

**Clackmannanshire & Stirling
Integration Joint Board
Annual Accounts 2017/18**



**“Our vision is to enable people in Clackmannanshire
and Stirling to live full and positive lives
in supportive communities”**



**Clackmannanshire
Council**



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Management Commentary

Introduction

The Public Bodies (Joint Working) (Scotland) Act 2014 was passed by the Scottish Parliament on 25 February 2014 and received Royal Assent in April 2014. This established the framework for the integration of health and adult social care in Scotland, to be governed by Integration Joint Boards (IJB's) with responsibility for the strategic planning of the functions delegated to it and for ensuring the delivery of its functions through the locally agreed operational arrangements.

Following approval from Clackmannanshire and Stirling Councils and the Forth Valley Health Board (NHS Forth Valley), the Integration Scheme, the formal legal partnership agreement between the three constituent organisations, was submitted to Scottish Ministers on 24 June 2015. On 3 October 2015 Scottish Ministers legally established the Clackmannanshire and Stirling Integration Joint Board.

On 1 April 2016 health and social care functions per the Integration Scheme were formally delegated to the Integration Joint Board. Therefore, financial year 2017/18 represents the second full year of operations for the Clackmannanshire and Stirling Integration Joint Board. The Integration Joint Board taking responsibility for the strategic planning and commissioning of adult social care service provision, of Community and Family Health Services relating to in-scope functions, and for large hospital services planning with partners who will continue to manage and deliver the services as part of the pan Forth Valley structures.

Clackmannanshire and Stirling Integration Joint Board approved its Strategic Plan 2016-2019 on 22 March 2016. The Strategic Plan sets out the case for change, vision and outcomes and priorities for the Clackmannanshire and Stirling Health and Social Care Partnership (HSCP) over this period.

This publication contains the financial statements for the financial year from 1 April 2017 to 31 March 2018.

Integration Joint Board Strategy and Business Model

The Clackmannanshire and Stirling Health and Social Care Partnerships vision is to enable people to live full and positive lives within supportive communities. In pursuance of this we are working towards the priorities set out in the Strategic Plan to achieve improved outcomes for service users through integration planning and delivery principles.

The Partnerships business model is therefore to ensure that services are provided in a way which

- Are integrated from the point of service users
- Take account of the particular needs of different service users
- Respects the rights and takes account of the dignity of service users
- Encourages participation within our communities
- Protects and improves quality and safety
- Are planned and led locally in a way which is engaged with communities
- Anticipates needs and prevents them arising where possible
- Makes best use of available facilities, people and other resources

The Partnerships Strategic Plan articulates the high level priorities for the Partnership, expressed as a series of 'we will' statements. These are:

- Further develop systems to enable front line staff to access and share information
- Support more co location of staff from across professions and organisations
- Develop single care pathways
- Further develop anticipatory and planned care services
- Provide more single points of entry to services
- Deliver the Stirling Health and Care Village
- Develop seven day access to appropriate Services
- Take further steps to reduce the number of unplanned admissions to hospital and acute services

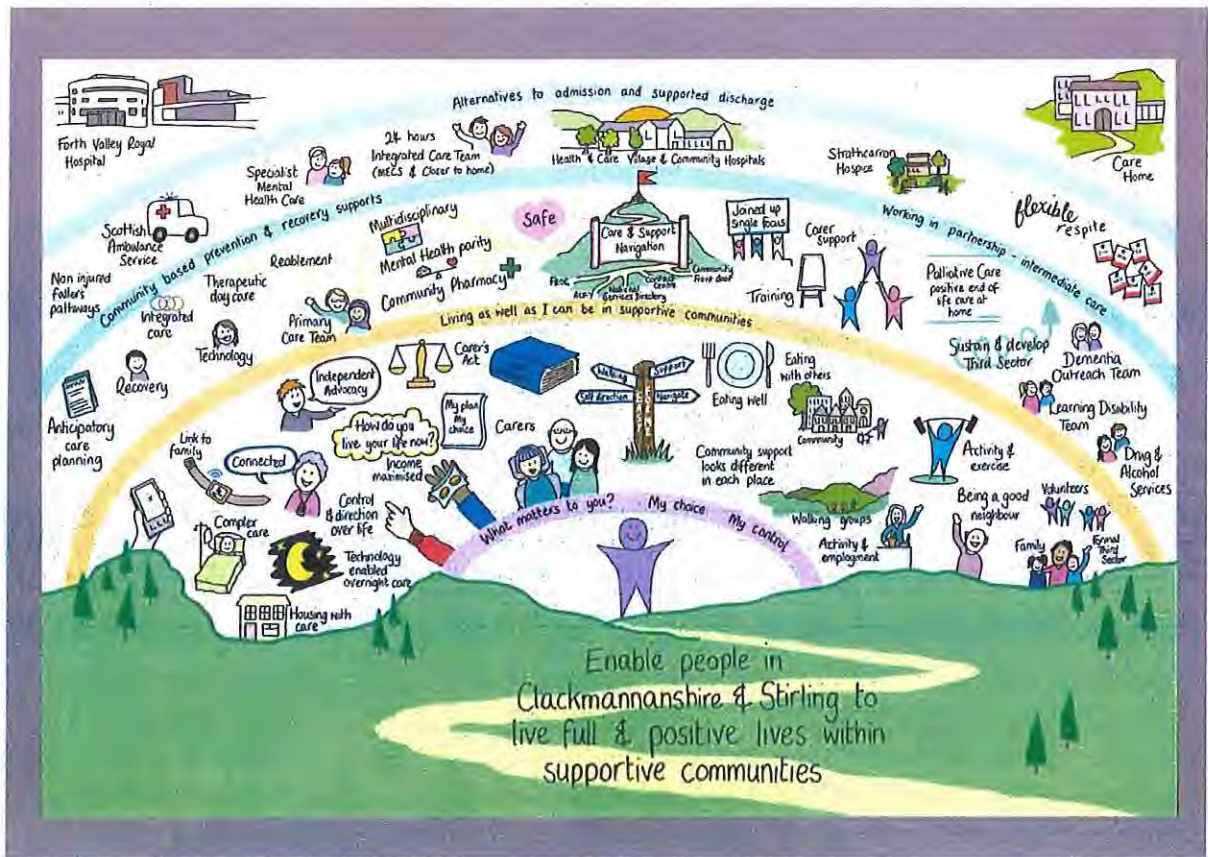
Principal Activities

During 2017/18 the key activities of Clackmannanshire and Stirling Integration Joint Board included:

- Issuing of Directions to Clackmannanshire Council, NHS Forth Valley and Stirling Council for their respective delegated functions from 1 April 2017, as set out in the Integration Scheme. The Directions are the mechanism by which the Integration Joint Board instructs the constituent authorities to carry out the delegated functions. These documents set out how the Integration Joint Board expect the constituent bodies to deliver each function, and spend Integration Joint Board resources, in line with the Strategic and Financial Plans.
- Developing the Transforming Care Programme as the overarching delivery programme for the progressing implementation of the Partnership Strategic Plan priorities. The key elements of the Transforming Care Programme are:
 - Intermediate Care
 - Day Services
 - Mental Health and Learning Disabilities
 - Self Directed Support
 - Delayed Discharge
 - Stirling Health and Care Village
 - Models of Neighbourhood Care
 - Primary Care Transformation
 - High Health Gain

Rich Picture

- A 'rich picture' was commissioned to articulate the partnership vision and transforming care programme visually.



