

**EAST DUNBARTONSHIRE  
INTEGRATION JOINT BOARD**

**Commonly known as the**

**EAST DUNBARTONSHIRE  
HEALTH & SOCIAL CARE PARTNERSHIP  
BOARD**

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**ANNUAL ACCOUNTS**

**2017/18**

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## **MANAGEMENT COMMENTARY**

### **Introduction**

This document contains the financial statements for the 2017/18 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.

### **The Health & Social Care Partnership**

East Dunbartonshire Health and Social Care Partnership (HSCP) is the common name of East Dunbartonshire Integration Joint Board which 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 Integration Scheme was revised and approved by the Scottish Government in August 2016 to extend delegated functions in relation to NHS Community Children's Services; Children's Social Work Services; and Criminal Justice Social Work Services.

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 NHSGGC 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:-

- Promoting positive health & well-being, preventing ill health and building strong communities;
- Enhance the quality of life and supporting independence for people, particularly those with long term conditions;
- Keep people out of hospital when care can be delivered closer to home;
- Address inequalities and support people to have more choice and control;
- People have a positive experience of health and social care services;
- Promote independent living through the provision of suitable housing accommodation and support;
- Improve support for carers enabling them to continue in their caring role;
- Optimise efficiency, effectiveness and flexibility.

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 (previously SOA), whereby the HSCP has the lead for or plays a significant role in delivering against 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”..

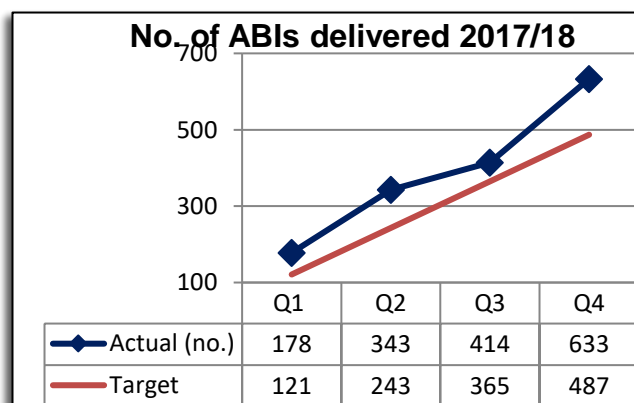
Performance is monitored using a range of performance indicators outlined in a performance management framework with quarterly performance reports to the HSCP Board, Community Planning Board and other committees. Service uptake, waiting times and other pressures are closely reviewed and any negative 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 OPERATIONS FOR THE YEAR 2017/18**

The HSCP achieved 50% of its performance indicator targets for 2017/18, with a further 12.5% showing improvement (based on Quarter 3 data), a decline of 18% on 2016/17. This reflects performance in delivery of the health & social care delivery plan, Social Care, the NHS delivery plan and in delivery of the nine national outcomes. This includes performance across all delegated functions to the partnership for Adults, Older People, Children and Criminal Justice Services.

In terms of Outcome 1, *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. For example:

- **633** Alcohol Brief Interventions were delivered over the year, providing opportunity to highlight to people that their alcohol consumption was above recommended safe levels, and advise on reducing their alcohol intake.



- Developed an enhanced monitoring and weight management programme for adults with learning disabilities who are wheelchair users to monitor and support weight management and nutritional status. This service has supported **25** attendees since being established, removing barriers that prevent health equality for adults with learning disabilities. The service also provided an

opportunity to identify other health issues and take preventative measures.

- **287** local people attended a range of organised discussions and activities, with an emphasis on engaging with hard to reach groups, aimed at improving the public's awareness and confidence to encourage an increase in uptake of cancer screening.
- Recently secured accommodation and established a Men's Shed project in Bearsden and over **40** men have become members. The Men's Shed provides opportunities to reduce social isolation for men living in the community and replicated the well established East Locality Men's Shed project.

All examples, above, point to a healthier population managing their own health outcomes.

In relation to Outcome 2, *people are able to live independently 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 continued positive performance in the number of bed days in secondary care used by patients who have been admitted unexpectedly and the number of unplanned acute emergency admissions. In addition the number of homecare hours per 100 population aged 65+ and the numbers of people with intensive needs receiving care at home continue to be well above target pointing to an improvement in the balance of care with more people with increasing complexity supported at home.

There has been substantial investment in this area through delayed discharge funding, and in particular the development of an Intermediate care facility in Westerton Care Home which has had a positive impact on performance under this outcome.

Further investment through the Change Fund and then the Integration Fund has delivered positive performance in relation to the provision of homecare services for those

with intensive needs, during the evenings, overnight and over the weekend. The outcome of a review of homecare is supporting the delivery of services to those with more complexity and the ability to support more people at home.

