

# **Inverclyde Integration Joint Board**

The Governing Body of the



**Annual Accounts  
2016/17**

# Table of Contents

Management Commentary	1
Statement of Responsibilities	8
Remuneration Report	9
Annual Governance Statement	12
Independent Auditor's Report	15
The Financial Statements	18
Notes to the Financial Statements	21

# Management Commentary

## Introduction

This publication contains the financial statements for the first fully operational year of Inverclyde Integration Joint Board (IJB) for the year ended 31 March 2017.

The Management Commentary outlines the key messages in relation to the IJB's financial planning and performance for the year 2016/17 and how this has supported delivery of the IJB's core objectives. This commentary also looks forward, outlining the future financial plans for the organisation and the challenges and risks which we will face as we strive to meet the needs of the people of Inverclyde.

## Inverclyde IJB

In Inverclyde we have an 'all-inclusive' health and social care partnership. The Inverclyde IJB has responsibility for the strategic commissioning (either planning or direct service delivery, or both) of the full range of health and social care services; population health and wellbeing, statutory health and social work/ social care services for children, adults, older people and people in the community justice system. The IJB discharges this responsibility through its operational delivery arm, which is the Inverclyde Health and Social Care Partnership (HSCP).

From 1st April 2016, the IJB took formal delegated responsibility from the NHS Greater Glasgow and Clyde and Inverclyde Council for the delivery and/or planning of local health and social care services.

For some services this delegation of responsibility means the IJB taking full responsibility for planning, management and delivery of service provision, while for others – notably hospital based services and housing – this will mean planning with partners who will continue to manage and deliver the services as part of wider structures (e.g. the Greater Glasgow & Clyde Acute Sector) or via external delivery agencies (e.g. Registered Social Landlords and Housing Associations).

Inverclyde is located in West Central Scotland along the south bank of the River Clyde. It is one of the smallest local authority areas in Scotland, home to 79,150 people and covering an area of 61 square miles. Our communities are unique and varied.

The IJB Strategic Plan 2016/19 outlines our vision for the Inverclyde Health & Social Care Partnership as well as our core objectives and services which are delivered through four core teams. The HSCP has worked hard during 2016/17 to deliver these; the operational HSCP Structure responsible for delivering services is illustrated below.

### HSCP Operational Structure



The IJB Strategic Plan is supported by an operational plan and a variety of service strategies, investment and management plans which aid day to day service delivery. These plans and strategies identify what the IJB wants to achieve, how it will deliver it and the resources required to secure the desired outcome. The Strategic Plan also works in support of the Inverclyde Community Planning Partnership's Single Outcome Agreement and the Greater Glasgow

& Clyde Health Board Local Delivery Plan. It is vital to ensure that our limited resources are targeted in a way that makes a significant contribution to our objectives.

### The Annual Accounts 2016/17

The Annual Accounts report the financial performance of the IJB. Its main purpose is to demonstrate the stewardship of the public funds which have been entrusted to us for the delivery of the IJB's vision and its core objectives. The requirements governing the format and content of local authorities' annual accounts are contained in The Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The 2016/17 Accounts have been prepared in accordance with this Code.

### The Financial Plan

IJBs need to account for spending and income in a way which complies with our legislative responsibilities.

For 2016/17 the IJB budgeted to deliver Partnership Services at a cost of £126.142m. During the year funding adjustments increased this budget to £127.495m. To ensure that the accounts reflect the amount spent in delivery of services to people of Inverclyde, a number of other fully funded budgets are reflected. These include:




- Set Aside notional spend on Large Hospital Services £16.439m
- The net impact of services hosted by other IJBs on behalf of Inverclyde offset by services hosted within Inverclyde for other IJBs £5.917m
- Earmarked Reserves relating to Health and Social Care services transferred from Inverclyde Council to the IJB during the year £3.628m, of which £1.541m remained unspent by the year end.














These bring the total IJB budgeted net expenditure for the year to £153.479m.




### Performance

The HSCP tracks change in need and demand, and delivery of the National Wellbeing Outcomes through its performance management arrangements. Every service undergoes a quarterly service review, chaired by the relevant Head of Service. Service use, waiting times and any other pressures are closely reviewed alongside progress against the service's key objectives and delivery of outcomes. Any divergence from the agreed strategic direction is quickly identified and steps are put in place to get the service back on track. If there are notable differences between the service's performance and what has been planned for, then these differences are reported to the IJB along with a summary of the reasons for the divergence, and an outline of the planned remedial action in cases where the divergence is negative. This is reported through Performance Exceptions Reports, and these continue to be produced and published on a six-monthly basis. The legislation requires that we follow a prescribed format of annual performance reporting against the nine outcomes, based on 23 national indicators. There is also a requirement for us to publish an annual performance report by 31<sup>st</sup> July. Inverclyde's Annual Performance Report 2016/17 was published in June 2017.