Key Achievements in 2017/18

- Developing, linked to budget planning, Options for Service Delivery 2018 to 2020 and undertaking a public consultation exercise.
- Further development of financial, risk and performance reporting arrangements as part of the corporate governance arrangements for the Integration Joint Board.
- Implementing delegation of operational management arrangements for Adult Social Care Service in Clackmannanshire and progressing plans for delegation of further operational management arrangements in respect of Adult Social Care Services in Stirling and relevant NHS services during 2018/19
- Review of the Integration Joint Boards committee structure and establishing and agreeing terms of reference for the Integration Joint Board Finance Committee
- Progressing with planning and construction for the Stirling Health and Care Village
- Undertaking a further review of the utilisation and effectiveness of deployment of Partnership Funding allocated to the partnership from Scottish Government based on evidence of impact, value, alignment with and contribution to the Strategic Plan Priorities and Key Performance Objectives.
- Agreement of the process for developing the Strategic Commissioning Plan for 2019-2022 including:
 - Updating the Joint Strategic Needs Assessment
 - Further development of locality planning arrangements
 - Agreement of Partnership Planning Approach including Strategic and Financial Alignment
- Developing arrangements for the implementation of the Carers (Scotland) Act 2016.
- Agreeing the budget for financial year 2018/19 taking account of the challenging financial environment facing the constituent authorities and therefore the Partnership as a whole.

2017/18 Annual Accounts

The Accounts report the financial performance of the Integration Joint Board. Its main purpose is to demonstrate the stewardship of the public funds which have been entrusted to us for the delivery of the Integration Joint Board's vision and its core outcomes as expressed within the Strategic Plan. 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 2017/18 Annual Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting and the Local Authority Accounts (Scotland) Regulations 2014.

The financial regime of the Integration Joint Board was used in 2016/17 to declare a surplus of £3.412m, £2.724m of which was earmarked to be spent future years. This surplus was a mix of general and earmarked reserves.

For financial year 2017/18 a deficit of £1.053m has been declared reflecting the net reduction in reserves held between 1 April 2017 and 31 March 2018. The general reserves previously held by the Integration Joint Board have been utilised to meet, in part, the financial pressures in 2017/18.

At 31 March 2018 the Integration Joint Board holds £2.359m of reserves which are earmarked for use in future years. The majority of these reserves relate to the provisions for bridging the care models that will be sustained within Stirling Health and Care Village and managing the difference in timing of allocations from Scottish Government and expenditure for transformation programmes including those relating to Unscheduled Care, Mental Health and Primary Care.

The Integration Scheme sets out the arrangements for agreeing how financial risk is managed. An agreement for additional contributions from the constituent authorities of the partnership was made for 2017/18 only and the impact of these additional contributions is reflected in the accounts. Going forward, given the lack of general reserves to assist in managing unforeseen financial pressures and the ongoing tight fiscal environment, it is paramount to ensure sustainable service delivery within resources available.

Key Partnership Performance Issues

The Integration Joint Board continues to further develop a performance management culture throughout the Partnership.

The Integration Joint Board receives a performance report at each meeting which along with financial reports and reporting on the Transforming Care Programme, gives a rounded view of the overall performance, financial sustainability and progress in implementing the Strategic Plan priorities of the Partnership. The triangulation of key performance indicators, measureable progress in delivering the priorities of the Strategic Plan and financial performance is regarded as forming the cornerstone of demonstrating best value within a culture of continuous improvement and best value.

In line with statutory requirements an Annual Performance Report has been produced and was presented to the Integration Joint Board, in draft form, at its June 2018 meeting. The published Annual Performance Reports for the Partnership can be found here <https://nhsforthvalley.com/about-us/health-and-social-care-integration/clackmannanshire-and-stirling/performance/>.

This is the second Annual Performance Report published by the Partnership it is acknowledged the approach and quality of performance reporting will continue to develop in future years including the development of locality arrangements. The Annual Performance Report details progress in relation to the high level Partnership priorities along with summary and detailed performance information.

The Annual Performance Report incorporates comparative information for Scotland as a whole and an agreed set of comparator Health and Social Care Partnerships with relatively similar profiles in terms of relative needs of the partnership populations. These are South Ayrshire, East Lothian, Angus, Moray, Perth and Kinross and Falkirk.

The key performance issues arising from the report were:

- For the majority of Core Suite of Integration Indicators the Clackmannanshire and Stirling Partnerships performance is broadly similar to comparator Partnerships and Scotland as a whole (Source: Annual Performance Report: Our Performance: A Summary)
- There is generally high satisfaction with Health and Social Care services within the Partnership area. (Source: Annual Performance Report: Our Performance: A Summary)
- There requires to be a continued focus on supporting carers to continue to in their caring role (Source: Annual Performance Report: Our Performance: A Summary).
- Delayed Discharge Performance continues to be in the second highest quintile nationally and significantly better than Scotland and comparator partnerships with a positive downward trend being observed over 2017/18 (Source: Annual Performance Report: Delayed Discharge and Unscheduled Care).
- Emergency Admission and Emergency Bed Day rates (per 100,000 population) for the Partnership continue to be notably lower than for comparator partnerships and for Scotland. The Emergency Admission Rate has, however, risen from 2016/17. (Source: Our Performance: A Summary Core Indicators N12 and N13)
- The Readmissions to Hospital within 28 days (per 1000 population) are higher than for Scotland as a whole but similar to comparator partnerships (Source: Our Performance: A Summary Core Indicator N14)
- The number of days people aged 75+ spend in hospital when they are ready to be discharged (per 1,000 population) is notably lower for the Partnership than for

comparator partnerships and Scotland as a whole (Source: Our Performance: A Summary Page 21 Core Indicator N19)

In terms of the overall approach to performance benchmarking with comparator partnerships with a broadly similar pattern of demography and needs is viewed as valuable and will be further developed in the future. This along with the availability of high quality and more contemporary data is regarded as paramount to the further development of performance reporting.

Summary of Partnership Performance

Core Suite of Integration Indicators - Annual Performance (as at June 18)

	Indicator	Title	Partnership	Comparator Average	Scotland
Outcome indicators	NI - 1	Percentage of adults able to look after their health very well or quite well	94%	94%	93%
	NI - 2	Percentage of adults supported at home who agreed that they are supported to live as independently as possible	82%	80%	81%
	NI - 3	Percentage of adults supported at home who agreed that they had a say in how their help, care, or support was provided	74%	74%	76%
	NI - 4	Percentage of adults supported at home who agreed that their health and social care services seemed to be well co-ordinated	76%	74%	74%
	NI - 5	Total % of adults receiving any care or support who rated it as excellent or good	78%	80%	80%
	NI - 6	Percentage of people with positive experience of the care provided by their GP practice	87%	82%	83%
	NI - 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	79%	79%	80%
	NI - 8	Total combined % carers who feel supported to continue in their caring role	38%	37%	37%
	NI - 9	Percentage of adults supported at home who agreed they felt safe	86%	83%	83%
	NI - 10	Percentage of staff who say they would recommend their workplace as a good place to work	NA	NA	NA

Core Suite of Integration Indicators - Annual Performance (as at June 18)

Indicator	Title	Partnership			Comparator Average	Scotland
		Baseline 15/16	Current			
			16/17	17/18		
NI - 11	Premature mortality rate per 100,000 persons aged under 75 years	425	389	NA	401	440
NI - 12	Emergency admission rate (per 100,000 adult population)	10,367	10,010	10,699	11,762	11,959
NI - 13	Emergency bed day rate (per 100,000 population)	118,775	111,969	109,934	118,993	115,518
NI - 14	Readmission to hospital within 28 days (per 1,000 population)	103	105	104	103	97
NI - 15	Proportion of last 6 months of life spent at home or in a community setting	86%	87%	87%	88%	88%
NI - 16	Falls rate per 1,000 population aged 65+	18	16	20	20	22
NI - 17	Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections	82%	86%	94%	86%	83%
NI - 18	Percentage of adults with intensive care needs receiving care at home	69%	67%	NA	62%	62%
NI - 19	Number of days people aged 75+ spend in hospital when they are ready to be discharged (per 1,000 population)	640	723	516	793	772
NI - 20	Percentage of health and care resource spent on hospital stays where the patient was admitted in an emergency	23%	22%	22%	25%	23%
NI - 21	Percentage of people admitted to hospital from home during the year, who are discharged to a care home	NA	NA	NA	NA	NA
NI - 22	Percentage of people who are discharged from hospital within 72 hours of being ready	NA	NA	NA	NA	NA
NI - 23	Expenditure on end of life care, cost in last 6 months per death	NA	NA	NA	NA	NA

Source: ISD are still developing these indicators and NA denotes where no data is available yet. Comparators: South Ayrshire, East Lothian, Argus, Moray, Perth & Kinross, Falkirk. Figures as at May 2018

Financial Performance and Outlook, Risks and Plans for the Future

The Partnership has continued to face significant financial challenges in 2017/18-requiring the development and monitoring of budget recovery plans and Options for Service Delivery in congruent with the priorities agreed within the Partnerships Strategic Plan.

