

**West Dunbartonshire**  
**Health & Social Care Partnership**

# **West Dunbartonshire Integration Joint Board**

*Commonly known as*

**West Dunbartonshire**  
**Health and Social Care Partnership**

## **Annual Accounts 2016/17**

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## **MANAGEMENT COMMENTARY**

### **INTRODUCTION**

This publication contains the financial statements for the West Dunbartonshire Integration Joint Board (IJB), hereafter known as the Health and Social Care Partnership Board (HSCP Board) for the year ended 31 March 2017.

The Management Commentary provides an overview of the key messages in relation to the HSCP Board's financial planning and performance for the 2016/17 financial year and how this has supported the delivery of the its strategic priorities as laid out in its Strategic Plan 2016-2019. This commentary also outlines future challenges and risks which influence the financial plans of the HSCP Board as they deliver high quality health and social care services to the people of West Dunbartonshire.

The attached annual accounts have been prepared in accordance with current regulations and guidance.

### **The West Dunbartonshire Health and Social Care Partnership Board**

The Public Bodies (Joint Working) Act (Scotland) 2014 sets out the arrangements for the integration of health and social care across the country. The Scottish Government approved Integration Scheme for West Dunbartonshire details the 'body corporate' arrangement by which NHS Greater Glasgow & Clyde Health Board (NHSGGC) and West Dunbartonshire Council (WDC) agreed to formally delegate health and social care services for adults and children (including criminal justice social work services) to a third body, which is described in the Act as an Integration Joint Board.

The Integration Joint Board (IJB) for West Dunbartonshire, commonly known as the West Dunbartonshire Health & Social Care Partnership Board (HSCP Board) was formally established on 1 July 2015.

#### **The West Dunbartonshire Health and Social Care Partnership Board's:**

- Mission is to improve the health and wellbeing of West Dunbartonshire.
- Purpose is to plan for and ensure the delivery of high quality health and social care services to and with the communities of West Dunbartonshire.
- Core values are protection, improvement, efficiency, transparency, fairness, collaboration, respect, and compassion.

The HSCP Board is responsible for the operational oversight of West Dunbartonshire Health & Social Care Partnership (WD HSCP), which is the joint delivery vehicle for those integrated services delegated to it (except for any NHS acute hospital services, as these are managed directly by the Health Board). Staff who work within the management of WD HSCP continue to be employed by either NHSGGC or WDC, retaining their respective terms and conditions. These arrangements for integrated service delivery are conducted within an operational service delivery framework established by NHSGCC and WDC for their respective functions, ensuring both those organisations can continue to discharge their retained governance responsibilities.

The range of functions and services delegated to the HSCP Board are detailed within the approved *Integration Scheme for West Dunbartonshire*, which can be viewed here:

<http://wdhscp.org.uk/media/1215/wdhscp-integration-scheme-may-2015.pdf>

## The HSCP Board's Operations for the Year

The Act places a duty on the HSCP Board to create a "strategic plan" for the integrated functions and budgets that it controls. At its August 2016 meeting, the HSCP Board approved its second Strategic Plan, covering the three year period 2016 – 2019 (the maximum duration allowed by the legislation). This high-level strategic plan sets out the HSCP Board's commissioning priorities for that medium term period, with a clear commitment to the delivery of effective clinical and care governance and Best Value.

The HSCP Strategic Plan 2016 – 2019 can be viewed here:

<http://wdhscp.org.uk/media/1597/strategic-plan-2016-2019.pdf>

A full profile of West Dunbartonshire is set out in the Strategic Plan. Some of the key characteristics include the following:

- West Dunbartonshire lies north of the River Clyde encompassing urban and rural communities. According to the National Records for Scotland, the 2015 population for West Dunbartonshire is 89,590; a decrease of 0.1 per cent from 89,710 in 2014. The population of West Dunbartonshire accounts for 1.7 per cent of the total population of Scotland;
- Service delivery should reflect local population needs. In West Dunbartonshire there are two locality areas: Clydebank; and Dumbarton and Alexandria; and
- National evidence indicates that the population of West Dunbartonshire is aging due to a combination of factors; that the number of births within the area is dropping; the number of people migrating to other council areas within the 15 – 44 age groups is increasing; and the number of deaths registered annually is falling.

The substance of the Strategic Plan was shaped by the contents and response to the HSCP Board's first and well-received Annual Performance Report 2015/16.

The Strategic Plan reflects the HSCP Board's commitment to integration being community planning in practice, with its strategic commissioning outcomes articulated with respect to the three local *Community Planning Single Outcome Agreement* priorities that the WD HSCP has a key leadership role in locally:

- Supporting Children and Families.
- Supporting Older People.
- Supporting Safe, Strong and Involved Communities.

The HSCP Board receives a Public Performance Report at each meeting, which provides an update on progress in respect of key performance indicators and commitments. These can be viewed here:

<http://wdhscp.org.uk/about-us/public-reporting/performance-reports/>

The Act obliges all Integration Joint Boards to produce a Performance Report covering performance over the reporting year no later than four months after the end of that reporting year. The HSCP Board's second Annual Performance Report 2016/17 (i.e. for

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the same period as these annual accounts) was presented to its 23 August 2017 meeting for scrutiny. Thereafter it was made publicly available on the WDHSCP website; and submitted to NHSGGC, WDC, the local Community Planning Partnership Management Group and Scottish Government. As required by legislation the Annual Performance Report includes information on financial performance (in accordance with the national Finance Guidance for Health and Social Care Integration) and best value (with reference to the national Best Value Guidance for Local Authorities) and can be viewed here:

<http://www.wdhscp.org.uk/media/1850/hscp-annual-performance-report-2017.pdf>

Operational highlights for 2016/17 include:

