



Angus Integration Joint Board – **Unaudited** Annual Accounts 2018/19

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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 2018/19 reflect the third year since taking over that responsibility and covers the period from 1st April 2018 to 31st March 2019. 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 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, covering the financial year 2018/19, 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 is responsible for 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. Through the developing Large Hospital Set Aside arrangements, Angus IJB also has a strategic planning responsibility for a range of Acute Hospital Services including for Accident and Emergency Services, General Medicine, Geriatric Medicine and Respiratory Medicine generally provided at Ninewells Hospital, Dundee or Stracathro Hospital near Brechin. .

3. Strategic Plan

Progress towards the objectives of the Strategic Plan is regularly reported to the IJB Board 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 associated market facilitation plan. During 2018/19, the IJB has continued to review its market facilitation plan, which is intended to describe future care needs and thereby help support and shape the market to meet those needs. During the second half of 2018/19, the IJB has been focussed on developing its next Strategic Commissioning Plan for the period 2019-2022. This was approved by the IJB in April 2019.

The new Angus IJB Strategic Commissioning Plan describes the IJB's vision..." Working together, developing communities that actively care, promoting wellbeing and creating the best possible health and social care across Angus." It also sets out a series of ambitions, describes the IJB's model of Care ("The Angus Care Model") and describes the engagement work undertaken to develop the plan. The plan continues to be described around the four main priorities that existed in the 2016-2019 plan 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 responses.
- Priority 4 – Improving integrated care pathways for priorities in care.

The plan describes resource, workforce, property and IT issues and, in particular, describes changes that will contribute towards the IJB being able to deliver its Strategic Commissioning Plan within available resources.

4. Operational Review

The IJB has successfully delivered services throughout 2018/19 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 progress has been made across a range of issues including:-

- The further development and implementation of the Angus Care Model. This was first described to the IJB Board in October 2017 and in 2018/19 major steps forward included changes to Community Hospital services in Montrose and reaching agreement regarding proposals for the future configuration of Minor Injury and Illness Services. Further work is required to conclude existing plans at Stracathro and to develop additional plans for Medicine for the Elderly and Psychiatry of Old Age Services. Aligned to this the IJB has now moved to the final stages of the implementation of Enhanced Community Support across Angus (scheduled for early 2019/20).
- As part of the Angus Care Model work, towards the end of 2018/19 a review of Residential Care Home Services was shared with the IJB that may result in future changes in service delivery.
- The latest phase in the Help to Live at Home Programme were concluded with the implementation of new procurement arrangements. This work continues to develop dynamically with an extended use of the "Fair Cost of care" agreed and developments regarding new Home Care contract oversight systems well progressed.
- The IJB has successfully improved its Prescribing position through developing and maintaining successful engagement with local General Practices, continued work with secondary care and ongoing collaboration across Tayside through the Tayside Prescribing Management Group. While the IJB has made good progress, as noted through the year the IJB remains exposed to a high level of risk regarding Prescribing.
- The IJB has continued to develop redesign proposals for both Mental Health and Learning and Physical Disability Services. This includes responding to the Scottish Government Mental Health Action 15 priorities, managing additional funding for Alcohol and Drug Partnerships, working with neighbouring IJBs to look at In Patient Mental Health Services and developing accommodation for Learning Disability service users.
- Within Older peoples Services the IJB is undertaking reviews of both Day Care Services and Supported Accommodation to ensure the services the IJB provides continue to meet our service user requirements and are consistent with Strategic Plans.
- Implementing the first phase of the new 2018 General Medical Services contract. This has far-reaching implications for local General Practices and the services that support them. The initial phase (2018-2021) focuses on investing in the services that support local General Practices and addressing sustainability issues.
- Implementation of the Carers Act (2018) in April 2018. Further work is still required to ensure the IJB can deliver the full implementation of the Carers Act within the available resources.
- Undertaking the preparatory work regarding the implementation of extending free personal care to under 65s (Frank's Law).
- The IJB has amended its working practices to reflect the introduction of GDPR (General Data Protection Regulation) has developed its first integrated Workforce Plan and has reviewed Social Care Eligibility Criteria during 2018/19.