The IJB's 2016/17 Performance against the 23 National Indicators is shown in the table below:

National Indicator		Inverclyde HSCP	Scottish Average	Comparison
1	Percentage of adults able to look after their health very well or quite well	90.00%	93.85%	
2	Percentage of adults supported at home who agreed that they are supported to live as independently as possible	88.32%	83.61%	
3	Percentage of adults supported at home who agreed that they had a say in how their help, care, or support was provided	85.40%	78.82%	

National Indicator		Inverclyde HSCP	Scottish Average	Comparison
4	Percentage of adults supported at home who agreed that their health and social care services seemed to be well co-ordinated	79.15%	75.39%	
5	Total % of adults receiving any care or support who rated it as excellent or good	83.68%	81.10%	
6	Percentage of people with positive experience of the care provided by their GP practice	87.09%	86.78%	
7	Percentage of adults supported at home who agree that their services and support had an impact on improving or maintaining their quality of life	88.39%	83.83%	
8	Total combined percentage of carers who feel supported to continue in their caring role	45.72%	41.18%	
9	Percentage of adults supported at home who agreed they felt safe	87.21%	84.23%	
10	Percentage of staff who say they would recommend their workplace as a good place to work	Indicator under development (ISD)		
11	Premature mortality rate per 100,000 persons	496.3	440.5	
12	Emergency admission rate (per 100,000 population)	14971.97	11873.75	
13	Emergency bed day rate (per 100,000 population)	132718.06	106531.26	
14	Readmission to hospital within 28 days (per 1,000 population)	91.24	95.65	
15	Proportion of last 6 months of life spent at home or in a community setting	84.88%	86.84%	
16	Falls rate per 1,000 population aged 65+	24.73	20.96	
17	Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections	85.05%	82.94%	

National Indicator		Inverclyde HSCP	Scottish Average	Comparison
18	Percentage of adults with intensive care needs receiving care at home	63.11%	61.56%	
19	Number of days people spend in hospital when they are ready to be discharged (per 1,000 population) (age 75+)	243.9	915.03	
20	Percentage of health and care resource spent on hospital stays where the patient was admitted in an emergency	20.64%	21.41%	
21	Percentage of people admitted to hospital from home during the year, who are discharged to a care home	Indicator under development (ISD)		
22	Percentage of people who are discharged from hospital within 72 hours of being ready	Indicator under development (ISD)		
23	Expenditure on end of life care, cost in last 6 months per death	Indicator under development (ISD)		

## Financial Performance

Financial information is part of our performance management framework with regular reporting of financial performance to the IJB. This section summarises the main elements of our financial performance for 2016/17.

### (a) *Partnership Revenue Expenditure 2016/17*

Formal establishment of the Inverclyde IJB was 27 June 2015 with an agreed Integration Start Date of 1 April 2016.

In August 2015 and August 2016 due diligence was carried out to consider the sufficiency of the budget provided for the Partnership by Greater Glasgow & Clyde Health Board and Inverclyde Council. Through this baseline budget pressures amounting to £1m were identified around Mental Health Inpatient Services.

During the year the Partnership successfully mitigated the full value of the Health baseline budget pressure through a combination of measures, including: improved cost control and tighter absence management arrangements together with the use of one off monies received during the year for related activity. The health services expenditure therefore was kept within the overall budget.

Partnership services saw continued demand growth, particularly in Older People Residential and Nursing Homes where the number of beds required rose significantly at the beginning of the year. The Partnership was able to effectively manage this budget pressure in year and generate an overall surplus on social care services.

In previous years the Social Care budget has experienced a degree of short term volatility in certain demand led budgets. In order to address this any one off underspends on these budgets have been placed in Earmarked Reserves to cover any one off overspends in future years. In 2016/17 £0.376m was taken into the Adoption, Fostering and Residential fund within Children & Families and £0.250m was taken into a reserve for Older People Residential and Nursing Homes.

Total net expenditure for the year was £149.980m against the overall funding received of £153.940m, generating a revenue surplus of £3.960m. This was made up as follows:

## Analysis of Surplus on Provision on Services

	<b>£000</b>
Balance of funds remaining on Earmarked Reserves transferred to the IJB in year	1,541
SCF Projects agreed in 2016/17 with expenditure spanning more than one year	985
SCF unallocated / underspend 2016/17	316
New Ways Funding carry forward	220
Underspend on Children & Families taken to Earmarked Reserves	376
Underspend on Children & Families	155
Underspend on Older People mainly due to delays in filling of vacancies and one off income	276
Overspend on Learning Disabilities due mainly to move to Redholm	(87)
Overspend on Physical Disability client packages	(63)
Other services savings through delay in filling of vacancies	144
Other services various minor underspends	39
Other services savings on client packages	152
Homelessness overspend to increase bad debt provision	(94)
<b>Surplus on Provision of Services</b>	<b>3,960</b>

All of the above has been taken to Earmarked reserves as detailed in note 8.

## Budget agreed at Period 9 vs Final Outturn

Original Budget	IJB FUNDING	Revised Budget @ P9	Outturn	Difference
	Operational funding budget			
4,449	Social Care Fund (SCF)	4,449	4,449	0
72,878	Health	74,267	74,728	461
48,815	Council	48,779	48,779	0
16,439	Set Aside	16,439	16,439	0
5,917	Hosted (net balance)	5,917	5,917	0
0	Inherited Earmarked Reserves	3,628	3,628	0
<b>148,498</b>	<b>TOTAL IJB FUNDING</b>	<b>153,479</b>	<b>153,940</b>	<b>461</b>
Original Budget	IJB NET EXPENDITURE	Revised Budget @ P9	Outturn	Difference
	Operational net expend budget			
72,878	Health	64,908	65,369	461
53,264	Social Care	60,198	59,921	(277)
16,439	Set Aside	16,439	16,439	0
5,917	Hosted (net balance)	5,917	5,917	0
0	Earmarked Reserves	6,017	2,334	(3,683)
<b>148,498</b>	<b>TOTAL IJB NET EXPENDITURE</b>	<b>153,479</b>	<b>149,980</b>	<b>(3,499)</b>
<b>0</b>	<b>Surplus on Provision of Services</b>	<b>0</b>	<b>3,960</b>	<b>3,960</b>

## (b) The Balance Sheet

The Balance Sheet summarises the IJB's assets and liabilities as at 31 March 2017, with explanatory notes provided in the full accounts.

