

Item 9 - Appendix 1



Angus Integration Joint Board - Annual Accounts 2017/18

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Management Commentary

1. Introduction

Angus Integration Joint Board (Angus IJB) was established on 3rd October 2015 as a body corporate by Parliamentary Order under section 9 of the Public Bodies (Joint Working) (Scotland) Act 2014. The IJB took over delegated responsibility for Health and Social Care in Angus from 1st April 2016. The IJB's Annual Accounts for 2017/18 reflect the second year of since taking over that responsibility and covers the period from 1st April 2017 to 31st March 2018. The IJB is required to prepare annual accounts under the Local Authority Accounts (Scotland) Regulations 2014 and Regulations under Section 106 of the Local Government (Scotland) Act 1973 and in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

This Management Commentary outlines key messages regarding the objectives and strategy of the Angus IJB, its financial reporting and performance for the 2016/17 financial year and provides an indication of risks which may impact upon the IJB in the future.

2. Purpose and objectives

Angus IJB is a formal Partnership between NHS Tayside and Angus Council (the Parties) as described in the Angus IJB Integration Scheme. That Integration Scheme describes the health and social care functions that have been delegated by the Parties to Angus IJB from 1st April 2016.

The IJB's Strategic Plan for 2016-2019 was approved at a meeting of Angus IJB Board on 23rd March 2016. The following is an extract from the Strategic Plan:-

"From April 2016 Angus Council, NHS Tayside, the third and independent sectors are working together in a new Angus Health and Social Care Partnership (HSCP). The Angus HSCP has been established under the provisions of the Public Bodies (Joint Working) (Scotland) Act 2014. The partnership has been formed following the signing, by the parent bodies, of an Integration Scheme setting out the legal arrangements. The work of the partnership is overseen by the Integration Joint Board."

Angus IJB provides Community Health and Social Care Services for the population of Angus (c116,000 - National Records of Scotland mid-2017 population estimate) across an area that is co-terminus with Angus Council. Services provided are fully described in the Integration Scheme and include, amongst others, services for Older People, Mental Health Services, Learning Disability Services, Physical Disability Services and Substances Misuse Services. As one of three IJBs in Tayside, Angus IJB also hosts Tayside wide services including Out of Hours and Speech Therapy and is the lead Health and Social Care Partnership for Primary Care in Tayside.

3. Strategic Plan

Progress towards the objectives of the Strategic Plan are regularly reported to the IJB and the bi-monthly Strategic Planning Group. Included in the publication of the IJB's 2018/19 Annual Performance Report is an assessment of strategic progress against the strategic plan. The IJB also has a delivery plan linked to the Strategic Plan that is shared via IJB Management groups (including the Strategic Planning Group) and a regularly evolving market facilitation plan. The IJB plans to formally review its market facilitation plan in late 2018 as part of the development of the next iteration of the overall strategic plan. The IJB's strategic plan needs to be revisited in advance of March 2019 prior to the publication of a revised strategic plan in March 2019.

The Angus IJB Strategic Plan contained four main priorities as follows:-

- Priority 1 – Improving Health, Wellbeing and Independence.
- Priority 2 – Supporting care needs at Home.
- Priority 3 – Developing integrated and enhanced Primary Care and community services.
- Priority 4 – Improving integrated care pathway for priorities in care.

These priorities are expected to continue as the main priorities in the next iteration of the Strategic Plan. The strategic improvement actions identified in the Strategic Plan all relate to one of the four priorities.

4. Operational Review

The IJB has successfully delivered services throughout 2017/18 in line with the Integration Scheme. While the Strategic Plan and operational imperatives create a challenging and busy landscape for the IJB in terms of operational service delivery much progress has been made including:-

- The completion of further phases of the Help to Live at Home programme including completion of the Internal Service redesign, migration of services to external providers and the development of the procurement arrangements for a revised Care at Home contractual framework from April 2018. The programme did require a reduction in staff employed through Angus Council and this was managed through a process of early retirement/voluntary redundancy. The implementation of the Internal Service redesign was completed by November 2017 and the Help to Live at Home programme is now delivering the planned efficiencies.
- Development of an Improvement and Change Programme intended to bring together the oversight and project management of a series of changes within Adult Social care. This programme reports to the IJB Board half-yearly and has assisted the IJB deliver savings in 2017/18 and will assist with plans for 2018/19.
- The development of the Angus Care Model. This was first described to the IJB in October 2017 and considered the future configuration of Community Hospital services, Minor Injury and Illness Services and Residential Care Home Services. Agreement regarding future service configuration and further work was reached in January 2018.
- An increased engagement with local General Practitioners and with NHS Tayside to consider and address Primary Care Prescribing challenges within Angus.
- The further progression of accommodation developments for adults with Learning Disabilities including progression of the rehabilitation of some Strathmartine Hospital patients and the progression of the replacement for The Gables residential care home. The IJB has also supported the development of new residential respite arrangements for adults with Learning Disabilities.
- Involvement with the Tayside-wide review of Mental Health Services and responding to the resultant changes. This has had a significant impact on the configuration of local services in particular due to changes in In Patient Mental Health provision.
- Undertaking the early stages of preparing for the introduction of the new 2018 General Medical Services contract. This will ultimately have far-reaching implications for local General Practices and the services that support them.
- Preparing for the implementation of the Carers Act (2018). Including developing eligibility criteria. Further work is still required to ensure the IJB can deliver the full implementation of the Carers Act within the available resources.

