



Clackmannanshire & Stirling  
**Health & Social Care  
Partnership**

## **Clackmannanshire & Stirling Integration Joint Board**

Annual Accounts 2018/19  
(Unaudited)



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



Clackmannanshire  
Council



**NHS**  
Forth Valley

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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 2018/19 represents the third full year of operations for the Clackmannanshire and Stirling Integration Joint Board and the final year of the initial Strategic Plan. 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 pan Forth Valley structures.

Clackmannanshire and Stirling Integration Joint Board approved its initial Strategic Plan 2016-2019 on 22 March 2016. The Strategic Plan set out the case for change, vision and outcomes and initial priorities for the Clackmannanshire and Stirling Health and Social Care Partnership (HSCP). At its March 2019 meeting the Integration Joint Board approved its Strategic Commissioning Plan for 2019-2022. This plan is based on a refreshed Strategic Needs Assessment, builds on the initial plan and agrees clear partnership priorities for the period.

This publication contains the financial statements for the financial year from 1 April 2018 to 31 March 2019.

### **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 2016-2019 articulated the high level priorities for the Partnership, expressed as a series of 'we will' statements. These were:

- 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

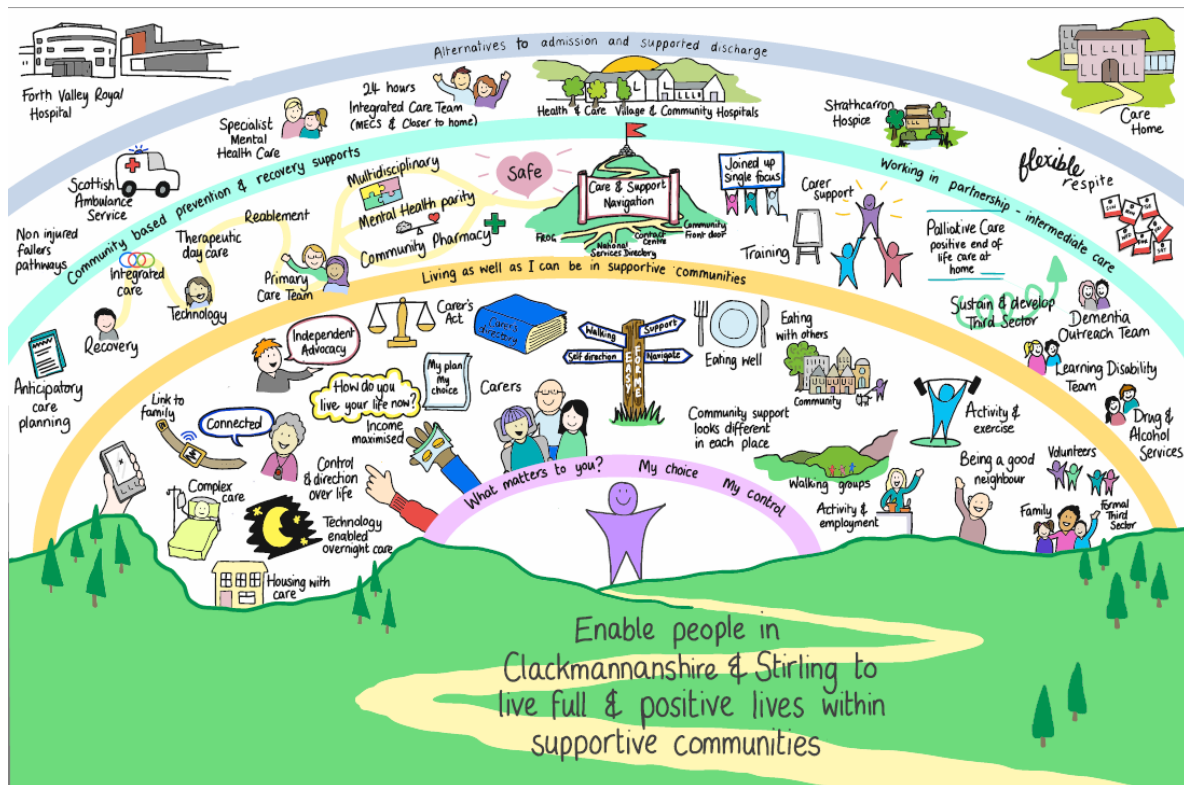
### **Principal Activities**

During 2018/19 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 2018, 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.
- Progression in implementation of 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 were:
  - 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

### **Business Model**

- The partnership's business model is best described in a visual manner. To this end a 'rich picture' was commissioned to articulate the partnership vision and transforming care programme.