The operational financial position for the Partnership was a net overspend of £2.601m for the financial year. The main cost drivers affecting the overspend were demand growth in Residential and Nursing Home Care and Care at Home and Family Health Services Prescribing costs. The overspend was met through a combination of general and appropriate earmarked reserves and reducing our commitments against Partnership Funding and additional non-recurrent funding contributions by the constituent authorities on an agreed risk sharing basis for 2017/18 only.

The table below sets out how the overspend was met:

	£m
2017/18 Overspend	<u>2.601</u>
Met By:	
Recovery Plan Actions	0.394
Additional Funding Contributions from Constituent Authorities	1.154
General Fund Balances:	
General Reserve	0.688
Earmarked Reserve: Integration Social Care	<u>0.365</u>
Total	<u>2.601</u>

Overall this resulted in a deficit of £1.053m for the Partnership for the financial year and results in a position going forward where the partnership holds no general reserves to assist in cushioning financial pressures in the 2018/19 and future years. Furthermore, the underlying recurrent overspend across the Partnership increases the requirement for savings and efficiency programmes to deliver cash releasing savings in 2018/19.

The Partnership therefore continues to face significant financial challenges ahead to deliver the Strategic Plan priorities and improved outcomes for patients/service users, unpaid carers and communities in a climate of growing demand with finite resources.

The Integration Joint Board agreed its initial 2018/19 budget at its meeting held on 28 March 2018. The budget incorporated proposed payments (or resource transfers) from the constituent authorities who were considered to be fair and proportionate given the overall financial settlements to NHS Boards and Local Authorities. The 2018/19 payments from the constituent authorities taken alongside consideration of cost and services pressures, including pay awards, and the recurrent overspend from 2017/18 requires delivery of in the region of £5.1m of cash releasing savings across the Partnership in 2018/19 to mitigate foreseen financial pressures and provide a balanced financial position.

To facilitate this Options for Service Delivery were developed which informed the Efficiency and Savings Programmes forming part of the budget approved by the Integration Joint Board. These were risk assessed and delivery will be monitored by the Finance Committee during the financial year utilising a pan partnership savings tracker.

Further to its initial budget the Integration Joint Board will develop and agree plans linked to key elements of 'Investment in Reform' from Scottish Government during 2018/19.

These key elements are:

- Primary Care Transformation (including the new General Medical Services Contract)
- Mental Health (including Action 15)
- Alcohol and Drugs Partnerships

Pressure continues on public sector expenditure at a UK and Scottish level with further reductions in government funding predicted over the coming years.

The expanding fiscal responsibilities of the Scottish Parliament from the Scotland Acts of 2012 and 2016 mean that ongoing public expenditure in Scotland will be more directly affected by the performance, and therefore tax revenues, of the Scottish economy.

The Scottish Government published a Five Year Financial Strategy 'Scotland's Fiscal Outlook' in May 2018 setting out a medium term view of Scotland's public finances and the Scottish Government's broad approach to using the new financial powers that were provided through the Scotland Acts 2012 and 2016. The financial strategy describes the Fiscal Framework, policy environment and spending pressures that the Scottish Government and its public services face over the next five years based on information available at the time of publication. The Financial Strategy will be supplemented by a Five Year Financial Plan for Health and Social Care in Scotland which is due to be published in September 2018. It is intended to fully develop a medium term financial plan for the Health and Social Care Partnership shortly thereafter taking account of:

- The context set out in the Scottish Governments Five Year Financial Strategy and Five Year Financial Plan for Health and Social Care
- Local and regional intelligence and modelling on the changing demand for services from regional planning work and local work on refreshing the Joint Strategic Needs Assessment
- Planned legislative changes including Free Personal Care for Under 65's
- The estimated impact of the Health and Social Care Partnerships Options for Service Delivery 2018 to 2020

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

- Continued economic uncertainty, and resultant effect on public spending, in the wake of the result of the UK's decision to leave the European Union(EU), commonly referred to as 'Brexit', and utilisation of the additional financial powers devolved to the Scottish Government through the Scotland Acts 2012 and 2016
- Increasing demand for and cost of health and social care services linked to demographic change including an ageing and increasing population with multiple and complex long term conditions; linked to this is the risk of additional service demand linked to implementation of the Carers Scotland (Act) 2016 and the extension of free personal care for under 65's
- The removal of the public sector pay cap and future public sector pay policy
- The health inequalities between the affluent and more deprived areas and the challenges of deprivation, housing and employment;
- The wider financial and economic environment, with significant ongoing restraint in public expenditure anticipated in future years;
- Increasing public expectations from health and social care services:

- The need to maintain and improve the quality of services and improve outcomes for service users, unpaid carers and communities; and
- Workforce challenges including the ageing workforce and issues around recruitment and retention of elements of the health and social care workforce.
- Maintaining performance against the key local and national indicators whilst bringing service delivery within resources available.

However, there continues to be opportunities for the Integration Joint Board to use its combined resources in a more effective, efficient and person-centred way to make better use of public resources while creating increased public value and avoiding duplication of effort.

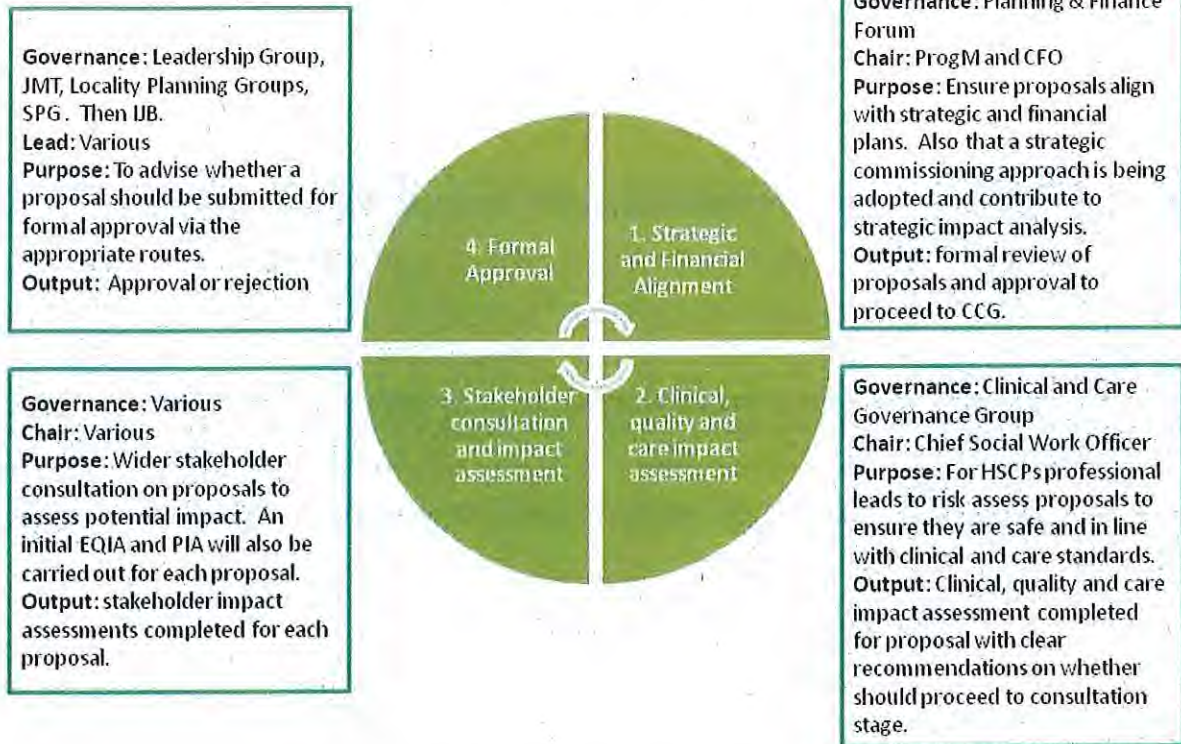
There is an increased demand on services that will exceed available resources if we do not continue to work together in more integrated ways. The Partnership will continue to adopt a whole-systems approach to improve health and social care outcomes and will work alongside Community Planning partners to address wider issues in relation to planning, public health and health improvement.

