



## Angus Integration Joint Board – **UNAUDITED** Annual Accounts 2019/20

### Contents

Management Commentary	pages x-x
Annual Performance Summary	pages x-x
Annual Governance Statement	pages x-x
Remuneration Report	pages x-x
The Statement of Responsibilities	page x
Comprehensive Income and Expenditure Statement	page x
Movement in Reserves Statement	page x
Balance Sheet	page x
Notes to the Accounts	pages x-x
Note 1 – Significant Accounting Policies	
Note 2 – Events after the Balance Sheet Date	
Note 3 – Expenditure and Income Analysis by Nature	
Note 4 – Critical Judgements	
Note 5 – Taxation and Non Specific Grant Income	
Note 6 – Offsetting Debtors and Creditors	
Note 7 - Debtors	
Note 8 – Creditors	
Note 9 – Reserves	
Note 10 – Agency Income and Expenditure	
Note 11 – Related Parties	
Independent Auditor’s Report	pages x-x

## Management Commentary

### 1. Introduction

Angus Integration Joint Board (Angus IJB) was established on 3<sup>rd</sup> 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 1<sup>st</sup> April 2016. The IJB's Annual Accounts for 2019/20 reflect the fourth year since taking over that responsibility and covers the period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020. 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 2019/20.

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) and involving the third and independent sectors. The Partnership was established following the approval of an Integration Scheme (the Angus IJB Integration Scheme) describing the health and social care functions that have been delegated by the Parties to Angus IJB from 1<sup>st</sup> April 2016.

The IJB's Strategic Commissioning Plan for 2019-22, covering the financial year 2019/20, was approved at a meeting of Angus IJB Board on 24<sup>th</sup> April 2019.

Angus IJB is responsible for Community Health and Social Care Services for the population of Angus (c116,000 - National Records of Scotland mid-2019 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, Older People's Services, 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 (Need more commentary from Vivienne)

The IJB approved its second Strategic Commissioning Plan covering 2019-2022 in April 2019. Progress towards the objectives of the Strategic Commissioning Plan is regularly reported to the IJB Board and the bi-monthly Strategic Planning Group. Routinely the IJB's Annual Performance Report will include an assessment of progress against the Strategic Commissioning Plan. While the IJB has produced an interim Annual Performance Report, assessment of progress against the Strategic Commissioning Plan won't be included until the final report is produced later this year. The Partnership also develops delivery plans linked to the Strategic Plan and these are shared via Partnership Management groups. In April 2019, the IJB published its updated market facilitation plan, which is intended to describe future care needs and thereby help support and shape the market to meet those needs.

The 2019-22 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 2019/20 in line with the Integration Scheme. While the Strategic Commissioning Plan and operational imperatives create a challenging and busy environment for the IJB in terms of operational service delivery, progress has been made across a range of issues including:-

- The further development of the Angus Care Model. This was first described to the IJB Board in October 2017 and after significant steps in 2018/19, 2019/20 has seen a period of consolidation. Further work is still required to conclude existing plans at Stracathro and these plans have, to an extent, been complicated by financial constraints and organisational issues including the ownership of facilities. During the year the IJB continued to receive updates regarding developing options for the future configuration of Psychiatry of Old Age Services. In the second half of 2019/20, the IJB increasing turned its attention to a next phase of the Angus Care Model and further possible review of local Community Hospital Services.
- As part of the Angus Care Model work, the IJB continued to review Residential Care Services. Specifically this included a review of future services at Seaton Grove, Arbroath. This was the subject of much debate within the IJB and in the local community. The IJB subsequently agreed to retain in house care services at Seaton Grove, to develop proposals for an additional Mental Health residential unit on the site, but also to continue to explore alternative care home efficiency approaches.
- Continued to develop redesign proposals for Learning Disability and in 2019/20 agreed to extend the improvement principles used in Learning Disability to Physical Disability services.
- Consideration of the outcome of the independent Enquiry into Mental Health Services in Tayside and will support the regional collaborative approaches to addressing the recommendations of the report and delivering improvement. Locally the IJB has continued to progress the Scottish Government's Mental Health Action 15 priorities.
- In 2018/19 the IJB embarked on reviews of Older People's Day Care Services and Supported Accommodation. These initial reviews have largely concluded though, reflecting changing circumstances, further work is still required to review the future configuration of Day Care Services.
- The IJB has consolidated and generally improved its Prescribing position through continuing to develop and maintain successful engagement with local General Practices, continued work with secondary care and ongoing collaboration across Tayside through the Tayside Prescribing Management Group.
- The continued implementation of the 2018 General Medical Services contract through Primary Care Improvement Plans. This has far-reaching implications for local General Practices and the services that support them. Key priority areas include a Vaccination Transformation Programme, Pharmacotherapy, Community Care and Treatment Services, Urgent Care, Additional professional roles (including Physiotherapy) and Social Prescribing.
- The IJB has continued its work to implement the Carers Act (2018), successfully implemented the local response to the Free Personal Care Act (under 65s) and has extended and consolidated Assessment, Case Prioritisation and Eligibility criteria.
- In January 2020, the Abbey Medical Centre, Arbroath intimated its withdrawal from the provision of General Medical Services. Since then the IJB has been working with NHS Tayside and the local General Practitioner community to develop forward-thinking solutions to address both immediate service and operational issues and long term challenges.