The IJB has had to manage a number of challenges throughout the year including workforce issues (e.g. within General Practices and relating to an aging workforce) and some instability within third sector and independent sector providers. The IJB continues to develop responses to these challenges including introducing apprenticeships in care roles to address workforce issues. There have also been some delays in projects that the IJB had anticipated would be more developed further including the Residential Care Home review and Stracathro developments. Some of the delays reflect capacity constraints but many reflect the increasing complexity of the challenges faced by the IJB.

It continues to be important to recognise the scale of change that the Angus population, staff within the partnership and third sector and independent sector providers the IJB works with have had to absorb. These changes reflect the scale of the challenge Angus IJB faces to deliver sustainable and safe services within available financial and workforce resources, but also highlight the need to ensure services do remain sustainable.

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 third annual performance report for the reporting year 2018/19 was produced in June 2019.

[Insert link \(not available yet\)](#)

While the Annual Performance Report contains more detail, a summary of the IJB's 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 operated at an overall surplus of £5.054m (i.e. under spent by £5.054m) in 2018/19 on the total income of £169m. This under spend (3.0% of 2018/19 income) was within both Adult Services (Social Care) and Health Services and, in the first instance, will be carried forward into 2019/20 through the IJB's reserves.
Part of this under spend (£929k) related to Scottish Government ring-fenced funding associated with specific initiatives (e.g. the implementation of the 2018 General Medical Services contract). This £929k was separately noted in the IJB's Management Accounts leaving the IJB with an operational surplus of £4.125m.
- b) Movement in Reserves – The IJB had 2018/19 opening reserves of £962k. Due to the operating surplus noted above, at the 2018/19 year end the IJB now has year-end reserves of £6.016m. This includes ear-marked reserves of £929k regarding ring-fenced funding noted above. These reserves are managed 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 2018/19 do not include a Cash Flow Statement as the IJB does not hold any cash or cash equivalents.

8. Financial Performance

Throughout 2018/19, a Finance Reports have been presented to IJB Board meetings. These reports set out information regarding the annual budgets and projected financial out-turns for the financial year as well as describing financial risks and reserves positions. At the end of the 2018/19 financial year, a year end summary report was submitted to the June 2019 IJB Board meeting.

Reports through the year projected in year under spends within Adult Social Care relating to one-off underspends, the longer term containment of cost pressures and early delivery of savings plans. At the

year end the underspend increased beyond original projections due to late information resulting in an Adult Social Care position of an under spend of £1.6m.

Within the IJB’s local Community Health Services good progress was reported through the year on delivering recurring savings and containing costs. This helped to offset ongoing overspends regarding Hosted Services (including Mental health Services) and local Primary Care prescribing over spends. Prescribing, while still overspending, was an area of significant improvement during 2018/19 with the IJB’s cost per weighted patient dropping from c14% above the national average to under 8% above the national average. As this overspend has been managed down, so this has directly improved the financial position during 2018/19 compared to previous years. In addition to these factors, in 2018/19, NHS Tayside devolved an additional c£1.2m of non-recurring resources to the IJB. This reflected funds previously managed at NHS Tayside level on behalf of the IJB. Those resources have directly contributed to the IJB’s in year financial position. While Finance reports from mid 2018/19 onwards had forecast health under spends, these also improved significantly in the final quarter reflecting some late adjustments, material underlying improvement in service position and the release of the non-recurring funds from NHST Tayside to support the overall IJB position. The end result, excluding under spends attributable to ring-fenced funding and subsequently allocated to ear-marked reserves, was a c£2.5m under spend.

The financial position for both Adult Services and Health Services has therefore improved compared to 2017/18. It does mean that, with hindsight, the IJB could have been able to make some different decisions during 2018/19. However, those decisions would always have been constrained by the longer term financial picture while the improved financial position in 2018/19 also means the IJB has a better starting point for the new financial year. IJB Finance reports also provided regular feedback to the IJB regarding progress with savings initiatives.

Noting the materiality of Primary Care prescribing over spends to the IJB’s overall position, the IJB continued to receive 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 2019/20 and is working with interim budget assumptions regarding a budget settlement from NHS Tayside for 2019/20. Subject to NHS Tayside confirmation NHS Tayside, budget settlements for 2019/20 will be as follows:-

Budgets to be delegated from Angus Council - £47.502m
 Budgets to be delegated from NHS Tayside - £124.261m
 Total budgets to be devolved to the IJB - £171.763m.