There is also good performance in the area of Children's & Criminal Justice services in relation to increasing numbers of childcare Integrated assessments for SCRA completed within the 20 day timescales, child protection review conferences taking place within 3 months of registration and LAAC review timescales and reports to the Court for Criminal Justice Social Work.

All of these indicators exceeding targets during 2017/18.

There are some areas where improvement is required, most notably around the levels of delayed discharge and the numbers of people aged 65+ in permanent care home placements, the numbers of clients waiting longer than 3 weeks from referral to treatment for drug and alcohol services, the timescales for referral to treatment for child and adolescent mental health services and the balance of care for looked after children.

The business plan, approved by the HSCP Board will take forward a range of initiatives to improve performance in these areas as key priorities for the partnership. Elements of this will be linked to work underway across GG&C to ensure the set aside budget is more meaningful and linked to performance in facilitating earlier discharges and reductions in the number of unplanned acute emergency admissions. There are a number of priorities across Adults, Older People and Children's services to develop preventative, community based alternatives which keep people at home or in a homely setting.

The HSCP Board Performance Management Framework has been 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.

Operational Highlights for 2017/18 include:-

- Development of a Strategy for Learning Disability and commencement of a review which will fundamentally change the way LD services are delivered across East Dunbartonshire. Aspects of this implemented in 2017/18 in relation to a review of sleepovers with reliance on technological solutions, development of provision to support a core and cluster model which supports people to live independently within the community and a review of day services to ensure people receive appropriate supports within East Dunbartonshire.
- Development of a Strategy for Daycare Services for Older People which builds capacity within local communities through a local area co-ordination model with day centre provision for those with complex needs.
- Continued development of community-led recovery-orientated resources to enable people with drug and alcohol difficulties or mental health issues to receive low intensity, often peer led support, and reduce reliance on formal services.
- Pathway developed between the Scottish Ambulance Service and Community Rehabilitation for referral of non injured fallers to prevent unnecessary conveyance to hospital.
- Established pilot Young Onset Dementia Womens' Group as it was identified that there was a higher proportion of young women with diagnosis of Young Onset Dementia. The group improved cognition and level of function, social connections and quality of life outcomes for these women. It also helped carers to find supports and delivered Psycho-education to improve resilience.
- A robust pathway has been developed to improve pathways for people affected by cancer, between primary and secondary care and for people with cancer to have improved access to community support services, and **55**



people were offered a full Holistic Needs Assessment as a component of their ongoing Cancer review programme.

- The conclusion of a pilot in relation to an Intermediate Care model within a local nursing home providing 8 step down beds for patients ready to be discharged from hospital. This has provided a better co-ordinated, more effective rehabilitation opportunity enabling more (>30%) of patients to return home, with fewer moving into long term care. The initial pilot has been evaluated and the service mainlined during 2017/18.
- Refurbishment of Kirkintilloch Health & Care Centre to facilitate integrated working across older people and adult health and social work services – bringing teams together to achieve better outcomes for our population. Initial discussions are underway on the potential development of an integrated health & social care centre in the West Locality of East Dunbartonshire.
- Development of an unscheduled care plan linked to a wider system approach to improving timeous discharge from hospital and prevention of admission to reduce the usage of acute hospital beds and ensure individuals receive care as close to home as possible. This is supported by an investment plan to facilitate service redesign and transformation through the use of earmarked reserves built up during previous years to ensure services are efficient, fit for purpose and sustainable moving forward.
- We have worked with service providers to ensure the Scottish Government requirements to pay the living wage and ensure quality services across the care home and care at home provision.
- We developed a strategic risk register for the HSCP Board which identifies the key areas of risk that may impact the partnership and have implemented a range of mitigating actions to minimise any impact.

### **HSCP BOARD'S FINANCIAL POSITION AT 31 MARCH 2018**

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 2017/18 from each of the partnership bodies were:-

#### **HSCP Board Budgets 2017/18 (from the 1<sup>st</sup> April 2017 to the 31<sup>st</sup> March 2018)**

HSCP Board Health Budget	£82,340,000
HSCP Board Social Work Budget Adult Services	£39,383,000
HSCP Board Social Work Budget Children & Criminal Justice Services	£11,297,000
HSCP Board Social Work Budget Other	£ 1,230,000
Set Aside – Share of Prescribed Acute functions	£17,381,000
<b>TOTAL</b>	<b><u>£151,631,000</u></b>

The budget 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 Health Budget includes an element relating to Oral Health Services (£10.1m) which is a service hosted by East Dunbartonshire HSCP and delivered across the other five partnership areas within GG&C.