The IJB has had to manage a number of challenges throughout the year including workforce issues (e.g. including latterly issues with respect to the future provision of General Medical Services in Arbroath). The IJB continues to develop responses to these workforce challenges including developing Advanced Nurse Practitioner roles and working with local schools to provide placement opportunities for young people to gain experience of health and social care. The IJB has acknowledged a number of planned interventions have continued to be effected by delays and in January 2020 held a development session to review progress across a range of issues. This resulted in a re-commitment to a number of priorities reflected in the Strategic Financial Plan subsequently agreed for 2020-23.

In early March 2020 it became evident that the impact of COVID-19 would be significant across the country. While much of the impact of COVID-19 was after the end of the financial year and is noted later in this report, from March 2020 onwards addressing COVID-19 became the over-riding operational concern. The IJB rapidly reviewed and revised its operational service delivery and sought to re-model services to respond to the impact of COVID-19. These changes were supported by close working with local independent and voluntary sector.

It continues to be important to recognise the scale of change that the Angus population, staff within the partnership and local third sector and independent sector providers have to respond to. This effect has been magnified by the recent COVID-19 situation but the pace of change is generally reflective of 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. A condensed version of Angus IJB's annual performance report for the reporting year 2019/20 was produced in June 2020, with a more detailed version to follow in October 2020.

Insert internet link (not yet available).

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. During 2019/20, NHS Tayside agreed to re-align the finance support structure that existed within NHS Tayside to local IJB Chief Finance Officers across Tayside. This has already proved helpful in developing more responsive finance support to the health services within the IJB with further improvement expected in 2020/21.

Prior to April 2016, the IJB had developed the financial governance infrastructure required to allow it to assume new responsibilities from 1<sup>st</sup> 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 2019/20 Annual Accounts comprise:-

- a) Comprehensive Income and Expenditure Statement – This statement shows that the IJB operated at an overall surplus of £2.477m (i.e. under spent by £2.477m) in 2019/20 on the total income of £174m. This under spend (1.4% of 2019/20 income) was within both Adult Services (Social Care) and Health Services and, in the first instance, will be carried forward into 2020/21 through the IJB's reserves.
- b) Movement in Reserves – The IJB had 2019/20 opening reserves of £6.016m. Due to the operating surplus noted above, at the 2019/20 year end the IJB now has year-end reserves of £8.493m. £2.065m of ear-marked reserves held at March 2019 were consumed, with £191k being added to ear-marked reserves linked to Scottish Government funding. The balance on the Comprehensive Income and Expenditure Statement supported augmenting the Strategic Plan Reserve, developing a 2020/21 Financial Planning Reserve and increasing the IJB's General Fund (Contingency) to 2.5% of the IJB's turnover. 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 2019/20 do not include a Cash Flow Statement as the IJB does not hold any cash or cash equivalents.

## 8. Financial Performance

Throughout 2018/19, 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, reflecting the £2.477m underspend noted above, was submitted to the June 2020 IJB Board meeting.

Reports through the year projected in year under spends within Adult Social Care partly reflecting the early delivery of 20/21 savings. In February 2020, the IJB had to recognise that historic patterns of assumed income required to be revised downwards. This necessitated an adjustment downwards of £1m to in-year income projections. Work is required to develop and implement the improvement plan for income management within the IJB, though this has stalled due to COVID-19. At the year end, after managing to contain the above noted £1m adjustment, Adult Social Care services reported an under spend of c£0.8m.

Within the IJB's local Community Health Services previous good progress was consolidated. This helped to offset ongoing overspends regarding Hosted Services (including Mental health Services). Prescribing, while still overspending, was very close to breakeven and excluding the impact of COVID-19 would have been within planned budget for the first time since the IJB's inception. This further prescribing improvement, allied to consolidation of general financial performance, helped deliver an overall underspend within Health Services of c£1.7m.

The financial position for both Adult Services and Health Services has therefore been of an under spend, albeit smaller than in the previous year. It does mean that, with hindsight, the IJB could have been able to make some different decisions during 2019/20. However the IJB has started to make a number of strategic commitments through its Strategic Plan Reserve and longer term commitments would always have been constrained by the longer term financial picture. The generally positive financial out-turn for 2019/20 does mean the IJB has a strong starting point for the new financial year.

Throughout 2019/20, IJB Finance reports also provided regular feedback to the IJB regarding progress with savings initiatives. Additionally, noting the sensitivity of Primary Care prescribing financial position to the IJB's overall financial position, the IJB continues to receive half-year Prescribing reports setting out the work underway locally and regionally to address the local Prescribing challenges.

As noted earlier, COVID-19 did start to have an operational impact on the IJB in late March 2020. From a 2019/20 financial performance perspective, the primary and only material impact was regarding Prescribing where costs in March did increase beyond expectations. Those increased costs have been contained within the reported 2019/20 position.