This will ensure a joint contribution to encouraging, supporting and maintaining the health and wellbeing of people who live in our community. This will assist the partnership in addressing the challenges faced.

It is recognised that if there are not further significant changes to the way that services are planned and delivered with partners across all sectors, current service provision will not be sufficient to meet the future health and social care needs of the population. We must therefore continue to embed new ways of working and seek to focus resources away from bed based models of care into community based services. We need to continue to critically appraise and challenge our current models of service delivery to ensure our combined resources are focused on areas of greatest need delivering the best outcomes to our service users and patients, and that crucially we harness the capacity of local communities to support the wider preventative, health and wellbeing outcomes.

Moving forward there will increasingly be a requirement to focus investment of available resources on Strategic Priorities and meeting statutory obligations. The Integration Joint Board approved a future Partnership Planning Approach in March 2018 to aid Strategic and Financial Alignment of service planning going forward. The key elements of this approach are set out in the schematic below:

Strategic & Financial Alignment



The Integration Joint Board’s Strategic Plan describes our plans, and how we will move towards delivering on our priorities, setting out the context, challenges, priorities and action plans for the new Health and Social Care Partnership. The strategic plan is supplemented by regular reports to the Integration Joint Board on Transforming Care and Performance.

Conclusion

In this second year of operations the Partnership has made significant further progress in the planning and delivery of the Partnerships' Strategic Plan.

Progress in delivering the Transforming Care Programme during 2017/18 was reported to the Integration Joint Board in June 18. This demonstrated the scale of activities and significant level of progress in relation to the key elements over the year.

Going forward, the Clackmannanshire and Stirling Health and Social Care Partnership will continue to face significant financial challenges in delivering better outcomes for its patients and service users, in line with its Strategic and Financial Plans, in a climate of growing demand and complexity within finite resources.

In order to achieve this we must continue to identify and implement innovative ways to deliver customer focused services cost effectively through pursuit of the Options for Service Delivery for 2018/19 to 2019/20.

We will continue to work with staff, managers, services, partners (including the third and independent sectors) and our communities to lead and support service redesign reviews, to identify and implement innovative, cost effective and person centred, outcomes focused service delivery models and pathways, and contribute to the delivery of the Partnership's Strategic Plan within resources available.

Where to Find More Information

If you would like more information please visit our webpage at:

<http://nhsforthvalley.com/about-us/health-and-social-care-integration/clackmannanshire-and-stirling/>

The papers and minutes from meeting of the Integration Joint Board can be found here:

<https://nhsforthvalley.com/about-us/health-and-social-care-integration/clackmannanshire-and-stirling/integration-joint-board-meetings-and-papers/>

The Partnerships strategic plan and associated documents can be accessed here:

<http://nhsforthvalley.com/about-us/health-and-social-care-integration/clackmannanshire-and-stirling/consultation-feedback/>


John Ford
Chair
26 September 2018


Shiona Strachan
Chief Officer
26 September 2018


Ewan C. Murray
Chief Finance Officer
26 September 2018

Statement of Responsibilities

Responsibilities of the Integration Joint Board

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 board has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this authority, that officer is the chief 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 Accounts.

I confirm that these Annual Accounts were approved for signature on 26 September 2018.

Signed on behalf of the Clackmannanshire and Stirling Integration Joint Board.



John Ford
Chair

26 September 2018

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).

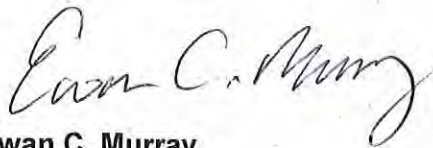
In preparing the Annual Accounts, the chief financial officer has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with legislation
- complied with the local authority Code (in so far as it is compatible with legislation)

The chief financial officer has also:

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities

I certify that the financial statements give a true and fair view of the financial position of the Clackmannanshire & Stirling Integration Joint Board as at 31 March 2018 and the transactions for the year then ended.



Ewan C. Murray
Chief Finance Officer

26 September 2018

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.

Voting Membership of the Integration Joint Board in 2017/18

Voting members of the Integration Joint Board constitute Councillors nominated as Board members by constituent authorities and NHS representatives nominated by the NHS Forth Valley. The voting members of the Clackmannanshire and Stirling Integration Joint Board were appointed through nomination by Clackmannanshire Council, NHS Forth Valley and Stirling Council.

Voting Membership of the Integration Joint Board during 2017/18 was as follows:

Clackmannanshire Council

Councillor Les Sharp (Chair until May 2017)
Councillor Ellen Forson (From June 2017)
Councillor Dave Clark (From June 2017)
Councillor Bill Mason (From June 2017)

NHS Forth Valley

John Ford (Vice Chair till May 2018), Non Executive Member of NHS Forth Valley Board (Chair from May 2018 to present)
Fiona Ramsay, Interim Chief Executive (From April 2017 to December 2017)
Cathie Cowan, Chief Executive (From December 2017)
Alex Linkston, Chair of NHS Forth Valley
Fiona Gavine, Non Executive Member of NHS Forth Valley Board
Graham Foster, Director of Public Health and Strategic Planning
Joanne Chisholm, Non Executive Member of NHS Forth Valley Board

Stirling Council

Councillor Scott Farmer (Chair from June 2017 to May 2018)
Councillor Christine Simpson (until May 2017)
Councillor Johanna Boyd (until May 2017)
Councillor Graham Houston (from June 2017)
Councillor Susan McGill (from June 2017)

Remuneration: Integration Joint Board Chair and Vice Chair

The voting members of the Integration Joint Board are appointed through nomination by Clackmannanshire & Stirling Councils and NHS Forth Valley. Nomination of the Integration Joint Board Chair and Vice Chair post holders alternates between a Councillor and a Health Board representative.

The Integration Joint Board does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the Integration Joint Board. The Integration Joint Board does not reimburse the relevant partner organisations for any voting board member costs borne by the partner and the 2016/17 figures have been restated to reflect this position. The details of the Chair and Vice Chair appointments and any remuneration and taxable expenses paid are shown below.