- The HSCP's Community Hospital Discharge Team was a finalist at the 2016 Scottish Health Awards;
- The HSCP's Prescribing Support Team was recognised as the Self-Management Supporting Health and Social Care Partnership of the Year at the 2016 Health and Social Care Alliance Scotland Awards;
- The HSCP Care at Home Service was awarded the Scottish Association of Social Work (SASW) Award for 'Best example of collaboration in an integrated setting' as well as being finalists in the Team of the Year award at the national awards ceremony in March 2017;
- The HSCP's Residential Child Care Team at Burnside House won Residential Child Care Team of the Year Award at the Scottish Institute for Residential Child Care (SIRCC) Awards 2016;
- Practical completion of the new Crosslet House 70 bed residential care home (owned by WDC but managed by the HSCP as a delegated service) to replace the three current residential homes in the Dumbarton and Alexandria locality. This new, modern facility will truly transform the lives of its residents and their families;
- Further investment in social care services through the Scottish Government's £250m Social Care Fund. Our partnership share was £4.9m which was directed to: additional spend on expanding social care to support the objectives of integration by supporting people in their own home or a homely setting; and delivering the Scottish Living Wage to all adult social care workers; and
- Positive messages in 2015/16 Annual Audit Report published by our external auditors in September 2016 around effective financial management and financial sustainability in an increasingly challenging climate of public sector austerity.

## Analysis of the Financial Statements and Financial Performance of HSCP Board

The Statement of Accounts contains the financial statements of the HSCP Board for the year ended 31 March 2017, which holds all of the expenditure and income associated with the operational delivery of services to the population of West Dunbartonshire. The requirements governing the format and content of local authorities' annual accounts are contained in The Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The 2016/17 Accounts have been prepared in accordance with this Code.

The financial reporting responsibilities of the HSCP Board Chief Financial Officer include preparing financial statements which should reflect a "true and fair view" of the partnership's financial performance and financial position.

External auditors have a responsibility to provide an opinion on the financial statements, which will involve challenging and testing the unaudited accounts. The external audit findings and opinions may require some changes and adjustments being made before the accounts are approved by the HSCP Board on 20 September 2017.

Financial performance is an integral element of the HSCP Board's overall performance management framework, with regular reporting and scrutiny of financial performance at meetings of both the HSCP Board and its Audit Committee.

The key messages from our first full year of operation during the financial year 2016/17 are:

- On a total budget allocation of £167.693m from WDC and NHSGGC, including Set Aside and Hosted Services, we have ended the year with a surplus of £3.956m;
- This represents previously reported underspends in Social Care, mainly from unapplied Social Care Fund resources and planned for service underspends across Health Services to be held in reserve to mitigate any future budget volatility and underwrite the delivery of approved savings plans;
- This surplus will be added to the reserves brought forward from 2015/16 of £1.612m;
- These general fund reserves are categorised into earmarked reserves for specific projects, such as residential care home transformation or Technology Enabled Care project and unearmarked reserves which forms part of the HSCP Board's financial strategy and was established to better manage the risk of any future unanticipated events that may materially impact on the financial position of the HSCP Board;
- Approved savings of £0.993m relating to Social Care were delivered in line with the financial plan;
- Approved savings of £1.431m for Health Care were part delivered through Health Board collective savings plans and local savings plans. The balance of £0.909m was funded non-recurrently by Greater Glasgow and Clyde Health Board to allow the HSCP Board to approve savings options at the November 2016 meeting for implementation 1 April 2017;
- The cost of implementation of the Scottish Living Wage of £8.25/hr for all adult care workers from 1 October 2016 was calculated at a cost of £0.667m; and
- WD HSCP host MSK Physiotherapy Services and Retinal Screening for all partnerships within Greater Glasgow and Clyde Health Board. The net expenditure for these hosted services for 2016/17 was £6.064m and £0.766m respectively.

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The full year financial position for the HSCP Board can be summarised as follows:

<b>1 April 2016 to 31 March 2017</b>	<b>West Dunbartonshire Council £000</b>	<b>Greater Glasgow &amp; Clyde Health Board £000</b>	<b>Total £000</b>
<b>Funds Received from Partners</b>	(62,216)	(105,477)	(167,693)
<b>Funds Spent with Partners</b>	58,840	104,897	163,737
<b>Surplus in Year 2016/17</b>	<b>(3,376)</b>	<b>(580)</b>	<b>(3,956)</b>

## **The HSCP Board’s Strategy and Business Model**

The Accounts Commission has stated that public bodies need to think differently about what they deliver: prioritising activities; redesigning services; and re-shaping their workforces. This is certainly the case in West Dunbartonshire, and just as true for the Health & Social Care Partnership as it is for other areas of public service. As committed to within the Integration Scheme and based on local engagement and feedback, a local Participation and Engagement Strategy was developed and approved in May 2016, that sets out the key principles and high level ways-of-working that the HSCP will apply in its relationships with stakeholders as an integral element of its mainstream strategy and business model. The Participation and Engagement Strategy can be viewed here:

<http://wdhscp.org.uk/media/1561/wdhscp-participation-and-engagement-strategy-2016.pdf>

In addition to the requirements set out within the Public Bodies (Joint Working) Act 2014, this Strategy takes due cognisance of other pertinent legislation, including:

- The Carer’s (Scotland) Act 2016 which aims to ensure better and more consistent support for both adult and young carers so that they can continue to care in better health and to have a life alongside of caring.
- The Community Empowerment (Scotland) Act 2015 provides a legal framework that promotes and encourages community empowerment and participation; and outlines how public bodies will work together and with the local community to plan for, resource and provide services which improve local outcomes in the local authority area.
- The Children and Young People’s (Scotland) Act 2014 which reinforces the United Nations Convention on the Rights of the Child; and the principles of Getting It Right for Every Child.
- The Community Justice (Scotland) Act 2016 which identifies Community Planning Partnerships as being the vehicle to bring partner organisations together to plan and deliver community justice outcomes.
- The Equality Act 2010, with its general duties to eliminate discrimination, harassment and victimisation; advance equality of opportunity between people who share a protected characteristic and those who do not; and foster good relations between people who share a protected characteristic and those who do not.