The IJB has had to manage a number of challenges throughout the year including workforce issues particularly prevalent in medical and nurse staffing. There have also been some delays in projects that the IJB had anticipated would be more developed including the integration of Occupational Therapy Services, reviews of Medication Administration arrangements and the final phases of the roll-out of Enhanced Community Support. These issues remain under development.

It is also important to recognise the breadth of change that the Angus population have had to absorb. This has included changes within Mental Health Services In patient provision, changes in Community Hospital provision and changes to Minor Injury and Illness Services .These changes reflect the scale of the challenge Angus IJB faces to deliver sustainable and safe services within available financial and workforce resources.

5. Performance Reporting

Section 42 of the Public Bodies (Joint Working) (Scotland) Act 2014 states that Integration Authorities must prepare an annual performance report for each reporting year. The report is intended to set out an assessment of performance by each Integration Authority in planning and carrying out its integration functions.

Angus IJB regularly receives Performance Report updates. Angus IJB's second annual performance report for the reporting year 2017/18 was submitted to the IJB meeting on 27 June 2018 (Report No. IJB 42/18).

While the Annual Performance Report contains more detail, a summary of the IJBs performance is included after the Management Commentary.

6. Financial Management

The IJB's finances are overseen by the IJB's Chief Finance Officer with support from Finance functions within Angus Council and NHS Tayside. This support is provided as part of overall arrangements for

corporate support services whereby Angus Council and NHS Tayside provide a range of services, including Finance, Human Resources and Legal & Democratic Services, without charge to Angus IJB.

Prior to April 2016, the IJB had developed the financial governance infrastructure required to allow it to assume new responsibilities from 1st April 2016. That financial governance infrastructure continues to be reviewed and refreshed.

7. Analysis of Financial Statements

A main objective of these Annual Accounts is to provide information about the financial position and financial performance of the IJB that is useful to a wide range of users in making and evaluating decisions about the allocation of resources.

The 2017/18 Annual Accounts comprise:-

- a) Comprehensive Income and Expenditure Statement – This statement shows that the IJB made an overall surplus of £380k (i.e. underspent by £380k) in 2017/18 on the total income of £164m. This underspend (0.2% of 2017/18 income) was within Adult Services (Social Care) and will be carried forward into 2018/19 through the IJB's reserves.
During the financial year the IJB received reports setting out projected overspends on devolved NHS resources. Due to the IJB's Integration Scheme, at the end of the financial year NHS Tayside has increased its contribution to the IJB to offset those overspends. The Annual Accounts reflect the position after the increased contributions of £0.9m have been allowed for. The over spends covered by the increased contributions were principally attributable to Prescribing costs being in excess of available funding.
- b) Movement in Reserves – The IJB had 2017/18 opening reserves of £582k. Due to the operating surplus noted above, at the 2017/18 year end the IJB now has year-end reserves of £962k. These are held in line with the IJB's reserves policy.
- c) Balance Sheet – In terms of routine business the IJB does not hold assets, however the reserves noted above are reflected in the year-end balance sheet.
- d) Notes, comprising a summary of significant accounting policies, analysis of significant figures within the Annual Accounts and other explanatory information.

The Annual Accounts for 2017/18 do not include a Cash Flow Statement as the IJB does not hold any cash or cash equivalents.

8. Financial Performance

Throughout 2017/18, a Finance Report has been presented to every IJB meeting. These reports set out information regarding the annual budgets and projected financial out-turns for the financial year. At the end of the 2017/18 financial year, a year end summary report was submitted to the June 2018 IJB meeting.

Reports through the year projected in year under spends within Adult Social Care related to early delivery of savings plans including, for example, within the Help to Live at Home programme and one-off savings for reasons including delayed social care placements. At the year end the Adult Social Care position was an under spend of £380k.

Within the IJB's local Community Health Services good progress was reported through the year on delivering in year (one-off) and recurring savings. The IJB's local Community Health services underspent during 2017/18 and this position helped to offset Hosted Service (including Mental Health Services) and, in particular, local Primary Care prescribing over spends. The latter, as noted elsewhere, remains a significant challenge for Angus IJB with a year end overspend of £2.8m after non-recurring financial support of c£500k.

The IJB Finance reports also provided regular feedback to the IJB regarding progress with 2017/18 savings targets and, noting progress with the Angus Care Model, the IJB was able to confirm by February 2018 that all 2017/18 recurring savings targets (excluding Prescribing and Hosted Services) had been delivered.

Noting the materiality of Primary Care prescribing over spends to the IJB's overall position, the IJB received regular Prescribing reports setting out the work underway locally and regionally to address the local Prescribing challenges.

9. Financial Outlook

On an annual basis, Angus IJB negotiates budget settlements with both Angus Council and NHS Tayside. Angus IJB has now agreed a budget settlement with Angus Council for 2018/19 and is working with provisional budget assumptions regarding a budget settlement from NHS Tayside for 2018/19. Subject to NHS Tayside confirmation NHS Tayside, budget settlements for 2018/19 will be as follows:-

Budgets to be delegated from Angus Council - £44.672m
 Budgets to be delegated from NHS Tayside - £126.791m
 Total budgets to be devolved to the IJB - £171.463m.