## Financial Outlook, Risks and Plans for the Future

The UK economy was showing signs of recovery with inflation and unemployment falling and growth taking place in a number of sectors. The EU referendum result on 23<sup>rd</sup> June 2016 created some further, longer term, uncertainty and risk for the future for all public sector organisations.

Additional funding of £107m has been announced for Health and Social Care Partnerships across Scotland for 2017/18 to address social care pressures, and in particular, to support providers to pay the Living Wage to care workers. Despite this, pressure continues on public sector expenditure at a UK and Scottish level with further reductions in government funding predicted to 2019/20.

In addition to economic performance, other factors will influence the availability of funding for the public sector including the 2017 local and general elections, financial powers arising from the Scotland Act 2012, recommendations arising from the Smith Commission, the introduction of a Single Tier Pension Scheme in 2016 and the demographic challenges that Inverclyde is facing.

The most significant risks faced by the IJB over the medium to longer term can be summarised as follows:

- financial sustainability with increased demand for services alongside reducing resources and the wider financial environment, which continues to be challenging;
- workforce sustainability; and
- the risk around the relationships with acute partners, risk of differing priorities and competing pressures from external stakeholders.

The Inverclyde IJB has responsibility for social care and a range of health services. The IJB is responsible for financial and strategic oversight of these services.

Moving into 2017/18, we are working to proactively address the funding challenges presented while, at the same time, providing effective services for the residents of Inverclyde.

We have well established plans for the future, and the IJB Strategic Plan 2016/17 to 2018/19 was approved by the IJB in March 2016. This set out our ambitions and priorities for the subsequent three years and how we will work with our local communities and partners to achieve them. The vision of the Health and Social Care Partnership is about 'Improving Lives'. Taking into account the Scottish Government's national framework, the 2020 Vision for Health and Social Care through our Strategic Planning Group we have identified four values to underpin our vision that we believe will improve outcomes for all our residents now and in the future. These are illustrated below.

### Vision and Values (2016-2019)





## Conclusion

In a challenging financial and operating environment the IJB has successfully overseen the delivery of its Strategic Plan objectives and the delivery of all core services while undertaking a significant change programme designed to provide a more person centred model of care, deliver on early intervention and prevention ambitions and free up efficiencies.

## Where to Find More Information

If you would like more information please visit our IJB website at:

<https://www.inverclyde.gov.uk/health-and-social-care>

### **Louise Long**

Chief Officer

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**Date:** 12 September 2017

### **Lesley Aird, CPFA**

Chief Financial Officer

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**Date:** 12 September 2017

### **Simon Carr**

IJB Chair

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**Date:** 12 September 2017

# Statement of Responsibilities

## Responsibilities of the IJB

The IJB is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that the proper officer of the board has the responsibility for the administration of those affairs. In this IJB, the proper officer is the Chief Financial 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 Statement of Accounts.

I confirm that the audited Annual Accounts were approved for signature at a meeting of the IJB on 12 September 2017.

Signed on behalf of the Inverclyde IJB

**Simon Carr**

IJB Chair

**Date:** 12 September 2017

## Responsibilities of the Chief Financial Officer

The Chief Financial Officer is responsible for the preparation of the IJB'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 these annual accounts, the Chief Financial Officer has:

- Selected appropriate accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with legislation;
- Complied with the local authority Code (in so far as it is compatible with legislation)

The Chief Finance Officer has also:

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

I certify that the financial statements give a true and fair view of the financial position of Inverclyde IJB as at 31 March 2017 and the transactions for the year then ended.

**Lesley Aird, CPFA**

Chief Financial Officer

**Date:** 12 September 2017

# Remuneration Report

## Introduction

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

The information in the tables below is subject to external audit. The explanatory text in the Remuneration Report is reviewed by the external auditors to ensure it is consistent with the financial statements.

### 1 Integration Joint Board

The voting members of the IJB were appointed through nomination by the Health Board and Council.

### 2 Senior officers

The IJB does not directly employ any staff in its own right. All HSCP officers are employed through either the Health Board or Council and remuneration for senior staff is reported through those bodies. Specific post-holding officers are non-voting members of the Board

#### Chief Officer

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 a Chief Officer for the IJB has to be appointed and the employing partner has to formally second the officer to the IJB. The Chief Officer, Brian Moore, was employed by Inverclyde Council and seconded to the IJB until his retirement on 28 April 2017. A new Chief Officer, Louise Long, was employed by Inverclyde Council from 8 May 2017 and also seconded to the IJB. The statutory responsibility for employer pension liabilities sits with Inverclyde Council as the employing partner organisation. There is therefore no pension liability reflected on the Inverclyde IJB balance sheet for the IJB's Chief Officer. The remuneration terms of the Chief Officer's employment are approved by the IJB.

#### Chief Financial Officer

The IJB Chief Financial Officer, Lesley Aird, is employed on a part time basis by NHS Greater Glasgow and Clyde. The Council and Health Board share the costs of this and all other senior officer remunerations.

#### Other officers

No other staff are appointed by the IJB under a similar legal regime. There are no other non-voting board members who meet the criteria for disclosure and require to be included in the disclosure below.

Total IJB related remuneration from date of establishment 2015/16* £	Name and Post Title	Salary, Fees & Allowances 2016/17 £
16,150	Brian Moore (retired 28 April 2017) Chief Officer	107,002
0	Lesley Aird (part time 0.5 WTE) Chief Financial Officer	42,653

\* Functions and budgets were not delegated to the IJB during 2015/16, therefore, only a portion of salary for the Chief Officer and Chief Financial Officer were chargeable to the IJB during 2015/16. This was calculated at 20% to reflect the amount of time spent on IJB related activity and other operational duties by these officers. The Chief Financial Officer did not take up post until 22 March 2016 and was therefore not reflected in the 2015/16 remuneration report.