All of the above reinforce the stated core values of the HSCP Board i.e. protection; improvement; efficiency; transparency; fairness; collaboration; respect; and compassion. As expressed in this Strategy, these then underpin how the HSCP develops and delivers the local Strategic Plan and local services; and informs relationships with stakeholders, including service users, carers and communities; staff working within the HSCP, and Trade Unions; GPs, other NHS external contractors and acute clinicians; the

Third and Independent Sector; and Community Planning Partners. The HSCP has worked with stakeholders to create a tapestry of flexible opportunities to support pragmatic participation and engagement – and with the understanding that they are not set-in-stone but rather are dynamic processes that should and will evolve based on feedback, learning and changing circumstances.

The HSCP Board is also responsible for strategic planning for unscheduled care with respect to the population of West Dunbartonshire. In doing this, it is obliged to work closely with the NHSGGC as well the other Integration Joint Boards within the Greater Glasgow & Clyde area. This reflects the challenges presented by a combination of continuing shifts in patterns of disease to long term conditions; growing numbers of older people with multiple conditions and complex needs; and a pressurised financial environment. Critical to this is the on-going work and developments to shifting the balance of where care and support is delivered from hospital to community care settings, and to individual homes when that is the best thing to do. Good quality community care should mean less unscheduled care in hospitals, and people staying in hospitals only for as long as they need specific treatment. At the same time, waste and variation in clinical practice need to be addressed, alongside promoting the reliable implementation of effective interventions. To this end, the HSCP Board approved at its 22<sup>nd</sup> March 2017 a set of comprehensive commissioning intentions for unscheduled care, reflecting a commitment to invest, redesign and deliver an effective infrastructure of community services. In doing this, it sets out initial commissioning directions for NHSGGC and its Acute Division; and a proposed improvement agenda for primary care, both of which emphasise the expectations of the Scottish Government's Chief Medical Officer to "Realise Realistic Medicine<sup>1</sup>". In accordance with Scottish Government's emerging indications with regards to measuring the impact of health and social care integration, the commissioning objectives express the following inter-connected areas for strengthening performance:

- Communication.
- Unplanned admissions.
- Occupied bed days for unscheduled care
- A&E performance.
- Delayed discharges.
- End of life care.
- Balance of spend across institutional and community services.

The Unscheduled Care Commissioning Intentions 2017 – 2020 can be viewed at:

<http://wdhscp.org.uk/media/1757/wdhscp-unscheduled-care-commissioning-march-2017.pdf>

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<sup>1</sup> <http://www.gov.scot/Resource/0051/00514513.pdf>



## Key Risks and Uncertainties

The HSCP Board Financial Regulations reflect the recommendations of the national Integrated Resources Advisory Group which confirms the responsibility of the Chief Officer to develop a local risk strategy and policy for approval by the Partnership Board.

The HSCP Board Financial Regulations can be viewed here:

<http://www.wdhscp.org.uk/media/1414/wd-hscp-board-financial-regulations-aug-2015.pdf>

The HSCP Board approved its Risk Management Strategy & Policy at its August 2015 meeting, which can be viewed here:

<http://www.wdhscp.org.uk/media/1415/wdhscp-risk-policy-and-strategy-august-2015.pdf>

Following the planned and formal review of strategic risks during 2016 by the Senior Management Team, an updated strategic risk register was presented in draft for discussion at the September 2016 meeting of the Audit Committee; and then presented to the HSCP Board for approval at its November 2016 meeting. That current strategic risk register – with mitigating activities specified – can be viewed here (item 9):

<http://wdhscp.org.uk/media/1669/hscp-document-pack-16-november-2016.pdf>

Some of key risks identified with mitigating actions in the HSCP Board Risk Register are:

Strategic Risk	Mitigating Action
Failure to deliver efficiency savings targets and operate within allocated budgets.	On-going process of managing and reviewing the budget by the Senior Management Team. A recovery plan will be implemented to address areas of significant in-year overspend. Savings options under review in 2016/17 expected to be challenging – horizon scanning being undertaken with respect to delivery of Strategic Plan within context of both wider WDC & GGC processes.
Failure of NHSGGC-wide MSK Physiotherapy Service to meet nationally determined four week waiting time target.	Text reminders for new appointments targeted introduction during autumn 2016. A risk stratification process for back pain patients is being introduced during autumn/winter 2016. Work stream being initiated to review referral criteria and improve GP management of MSK conditions, with reduction in risk grading dependent on HSCP Board approval of any proposed revisions.
Failure to deliver a sustainable solution to asbestos-related health & safety risks within fabric of Clydebank Health Centre.	On-going repair and refurbishment expenditure on premises in the immediate to short-term. Capital funding for new Clydebank Health & Care Centre has now been earmarked by Scottish Government, with HSCP having secured approved for Initial Agreement. Development work now underway to secure funding as per prescribed process. Risk grade won't be altered until funding confirmed (i.e. once approvals for Outline and Full Business Cases secured).

Ongoing financial austerity within the public sector coupled with short term funding allocations make financial planning in the medium term a complex endeavour for the HSCP

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Board's funding partners and impacts on the HSCP Board's decision making process on how to address funding reductions with the least impact to front line services.

Service redesign and shifting the balance of care are essential given the projected scale estimated funding reductions (3%-7%) and demographic challenges in the coming years. West Dunbartonshire HSCP was the second best performing in 2015/16 for percentage off adults supported at home who agreed that they are supported to live as independently as possible – 89% (Scotland 84%). The Strategic Plan and its associated commissioning intentions will inform the HSCP Board's Financial Plan around growing our community based services.

Moving into 2017/18 the HSCP Board will proactively address the funding challenges through a refresh of its medium term financial strategy, incorporating Scottish Government's 2017/18 funding directions to the funding partners, i.e. that:

- Health Boards' maintain budget allocation at 2016/17 cash levels; and
- Councils' restrict funding reductions to share of £80m in recognition of the addition £107m Social Care funding.

The HSCP Board will closely monitor progress delivering the of approved savings programmes through robust budget monitoring processes and regular meetings with all levels of budget holder. The HSCP Chief Office will develop further options through use of invest to save models and opportunities for team co-location (e.g. as part of WDC's investment in fit for purpose office accommodation and improved agile working strategy).

The HSCP Board will use reserves to both underwrite any unforeseen service volatility and to support service redesign to deliver sustainable, high quality health and care services to West Dunbartonshire communities.