The budgets above include revised assumptions regarding Large Hospital Set Aside resources. This part of the IJB's resource framework remains under-developed. While this is a national issue, Angus IJB continues to develop solutions with both NHS Tayside and other local IJBs. This will be an area of significant national and local focus during 2018/19.

In 2018/19 NHS Tayside will also devolve additional non-recurring funding to Angus IJB related to projects scheduled to be delivered from 2018/19 onwards. This funding has previously been managed within NHS Tayside's financial plans.

Both settlements present significant challenges in terms of accommodating service, demographic and inflationary type pressures. While Angus IJB regularly monitors progress being made towards delivering the required level of efficiencies to live within agreed annual budget settlements, in April 2018 Angus IJB also considered a multi-year financial framework (IJB report 25/18) that highlighted future financial challenges.

The position regarding recurring 2018/19 recurring shortfalls in budget settlements is as follows:-

Devolved Budget	Angus Council	NHS Tayside (Excluding Prescribing)	Prescribing	Total
	£000	£000	£000	£000
Initial Shortfall	2,410	1,491	3,224	7,125
Plans in place	2,410	2,748	1,456	6,614
Residual Shortfall (June 2017)	0	(1,257)	1,768	5,11

The 'plans in place' do range from issues that are already delivered (e.g. Help to Live at Home proposals), to ideas that are still being worked up but are expected to deliver from part way through the financial year and that do carry a level of risk, to plans that are reliant on external factors (such as Prescribing drug changes) and consequently are higher risk. Progress with these plans will continue to be reported back regularly to the IJB as will work to develop further opportunities to close out the original or any emerging gaps.

The above also clearly shows that the IJB's prescribing position remains the single biggest financial challenge the IJB faces. Much work is underway locally and regionally to address Prescribing issues but as at the final quarter of 2017/18, Angus IJB remained a national outlier in terms of expenditure incurred per weighted population. This issue continues to require significant organisational focus.

The IJB's multi-year financial formwork will be developed in line with the IJB's overall Strategic Plan. Most recent iterations set out not only the challenges for 2018/19, but also the very significant challenges for 2019/20 and beyond. This demonstrates the pace of further change that will need to be described in the IJB's next Strategic Plan covering period 2019-2022 as the IJB seeks to deal with the ongoing challenges of funding constraints and service, demographic and inflationary pressures.

As Angus IJB negotiates budget settlements with both Angus Council and NHS Tayside on an annual basis, so the future funding assumptions for Angus IJB are linked to those of both Partner organisations. Both organisations face financial challenges, and these will necessarily impact on Angus IJB. The IJB will monitor funding streams available from the Scottish Government and the overall financial positions of NHS Tayside and Angus Council as these factors will have an impact on the financial resources available to Angus IJB.

In terms of financial sustainability it is important to note that the Angus Integration Scheme states that "In the event that an over spend is evident following the application of recovery plan, use of reserves or where the Strategic Plan cannot be adjusted, the following arrangement will apply:

- 3rd financial year of the Integration Joint Board onwards – the over spend will be shared in proportion to the spending Direction for each party for that financial year. Adjusting these spending directions to ensure the Parties are on a like for like basis.”

Noting these arrangements are different to the arrangements that applied in the first two year of Integration, 2018/19 therefore represents the first year of a new set of risk-sharing arrangements. While this marks another step towards full integration of Health and Social care services locally, the IJB needs to remain aware that this does change the relationship with both Partners materially and therefore the dynamics for the IJB. It is clear that, given the IJB's risks regarding Prescribing, that Angus Council in particular will be seeking re-assurance that Angus IJB is making significant progress towards resolving issues associated with prescribing commitments.

The IJB regularly documents prospective financial risks, significant longer term risks include:-

Risk	Situation	Mitigating Action	Responsible Officer
Funding	The IJB's funding is dependent on local negotiations with both Angus Council and NHS Tayside. The financial positions of both are challenging.	The IJB is in regular dialogue with both Partners to determine likely medium term financial planning assumptions and to make the case for ongoing satisfactory budget settlements.	Chief Finance Officer
Service Pressures	The IJB does have to respond to new service pressures such as the Carers Act and Free Personal Care (under 65s)	Action plans to describe how the IJB will effectively respond to new service pressures will be submitted to the IJB.	Chief Officer
Demographic Pressures	The IJB's is subject to significant demographic challenges (e.g. increased in over 75s).	The IJB will describe how it intends to best manage demographic pressures in the next version of the IJB's Strategic Plan	Chief Officer
Inflationary Pressures	The IJB's services are subject to a series of inflationary pressures (pay, third party providers, etc.)	The IJB will develop strategies to contain these costs where possible, often in conjunction with third party providers.	Chief Finance Officer
Workforce	Workforce pressures can trigger financial pressures. There are a number of current or imminent pressures including General Practice, Nursing, Pharmacy, Home care.	The IJB will need to further develop its long term workforce plan to provide re-assurance to the IJB board that longer term workforce issues can be satisfactorily resolved.	Chief Officer

The IJB does retain a level of reserves that may require to be deployed in 2018/19 to assist manage the overall financial position.

10. Management of Risks

Angus IJB has an approved Risk Management Policy and Strategy in place. The IJB monitors a series of corporate strategic risks using agreed methodologies. The risks monitored include service, financial, clinical care and professional governance, performance management and workforce risks. During 2017/18 scrutiny and management of risks was devolved to the Angus HSCP Clinical, Care and Professional Governance Forum, chaired by the Health & Social Care Partnership's Clinical Director. Monitoring of risk performance has been undertaken on a bi-monthly basis during 2017/18 with an annual update received by the Angus IJB in April 2018.