### Key Achievements in 2018/19

- Delivery of the major elements of the Stirling Health and Care Village including
  - The Bellfield Centre incorporating a truly integrated care model and workforce.
  - The Primary and Urgent Centre incorporating 3 GP Practices, Minor Injuries, Associated Health Services and Scottish Ambulance Service
  - The final phase of the facility will be completed during 2019/20 including the Scottish Ambulance Services vehicle workshop and completion of demolition and grounds works including car parks and landscaping
- Implementing delegation of operational management arrangements for Adult Social Care Service in Stirling and progressing plans for delegation of further operational management arrangements relevant NHS services during 2018/19
- Review and strengthening of the Integration Joint Boards committee structure and establishing and agreeing revised terms of reference for the Finance & Performance Committee and Audit and Risk
- 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.
- Development and Approval of the Strategic Commissioning Plan for 2019-2022 including:
  - Focused update of the Joint Strategic Needs Assessment
  - Further development of locality planning arrangements
  - Agreement of Partnership Planning Approach including Strategic and Financial Alignment
  - Refreshed Partnership Workforce Plan
  - An extensive and transparent process of Public Engagement which will be an ongoing process
- Commencement of implementation of the Carers (Scotland) Act 2016

- Planning for implementation of Free Personal Care for under 65's (commonly referred to as 'Franks Law').
- Development and approval of a Primary Care Improvement Plan
- Development and Approval of Redesigns of Mental Health and Learning Disability Services including Action 15 of the Scottish Government Mental Health Strategy
- Agreeing a future approach to Directions linked to the Strategic Commissioning Plan for 2019/22
- Agreement on a Locality Management Structure and appointment to Locality Manager posts
- Taking forward appointment of the new permanent Chief Officer who takes up post in June 2019.
- Development of Partnership identity including logo and website.

### **2018/19 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 2018/19 Annual Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting and the Local Authority Accounts (Scotland) Regulations 2014.

For financial year 2017/18 a deficit of £1.053m was 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 were utilised to meet, in part, the financial pressures in 2017/18.

For financial year 2018/19 a deficit of £0.383m has been declared reflecting the net reduction in reserves held between 1 April 2018 and 31 March 2019. The reserves held by the Integration Joint Board have been utilised to meet, in part, the financial pressures in 2018/19 along with significant additional payments from the constituent authorities.

At 31 March 2019 the Integration Joint Board holds £1.977m of reserves which are earmarked for use in future years. The majority of these reserves relate to 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 (or payments) from the constituent authorities of the partnership is being finalised for 2018/19 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 the partnership develops and agrees plans for sustainable service delivery within resources available aligned to the priorities of the Strategic Commissioning Plan.

## 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, measurable 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 will be presented to the Integration Joint Board, in draft form, at its July 2019 meeting. The published Annual Performance Reports for the Partnership can be found here <https://clacksandstirlinghsc.org/performance/>

This will be the third Annual Performance Report published by the Partnership and 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 significantly better than Scotland and comparator partnerships despite an upward trend being observed over 2018/19 (Source: Annual Performance Report: Delayed Discharge).
- Emergency Admission Rates 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 Emergency Bed Day Rate (per 100,000 population) whilst having fallen slightly is not reducing at the same pace as for Scotland as a whole
- The Readmissions to Hospital within 28 days (per 1000 population) are slightly 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**

Indicators 1-9 of the core indicators draw on questions from the Health & Care Experience Survey. The Partnership set baseline data in the first annual report, due to publication timescales this was the most current data available at the time of production.

**Core Suite of Integration Indicators - Annual Performance (as at May 19)**

Indicator	Title	Partnership		Comparator Average	Scotland
		15/16	17/18	17/18	17/18
NI - 1	Percentage of adults able to look after their health very well or quite well	95%	94%	94%	93%
NI - 2	Percentage of adults supported at home who agreed that they are supported to live as independently as possible	82%	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	76%	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	73%	76%	74%	74%
NI - 5	Total % of adults receiving any care or support who rated it as excellent or good	78%	78%	80%	80%
NI - 6	Percentage of people with positive experience of the care provided by their GP practice	87%	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	77%	79%	79%	80%
NI - 8	Total combined % carers who feel supported to continue in their caring role	32%	38%	37%	37%

Outcome indicators

Clackmannanshire & Stirling IJB – Annual Accounts for the year ended 31 March 2019

NI - 9	Percentage of adults supported at home who agreed they felt safe	82%	86%	83%	83%
NI - 10	Percentage of staff who say they would recommend their workplace as a good place to work	no data	no data	no data	no data

**\*This data is for 17/18 as the survey is every 2 years\***

**Core Suite of Integration Indicators - Annual Performance (draft as at 6<sup>th</sup> June 19)**

\*Indicators that rely on health records SMR01 will not contain 100% of records for 18/19 at time of publication. Data is therefore likely to change retrospectively as completeness improves for Forth Valley. Where possible an average of the three quarters where completeness is 100% has been applied to the fourth quarter where all the data has yet to be submitted. This has given a guide figure.

Indicator	Title	Partnership				Comparator Average	Scotland
		Baseline 15/16	Current				
			16/17	17/18	18/19	18/19	18/19
NI - 11	Premature mortality rate per 100,000 persons aged under 75 years	425	389	379	no data	no data	no data
NI - 12	Emergency admission rate (per 100,000 adult population)	10,371	10,007	10,696	10,525* 3 quarters plus 4th averaged		11,492
NI - 13	Emergency bed day rate (per 100,000 population)	118,792	112,544	112,941	111,730* 3 quarters plus 4th averaged		107,921
NI - 14	Readmission to hospital within 28 days (per 1,000 population)	103	105	106	103* 3 quarter average	102	98
NI - 15	Proportion of last 6 months of life spent at home or in a community setting	86%	87%	87%	89.7%	89.2%	89.2%
NI - 16	Falls rate per 1,000 population aged 65+	18	16	20	22* 3 quarter average		22
NI - 17	Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections	82%	88%	96%	93%		82%

Clackmannanshire & Stirling IJB – Annual Accounts for the year ended 31 March 2019