The above was set out in a report to the IJB in April 2019 (report 21/19), alongside the IJB’s Strategic Commissioning Plan.

The budgets above include assumptions regarding Large Hospital Set Aside resources. This part of the IJB’s resource framework remains subject to further development. While this is a national issue subject to national focus, Angus IJB continues to seek to progress this issue with both NHS Tayside and other Tayside IJBs.

Budget settlements from both Partners are subject to Scottish Government influence and direction. However, despite final settlements specifically providing funding to contribute to addressing a number of pressures (e.g. inflationary, service, legal and contractual pressures) the IJB is still faced with significant underlying challenges in terms of containing service, demographic and inflationary type pressures. The IJB regularly considers its multi-year financial plans and the latest plans (April 2019), included an assumed reliance on reserves to breakeven in 2019/20 thereby highlighting the underlying shortfalls in financial plans. Report (21/19) indicated the following financial position:-

Year	2019/20	2020/21	2021/22
	£K	£K	£K
Shortfalls	-644	-3433	-5996
Planned Use of Reserves	644	1856	0
Revised Shortfall	0	-1577	-5996
Cumulative Shortfall	0	-1577	-7573

While projected shortfalls (which could be exacerbated by shortfalls in savings delivery against planning targets, or impacted on by increased pressures) are assumed to be offset by reserves in 2019/20 and partially offset by reserves in 2020/21, there is a clear significant structural shortfall in the overall financial plans associated with the 2019/22 Strategic Commissioning Plan. The IJB therefore needs to continue to develop the intentions within the Strategic Commissioning Plan to allow it to develop overall plans that are deliverable within available funds. This is a key issue that the IJB needs to address in the early part of 2019/20. It does suggest a stepped change may be needed in each of the pace of decision making, the implementation of plans and the tolerance thresholds of the IJB to potential changes that, initially at least, are expected to be as consistent with the IJB's Strategic Plan as is realistically possible. Beyond that the IJB's Strategic Commissioning Plan may require to be revisited.

Future updates to the IJB's Strategic Financial Plans will reflect further information regarding likely budgets for 2020/21 and beyond and an updated assessment of the current financial position reflecting information available at the year end.

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 and the Scottish Government's position. With the whole Public Sector subject to continued financial pressure, so 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 from 2018/19 "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...the over spend will be shared in proportion to the spending Direction for each party for that financial year." While the IJB did not overspend in 2018/19, it is currently forecasting an overspending future years. This will change the relationship with the IJB's Partners as they will become increasingly impacted by the IJB's financial position and therefore focussed on the IJB addressing forecast shortfalls.

The IJB regularly documents prospective financial risks. Significant longer term and ongoing risks include:-

Risk	Situation	Mitigating Action	Responsible Officer
Funding	The IJB's funding for future years remains subject to uncertainty.	The IJB is seeking to resolve a series of unclear issues that may have an impact on IJB resources.	Chief Finance Officer
Cost Pressures	The IJB does require to manage a series of inflationary, demographic, legal and contractual pressures.	Through local forums, the IJB will work to manage and contain pressures and ensure mitigating or offsetting measures are in place.	Chief Officer
Planned Interventions	There is a risk that planned interventions are subject to delay or partial delivery.	Through local forums the IJB will work to ensure plans are delivered on a timely basis and at the planned level.	Chief Officer
Financial Planning	Financial Plan contains a number of estimates and assumptions.	Estates and assumptions exist re reserves management, Hosted Services and projections of service pressures. These issues will all be monitored and any variance to plans highlighted.	Chief Finance Officer
Sustainability Issues	Sustainability Issues exist re Workforce, Third Party Providers and general Practices.	The IJB continues to work with all interested parties to mitigate these risks.	Chief Officer

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. The scrutiny and management of risks is devolved to the Angus HSCP Clinical, Care and Professional Governance Forum, chaired by the Health & Social Care Partnership's Associate Medical Director. Monitoring of risk

performance is undertaken on a bi-monthly basis with an overview provided to EMT and within half-yearly performance reports to IJB (e.g. see report 84/18).

The following risks were regularly monitored by the IJB during 2018/19.