The full extent of this budget is reflected in these accounts as prescribed within the Integration Scheme. There are services

hosted within other GG&C partnerships which have similar arrangements and which support the population of East Dunbartonshire such as MSK Physio, Podiatry, and Continence Care etc.

The extent to which these services (incl Oral Health) are consumed by the population of East Dunbartonshire is reflected below:-

2016/17 £000		2017/18 £000
524	MSK Physio	356
61	Retinal Screening	66
506	Podiatry	535
408	Primary Care Support	317
379	Continence	342
656	Sexual Health	631
91	Learning Disability	0
1,546	Mental Health Services	1,135
853	Oral Health	831
948	Addiction	939
153	Prison Healthcare	161
176	Healthcare in Police Custody	189
2,374	General Psychiatry	2,339
4,610	Old Age Psychiatry	1,927
<b>13,285</b>	<b>Total Cost of Services consumed within East Dunbartonshire</b>	<b>9,768</b>

The set aside budget relates to certain prescribed acute services including A&E, General Medicine, Respiratory care, Geriatric long stay 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 has commenced during the year to develop a more accurate costing framework for unscheduled care services to make this allocation more reflective of usage of these services and facilitates the resource shift required to deliver sustainable services within the community as opposed to a hospital setting. An allocation has been determined by NHS GG&C for East Dunbartonshire of £17.4m.

These remain notional budgets and are based on direct costs per bed day for each relevant speciality within the HSCP 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.

## **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 23<sup>rd</sup> 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 £66m has been provided to HSCPs for 2018/19 to support providers to pay the living wage to care workers, implement the Carers Act and has provided some capacity to address social care pressures.

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 65+ is set to increase by 54% over the period 2012-2037 (an average increase of 11% every 5 years).

In addition, more significantly, older people aged 85+ set to increase by



201.4% over the period 2012-2037 (an average increase of 40% every 5 years).

East Dunbartonshire has a higher than national average proportion of older people, therefore any increases can have a significant impact on the need for services as people get older and frailer.

- The cost and demand volatility across the prescribing budget which has been significant during 17/18 as a result of a number of drugs continuing to be on short supply resulting in significant increase in prices. This will be particularly relevant for the partnership into 2018/19 with the cessation of the risk sharing arrangement across GG&C where the risks and cost pressures will 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 of an Audit Committee to ensure the adequacy of the arrangements for risk management, governance and the control of the delegated resources.

## **ANALYSIS OF THE FINANCIAL STATEMENTS (FINANCIAL PERFORMANCE)**

The partnership's financial performance is presented in these Annual Accounts. The table, on page 25, shows a deficit on budget of £1.1m against the partnership funding available for 2017/18.

While this reflects an overall deficit position for the HSCP, as reported throughout the financial year, this was to be underwritten through the planned use of partnership general reserves to deliver a balanced year end position. This can be seen within the Reserves Statement detailed on page 26.

In terms of the functions delegated in respect of Social Work Services - there was significant pressure in relation to Adult and Children's Social Work services of £2m.

These pressures arose as a result of continued need for residential and fostering placements for children due to a combination of additional demands and restrictions on placements within our in-house residential provision with places held in the expectation that a number of Asylum Seeking children will be placed within East Dunbartonshire. This was offset to some extent through vacancy management within Children's SW Services.

In addition, pressures continue on Adult Social work budgets as a result of demand from children transitioning into adult learning disability and mental health services, challenging savings targets for these areas in anticipation of the outcome of a review of learning disability and mental health services and continued pressure on care at home services for older people.

These pressures within Social Work services have been offset by a favourable position for primary care services within the Oral Health Directorate due, largely, to staff turnover and vacancies across the service.

There was also a small under spend position in relation to NHS Community budgets as a result of some residual capacity within delayed discharge funding

and planned savings generated from staff turnover to mitigate pressures on prescribing which were not required in year. There were some pressures in respect of challenging staff turnover savings in some areas such as alcohol & drug services, adult community services and elderly mental health services which has offset the year end position.

There were additional monies allocated late in the year to support the development of GP Clusters as part of the Primary Care Transformation Fund which have been earmarked within reserves with planned expenditure during 2018/19. 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 to manage these pressures going forward.

The general reserves position, which has previously provided some resilience for financial pressures and any slippage in savings targets, is expected to be eradicated in delivering a balanced budget for 2018/19.

The total level of partnership reserves is now £4.1m as set out in the table on page 26.

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 transitioning into adult services generating demand and increased cost pressures across a range of adult social care services. This will be compounded during 2018/19 due to the cessation of the risk sharing arrangement across GG&C for prescribing, the anticipated demand from carers with the implementation of the Carers Act and the extension in entitlement to free personal care for those aged under 65 years old.