### 3 Remuneration: IJB Chair and Vice Chair

The voting members of the IJB are appointed through nomination by Inverclyde Council and Greater Glasgow & Clyde Health Board. Nomination of the IJB Chair and Vice Chair post holders alternates between a Councillor and 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 borne by the partner. The details of the Chair, Vice Chair and other IJB voting member appointments and any taxable expenses paid by the IJB are shown below.

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 voting members.

Taxable Expenses 2015/16 £	Name	Post(s) Held	Nominated By	Taxable Expenses 2016/17 £
0	Councillor Joe McIlwee	IJB Chair (retired 31/03/17)	Inverclyde Council	0
0	Ross Finnie	IJB Vice Chair (until 01/09/16)	GG&C	0
0	Simon Carr	IJB Vice Chair (from 01/09/16) Audit Committee Chair (from 29/09/16)	GG&C	0
0	Councillor Jim Clocherty	IJB Member (from 29/09/16) Audit Committee Vice Chair (from 29/09/16)	Inverclyde Council	0
0	Alan Cowan	IJB Member (from 01/09/16) Audit Committee Member	GG&C	0
0	Councillor Vaughan Jones	IJB Member	Inverclyde Council	0
0	Dr Donald Lyons	IJB Member	GG&C	0
0	Dorothy McErlan	IJB Member (from 01/09/16)	GG&C	0
0	Councillor Stephen McCabe	IJB Member (until 29/09/16) Audit Committee Vice Chair (until 29/09/16)	Inverclyde Council	0
0	Councillor Ciano Rebecchi	IJB Member Audit Committee Member	Inverclyde Council	0

There were no Inverclyde IJB specific expenses recorded for voting members of the IJB during 2016/17. Any expenses claimed by voting members are paid through the relevant IJB partner organisation.

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

The IJB however has responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the IJB. The following table shows the IJB's funding during the year to support officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

Senior Employee	In Year Pension		Accrued Pension Benefits		
	For Year to 31/03/16* £	For Year to 31/03/17 £	Difference from 31/03/16 £0	As at 31/03/17 £0	
Brian Moore	3,120	20,593	Pension	2,651	55,737
Chief Officer till 28/04/2017			Lump Sum	1,017	122,055
Lesley Aird	0		Pension	622	622
Chief Financial Officer			Lump Sum	0	0

The Chief Finance Officer was previously a member of the Strathclyde Pension Scheme but has opted not to transfer those benefits. The accrued pension benefit disclosed above therefore relates only to this current employment and pension.

#### Disclosure by Pay Bands

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

Number of Employees in Band 2015/16*	Remuneration Band	Number of Employees in Band 2016/17
0	£105,000 - £110,000	1
0	£65,000 - £70,000	1

\* Functions and budgets were not delegated to the IJB during 2015/16, therefore, only 20% of salary for the Chief Officer and Chief Financial Officer were chargeable to the IJB during 2015/16.

#### Louise Long

Chief Officer

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**Date:** 12 September 2017

#### Simon Carr

IJB Chair

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**Date:** 12 September 2017

# Annual Governance Statement

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

## Scope of Responsibility

The Inverclyde IJB was established by parliamentary order on 27 June 2015 following approval of the Inverclyde Integration Scheme by the Scottish Ministers. It is a body corporate, a legal entity in its own right but it relies on support from officers employed by Inverclyde Council and Greater Glasgow & Clyde NHS Board in relation to the conduct of its business. It is subject to the Public Bodies (Joint Working) (Scotland) Act 2014 and secondary legislation directly relating to the integration of health and social care services, and indirectly in relation to regulatory regimes affecting devolved public bodies in Scotland.

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 to support the achievement of the IJB's policies, aims and objectives. Reliance is also placed on the Inverclyde Council and Greater Glasgow & Clyde Health Board 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.

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

## The Governance Framework and Internal Control System

The Board of the IJB comprises voting members, nominated by either Inverclyde Council or Greater Glasgow & Clyde Health Board, as well as non-voting members including a Chief Officer appointed by the Board.

The main features of the governance framework in existence during 2016/17 were:

- The IJB was the key decision making body. The IJB's membership (voting and non-voting), as set by statutory instrument, is fully established. An Audit Committee with detailed remit and powers and clearly defined membership was set up in 2016/17 to consider all matters in relation to Internal and External Audit and Risk Management;
- Strategic decision-making is governed by the IJB's key constitutional documents including the Integration Scheme, Standing Orders, and Financial Regulations. The IJB is required to have Standing Orders to regulate its business and these were reviewed and updated by the IJB in May 2016. They comply with statutory requirements;
- The IJB's purpose and vision are outlined in the IJB Strategic Plan which was approved and published prior to the delegation of the integrated functions on 1 April 2016 and which links closely to the vision of the Inverclyde Community Planning Partnership and the Single Outcome Agreement and is underpinned by an annual action plan and national statutory performance indicators;
- The Performance Management Strategy focuses very firmly on embedding a performance management culture that measures delivery of improved outcomes rather than systems and processes throughout the IJB. Regular reporting to Board Members takes place;
- The IJB adopted a Code of Conduct based on the Model Code of Conduct for Integration Joint Boards in May 2016. The register of members' interests was thereafter published and made available for inspection.
- The IJB has in place a development programme for all Board Members. Development programmes are also in place for the Senior Management Team and senior managers across the Partnership. A Performance Appraisal process is in place for all employees, the aim of which is to focus all employees on their performance and development that contributes towards achieving service objectives;
- The IJB has established three Wellbeing Localities, East Inverclyde, Central Inverclyde and West Inverclyde. These reflect the local planning areas that were developed by the Community Planning Partnership (the Inverclyde Alliance) through full public consultation. These provide Board Members with the opportunity to be involved in considering the priorities for each area and outline the role for each Community Planning Partner in meeting these priorities in conjunction with the local communities.
- As a separate Public Body, the IJB is required to publish Equalities Outcomes. These were published on the HSCP website in April 2016, and will be subject to review in 2018.