NI - 18	Percentage of adults with intensive care needs receiving care at home	69%	67%	no data	no data	no data	no data
NI - 19	Number of days people aged 75+ spend in hospital when they are ready to be discharged (per 1,000 population)	640	723	503	593		805
NI - 20	Percentage of health and care resource spent on hospital stays where the patient was admitted in an emergency	23%	22%	22%	23%* 3 quarters plus 4th averaged		22%
NI - 21	Percentage of people admitted to hospital from home during the year, who are discharged to a care home	no data	no data	no data	no data	no data	no data
NI - 22	Percentage of people who are discharged from hospital within 72 hours of being ready	no data	no data	no data	no data	no data	no data
NI - 23	Expenditure on end of life care, cost in last 6 months per death	no data	no data	no data	no data	no data	no data

Source: ISD are still developing these indicators and NA defines where no data is available yet. Comparators: South Ayrshire, East Lothian, Angus, Moray, Perth & Kinross, Falkirk. Figures as at 4<sup>th</sup> June 2019

## Financial Performance and Outlook, Risks and Plans for the Future

### Financial Performance

The Partnership has continued to face significant financial challenges in 2018/19 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 £3.203m for the financial year. The main cost drivers affecting the overspend were demand and cost 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 utilisation of earmarked reserves without current expenditure plans, reducing our commitments against Partnership Funding through a process of review and disinvestment and additional non-recurrent funding contributions by the constituent authorities on a voting shares basis.

The table below sets out how the overspend was met:

	£m
<b>2018/19 Overspend</b>	<b><u>3.203</u></b>
Met By:	
Recovery Plan Actions	0.598
Additional Funding Contributions from Constituent Authorities	2.452
General Fund Balances:	
Earmarked Reserves	<u>0.153</u>
<b>Total</b>	<b><u>3.203</u></b>

Overall this resulted in a deficit of £0.383m 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 2019/20 and beyond. Furthermore, the underlying recurrent overspend across the Partnership increases the requirement for savings and efficiency programmes to deliver cash releasing savings across the lifecycle of the Strategic Commissioning Plan 2019-2022.

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, cost and complexity with finite resources.

The Integration Joint Board agreed an initial unbalanced 2019/20 budget at its meeting held on 27 March 2019. 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 2019/20 payments from the constituent authorities taken alongside consideration of cost and services pressures, including pay awards, and the recurrent overspend from 2018/19 requires delivery of in the region of £17m of cash releasing savings across the Partnership across the life of the Strategic Commissioning Plan to mitigate estimated financial pressures and provide a balanced financial position.

To facilitate this Options for Sustainable Service Delivery across the life of the Strategic Commissioning Plan continue to be developed including savings and efficiency programmes and aligned to Strategic Commissioning Plan priorities. These will be risk assessed and

delivery will be monitored via a proposed Transforming Care Board and assurance and reporting to the Integration Joint Board via the Finance and Performance Committee.

### Set Aside Budget for Large Hospital Services

The Set Aside budget covers the in-scope integration functions of the NHS that are carried out in a large hospital settings providing services to the population of more than one Local Authority and/or Partnership area. For the Clackmannanshire and Stirling Partnership this includes services provided at the Forth Valley Royal Hospital site including the Lochview Learning Disability Inpatient facility and at Bellsdyke hospital in Larbert (Mental Health Inpatients). This covers areas such as emergency department, geriatric and general medicine, palliative care, learning disability and mental health inpatient services.

NHS Forth Valley meets the pressures associated with the set aside budget and therefore the financial risk does not currently lie with the Integration Joint Board. As a result, the figures disclosed in the accounts reflect the budget position for the Set Aside element. However, financial reports to the Integration Joint Board include information on the actual estimated expenditure against the Set Aside budget, noting that NHS Forth Valley currently meets the financial pressure associated. A summary of the position is as follows:

	£m
Set Aside Budget	20.633
Estimated Expenditure	<u>21,738</u>
<b>Overspend Met by NHS Forth Valley</b>	<b><u>1.105</u></b>

Arrangements for the Set Aside budget are currently under review as part of the consolidated Partnership response to the Scottish Government Ministerial Strategic Group and the approach will require to change in future correspondingly.

### Financial Outlook

Pressure continues on public sector expenditure at both UK and Scottish level with continued restraint 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 five years based on information available at the time of publication.

The Financial Strategy was supplemented by a Medium Term Financial Framework for Health and Social Care in Scotland in October 2018. Work is ongoing in developing a medium term financial plan for the Partnership based on:

- The context set out in the Scottish Governments Five Year Financial Strategy and Medium Term Financial Framework for Health and Social Care
- Local and regional intelligence and modelling on the changing demand for services from regional planning work the refresh Strategic Needs Assessment
- The ongoing impact of changes in legislation including the Carers Act and Free Personal Care for <65's
- The estimated impact of the Health and Social Care Partnerships Options for Sustainable Service Delivery 2019/2022 aligned to Strategic Commissioning Plan priorities.

### Future Risks

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
- Public sector pay policy
- Price and supply volatility in the markets, at both UK and international levels for prescription drugs and other therapeutic products.
- 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 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 within the health and social care workforce.
- Maintaining performance against key local and national indicators whilst bringing service delivery within resources available.