## 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 2020/21 and has agreed working assumptions regarding the budget settlement from NHS Tayside for 2020/21. Subject to finalisation and any further allocations, budget settlements for 2020/21 will be as follows:-

Budgets to be delegated from Angus Council - £49.704m.  
Budgets to be delegated from NHS Tayside - £131.529m  
Total budgets to be devolved to the IJB - £180.963m.

The above was set out in a report to the IJB in April 2020 (report 15/20), and is intended to be consistent with 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 continues to face significant underlying challenges in terms of containing demographic and inflationary type pressures. The IJB regularly considers its multi-year financial plans and the latest plans (April 2020), included a small assumed reliance on reserves to breakeven in 2020/21 but more significant reliance on reserves in future years thereby highlighting the underlying shortfalls in financial plans. Report (15/20) indicated the following financial position:-

Year	2020/21	2021/22	2022/23
	£K	£K	£K
Shortfalls	-219	-3338	-6573
Planned Use of Reserves <sup>1</sup>	219	3181	0
Revised Shortfalls	0	-157	-6573
Cumulative Shortfall	0	-157	-6730

Note 1. Actual reserves available to support the financial plan should be greater than £3.4m.

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 2020/21 and largely in 2021/22, there is a clear significant structural shortfall in the overall financial plans associated with the 2019/22 Strategic Commissioning Plan. This shortfall is dependent on funding assumptions and, in the absence of clear guidance from the Scottish Government, slightly prudent funding assumptions are factored in. That aside, the IJB needs to continue to develop the intentions within the Strategic Commissioning Plan to allow it to develop overall plans that are financially sustainable. This is a key theme for the IJB and one it should and will revisit regularly throughout the planning cycle. Structural shortfalls do suggest the IJB will need to remain accepting of the need to ensure pace in decision making and that plans are properly supported and monitored. The IJB will work towards ensuring the plans described in its Strategic Commissioning Plan are fully progressed to ensure sustainable long term service. If that is not sufficient to deliver sustainable plans and services, the IJB's Strategic Commissioning Plan may require to be revisited.

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 – the lack of clarity regarding this is noted above. 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. These factors 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 2019/20 and does have reserves that should support the financial planning in 2020/21 and 2021/22, the IJB is currently forecasting an overspend in 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 increasingly 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
Planned Interventions	The IJB's delivery of savings from some planned interventions does run behind schedule, and some interventions only partially deliver original targets.	The IJB revisited its inclusion of a number of stalled planned interventions and readopted these after a Board development session held in January 2020.	Chief Officer
Funding	The IJB's funding for future years remains subject to uncertainty.	The IJB will contribute to developing discussion with Scottish Government regarding future year funding through national channels.	Chief Finance Officer
Financial Planning	Financial Plan contains a number of estimates and assumptions.	Estimates 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
Cost Pressures	The IJB continually requires to manage a series of inflationary, demographic, legal and contractual pressures (including Primary Care Improvement Plan).	Through local forums, the IJB will work to manage and contain pressures and ensure mitigating or offsetting measures are in place. The IJB will continue to monitor any long term impacts from BREXIT.	Chief 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
Income	During 2019/20 the IJB highlighted issues with Income management.	The IJB will continue to work with Angus Council to develop improvement actions to address any shortcomings.	Chief Finance Officer
COVID-19	The evolving national emergency re COVID-19 has required dramatic and dynamic changes in local health and social care provision. This will continue to have a profound impact on the IJB.	The IJB continues to develop responses to this evolving situation, continues to liaise with the local independent and third sector, continues to liaise with both partners and is in regular communication with the Scottish Government.	Chief Officer

## 10. Management of Risks (Still TBC)

## 11. COVID-19 (note - may subsequently change order)

Through the management commentary the impact of COVID-19 is noted. COVID-19 has and will continue to have a profound impact on the way local community health and care services are provided. National and local responses are still very much evolving and it is still difficult to determine how phases of national and local responses will evolve and what the longer term outlook will be. Service delivery, demand patterns, workforce availability, supply issues, premises and IT requirements could all see stepped changes from previous expectations.

In terms of the finance impact, while this was limited for 2019/20, it will be more significant going forward. A range of new costs will be incurred relating to evolving or new services, short and longer term requirements and both predictable and still uncertain commitments. There will be financial impacts on levels of expected income from service users and deferral of the delivery of planned interventions as set out in the IJB's Strategic Financial Plan. All of which makes determining the financial implications of COVID-19 difficult.

The Partnership is regularly sharing information about the local financial impact of COVID-19 with the Scottish Government and the Government in turn are working towards clarifying funding support. While the IJB is initially assuming the net additional costs of dealing with COVID-19 will be supported by the Scottish Government, there may be an impact on the IJB's reserves and there will certainly be an impact on the IJB's future financial planning.

Dealing with COVID-19 does present a further significant risk to the IJB. However the IJB will work towards developing its recovery responses in line with national guidance and reflecting local circumstances. In due course COVID-19 will require a review of the IJB's Strategic Commissioning Plan and its underlying assumptions.