Risk	Risk Detail	Maximum Risk Status During 2018/19 ¹	Risk Status at March 2019 ¹	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 CCPG and Primary Care Board 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 local General Practices, Secondary care and Tayside forums to review Prescribing activity and develop and implement planned interventions.
Financial Management	Noting long term 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 ²	Financial Planning updates provided regularly to IJB Board meetings. Regular reports provided to Audit Committee.
Enhanced Community Support (ECS)	To create the capacity and environment to support the delivery of ECS.	AMBER	GREEN ³	The final planning for ECS roll-out has now been approved and is to be implemented in early 2019/20.
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	AMBER	Performance framework in place and reports providing national core dataset are being provided half-yearly to IJB. IJB's EMT to review its oversight of Performance information.
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.	RED	RED	IJB has approved an Integrated Workforce Plan and EMT will review regularly.
Complex and Co-existing Conditions	To improve the process and pathways in Angus for those with complex and co-existing needs, improving the individual's experiences and outcomes.	RED	AMBER ³	An Angus Complex and Co-existing Conditions Governance panel will be established to consider the specific service input and resource required to allow authority for decision making, risk taking and governance.
Compliance with GDPR and Data Protection Act 2018	To provide assurance that systems are in place to comply with legislation	RED	AMBER ⁴	Extensive ongoing work underway to mitigate the risk. Monitored bi monthly via Angus CCPG Forum.
Commissioned	To monitor and provide	AMBER	AMBER	Issue remains significant as

Service Provider Instability	assurance that mechanisms for identifying early warning signs that large national providers operating locally are failing or in difficulty			preventing occurrence is not always possible; in some instances, the best that can be expected is that the Partnership receives early notification and can mitigate impact for service users with forward planning. We may also choose to provide additional support to a provider during a period of particular fragility.
European Union(EU) Withdrawal	To establish an HSCP structure to manage impact of EU Withdrawal e.g. daily huddles over the first 12 weeks. This needs to include reprioritisation of operational, planning and management resources if required.	YELLOW	YELLOW	Angus HSCP linking with national, regional, and local resilience groups (NHS Tayside EU Withdrawal Readiness Group and Tayside Local Resilience Partnership Working Group (EU Exit). The purpose of these groups is to assess risks, prepare business continuity management plans, share information and co-operate in mitigating risks.

Notes

1. All Risks graded Red (High Risk) through Amber, to Yellow, to Green (Low Risk).
2. Risk revised down to Amber in April 2019.
3. Risk subsequently archived in June 2019.
4. Risk revised down to Yellow in April 2019.

The IJB receives updates on risks half-yearly in regular Performance reports.

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.angushscp.scot/wp-content/uploads/2018/08/Angus-Integration-Scheme-April-2018.pdf>

Angus IJB Strategic Plan 2019-2022: <https://www.angushscp.scot/strategic-commissioning-plan/>

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, Angus House, Orchardbank Business Park, Forfar, DD8 1AN.

12. Conclusion and Acknowledgements

We are pleased to record that during 2018/19 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 another challenging year with further changes and planned 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 through close work with 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	Lois Speed	Alexander Berry
Chief Officer	Chairperson	Chief Finance Officer
Date XX/XX/XX	Date XX/XX/XX	Date XX/XX/XX

Annual Performance Summary

An extract of the Annual Performance Report to be inserted after June IJB Board

Annual Governance Statement

To be inserted after June 2019 Audit Committee

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.

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.

Board Members

At 31st March 2019, Angus IJB has 6 voting members and 13 non-voting members reflecting the Integration Scheme. The IJB held 6 meetings during 2018/19.