### Plans for the Future

However, there continues to be opportunities for the Integration Joint Board to use its combined resources in a more effective, efficient and person-centred ways focusing of place based services to make better use of public resources.

The increasing demand on services continues to exceed available resources and approaches to services design and delivery requires to be focused on better outcomes for citizens and co-produced with our communities through meaningful and ongoing engagement. The Partnership continues 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 congruence with Local Outcome Improvement Plans, driving public value through place based services, community empowerment, public health and health improvement.

These approaches will ensure a joint contribution to encouraging, supporting and maintaining the health and wellbeing of people who live in our communities thus assisting the partnership in addressing the challenges faced.

It is recognised that if there are not fundamental 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 co-produce these harnessing 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 Commissioning Plan Priorities and meeting statutory obligations in innovative ways including increasing use of technology and e-services. The Integration Joint Board approved a future Partnership Planning Approach in March 2018 to aid Strategic and Financial Alignment of service planning going forward and this approach continues to be critical to developing approaches to an models of sustainable service delivery. The key elements of this approach are set out in the schematic below:

Strategic Commissioning Plan 2019/2022

The Integration Joint Board’s Strategic Commissioning Plan 2019-2022 was approved in March 2019. It describes our plans, and how we will move towards delivering on our priorities, setting out the context, challenges, priorities and action plans for the Health and Social Care Partnership.

The schematic below summarises the Strategic Commissioning Plan as a ‘plan on a page’.

Vision	Priorities	Enabling Activities			Strategies and Initiatives to deliver change	
...to enable people in the Clackmannanshire and Stirling Health & Social Care Partnership area to live full and positive lives within supportive communities	Care Closer to Home	Technology Enabled Care	Workforce Planning and Development	Housing / Adaptations	Infrastructure	Intermediate Care Strategy
	Primary Care Transformation					Primary Care Improvement Plan
	Caring, Connected Communities					Carers (Scotland) Act 2016 Community Empowerment (Scotland) Act 2015 Free Personal Care for under 65's 'A Connected Scotland: our strategy for tackling isolation and loneliness and building stronger social connections' Public Health Priorities for Scotland
	Mental Health					Mental Health Strategy
	Supporting people living with Dementia					Dementia Strategy
	Alcohol and drugs					Forth Valley ADP Strategy

The Strategic Commissioning Plan is supplemented by regular reports to the Integration Joint Board on Transforming Care, Finance and Performance.



## Conclusion

In this third year of operations the Partnership has made significant further progress in the planning and delivery of the Partnerships' Strategic Plan 2016-2019.

Progress in achieving the vision and outcomes of the Strategic Commissioning Plan will be reported to the Integration Joint Board in July 2019 via the draft Annual Performance Report including delivery of the Transforming Care Programme. This will demonstrate 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 Commissioning 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 of delivering sustainable services to our citizens.

We will continue to work with staff, managers, services, partners (including the third and independent sectors) and our communities to lead and support sustainable service design approaches, identify and implement innovative, cost effective and person centred, outcomes focused and place-based service delivery models and pathways, and contribute to the delivery of the Partnership's Strategic Commissioning Plan 2019-2022 priorities within resources available.

## Where to Find More Information

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

<https://clacksandstirlinghscp.org/>

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

<https://clacksandstirlinghscp.org/integration-joint-board-meetings/>

The Partnerships Strategic Commissioning Plan and associated documents can be accessed here:

<https://clacksandstirlinghscp.org/publications/>

**John Ford**  
Chair  
25 September 2019

**Annmargaret Black**  
Chief Officer  
25 September 2019

**Ewan C. Murray**  
Chief Finance Officer  
25 September 2019

## **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 25 September 2019.

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

**John Ford**  
Chair

25 September 2019

### **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 2019 and the transactions for the year then ended.

**Ewan C. Murray**  
Chief Finance Officer

25 September 2019

## **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 2018/19**

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 2018/19 was as follows:

#### **Clackmannanshire Council**

Councillor Les Sharp (Vice Chair)  
Councillor Dave Clark  
Councillor Bill Mason

#### **NHS Forth Valley**

John Ford, Non Executive Member of NHS Forth Valley Board (Chair from May 2018 to present)  
Cathie Cowan, Chief Executive (From December 2017)  
Alex Linkston, Chair of NHS Forth Valley  
Fiona Gavine, Non Executive Member of NHS Forth Valley Board (until 31 December 2018)  
Graham Foster, Director of Public Health and Strategic Planning  
Joanne Chisholm, Non Executive Member of NHS Forth Valley Board (until 30 September 2018)  
Alan Rennie, Non Executive Member of NHS Forth Valley Board (from 1 January 2019)  
Stephen McAllister, Non Executive Member of NHS Forth Valley Board (from 1 January 2019)

#### **Stirling Council**

Councillor Scott Farmer (Chair until March 2018)  
Councillor Graham Houston  
Councillor Susan McGill

**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.

<b>Taxable Expenses 2017/18 £</b>	<b>Salary, Fees and Allowances 2017/18 (Restated) £</b>	<b>Name</b>	<b>Post(s) Held</b>	<b>Nominated by</b>	<b>Taxable Expenses 2017/18 £</b>	<b>Salary, Fees and Allowances 2017/18 £</b>
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 Vice Chair from March 2018	Clackmannanshire Council	Nil	Nil
Nil	Nil	Mr John Ford	Vice Chair April 2017 to March 2018 Chair from March 2018	NHS Forth Valley	Nil	Nil
<b>Nil</b>	<b>Nil</b>	<b>Total</b>			<b>Nil</b>	<b>Nil</b>

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 until 31 December 2018 was employed by Clackmannanshire Council. The Interim Chief Officer from 1 December 2018 to March 2019 was employed by NHS Forth Valley who also agreed to meet the costs of the interim appointment for this period in full. There was a small overlap in the Chief Officer appointments to permit handover and annual leave.

