with the rest of Scotland, people living in East Dunbartonshire are relatively healthy. More people take part in sports, fewer smoke and breast feeding rates are higher than the Scottish average. Although East Dunbartonshire is in the highest decile for life expectancy in Scotland for both men and women, there is a 10 year gap of life expectancy in favour of the Westerton area, compared to Hillhead. We also know from Census and population health analysis that the prevalence of disability and long term conditions is considerably higher for people in the areas of relative deprivation. The rate of hospital emergency admissions is also significantly greater amongst East Dunbartonshire's more deprived populations.

In the 2011 Census, 5.6% of the adult population in East Dunbartonshire reported a disability, with hearing impairments and/or physical disability being the main disabilities reported.

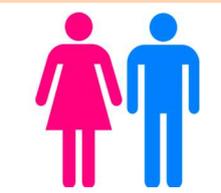
Reported Disability by Percentage in East Dunbartonshire



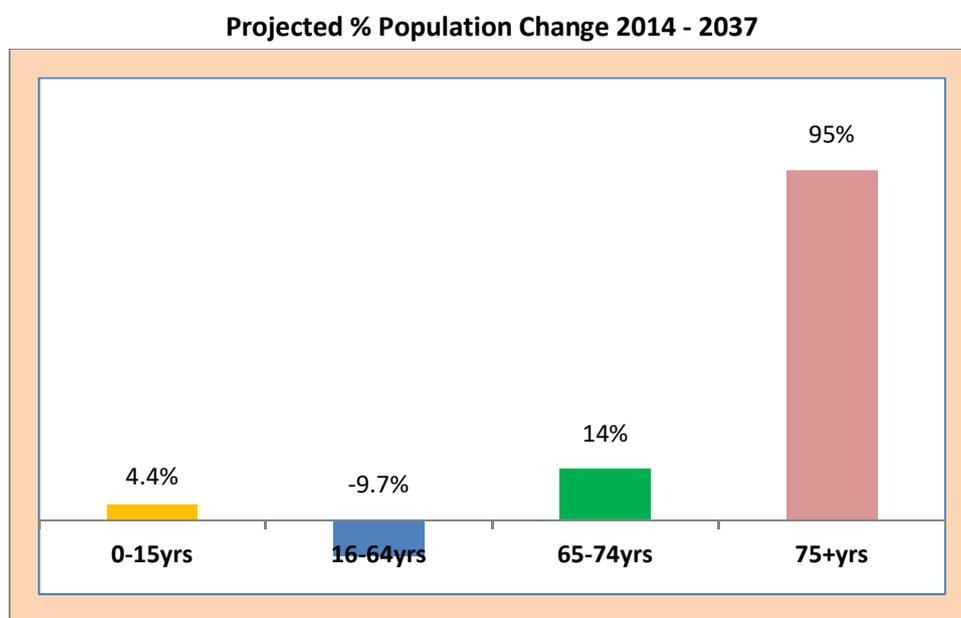
The number of long term conditions rises with age and we need to support those with complex needs so that they may manage their conditions and lead an active, healthy life. The most diagnosed long term condition in East Dunbartonshire is hypertension. The prevalence for this condition, cancer and atria fibrillation, are all notably higher than the rate for Scotland.

The estimated population of East Dunbartonshire in 2018 predicts a higher proportion of older people than the Scottish average.

Figure 1 Estimated Population in 2018

		Age	No.	Percent	Scotland
All People 107,431		0-15	18,361	17.1%	16.9%
		16-44	32,748	30.5%	36.3%
		45-64	31,871	29.6%	27.7%
		65-74	12,646	11.8%	10.6%
		75-84	8,360	7.8%	6.2%
		85+	3,445	3.2%	2.3%
		Source NRS			

East Dunbartonshire has seen a 40% increase in people over the age of 75 since 2002, which is a positive reflection of advances in health and social care, but has placed considerable pressure on services during a period characterised by public sector reform and diminishing resources. With an increase in the frail older population, service pressure has been experienced in both the community and secondary healthcare settings.



Between 2015 -17 there was a reported 11% rise in the number of people with diagnosed dementia and this trend has also been experienced with other age-related conditions.

There has been a significant increase in the number of children being referred to Social Work Services, with 40% increases in referrals reported in the Integrated Children's Services Plan. Non-engaging families was the most common area of concern alongside neglect, domestic violence and parental alcohol misuse. There has also been a sharp rise in parental mental health being identified as a significant concern. This is an area of cross-cutting focus between children and adult services.

Demand on services for other adult care groups and for children's disability services has also increased. The number of young people with disabilities transitioning to adult services is experiencing a notable increase, both numerically and in terms of complexity. This can be demonstrated by an anticipated increase in the Adult Joint Learning Disability Team over the next three years' as children move on into adult services equivalent to over 7% of its total caseload.

The Health & Social Care Partnership

East Dunbartonshire Health and Social Care Partnership (HSCP) is the common name of East Dunbartonshire Integration Joint Board. It was formally established in September 2015 in accordance with the provisions of the Public Bodies (Joint Working) (Scotland) Act (2014) and corresponding Regulations in relation to a range of adult health and social care services. The

partnership’s remit was expanded from an initial focus on services for adults and older people to include services for children and families, and criminal justice services in August 2016.

The HSCP Board, East Dunbartonshire Council (EDC) and NHS Greater Glasgow & Clyde (NHS GG&C) aim to work together to strategically plan for and provide high quality health and social care services that protect children and adults from harm, promote independence and deliver positive outcomes for East Dunbartonshire residents.

East Dunbartonshire HSCP Board has responsibility for the strategic planning and operational oversight of a range of health and social care services whilst EDC and NHS GG&C retains responsibility for direct service delivery of social work and health services respectively, as well as remaining the employer of health and social care staff.

The HSCP Board’s specific responsibility comprises of:

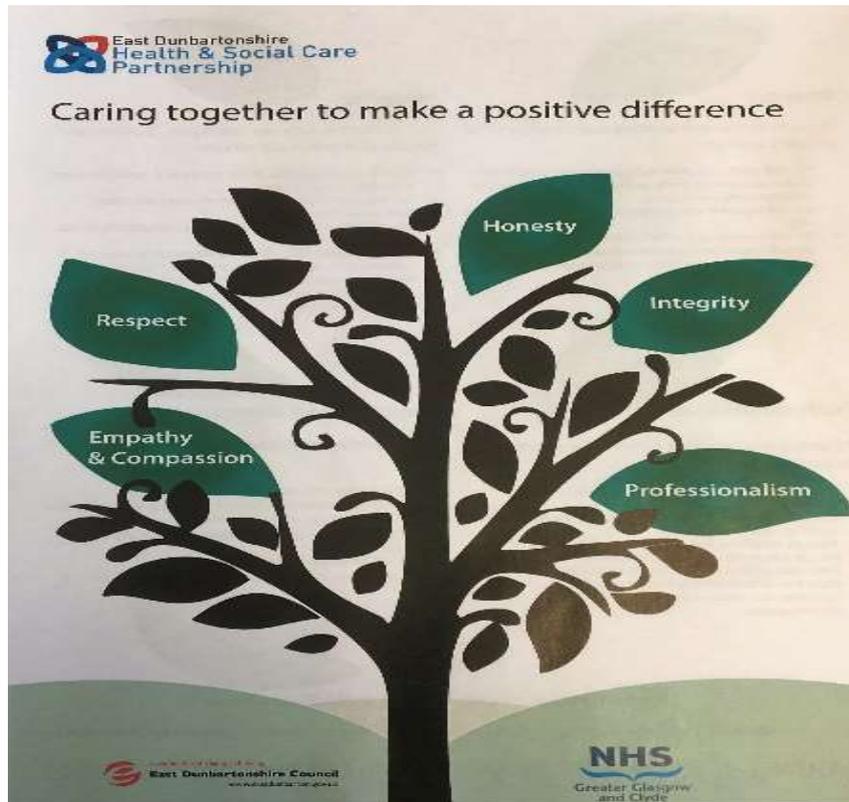
- Directions;
- Accounts;
- Strategic Plans;
- Strategic documents & governance papers.