The governance framework was in place throughout 2016/17.

### **The System of Internal Financial Control**

The governance framework described operates on the foundation of internal controls, including management and financial information, financial regulations, administration, supervision and delegation. Development and maintenance of these systems is undertaken by the Health Board and Council as part of the operational delivery of the Health and Social Care Partnership. During 2016/17 this included the following:

- Financial regulations and codes of financial practice;
- Comprehensive budgeting systems;
- Regular reviews of periodic and annual financial reports that indicate financial performance against budget and forecasts;
- Setting targets to measure financial and other performance;
- Clearly defined capital expenditure guidelines;
- Formal project management disciplines.

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

With regard to the entries taken from the Health Board and Council Accounts, the IJB is not aware of any weaknesses within their internal control systems and has placed reliance on the individual Annual Governance Statements where appropriate.

### **Review of Effectiveness**

Inverclyde IJB has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of the effectiveness of the framework is informed by the work of the Senior Management Team who have responsibility for development and maintenance of the governance environment, the annual report by the Chief Internal Auditor and reports from Audit Scotland and other review agencies.

The Internal Audit functions of the Council and Health Board have independent responsibility for examining, evaluating and reporting on the adequacy of internal control. During 2016/17, these services operated in accordance with relevant professional audit standards and the Public Sector Internal Audit Standards. The Chief Internal Auditors prepared annual reports to the relevant Audit Committees, including an assurance statement containing a view on the adequacy and effectiveness of the systems of internal control.

### **Significant Governance Issues during 2016/17**

In March 2016, the IJB approved the Strategic Plan covering 2016-2019 which includes the IJB vision and values statements. The vision is ‘Improving Lives’.

The Internal Audit Annual Reports 2016/17 for the Council and Health Board identify no significant control risks. Some actions have been agreed within the Council and Health Board Annual Governance statements to further enhance those internal control environments. None of these are considered material enough to have a significant impact on the overall control environment.

There was one IJB internal audit review planned and completed during the year, Review of Governance Arrangements. The overall opinion on the report was satisfactory. The report contained 3 Green findings. The IJB Audit Committee also noted all medium and high recommendations received by the Council and Health Board Audit Committees relating to Health and Social Care activities and the actions being taken to address any associated recommendations.

The Internal Audit Annual Report and Assurance Statement for 2016/17 concludes: *“On the basis of Internal Audit work carried out in 2016/2017, the majority of the IJB’s established internal control procedures appeared to operate as intended to meet Management’s requirements for the individual systems reviewed by Internal Audit. On the basis of selective testing of key controls it can be concluded that, in the main, controls were generally operating as expected during the period under review, although it does need to be recognised that some recommendations were made by Internal Audit to improve controls”.*

## Action Plan

Following consideration of adequacy and effectiveness there are no significant actions required to ensure continual improvement of the IJB's governance. During 2017/18 the IJB plans to develop and introduce a Local Code of Good Governance to further strengthen its governance arrangements.

## Conclusion and Opinion on Assurance

While recognising that improvements are required, as detailed above, it is our opinion that 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.

Systems are in place to regularly review and improve the internal control environment.

**Louise Long**

Chief Officer

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**Date:** 12 September 2017

**Simon Carr**

IJB Chair

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**Date:** 12 September 2017



# Independent Auditor's Report

## Independent Auditor's Report to the members of Inverclyde IJB and the Accounts Commission for Scotland

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

### Report on the audit of the financial statements

#### Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Inverclyde Integration Joint Board for the year ended 31 March 2017 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 (the 2016/17 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2016/17 Code of the state of affairs of the Inverclyde Integration Joint Board as at 31 March 2017 and of its surplus on the provision of services for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2016/17 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

#### Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK and Ireland (ISAs (UK&I)). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Inverclyde Integration Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standards for Auditors, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Responsibilities of the Chief Financial Officer for the financial statements

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

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

My responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal requirements and ISAs (UK&I) as required by the Code of Audit Practice approved by the Accounts Commission. Those standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors. An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the circumstances of the Inverclyde Integration Joint Board and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chief Financial Officer; and the overall presentation of the financial statements.

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

### **Other information in the annual accounts**

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

In connection with my audit of the financial statements in accordance with ISAs (UK&I), my responsibility is to read all the financial and non-financial information in the annual accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

## Report on other requirements

### **Opinions on other prescribed matters**

I am required by the Accounts Commission to express an opinion on the following matters.