## 12. 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/wp-content/uploads/2019/04/Strategic-Commissioning-Plan-2019-2022.pdf>

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\\_reports\\_and\\_minutes](https://www.angus.gov.uk/social_care_and_health/angus_health_and_social_care_partnership/integration_joint_board_agendas_reports_and_minutes)

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

### 13. Conclusion and Acknowledgements

We are pleased to record that during 2019/20 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. We also acknowledge the significant impact COVID-19 has had on service delivery, those that provide services within our community, those that are supported by our services and the community as a whole. We will continue to work as a whole partnership to best navigate our way through this challenging time. The IJB's ability to deliver services and make progress with the local Strategic Commissioning Plan has only been possible through the hard work of staff employed in Angus Council, NHS Tayside and the local independent and third sectors and through close work with other partner organisations.

Looking forward, while the IJB faces continuing challenging financial circumstances alongside dealing with COVID-19, 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.

Gail Smith	Lois Speed	Alexander Berry
Interim Chief Officer	Chairperson	Chief Finance Officer
XX/XX/XX	XX/XX/XX	XX/XX/XX

#### Annual Performance Summary

This section will be based on a summary of information contained in the IJB's Performance Report once that report has been issued to the IJB's June meeting.

#### Annual Governance Statement : **TO BE CONFIRMED AT JUNE 2020 AUDIT COMMITTEE**

##### Introduction

In October 2015, the Scottish Government approved Angus IJB's Integration Scheme thus formally constituting the Partnership with the intention of it being responsible for services from 1<sup>st</sup> April 2016. Angus IJB duly assumed responsibility for services from 1<sup>st</sup> April 2016 and this Governance Statement therefore reflects the responsibilities assumed from 1<sup>st</sup> April 2016. The IJB's Integration Scheme has been updated since 2015 to allow for additional Carers Act responsibilities.

The Annual Governance Statement explains the IJB's governance arrangements and reports on the effectiveness of the IJB's system of internal control.

##### Scope and Responsibility

The IJB is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

To meet this responsibility the IJB has established arrangements for governance which includes a system of internal control. The system is intended to manage risk and to support the achievement of the IJB's policies, aims and objectives. Reliance is also placed on the NHS Tayside and Angus Council systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the IJB. Reliance is similarly placed on Dundee IJB and Perth & Kinross IJB with respect to Hosted Services.

The system can only provide reasonable and not absolute assurance of effectiveness.

##### The Governance Framework and System of Internal Control

The Board of the IJB comprises voting members, nominated by either NHS Tayside or Angus Council, as well as non-voting members including a Chief Officer appointed by the Board. Board membership during 2019/20 is documented in the Angus IJB Remuneration Report within the Annual Accounts.



Angus IJB also has an Audit Committee chaired by a member of the IJB and comprising 6 (from February 2020, previously 5) further IJB members. During 2019/20, the Audit Committee met 4 times and the membership at the year end was as follows:-

Councillor Julie Bell (Chair of Audit Committee, attended 4 of 4 meetings).  
Peter Burke (attended 4 of 4 meetings).  
Andrew Jack (attended 4 of 4 meetings).  
Kathryn Lindsay (attended 2 of 3 meetings).  
Graeme Martin (attended 2 of 3 meetings).  
Charlie Sinclair (attended 2 of 2 meetings).

During the financial year, other Audit Committee members included Jim Foulis (attended 1 of 1 meeting). Kathryn Lindsay, Graeme Martin and Charlie Sinclair all joined the Audit Committee during the 2019/20. As noted above, the Audit Committee's membership has been increased by 1 member in February 2020 and the IJB will seek to fill this role in due course.

The main features of the governance framework in existence during 2019/20 were:

- Approved Integration Scheme, Scheme of Delegation, Standing Orders (reviewed February 2020) and Financial Regulations.
- Bi-monthly public meetings of the IJB, with one additional meeting in January 2020.
- Code of Conduct and Register of Interests for all IJB members.
- Monthly Executive Management Team and Senior Leadership Team meetings.
- Formal bi-monthly Strategic Planning Group overseeing the IJB's Strategic Plan and its implementation and updating.
- Bi-monthly Clinical, Care and Professional Governance forum.
- Bi-monthly Staff Governance Committee.
- The Audit Committee met 4 times in 2019/20 with responsibility for agreeing the Annual Internal Audit Plan, considering the results of any external or internal inspections, assessments or audits of the IJB and to scrutinise the Annual Accounts and Governance Statement of the IJB.
- Appointment of Fife, Tayside and Forth Valley Management Services as Internal Auditors for the IJB with support from Angus Council Internal Audit.
- Appointment of Audit Scotland as External Auditors for financial years 2016/17 to 2020/21.
- Chief Officer in post for duration of 2019/20, noting the IJB appointed a new Interim Chief Officer during 2019/20.
- Chief Finance Officer in post for the duration of 2019/20 with the Chief Finance Officer having overall responsibility for the IJB's financial arrangements, being professionally qualified and having suitable experience to lead the IJB's finance function and to direct staff. In line with overall Corporate Support arrangements, the Chief Finance Officer is reliant on the finance support (staff and systems) provided by both NHS Tayside and Angus Council. During 2019/20 responsibility for management of associated NHS finance staff was devolved to the Chief Finance Officer.
- Review of the "Role of the Chief Finance Officer in Local Government".