Exhibit 1 (below) represents accountability arrangements for the planning and delivery of community health and social care services.



Our partnership vision is “Caring Together to make a Positive Difference” and is underpinned by 5 core values as set out below.

Exhibit 2



Our current Strategic Plan covers the period 2018 – 2021 and sets out eight strategic priorities which describe our ambitions to build on the significant improvements already achieved and to further improve the opportunities for people to live a long and healthy life, provide early support to families and young children and focus service on those most vulnerable in our communities. These priorities are:-

<p>PRIORITY 1. Promote positive health and wellbeing, preventing ill-health, and building strong communities</p>	<p>PRIORITY 2. Enhance the quality of life and supporting independence for people, particularly those with long-term conditions</p>	<p>PRIORITY 3. Keep people out of hospital when care can be delivered closer to home</p>	<p>PRIORITY 4. Address inequalities and support people to have more choice and control</p>
<p>PRIORITY 5. People have a positive experience of health and social care services</p>	<p>PRIORITY 6. Promote independent living through the provision of suitable housing accommodation and support.</p>	<p>PRIORITY 7. Improve support for Carers enabling them to continue in their caring role</p>	<p>PRIORITY 8. Optimise efficiency, effectiveness and flexibility</p>

The Plan is underpinned by a detailed Strategic Needs Assessment that informs decisions regarding the type and distribution of services required to achieve maximum population benefit and effective and efficient use of resources. It 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.

This is further supported by an Annual Business Plan outlining the key priorities for service redesign and transformation in delivery of the Strategic Plan and is supported by a range of operational plans, work-streams and financial plans to support delivery.

The Strategic Plan also links to the Community Planning Partnership's Local Outcome Improvement Plan whereby the HSCP has the lead for, or co-leads:

- Outcome 3 – “Our children and young people are safe, healthy and ready to learn”,
- Outcome 5 – “Our people experience good physical and mental health and well being with access to a quality built and natural environment in which to lead healthier and more active lifestyles” and
- Outcome 6 – “Our older population and more vulnerable citizens are supported to maintain their independence and enjoy a high quality of life, and they, their families and carers benefit from effective care and support services”..

Performance is monitored using a range of performance indicators outlined in a performance management framework with quarterly performance reports to the HSCP Board, Community Planning Board and other committees. Service uptake, waiting times and other pressures are closely reviewed and any negative variation from the planned strategic direction is reported to the HSCP Board through exception reporting arrangements which includes reasons for variation and planned remedial action to bring performance back on track.

HSCP BOARD OPERATIONAL PERFORMANCE FOR THE YEAR 2018/19

A full report on performance is contained within the East Dunbartonshire HSCP Annual Performance Report 2018-19. Headline performance is summarised below under the following headings:

- *National Core Indicators (most recent published data)*
- *Local Transformational Change and Best Value Improvement Activity*
- *Progress against the “Features Supporting Integration” improvement proposals by Audit Scotland and the Ministerial Strategic Group*

National Core Indicators (collected Bi-annually)

National Outcome Indicators	2015/16	2017/18	National Rank
Percentage of adults able to look after their health very well or quite well	96%	96%	1st
Percentage of adults supported at home who agree that they are supported to live as independently as possible	86%	84%	8th
Percentage of adults supported at home who agree that they had a say in how their help, care or support was provided	84%	86%	1st
Percentage of adults supported at home who agreed that their health and social care services seemed to be well co-ordinated	73%	84%	3rd
Total percentage of adults receiving any care or support who rated it as excellent or good	86%	84%	6th
Percentage of people with positive experience of the care provided by their GP practice	89%	90%	2nd
Percentage of adults supported at home who agree that their services and support had an impact on improving or maintaining their quality of life	85%	83%	7th
Total combined % carers who feel supported to continue in their caring role	43%	41%	3rd
Percentage of adults supported at home who agreed they felt safe	84%	87%	4th
National Data Indicators	2016/17	2017/18	National Rank
Premature mortality rate for people aged under 75yrs per 100,000 persons	345	312.5	2nd
Emergency admission rate (per 100,000 population)	12,330	10,787	13th
Emergency bed day rate (per 100,000 population)	125,189	109,384	14th
Readmission to hospital within 28 days (per 1,000 population)	82	73	3rd
Proportion of last 6 months of life spent at home or in a community setting	87%	89%	15th
Falls rate per 1,000 population aged 65+	21	22	23rd
Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections *	86%	82%	28th
Percentage of adults with intensive care needs receiving care at home	67%	67%	9th
Number of days people aged 75+ spend in hospital when they are ready to be discharged (per 1,000 population)	186	231	4th
Percentage of health and care resource spent on hospital stays where the patient was admitted in an emergency	23%	21%	7th

*There is a range of improvement activity to support improved performance on these national indicators. In terms of our in house care services there have already been improvements to our care at home provision across a number of themes relating to leadership skills, training and supervision, appraisals for staff, service user engagement and appropriate support plans in place. A service review has concluded to ensure structural and staffing levels are reflective of need. There continues to be robust contract management arrangements and liaison with the care inspectorate for the wider care provider market.

Local Transformational Change and Best Value improvement activity DURING 2018-19

Initiative	National Outcome
Implementation of new model of childhood immunisation	1, 9
Implementation of the Health Visiting Universal Pathway	9
Improved pathways to support individuals, families and communities experiencing alcohol related harm	1, 3, 7, 9
Implementation of a new local smoking cessation service	1, 5
Developed and approved a Fair Access to Community Care Policy and new Eligibility Criteria for service-users	5, 9
Developed a Carers' Strategy and Short Breaks Statement	6
Implementation of Home For Me virtual service to support effective, timeous hospital discharge	2, 3, 4, 9
Implementation of Caring Together to support Care Home residents	2, 3, 9
Appointment of Local Area Coordinators to support community-based alternatives to day-care for older people	2, 4, 9
Improved anticipatory care planning arrangements	2, 3, 4, 9
Local housing needs research to inform future planning	2, 4, 5, 9
Continued local implementation of the new GP contract	9
Establishment of GP clusters to enhance primary care collaboration	9
Improved community prescribing practices	7, 9
Community Justice Outcomes Improvement Plan developed	
Improved dental services for priority groups	1, 5, 7, 9
HSCP Property & Accommodation Strategy developed	8, 9

Progress during 2018-19 in support of “Features Supporting Integration” improvement proposals by Audit Scotland and the Ministerial Strategic Group

<p>Collaborative leadership and building relationships</p> <ul style="list-style-type: none"> • Collaborative Leadership in Practice (CLiP) being rolled out across the Partnership; • Workforce and Organisational Development Plan developed; • Regular HSCP Board development sessions; • Improved collaborative leadership with constituency bodies; • Improved Third Sector Interface representation at HSCP Board, Strategic Planning Group, Community Planning Partnership, Locality Planning Groups and on Service Planning Groups; • Strong consultative approaches with service and policy reviews; • Better preparatory engagement around efficiencies and financial planning.
<p>Integrated finances and financial planning</p> <ul style="list-style-type: none"> • Improved financial planning between HSCP and constituency bodies; • 2019-20 delegated budgets were agreed by end March 2019; • HSCP Board reserves policy in place; • Regular in-year reporting and forecasting provided to the HSCP Board; • Pooled revenue budgeting has permitted flexible use of overall resources;
<p>Effective strategic planning for improvement</p> <ul style="list-style-type: none"> • HSCP Strategic Plan 2018-21 published; • New Performance Management & Reporting Policy developed; • Learning Disability and Carers Strategies published; • Improved transformational and service planning arrangements established; • Improved partnership representation across the strategic and service planning arrangements.
<p>Governance and accountability arrangements</p> <ul style="list-style-type: none"> • Established and improved reference and consultative arrangements to support the HSCP Board; • Regular development sessions to support the HSCP Board members; • Support to public, service user and carers on maximising and sustaining the representative role; • Revised processes to support Directions to constituent bodies; • Well established Clinical & Care Governance arrangements that span the totality of integrated functions;
<p>Ability and willingness to share information</p> <ul style="list-style-type: none"> • Annual Performance Report format developed and extended for 2018-19.
<p>Meaningful and Sustained Engagement</p> <ul style="list-style-type: none"> • Improved stakeholder involvement in strategic and service planning; • Strong communication and engagement practice to support strategy and policy development, and service redesign.