Taxable Expenses 2016/17 (Restated) £	Salary, Fees and Allowances 2016/17 (Restated) £	Name	Post(s) Held	Nominated by	Taxable Expenses 2017/18 £	Salary, Fees and Allowances 2017/18 £
Nil	Nil	Councillor Scott Farmer	Chair May 2017 to March 2018	Stirling Council	Nil	Nil
Nil	Nil	Councillor Les Sharp	Chair April 2017 to May 2017	Clackmannanshire Council	Nil	Nil
Nil	Nil	Mr John Ford	Vice Chair April 2017 to March 2018	NHS Forth Valley	Nil	Nil
Nil	Nil	Total			Nil	Nil

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

Remuneration: Officers of the Integration Joint Board

The Integration Joint Board does not directly employ any staff in its own right; however 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 Integration Joint Board has to be appointed and the employing partner has to formally second the officer to the Integration Joint Board. The employment contract for the Chief Officer will adhere to the legislative and regulatory framework of the employing partner organisation. The remuneration terms of the Chief Officer's employment are approved by the Integration Joint Board.

The Chief Officer is employed by Clackmannanshire Council.

Other Officers

No other staff are appointed by the Integration Joint Board under a similar legal regime. Other non-voting board members who meet the criteria for disclosure are included in the disclosures below. The Integration Joint Board Chief Finance Officer also undertook the Chief Finance Officer role for Falkirk Integration Joint Board until 30 June 2017. Hence, the remuneration figures for the Chief Finance Officer included in the table below represents 50% of his remuneration from 1 April 2017 till 30 June 2017 and 100% of his remuneration from 1 July 2017 till 31 March 2018.

The Chief Finance Officer is employed by NHS Forth Valley.

Total 2016/17 £	Senior Employees	Salary, Fees & Allowances £	Taxable Expenses £	Total 2017/18 £
89,686	Shiona Strachan Chief Officer 1 July 2015 to present	90,583	0	90,583
30,893	Ewan Murray Chief Finance Officer 26 October 2015 to present	58,116	75	58,191
120,579	Total	148,699	75	148,774

The Chief Finance Officers Full Time Equivalent Salary is £66,443.

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 Integration Joint Board balance sheet for the Chief Officer or any other officers.

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

Senior Employee	In Year Pension Contributions		Accrued Pension Benefits		
	For Year to 31/03/17 £	For Year to 31/03/18 £		Difference from 31/03/17 £000	As at 31/03/18 £000
Shiona Strachan Chief Officer	18,834	19,475	Pension	2	38
			Lump sum	1	71
Ewan Murray Chief Finance Officer	4,584	8,659	Pension	10	21
			Lump Sum	24	52
Total	23,418	28,134	Pension	12	59
			Lump Sum	25	123

The increase in the Chief Finance officers salary and pension figures in comparison to 2016/17 is largely related to the post changing from 0.5 Full Time Equivalent to Full Time from July 2017.

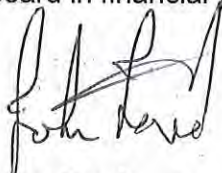
Disclosure by Pay Bands

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

Number of Employees in Band 2016/17	Remuneration Band	Number of Employees in Band 2017/18
0	£55,000 - £59,999	1
1	£85,000 - £89,999	0
0	£90,000 - £94,999	1

Exit Packages

There were no exit packages in relation to Clackmannanshire and Stirling Integration Joint Board in financial year 2017/18.



John Ford
Chair

26 September 2018



Shiona Strachan
Chief Officer

26 September 2018

Annual Governance Statement

Introduction

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

Scope of 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 Integration Joint Board 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 Integration Joint Board's policies, aims and objectives. Reliance is also placed on the NHS Forth Valley and Clackmannanshire and Stirling Councils systems of internal control that support compliance with these organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the Integration Joint Board.

Given the Integration Joint Board utilises the systems of internal control within NHS Forth Valley, Clackmannanshire and Stirling Councils the system can only provide reasonable and not absolute assurance of effectiveness.

The Governance Framework and Internal Control System

The Board of the Integration Joint Board comprises voting members, nominated by either Clackmannanshire or Stirling Council or the NHS Forth Valley, as well as non-voting members including a Chief Officer appointed by the Board.

The main features of the governance framework in existence during 2017/18 were:

- The Integration Scheme
- Standing Orders
- Scheme of Delegation
- Financial Regulations and Reserves Policy and Strategy
- Code of Conduct and Register of Interests
- Integration Joint Board Audit Committee
- Clinical and Care Governance Framework
- Complaints Handling Procedure
- Information Security Policy
- General Data Protection Regulation

The governance framework described operates on the foundation of internal controls, including management and financial information, financial regulations, administration, supervision and delegation. During 2017/18 this included the following:

- Management information systems and regular monitoring reports, including performance and financial reporting
- Review of and Approval of Reserves Policy and Strategy
- Established budget setting processes in line with the Integration Scheme

- Consideration of Internal Audit Progress Reports
- Direct access to expert advice from the Medical Director of NHS Forth Valley and the Chief Social Work Officers of Clackmannanshire and Stirling Councils
- Data sharing arrangements
- Complaints Handling Procedures
- The Integration Joint Board Audit Committee
- Review of Integration Joint Board Committee structure including establishment and approval of Terms of Reference for a Finance Committee

The Integration Joint Board utilises the internal control systems of Clackmannanshire Council, Stirling Council and NHS Forth Valley in the commissioning and delivery of in-scope functions. No specific weaknesses have been identified with these systems during 2017/18 though key areas of improvement identified within each of the constituent authorities' governance statements will have relevance to the in-scope functions of the Integration Joint Board.

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 Head of Internal Audit reports directly to the Integration Joint Board Audit Committee with the right of access to the Chief Financial Officer, Chief Officer and Chair of the Integration Joint Board Audit Committee on any matter. The annual programme of internal audit work is based on a risk assessment, and is approved by the Integration Joint Board Audit Committee.

Review of Adequacy and Effectiveness

The Integration Joint Board is required to conduct, at least annually, a review of the effectiveness of its governance framework including the system of internal control.

In 2017/18 this review was undertaken the following ways:

- Consideration and Approval of an Internal Audit Charter
- Internal Audit reviews and reports on:
 - Financial Reporting (September 2017)
 - Performance Management (February 2018)
 - Adult Social Care Invoicing Arrangements (Clackmannanshire) (August 2018)
- A self assessment of the Integration Joint Boards corporate governance arrangements was completed by the Chief Finance Officer in consultation with the Chief Officer in August 2018.
- A progress report on recommendations from previous Internal Audit reports was also be considered by the Integration Joint Board Audit Committee in August 2018.

The Internal Audit Reviews on Financial Reporting and Performance Management both provided substantial assurance that the Integration Joint Board's financial reporting and performance management arrangements are appropriate and operating effectively. The Internal Audit Review of Adult Social Care Invoicing Arrangements (Clackmannanshire) provided limited assurance with regard to Adult Social Care Invoicing System arrangements within Clackmannanshire Council. Whilst some of the findings relate to the limitations of the functionality of the Adult Social Care system itself, for which there are current plans to replace, given the concerns raised in the review a rapid improvement plan has been put in place to address the recommendations.

A further update in the development of corporate governance arrangements identified from the self-assessment and the governance workplan will be presented to the Audit Committee in December 2018 and monitored by the Audit Committee going forward.

As partnership arrangements evolve further during 2018/19 it is acknowledged there will be a requirement for a comprehensive review of the Integration Joint Boards governance frameworks including the Scheme of Delegation and Financial Regulations.