Voting Members:-

Angus Council

Councillor Lois Speed – Chair (attended 6 of 6 meetings)
Councillor Julie Bell (attended 6 of 6 meetings)
Councillor Bob Myles (attended 3 of 3 meetings)

NHS Tayside

Hugh Robertson, Non Executive Board Member – Vice Chair (attended 6 of 6 meetings)
Trudy McLeay, Non Executive Board Member (attended 5 of 5 meetings)
Emma Jane Wells, Non Executive Board Member (attended 5 of 5 meetings)

Non-voting Members:-

Vicky Irons, Chief Officer	Alexander Berry, Chief Finance Officer
Kathryn Lindsay, Chief Social Work Officer	Elaine Henry, Registered Medical Practitioner
Peter Burke, Carers Representative	Jim Foulis, Associate Nurse Director
Chris Boyle, Staff Representative (Angus Council)	Bill Muir, Third Sector Representative
Ivan Cornford, Independent Sector Representative	Barbara Tucker, Staff Representative (NHS Tayside)
Andrew Jack, Service User Representative	Alison Clement, Clinical Director
Richard Humble, Registered Medical Practitioner (Primary Medical Services)	

There has been turnover within the Board membership during 2018/19 as follows:-

Voting Members – Angus Council

Councillor Derek Wann (attended 1 of 3 meetings) as the Angus Council nominated representative. In the absence of Councillor Wann at the IJB meetings in June and August 2019, Councillors Gavin Nicoll and Craig Fotheringham respectively attended as proxy members.

From October 2018, Councillor Bob Myles replaced Councillor Wann as the Council nominated representative.

Voting members – NHS Tayside

Judith Golden stepped down from her role as a member of Angus IJB (attended 1 of 1 meeting). Trudy McLeay and Emma Jane Wells were nominated to the IJB in June 2018 as non executive board members.

In April 2019, after the end of the financial year, Graeme Martin replaced Trudy McLeay as a non executive board member.

Non-voting Members

January 2019 - Andrew Jack, Service User Representative replaced David Barrowman.

February 2019 - Dr Elaine Henry replaced Dr Dougie Lowdon as the registered medical practitioner employed by the health board and not providing primary medical services.

May 2019 (after the end of the financial year) – Jim Foulis retired from his role with NHS Tayside and will be replaced in due course.

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 alternate between a Councillor and a Health Board representative. In October 2018, Councillor Lois Speed became the IJB's Chair (previously Vice Chair) and Hugh Robertson became the IJB's Vice Chair (previously Chair).

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, though funded by the IJB, 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 will be employed by one of the Partners. 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 2018 to 31 March 2019.

Total 2017/18 £	Post	Senior Employee	Salary, fees & allowances £	Taxable Expenses £	Total 2018/19 £
92,268	Chief Officer	V Irons	94,867	0	94,867
67,647	Chief Finance Officer	A Berry	71,666	1,301	72,967
159,915	Total		166,533	1,301	167,834

In respect of officers' pension benefits, while the IJB funds employer pension contributions as they become payable during the period of service, 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 31/03/18 £	For Year to 31/03/19 £		Difference from 31/03/18 £	As at 31/03/19 £
Chief Officer	V Irons	14,732	14,135	Pension	2,007	32,763
				Lump sum	310	76,842
Chief Finance Officer	A Berry	9,900	10,678	Pension	2,270	21,724
				Lump sum	2,505	49,486
	Total	24,632	24,813	Pension	4,277	54,487
				Lump Sum	2,815	125,968

Pay band information is not separately provided as all relevant employee pay information has been disclosed in the table above.

Vicky Irons	Councillor Lois Speed
Chief Officer	Chairperson
Xx August 2019	XX August 2019

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 xx August 2019.

Signed on behalf of Angus Integration Joint Board

Councillor Lois Speed
Chairperson
Xx August 2019

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 2019 and its income and expenditure for the year then ended.

Alexander Berry
Chief Finance Officer
Xx August 2019

Comprehensive Income and Expenditure Statement

This statement shows the 2018/19 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.

2017/18 Net Expenditure £000		2018/19 Net Expenditure £000
53,353	Older Peoples Service	52,328
10,688	Mental Health	11,049
16,603	Learning Disabilities	16,605
4,653	Physical Disabilities	4,758
2,023	Substance Misuse	2,094
13,367	Community Services	13,582
1,340	Planning / Management Support	1,430
352	Centrally Managed Resources	354
241	IJB Operational Costs	243
24,341	GP Prescribing	22,595
15,470	General Medical Services	17,205
11,754	Family Health Services	12,390
8,946	Large Hospital Set Aside	9,734
163,131	Cost Of Services	164,367
(163,511)	Non-Specific Grant Income (Note 5)	(169,421)
(380)	(Surplus) or Deficit on Provision of Services	(5,054)
(380)	Total Comprehensive Income and Expenditure	(5,054)

In any year there will be small incremental changes to the way the IJB manages and reports information however since the publication of the 2017/18 Annual Accounts there have been reporting changes that have necessitated a prior year adjustment to the 2017/18 Net Expenditure breakdown in the Comprehensive Income and Expenditure Statement above. These adjustments do not reflect errors in previous year figures but revisions made in line with IAS1 (international Accounting Standards).