HSCP BOARD'S FINANCIAL POSITION AT 31 MARCH 2019

The activities of the HSCP are funded by EDC and NHS GG&C who agree their respective contributions which the partnership uses to deliver on the priorities set out in the Strategic Plan. The scope of budgets agreed for inclusion within the HSCP for 2018/19 from each of the partnership bodies were:-

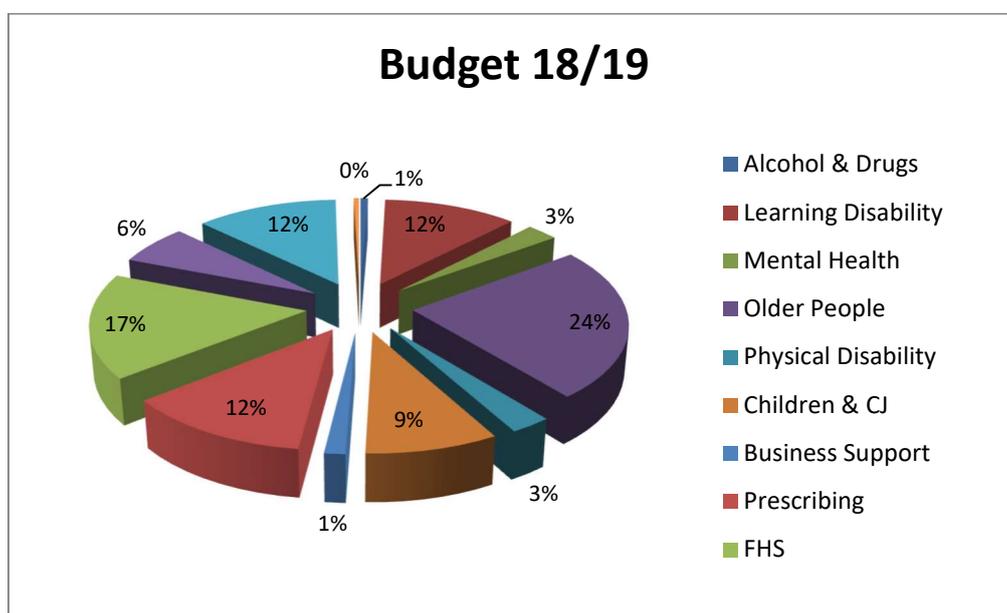
HSCP Board Budgets 2018/19 (from the 1st April 2018 to the 31st March 2019)

	Original Budget 18/19	In Year Adjustments	Final Budget 18/19
Functions Delegated by East Dunbartonshire Council	£52.7m	0	£52.7m
Functions Delegated by NHS GG&C	£77.2m	£6.9m	£84.1m
Set Aside – Share of Prescribed Acute functions	£17.4m	£1.7m	£19.1m
TOTAL	<u>£147.3m</u>	<u>£8.6m</u>	<u>£155.9m</u>

The increases to the original budget for 18/19 relate largely to non recurring funding allocations during the year relating to oral health, family health services and Scottish Government funding to support alcohol & drugs, primary care improvements and mental health monies. The increase to the set aside allocation related to the application of an uplift to certain prescribed acute services which fall within the strategic remit of the HSCP.

This includes an element of funding provided by the Scottish Government to deliver on the key outcomes for the Partnership in the form of delayed discharge (£0.5m), integrated care funding (£0.7m) and Social Care funding (£6.1m).

The budget is split across a range of services and care groups as depicted below:-



HOSTED SERVICES

The Health Budget includes an element relating to Oral Health Services (£9.7m) which is a service hosted by East Dunbartonshire HSCP and delivered across the other five partnership areas within NHS GG&C's boundaries.

The full extent of this budget is reflected in these accounts as prescribed within the Integration Scheme. There are services hosted within other NHS GG&C partnerships which have similar arrangements and which support the population of East Dunbartonshire such as Musculoskeletal Physiotherapy, Podiatry, and Continence Care.

The extent to which these services are consumed by the population of East Dunbartonshire is reflected below:-

2017/18 £000	Service Area	2018/19 £000
356	MSK Physio	518
66	Retinal Screening	62
535	Podiatry	563
317	Primary Care Support	333
342	Continence	357
631	Sexual Health	633
1,135	Mental Health Services	793
831	Oral Health	800
939	Addiction	907
161	Prison Healthcare	155
189	Healthcare in Police Custody	193
2,339	General Psychiatry	2,361
1,927	Old Age Psychiatry	1,389
9,768	Total Cost of Services consumed within East Dunbartonshire	9,064

SET ASIDE BUDGET

The set aside budget relates to certain prescribed acute services including Accident & Emergency, General Medicine, Respiratory care, Geriatric long stay care etc. where the redesign and development of preventative, community based services may have an impact and reduce the overall unplanned admissions to the acute sector, offering better outcomes for patients and service users.

Work continues to be progressed in relation to the sum set aside for hospital services; however, arrangements under the control of Integration Authorities are not yet operating as required by the legislation and statutory guidance. Each Health Board, in partnership with the Local Authority and Integration Authority, must fully implement the delegated hospital budget and set aside budget requirements of the legislation, in line with the statutory guidance published in June 2015. These arrangements must be in place in time for Integration Authorities to plan their use of their

budgets in 2019/20. To date work has focused on the collation of data in relation to costs and activity. Moving forward work has now commenced on the development of commissioning plans to support the implementation of set aside arrangements.

An allocation has been determined by NHS GG&C for East Dunbartonshire of £19.1m for 2018/19 in relation to these prescribed acute services.

KEY RISKS AND UNCERTAINTIES

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 2020/21. The EU referendum result on the 23rd June 2016 created some further uncertainty and risk for the future for all public sector organisations and this continues with negotiations ongoing.

The Partnership, through the development of an updated strategic plan, has prepared a financial plan aligned to its strategic priorities. The aim is 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 through the use of earmarked reserves.

Additional funding of £160m has been provided to HSCPs for 2019/20 to support continued implementation of the Carers Act, extension of Free Personal Care (FPC) to those aged under 65, delivery of health and social care integration in respect of increases to the Scottish living wage to care providers and increases to the FPC allowances and delivery of school counselling.

The most significant risks faced by the HSCP over the medium to longer term are:-

- The increased demand for services alongside reducing resources. In particular, the demographic increases predicted within East Dunbartonshire is significant with the numbers of older people aged 75+ set to increase by 82.5% over the period 2016-2041 (source: NRS). Even more significantly given the age profiles of people receiving the greatest proportion of services, numbers of older people aged 85+ are set to increase by 153% over the same period.
- East Dunbartonshire has a higher than national average proportion of older people aged 75+, therefore these projected increases will have a significant, disproportionate and sustained impact on service and cost pressures.
- The cost and demand volatility across the prescribing budget which has been significant during 17/18 and 18/19 continuing into 19/20 as a result of a number of drugs continuing to be on short supply resulting in significant increase in prices as well as demand increases in medicines within East Dunbartonshire. The previous risk sharing arrangement across NHS GG&C ceased in 2018/19, therefore the risks and costs pressures associated with prescribing have to be managed within the partnership.

- The achievement of challenging savings targets from both partner agencies that face significant financial pressure and tight funding settlements, expected to continue in the medium to long term.
- The capacity of the private and independent care sector who are struggling to recruit adequate numbers of care staff to support service users which is being felt more acutely south of the border but remains a concern locally.