Both partner organisations continue to face significant financial challenge.

NHSGG&C has savings of +£87m to secure during 2018/19, largely within Acute Services, with a number of initiatives underway, through the Financial Improvement Programme (FIP) to deliver on this challenge. This assumes a breakeven position for HSCPs across GG&C. The settlement for 2018/19 provided uplift in funding of 1.5% in respect of payroll and contractual inflationary pressures with additional monies expected as a consequence of the Barnett formula whereby increased investment to support pay increases nationally for health services in England has a consequential impact for grant funding to Scotland. The significant area of risk moving forward will be in relation to ongoing prescribing pressures arising from certain medicines on short supply pushing up the cost per medicine and increasing demand within community services.

EDC is also facing significant challenges with £13.6m of efficiencies required to close the funding gap during 2018/19 (of which pressures for Social Work account for £5.6m of this gap). This will predominantly be delivered through the Council's transformation and budget reduction programme with the aim of protecting the provision of frontline service delivery. The financial settlement to the partnership is particularly challenging with a further £4.6m of savings to be delivered during 2018/19. This will require a level of bridging through the use of partnership reserves to balance the budget for 2018/19 in the expectation that further efficiencies will be identified to address the gap in future years. This will present a level of risk to the partnership as there will be no resilience to meet in year pressures and this will require close monitoring and early engagement with the constituent bodies throughout 2018/19.

In total the level of savings on Partnership budgets to be delivered is £5m for 2018/19 and it is expected that this position will continue for future years given the challenging financial settlements expected to both EDC and NHSGGC.

There is some recurring funding available to Health & Social Care Partnerships from the Scottish Government in 2018/19 in the form of Integration Funding (ED - £0.7m), Delayed Discharge Funding (ED - £0.5m) and Social Care Funding (ED - £7.4m, an increase of £1.3m from 2017/18). The latter is aimed at increasing the living wage across the care home, care at home and housing support sectors, supporting implementation of the Carers Act and the extension of entitlement to free personal care to those under the age of 65.

**Ms J Forbes** 21/9/18

HSCP Board Chair

**Mrs S Manion** 21/9/18

HSCP Chief Officer

**Ms J Campbell** 21/9/18

Chief Finance & Resources  
Officer

## **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 Audit Committee on the 21st September 2018.

Signed on behalf of the East Dunbartonshire HSCP Board.

**Ms J Forbes**  
IJB Chair

**21/9/18**

### **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 2018 and the transactions for the year then ended.

**Ms J Campbell**  
Chief Finance &  
Resources Officer

**21/9/18**

## **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: IJB 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. The details of the Chair and Vice Chair appointments and any taxable expenses paid by the HSCP Board are shown below.



<b>Taxable Expenses 2016/17 £</b>	<b>Name</b>	<b>Post(s) Held</b>	<b>Nominated by</b>	<b>Taxable Expenses 2017/18 £</b>
Nil	I Fraser	Chair (IJB) and Non- Executive Director June 2017 to March 2018 Vice Chair April 2017 to June 2017	NHS Greater Glasgow & Clyde	Nil
Nil	S Murray	Vice Chair (IJB) and Councillor June 2017 to March 2018	East Dunbartonshire Council	Nil
Nil	R. Geekie	Chair (IJB) and Leader of the Council April 2017 to May 2017	East Dunbartonshire Council	Nil
<b>Nil</b>	<b>Total</b>			<b>Nil</b>

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 12<sup>th</sup> December 2016 and is employed by NHS GG&C and seconded to the HSCP Board. The previous Chief Officer, Mrs Karen Murray retired on the 30<sup>th</sup> September 2016.

#### 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.

<b>Total 2016/17 £</b>	<b>Senior Employees</b>	<b>Salary, Fees &amp; Allowances £</b>	<b>Compensation for Loss of Office £</b>	<b>Total 2017/18 £</b>
28,000( <i>Part year from the 12 December 2016 - FYE 90,000</i> )	<b>S Manion</b> Chief Officer 12 <sup>th</sup> December 2016 to present	94,150	0	94,150
61,000( <i>Part year from the 9 May 2016 – FYE 68,000</i> )	<b>J. Campbell</b> Chief Finance & Resources Officer 9 <sup>th</sup> May 2016 to present	70,350	0	70,350
56,000 ( <i>Part year until the 30<sup>th</sup> September 2016 - FYE 108,000</i> )	<b>K. Murray</b> Chief Officer 1 April 2016 to 30 September 2016	0	0	0
<b>145,000</b>	<b>Total</b>	<b>164,500</b>	<b>0</b>	<b>164,500</b>

*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.