The governance framework described above operates on the foundation of internal controls, including management and financial information, financial regulations, administration, supervision and delegation. During 2019/20 this included the following:

- Implementation of the IJB's Risk Strategy, including the first stages of a review of that strategy.
- Implementation of the IJB's Performance Reporting Framework.
- Provision of regular financial monitoring reports to the IJB.
- Provision of regular budget settlement reports.
- Provision of regular Strategic Financial Planning reports to the IJB.
- Approval and delivery of an Annual Internal Audit Plan.
- Issuing of high-level Directions to Partner organisations and noting new Scottish Government guidance regarding the issuing of directions in.
- Implementation of the IJB's Complaints handling procedure.
- Implementation of Clinical, Care and Professional Governance monitoring arrangements.
- Implementation of the IJB's GDPR (General Data Protection Regulation) protocols.
- Reliance on the procedures, processes and systems of partner organisations for which assurance is received from partner bodies.

During 2019/20 the IJB, in conjunction with Angus Council, did initiate an ongoing review of its overall income management to seek to address some emerging operational issues.

The IJB complies with “The Role of the Head of Internal Audit in Public Organisations” (CIPFA publication) and operates in accordance with “Public Sector Internal Audit Standards” (CIPFA publication). The Head of Internal Audit reports directly to the Audit Committee with the right of access to the Chief Financial Officer, Chief Officer and Chair of the IJB Audit Committee on any matter and to submit reports directly to the Audit Committee. The annual programme of internal audit work is based on a strategic risk assessment, and is approved by the Audit Committee.

During March 2020, the Health and Social Care Partnership initiated rapid changes in its management arrangements to address COVID-19 planning and operational issues and maintain governance and internal control requirements. This included developing leadership and command structures. These structures in turn interfaced with similar structures in NHS Tayside and Angus Council. As the COVID-19 response develops during 2020/21, an increasing focus is expected to be placed on recovery from the COVID-19 pandemic. In due course COVID-19 will require a review of the IJB’s Strategic Commissioning Plan and its underlying assumptions and this may result in significant revisions to the overall plan, supporting documents and the IJB’s Risk Register with a likely focus on recovery, reconfiguration and transformation to meet revised population needs, resources and ways of working.

#### MSG Report

In August 2019 an update and action plan were shared with the IJB regarding the Joint Ministerial Groups report aimed at improving integration. While updates have subsequently been provided to the Strategic Planning Group, the IJB recognises the need to provide updates to the IJB Board directly. Comprehensive progress will require close working with partners and generally there will need to be recognition that some of the target dates for completion of actions may require revision – partly due to the impact of COVID-19.

#### Development Issues

The IJB is required to review the effectiveness of its governance structures regularly. The IJB acknowledges that as a maturing organisation, working in a complicated environment, further development and review of governance structures is still required.

During 2019/20 a review of the Standing Orders was completed and a review of Financial Regulations is planned for 2020/21. The IJB’s Integration Scheme was originally valid for 5 years from October 2015 and was scheduled for review by September 2020. As part of re-scheduling priorities to allow for COVID-19 responses, the Scottish Government has intimated that a full review of Integration Schemes does not require to be completed by September 2020, but a review does still need to be progressed by the IJB’s partners setting out what issues need to be considered further. Meantime, the current Integration Scheme will remain in force.

In the 2018/19 Annual Governance Statement, the IJB noted a number of governance “Areas for Improvement”. An update is provided as follows:-

Area for Improvement	Lead Officer	Progress in 2019/20	Proposals for 2020/21
Development of Large Hospital Set Aside arrangements with NHS Tayside.	Chief Officer/Chief Finance Officer	Limited local progress. NHS Tayside have increasingly acknowledged this issue in their financial planning.	Updates provided regularly to IJB Board and continue to develop dialogue with NHS Tayside.
Development of improved Hosted Services arrangements including improved sharing of information between the three Tayside IJBs	Chief Officer	Limited local progress.	Improved sharing of more detailed financial information planned for 2020/21 and consideration as part of refreshing the Integration Scheme. The IJB is also participating in a review Clinical and Care Governance arrangements which will include significantly enhanced reporting on hoisted services.
Review corporate support arrangements.	Chief Officer	Not formally started.	To be considered as part of MSG response.
Review the overall governance framework that supports the relationship with Partners.	Chief Officer	Not formally started.	To be considered as part of more detailed review of the Integration Scheme.

All the above issues have been noted in Annual Governance Statements since 2016/17. The resolution of these issues remain characterised by their complexity, the requirement to work with other parties (e.g. NHS Tayside with respect to Large Hospital Set Aside) and the challenges of competing demands placed on limited management capacity across a range of governance and operational issues. However, as noted by the IJB’s Internal Auditors, these are issues that the IJB does need to make progress with. An update was shared with the IJB on these issues in February 2020 (report 4/20). It is proposed that during 2020/21, updates on these issues are provided to the IJB board every 4 months (i.e. August and December 2020).

During 2020/21 the IJB will also respond to updated Scottish Government guidance regarding the use of directions and the IJB issuing these to its Partners.