Financial governance arrangements have been developed to support the HSCP Board in the discharge of its business. This includes financial scoping, budget preparation, standing orders, financial regulations and the establishment and development of a Performance, Audit & Risk Committee to ensure the adequacy of the arrangements for risk management, governance and the control of the delegated resources.

We continue to maintain a corporate risk register for the HSCP which identified the key areas of risk that may impact the HSCP and have implemented a range of mitigating actions to minimise any associated impact.

The areas identified (as at March 2019) are:

- Inability to achieve financial balance
- Failure to deliver adequate levels of Adult Support and Protection (ASP) training to ensure in-house and commissioned local services have received appropriate support to meet their statutory duties
- Failure to comply with General Data Protection Regulations - loss of sensitive personal data (this risk and mitigation relates to personal data held which is the data controller responsibility of NHS GG&C or EDC)
- Failure to comply with General Data Protection Regulations - failure to destroy records in line with schedule of destruction dates
- Failure in service delivery through failure of Business Continuity arrangements in the event of a civil contingency level event
- Failure to secure effective and sufficient support from NHS GG&C and EDC to plan, monitor, commission, oversee and review services as required. Functions delivered by business support services.
- Inability to recruit and retain the appropriate numbers of trained staff to meet requirements resulting in reduction in service or failure to meet statutory duties. Specific workforce pressure areas are Community Nursing and Mental Health Officer roles
- Failure of external care provider to maintain delivery of services
- Failure to effectively manage health and safety needs of staff when lone working

- Risk of failure to achieving transformational change and service redesign plans within necessary timescales
- Brexit risk - may negatively impact service delivery as a result of staff, equipment, medication or food shortages

In order to effectively manage these risks a number of mitigation actions have been agreed including:

- a tri partite (HSCP, NHS GG&C, EDC) finance and planning group to ensure a shared understanding of the financial pressures for health and social care and what collective actions can be taken to deliver a balanced budget including support to deliver transformation
- exploring options for delivering ASP training in house
- Establishing robust arrangements through the Strategic Management team for effective oversight of GDPR compliance and business continuity arrangements
- Ongoing liaison with statutory partners on the support arrangements to the HSCP
- Development of a workforce plan for 2018-21 in line with HSCP Strategic Plan with revised recruitment protocol in place to support SMT overview of workforce issues
- Support the external providers through an effective provider forum and contracting arrangements going forward
- Ongoing engagement with wider planning groups across EDC and NHS GG&C to ensure collaborative working to mitigate risks with an EU exit.

FINANCIAL PERFORMANCE 2018/19

The partnership's financial performance is presented in these Annual Accounts. The table, on page 35, shows a deficit of £1.8m against the partnership funding available for 2018/19. This includes unspent investment (to be carried forward to future years) during the year in relation to Primary Care Improvements, delivery of the Mental Health Strategy, and Alcohol and Drugs monies from the Scottish Government. This masks the full extent of in year pressures. Adjusting this position for in year movements in reserves provides the true extent of these pressures, totalling nearer £3.0m for 2018/19.

As part of the approval of the 2018/19 Budget in June 2018, there was planned use of partnership reserves of £2.04m in order to set a balanced budget. There have been significant additional pressures, during the year, in the areas of older people, learning disability and delays in delivering planned budget efficiencies which have required the use of further reserves.

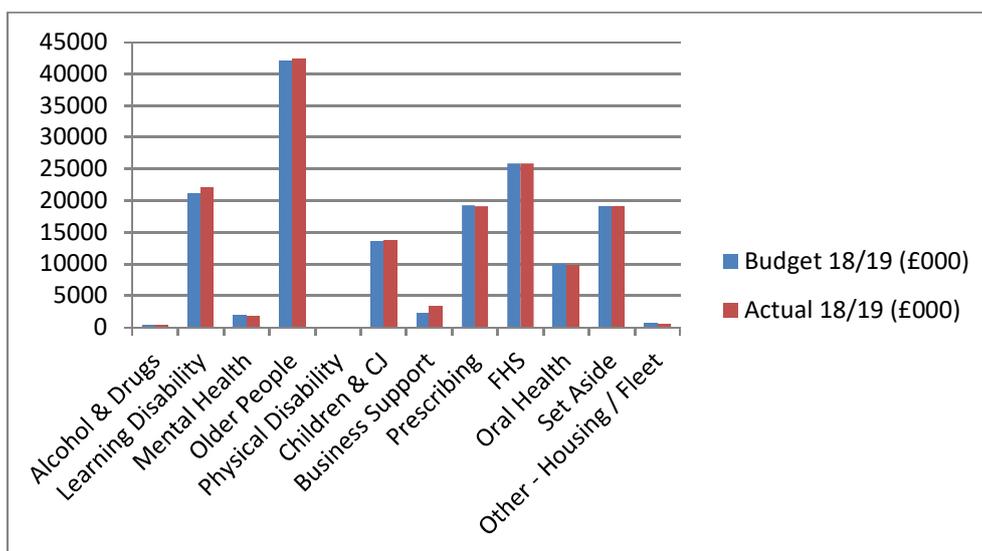
The pressures on the partnership budget relate in the main to social work services of £3.5m which were mitigated in part through under spends on community health budgets of £0.5m, however the extent of these pressure were such that partnership general reserves of £3m were applied in total to deliver a balanced budget at the year end.

The HSCP Board approved a financial recovery plan when approving the partnership budget for 2018/19 at its meeting in May 2018 which provided robust vacancy management and budgetary control measures to seek to mitigate the pressures anticipated through the financial year. A review of partnership reserves was undertaken in March 2019, which re-designated elements of ear marked reserves to supplement the general reserves available to the partnership to provide some resilience to address the in year pressures on partnership budgets.

This has had a significant impact on the available reserves of the partnership moving into future years with the retention of a small general reserve of £0.041m and ear marked reserves of £1.85m for specific Scottish Government initiatives and to support transformational activity to deliver sustainable services for the future.

The movement in reserves can be seen within the Reserves Statement detailed on page 36.

The partnership’s financial performance across care groups is represented below:



The main areas of pressure during the year related to:-

- Older People’s Services (-£0.3m) – this overspend relates to a combination of adverse payroll variations due to challenging turnover savings, use of overtime and agency staff to cover vacancies within homecare services and the continued use of agency social workers within the hospital assessment team (HAT). The former is offset to some extent through a positive variation in homecare private provision, however is exacerbated by pressure in relation to care home placements which have seen an increase throughout 2018/19. Work is underway to review in house homecare services to ensure a model of service that is sustainable and efficient moving forward and the creation of posts within the HAT to mitigate the need to rely on agency staff.
- Learning Disability Services (-£0.8m) – the overspend in this area relates primarily to the impact of children moving from children’s social work services into adult learning disability

services, often with complex needs, which require a package of care to support living independently in the community as young adults, or to support families in their ongoing caring role. This is compounded by increasing costs associated with a number of care packages where needs have increased or a breakdown in carer support has required significant care packages to be provided. This has been offset to some extent through vacancies within community health services. Work is underway through a review of learning disability services to ensure sustainability of services moving forward in relation to the provision of local day care services and residential accommodation which is modern and fit for purpose to support adults with learning disabilities.

- Children's Services (-£0.2m) – this overspend relates to un budgeted costs associated with a number of services to support vulnerable children in relation to a Functional Family Therapy service, Parenting Capacity Assessment service and support to vulnerable families to sustain children safely in the community and avoid them becoming accommodated away from the family home. There was also pressure in relation to an increasing need for residential placements which was offset to some extent through efficiencies in the delivery of fostering services during the year and positive variations on payroll budgets.
- Strategic & Resources (-£1.1m) – this overspend relates to the impact of outstanding social care pressures where the planned use of reserves was approved as part of the budget setting process for 2018/19 (-£2.04m), the impact of the non delivery of savings programmes identified as part of the budget setting process for 2018/19 (-£0.3m) and provision for bad debts relating to the funding of care home placements for individuals who lack capacity and issues arising from the recovery of these monies (-£0.12m). These have been offset to some extent through additional funding identified through the social care fund and the impact of additional Scottish Government funding for Primary Care Improvement, Mental Health Strategy, Alcohol and Drug Partnership funding and Technology Enabled Care (+£1.3m).
- Other Services (+£0.6m) – there have been a number of smaller under spends across the Oral Health Directorate (+£0.2m), Prescribing (+£0.2m) and Private Sector Housing Grants (+£0.2m) which are offsetting partnership pressures. The former two areas have been taken to earmarked reserves.