The most material changes are as follows:-

- A revision to the apportionment of costs between Older Peoples Services and Physical Disabilities Services reflecting the 2018/19 development of discrete reporting for Physical Disabilities Services. This will develop further in 2019/20.
- A revision to Community Services and General Medical Services costs reflecting revised 2018/19 reporting for services previously reported under General Medical Services but now classed as Community Services. This adjustment was made in 2018/19 to reflect more current management and reporting arrangements and due to the introduction of the 2018 GMS contract.

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 2018/19 on the IJB's reserves. The IJB only holds a General Fund Balance within overall usable reserves.

Movement in reserves 2018/19	General Fund Balance (Usable Reserve) £000
Opening Balance at 1 April 2018	(962)
Total Comprehensive Income and Expenditure	(5,054)
Increase or Decrease in 2018/19	(5,054)
Closing Balance at 31 March 2019	(6,016)

The information for 2017/18 was as follows:-

Movement in reserves 2017/18	General Fund Balance (Usable Reserve) £000
Opening Balance at 1 April 2017	(582)
Total Comprehensive Income and Expenditure	(380)
Increase or Decrease in 2017/18	(380)
Closing Balance at 31 March 2018	(962)

The IJB's reserves are described in more detail in note 9 to these annual accounts.

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 2018 £000		Notes	31 March 2019 £000
	Current Assets		
962	Short term debtors	7	6,016
	Current Liabilities		
0	Short term creditors	8	0
962	Net Assets		6,016
962	Usable Reserves		6,016

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 2019.

Alexander Berry
Chief Finance Officer
xx August 2019

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 2018/19 financial year and its position at the year-end of 31 March 2019.

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment. The accounts are prepared on a going concern basis, which assumes that the 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 2019/20 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 2019/20 balanced budget. However there remain underlying financial risks for the duration of the IJB's new Strategic Plan (2019-2022). The Angus Integration Scheme states that in the event of the IJB ultimately overspending in 2019/20 then any overspend will be met by Angus Council and NHS Tayside. On that basis the IJB 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.

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 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 2019 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 2019, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. For 2018/19, no such adjustments have been required.

Note 3 – Expenditure and Income Analysis by Nature

2017/18 £000		2018/19 £000
58,708	Services commissioned from Angus Council	58,662
104,182	Services Commissioned from NHS Tayside	105,462
214	Other IJB Operating Expenditure ¹	215
3	Insurance and Related Expenditure ²	3
24	Auditor Fee : External Audit Work ³	25
(43,145)	Partners Funding Contribution (Angus Council)	(44,149)
(120,366)	Partners Funding Contribution (NHS Tayside)	(125,272)
(380)	(Surplus) or Deficit on the Provision of Services	(5,054)

1. Costs associated with Chief Officer and Chief Finance Officer.
2. 2018/19 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 2018/19 annual accounts 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 2018/19 this estimate has been on the basis of direct costs of hospital care, using a methodology agreed with NHS Tayside with that methodology reliant on previous year’s (i.e. 2016/17 and 2017/18) information due to the need to utilise published and validated information for full financial years.
- Angus IJB hosts a number of services on behalf of other Tayside IJBs. Likewise Dundee and Perth & Kinross IJBs host services on behalf of Angus IJB. The costs of delivering hosted services across all 3

Tayside partnerships are shared on an agreed basis and accounted for on an agency basis (see note 10).

Note 5 – Taxation and Non Specific Grant Income

2017/18 £000		2018/19 £000
(43,145)	Contributions from Angus Council	(44,149)
(120,366)	Contributions from NHS Tayside	(125,272)
(163,511)	Total	(169,421)

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 £9,734k 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

2017/18 £000		2018/19 £000
962	Angus Council	2,544
0	NHS Tayside	3,472
962	Debtors	6,016

The debtors balances with Angus Council and NHS Tayside represents Angus IJB reserves held by Angus Council and NHS Tayside at March 2019.