The following risks were regularly monitored by the IJB during 2017/18.

Risk	Risk Detail	Risk Status at March 2018 ¹	Maximum Risk Status During 2017/18	Mitigating Actions
Sustainability of Primary Care Services	To maintain sustainable Primary Care Services both in and out of hours due to national recruitment issues.	RED	RED	Reports regularly provided to Tayside Primary Care Strategic Management and Transformation Board and Senior Management Group,
Sustainability of Out of Hours		YELLOW	YELLOW	

Services				including regarding developing Recruitment and Retention solutions.
Prescribing Management	Noting relative local costs, to promote clinically effective, cost effective and consistent management of prescribing.	RED	RED	Regular Board Updates. IJB engaged with Tayside forums reviewing Prescribing activity and developing and implementing a series of local interventions.
Financial Management	Noting financial forecasts, to maintain good quality financial management and to ensure the Partnership uses all available resources as effectively and efficiently as possible.	RED	RED	Finance reports provided to all IJB Board meetings covering in year and longer term financial reporting. Regular reports provided to Audit Committee
Enhanced Community Support (ECS)	To create the capacity and environment to support the delivery of ECS.	AMBER	AMBER	ECS has been successfully implemented within the South Angus and there is a plan to spread this model of care to all other areas within Angus.
Clinical, Care and Professional Governance	To ensure the safety and quality of services by providing a system for clinical care and professional governance.	YELLOW	YELLOW	Systems currently in place and working well. These are becoming embedded across the partnership. Monitoring the effectiveness of these is underway.
Implementation of Strategic Planning Priorities	To deliver on the improvement activities identified in the strategic plan by March 2019.	GREEN	GREEN	Delivery plan fully articulated. The scope for each project has been agreed. The Angus Care Model implementation is bringing together all key change projects.
Performance Management	To provide assurance to the IJB Board and Partners that the partnership is a high functioning organisation that is delivering on required and agreed change.	AMBER	YELLOW	Performance framework in place and reports providing national core dataset are being provided quarterly to IJB.
Workforce Optimisation	To bring together health and social care staffing by creating opportunities to improve outcomes, increase efficiency and reduce duplication. Maximise recruitment and training opportunities to ensure the workforce can meet the services strategic objectives.	AMBER	AMBER	Strategic Plan in place detailing future needs. Established Executive Management Team, Senior Leadership Team and Strategic Planning Group. Workforce Plan produced.

1. All Risks graded Red (High Risk) through Yellow, to Amber to Green (Low Risk).

From 2017/18 year end, the IJB has agreed that an annual Risk Management Report will be submitted to the Audit Committee. The IJB has also recently (April 2018) agreed to refresh its oversight of the IJB's overall Risk register and the risks within it.

11. Further Information

These Annual Accounts refer to both the Angus IJB Integration Scheme and Angus IJB Strategic Plan. These can be found at:-

Angus IJB Integration Scheme: https://www.angus.gov.uk/media/angus_integration_scheme

Angus IJB Strategic Plan:

https://www.angus.gov.uk/media/health_and_social_care_partnership_strategic_plan_2016_19

Angus IJB publishes all formal Board papers at:

https://www.angus.gov.uk/social_care_and_health/angus_health_and_social_care_partnership/integration_joint_board_agendas

Further information regarding the Annual Accounts can be obtained from Chief Finance Officer, Angus IJB, St Margaret's House, Orchardbank Business Park, Forfar, DD8 1WS.

12. Conclusion and Acknowledgements

We are pleased to record that during 2017/18 the IJB has successfully delivered health and social care services to the population of Angus and, for hosted services, to the population of Tayside. We acknowledge this has been a challenging year with further significant changes to local services. The IJB's ability to deliver these services has only been achieved through the hard work of staff employed in Angus Council and NHS Tayside and other partner organisations.

Looking forward, while the IJB faces continuing challenging financial circumstances, the IJB also plans to continue to take advantage of the opportunities available through Health and Social Care Integration to best deliver affordable and sustainable health and social care services for the population of Angus.

Vicky Irons	Hugh Robertson	Alexander Berry
Chief Officer	Chairperson	Chief Finance Officer
XX	XX	XX

Annual Performance Summary

As noted in the Management Commentary, the IJB is required to produce an Annual Performance Report. The main messages from that report are summarised below.

TBC – This insert will be based on the IJB’s Annual Performance report – to be submitted to IJB Board 27 June 2018.

Annual Governance Statement (Subject of discrete Audit Committee report)

See report 51/18.

Angus IJB 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 IJB 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.

Senior officers and board members

Both the Chief Officer and Chief Finance Officer of Angus IJB are employed by NHS Tayside and the remuneration and pension benefits of both are reported here.

At 31st March 2018, Angus IJB has 6 voting members and 13 non-voting members reflecting the Integration Scheme. The IJB held 6 meetings during 2017/18.