The Chief Internal Auditors Annual Report was considered by the Integration Joint Board Audit Committee in August 2018. The report concluded that:

- reasonable assurance can be placed upon the adequacy and effectiveness of the Integration Joint Board's governance arrangements, while noting that:
 - improvement actions are required and have been agreed between Internal Audit and the Chief Finance Officer;
 - there are plans for necessary further development of the governance arrangements, such as the approach to the Directions to the partners;
 - approval of the Partnership Budget for 2018/19 in March 2018, as in previous years, recognised that the NHS element is subject to approval of the NHS Forth Valley 2018/19 Draft Financial Plan;
 - recognition, as highlighted in the Integration Joint Board Budget report on 28 March 2018, that the Partnership remains at high risk of overspending in 2018/19; and,
 - steps are being taken in response to repeated and continuing budgetary issues, in particular the establishment of a Finance Committee;

- the internal control environment provides reasonable assurance that any significant risks impacting on the Integration Joint Board's principal objectives will be identified and actions taken to avoid or mitigate their impact; and,
- there are no significant concerns around the consistency of the draft Annual Governance Statement with information that I am aware of from my work.

The Integration Joint Board will consider the management responses to the recommendations made within the Chief Internal Auditors report including the the development and approval of a local code of corporate governance, whistleblowing and counter fraud procedures and consideration of making the register of interests more accessible within it's governance workplan which is monitored by the Audit Committee.

Progress on Areas for Improvement Identified in 2016/17

Areas for Improvement Identified in 2016/17	Action Undertaken in 2017/18
1. An action plan to be developed covering planned improvements to governance arrangements and presented to and monitored by the Audit Committee	Governance action plan developed and update reported to Audit Committee as a standing agenda item from September 2017.
2. A clear and comprehensive Scheme of Delegation is finalised and implemented without undue delay.	The extant Scheme of Delegation was approved by IJB in November 2016. This was due to be reviewed by March 2018 however given the further changes in operational management and delegation arrangements planned for September 2018 this has been deferred to ensure it is fit for purpose for the revised arrangements. It is therefore encompassed within the 2018/19 Action Plan below.

2018/19 Action Plan

Following consideration of the review of adequacy and effectiveness the following actions have been agreed to ensure continual improvement of the Integration Joint Board's governance.

	Area for Improvement and Outcome to Be Achieved	Improvement Action Agreed	Responsible Party	Completion Date
1.	Further to clarity being reached on further delegation of further operational responsibilities from Stirling Council and NHS Forth Valley a comprehensive review of the IJBs Governance Frameworks will be undertaken.	Review to be undertaken and presented to the Audit Committee for Approval including development of an overarching local code of corporate governance and whistleblowing and counter fraud procedures	Chief Finance Officer	December 2018

2.	The Scheme of Delegation is reviewed and implemented.	Scheme of Delegation to be reviewed Integration Joint Board for approval.	Chief Officer	November 2018
3.	Review of Approach to Directions	Review and Approve Future Approach to Direction taking account of guidance and identified good practice and linked to agreement of 2019-2022 Strategic Commissioning Plan	Chief Officer, Chief Finance Officer and Lead Solicitor	March 2019

Conclusion and Opinion on Assurance

While recognising that improvements are required on an ongoing basis as partnership arrangements evolve, and as detailed above, it is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Integration Joint Board's governance arrangements.

We consider that the internal control environment provides reasonable and objective assurance that any significant risks impacting on the Integration Joint Board'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.



John Ford

26 September 2018

Chair



Shiona Strachan

26 September 2018

Chief Officer

Comprehensive Income and Expenditure Statement

This statement shows the cost of providing services for the year according to accepted accounting practices. Where the impact on the General Fund is amended by statutory adjustments this is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

Gross Expenditure £000	Gross Income £000	2016/17 Net Expenditure £000		Gross Expenditure £000	Gross Income £000	2017/18 Net Expenditure £000
19,816	0	19,816	Large Hospital Services	19,985	0	19,985
91,024	0	91,024	Community Health and Social Care Services	94,411	0	94,411
65,383	0	65,383	Primary Care	67,034	0	67,034
235	0	235	IJB Running Costs	262	0	262
176,459		176,459	Cost of Services	181,692		181,692
	(179,871)	(179,871)	Taxation and Non-Specific Grant Income (Note 6)		(180,639)	(180,639)
176,459	(179,871)	(3,412)	(Surplus) or Deficit on Provision of Services	181,692	(180,639)	1,053
		(3,412)	Total Comprehensive Income and Expenditure			1,053

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

Movement in Reserves Statement

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

Movements in Reserves During 2017/18	General Fund Balance	Unusable Reserves	Total Reserves
	£000	£000	£000
Opening Balance at 31 March 2017	(3,412)	-	(3,412)
Total Comprehensive Income and Expenditure	1,053	-	1,053
Decrease in 2017/18	1,053	-	1,053
Closing Balance at 31 March 2018	(2,359)	-	(2,359)

Movements in Reserves During 2016/17	General Fund Balance	Unusable Reserves	Total Reserves
	£000	£000	£000
Opening Balance at 31 March 2016	-	-	-
Total Comprehensive Income and Expenditure	(3,412)	-	(3,412)
Increase or Decrease in 2016/17	(3,412)	-	(3,412)
Closing Balance at 31 March 2017	(3,412)	-	(3,412)

Balance Sheet

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

31 March 2017 £000		Notes	31 March 2018 £000
<u>3,412</u>	Short term Debtors	Note 7	<u>2,359</u>
	Current Assets		
<u>3,412</u>	Net Assets		<u>2,359</u>
<u>3,412</u>	Usable Reserve: General Fund	Note 10	<u>2,359</u>
<u>3,412</u>	Total Reserves		<u>2,359</u>



Ewan C. Murray
Chief Finance Officer

26 September 2018

The unaudited accounts were issued on 27 June 2018 and the audited accounts were approved for issue on 26 September 2018.

Notes to the Financial Statements

1. Significant Accounting Policies

General Principles

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

The Integration Joint Board was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Section 106 body as defined in the Local Government (Scotland) Act 1973.

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

The accounts are prepared on a going concern basis, which assumes that the Integration Joint Board will continue in operational existence for the foreseeable future. The historical cost convention has been adopted.

Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when settlement in cash occurs. In particular:

- Expenditure is recognised when goods or services are received and their benefits are used by the Integration Joint Board.
- 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 and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the Balance Sheet.
- Where debts may not be received, the balance of debtors is written down

Funding

The Integration Joint Board is primarily funded through funding contributions from the statutory funding partners, Clackmannanshire and Stirling Councils and NHS Forth Valley Expenditure is incurred as the Integration Joint Board commissions' specified health and social care services from the funding partners for the benefit of service recipients in Clackmannanshire and Stirling.

Cash and Cash Equivalents

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

Employee Benefits

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

The Integration Joint Board has a legal responsibility to appoint a Chief Officer. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs.

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

Provisions, Contingent Liabilities and Contingent Assets

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

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

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

Reserves

The Integration Joint Board's reserves are classified as either Usable or Unusable Reserves.

The Integration Joint Board's only Usable Reserve is the General Fund. The balance of the General Fund as at 31 March shows the extent of resources which the Integration Joint Board can use in later years to support service provision.

The Integration Joint Board has no unusable reserves.

Indemnity Insurance

The Integration Joint Board has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Forth Valley, Clackmannanshire and Stirling Councils have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide.

Unlike NHS Boards, the Integration Joint Board does not have any 'shared risk' exposure from participation in CNORIS. The Integration Joint Boards 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 Integration Joint Board's Balance Sheet.

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

VAT

The Integration Joint is not registered for VAT and as such VAT is settled or recovered by the partner agencies.

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

2. Accounting Standards That Have Been Issued But Have Not Yet Been Adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2018/19 Code:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers including amendments to IFRS 15 Clarifications to IFRS 15 Revenue from Contracts with Customers
- Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses;
- Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative

The Code requires implementation from 1 April 2018 and there is therefore no impact on the 2017/18 financial statements.