Partnership Reserves

As detailed above, there was additional funding allocated during the year from the Scottish Government to support the development and implementation of a number of key initiatives which have been earmarked within reserves with planned expenditure during 2019/20. In addition there were some under spends in respect of oral health and prescribing which will be taken to earmarked reserves to support service redesign in public dental services and a contingency for cost and demand pressures relating to prescribing. These are set out below:

• Primary Care Improvement Plan	£0.632m
• Action 15 Mental Health Strategy	£0.121m
• Alcohol and Drugs Partnerships	£0.073m
• Technology Enabled Care	£0.011m
• Oral Health Directorate	£0.200m
• Prescribing Contingency	£0.176m
• TOTAL	£1.213m

This will further the Partnership's earmarked reserves for specific initiatives, service re-design and transformation in furtherance of the priorities set out in the Strategic Plan and the need to maximise efficiencies across the partnership and deliver transformational change to manage pressures going forward.

The general reserves position, which has previously provided some resilience for managing in year financial pressures and any slippage in savings targets, has largely been utilised to mitigate pressures on social work services during 2018/19.

The total level of partnership reserves is now £1.89m as set out in the table on page 36.

Financial Planning

The HSCP continues to face significant financial pressures from demographic growth particularly amongst the elderly population placing demand on care at home and residential services, pressures in relation to increasing numbers of children moving on into adult services generating demand, and increased cost pressures across a range of adult social care services. This will be compounded during 2019/20 due to anticipated costs associated with the re-tendering of the Care at Home Framework, increased costs associated with the national care home contract, pressures in the delivery of the Scottish Living wage, continued prescribing demand and cost pressures and extremely challenging savings plans associated with service redesign, income generation, fairer access and eligibility to services.

A number of new Scottish Government initiatives are also expected to place pressures on partnership budgets in relation to anticipated demand from carers in line with their new entitlements with the continued implementation of the Carers Act and the extension in entitlement to free personal care for those aged under 65 years old (Frank's Law). Although Scottish Government funding has been provided to offset these impacts it is not known at this time whether the additional pressures can be contained within the funding provided.

Both partner organisations continue to face significant financial challenge and this impacts on the consideration of the financial settlement to the partnership in the delivery of its key strategic priorities and the delivery of the services delegated to it.

The NHS settlement to the HSCP provided an uplift of 2.54% on pays and general expenditure which provides a real terms increase on 2018/19 baseline funding.

The EDC settlement to the HSCP provided a flat cash position for pays and general expenditure and passed through specific funding from the Scottish Government including specific provision in relation to funding for health and social care totalling £160m across Scotland representing an additional £3.1m for the HSCP.

The total level of savings on Partnership budgets to be delivered is £3.9m for 2019/20 and it is expected that this position will continue for future years given the challenging financial settlements expected to both EDC and NHS GG&C.

The partnership is therefore planning for the period 2018/19 to 2021/22 for a potential funding gap of £11.4m to £18.8m (being best and worst case scenarios) in the context of reducing resources set against increasing cost and demand pressures.

The partnership will focus on a number of areas to meet these financial challenges:-



Efficiency Savings

- Implementing a range of initiatives which will ensure services are delivered in the most efficient manner.



Demand Management

- Implementing a programme focussed on managing demand and eligibility for services which enable demographic pressures to be delivered without increasing capacity.



Transformation and Service Redesign

- Identifying and implementing opportunities to redesign services using alternative models of care in line with the ambitions of the HSCP Strategic Plan.



Shifting the Balance of Care

- Progressing work around the set aside to address a shift in the balance of care away from hospital based service to services delivered within the community and focus on prevention and early intervention initiatives.

Mrs S Murray

HSCP Board Chair

24th September 2019

Mrs S Manion

HSCP Chief Officer

24th September 2019

Ms J Campbell

Chief Finance & Resources
Officer

24th September 2019

STATEMENT OF RESPONSIBILITIES

Responsibilities of the HSCP Board

The HSCP Board is required to:

- Make arrangements for the proper administration of its financial affairs and to secure 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 Finance & Resources 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 the Performance, Audit & Risk Committee on the 24th September 2019.

Signed on behalf of the East Dunbartonshire HSCP Board.

Mrs S Murray
IJB Chair

24th September 2019

Responsibilities of the Chief Finance & Resources Officer

The Chief Finance & Resources Officer is responsible for the preparation of the HSCP Board'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 Finance & Resources 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 Finance & Resources 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 the East Dunbartonshire HSCP Board as at 31 March 2019 and the transactions for the year then ended.

Ms J Campbell
Chief Finance &
Resources Officer

24th September 2019

REMUNERATION REPORT

Introduction

This Remuneration Report is provided in accordance with the Local Authority Accounts (Scotland) Regulations 2014. It discloses information relating to the remuneration and pension benefits of specified HSCP Board members and staff.

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.

Remuneration: HSCP BOARD Chair and Vice Chair

The voting members of the HSCP Board are appointed through nomination by EDC and NHS GG&C in equal numbers being three nominations from each partner agency. Nomination of the HSCP Board Chair and Vice Chair post holders alternates between a Councillor and a Health Board Non-Executive Director.

The remuneration of Senior Councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 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 HSCP 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 HSCP Board does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the HSCP Board. The HSCP Board does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. There were no taxable expenses paid by the HSCP Board to the Chair and Vice Chair .

The HSCP Board does not have responsibilities, either in the current year or in future years, for funding any pension entitlements of voting HSCP Board members. Therefore no pension rights disclosures are provided for the Chair or Vice Chair.

Remuneration: Officers of the HSCP Board

The HSCP Board does not directly employ any staff in its own right; however specific post-holding officers are non-voting members of the Board. All staff working within the partnership are employed through either NHS GG&C or EDC and remuneration for senior staff is reported through those bodies. This report contains information on the HSCP Board Chief Officer and the Chief Finance & Resources Officer's remuneration together with details of any taxable expenses relating to HSCP Board voting members claimed in the year.

Chief Officer

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 a Chief Officer for the HSCP Board has to be appointed and the employing partner has to formally second the officer to the HSCP Board. The employment contract for the Chief Officer will adhere to the legislative and regulatory framework of the employing partner organisation. The remuneration terms of the Chief Officer's employment are approved by the HSCP Board. The Chief Officer, Mrs Susan Manion, was appointed on the 12th December 2016 and is employed by NHS GG&C and seconded to the HSCP Board.

Other Officers

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

The HSCP Board Chief Finance & Resources Officer is employed by NHS GG&C. The Council and Health Board share the costs of all senior officer remunerations.

Total 2017/18 £	Senior Employees	Salary, Fees & Allowances £	Compensation for Loss of Office £	Total 2018/19 £
94,150	S Manion Chief Officer 12 th December 2016 to present	98,071	0	98,071
70,350	J. Campbell Chief Finance & Resources Officer 9 th May 2016 to present	75,387	0	75,387
164,500	Total	173,458	0	173,458

FYE = Full Year Equivalent

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 HSCP Board balance sheet for the Chief Officer or any other officers.

The HSCP Board 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 HSCP Board. The following table shows the HSCP Board’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.