More generally a range of wider issues presents some degree of uncertainty to the HSCP Board, particularly in terms of future planning relating to finance, the workforce and the scale and scope of the HSCP Board. Examples include:

- Potential reform(s) of NHS boards and local government;
- The national and local political landscape; and
- Impacts of Brexit, such as an unstable economic climate and uncertainty regarding the future employment rights of health and social care staff from EU countries.

As part of its commitment to a strong governance framework around regular and robust budget and performance monitoring and on-going assessment of risk, the HSCP Board and its senior officers will monitor such developments and will take appropriate action as required.

**Marie McNair**  
HSCP Board Chair



Date: 20/09/17

**Beth Culshaw**  
Chief Officer



Date: 20/09/17

**Julie Slavin CPFA**  
Chief Financial Officer



Date: 20/09/17

**STATEMENT OF RESPONSIBILITIES**

**Responsibilities of the Health and Social Care Partnership Board**

The Health and Social Care Partnership 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 partnership, 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 at a meeting of the Audit Committee on 20 September 2017.

Signed on behalf of the West Dunbartonshire Health and Social Care Partnership Board

**Marie McNair**  
HSCP Board Chair



Date: 20/09/17

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**Responsibilities of the Chief Financial Officer**

The Chief Financial Officer is responsible for the preparation of the HSCP Board's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code).

In preparing the Annual Accounts, the Chief 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 West Dunbartonshire Health and Social Care Partnership Board as at 31 March 2017 and the transactions for the year then ended.



**Julie Slavin CPFA**  
Chief Financial Officer

Date: 20/09/17

## **REMUNERATION REPORT**

### **Introduction**

The Local Authority Accounts (Scotland) Regulations 2014 (SSI No. 2014/200) require local authorities and IJB's in Scotland to prepare a Remuneration Report as part of the annual statutory accounts.

It discloses information relating to the remuneration and pension benefits of specified WD HSCP Board 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.

The HSCP Board does not directly employ any staff. All staff working within the HSCP are employed through either NHSGGC or WDC; and remuneration for senior staff is reported through those bodies. This report contains information on the HSCP Board Chief Officer and Chief Financial Officer's remuneration together with details of any taxable expenses relating to HSCP Board voting members claimed in the year.

Membership of the HSCP Board is non-remunerated; for 2016/17 no taxable expenses were claimed by members of the partnership board.

### **1. Health and Social Care Partnership Board**

The voting members of the HSCP Board were appointed through nomination by Greater Glasgow and Clyde Health Board or West Dunbartonshire Council. Nomination of the HSCP Chair and Vice Chair post holders alternates, every 3 years, between a Councillor for WDC or a NHSGGC Health Board representative

The HSCP Board does not pay allowances or remuneration to voting board members; voting board members are remunerated by their relevant partner organisation.

The HSCP Board does not have responsibilities, either in the current year or in future years, for funding any pension entitlements of voting members. Therefore, no pension rights disclosures are provided for the Chair or Vice Chair. For 2016/17 no voting member received any form or remuneration from the HSCP Board as detailed in the table over.

<b>Total Taxable HSCP related Expenses 2015/16</b>	<b>Voting Board Members 2016/17</b>	<b>Nominating Organisation</b>	<b>Total Taxable HSCP related Expenses 2016/17</b>
Nil	Gail Casey ( Chair)	West Dunbartonshire Council	Nil
Nil	Martin Rooney	West Dunbartonshire Council	Nil
Nil	Jonathan McColl	West Dunbartonshire Council	Nil
Nil	Allan Macleod ( Vice chair)	NHS Greater Glasgow and Clyde	Nil
Nil	Heather Cameron	NHS Greater Glasgow and Clyde	Nil
Nil	Ros Micklem - Note 1	NHS Greater Glasgow and Clyde	Nil
N/A	Rona Sweeney - Note 2	NHS Greater Glasgow and Clyde	Nil

Note 1: Last Board meeting 25 May 2016      Note 2: Appointed to HSCP 17 August 2016 after nomination approved by NHSGGC Health Board

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## 2. Senior Officers

The HSCP Board does not directly employ any staff. All staff working within the HSCP are employed through either NMSGC or WDC; and remuneration for senior staff is reported through those bodies.

### Chief Officer

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 a Chief Officer for the HSCP Board has to be appointed and the employing partner has to formally second the officer to the HSCP 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 HSCP Board.

The Chief Officer for the financial year 2016/17 (Mr Keith Redpath) was employed Greater Glasgow and Clyde Health Board; held an honorary contract with West Dunbartonshire Council; and was funded equally between the Health Board and the Council.

This report contains information on the HSCP Board Chief Officer's full year remuneration.

### Other Officers

No other staff are appointed by the HSCP Board under a similar legal regime. Other non-voting board members who meet the criteria for disclosure are included below.

Total Earnings 2015/16 £	Senior Officers	Salary, Fees & Allowance £	Compensation for Loss of Office	Total Earnings 2016/17 £
102,741	K Redpath Chief Officer	107,436		107,436
	J Slavin (Start date 22/08/16) Chief Financial Officer	41,446 (FYE 67,920)		41,446
82,358	J Middleton (Retired 16/10/2016) Chief Financial Officer	43,596 (FYE 80,209)		43,596

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

The HSCP 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 HSCP Board. The following table shows the HSCP 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.

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Senior Officers	In Year Pension Contributions		Accrued Pension Benefits		
	For year to 31/03/16 £000	For year to 31/03/17 £000		For year to 31/03/16 £000	For year to 31/03/17 £000
K Redpath Chief Officer	16	16	Pension	15	17
			Lump Sum	45	50
J Slavin (Start date 22/08/16) Chief Financial Officer	0	6	Pension	0	1
			Lump Sum	0	0
J Middleton (Retired 16/10/16) Chief Financial Officer	12	6	Pension	20	0
			Lump Sum	61	0

The officers detailed above are all members of the NHS Superannuation Scheme (Scotland). The pension figures shown relate to the benefits that the person has accrued as a consequence of their total public sector service, and not just their current appointment. The contractual liability for employer pension's contributions rests with NHS Greater Glasgow & Clyde. On this basis there is no pension liability reflected on the HSCP Board balance sheet.