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

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

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

### **Matters on which I am required to report by exception**

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

- adequate accounting records have not been kept; or
- the financial statements and the auditable part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

Brian Howarth  
Assistant Director (Audit Services)  
Audit Scotland  
4<sup>th</sup> Floor, South Suite  
The Athenaeum Building  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

12 September 2017

# The Financial Statements

## Comprehensive Income and Expenditure Statement

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

2015/16			2016/17		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
			3,527	(535)	2,992
			28,158	(631)	27,527
			11,358	(330)	11,028
			6,376	(628)	5,748
			9,619	(76)	9,543
			13,615	(636)	12,979
			2,873	(159)	2,714
			3,768	(423)	3,345
			6,578	(547)	6,031
			3,719	(398)	3,321
			2,120	(2,065)	55
			1,582	(723)	859
			22,692	(892)	21,800
			18,136	0	18,136
			1,347	0	1,347
32	0	32	199	0	199
<b>32</b>	<b>0</b>	<b>32</b>	<b>135,667</b>	<b>(8,043)</b>	<b>127,624</b>
0	0	0	16,439	0	16,439
0	0	0	(1,409)	17	(1,392)
0	0	0	8,533	(1,224)	7,309
<b>32</b>	<b>0</b>	<b>32</b>	<b>159,230</b>	<b>(9,250)</b>	<b>149,980</b>
0	(32)	(32)	0	(153,940)	(153,940)
<b>32</b>	<b>(32)</b>	<b>0</b>	<b>159,230</b>	<b>(163,190)</b>	<b>(3,960)</b>
		<b>0</b>			<b>(3,960)</b>

Functions and budgets were not delegated to the IJB during 2015/16, therefore, the 2015/16 accounts reflected only the Commencement of Transactions, IJB Operating Costs for 2015/16, including 20% of the Chief Officer and Chief Financial Officers salaries from the date of establishment.

There are no statutory or presentation adjustments which affect the IJB's application of 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 and Expenditure and Funding Analysis is not provided in these annual accounts.

## Movement in Reserves Statement

This statement shows the movement in the year on the IJB's reserves. The movements which arise due to statutory adjustments which affect the General Fund balance are separately identified from the movements due to accounting practices.

<b>Movements in Reserves During 2016/17</b>	<b>General Reserves £000</b>	<b>Earmarked Reserves £000</b>	<b>TOTAL Reserves £000</b>
<b>Opening Balance at 31 March 2016</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total Comprehensive Income and Expenditure	0	(3,960)	(3,960)
(Increase) or Decrease in 2016/17		(3,960)	(3,960)
<b>Closing Balance at 31 March 2017</b>	<b>0</b>	<b>(3,960)</b>	<b>(3,960)</b>

## 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 2016 £000		Notes	31 March 2017 £000
<b>Current Assets</b>			
6	Short term debtors	5	3,972
<b>Current Liabilities</b>			
(6)	Short term creditors	6	(12)
<b>0</b>	<b>Net Assets</b>		<b>3,960</b>
0	Reserves	8	(3,960)
<b>0</b>	<b>Total Reserves</b>		<b>0</b>

The Statement of Accounts present a true and fair view of the financial position of the Integration Joint Board as at 31 March 2017 and its income and expenditure for the year then ended.

The unaudited financial statements were authorised for issue on 12 June 2016 and the audited financial statements were authorised for issue on 12 September 2017.

**Lesley Aird, CPFA**

Chief Financial Officer

**Date:** 12 September 2017

Usable reserves may be used to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use.

# Notes to the Financial Statements

## 1. Accounting Policies

### 1.1 General principles

The Inverclyde Integration Joint Board is formed under the terms of the Public Bodies (Joint Working) (Scotland) Act 2014. It was established by parliamentary order on 27 June 2015 following approval of the Inverclyde Integration Scheme by the Scottish Ministers. The Integration Scheme is a legally binding agreement between Inverclyde Council and NHS Greater Glasgow and Clyde.

Integration Joint Boards (IJB's) are specified as section 106 bodies under the Local Government (Scotland) Act 1973 and as such are required to prepare their financial statements in compliance with the Local Authority Accounts (Scotland) Regulations 2014 and the Code of Practice on Accounting for Local Authorities in the United Kingdom, supported by International Financial Reporting Standards (IFRS). These are issued jointly by CIPFA and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC) and are designed to give a "true and fair view" of the financial performance of the IJB.

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.

The Annual Accounts summarise the IJB's transactions for the 2016/17 financial year and its position at the year end of 31 March 2017.

### 1.2 Accruals of expenditure and income

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 or conditions required to earn the income, and receipt of the income is probable
- Where income and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the Balance Sheet
- Where debts may not be received, the balance of debtors is written down

### 1.3 Funding

The IJB is primarily funded through funding contributions from the statutory funding partners namely Inverclyde Council and NHS Greater Glasgow and Clyde. Expenditure is incurred as the IJB commissions specified health and social care services from the funding partners for the benefit of service recipients in Inverclyde.

### 1.4 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 in the IJB Balance Sheet.

### 1.5 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 on 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. Where material the

Chief Officer's absence entitlement as at 31 March is accrued, for example in relation to annual leave earned but not yet taken.

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

### **1.6 Provisions, Contingent Liabilities and Contingent Assets**

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

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

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

### **1.7 Events After The Reporting Period**

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. Two types of events can be identified:

- Adjusting events: Those that provide evidence of conditions that existed at the end of the reporting period. The Annual Accounts are adjusted to reflect such events
- Non-adjusting events: Those that are indicative of conditions that arose after the reporting period and the Statements are not adjusted to reflect such events. Where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect

Events taking place after the date of authorisation for issue are not reflected in the Annual Accounts.

### **1.8 Exceptional items**

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the IJB's financial performance.

### **1.9 Related Party Transactions**

As parties to the Inverclyde Integration Scheme both Inverclyde Council and NHS Greater Glasgow and Clyde are related parties and material transactions with those bodies are disclosed in Note 3 in line with the requirements of IAS 24.

#### **1.10 Support services**

Support services were not delegated to the IJB through the Integration Scheme and are instead provided by the Health Board and Council free of charge as a 'service in kind'. The support services provided are mainly comprised of: provision of financial management, human resources, legal, committee services, ICT, payroll, internal audit and the provision of the Chief Internal Auditor.