Senior Employee	In Year Pension Contributions		Accrued Pension Benefits		
	For Year to 31/03/18	For Year to 31/03/19		Difference from 31/03/18	As at 31/03/19
	£	£		£000	£000
S. Manion	14,000	15,000	Pension	0 – 2.5	15 - 20
Chief Officer December 2016 to present			Lump sum	5 – 7.5	50 - 55
J. Campbell	10,500	11,000	Pension	0 – 2.5	0 - 5
Chief Finance & Resources Officer May 2016 to present			Lump sum	0	0
Total	24,500	26,000	Pension	0 - 5	15 - 25
			Lump Sum	5 – 7.5	50 - 55

The officers detailed above are all members of the NHS Superannuation Scheme (Scotland). The pension figures shown relate to the benefits that the person has accrued as a consequence of their current appointment and role within the HSCP Board. The contractual liability for employer’s pension contribution rests with NHS GG&C. On this basis there is no pension liability reflected on the HSCP Board balance sheet. There was no exit packages payable during either financial year.

Mrs S Murray
IJB Chair

24th September 2019

Mrs S Manion
Chief Officer

24th September 2019

ANNUAL GOVERNANCE STATEMENT

Scope of Responsibility

The HSCP Board is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, that public money and assets are safeguarded and that arrangements are made 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. The system is intended to manage risk to support the achievement of the HSCP Board's policies, aims and objectives. Reliance is placed on the NHS GG&C and EDC systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the HSCP Board.

The system of internal control is designed to manage risk to a reasonable level, but cannot eliminate the risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable but not absolute assurance of effectiveness.

The Governance Framework and Internal Control System

The system of internal control is based on a framework designed to identify and prioritise the risks to the achievement of the Partnership's 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 includes 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 in 2018/19 are:

- The HSCP Board comprises six voting members – three non-executive Directors of NHS GG&C and three local Councillors from EDC. The Board are charged with responsibility for the planning of Integrated Services through directing EDC and the NHS GG&C 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. This programme aims to provide 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 HSCP Board.

- HSCP Boards 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 HSCP Board 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 HSCP Board has produced and adopted a Scheme of Administration that defines the powers, relationships and organisational aspects for the HSCP Board. This includes the Integration Scheme, Standing Orders for meetings, Terms of reference and membership of HSCP Board committees, the Scheme of Delegation to Officers and the Financial Regulations (updated March 2019).
- The Strategic Plan for 2018-2021 outlines eight key priorities to be delivered over the three year period and describes for each priority what success will look like and the outcome measures to be used to monitor delivery. It sets out the identified strategic priorities for the HSCP and links the HSCP’s priorities to National Health and Wellbeing Outcomes. There is an established Strategic Planning Group (SPG) which oversees the delivery of the Strategic Plan comprising legislatively determined membership. This is supported by a range of planning groups to take forward particular priorities which reports through the SPG and to the HSCP Board.
- Financial regulations have been developed for the HSCP in accordance with the Integrated Resources Advisory Group (IRAG) guidance and in consultation with EDC and NHS GG&C. They set out the respective responsibilities of the Chief Officer and the Chief Finance & Resources Officer in the financial management of the monies delegated to the partnership. These regulations were reviewed and updated in the year following an Audit Scotland recommendation to refer to the most recent regulations.
- The Risk Management Policy sets out the process and responsibilities for managing risk in the HSCP. The Corporate Risk Register was revised and approved in March 2019 and is reviewed by the Senior Management Team twice each year. Individual Service Risk Registers are reviewed and updated on a quarterly basis by the Operational Leads within the HSCP.
- Performance Reporting – Regular performance reports are presented to the HSCP Board 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. This scrutiny is now supplemented through the Performance, Audit and Risk Committee. The role of the Audit Committee was expanded and strengthened in the year, changing its name to the Performance, Audit and Risk Committee. This change in remit had the aim of delivering a focus on partnership and service performance at a more detailed level, providing oversight of the delivery of the Strategic Plan, to provide a more focussed scrutiny and to help ensure adherence to service redesign priorities.

- The Performance, Audit & Risk Committee advises the Partnership Board and its Chief Finance & Resources Officer on the effectiveness of the overall internal control environment.
- Clinical and Care Governance arrangements have been developed and led locally by the Clinical Director for the HSCP and through the involvement of the Chief Social Work Officer for EDC.
- 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. This was approved by the HSCP Board in March 2019 prior to submission to the Keeper of the Records of Scotland. In addition, under the Freedom of Information (Scotland) Act, the HSCP Board is required to develop a Freedom of Information Publication Scheme – this was published in March 2017.
- The HSCP Board is a formal full partner of the East Dunbartonshire Community Planning Partnership Board (CPPB) and provides regular relevant updates to the CPPB on the work of the HSCP.

Roles and Responsibilities of the Audit Committee and Chief Internal Auditor

Board members and officers of the HSCP Board are committed to the concept of sound internal control and the effective delivery of HSCP Board services. The HSCP Board's Performance, Audit & Risk Committee operates in accordance with CIPFA's Audit Committee Principles in Local Authorities in Scotland and Audit Committees: Practical Guidance for Local Authorities.

The Performance, Audit & Risk Committee performs a scrutiny role in relation to the application of CIPFA's Public Sector Internal Audit Standards 2017 (PSIAS) and regularly monitors the performance of the Partnership's internal audit service. The

appointed Chief Internal Auditor has responsibility to review independently and report to the Performance, Audit & Risk Committee annually, to provide assurance on the adequacy and effectiveness of conformance with PSIAS.

The internal audit service undertakes an annual programme of work, approved by the Performance, Audit and Risk Committee, based on a strategic risk assessment. The appointed Chief Internal Auditor provides an independent opinion on the adequacy and effectiveness of internal control. East Dunbartonshire Council's Audit & Risk Manager is the Chief Internal Auditor for the Partnership. In this role, their assurance is based on the EDC internal audit reports relating to the Partnership for which they have direct responsibility. Assurance is always from a variety of sources, and one of those sources is the summary of reports of the internal auditors of NHS GG&C that relate to the partnership.

The Chief Internal Auditor has conducted a review of all EDC produced Internal Audit reports issued in the financial year and Certificates of Assurance from the EDC and partnership Senior Management Team. Although no system of internal control can provide absolute assurance nor can Internal Audit give that assurance, based on the audit work undertaken during the reporting period, the Chief Internal Auditor is able to conclude that a reasonable level of assurance can be given that the system of internal control is operating effectively within the organisation. A number of recommendations have been made by the internal audit team in order to further improve controls, with action plans developed with management to address the risks identified.

Review of Effectiveness

East Dunbartonshire HSCP Board 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 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, a range of audit assignments have been completed that are relevant to the operation of internal controls of relevance to the HSCP Board. These were generally found to operate as intended with reasonable assurance provided on the integrity of controls. A number of recommendations have been made for areas for further improvement and action plans developed to address the risks identified. Of particular relevance to the HSCP is the Carefirst (Social Work Payments)

audit completed by the Council's Internal Audit service, which raised an issue relating to clarity of responsibilities. This issue will be addressed through the ongoing service review, with responsibilities being defined and assigned. Executive Officers have provided assurances that the issues raised by Internal Audit have been or will be addressed and testing will be conducted by Auditors as part of the 2019/20 audit programme.

There has been specific work undertaken by each partner's audit functions and the HSCP Board places reliance on the individual annual governance statements of the NHS GG&C and EDC where appropriate. The Council's internal auditors were able to provide reasonable assurance over the areas reviewed. Key areas for improvement identified by NHSGCC internal auditors included a payroll audit, where immediate, major improvement was advised as required and in relation to the next phase of implementing Strategic Planning Alignment, including developing monitoring and reporting mechanisms to identify and mitigate deviations from plan.

The reports issued by external reviewers are also considered in the review of effectiveness. In May 2018, the Care Inspectorate carried out a review and identified episodes of failure to register within agreed timescales with the Scottish Social Services Council (SSSC) in the care at home service. These breaches were addressed promptly and robustly by the service. A revised and strengthened process to mitigate against this risk is now in place.

The HSCP Board has various meetings, which have received a wide range of reports to enable effective scrutiny of the partnership's 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 and service visits for members covering topics such as Children & Families & Criminal Justice, Workforce Plan, and Fair Allocation to care & Strategic Commissioning.