#### 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 Chief Finance Officer is employed by NHS Forth Valley.

<b>Total 2017/18 £</b>	<b>Senior Employees</b>	<b>Salary, Fees &amp; Allowances £</b>	<b>Taxable Expenses £</b>	<b>Total 2018/19 £</b>
90,583	<b>Shiona Strachan</b> Chief Officer 1 July 2015 to 31 December 2018	69,136	0	69,136
-	<b>Ian Aitken</b> Chief Officer (Interim) 1 December 2018 to 31 March 2019	30,816	0	30,816
58,191 (FTE 66,418)	<b>Ewan Murray</b> Chief Finance Officer 26 October 2015 to present	71,530	0	71,530
<b>148,774</b>	<b>Total</b>	<b>171,482</b>	<b>0</b>	<b>171,482</b>

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 31/03/18 £	For Year to 31/03/19 £		Difference from 31/03/18 £000	As at 31/03/19 £000
Shiona Strachan	19,475	14,864	Pension	2	40
Chief Officer			Lump sum	-	71
Ian Aitken	n/a	4,780	Pension	2	48
Interim Chief Officer			Lump Sum	7	145
Ewan Murray	8,659	10,658	Pension	3	27
Chief Finance Officer			Lump Sum	4	65
<b>Total</b>	<b>28,134</b>	<b>30,302</b>	<b>Pension</b>	<b>7</b>	<b>115</b>
			<b>Lump Sum</b>	<b>11</b>	<b>281</b>

### 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 2017/18	Remuneration Band	Number of Employees in Band 2018/19
1	£55,000 - £59,999	0
0	£65,000 - £69,999	1
0	£70,000 - £74,999	1
1	£90,000 - £94,999	0

### Exit Packages

There were no exit packages in relation to Clackmannanshire and Stirling Integration Joint Board in financial year 2018/19.

**John Ford**  
Chair

25 September 2019

**Annmargaret Black**  
Chief Officer

25 September 2019

## **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 2018/19 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
- Integration Joint Board Finance Committee
- Clinical and Care Governance Framework
- Risk Management Framework and Strategic Risk Register
- 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 2018/19 this included the following:

- Management information systems and regular monitoring reports, including regular and annual performance and financial reporting
- Established budget setting processes in line with the Integration Scheme



- Consideration of Internal Audit Progress Reports
- Direct access to expert advice from the Medical & Nurse Directors of NHS Forth Valley and the Chief Social Work Officers of Clackmannanshire and Stirling Councils
- Data sharing arrangements
- Complaints Handling Procedures
- Consideration of Findings and Recommendations from the Joint Inspection {Adults} on the Effectiveness of Strategic Planning in the Clackmannanshire and Stirling Partnership
- Agreement to Revisit the Reserves Policy and Strategy as Medium Term plans develop
- The Integration Joint Board Audit Committee
- The Integration Joint Board Finance Committee
- Review of Integration Joint Board Committee structure including changes of function and establishment and approval of revised Terms of Reference for the Audit and Risk and Finance and Performance Committees

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 significant weaknesses have been identified with these systems during 2018/19 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 drawn from review of the Integration Joint Boards Strategic Risk Register, 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 2018/19 this review was undertaken the following ways:

- Consideration of a Draft Internal Audit Sharing Protocol
- Consideration of the Accounts Commission Report on Progress with Integration (December 2018)
- Internal Audit reviews and reports on:
  - Self Directed Support (Stirling) – September 2018
  - Adult Social Care Invoicing Systems (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 Interim Chief Officer and presented to the Audit and Risk Committee in June 2018.
- Review of purpose and effectiveness of the Integration Joint Boards Committee Structures

The governance workplan is a standing item on the agenda of the Audit and Risk Committee.

As partnership arrangements evolve further during 2019/20 including further operational delegation of operational management responsibilities to the Chief Officer and the consolidated partnership response to the Ministerial Strategic Group proposals on Progress with Integration 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. It is view as critical that the new Chief Officer takes full part in this to assist in creating the conditions to progress the Partnership arrangements within sound governance arrangements.

As part of this review the approach to the Annual Governance Statement and associated assurance arrangements will be reviewed in consultation with the constituent authorities for future years.

## **Management of Risk and Significant Governance Issues**

The Integration Joint Board monitors and seeks to mitigate significant risk through its Risk Management Framework and Strategic Risk Register. The Audit & Risk Committee provide a scrutiny role for the Integration Joint Board in review of the Strategic Risk Register and high risks are reported to the Integration Joint Board through regular Performance Reports on an exception basis.

Financial resilience has been assessed as a high risk from establishment of the Integration Joint Board. Budget setting processes for 2019/20 were agreed with the Integration Joint Board and supported through budget seminars and scrutiny by the Finance Committee. The process has proved to be extremely challenging resulting in a position where the Board could not set a balanced budget for 2019/20.