Voting Members:-

Angus Council

Councillor Lois Speed – Vice Chair (attended 5 of 5 meetings)

Councillor Julie Bell (attended 5 of 5 meetings)

Councillor Derek Wann (attended 1 of 2 meetings)

NHS Tayside

Hugh Robertson, Non Executive Board Member – Chair (attended 6 of 6 meetings)

Judith Golden, Non Executive Board Member (attended 4 of 6 meetings)

Alison Rogers, Non Executive Board Member (attended 5 of 6 meetings)

Non-voting Members:-

Vicky Irons, Chief Officer

Kathryn Lindsay, Chief Social Work Officer

Peter Burke, Carers Representative

Chris Boyle, Staff Representative (Angus Council)

Ivan Cornford, Independent Sector Representative

David Barrowman, Service User Representative

Richard Humble, Registered Medical Practitioner
(Primary Medical Services)

Alexander Berry, Chief Finance Officer

Douglas Lowdon, Registered Medical Practitioner

Jim Foulis, Associate Nurse Director

Bill Muir, Third Sector Representative

Barbara Tucker, Staff Representative (NHS Tayside)

Alison Clement, Clinical Director

There has been turnover within the Board membership during 2017/18 as follows:-

Voting Members – Angus Council

Prior to the Local Government elections in May 2017, the IJB's Angus Council nominated representatives were:-

Councillor Glennis Middleton (attended 1 of 1 meeting)

Councillor Jim Houston (attended 1 of 1 meeting)

Councillor David May (attended 1 of 1 meeting).

From June 2017 to October 2017, Councillors David Fairweather (attended 1 of 2 meetings) was an Angus Council nominated representative.

Since March 2018, Councillor Derek Wann has stepped down as a member of Angus IJB and his replacement will be confirmed in due course.

Voting members – NHS Tayside

While there has been no turnover during 2017/18, subsequently Alison Rogers' term of office as a Non-Executive Board Member of NHS Tayside and as a member of Angus IJB has concluded and Judith Golden has stepped down from her role as a member of Angus IJB.

Non-voting Members

Chris Boyle, Staff Representative (Angus Council) replaced Mavis Leask.
Richard Humble was appointed as a new Registered Medical Practitioner (Primary Medical Services) representative.

Remuneration : IJB Chair and Vice Chair

The voting members of the IJB are appointed through nomination by Angus Council and NHS Tayside. The roles of IJB Chair and Vice Chair alternates between a Councillor and a Health Board representative.

The IJB does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting board member costs or taxable expenses borne by the partner.

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

Remuneration : Officers of the IJB

The IJB does not directly employ any staff in its own right, however specific post-holding officers are non-voting members of the Board. Both the Chief Officer and Chief Finance Officer of Angus IJB are employed by NHS Tayside and the remuneration and pension benefits of both are reported here.

Chief Officer

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 a Chief Officer for the IJB has to be appointed and the employing partner has to formally second the officer to the IJB. The employment contract for the Chief Officer adheres to the legislative and regulatory framework of NHS Tayside. For the Chief Officer, the remuneration arrangements and performance appraisal is consistent with other Executive Directors and Senior Managers and is governed by decisions of the NHS Tayside Remuneration Committee. Decisions have been strictly in accordance with the provision of circulars issued by the Scottish Government Health and Social Care Directorates and are subject to regular audit scrutiny. The membership of NHS Tayside's Remuneration Committee is reported in the Directors Report in NHS Tayside's Annual Accounts.

Other Officers

No other staff are appointed by the IJB under a similar legal regime to the Chief Officer. An assessment has been made of the other non-voting board members who meet the criteria for disclosure and consequently the Chief Finance Officer is included in the disclosures below.

The following table provides details of the remuneration paid to the relevant Angus IJB's officers for the period 1 April 2017 to 31 March 2018.

Total 2016/17 £	Post	Senior Employee	Salary, fees & allowances £	Taxable Expenses £	Total 2017/18 £
89,784	Chief Officer	V Irons	92,268	0	92,268
63,226	Chief Finance Officer	A Berry	66,443	1,204	67,647
153,010	Total		158,711	1,204	159,915

During the financial year the Chief Officer's salary was adjusted following a pay review. This adjustment was made retrospectively so the previous year information in the above table has now been adjusted to reflect this.

In respect of officers' pension benefits, the statutory liability for any future contributions to be made rests with the relevant employing partner organisation. On this basis there is no pensions liability reflected on the IJB balance sheet for the Chief Officer or any other officers.

The IJB however has responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the IJB. The following table shows

the IJB's funding during the year to support officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

Post	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 £	As at 31/03/18 £
Chief Officer	V Irons	12,394	14,732	Pension	1,779	30,034
				Lump sum	-169	74,386
Chief Finance Officer	A Berry	9,272	9,900	Pension	1,861	18,998
				Lump sum	1,622	45,880
	Total	21,666	24,632	Pension	3,640	49,032
				Lump Sum	1,453	120,266

Disclosure of Employees by Remuneration Band

As required by the regulations, the following table shows the number of persons whose remuneration for the year was £50000 or above, in bands of £5000. The figures therefore include those senior employees on which additional remuneration information is provided in the table above.

Number of Employees in Band 2016/17	Remuneration Band	Number of Employees in Band 2017/18
1	£60,000 - £64,999	0
0	£65,000 - £69,999	1
1	£85,000 - £89,999	0
0	£90,000 - £94,999	1
2	Total	2

Audit Review

All information disclosed within the tables in the Remuneration Report is audited by the IJB's appointed External Auditors. The other sections of the Remuneration Report are reviewed by the External Auditors to ensure that they are consistent with the financial statements.