Governance Improvement Plans

There are a number of areas of improvement identified for 2019/20, which will seek to enhance governance arrangements within the partnership:

- Health and Safety Review – a review of the management of health and safety procedures is being undertaken in line with each of the employer policies, in order to enhance clarity of responsibilities and ensure full compliance.
- External Reports – the HSCP will take cognisance of external reports and develop action plans that seek to improve governance arrangements in line with best practice.

- EDC Internal Audit Reports – There have been a number of areas subject to scrutiny through organisation internal audit processes including Social Work Commissioning, Homecare and Kinship Care, which are of interest to the HSCP. These highlighted areas were identified through follow up processes as requiring further improvement and formal action plans have been developed to mitigate the risks identified. All outstanding audit actions will continue to be monitored for compliance in 2019/20.
- Further HSCP Board Development Sessions are planned. Anticipated topics include Unscheduled Care and Review of the Business Plan and Future Priorities.

Assurance

The system of governance (including the system of internal control) operating in 2018/19 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 the 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 HSCP Board's systems of governance and control.

Mrs S Murray

IJB Chair

24th September 2019

Mrs S Manion

Chief Officer

24th September 2019

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the cost of providing services for the year according to accepted accounting practices.

2017/18 Restated			2018/19			
Gross Expenditure <i>Restated</i> £000	Gross Income £000	Net Expenditure <i>Restated</i> £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
3,867	(219)	3,648	Strategic / Resources	3,509	(305)	3,205
1,253	0	1,253	Addictions	1,360	0	1,360
36,374	(1,843)	34,531	Older People	37,940	(1,194)	36,746
18,512	(444)	18,068	Learning Disability	19,169	(610)	18,559
4,047	(44)	4,003	Physical Disability	4,089	(47)	4,042
5,793	(444)	5,349	Mental Health	5,519	(415)	5,104
13,066	(11)	13,055	Children & Families	13,528	(14)	13,514
1,289	(1,063)	226	Criminal Justice	1,366	(1,108)	258
1,198	0	1,198	Other Council Services	946	0	946
10,420	(788)	9,632	Hosted – Oral Dental Health Services	10,509	(790)	9,719
26,009	(1,285)	24,724	Family Health Services	27,258	(1,410)	25,848
19,473	0	19,473	Prescribing	19,072	0	19,072
17,381	0	17,381	Set Aside for Delegated Services provided in Acute Services	19,116	0	19,116
234	0	234	HSCP Board Operational Costs (<i>note 6</i>)	246	0	246
158,916	(6,141)	152,775	Cost of Services Directly Managed by ED HSCP	163,627	(5,892)	157,735
	(151,631)	(151,631)	Taxation and Non-Specific Grant Income (<i>note 8</i>)		(155,918)	(155,918)
158,916	(157,772)	1,144	(Surplus) or Deficit on Provision of Services	163,627	(161,810)	1,817
		1,144	Total Comprehensive Income and Expenditure			1,817

The HSCP Board was established on the 27th July 2015. Integrated delivery of health and care services did not commence until the 3rd September 2016 for all Adult health and Social Care services. There was an amendment to the Scheme of Establishment in August 2016 which brought all Children's Health, Social Work and Criminal Justice services within the responsibility of the HSCP Board. Consequently the 2017/18 financial year is the first fully operational financial year for the HSCP Board in the delivery of both Adult health and Social Care Services and Children's Health, Social Work & Criminal Justice services. The figures above reflect this position.

The 2017/18 expenditure has been re-stated to reflect a consolidated, split of expenditure across care group areas where previously this was reflected across health and local authority service groupings.

Movement in Reserves Statement

This statement shows the movement in the year on the HSCP Board'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.

Movements in Reserves During 2018/19	General Fund Balance	Ear-Marked Reserves	Total Reserves
	£000	£000	£000
Opening Balance at 31 March 2018	(957)	(3,130)	(4,087)
In Year drawdown of Reserves	0	376	376
Re-designation of earmarked to general	(2,114)	2,114	0
Total Comprehensive Income and Expenditure	3,030	(1,213)	1,817
Increase or Decrease in 2018/19	916	1,277	2,193
Closing Balance at 31 March 2019	(41)	(1,853)	(1,894)

Movements in Reserves During 2017/18	General Fund Balance	Ear-Marked Reserves	Total Reserves
	£000	£000	£000
Opening Balance at 31 March 2017	(2,661)	(2,570)	(5,231)
In Year drawdown of Reserves	0	0	0
Total Comprehensive Income and Expenditure	1,704	(560)	1,144
Increase or Decrease in 2017/18	1,704	(560)	1,144
Closing Balance at 31 March 2018	(957)	(3,130)	(4,087)

BALANCE SHEET

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

31 March 2018 £000		Notes	31 March 2019 £000
4,087	Short term Debtors	9	1,894
	Current Assets		
4,087	Net Assets		1,894
(957)	Usable Reserve: General Fund	10	(41)
(3,130)	Unusable Reserve: Earmarked	10	(1,853)
(4,087)	Total Reserves		(1,894)

The unaudited accounts were issued on 27th June 2019 and the audited accounts were authorised for issue on 24th September 2019.

Ms J Campbell
Chief Finance &
Resources Officer

24th September 2019

NOTES TO THE FINANCIAL STATEMENTS

1. Significant Accounting Policies

General Principles

The Financial Statements summarises the authority's transactions for the 2018/19 financial year and its position at the year-end of 31 March 2019.

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

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

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

Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when settlement in cash occurs. In particular:

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

Funding

The HSCP Board is primarily funded through contributions from the statutory funding partners, East Dunbartonshire Council and NHS Greater Glasgow & Clyde. Expenditure is incurred as the HSCP Board commissions specified health and social care services from the funding partners for the benefit of service recipients in East Dunbartonshire.

Cash and Cash Equivalents

The HSCP Board does not operate a bank account or hold cash. Transactions are settled on behalf of the HSCP Board by the funding partners. Consequently the HSCP Board 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 or creditor on the HSCP Board's Balance Sheet.

Employee Benefits

The HSCP Board 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 HSCP Board therefore does not present a Pensions Liability on its Balance Sheet.

The HSCP Board 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 partner are treated as employee costs. Where material the Chief Officer's absence entitlement as at 31 March is accrued, for example in relation to annual leave earned but not yet taken.

Charges from funding partners for other staff are treated as administration costs.

Provisions, Contingent Liabilities and Contingent Assets

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

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

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

Reserves

The HSCP Board's reserves are classified as either Usable or Usable Ear-marked Reserves.

The balance of the General Fund as at 31 March 2019 shows the extent of resources which the HSCP Board can use in later years to support service provision and complies with the Reserves Strategy for the partnership.

The ear marked reserve shows the extent of resource available to support service re-design in achievement of the priorities set out in the Strategic Plan including monies which have been allocated for specific purposes but not spent in year.

Indemnity Insurance

The HSCP Board has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. The NHS GG&C and EDC have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide.

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

Known claims are assessed as to the value and probability of settlement. Where it is material the overall expected value of known claims taking probability of settlement into consideration is provided for in the HSCP was £k, the balance will be payable in Board's Balance Sheet.

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.

2. Prior Year Restatement – Hosted Services

In 2018-19 the HSCP Board changed its segment reporting to reflect the HSCP's internal management arrangements and is the basis on which financial performance has been reported to the HSCP Board throughout the year. The annual accounts have also been produced using this segmental reporting providing a consistent basis of reporting for all financial information. The 2017-18 figures have also been restated on this basis. This has had no impact on the total expenditure and income reported for 2017-18.

3. Critical Judgements and Estimation Uncertainty

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

The HSCP Board also has to make critical judgement relating to services hosted within East Dunbartonshire HSCP for other HSCPs within the NHS GG&C area. In preparing the 2018-19 financial statements the HSCP Board is considered to be acting as 'principal', and the full costs of hosted services are reflected within the financial statements.