Note 8 – Creditors

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. The IJB has previously set a target for this reserve of 2% of net expenditure. Due to the financial position reported in 2018/19, this target (c£3.4m) has now been met and is reflected in the IJB’s year end reserves. The financial pressures on the IJB, for the duration of the current Strategic Plan, suggest the IJB will require to rely on these reserves during this period.

Balance at 1 April 2017 £000	Transfer in 2017/18 £000	Transfer Out 2017/18 £000	Balance at 31 March 2018 £000		Transfer In 2018/19 £000	Transfer Out 2018/19 £000	Balance at 31 March 2019 £000
				Ear-marked Reserves:			
0	0	0	0	Primary Care Improvement Fund	322	0	322
0	0	0	0	Mental Health Action 15 Fund	143	0	143
0	0	0	0	Primary care Transformation Fund	206	0	206
0	0	0	0	Primary Care – Recruitment & retention Fund	93	0	93
0	0	0	0	Alcohol and Drug Partnership Fund	72	0	72
0	0	0	0	Mental Health Fund	42	0	42
0	0	0	0	Forensic Medical Services Fund	51	0	51
0	0	0	0	Strategic Plan Reserve	500	0	500
0	0	0	0	Financial Planning Reserve	1187	0	1187
0	0	0	0	Total Ear-marked Reserves	2616	0	2616
582	380	0	962	General Fund	2438	0	3400
582	380	0	962	Total Reserves	5054	0	6016

At March 2019, the IJB is reporting an increased number of “ear-marked” reserves. This reflects further development in the devolvement of funds from NHS Tayside to Angus IJB, an increase in Scottish Government funding streams that have required year end reserves due to the developing nature of programmes (e.g. the implementation of Primary Care Improvement, Action 15 and Alcohol and Drug Partnership plans) and the IJB’s internal plans regarding developing reserves to support the Strategic Plan (Strategic Planning Reserve) and for holding balances in advance of further discussions with Partners (Financial Planning Reserve).

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.

2017/18 £000		2018/19 £000
8,894	Expenditure on Agency Services	9,247
(8,894)	Reimbursement for Agency Services	(9,247)
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 its partners 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

2017/18 £000		2018/19 £000
43,145	Funding Contributions received	44,149
(58,708)	Expenditure on Services	(58,662)
(15,563)	Net Transactions with the Council	(14,513)

This table shows that expenditure within Angus Council is £14,513k greater than Angus Council funding contributions. This largely represents IJB funding received from NHS Tayside being directed into Angus Council.

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.

Corporate Support: During 2018/19, the IJB received corporate support services (as described in the IJB's Integration Scheme and including Finance, Human Resources and Legal and Democratic Services) from Angus Council without a charge to Angus IJB.

Transactions with NHS Tayside

2017/18 £000		2018/19 £000
120,366	Funding Contributions received	125,272
(104,182)	Expenditure on Services	(105,462)
(214)	Key Management Personnel	(215)
(27)	Expenditure on Other IJB Costs	(28)
15,493	Net Transactions with NHS Tayside	19,567

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.

Corporate Support: During 2018/19, the IJB received corporate support services (as described in the IJB's Integration Scheme and including Finance and Human Resources) from NHS Tayside without a charge to Angus IJB.

Balances with Angus Council

31 March 2018 £000		31 March 2019 £000
962	Debtor Balances – Amounts due from Angus Council	2,544
0	Creditor Balances – Amounts due to Angus Council	0
962	Net Balance with Angus Council	2,544

The debtors balance with Angus Council represents Angus IJB reserves held by Angus Council at March 2019.

Balances with NHS Tayside

31 March 2018 £000		31 March 2019 £000
0	Debtor Balances – Amounts due from NHS Tayside	3,472
0	Creditor Balances – Amounts due to NHS Tayside	0
0	Net Balance with NHS Tayside	3,472

The debtors balance with NHS Tayside represents Angus IJB reserves held by NHS Tayside at March 2019.

Independent auditor's report to the members of Angus Integration Joint Board and the Accounts Commission

To be completed after the Annual External Audit has been completed.