Further work in ongoing in developing options for financially sustainable service delivery with a view to bringing the partnership into balance over the medium term. This does, however, require to be highlighted as a significant governance issue for the Board.

### Progress on Areas for Improvement Identified in 2017/18

Areas for Improvement Identified in 2017/18	Action Undertaken in 2018/19
1. A 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.	Due to various reasons including Chief Officer changes this was deferred until 2019/20. Shadow management arrangements now agreed.  IJB Committee structure including functions and revised Terms of Reference completed in 2018/19. Review of Governance Frameworks including Scheme of Delegation will follow during 2019/20.
2. Review of Approach to Directions	Integration Joint Board approved revised approach in November 2018.

### 2019/20 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 (s)	Completion Date
1.	Further to clarity being reached on further delegation of operational responsibilities to the Chief Officer a comprehensive review of the IJBs Governance Frameworks will be undertaken.	Review to be undertaken and presented to the Audit & Risk Committee for Approval including review and updating of Scheme of Delegation and Financial Regulations and	Chief Finance Officer & Chief Officer	December 2019
2.	Implement Revised Approach to Directions	Implement Future Approach to Direction taking account of emergent national guidance and identified good practice to underpin implementation of 2019-2022 Strategic Commissioning Plan and Options for Sustainable Service Delivery	Chief Officer & Chief Finance Officer	September 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**

25 September 2019

Chair

**Annmargaret Black**

25 September 2019

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.

		<b>2017/18</b>			<b>2018/19</b>	
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
19,985	0	19,985	Large Hospital Services	20,633	0	20,633
94,411	0	94,411	Community Health and Social Care Services	99,606	0	99,606
67,034	0	67,034	Primary Care	70,365	0	70,365
262	0	262	IJB Running Costs	292	0	292
<b>181,692</b>		<b>181,692</b>	<b>Cost of Services</b>	<b>190,897</b>		<b>190,897</b>
	(180,639)	(180,639)	Taxation and Non-Specific Grant Income (Note 6)		(190,514)	(190,514)
<b>181,692</b>	<b>(180,639)</b>	<b>1,053</b>	<b>(Surplus) or Deficit on Provision of Services</b>	<b>190,867</b>	<b>(190,514)</b>	<b>383</b>
		<b>1,053</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>383</b>

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.

<b>Movements in Reserves During 2018/19</b>	General Fund Balance	Unusable Reserves	Total Reserves
	£000	£000	£000
<b>Opening Balance at 31 March 2018</b>	<b>(2,359)</b>	-	<b>(2,359)</b>
Total Comprehensive Income and Expenditure	383	-	383
Decrease in 2018/19	<b>383</b>	-	<b>383</b>
<b>Closing Balance at 31 March 2019</b>	<b>(1,977)</b>	-	<b>(1,977)</b>

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

<b>31 March 2018 £000</b>		<b>Notes</b>	<b>31 March 2019 £000</b>
<u>2,359</u>	Short term Debtors	Note 7	<u>1,977</u>
	<b>Current Assets</b>		
<u><b>2,359</b></u>	<b>Net Assets</b>		<u><b>1,977</b></u>
2,359	Usable Reserve: General Fund	Note 10	1,977
<u><b>2,359</b></u>	<b>Total Reserves</b>		<u><b>1,977</b></u>

**Ewan C. Murray**  
Chief Finance Officer

28 June 2019

*The unaudited accounts were issued on 28 June 2018.*

## **Notes to the Financial Statements**

### **1. Significant Accounting Policies**

#### General Principles

The Financial Statements summarises the authority's transactions for the 2018/19 financial year and its position at the year-end of 31 March 2019.

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 2018/19, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

The accounts are prepared on a going concern basis, which assumes that the 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 2019/20 Code:

- Annual Improvements to IFRS Standards 2014-2016 Cycle;
- IFRIC 22 Foreign Currency Transactions and Advance Consideration;
- IFRIC 23 Uncertainty Over Income Tax Treatments;
- Amendments to IFRS 9 Financial Instruments: Prepayment Features With Negative Compensation.

The Code requires implementation from 1 April 2019 and there is therefore no impact on the 2018/19 financial statements.

## **3. Critical Judgements in Applying Accounting Policies**

### **Set Aside Budget for Large Hospital Services**

Based upon Scottish Government advice for financial year 2018/19 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 and arrangements for developing these will be reported to the Integration Joint Board in due course.

### **Ordinary Residence Cases**

During 2017/18 claims for the cost of 3 care packages provided by Falkirk Council / Falkirk Health and Social Care Partnership were received by Clackmannanshire Council. During 2018/19 claims for a further 2 cases were made. These claims are currently in dispute. The council has made provision for the cost of these claims in 2018/19 to the value of £0.450m and without prejudice to the outcome of the due process and these costs are reflected in the expenditure of the Integration Joint Board for 2018/19.