4. Events After the Reporting Period

The Annual Accounts were authorised for issue by the Chief Finance & Resources Officer on 24th September 2019. 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 31 March 2019, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

5. Expenditure and Income Analysis by Nature

2017/18 Re-stated £000		2018/19 £000
37,685	Employee Costs	38,859
630	Property Costs	475
3,997	Supplies and Services	4,822
50,931	Contractors	52,682
1,135	Transport and Plant	1,015
1,095	Administrative Costs	194
24,724	Family Health Service	27,342
19,473	Prescribing	19,072
17,381	Set Aside	19,116
234	HSCP Board Operational Costs	246
<u>(4,510)</u>	<u>Income</u>	<u>(6,088)</u>
152,775	Net Expenditure	157,735
(151,631)	Partners Funding Contributions and Non-Specific	(155,918)
1,144	(Surplus) or Deficit on the Provision of Services	1,817

The expenditure for 2017/18 has been combined for health and social care where previously this was shown separately for each partner agency.

6. HSCP Board Operational Costs

2017/18		2018/19
£000		£000
210	Staff Costs	221
24	Audit Fees	25
234 Total Operational Costs		246

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 2018/19 were £25k. The audit fee agreed for 18/19 was £28k, the balance of £3k will be payable in 19/20.

Given the HSCP Board cannot physically pay for invoices; this will be paid through EDC or NHS GG&C and charged as a cost in the HSCP Board Accounts.

7. Support Services

Support services were not delegated to the HSCP 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: financial management and accountancy support, human resources, legal, committee administration services, ICT, payroll, internal audit and the provision of the Chief Internal Auditor.

All support services provided to the HSCP Board were considered not material to these accounts.

8. Taxation and Non-Specific Grant Income

2017/18		2018/19
£000		£000
51,910	Funding Contribution from East Dunbartonshire Council	52,690
99,721	Funding Contribution from NHS Greater Glasgow & Clyde	103,228
151,631 Taxation and Non-specific Grant Income		155,918

The funding contribution from the NHS GG&C shown above includes £19.1m in respect of 'set aside' resources relating to acute hospital and other resources. These are provided by NHS GG&C which retains responsibility for managing the costs of providing the services. The HSCP Board however has responsibility for the consumption of, and level of demand placed on, these resources.

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

9. Debtors

31 March 2018		31 March 2019
£000		£000
2,267	NHS Greater Glasgow & Clyde	1,775
1,820	East Dunbartonshire Council	119
	Non-public sector	
4,087	Debtors	1,894

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 to the partnership.

10. Usable Reserve: General Fund

The HSCP Board holds a balance on the General Fund for two main purposes:

- To earmark, or build up, funds which are to be used for specific purposes in the future, such as known or predicted future expenditure needs. This supports strategic financial management.
- To provide a contingency fund to cushion the impact of unexpected events or emergencies. This is regarded as a key part of the HSCP Board's risk management framework.

The table below shows the movements on the General Fund balance, analysed between those elements earmarked for specific planned future expenditure, and the amount held as a general contingency.

2017/18				2018/19			
Balance at 1 April 2017	Transfers Out 2017/18	Transfers In 2017/18	Balance at 31 March 2018		Transfers Out 2018/19	Transfers In 2018/19	Balance at 31 March 2019
£000	£000	£000	£000		£000	£000	£000
(106)	4		(102)	Scottish Govt. Funding - SDS	24		(78)
(36)			(36)	Mental Health project	36		-
(29)	29		-	Delayed Discharge – HAT Funding			-
(1,704)	73	(34)	(1,665)	Social Care Fund	1,665		-
(11)	5		(6)	Keys to Life Funding	6		-
(19)	19		-	Autism Funding			-
(5)	5		-	Police Scotland – CPC Funding			-
(523)			(523)	SG - Integrated Care / Delayed Discharge Funding			(523)
-		(198)	(198)	SG - Primary Care Cluster funding	159		(39)
(138)		(462)	(600)	Oral Health Funding	600	(200)	(200)
				SG - Primary Care Improvement		(632)	(632)
				SG – Action 15 Mental Health		(121)	(121)
				SG – Alcohol & Drugs Partnership		(73)	(73)
				SG – Technology Enabled Care Prescribing		(11)	(11)
						(176)	(176)
(2,571)	135	(694)	(3,130)	Total Earmarked	2,490	(1,213)	(1,853)
(2,660)	1,955	(252)	(957)	Contingency	3,513	(2,597)	(41)
(5,231)	2,090	(946)	(4,087)	General Fund	6,003	(3,810)	(1,894)

11. Related Party Transactions

The HSCP Board has related party relationships with the NHS GG&C and EDC. In particular the nature of the partnership means that the HSCP Board may influence, and be influenced by, its partners. The following transactions and balances included in the HSCP Board's accounts are presented to provide additional information on the relationships.

Transactions with NHS Greater Glasgow & Clyde

2017/18		2018/19
£000		£000
(99,721)	Funding Contributions received from the NHS Board	(103,228)
81,795	Expenditure on Services Provided by the NHS Board	84,819
105	Key Management Personnel: Non-Voting Board Members	110
(17,821)	Net Transactions with the NHS Board	(18,299)

Key Management Personnel: The non-voting Board members employed by the NHS Board and recharged to the HSCP Board include the Chief Officer and the Chief Finance & Resources Officer. These costs are met in equal share by the NHS GG&C and East Dunbartonshire Council. The details of the remuneration for some specific post-holders are provided in the Remuneration Report.

Balances with NHS Greater Glasgow & Clyde

31 March 2018 £000		31 March 2019 £000
2,267	Debtor balances: Amounts due from the NHS Board	1,775
2,267	Net Balance with the NHS Board	1,775

Transactions with East Dunbartonshire Council

2017/18 £000		2018/19 £000
(51,910)	Funding Contributions received from the Council	(52,690)
70,746	Expenditure on Services Provided by the Council	72,670
105	Key Management Personnel: Non-Voting Board Members	111
24	Support Services	25
18,965	Net Transactions with the Council	20,116

Balances with East Dunbartonshire Council

31 March 2018 £000		31 March 2019 £000
1,820	Debtor balances: Amounts due from the Council	119
1,820	Net Balance with the Council	119

12. Contingent Assets & Liabilities

A contingent asset or liability arises where an event has taken place that gives the HSCP Board 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 HSCP Board. 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.

The HSCP Board is not aware of any material contingent asset or liability as at the 31st March 2019.

13. VAT

The HSCP Board is not a taxable person and does not charge or recover VAT on its functions.

The VAT treatment of expenditure in the HSCP Board's accounts depends on which of the partner organisations is providing the service as these agencies are treated differently for VAT purposes.

The services provided to the HSCP Board by the Chief Officer are outside the scope of VAT as they are undertaken under a special legal regime.

Independent auditor’s report to the members of East Dunbartonshire Integration Joint Board and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of East Dunbartonshire Integration Joint Board for the year ended 31 March 2019 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (the 2018/19 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2018/19 Code of the state of affairs of East Dunbartonshire Integration Joint Board as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 10th April 2017. The period of total uninterrupted appointment is three years. I am independent of the East Dunbartonshire Integration Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council’s Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the East Dunbartonshire Integration Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Finance & Resources Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about East Dunbartonshire Integration Joint Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Risks of material misstatement

I have reported in a separate Annual Audit Report, which is available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my conclusions thereon.

Responsibilities of the Chief Finance & Resources Officer and Performance, Audit & Risk Committee for the financial statements

As explained more fully in the Statement of Responsibilities, the Chief Finance & Resources Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Chief Finance & Resources Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance & Resources Officer is responsible for assessing the East Dunbartonshire Integration Joint Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

The Performance, Audit & Risk Committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional

omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other information in the annual accounts

The Chief Finance & Resources Officer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report, and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

In my opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the

financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Fiona Mitchell-Knight FCA
Audit Director
Audit Scotland
4th Floor, The Athenaeum Building
8 Nelson Mandela Place,
Glasgow, G2 1BT

24 September 2019