3. Critical Judgements in Applying Accounting Policies

Set Aside Budget for Large Hospital Services

Based upon Scottish Government advice for financial year 2017/18 the sum include within the accounts in relation to the Set-Aside budget for Large Hospital services reflects the budget allocated rather than the actual cost of hospital activity. Systems are being developed to be able to provide this information within the accounts in future financial years. The approach to developing arrangements is detailed in a report to the Integration Joint Board meeting in June 2018.

Ordinary Residence Cases

During 2017/18 claims for the cost of care packages provided by Falkirk Council / Falkirk Health and Social Care Partnership were received by Clackmannanshire Council. These claims are currently in dispute. The council has made provision for the cost of these claims in 2017/18 to the value of £0.376m and without prejudice to the outcome of the due process and these costs are reflected in the expenditure of the Integration Joint Board for 2017/18.

The initial request to consider these cases was made in June 2016. Whilst it is the current understanding that no costs prior to 31 March 2017 will be pursued the council has made a contingent liability for £0.314m in the 2017/18 accounts. Should an actual liability be established for costs from June 2016 to March 2017 this would have an impact on the funding position of the Integration Joint Board.

4. Events After the Reporting Period

The Annual Accounts were authorised for issue by the Chief Finance Officer on 26 September 2018. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2018, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

5. Expenditure and Income Analysis by Nature

2016/17 £000		2017/18 £000
16,461	Services commissioned from Clackmannanshire Council	16,539
31,583	Services commissioned from Stirling Council	32,383
128,180	Services commissioned from NHS Forth Valley	132,508
215	Other IJB Operating Expenditure	235
3	Insurance and Related Expenditure	3
17	Auditor Fee: External Audit Work	24
0	Auditor Fee: Other Work	0
(179,871)	Partners Funding Contributions and Non-Specific Grant Income	(180,639)
<hr/>		
(3,412)	(Surplus) or Deficit on the Provision of Services	1,053

6. Taxation and Non-Specific Grant Income

2016/17 £000		2017/18 £000
16,518	Funding Contribution from Clackmannanshire Council	15,693
32,594	Funding Contribution from Stirling Council	31,787
130,759	Funding Contribution from NHS Forth Valley	133,159
0	Other Non-ringfenced grants and contributions	0
<hr/>		
179,871	Taxation and Non-specific Grant Income	180,639

The funding contribution from the NHS Board shown above includes £19,985,000 in respect of 'set aside' resources relating to acute hospital and other resources. These are provided by the NHS which currently retains responsibility for managing the costs of providing the services. The IJB however has responsibility for the consumption of, and level of demand placed on, these resources.

7. Debtors

31 March 2017		31 March 2018
£000		£000
0	Clackmannanshire Council	0
954	Stirling Council	760
2,458	NHS Forth Valley	1,599
0	Non-public sector	0
3,412	Debtors	2,359

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 Integration Joint Board.

8. Creditors

31 March 2017		31 March 2018
£000		£000
0	Non-public sector	0
0	Creditors	0

9. Provisions

No provisions have been made in the Integration Joint Board accounts.

10. Usable Reserve: General Fund

The Integration Joint Board holds a balance on the General Fund for two main purposes:

- To earmark, or build up, funds which are to be used for specific purposes in the future, such as known or predicted future expenditure needs. This supports strategic financial management.
- To provide a contingency fund to cushion the impact of unexpected events or emergencies. This is regarded as an element of the Integration Joint Board's financial resilience framework.

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

Clackmannanshire & Stirling IJB – Annual Accounts for the year ended 31 March 2018

2016/17				2017/18			
Balance at 1 April 2016	Transfers Out 2016/17	Transfers In 2016/17	Balance at 31 March 2017		Transfers Out 2017/18	Transfers In 2017/18	Balance at 31 March 2018
£000	£000	£000	£000		£000	£000	£000
0	0	(457)	(457)	Integration Fund	457	0	0
0	0	(863)	(863)	Partnership Funding	298	0	(565)
0	0	(306)	(306)	Primary Care and Mental Health Transformation Funds	0	(266)	(572)
0	0	(169)	(169)	Transforming Urgent Care Pharmacy First Mental Health Innovation Fund	0	(140)	(309)
				GP Cluster Model	0	(1)	(1)
0	0	(18)	(18)	Autism	0	(6)	(24)
0	0	(18)	(18)	Dementia Friendly	18	0	0
0	0	(39)	(39)	National Care Home Contract	39	0	0
0	0	(803)	(803)	Drug and Alcohol	112	0	(691)
0	0	(34)	(34)	See Hear	0	0	(34)
0	0	(17)	(17)	Sensory Impairment	6	0	(11)
0	0	(2,724)	(2,724)	Total Earmarked	930	(565)	(2,359)
0	0	(688)	(688)	Contingency	688	0	0
0	0	(3,412)	(3,412)	General Fund	1,618	(565)	(2,359)

11. Related Party Transactions

The IJB has related party relationships with the NHS Forth Valley and the Clackmannanshire & Stirling Councils. In particular the nature of the partnership means that the Integration Joint Board may influence, and be influenced by, its partners. The following transactions and balances included in the Integration Joint Board's accounts are presented to provide additional information on the relationships.

There are no material transactions with Clackmannanshire and Stirling Integration Joint Board officers or with organisations they have an interest in. The remuneration and any other taxable payments to senior officers, the Chair and Vice Chair are disclosed in the remuneration statement. Each Board member's registered interests will be published on the Integration Joint Board webpage in due course.

Transactions with NHS Forth Valley

2016/17		2017/18
£000		£000
(130,759)	Funding Contributions received from the NHS Board	(133,159)
128,222	Expenditure on Services Provided by the NHS Board	132,546
79	Key Management Personnel: Non-Voting Board Members	98
<hr/>		
(2,458)	Net Transactions with NHS Forth Valley	(515)

Key Management Personnel: The Chief Officer and Chief Finance Officer are employed by Clackmannanshire Council and NHS Forth Valley respectively and recharged to the Integration Joint Board via contributions from the constituent authorities based on voting shares. Details of the remuneration for the Chief Officer and Chief Finance Officer is provided in the Remuneration Report.

Support services were not delegated to the Integration Joint Board through the Integration Scheme and are instead provided by the constituent authorities free of charge as a 'service in kind'. The support services provided by NHS Forth Valley mainly consist of performance management, human resources, financial management, information services, information technology and payroll.

Balances with NHS Forth Valley

31 March 2017 £000		31 March 2018 £000
2,458	Debtor balances: Amounts due from the NHS Board	1,599
0	Creditor balances: Amounts due to the NHS Board	0
2,458 Net Balance with the NHS Forth Valley		1,599

Transactions with Clackmannanshire Council

2016/17 £000		2017/18 £000
(16,518)	Funding Contributions received from the Council	(15,693)
16,478	Expenditure on Services Provided by the Council	16,553
40	Key Management Personnel: Non-Voting Board Members	49
0 Net Transactions with Clackmannanshire Council		909

Support services were not delegated to the Integration Joint Board through the Integration Scheme and are instead provided by the constituent authorities free of charge as a 'service in kind'. The support services provided by Clackmannanshire Council mainly consist of standards officer, human resources, financial management, information services, information technology and payroll.

Balances with Clackmannanshire Council

31 March 2017 £000		31 March 2018 £000
0	Debtor balances: Amounts due from the Council	0
0	Creditor balances: Amounts due to the Council	0
0 Net Balance with Clackmannanshire Council		0

Transactions with Stirling Council

2016/17 £000		2017/18 £000
(32,594)	Funding Contributions received from the Council	(31,787)
31,600	Expenditure on Services Provided by the Council	32,397
40	Key Management Personnel: Non-Voting Board Members	49
(954) Net Transactions with Stirling Council		659

Support services were not delegated to the Integration Joint Board through the Integration Scheme and are instead provided by the constituent authorities free of charge as a 'service in kind'. The support services provided by Stirling Council mainly consist of governance, human resources, financial management, information services, information technology and payroll.