Vicky Irons Chief Officer	Hugh Robertson Chairperson – Angus IJB
TBC	TBC

THE STATEMENT OF RESPONSIBILITIES

The Integration Joint Board’s Responsibilities

The Integration Joint Board is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the authority has the 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 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 for signature.

I confirm that these Annual Accounts were approved for signature by the Audit Committee at its meeting on 29 August 2018. **(TBC)**

Signed on behalf of Angus Integration Joint Board

TBC
Hugh Robertson
Chairperson – Angus IJB

The Chief Finance Officer’s Responsibilities

The Chief Finance Officer is responsible for the preparation of the Integration Joint 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 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 Accounting Code (in so far as it is compatible with legislation).

The Chief Finance Officer has also:

- Kept adequate accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the annual accounts give a true and fair view of the financial position of the Angus Integration Joint Board as at 31 March 2018 and its income and expenditure for the year then ended. **(TBC)**

TBC
Alexander Berry
Chief Finance Officer

Comprehensive Income and Expenditure Statement

This statement shows the accounting 2017/18 cost, in accordance with generally accepted accounting practices, of providing services which are funded by budget requisitions from the parties listed in the Integration Scheme.

2016/17		2017/18
Net Expenditure £000		Net Expenditure £000
54,191	Older Peoples Service	54,738
10,244	Mental Health	10,570
15,944	Learning Disabilities	16,631
3,642	Physical Disabilities	3,338
1,512	Substance Misuse	2,023
11,263	Community Services	12,171
0	Centrally Managed Resources	352
1,269	Planning / Management Support	1,469
207	IJB Operational Costs	241
23,483	GP Prescribing	24,341
16,356	General Medical Services	16,557
11,411	Family Health Services	11,754
11,759	Large Hospital Set Aside	8,946
161,281	Cost Of Services	163,131
(161,863)	Non-Specific Grant Income (Note 4)	(163,511)
(582)	(Surplus) or Deficit on Provision of Services	(380)
(582)	Total Comprehensive Income and Expenditure	(380)

While the 2016/17 information has not been restated, there have been ongoing incremental changes to the way that the IJB structures its costs. These changes partly reflect the outcomes of the 2016/17 Financial Management Internal Audit. An example of an incremental improvement is now grouping some costs under a 'Centrally Managed Resources' description – where previously costs had been disbursed across a number of services. That heading also now includes new costs associated with the Apprenticeship Levy.

The Large Hospital Set Aside resource for 2017/18 has been restated to more closely reflect direct service provision costs than was the case in 2016/17. It is likely the methodology used to quantify this resource will change further in 2018/19.

The IJB's Comprehensive Income and Expenditure Statement shows the net cost of Partners providing directed services. It does not separately identify income received from service users as this remains the statutory responsibility of the Partners.

There are no statutory or presentation adjustments which effect the IJB's application of the funding received from partners. The movement in the General Fund balance is therefore solely due to the transactions shown in the Comprehensive Income and Expenditure Statement. Consequently an Expenditure and Funding Analysis is not provided in these annual accounts.

Movement in Reserves Statement

This statement shows the movement in 2017/18 on the IJB's reserves. The IJB only holds a General Fund Balance within overall usable reserves.

Movement in reserves 2017/18	General Fund Balance (Usable Reserve) £000
Opening Balance at 31 March 2017	(582)
Total Comprehensive Income and Expenditure	(380)
Increase or Decrease in 2017/18	(380)
Closing Balance at 31 March 2018	(962)

The information for 2016/17 was as follows:-

Movement in reserves 2016/17	General Fund Balance (Usable Reserve) £000
Opening Balance at 31 March 2016	0
Total Comprehensive Income and Expenditure	(582)
Increase or Decrease in 2016/17	(582)
Closing Balance at 31 March 2017	(582)

The IJB's reserves now represent approximately 0.6% of the IJB's turnover. While this fund is held as a General Fund Balance, it also helps meet the IJB's original target of a 2% general reserve and will assist the IJB manage the delivery of services within available resources in 2018/19 and beyond.

Balance Sheet

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

31 March 2017 £000		Notes	31 March 2018 £000
	Current Assets		
582	Short term debtors	7	962
	Current Liabilities		
0	Short term creditors	8	0
582	Net Assets		962
582	Usable Reserves		962

Usable reserves may be used to provide services and to assist the IJB with longer term financial planning subject to the need to maintain a prudent level of reserves and any statutory limitations on their use.

The audited accounts were authorised for issue by the Chief Finance Officer on the XX August 2018.

TBC
Alexander Berry
Chief Finance Officer

Notes to the Financial Statements

Note 1 – Significant Accounting Policies

General Principles

The IJB was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Section 106 body as defined in the Local Government (Scotland) Act 1973. The Financial Statements summarise the authority's transactions for the 2017/18 financial year and its position at the year-end of 31 March 2018.

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 IJB will continue in operational existence for the foreseeable future. The historical cost convention has been adopted.

Accruals of Income and Expenditure

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

- Expenditure is recognised when goods or services are received and their benefits are used by the IJB.
- Income is recognised when the IJB has a right to the income, for instance by meeting any terms and conditions required to earn the income, and receipt of the income is probable.
- Where income may not be received, expected income is adjusted.

Funding

The IJB is primarily funded through funding contributions from the statutory funding partners, Angus Council and NHS Tayside (the Parties). Expenditure is incurred as the IJB directs specified health and social care services from the Parties for the benefit of service recipients in Angus.