The initial request to consider the first 3 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 will make a contingent liability for £0.314m in the 2018/19 accounts. Should an actual liability be established for costs from June 2016 to March 2017 this could 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 25 September 2019. 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 2019, 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**

<b>2017/18</b>		<b>2018/19</b>
£000		£000
16,539	Services commissioned from Clackmannanshire Council	17,136
32,383	Services commissioned from Stirling Council	34,889
132,508	Services commissioned from NHS Forth Valley	138,580
235	Other IJB Operating Expenditure	265
3	Insurance and Related Expenditure	3
24	Auditor Fee: External Audit Work	25
0	Auditor Fee: Other Work	0
(180,639)	Partners Funding Contributions and Non-Specific Grant Income	(190,514)
<hr/>		
<b>1,053</b>	<b>(Surplus) or Deficit on the Provision of Services</b>	<b>383</b>

**6. Taxation and Non-Specific Grant Income**

<b>2017/18</b>		<b>2018/19</b>
£000		£000
15,693	Funding Contribution from Clackmannanshire Council	16,704
31,787	Funding Contribution from Stirling Council	33,835
133,159	Funding Contribution from NHS Forth Valley	139,975
0	Other Non-ringfenced grants and contributions	0
<hr/>		
<b>180,639</b>	<b>Taxation and Non-specific Grant Income</b>	<b>190,514</b>

The funding contribution from the NHS Board shown above includes £20.633m 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 Integration Joint Board, however, has strategic responsibility for the consumption of, and level of demand placed on, these resources.

## 7. Debtors

31 March 2018 £000		31 March 2019 £000
0	Clackmannanshire Council	0
760	Stirling Council	733
1,599	NHS Forth Valley	1,244
0	Non-public sector	0
<hr/>		
<b>2,359</b>	<b>Debtors</b>	<b>1,977</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 Integration Joint Board.

## 8. Creditors

31 March 2018 £000		31 March 2019 £000
0	Non-public sector	0
<hr/>		
<b>0</b>	<b>Creditors</b>	<b>0</b>

## 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.

<b>2017/18</b>				<b>2018/19</b>			
Balance at 1 April 2017	Transfers Out 2017/18	Transfers In 2017/18	Balance at 31 March 2018		Transfers Out 2018/19	Transfers In 2018/19	Balance at 31 March 2019
£000	£000	£000	£000		£000	£000	£000
(457)	457	(0)	(0)	Integration Fund	0	(1)	(1)
(863)	298	(0)	(565)	Partnership Funding	245	0	(320)
(306)	0	(266)	(572)	Primary Care and Mental Health Transformation Funds	319	0	(253)
(169)	0	(140)	(309)	Transforming Urgent Care	133		(176)
		(1)	(1)	Pharmacy First Mental Health	1		0
		(100)	(100)	Innovation Fund	100		0
		(52)	(52)	GP Cluster Model	52		0
(18)	0	(6)	(24)	Autism	1		(23)
(18)	18		0	Dementia Friendly		(100)	(100)
(39)	39		0	National Care Home Contract			0
(803)	112		(691)	Drug and Alcohol Recovery Support	183		(508)
(34)			(34)	See Hear	0	(6)	(40)
(17)	6		(11)	Sensory Impairment			(11)
				Primary Care Improvement Fund		(140)	(140)
				GP Out of Hours Fund		(128)	(128)
				Alcohol & Drugs GP Sub Committee for GP Contract		(24)	(24)
				Mental Health Innovation Fund		(21)	(21)
				GP Contract		(57)	(57)
				Mental Health Innovation Fund		(57)	(57)
				Unscheduled Care		(124)	(124)
				Independent Travel		(50)	(50)
(2,724)	930	(565)	(2,359)	Total Earmarked	1,034	(651)	(1,977)
(688)	688	(0)	0	Contingency	0	0	0
<b>(3,412)</b>	<b>1,618</b>	<b>(565)</b>	<b>(2,359)</b>	<b>General Fund</b>	<b>1,034</b>	<b>(651)</b>	<b>(1,977)</b>

**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

<b>2017/18</b>		<b>2017/18</b>
£000		£000
(133,159)	Funding Contributions received from the NHS Board	(139,975)
132,546	Expenditure on Services Provided by the NHS Board	138,580
98	Key Management Personnel: Non-Voting Board Members	114
<hr/> <b>(515) Net Transactions with NHS Forth Valley</b>		<hr/> <b>(1,282)</b>

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

<b>31 March 2018</b>		<b>31 March 2019</b>
£000		£000
1,599	Debtor balances: Amounts due from the NHS Board	1,244
0	Creditor balances: Amounts due to the NHS Board	0
<hr/>		
<b>1,599</b>	<b>Net Balance with the NHS Forth Valley</b>	<b>1,244</b>

Transactions with Clackmannanshire Council

<b>2017/18</b>		<b>2017/18</b>
£000		£000
(15,693)	Funding Contributions received from the Council	(16,704)
16,553	Expenditure on Services Provided by the Council	17,136
49	Key Management Personnel: Non-Voting Board Members	57
<hr/>		
<b>909</b>	<b>Net Transactions with Clackmannanshire Council</b>	<b>489</b>

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

<b>31 March 2018</b>		<b>31 March 2019</b>
£000		£000
0	Debtor balances: Amounts due from the Council	0
0	Creditor balances: Amounts due to the Council	0
<hr/>		
<b>0</b>	<b>Net Balance with Clackmannanshire Council</b>	<b>0</b>



Transactions with Stirling Council

<b>2017/18</b> £000		<b>2018/19</b> £000
(31,787)	Funding Contributions received from the Council	(33,835)
32,397	Expenditure on Services Provided by the Council	34,889
49	Key Management Personnel: Non-Voting Board Members	57
<b>659 Net Transactions with Stirling Council</b>		<b>1,111</b>