#### **1.11 Indemnity Insurance**

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. Inverclyde Council and Greater Glasgow & Clyde Health Board have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide.



Unlike Health Boards, the IJB does not have any 'shared risk' exposure from participation in Clinical Negligence and Other Risks Indemnity Scheme (CNORIS). The IJB participation in the CNORIS scheme is therefore analogous to normal insurance arrangements.

Known claims are assessed as to the value and probability of settlement. Where it is material the overall expected value of known claims taking probability of settlement into consideration, is provided for in the IJB's Balance Sheet.

The likelihood of receipt of an insurance settlement to cover any claims is separately assessed and, where material, presented as either a debtor or disclosed as a contingent asset.

## 1.12 Clinical and Medical Negligence

The IJB provides clinical services to patients under the statutory responsibility of NHS Greater Glasgow and Clyde. In connection with this it is responsible for any claims for medical negligence arising within the services it commissions, up to a certain threshold per claim. For claims in excess of this threshold the Health Board and IJB are members of CNORIS established by the Scottish Government which reimburses costs to members where negligence is established.

The IJB would make provision for claims notified by the NHS Central Legal Office according to the value of the claim and the probability of settlement. Where a claim was not provided for in full the balance would be included as a contingent liability. The corresponding recovery from CNORIS in respect of amounts provided for would be recorded as a debtor and that in respect of amounts disclosed as contingent liabilities are disclosed as contingent assets.

## 1.13 Reserves

Reserves are created by appropriating amounts out of revenue balances. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year so as to be included within the Income and Expenditure Statement. Movements in reserves are reported in the Movement in Reserves Statement.

## 1.14 VAT

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 the 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. The Council is not entitled to fully recover VAT paid on a very limited number of items of expenditure and for these items the cost of VAT paid is included within service expenditure to the extent that it is irrecoverable from H.M. Revenue and Customs.

Where the NHS is the provider, expenditure incurred will include irrecoverable VAT as generally the NHS cannot recover VAT paid as input tax and will seek to recover its full cost as Income from the Commissioning IJB.

## 2 Taxation and Non-Specific Grant Income

31 March 2016 £000	Taxation and Non-Specific Grant Income	31 March 2017 £000
16	NHS Greater Glasgow and Clyde Health Board	101,533
16	Inverclyde Council	52,407
<b>32</b>	<b>TOTAL</b>	<b>153,940</b>

### Health Board Contribution

The funding contribution from the Health Board above includes £16.439m in respect of 'set aside' resources relating to hospital services. These are provided by the NHS which retains responsibility for managing the costs of providing the services. The IJB however, has responsibility for the consumption of, and the level of demand placed on, these resources.

The Health Board contribution above also includes a net £5.917m in respect of services hosted on behalf of Inverclyde IJB by other Greater Glasgow and Clyde IJBs, less the services hosted by Inverclyde on behalf of other Greater Glasgow & Clyde IJBs.

#### Council Contribution

The Council contribution includes £1.541m in respect of the net balance of Earmarked Reserves relating to health and social care services which the Council transferred to the IJB during the year.

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

### 3 Related Party Transactions

The IJB has related party relationships with Greater Glasgow & Clyde Health Board and Inverclyde Council. 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.

31 March 2016 £000		31 March 2017 £000
<b>Transactions with NHS Greater Glasgow &amp; Clyde</b>		
16	Funding Contributions received	(101,533)
0	Service Income received	(3,244)
16	Expenditure on Services Provided	90,969
<b>32</b>	<b>TOTAL</b>	<b>(13,808)</b>
<b>Transactions with Inverclyde Council</b>		
16	Funding Contributions received	(52,407)
0	Service Income received	(6,006)
16	Expenditure on Services Provided	68,261
<b>32</b>	<b>TOTAL</b>	<b>9,848</b>

31 March 2016 £000		31 March 2017 £000
<b>Balances with NHS Greater Glasgow &amp; Clyde</b>		
0	Debtor balances: Amounts due to the NHS	0
3	Creditor balances: Amounts due from the NHS	0
<b>(3)</b>	<b>Net Balance with the NHS Board</b>	<b>0</b>
<b>Balances with Inverclyde Council</b>		
0	Debtor balances: Amounts due to the Council	0
3	Creditor balances: Amounts due from the Council	3,972
<b>(3)</b>	<b>Net Balance with the Council</b>	<b>(3,972)</b>

Key Management Personnel: The non-voting Board members employed by the Health Board or Council and recharged to the IJB include the Chief Officer, Chief Financial Officer, representatives of primary care, nursing and non-primary services, and staff representatives. Details of remuneration for some specific post holders is provided in the Remuneration Report.

#### 4 IJB Operational Costs

31 March 2016 £000	Core and Democratic Core Services	31 March 2017 £000
24	Staff costs	179
3	Administrative costs	3
5	Audit fees	17
<b>32</b>	<b>TOTAL</b>	<b>199</b>

The cost associated with running the IJB has been met in full by NHS Greater Glasgow and Clyde and Inverclyde Council. For the 2016/17 Accounts this is combined within the gross expenditure for both partners.

#### 5 Short Term Debtors

31 March 2016 £000	Short Term Debtors	31 March 2017 £000
6	Other local authorities	3,972
<b>6</b>	<b>TOTAL</b>	<b>3,972</b>

Amounts owed by the funding partners are stated on a net basis. Creditor balances relating to expenditure obligations incurred by the funding partners but not yet settled in cash terms are offset against the funds they are holding on behalf of the IJB.