### 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.

Remuneration Band	Number of Employees 31 <sup>st</sup> March 2016	Number of Employees 31 <sup>st</sup> March 2017
£55,000 -£59,999		
£65,000 -£69,999		
£80,000- £84,999	1	
£100,000 -£104,999	1	
£105,000-109,999		1

**Marie McNair**  
HSCP Board Chair



Date: 20/09/17

**Beth Culshaw**  
Chief Officer



Date: 20/09/17

## **ANNUAL GOVERNANCE STATEMENT**

The Annual Governance Statement explains the HSCP Board's governance arrangements as it meets the requirements of the "Code of Practice for Local Authority Accounting in the UK" and reports on the effectiveness of the HSCP Board's system of internal control.

### **Scope of Responsibility**

The HSCP Board 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. The Strategic Plan 2016-2019 also commits to the delivery of effective clinical and care governance and Best Value.

To meet this responsibility the HSCP Board has established arrangements for governance of its affairs and facilitating the effectiveness of its functions, which includes arrangements for the management of risk. In discharging this responsibility, the Chief Officer has put in place arrangements for governance which includes a system of internal control. The system is intended to manage risk, to a reasonable level, to support the achievement of the HSCP Board's policies, aims and objectives. Reliance is also placed on Greater Glasgow and Clyde Health Board and West Dunbartonshire Council's systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the HSCP Board.

*Delivering Good Governance in Local Government: Framework*, published by CIPFA in association with Solace in 2007, set the standard for local authority governance in the UK. CIPFA and Solace reviewed the Framework in 2015 to ensure it remained 'fit for purpose' and published a revised edition in spring 2016. The new *Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016)* applies to annual governance statements prepared for the financial year 2016/17 onwards.

West Dunbartonshire Council has recently approved and adopted a revised Local Code of Corporate Governance (the Local Code), which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Framework: *Delivering Good Governance in Local Government*. A copy of this Code is available from the Council website at:

<http://www.west-dunbarton.gov.uk/media/4312582/wdc-local-code.pdf>

A copy of Greater Glasgow and Clyde Health Board's annual review of its governance arrangements is available from the Health Board website at:

<http://www.nhsggc.org.uk/media/242657/item-07-governance-statement.pdf>

Any system of internal control can only provide reasonable and not absolute assurance of effectiveness.



## The Governance Framework

The governance framework is comprised of systems and processes; culture and a set of values; by which the HSCP is directed and controlled. It enables the HSCP Board to monitor the achievements of the strategic objectives set up in its Strategic Plan.

The HSCP Board comprises of the Chair and five other voting members, nominated equally by either the West Dunbartonshire Council or Greater Glasgow and Clyde Health Board. There are a number of professional and stakeholder non-voting members including a Chief Officer appointed by the Board. As defined within the Integration Scheme the HSCP, “is the joint delivery vehicle for those integrated services delegated to the Integration Joint Board (except for NHS acute hospital services)”; and the Chief Officer is responsible for the operational management of said Health & Social Care Partnership.”

While the Delivering Good Governance in Local Government: Framework is written in a local authority context, most of the principles are applicable to the HSCP Board, particularly as legislation recognises IJBs as a local government body under Part VII of the Local Government (Scotland) Act 1973, and therefore subject to the local authority accounting code of practice.

The HSCP Board recently approved the adoption of a Local Code of Good Governance and considered the Sources of Assurance which describes and defines the main features of the governance framework. A review on the effectiveness of the sources of assurance has been carried out and an action plan for improvements will be submitted to the HSCP Board on 20 September 2017. A copy of the local code can be found on the WD HSCP website at (Item 9):

<http://www.wdhscp.org.uk/media/1789/hscp-31-may-document-pack-public-version.pdf>

The main features of the governance framework in existence during 2016/17 are described in the Local Code but are summarised below:

- The HSCP Board is formally constituted through the Integration Scheme agreed with our Council and Health Board partners and approved by Scottish Government;
- The HSCP Board’s second Strategic Plan 2016 – 2019 was approved by the Board on the 17 August 2016. It sets out the purpose, strategic vision and commissioning priorities for the next three years – with a clear commitment to the delivery of effective clinical and care governance and Best Value;
- The scope, authority, governance and strategic decision making of the HSCP Board and Audit Committee is set out in key constitutional documents including the integration scheme, scheme of delegation, terms of reference, code of conduct, standing orders and financial regulations;
- The Performance Management Framework commits to regular reporting on the delivery of outcomes as set out in the Strategic Plan. Building on the well received 2015/16 Report, the 2016/17 Annual Performance Report was approved at the HSCP Board on 23 August 2017 and each meeting of the HSCP Board receives a quarterly Public Performance Report, which has already been scrutinised by the Senior Management Team;

- The HSCP Board's approach to risk management has been scrutinised and endorsed by the Audit Committee through an update of the Strategic Risk Register, specifically for it to articulate to the anticipated effect on the level of risks as a result of the mitigating action specified. This revised version was subsequently approved by the HSCP Board in November 2016. This is further underpinned by operational risk registers maintained and reviewed by HSCP Heads of Service;
- HSCP Board's approval of Strategic Partnership Agreements with our voluntary organisation partners;
- The Reserves Policy was reviewed as part of the annual budget setting process and approved by the HSCP Board in March 2017;
- The HSCP Board follows the principles set out in COSLA's *Code of Guidance on Funding External Bodies and Following the Public Pound* for both resources delegated to the Partnership by the Health Board and Local Authority and resources paid to its local authority and health service partners;
- The HSCP Board has in place a development programme for all HSCP Board Members. The Senior Management Team has taken part in development sessions on resilience and maintaining high quality performance in preparation of the retirement of the Chief Officer. A performance appraisal process is in place for all employees and compliance reporting is a standing agenda item at the Clinical and Care Governance Group; and
- Effective scrutiny and service improvement activities are supported by the formal submission of reports, findings and recommendations by Audit Scotland, the external auditors, Inspectorates and the appointed Internal Audit service to the HSCP's Senior Management Team and the HSCP Board and Audit Committee.