*(An interim Chief Officer was appointed for the period September 2016 – December 2016, Mr James Hobson; however, the costs attaching to this secondment were met by NHS GG&C)*

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 31/03/17	For Year to 31/03/18		Difference from 31/03/17 £000	As at 31/03/18 £000
	£	£			
S. Manion	4,000	14,000	Pension	2	0 – 5
Chief Officer December 2016 to March 2017			Lump sum	0	0
J. Campbell	9,000	10,500	Pension	1	0 - 5
Chief Finance & Resources Officer May 2016-March 2017			Lump sum	0	0
K. Murray	8,000	0	Pension	0	0
Chief Officer April 2016 to September 2016			Lump sum	0	0
<b>Total</b>	<b>21,000</b>	<b>24,500</b>	<b>Pension</b>	<b>3</b>	<b>0 - 10</b>
			<b>Lump Sum</b>	<b>0</b>	<b>0 - 10</b>

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.

## Disclosure by Pay Bands

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

Number of Employees in Band 2016/17	Remuneration Band	Number of Employees in Band 2017/18
3	£50,000 - £54,999	2
2	£55,000 - £59,999	
2	£60,000 - £64,999	2
	£65,000 - £69,999	
3	£70,000 - £74,999	2
0	>£85,000	2

**Ms J Forbes**  
IJB Chair

21/9/18

**Mrs S Manion**  
Chief Officer



21/9/18

## **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 2017/18 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 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 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 (which was revised in January 2018 to implement the Carers Act 2016), Standing Orders for meetings, Terms of reference and membership of HSCP Board committees, the Scheme of Delegation to Officers and the Financial Regulations.
- The Strategic Plan for 2018-2021 was approved at the HSCP Board meeting on the 15<sup>th</sup> March 2018. The Strategic Plan outlines eight key priorities to be delivered over the next three years 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.
- The Risk Management Policy was approved and adopted in August 2017. This sets out the process and responsibilities for managing risk in the HSCP. The Corporate Risk Register was approved in November 2017 and is reviewed by the Senior Management Team twice each year.
- The Audit Committee advises the Partnership Board and its Chief Finance & Resources Officer on the effectiveness of the overall internal control environment.
- 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.
- Clinical and Care Governance arrangements have been developed and led locally by the Clinical Director for the HSCP and involving 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. 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 Audit Committee operates in accordance with CIPFA's Audit Committee Principles in Local Authorities in Scotland and Audit Committees: Practical Guidance for Local Authorities.

The Audit 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 Audit 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 Audit 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 *de facto* 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 (PwC) 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, on the basis of 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.

The HSCP Board is not aware of any weaknesses within the NHS GG&C and EDC Accounts, internal control systems and has placed reliance on the individual annual governance statements where appropriate.

## **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.

There has been specific work undertaken by each partner's audit functions. The Council's internal auditors were able to provide reasonable assurance over the areas reviewed. The auditors acting for NHS GG&C provided an opinion that the adequacy and effectiveness of governance, risk management and control were generally satisfactory with some improvements required. Internal audit reviews of NHS GG&C as a whole reported the issue of Reporting and Monitoring Arrangements for Efficiency Savings as High Risk. This may pose a risk to the HSCP but the responsibility for the recommendations lie with NHSGGC.

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 have been a number of development sessions for members as well as service visits. This included a re-visiting of some areas as a result of the newly appointed Councillors to the HSCP Board following the local elections in May 2017.

## **Governance Improvement Plans**

There are a number of areas of improvement identified for 2018/19 which will seek to enhance governance arrangements within the partnership:

- 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. Audit Scotland are due to publish a National report on the integration of health and social care in 2018. This will be reviewed for actions that, if implemented, would benefit East Dunbartonshire's HSCP.
- 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 requiring further improvement and formal action plans have been developed to mitigate the risks identified. These and earlier reports will continue to be monitored for compliance in 2018/19.
- The HSCP Board was provided in March 2018 with a draft of the Workforce and Organisational Plan. The plan provides an overview of the key priorities and challenges for the workforce as the HSCP strives to achieve the commitments in the HSCP Strategic Plan. Within the draft plan there are proposals for monitoring progress against the Workforce plan including 6 monthly updates being provided to the HSCP Board. The Workforce Co-ordination group has the local responsibility for monitoring progress and reporting to the Senior Management Team and local Staff forum.
- Further HSCP Board Development Sessions are planned. Anticipated topics include the New GP Contract and Unscheduled Care and time has been allocated for other Development Sessions on topics to be agreed.
- The Audit Committee will become the Performance and Audit Committee, with an expanded remit to include HSCP Performance, in order to enhance scrutiny in this area.