#### 6 Short Term Creditors

31 March 2016 £000	Short Term Creditors	31 March 2017 £000
(6)	Other local authorities	(12)
<b>(6)</b>	<b>TOTAL</b>	<b>(12)</b>

## 7 Agency Income and Expenditure (Hosted Services)

On behalf of other IJBs within Greater Glasgow and Clyde, Inverclyde IJB acts as the lead manager for some Mental Health inpatient services which it provides to other IJBs. It also accesses a number of services which are hosted by other IJBs within Greater Glasgow and Clyde. A breakdown of the Income and Expenditure relating to all of these services is noted below and the net impact of these is included in the Comprehensive Income and Expenditure statement. These costs have been apportioned on an agreed basis across the six Greater Glasgow and Clyde IJBs.

Net Impact on Inverclyde of Agency/Hosted Services	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Services hosted by Inverclyde IJB for other IJBs	(1,409)	17	(1,392)
Services hosted by others NHS GGC IJBs on behalf of Inverclyde	8,533	(1,224)	7,309
Taxation & Non Specific Grant Income (relating to Hosted Services)	0	(5,917)	(5,917)
<b>TOTAL NET IMPACT OF HOSTED SERVICES</b>	<b>7,124</b>	<b>(7,124)</b>	<b>0</b>

Services hosted by Inverclyde IJB for other GGC IJBs	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
General Psychiatry	1,398	(17)	1,381
Old Age Psychiatry	11	0	11
<b>TOTAL - Services hosted by Inverclyde IJB for other GGC IJBs</b>	<b>1,409</b>	<b>(17)</b>	<b>1,392</b>

Services hosted by other GGC IJBs on behalf of Inverclyde	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
MSK Physio	471	(17)	454
Retinal Screening	57	(2)	55
Podiatry	927	(4)	923
Primary Care support	327	(9)	318
Continence	345	0	345
Sexual Health	487	(57)	430
Learning Disability Tier 4 Community	293	(44)	249
Mh Central Services	1,555	(821)	734
MH Citywide services	1,177	(106)	1,071
Oral Health	638	(45)	593
Addictions	539	(11)	528
Prison Healthcare	543	(20)	523
HC In Police Custody	167	(8)	159
General Psychiatry	323	(13)	310
Learning Disability - Admission & Assessment	524	(83)	441
Learning Disability - Complex Care	102	(3)	99
Old Age Psychiatry	79	(2)	77
<b>TOTAL - Services hosted by other NHS GGC IJBs</b>	<b>8,554</b>	<b>(1,245)</b>	<b>7,309</b>

## 8 Movement in reserves

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

2015/16		2016/17		
Balance at 31 March 2016 £000		Transfers Out 2016/17 £000	Transfers In 2016/17 £000	Balance at 31 March 2017 £000
0	Self Directed Support/SWIFT Finance Module	0	43	43
0	Growth Fund - Loan Default Write Off	1	27	26
0	Integrated Care Fund/Delayed Discharge	1,477	2,233	756
0	Support all Aspects of Independent Living	50	50	0
0	Veterans Officer Funding	10	37	27
0	CJA Preparatory Work	55	120	65
0	Welfare Reform - HSCP	272	315	43
0	Deferred Income	89	116	27
0	John Street	247	303	56
0	Adoption/Fostering/Residential Childcare	133	1,063	930
0	New Ways	0	220	220
0	Patient/Client Transport Coordinator Role (FT 2 years)	0	70	70
0	SWIFT Replacement Project	0	118	118
0	Funding to cover timing delay in delivery of 17/18 savings	0	620	620
0	Residential & Nursing Placements	0	250	250
0	Social Care in year underspend	0	272	272
	Social Care Fund 16/17 C/fwd	0	316	316
0	LD - Integrated Team Leader (FT 2 years)	0	121	121
<b>0</b>	<b>Total Earmarked</b>	<b>2,334</b>	<b>6,294</b>	<b>3,960</b>
0	Contingency	0	0	0
<b>0</b>	<b>General Fund</b>	<b>2,334</b>	<b>6,294</b>	<b>3,960</b>

## 9 Expenditure and Income Analysis by Nature

31 March 2016 £000	Inverclyde Integration Joint Board	31 March 2017 £000
	<b>HEALTH SERVICES</b>	
	Employee Costs	27,608
	Property Costs	33
	Supplies & Services	5,735
	Family Health Service	22,711
	Prescribing	18,376
	Set Aside	16,439
	Income	(3,266)
	<b>SOCIAL CARE SERVICES</b>	
	Employee Costs	26,708
	Property Costs	1,449
	Supplies & Services	1,083
	Transport	446
	Administration	868
	Payments to Other Bodies	37,597
	Income	(6,005)
	<b>CORPORATE &amp; DEMOCRATIC CORE/IJB COSTS</b>	
24	Employee Costs	179
3	Administration	3
5	Audit Fee	17
<b>32</b>	<b>TOTAL NET EXPENDITURE</b>	<b>149,980</b>
(32)	Grant Income	(153,940)
<b>0</b>	<b>SURPLUS ON PROVISION OF SERVICES</b>	<b>(3,960)</b>

### 10 External Audit Costs

Fees payable to Audit Scotland in respect of external audit services undertaken in accordance with Audit Scotland's Code of Audit Practice in 2016/17 are £17,400. There were no fees paid to Audit Scotland in respect of any other services.

### 11 Post balance sheet events

None.

### 12 Contingent assets and liabilities

There are equal pay claims pending against both the Council and Health Board. Since the IJB is not the employer for any of the staff in question it is not financially liable for any amounts due.