The governance framework was in place throughout 2016/17.

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

The system of internal control is based on an ongoing set of processes designed to identify, prioritise and manage the risks facing the organisation. The system aims to evaluate the nature and extent of failure to achieve the organisation's policies, aims and objectives and to manage risks efficiently, effectively and economically. Any system of internal control can only provide reasonable and not absolute assurance of effectiveness.

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

- Financial regulations and codes of financial practice;
- Comprehensive budgeting systems, including a formalised budget setting process;
- Regular reviews of periodic and annual financial reports that monitor service delivery and financial performance against the forecast of the integrated budget;
- Setting targets to measure financial and other performance;
- Clearly defined capital expenditure guidelines; and
- Formal project management disciplines.

The HSCP Board's financial management arrangements conform to the governance requirements of the CIPFA statement *The Role of the Chief Financial Officer in Local Government (2010)*. To deliver these responsibilities the Chief Financial Officer:

## West Dunbartonshire Integration Joint Board – Annual Accounts for the Year Ended 31<sup>st</sup> March 2017

- Must lead and direct a finance function that is resourced to be fit for purpose; and
- Must be professionally qualified and suitably experienced.

During 2016/17 the Health Board undertook a review of its Management Accounts function and in consultation with Chief Officers and Chief Financial Officers, formally delegated accountancy support to each of the six partner HSCP's. For WD HSCP the Chief Financial Officer now leads and directs a joint finance team which can continue to develop and refine integrated budgeting and monitoring processes.

From a review of disclosures made in the draft financial statements of NHSGGC and WDC, the HSCP Board has placed reliance on the individual Assurance Statements of Internal Financial Control and the Annual Audit Reports prepared by their own internal auditors. These reports highlight areas for improvement around internal controls and are reflected in the Council and Health Board's own Governance Statements.

Internal audit reviews of NHSGGC as a whole reported the following issues that they considered should be reported in the health board's annual governance statement:

- Waiting times management and reporting (only limited assurance that action plans are completed and being used);
- IT Resilience (improvements to disaster recovery programme were required);
- Business continuity management (a lack of Board-wide and strategic direction to business continuity); and
- Reporting and monitoring arrangements of efficiency savings (further action is required in respect of unallocated savings plans at directorate level).

### **Review of Effectiveness**

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

The review of the HSCP Board's governance framework is supported by a process within West Dunbartonshire Council and Greater Glasgow and Clyde Health Board. Within the Council each member of the Corporate Management Team presents an annual statement on the adequacy and effectiveness of control (including financial control), governance and risk management arrangements within their service area. Through the delegation of operational responsibility for the delivery of all social care services these statements were provided by the HSCP's Chief Officer and Senior Management Team. The responses to these are considered as part of the review of the HSCP and the Council's governance frameworks and areas for improvement are considered in "Further Actions" below. A similar process is in operation within the Health Board where Service Managers were provided with a "Self-assessment Checklist" to complete and return as evidence of review of key areas of the internal control framework.

The Chief Internal Auditor reports directly to the HSCP Board's Audit Committee on all audit matters, with the right of access to the Chief Officer, Chief Financial Officer and Chair of the Audit Committee on any matter. The Audit Committee operates in accordance with CIPFA's Audit Committee Principles in Local Authorities in Scotland and Audit Committees: Practical Guidance for Local Authorities. The Chief Internal Auditor undertakes an annual audit review to provide an independent opinion on the adequacy

## West Dunbartonshire Integration Joint Board – Annual Accounts for the Year Ended 31<sup>st</sup> March 2017

and effectiveness of the HSCP's Internal Financial Control. For 2016/17 the conclusion was "that reasonable assurance can be placed upon the adequacy and effectiveness of systems of governance, risk management and internal control".

Audit Scotland in their December 2015 report entitled "Health and Social Care Integration" recommended that Integration Joint Boards have high standards of effective governance. As part of the 2016/17 HSCP Board Audit Plan an audit was carried out on "Governance, Performance and Financial Management Arrangements" of the HSCP. The findings concluded that the systems examined are generally working effectively.

### **Governance Issues in 2016/17**

The approval process for budget setting for NHSGGC and WDC follow different timetables. The council approved its 2016/17 annual budget on 24 February 2016, which included its budget allocation offer to the HSCP Board. The health board did not approve its budget until the 28 June 2016 and the budget allocation to the HSCP Board was not formally received until 5 July 2016.

This process was recognised as being unacceptable by both NHSGGC and the HSCP Board and efforts were made to rectify this for 2017/18 budget allocations. A budget allocation offer was received on 23 February 2017 and was formally presented to the HSCP Board on the 1 March 2017. This offer was not accepted on the basis that it did not meet the Scottish Government direction to maintain contribution at 2016/17 cash levels.

After significant commitment and partnership working with NHSGGC and the six IJBs' consensus was reached and a revised offer was accepted by the HSCP Board on 23 August 2017.

The uncertainty brought about by these delays impacted on the 2017/18 financial planning process and the possible utilisation of reserves (as detailed within these annual accounts) moving forward.

Whilst all operational and transactional governance issues are considered within our partners' governance frameworks the HSCP Board Audit Committee take an overview of all actions arising from both internal and external audit reports.

The Chief Internal Auditor's regular update reports to the HSCP Board Audit Committee have confirmed that there are no significant governance issues for 2016/17. However there is presently no formal mechanism in place for the internal audit service of NHSGGC to consult with the HSCP Board Audit Committee regarding planned audit work which could relate of impact on WD HSCP, nor is there a protocol for resulting audit reports to be shared. This will be taken forward and is acknowledged in "Further Actions" below.