## **Assurance**

The system of governance (including the system of internal control) operating in 2017/18 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 HSCP Board's systems of governance and control.

**Ms J Forbes**

21/9/18

IJB Chair

**Mrs S Manion**

21/9/18

Chief Officer

**COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT**

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

2016/17 Restated			2017/18			
Gross Expenditure <i>Restated</i> £000	Gross Income £000	Net Expenditure <i>Restated</i> £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
<u>Local Authority Services</u>						
57,268	(1,722)	55,546	Adults Services	59,592	(2,020)	57,572
7,598	(692)	6,906	Children & Criminal Justice Services	13,050	(1,074)	11,976
959	0	959	Other Council Services	1,198	0	1,198
65,825	(2,414)	63,411	Total Local Authority Services	73,840	(3,094)	70,746
<u>Health Services</u>						
9,965	(842)	9,123	Community Health Services	11,559	(974)	10,585
44,715	(1,283)	43,431	Family Health Services	45,482	(1,285)	44,197
10,999	(782)	10,217	Hosted – Oral Dental Health Services	10,420	(788)	9,632
17,381		17,381	Set Aside for Delegated Services provided in Acute Services	17,381		17,381
83,060	(2,908)	80,152	Total Health Services	84,842	(3,047)	81,795
201		201	HSCP Board Operational Costs(note 6)	234		234
149,086	(5,322)	143,764	Cost of Services Directly Managed by ED HSCP	158,916	(6,141)	152,775
	(147,760)	(147,760)	Taxation and Non-Specific Grant Income (note 8)		(151,631)	(151,631)
149,086	(153,082)	(3,996)	(Surplus) or Deficit on Provision of Services	158,916	(157,772)	1,144
		(3,996)	Total Comprehensive Income and Expenditure			1,144

The HSCP Board was established on the 27<sup>th</sup> July 2015. Integrated delivery of health and care services did not commence until the 3<sup>rd</sup> 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 figures for 2016/17 have been re-stated by £2.93m to reflect the change in accounting treatment for hosted services with the HSCP Board now considered as principal in the arrangement as opposed to acting as agent. Please see note 3.*

*The 2016/17 expenditure has also been re-stated to reflect a late adjustment of £48k to Adult services expenditure in relation to payroll costs associated with job evaluation.*

### **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.

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

<b>Movements in Reserves During 2016/17</b>	<b>General Fund Balance Restated</b>	<b>Ear-Marked Reserves</b>	<b>Total Reserves Restated</b>
	£000	£000	£000
<b>Opening Balance at 31 March 2016</b>	<b>(1,177)</b>	<b>(211)</b>	<b>(1,388)</b>
In Year drawdown of Reserves	7	146	153
Total Comprehensive Income and Expenditure	(1,491)	(2,505)	(3,996)
Increase or Decrease in 2016/17	<b>(1,484)</b>	<b>(2,359)</b>	<b>(3,843)</b>
<b>Closing Balance at 31 March 2017</b>	<b>(2,661)</b>	<b>(2,570)</b>	<b>(5,231)</b>

*The 2016/17 expenditure has been re-stated to reflect a late adjustment of £48k to Adult services expenditure in relation to payroll costs associated with job evaluation.*



## BALANCE SHEET

The Balance Sheet shows the value as at the 31<sup>st</sup> March 2018 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.

	<b>31 March 2017 Restated £000</b>		<b>Notes</b>		<b>31 March 2018 £000</b>
	5,242	Short term Debtors	9		4,087
		<b>Current Assets</b>			
	(11)	Short-term Creditors	10		0
		<b>Current Liabilities</b>			
	<b>5,231</b>	<b>Net Assets</b>			<b>4,087</b>
	(2,661)	Usable Reserve: General Fund	11		(957)
	(2,570)	Unusable Reserve: Earmarked	11		(3,130)
	<b>(5,231)</b>	<b>Total Reserves</b>			<b>(4,087)</b>

*The 2016/17 expenditure has been re-stated to reflect a late adjustment of £48k to Adult services expenditure in relation to payroll costs associated with job evaluation.*

The unaudited accounts were issued on 28th June 2018 and the audited accounts were authorised for issue on 21st September 2018.

**Ms J Campbell**  
Chief Finance &  
Resources Officer

21/9/18

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. Significant Accounting Policies**

#### General Principles

The Financial Statements summarises the authority's transactions for the 2017/18 financial year and its position at the year-end of 31 March 2018.