The Independent Inquiry in to Mental Health Services in Tayside: Trust and Respect, was published in February 2020. A collaborative Tayside response to this has now been issued in the form of a draft action plan, “Listen. Learn. Change.” One of the significant recommendations from the action plan is that from June 2020, the responsibility for operational management of inpatient General Adult Psychiatry Services in Tayside would be led by NHS Tayside, having previously (for In Patient Services) been led by Perth & Kinross IJB.

Review of Effectiveness

As noted, the IJB has responsibility for reviewing the effectiveness of its governance structures regularly. Throughout 2019/20 governance updates have regularly been provided to the IJB’s Audit Committee. However, reflecting COVID-19 responses (in terms of social distancing and capacity), the April 2020 Audit Committee was cancelled.

At the end of 2019/20, the IJB’s Chief Internal Auditor has reviewed the IJB’s governance arrangements and in the IJB’s 2019/20 Annual Internal Audit report notes:-

1. As Chief Internal Auditor, this Annual Internal Audit Report to the IJB provides my opinion on the IJB’s internal control framework for the financial year 2019/20.
2. Based on work undertaken I have concluded that reliance can be placed on the IJB’s governance arrangements and systems of internal controls for 2019/20.
3. In addition, I have not advised management of any concerns around the following:
  - a. Consistency of the Governance Statement with information that we are aware of from our work;
  - b. The format and content of the Governance Statement in relation to the relevant guidance;
  - c. The disclosure of all relevant issues.

While there remain a number of challenging areas of governance (described above in “Development Issues” section), it is *the* opinion of the IJB Chairperson and Chief Officer that at 31 March 2020, reasonable assurance can be placed upon the adequacy and effectiveness of the IJB’s governance arrangements. We consider that the internal control environment provides reasonable and objective assurance that any significant risks impacting on the IJB’s principal objectives will be identified and actions taken to avoid or mitigate their impact. Additionally systems are in place to regularly review and improve the internal control environment.

Councillor Lois Speed	Gail Smith
Chairperson	Interim Chief Officer
XX/XX/XX	XX/XX/XX

## 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 31<sup>st</sup> March 2020, Angus IJB has 6 voting members and 13 non-voting members reflecting the Integration Scheme. Details of membership and changes to membership are noted below. Compared to recent years, the Board's membership has been relatively stable in 2019/20. The IJB held 7 meetings during 2019/20, including one "special meeting".

Voting Members:-

Angus Council

Councillor Lois Speed – Chair (attended 6 of 7 meetings)

Councillor Julie Bell (attended 7 of 7 meetings)

Councillor Bob Myles (attended 7 of 7 meetings)

There were no changes in Angus Council nominated representatives during 2019/20.

NHS Tayside

Hugh Robertson, Non Executive Board Member – Vice Chair (attended 7 of 7 meetings)(Chaired February 2020 meeting)

Graeme Martin, Non Executive Board Member (attended 6 of 7 meetings)

Emma Jane Wells, Non Executive Board Member (attended 6 of 7 meetings)

In April 2019 Graeme Martin replaced Trudy McLeay as a non executive board member. There were no other changes in NHS Tayside nominated representatives.

Non-voting Members:-

Gail Smith, Interim Chief Officer

Kathryn Lindsay, Chief Social Work Officer

Peter Burke, Carers Representative

Chris Boyle, Staff Representative (Angus Council)

Ivan Cornford, Independent Sector Representative

Andrew Jack, Service User Representative

Richard Humble, Registered Medical Practitioner  
(Primary Medical Services)

Alexander Berry, Chief Finance Officer

Elaine Henry, Registered Medical Practitioner

Charlie Sinclair, Associate Nurse Director

Gary Malone, Third Sector Representative

Barbara Tucker, Staff Representative (NHS Tayside)

Alison Clement, Clinical Director

During 2019/20 the following changes in non-voting membership were noted:-

June 2019 – Charlie Sinclair, Associate Nurse Director, replaced Jim Foulis.

June 2019 – Gary Malone replaced Bill Muir as Third Sector representative.

January 2020 – Gail Smith replaced Vicky Irons as the (Interim) Chief Officer.

### 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.

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.

### Board Member Expenses

Most Board members' expenses associated with IJB commitments are managed through other organisations. The IJB does however cover Board Members' expenses where this is not the case. In 2020/21 the cost of this was under £1000.

### 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 roles 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. At the end of January 2020, Vicky Irons (former Chief Officer) was replaced by Gail Smith (Interim Chief Officer) – both were employed by NHS Tayside with employment contracts adhering 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 2019 to 31 March 2020.

Total 2018/19 £	Post	Senior Employee	Salary, fees & allowances £	Taxable Expenses £	Total 2019/20 £
94,867	Chief Officer	V Irons <sup>1</sup>	82,318	0	82,318
N/A	Chief Officer	G Smith <sup>2</sup>	13,603	0	13,603
72,967	Chief Finance Officer	A Berry	74,710	644	75,354
167,834	Total		170,631	644	171,275

Notes : 1) To 31st January 2020, with full year equivalent salary, fees & allowances of £98,782.

2) From 1st February 2020.

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.