### **Further Actions**

To ensure continual improvement of the HSCP's governance arrangements the following actions have been agreed:

- Enhancement of the already robust budget monitoring processes by developing the functionality of Carefirst Financials in the production of full year commitment information;
- In partnership with the Council and Health Board continue to work with staff and their representatives through the Joint Staff Forum on reducing sickness absence rates across all services;

## West Dunbartonshire Integration Joint Board – Annual Accounts for the Year Ended 31<sup>st</sup> March 2017

- Developing management information in partnership with ISD to better inform strategic planning, financial and commissioning strategy and “measuring performance under integration” by way of 6 key measures laid down by the Ministerial Strategy Group for Health and Community Care;
- Internal Audit review of Social Work Tendering and Commissioning practices across services, with cognisance of the requirement to ensure that all adult social care workers are paid at the Scottish Living Wage rate; and
- Detailed review and scoring of local code, together with an improvement action plan will be presented to the 20 September 2017 HSCP Board Audit Committee, these include:
  - Developing a medium term financial strategy;
  - Develop a protocol with NHS GGC auditors to share internal audit report findings;
  - In partnership with NHS GGC, Scottish Government and GGC IJBs agree on a methodology that allows Set Aside resources to be quantified and reflect actual activity to comply with legislation on the use of this resource in shifting the balance of care; and
  - Strengthen the strategic planning process.

### Assurance and Certification

Whilst recognising that improvements are required, as detailed above, it is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the HSCP Boards system of governance.

We consider the internal control environment provides reasonable and objective assurance that any significant risks impacting on our principal objectives will be identified and actions taken to mitigate their impact.

**Marie McNair**  
HSCP Board Chair



Date: 20/09/17

**Beth Culshaw**  
Chief Officer



Date: 20/09/17

# West Dunbartonshire Health & Social Care Partnership

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## **COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT**

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

2015/16 Gross Expend Restatement £000	2015/16 Gross Income Restatement £000	2015/16 Net Expend Restatement £000	West Dunbartonshire Integrated Joint Board Health & Social Care Partnership	2016/17 Gross Expend £000	2016/17 Gross Income £000	2016/17 Net Expend £000
<b>Consolidated Health &amp; Social Care</b>						
24,736	(6,028)	18,708	Older People Residential, Health and Community Care	32,972	(7,183)	25,789
10,055	(519)	9,536	Homecare	13,786	(711)	13,075
1,927	(119)	1,808	Physical Disability	2,751	(242)	2,509
15,028	(1,546)	13,482	Children's Residential Care and Community Services (incl specialist)	19,881	(769)	19,112
1,560	(75)	1,485	Strategy Planning and Health Improvement	1,929	(78)	1,851
8,490	(1,130)	7,360	Mental Health Services - Adult & Elderly Community and Inpatients	11,085	(1,505)	9,580
2,555	(202)	2,353	Addictions	3,013	(154)	2,859
11,543	(602)	10,941	Learning Disabilities - Residential and Community Services	15,542	(379)	15,163
18,371	(780)	17,591	Family Health Services (FHS)	24,406	(988)	23,418
14,010	0	14,010	GP Prescribing	19,294	0	19,294
0	0	0	Hosted Services - MSK Physio <b>Note 10</b>	6,246	(182)	6,064
0	0	0	Hosted Services - Retinal Screening <b>Note 10</b>	770	(4)	766
(1)	0	(1)	Criminal Justice	3,742	(3,726)	16
3,512	(1,944)	1,568	HSCP Corporate and Other Services	1,536	(829)	707
244	0	244	IJB Operational Costs	254	0	254
<b>112,030</b>	<b>(12,945)</b>	<b>99,085</b>	<b>Cost of Services Directly Managed by West Dunbartonshire HSCP</b>	<b>157,207</b>	<b>(16,750)</b>	<b>140,457</b>
13,040		13,040	Set aside for delegated services provided in large hospitals <b>Note 3</b>	17,066	0	17,066
			Services hosted by other NHS GGC IJBS <b>Note 3&amp;10</b>	13,292	(1,517)	11,775
			Services hosted by West Dunbartonshire IJB for other IJBS <b>Note 3&amp;10</b>	(6,494)	231	(6,263)
			Assisted garden maintenance and Aids and Adaptions	702	0	702
<b>125,070</b>	<b>(12,945)</b>	<b>112,125</b>	<b>Total Cost of Services to West Dunbartonshire HSCP</b>	<b>181,773</b>	<b>(18,036)</b>	<b>163,737</b>
	(113,737)	(113,737)	Taxation & Non-Specific Grant Income (contribution from partners) <b>Note 6</b>		(167,693)	(167,693)
		<b>(1,612)</b>	<b>(Surplus) or Deficit on Provisions of Services and Total Comprehensive (Income)/Expenditure</b>			<b>(3,956)</b>

# West Dunbartonshire Health & Social Care Partnership

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## **MOVEMENT IN RESERVES STATEMENT**

This statement shows the movement in the year on the HSCP 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.

Movement in Reserves During 2016/17	Unearmarked Reserves Balance £000	Earmarked Reserves Balance £000	Total General Fund Reserves £000
<b>Opening Balance as at 31 March 2016</b>	(492)	(1,120)	(1,612)
Total Comprehensive Income and Expenditure Increase /Decrease 16-17	(1,588)	(2,368)	(3,956)
<b>Closing balance as at 31 March 2017</b>	(2,080)	(3,488)	(5,568)

Movement in Reserves During 2015/16	Unearmarked Reserves Balance £000	Earmarked Reserves Balance £000	Total General Fund Reserves £000
<b>Opening Balance as at 31 March 2015</b>	-	-	-
Total Comprehensive Income and Expenditure Increase /Decrease 15-16	(492)	(1,120)	(1,612)
<b>Closing balance as at 31 March 2016</b>	(492)	(1,120)	(1,612)

## **BALANCE SHEET**

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

2015-16 Restatement £000		Notes	2016-17 £000
1,612	Short Term Debtors	7	5,568
<b>1,612</b>	<b>Current Assets</b>		<b>5,568</b>
	Short Term Creditors	8	-
-	<b>Current Liabilities</b>		-
<b>1,612</b>	<b>Net Assets</b>		<b>5,568</b>
(492)	Usable Reserves: General Fund	9	(2,033)
(1,120)	Usable Reserves: Earmarked	9	(3,535)
<b>(1,612)</b>	<b>Total Reserves</b>		<b>(5,568)</b>

The unaudited accounts were issued on 22<sup>nd</sup> June 2017 and the audited accounts were authorised for issue on 20<sup>th</sup> September 2017.