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 2017/18, 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 funding 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 2018 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 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**

As detailed within the Management Commentary, the accounting treatment regarding Hosted Services changed in 2017/18 after consideration of the current management arrangements. Further details are provided under Note 3 Critical Judgements and Estimation Uncertainty.

## **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 complex transactions in respect of the values included for services hosted within East Dunbartonshire HSCP Board

for other HSCP Boards within the NHS GG&C area. In previous financial years the financial accounts have been prepared on the basis that the costs associated with activity for services related to non-East Dunbartonshire residents were removed and transferred to other HSCP Board's to reflect the location of the service recipients. Costs were also added to reflect activity for services delivered by other HSCP Board's related to East Dunbartonshire residents. The costs removed/added were based upon budgeted spend such that any overspend or under spend remains with the hosting HSCP Board.

In preparing the 2017-18 financial statements this adjustment will no longer be made. Within GG&C, each HSCP Board has operational responsibility for services, which it hosts on behalf of the other HSCP Board's. In delivering these services the HSCP Board has primary responsibility for the provision of the services and bears the risk and reward associated with this service delivery in terms of demand and the financial resources required. As such the HSCP Board is considered to be acting as 'principal', and the full costs should be reflected within the financial statements for the services which it hosts. This is the basis on which 2017-18 accounts have been prepared. This resulted in a re-statement of the 2016/17 position by removing the adjustment to the Accounts equating to £2.93m.

The set aside resource for delegated services provided in large hospitals is determined by analysis of hospital activity and cost information. The value included in the accounts is calculated by NHSGGC using the average of activity data for each partnership population covering to 2013 to 2015 and 2014/15 cost data, up rated for 1% annual inflation for each year. In 2017/18 a Working Group, with membership from NHSGGC, Glasgow HSCP and the Scottish Government, convened to consider how best to identify actual activity for each IJB and the associated cost. A data set should be agreed before the end of 2018. As such, the set aside sum included in the accounts remains at the notional level and does not reflect actual hospital activity in 2017/18.

#### **4. Events After the Reporting Period**

The Annual Accounts were authorised for issue by the Chief Finance & Resources Officer on 21<sup>st</sup> September 2018. 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 2018, 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

<b>2016/17 Restated £000</b>		<b>2017/18 £000</b>
	<b><u>Health Services</u></b>	
16,010	Employee Costs	17,624
2,256	Property Costs	358
1,389	Supplies and Services	2,758
1,222	Administrative Costs	893
44,802	Family Health Service	44,197
17,381	Set Aside	17,381
	Hosted Services (net)	
<u>(2,908)</u>	Income	<u>(1,416)</u>
80,152	Total Health Services	81,795
	<b><u>Social Work Services</u></b>	
16,958	Employee Costs	20,061
166	Property Costs	272
914	Supplies and Services	1,239
46,661	Contractors	50,931
900	Transport	1,135
225	Administrative Costs	202
<u>(2,413)</u>	Income	<u>(3,094)</u>
63,411	Total Social Work Services	70,746
201	HSCP Board Operational Costs	234
(147,760)	Partners Funding Contributions and Non-Specific	(151,631)
<b><u>(3,996)</u></b>	<b>Surplus or Deficit on the Provision of Services</b>	<b><u>1,144</u></b>

*The figures for 2016/17 have been re-stated to reflect the change in accounting treatment for hosted services with the HSCP Board now considered as principal in the arrangement as opposed to acting as agent. Please see note 3.*

*The 2016/17 expenditure has been re-stated to reflect a late adjustment of £48k to Adult services expenditure in relation to payroll costs associated with job evaluation.*

## 6. HSCP Board Operational Costs

<b>2016/17 £000</b>		<b>2017/18 £000</b>
184	Staff Costs	210
17	Audit Fees	24
<b>201</b>	<b>Total Operational Costs</b>	<b>234</b>

### **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 2017/18 were £24k. 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

<b>2016/17 Restated £000</b>		<b>2017/18 £000</b>
50,963	Funding Contribution from East Dunbartonshire Council	51,910
96,797	Funding Contribution from NHS Greater Glasgow & Clyde	99,721
<b>147,760</b>	<b>Taxation and Non-specific Grant Income</b>	<b>151,631</b>

*The figures for 2016/17 have been re-stated to reflect the change in accounting treatment for hosted services with the HSCP Board now considered as principal in the arrangement as opposed to acting as agent. Please see note 3.*

The funding contribution from the NHS GG&C shown above includes £17.4m 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 2017 Re stated £000		31 March 2018 £000
1,380	NHS Greater Glasgow & Clyde	2,267
3,862	East Dunbartonshire Council	1,820
	Non-public sector	
<b>5,242</b>	<b>Debtors</b>	<b>4,087</b>

*The 2016/17 expenditure has been re-stated to reflect a late adjustment of £48k to Adult services expenditure in relation to payroll costs associated with job evaluation.*

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. Creditors

31 March 2017 £000		31 March 2018 £000
0	NHS Greater Glasgow & Clyde	0
11	East Dunbartonshire Council	0
<b>11</b>	<b>Creditors</b>	<b>0</b>

There are no short term creditors for 2017/18.