Going Concern

For 2018/19 the IJB has agreed or assumed budget settlements with Angus Council and NHS Tayside, subject to final confirmation. The IJB has a series of plans in place to assist the IJB make progress towards delivering a 2018/19 balanced budget. However there remain underlying risks regarding, in particular Prescribing. The Angus Integration Scheme states that in the event of the IJB ultimately overspending in 2018/19 then any overspend will be met by Angus Council or NHS Tayside. On that basis the IJB's can be treated, from a financial reporting perspective, as a going concern.

Cash and Cash Equivalents

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partners. Consequently the IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet. The funding balance due to or from each funding partner as at 31 March is represented as a debtor or creditor on the IJB's Balance Sheet.

Employee Benefits

The IJB does not directly employ staff. Staff are formally employed by the funding partners who retain the liability for pension benefits payable in the future. The IJB therefore does not present a Pensions liability in its Balance Sheet.

The IJB has a legal responsibility to appoint a Chief Officer. More details on the arrangements are provided in the remuneration report. The charges from the employing partner are treated as employee costs.

Overheads and Support Services

For the year 2017/18, all corporate support services provided by NHS Tayside and Angus Council, and as described in the IJB's Integration Scheme, are provided without charge by NHS Tayside and Angus Council.

Reserves

The IJB is able to hold reserves albeit these will be reserves held through one of the Partner agencies as the IJB will not directly hold cash balances. Reserves may be designated for specific purposes or for the general purposes of the IJB. The balance of the general purpose reserve as at 31 March shows the extent of resources which the IJB can use in later years to support service provisions though these balances need to be considered in the context of the overall financial position of the IJB as per the Integration Scheme (sections 8.17, 8.21, 8.22).

Indemnity Insurance

As a member of CNORIS (Clinical Negligence and Other Risks Indemnity Scheme) the IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Tayside and Angus Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they are directed to provide.

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

The IJB currently has no known or potential claims against it.

Value Added Tax (VAT)

The IJB is not VAT registered however for expenditure incurred on behalf of the IJB by partners, the VAT treatment of expenditure in the IJB's accounts depends on which of the partner agencies is providing the service as these agencies are treated differently for VAT purposes.

Where Angus Council is the provider, income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to H.M. Revenue & Customs and all VAT paid is recoverable from it. Where the NHS is the provider, expenditure incurred will include irrecoverable VAT as generally the NHS cannot recover VAT paid as input tax and NHS Tayside will charge the full cost to the IJB.

Note 2 – Events after the Balance Sheet Date

The audited annual accounts reflect events after 31st March 2018 up to the date the audited accounts were authorised for issue. 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. For 2017/18, no such adjustments have been required.

Note 3 – Expenditure and Income Analysis by Nature

2016/17 £000		2017/18 £000
56,067	Services commissioned from Angus Council	58,708
105,007	Services Commissioned from NHS Tayside	104,182
187	Other IJB Operating Expenditure ¹	214
3	Insurance and Related Expenditure ²	3
17	Auditor Fee : External Audit Work ³	24
(44,026)	Partners Funding Contribution (Angus Council)	(43,145)
(117,837)	Partners Funding Contribution (NHS Tayside)	(120,366)
(582)	(Surplus) or Deficit on the Provision of Services	(380)

1. Costs associated with Chief Officer and Chief Finance Officer.
2. 2017/18 CNORIS costs (see note 1).
3. Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor.

Note 4 – Critical Judgements

In compiling the 2017/18 a small number of critical judgments have had to be made as follows:-

- An estimate has been used for the funding contribution and net expenditure regarding Large Hospital Set Aside. For 2017/18 this estimate has been on the basis of direct costs rather than full costs. This reflects the likely direction of travel with regard to developing the Large Hospital Set Aside mechanism with NHS Tayside in 2018/19.

- Angus IJB hosts a number of services on behalf of other Tayside IJBs. Likewise Dundee and Perth & Kinross IJB's host services on behalf of Angus IJB. The costs of delivering hosted services across all 3 Tayside partnerships are shared on an agreed basis.
- Angus IJB is regularly involved in instances of significant service redesign. In 2017/18, the Help to Live at Home programme involved a reduction in staff numbers through a process of early retirement and voluntary redundancy. The voluntary redundancy costs resulting from service redesign have been reported through Angus IJB's accounts. However, reflecting the nature of the employment contracts of individual workers (i.e they were all employees of Angus Council), the costs related to IAS 19 disclosures / early retirements have been reported through Angus Council's accounts.

Note 5 – Taxation and Non Specific Grant Income

2016/17 £000		2017/18 £000
(44,026)	Contributions from Angus Council	(43,145)
(117,837)	Contributions from NHS Tayside	(120,366)
(161,863)	Total	(163,511)

The 'contributions' received by Angus IJB represent the funding provided by the Parties (Angus Council and NHS Tayside).

The funding contribution from the NHS Board shown above includes £8,946k in respect of Large Hospital 'set aside' resources relating to acute hospital resources. While the associated services are provided by NHS Tayside, which retains responsibility for service management, the IJB has formal responsibility for the strategic planning of Large Hospital 'set aside' resources including considering the level of planned consumption of these resources.

Note 6 – Offsetting Debtors and Creditors

The IJB does not hold cash and cash equivalents. Instead the funding partners utilise, as directed by the IJB, the amount of funding due to the IJB to pay for services.