Angus Integration Joint Board – Annual Accounts for period ended 31<sup>st</sup> March 2019

Post	Senior Employee	In Year Pension Contributions <sup>3</sup>		Accrued Pension Benefits		
		For Year to 31/03/19 £	For Year to 31/03/20 £		Difference from 31/03/19 £	As at 31/03/20 £
Chief Officer	V Irons <sup>1</sup>	14,135	17,205	Pension	2,180	35,500
				Lump sum	1,547	79,329
Chief Officer	G Smith <sup>2</sup>	N/A	2,843	Pension	1,791	33,722
				Lump sum	5,373	101,165
Chief Finance Officer	A Berry	10,678	15,614	Pension	1,926	24,020
				Lump sum	1,261	51,588
	Total	24,813	35,662	Pension	5,897	93,242
				Lump Sum	8,181	232,082

Notes : 1) To and at 31<sup>st</sup> January 2020.

2) Contributions from 1<sup>st</sup> February 2020.

3) NHS Employers pension contributions increased in 2019/20 compared to 2018/19.

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

Gail Smith	Councillor Lois Speed
Chief Officer	Chairperson
XX/XX/XX	XX/XX/XX

**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 2020. (TBC)

Signed on behalf of Angus Integration Joint Board

Councillor Lois Speed
Chairperson
XX/XX/XX

**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 2020 and its income and expenditure for the year then ended.

Alexander Berry
Chief Finance Officer
XX/XX/XX

**Comprehensive Income and Expenditure Statement for the Year Ended 31 March 2020**

This statement shows the 2019/20 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.

Restated 2018/19		2019/20
Net Expenditure £000		Net Expenditure £000
52,328	Older People's Services	55,605
11,049	Mental Health	11,899
16,605	Learning Disabilities	17,443
4,758	Physical Disabilities	5,486
2,094	Substance Misuse	2,329
13,582	Community Services	14,366
1,430	Planning / Management Support	1,533
354	Centrally Managed Resources	354
243	IJB Operational Costs	260
22,595	Family health Services Prescribing	21,766
17,205	General Medical Services	18,285
12,390	Family Health Services	13,165
9,734	Large Hospital Set Aside	8,666
<b>164,367</b>	<b>Cost Of Services</b>	<b>171,157</b>
(169,421)	Non-Specific Grant Income (Note 5)	(173,634)
<b>(5,054)</b>	<b>(Surplus) or Deficit on Provision of Services</b>	<b>(2,477)</b>
<b>(5,054)</b>	<b>Total Comprehensive Income and Expenditure</b>	<b>(2,477)</b>

In any year there will be small incremental changes to the way the IJB manages and reports information. Since the publication of the 2018/19 Annual Accounts there have been no reporting changes that have necessitated a prior year adjustment to the 2018/19 Net Expenditure breakdown in the Comprehensive Income and Expenditure Statement above.

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 as at March 2020

This statement shows the movement in 2019/20 on the IJB's reserves. The IJB only holds a General Fund Balance within overall usable reserves.

Movement in reserves 2019/20	General Fund Balance (Usable Reserve) £000
Opening Balance at 1 April 2019	(6,016)
Total Comprehensive Income and Expenditure	(2,477)
Increase or Decrease in 2019/20	(2,477)
<b>Closing Balance at 31 March 2019</b>	<b>(8,493)</b>

The information for 2017/18 was as follows:-

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)
<b>Closing Balance at 31 March 2019</b>	<b>(6,016)</b>

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

### Balance Sheet as at March 2020

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 2019 £000		Notes	31 March 2020 £000
	Current Assets		
<b>6,016</b>	<b>Short term debtors</b>	<b>7</b>	<b>8,493</b>
	Current Liabilities		
<b>0</b>	<b>Short term creditors</b>	<b>8</b>	<b>0</b>
<b>6,016</b>	<b>Net Assets</b>		<b>8,493</b>
<b>6,016</b>	<b>Usable Reserves</b>		<b>8,493</b>

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 2020.

Alexander Berry
Chief Finance Officer
XX/XX/XX

## 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 2019/20 financial year and its position at the year-end of 31 March 2020.

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, 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 2020/21 the IJB has agreed 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 2020/21 balanced budget, potentially with a reliance on reserves. However there remain underlying financial risks for the duration of the IJB's Strategic Plan (2019-2022) and most recent Strategic Financial Plan (2020/2023). The Angus Integration Scheme states that in the event of the IJB ultimately overspending in 2020/21 then any overspend, after the application of suitable reserves, 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 31<sup>st</sup> March 2020 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

2018/19 £000		2019/20 £000
58,662	Services commissioned from Angus Council	62,871
105,462	Services Commissioned from NHS Tayside	108,116
215	Other IJB Operating Expenditure <sup>1</sup>	230
3	Insurance and Related Expenditure <sup>2</sup>	3
25	Auditor Fee : External Audit Work <sup>3</sup>	27
(44,149)	Partners Funding Contribution (Angus Council)	(46,663)
(125,272)	Partners Funding Contribution (NHS Tayside)	(126,971)
(5,054)	(Surplus) or Deficit on the Provision of Services	(2,477)

1. Costs associated with Chief Officer and Chief Finance Officer.
2. 2019/20 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 2019/20 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 2019/20 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 years’ (i.e. 2017/18 and 2018/19) 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**

2018/19 £000		2019/20 £000
(44,149)	Contributions from Angus Council	(46,663)
(125,272)	Contributions from NHS Tayside	(126,971)
(169,421)	Total	(173,634)

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 £8,666k 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 IJB’s partners utilise, as directed by the IJB, the funding available 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 2019/20 that the IJB is committed to paying the funding partners for, as at 31 March (a creditor balance).