## 11. 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.

2016/17					2017/18		
Balance at 1 April 2016	Transfers Out 2016/17	Transfers In 2016/17 Restated	Balance at 31 March 2017  Restated		Transfers Out 2017/18	Transfers In 2017/18	Balance at 31 March 2018
£000	£000	£000	£000		£000	£000	£000
(86)	86	(106)	(106)	Scottish Govt. Funding - SDS	4		(102)
(36)	0		(36)	Mental Health project			(36)
(29)			(29)	Delayed Discharge	29		-
(60)	60		0	Communications Post			0
		(1,704)	(1,704)	Social Care Fund	73	(34)	(1,665)
0		(11)	(11)	Keys to Life Funding	5		(6)
0		(19)	(19)	Autism Funding	19		-
		(5)	(5)	Police Scotland – CPC Funding	5		-
		(523)	(523)	Integrated Care / Delayed Discharge Funding			(523)
			-	Primary Care Cluster funding		(198)	(198)
		(138)	(138)	Oral Health Funding		(462)	(600)
(211)	146	(2,506)	(2,571)	Total Earmarked	135	(694)	(3,130)
(1,177)	7	(1,490)	(2,660)	Contingency	1,955	(252)	(957)
<b>(1,388)</b>	<b>153</b>	<b>(3,996)</b>	<b>(5,231)</b>	<b>General Fund</b>	<b>2,090</b>	<b>(946 )</b>	<b>(4,087)</b>

*The 2016/17 expenditure has been re-stated to reflect a late adjustment of £48k to Adult services expenditure in relation to payroll costs associated with job evaluation.*

## 12. 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

2016/17		2017/18
£000		£000
(96,797)	Funding Contributions received from the NHS Board	(99,721)
80,152	Expenditure on Services Provided by the NHS Board	81,795
92	Key Management Personnel: Non-Voting Board Members	105
0	Support Services	0
<b>(16,553)</b>	<b>Net Transactions with the NHS Board</b>	<b>(17,821)</b>

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

<b>31 March 2017 £000</b>		<b>31 March 2018 £000</b>
1,380	Debtor balances: Amounts due from the NHS Board	2,267
0	Creditor balances: Amounts due to the NHS Board	0
<b>1,380</b>	<b>Net Balance with the NHS Board</b>	<b>2,267</b>

#### Transactions with East Dunbartonshire Council

<b>2016/17 Restated £000</b>		<b>2017/18 £000</b>
(50,963)	Funding Contributions received from the Council	(51,910)
63,411	Expenditure on Services Provided by the Council	70,746
98	Key Management Personnel: Non-Voting Board Members	105
0	Support Services	24
<b>12,546</b>	<b>Net Transactions with the Council</b>	<b>18,965</b>

*The 2016/17 expenditure has been re-stated to reflect a late adjustment of £48k to Adult services expenditure in relation to payroll costs associated with job evaluation.*

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 East Dunbartonshire Council

<b>31 March 2017 Restated £000</b>		<b>31 March 2018 £000</b>
3,855	Debtor balances: Amounts due from the Council	1,820
(11)	Creditor balances: Amounts due to the Council	0
<b>3,844</b>	<b>Net Balance with the Council</b>	<b>1,820</b>

*The 2016/17 expenditure has been re-stated to reflect a late adjustment of £48k to Adult services expenditure in relation to payroll costs associated with job evaluation.*

### **13. 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 31<sup>st</sup> March 2018.

### **14. 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**

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 approved by the Accounts Commission, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

### **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 2018 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 accounts, 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 2017/18 (the 2017/18 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2017/18 Code of the state of affairs of the East Dunbartonshire Integration Joint Board as at 31 March 2018 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 2017/18 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)). 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 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. 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.

### **Responsibilities of the Chief Finance & Resources Officer and East Dunbartonshire Integration Joint Board 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 East Dunbartonshire Integration Joint Board is responsible for overseeing the financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

My objectives are to achieve 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.

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](http://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; or
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

Fiona Mitchell-Knight FCA  
Audit Director,  
Audit Scotland  
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8 Nelson Mandela Place,  
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21 September 2018