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

<b>31 March</b> <b>2018</b> £000		<b>31 March</b> <b>2019</b> £000
760	Debtor balances: Amounts due from the Council	733
0	Creditor balances: Amounts due to the Council	0
<b>760 Net Balance with Stirling Council</b>		<b>733</b>

**12. Expenditure Analysis**

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

**EXPENDITURE ANALYSIS**

<b>HEALTH SERVICES</b>	<b>Budget £'000</b>	<b>Actual Expenditure £'000</b>	<b>Variance £'000</b>
<u>Set Aside</u>			
Accident and Emergency Services	5,227	5,596	(369)
In patient Hospital Services Relating to :			
General Medicine	2,706	2,742	(36)
Geriatric Medicine	3,683	3,967	(285)
Rehabilitation Medicine	1,230	1,269	(40)
Respiratory Medicine	1,039	1,013	27
Psychiatry of learning disability	1,009	1,086	(77)
Palliative Care (Hospital Based)	915	920	(4)
Mental Health Inpatient Services	4,824	5,144	(320)
<b>Subtotal</b>	<b>20,633</b>	<b>21,737</b>	<b>(1,104)</b>
<b>Adjustment to Budget</b>		<b>(1,104)</b>	<b>1,104</b>
<b>Subtotal</b>	<b>20,633</b>	<b>20,633</b>	<b>0</b>
<u>Operational</u>			
District Nursing Services	3,637	3,507	130
Community Addiction Services	110	110	0
Community Based AHP Services	2,700	2,529	172
Public Dental Service	5,830	5,676	153
Services provided outwith a hospital in relation to geriatric medicine	946	997	(51)
Palliative Care (delivered in Community)	1,044	976	68
Community Learning Disability Services	73	68	5
Community Mental Health Services	839	577	262
Continence Services	3,508	3,259	249
Services Provided to promote public health	174	143	30
Community Hospitals	1,246	1,113	133
Resource Transfer	5,690	5,477	212
Joint Partnership Agreements	8,329	8,330	(0)
Partnership Funds (ICF/ Delayed Discharge / Bridging)	1,591	1,729	(138)
Contingency	2,734	2,734	(0)
Shared Partnership Costs	168	168	0
Integration Fund	8,808	8,808	0
Additional Contribution	1,226	0	1,226
Reserves	1,646	1,545	101
<b>Subtotal</b>	<b>50,299</b>	<b>47,750</b>	<b>2,549</b>
<u>Universal</u>			
Primary Medical Services (GMS Contract)	23,686	23,713	(27)
Primary Dental Services (GDS Contract)	7,918	7,888	31
Community Ophthalmic Services	2,696	2,696	(0)
Community Pharmaceutical Services (inc Prescribing)	32,735	34,107	(1,372)
GP Out of Hours Services	2,008	1,961	47
<b>Subtotal</b>	<b>69,043</b>	<b>70,365</b>	<b>(1,323)</b>
<b>TOTAL HEALTH SERVICES</b>	<b>139,975</b>	<b>138,747</b>	<b>1,227</b>

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**SOCIAL CARE SERVICES - CLACKMANNANSHIRE**

Long Term Care	10,292	11,352	(1,060)
Care at Home	6,809	7,749	(940)
Day Care	269	307	(38)
Housing with Care	163	228	(64)
Respite Care	175	113	62
Staffing	7,664	7,158	506
Direct Payments	450	556	(106)
Third Party Payment	554	656	(103)
Supplies	530	370	160
Premises	11	73	(62)
Transport	48	55	(7)
Garden Aid	108	106	2
Income	(3,952)	(4,348)	396
Resource Transfer	(7,081)	(7,239)	158
Additional Contribution	613		613
Shared Partnership Costs	50	50	0
<b>TOTAL SOCIAL CARE SERVICES - CLACKMANNANSHIRE</b>	<b>16,704</b>	<b>17,186</b>	<b>(482)</b>

**SOCIAL CARE SERVICES - STIRLING**

Long Term Care	12,149	13,614	(1,465)
Housing Aids and Adaptions	784	784	0
Voluntary Organisations / 3rd sector payments	744	728	16
Sensory services	210	215	(4)
Daycare	1,812	1,561	251
JLES	217	217	0
Equipment	165	177	(12)
Respite	310	1,017	(707)
Care and support at home	18,102	18,256	(154)
Integration Fund	(4,560)	(4,560)	0
Transport	180	146	33
Drug and Alcohol services	124	123	1
Resource Transfer	(5,122)	(5,122)	0
Mecs/Telecare/Telehealth	1,077	979	98
Reablement	1,542	1,718	(176)
Bellfield Centre / Care Village	2,602	2,602	0
Staffing	3,836	3,432	404
Savings	(1,025)	(1,025)	(0)
Additional Contribution	613		613
Reserves		27	(27)
Shared Partnership Posts	75	75	0
<b>TOTAL SOCIAL CARE SERVICES - STIRLING</b>	<b>33,835</b>	<b>34,963</b>	<b>(1,128)</b>

<b>PARTNERSHIP TOTAL</b>	<b>190,514</b>	<b>190,897</b>	<b>(383)</b>
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**Independent Auditor's Report**

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## **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