The IJB and the funding partners have previously confirmed that there is a 'right of offset', and that there is an intention to allow settlement of balances to be undertaken on a net basis. On this basis the IJB's financial statements present the balances due to and from the funding partners on a net basis rather than as separate creditors and debtors.

The offsetting of debtors and creditors by the IJB primarily relates to the funding contributions due from the funding partners as at 31 March (a debtor balance), and the commissioning expenditure relating to 2017/18 that the IJB is committed to paying the funding partners for, as at 31 March (a creditor balance).

Note 7 – Debtors

2016/17 £000		2017/18 £000
582	Angus Council	962
0	NHS Tayside	0
582	Debtors	582

The debtors balance with Angus Council represents Angus IJB reserves held by Angus Council at March 2018.

Note 8 – Creditors – possibly remove

2016/17 £000		2017/18 £000
0	Angus Council	0
0	NHS Tayside	0
0	Debtors	0

The IJB has no creditor balances.

Note 9 – Reserves

The IJB holds a balance on the general fund for two main purposes:

- To ear-mark, or build up funds, which are to be used for specific purposes.
- To provide a contingency fund to cushion the impact of unexpected events or emergencies. This is regarded as a key part of the IJB's risk management framework. While the target level is 2% of net expenditure it is acknowledged that at the outset, due to the financial constraints within which the IJB is operating, it will be difficult to establish contingency reserves at the target level.

Balance at 1 April 2016 £000	Transfer in 2016/17 £000	Transfer Out 2016/17 £000	Balance at 31 March 2017 £000		Transfer In 2017/18 £000	Transfer Out 2017/18 £000	Balance at 31 March 2018 £000
0	582	0	582	General Fund	380	0	962

Note 10 – Agency Income and Expenditure

On behalf of all IJBs within the NHS Tayside area, Angus IJB acts as the host Partnership for Out of Hours, Speech Therapy, Continence, Pharmacy and Forensic Medical Services. The IJB directs services on behalf of Dundee and Perth & Kinross IJBs and reclaims the full costs involved. The payments that are made on behalf of other IJBs, and the consequential reimbursement, are not included in the Comprehensive Income and Expenditure Statement (CIES) since the IJB is not acting as principal in these transactions.

The amount of expenditure and income relating to the agency arrangement is shown below.

2016/17 £000		2017/18 £000
8,741	Expenditure on Agency Services	8,894
(8,741)	Reimbursement for Agency Services	(8,894)
0	Net Agency Expenditure excluded from the CIES	0

Note 11 - Related Parties

The IJB is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the IJB or to be controlled or influenced by the IJB. Disclosure of these transactions allows readers to assess the extent to which the IJB might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the IJB.

Scottish Government

The Scottish Government has significant influence over the general activities of the IJB – it is responsible for providing the statutory framework within which the IJB is constituted and will operate, through partner agencies provides the majority of the IJB's funding and prescribes the terms of many of the transactions that the IJB has with other parties (e.g. Angus Council, NHS Tayside).

Members

Members of the IJB Board have control over the IJB's financial and operating policies to the extent they are transacted through the IJB.

Other Public Bodies (subject to common control by Scottish Government)

The IJB has related party relationships with Angus Council and NHS Tayside. In particular the nature of the Partnership means that the IJB may influence, and be influenced by, its partners. The following transactions and balances included in the IJB's accounts are presented to provide additional information on the relationships.

Transactions with Angus Council

2016/17 £000		2017/18 £000
44,026	Funding Contributions received	43,145

(56,067)	Expenditure on Services	(58,708)
(12,041)	Net Transactions with the Council	(15,563)

This table shows that expenditure within Angus Council is £15,563k greater than Angus Council funding contributions. This largely represents IJB funding received from NHS Tayside being directed into Angus Council. Much of the difference compared to 2016/17 relates to new 2017/18 Scottish Government funding to support Social care being allocated to IJB's via Health Boards.

Key Management personnel: Angus Council employs the Chief Social Work Officer and Staff (Council) representatives on the IJB Board but there is no discrete charge for this representation.

Transactions with NHS Tayside

2016/17 £000		2017/18 £000
117,837	Funding Contributions received	120,366
(105,007)	Expenditure on Services	(104,182)
(187)	Key Management Personnel	(214)
(20)	Expenditure on Other IJB Costs	(27)
12,623	Net Transactions with NHS Tayside	15,943

Key Management personnel: NHS Tayside employs two Non-voting Board members, the Chief Officer and Chief Financial Officer. These posts are discretely costed and reflected in the Remuneration Statement. NHS Tayside also employs the Nursing, Staff (NHS), Registered Medical Practitioner and Clinical Director representatives on the IJB Board but there is no discrete charge for this representation.

Balances with Angus Council

31 March 2017 £000		31 March 2018 £000
582	Debtor Balances – Amounts due from Angus Council	962
0	Creditor Balances – Amounts due to Angus Council	0
582	Net Balance with Angus Council	962

The debtors balance with Angus Council represents Angus IJB reserves held by Angus Council at March 2018.

Balances with NHS Tayside - possibly remove

31 March 2017 £000		31 March 2018 £000
0	Debtor Balances – Amounts due from NHS Tayside	0
0	Creditor Balances – Amounts due to NHS Tayside	0
0	Net Balance with NHS Tayside	0

The IJB has no debtor or creditor balances with NHS Tayside.