Balances with Stirling Council

31 March 2017 £000		31 March 2018 £000
954	Debtor balances: Amounts due from the Council	760
0	Creditor balances: Amounts due to the Council	0
954 Net Balance with Stirling Council		760

12. Expenditure Analysis

Expenditure on services commissioned by the Clackmannanshire and Stirling Integration Joint Board from its constituent authorities is analysed below.

Expenditure and Funding Analysis

HEALTH SERVICES	Budget £'000	Actual Expenditure £'000	Variance £'000
<u>Set Aside</u>			
Accident and Emergency Services	5,077	5,280	(203)
In patient Hospital Services Relating to :			
General Medicine	2,610	2,573	37
Geriatric Medicine	3,605	3,820	(215)
Rehabilitation Medicine	1,193	1,236	(43)
Respiratory Medicine	983	985	(2)
Psychiatry of learning disability	980	1,005	(25)
Palliative Care (Hospital Based)	894	887	7
Mental Health Inpatient Services	4,644	5,041	(397)
Subtotal	19,985	20,827	(842)
Adjustment to Budget		(842)	842
Subtotal	19,985	19,985	0
<u>Operational</u>			
District Nursing Services	3,533	3,370	163
Community Addiction Services	2,636	2,581	55
Community Based AHP Services	5,602	5,480	122
Public Dental Service	989	1,011	(21)
Services provided outwith a hospital in relation to geriatric medicine	1,004	892	112
Palliative Care (delivered in Community)	71	75	(4)
Community Learning Disability Services	798	561	237
Community Mental Health Services	3,116	3,013	102
Continence Services	170	142	28
Services Provided to promote public health	1,361	1,240	121
Community Hospitals	5,548	5,744	(195)
Resource Transfer	8,179	8,179	(0)
Joint Partnership Agreements	1,617	1,876	(259)
Partnership Funds (ICF/ Delayed Discharge / Bridging)	3,081	3,086	(5)
Integration Fund	8,860	8,860	0
Reserves	(61)	(624)	563
Additional Contribution	577		577
Shared Partnership Posts	136	136	0
Subtotal	47,218	45,625	1,595
<u>Universal</u>			
Primary Medical Services (GMS Contract)	22,253	22,257	(4)
Primary Dental Services (GDS Contract)	7,693	7,669	23
Community Ophthalmic Services	2,632	2,632	(0)
Community Pharmaceutical Services	32,140	33,210	(1,069)
GP Out of Hours Services	1,237	1,266	(29)
Subtotal	65,956	67,034	(1,079)
TOTAL HEALTH SERVICES	133,158	132,644	518

Clackmannanshire & Stirling IJB – Annual Accounts for the year ended 31 March 2018

SOCIAL CARE SERVICES - CLACKMANNANSHIRE

Employee Expenditure	7,688	7,451	237
Premises Expenditure	11	38	(26)
Transport Expenditure	48	52	(3)
Supplies and Services	528	630	(102)
Misc Third Party Payments	658	508	150
Transfer Payments	442	577	(135)
Nursing Homes	7,049	7,233	(184)
Residential Homes	2,903	3,274	(372)
Housing with Care	257	185	72
Respite	0	221	(221)
Care at Home	6,664	7,169	(505)
Day Care	327	343	(16)
Depreciation & Impairment Losses	0	0	0
Resource Transfer (Health)	(6,876)	(7,038)	162
Income	(4,484)	(4,605)	121
Support Services	0	2	(2)
Garden Aid	125	125	0
Provisions		376	(376)
Additional Contribution	289		289
Shared Partnership Costs	63	63	0
TOTAL SOCIAL CARE SERVICES - CLACKMANNANSHIRE	15,693	16,602	(909)

SOCIAL CARE SERVICES - STIRLING

Long Term Care	15,541	15,571	(30)
Housing Aids and Adaptions	784	729	55
Voluntary Organisations / 3rd sector payments	625	652	(27)
Sensory services	205	217	(12)
Daycare	1,741	1,556	185
JLES	215	177	38
Equipment	163	130	33
Mecs/Telecare/Telehealth	592	613	(21)
Respite	300	838	(538)
Carers	0	0	0
Adult Support and Protection	0	0	0
Care and support at home	18,410	18,707	(296)
Transport	178	110	68
Drug and Alcohol services	122	122	0
Resource Transfer	(5,121)	(5,121)	0
Integration fund	(5,442)	(5,442)	0
Staffing	3,097	3,330	(233)
Reserves	25	194	(169)
Additional Contribution	289		289
Shared Partnership Posts	63	63	0
TOTAL SOCIAL CARE SERVICES - STIRLING	31,787	32,446	(659)

PARTNERSHIP TOTAL	180,639	181,692	(1,053)
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Independent Auditor's Report

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

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

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Clackmannanshire and Stirling Integration Joint Board for the year ended 31 March 2018 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the 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 2017/18 (the 2017/18 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2017/18 Code of the state of affairs of the body as at 31 March 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2017/18 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

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

Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Finance Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Chief Finance Officer and Audit Committee for the financial statements

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

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

The Audit Committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other information in the annual accounts

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

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

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

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

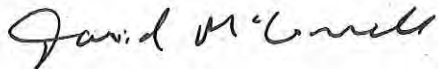
- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
-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

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.



David McConnell MA CPFA

Audit Director

Audit Scotland

4th Floor

8 Nelson Mandela Place

Glasgow

G2 1BT

27 September 2018

Glossary of Terms

Creditor

Amounts owed by the Integration Joint Board for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

Debtor

Amount owed to the Integration Joint Board for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

Defined Benefit Pension Scheme

Pension scheme in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

Entity

A body corporate, partnership, trust, unincorporated association or statutory body that is delivering a service or carrying on a trade or business with or without a view to profit. It should have a separate legal personality and is legally required to prepare its own single entity accounts.

Post Balance Sheet Events

Post Balance Sheet events are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Annual Accounts are authorised for issue.

Exceptional Items

Material items which derive from events or transactions that fall within the ordinary activities of the Integration Joint Board and which need to be disclosed separately by virtue of their size or incidence to give a fair presentation of the accounts.

Government Grants

Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the IJB. These grants may be specific to a particular scheme or may support the revenue spend of the IJB in general.

IAS

International Accounting Standards.

IFRS

International Financial Reporting Standards.

IRAG

Integration Resources Advisory Group

LASAAC

Local Authority (Scotland) Accounts Advisory Committee

Liability

A liability is where the Integration Joint Board owes payment to an individual or another organisation. A current liability is an amount which will become payable or could be called in within the next accounting period e.g. creditors or cash overdrawn. A non-current liability is an amount which by arrangement is payable beyond the next year at some point in the future or will be paid off by an annual sum over a period of time.

Provision

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

PSIAS

Public Sector Internal Audit Standards.

Related Parties

Bodies or individuals that have the potential to control or influence the IJB or to be controlled or influenced by the Integration Joint Board. For the Integration Joint Board's purposes, related parties are deemed to include voting members, the Chief Officer and their close family and household members.

Remuneration

All sums paid to or receivable by an employee and sums due by way of expenses Allowances (as far as these sums are chargeable to UK income tax) and the monetary value of any other benefits received other than in cash.

Reserves

The accumulation of surpluses, deficits and appropriation over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Integration Joint Board.

Revenue Expenditure

The day-to-day expenses of providing services.

Significant Interest

The reporting authority is actively involved and is influential in the direction of an entity through its participation in policy decisions.

The Code

The Code of Practice on Local Authority Accounting in the United Kingdom