**Note 7 – Debtors**

2018/19 £000		2019/20 £000
2,544	Angus Council	3,333
3,472	NHS Tayside	5,160
6,016	Debtors	8,493

The debtors balances with Angus Council and NHS Tayside represents Angus IJB reserves held by Angus Council and NHS Tayside at March 2020.

**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 had previously set a target for this reserve of 2% of net expenditure. In April 2020, due to the increased uncertainties facing the IJB, the IJB agreed to increase the target for this reserve to 2.5% of turnover. Due to the financial position reported in 2019/20, this target (c£4.5m) 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 2018 £000	Transfer in 2018/19 £000	Transfer Out 2018/19 £000	Balance at 31 March 2019 £000		Transfer In 2019/20 £000	Transfer Out 2019/20 £000	Balance at 31 March 2020 £000
				Ear-marked Reserves:			
0	322	0	322	Primary Care Improvement Fund	4	322	4
0	143	0	143	Mental Health Action 15 Fund	151	143	151
0	206	0	206	Primary Care Transformation Fund	0	111	95
0	0	0	0	Primary Care Premises Fund	30	0	30
0	72	0	72	Alcohol and Drug Partnership Fund	6	72	6
0	42	0	42	Mental Health Fund	0	42	0
0	51	0	51	Forensic Medical Services Fund	0	4	47
0	93	0	93	Recruitment & Retention (Primary Care) Fund	0	55	38
0	500	0	500	Strategic Plan Reserve	1000	129	1371
0	1187	0	1187	Financial Planning Reserve (2019/20)	0	1187	0
0	0	0	0	Financial Planning Reserve (2020/21)	2251	0	2251
0	2616	0	2616	Total Ear-marked Reserves	3442	2065	3993
962	2438	0	3400	General Fund	1100	0	4500
962	5054	0	6016	Total Reserves	4542	2065	8493

At March 2020, the IJB is reporting a number of “ear-marked” reserves have decreased in size. This reflects a Scottish Government policy of seeking to reduce the level of reserves IJBs across Scotland hold for Scottish Government programmes by re-profiling funding to IJBs. Angus IJB has not drawn down full 2019/20 Scottish Government funding available for a series of programmes including Primary Care Improvement Fund, Mental Health Action 15, Primary Care Premises and Alcohol and Drugs Partnership with all balances (total £1.176m, including £938k re Primary Care Improvement Plans) held at Scottish Government for accessing by Angus IJB in future years and consequently only smaller transfers in (total £191k) have been made to these reserves this year.

The IJB has agreed to augment its Strategic Planning Reserve by £1m at March 2020 and, noting the full Financial Planning Reserve (2019/20) was utilised in 2019/20, has created a new Financial Planning Reserve (2020/21) to address a number of potential options.

The net movement in and out of reserves is £2.477m representing the total on the Consolidated Income and Expenditure Statement.

#### 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.

2018/19 £000		2019/20 £000
9,247	Expenditure on Agency Services	9,720
(9,247)	Reimbursement for Agency Services	(9,720)
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

2018/19 £000		2019/20 £000
44,149	Funding Contributions received	46,663
(58,662)	Expenditure on Services	(62,781)
(14,513)	Net Transactions with the Council	(16,118)

This table shows that expenditure within Angus Council is £16,118k 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 2019/20, 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

2018/19 £000		2019/20 £000
125,272	Funding Contributions received	126,971
(105,462)	Expenditure on Services	(108,116)
(215)	Key Management Personnel	(230)
(28)	Expenditure on Other IJB Costs	(30)
19,567	Net Transactions with NHS Tayside	18,595

This table shows that expenditure within NHS Tayside is £18,595k less than NHS Tayside funding contributions. This largely represents IJB funding received from NHS Tayside being directed into Angus Council.

Key Management personnel: NHS Tayside employs two Non-voting Board members, the Chief Officer and Chief Finance Officer. The Chief Officer and Chief Finance Officer 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 2019/20, 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 2019 £000		31 March 2020 £000
2,544	Debtor Balances – Amounts due from Angus Council	3,333
0	Creditor Balances – Amounts due to Angus Council	0
2,544	Net Balance with Angus Council	3,333

The debtors balance with Angus Council represents Angus IJB reserves held by Angus Council at March 2020.

#### Balances with NHS Tayside

31 March 2019 £000		31 March 2020 £000
3,472	Debtor Balances – Amounts due from NHS Tayside	5,160
0	Creditor Balances – Amounts due to NHS Tayside	0
3,472	Net Balance with NHS Tayside	5,160

The debtors balance with NHS Tayside represents Angus IJB reserves held by NHS Tayside at March 2020.

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

To be completed after the IJB's External Audit is concluded.