**Julie Slavin CPFA**  
Chief Financial Officer



20/09/17

## **NOTES TO THE FINANCIAL STATEMENTS**

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

#### **1.1 General Principles**

The Financial Statements summarises the HSCP Board's transactions for the 2016/17 financial year and its position at the year-end of 31 March 2017.

The HSCP 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 2016/17, 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 HSCP Board will continue in operational existence for the foreseeable future. The historical cost convention has been adopted.

#### **1.2 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 HSCP Board.
- Income is recognised when the HSCP Board 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

#### **1.3 Funding**

The HSCP Board is primarily funded through funding contributions from the statutory funding partners, WDC and NHSGGC. Expenditure is incurred as the HSCP Board commission's specified health and social care services from the funding partners for the benefit of service recipients in West Dunbartonshire.

#### **1.4 Cash and Cash Equivalents**

The HSCP Board does not operate a bank account or hold cash and therefore has not produced a cashflow statement for these annual accounts Transactions are settled on behalf of the HSCP Board by the funding partners. Consequently the HSCP 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 2017, is represented as a debtor or creditor on the HSCP Board's Balance Sheet.



## 1.5 Employee Benefits

The HSCP 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 HSCP Board therefore does not present a Pensions Liability on its Balance Sheet.

The HSCP 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. Where material the Chief Officer's absence entitlement as at 31<sup>st</sup> March is accrued, for example in relation to annual leave earned but not yet taken.

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

## 1.6 Provisions, Contingent Liabilities and Contingent Assets

Provisions are liabilities of uncertain timing or amount. A provision is recognised as a liability on the balance sheet when there is an obligation as at 31 March 2017 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 2017, 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 HSCP 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 2017, whose existence will only be confirmed by later events. A contingent asset is not recognised in the HSCP Board's Balance Sheet, but is disclosed in a note only if it is probable to arise and can be reliably measured.

## 1.7 Reserves

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

The HSCP Board's only Usable Reserve is the General Fund. The balance of the General Fund as at 31 March 2017 shows the extent of resources which the HSCP Board can use in later years to support service provision or for specific projects.

## 1.8 Indemnity Insurance

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

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

## 1.9 VAT

The HSCP is not a taxable person and does not charge or recover VAT on its functions.

The VAT treatment of expenditure in the HSCP board's accounts depends on which of the partner organisations is providing the service as these agencies are treated differently for VAT purposes.

The services provided to the HSCP board by the Chief Officer are outside the scope of VAT as they are under a special regime.

## **2. Accounting Standards Issued Not Yet Effective**

For 2017/18, the Code requires the disclosure of information relating to the expected 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 2017/18 Code:

- Amendment to the reporting of pension fund scheme transaction costs; and
- Amendment to the reporting of investment concentration.

It is not anticipated that the above changes will have a material impact on the information provided in the financial statements.

The Code requires implementation of these from 1 April 2017 and therefore there is no impact on the 2016/17 Statement of Accounts.

# West Dunbartonshire Health & Social Care Partnership

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### 3. Critical Judgements and Estimation Uncertainty

A critical judgement made in the Financial Statements relating to complex transactions is in respect of the values included for services hosted within West Dunbartonshire HSCP for other IJBs within the Greater Glasgow and Clyde area. At the end of the financial year an assessment of costs associated with activity for these services related to non-West Dunbartonshire residents is made and an appropriate share of the costs is removed from the accounts of West Dunbartonshire HSCP Board and transferred to those other IJBs. The costs removed are based upon budgeted spend such that any overspend or underspend remains with the hosting partnership.

The set aside resource for delegated services provided in large hospitals is determined by analysis of hospital activity and cost information. The value included in the accounts is calculated by NHSGGC using the average of activity data for each partnership population covering to 2013 to 2015 and 2014/15 cost data, uprated for 1% annual inflation for each year. In recognition of the significant joint work which requires to be undertaken to refine this calculation and allow NHSGGC and the six IJBs to meaningful set performance targets, 2016/17 expenditure value equalled the 2016/17 notional budget allocation.

### 4. Events After the Reporting Period

The Annual Accounts were authorised for issue by the Chief Financial Officer on 20<sup>th</sup> September 2017. 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<sup>st</sup> March 2017, 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

West Dunbartonshire Health & Social Care Partnership Board Consolidated Health & Social Care Services	2015-16 £000	2016-17 £000
Employee Costs	41,912	69,697
Property costs	1,390	1,067
Transport	961	1,450
Supplies and Services	3,818	5,592
Payment to Other Bodies	29,683	40,128
Prescribing	16,369	23,435
Family Health Services	16,012	20,784
Capital Charges	580	0
Other - Direct Payments	1,288	1,835
Audit Fee	17	17
Assisted Garden Maintenance and Aids and Adaptations	0	702
Set Aside for Delegated Services Provided in Large Hospitals	13,040	17,066
Income	(12,945)	(18,036)
Taxation and non-specific grant income	(113,737)	(167,693)
<b>Surplus on the Provision of Services</b>	<b>(1,612)</b>	<b>(3,956)</b>

# West Dunbartonshire Health & Social Care Partnership

West Dunbartonshire Integration Joint Board – Annual Accounts for the Year Ended 31<sup>st</sup> March 2017

## 6. Taxation and Non-Specific Grant Income

The table below shows the funding contributions from the two partner organisations. The funding contribution from the NHS Greater Glasgow and Clyde Health Board shown above includes £17.066m in respect of 'set aside' resources relating to acute hospital and other resources. These are provided by the Health Board which retains responsibility for managing the costs of providing the services. The HSCP Board however has responsibility for the consumption of, and level of demand placed on, these resources.

Taxation and Non -Specific Grant Income	2015-16 Restatement £000	2016-17 £000
NHS Greater Glasgow and Clyde Health Board	(55,378)	(82,899)
West Dunbartonshire Council	(45,319)	(61,514)
NHS GGCHB Set Aside	(13,040)	(17,066)
Services hosted by other GGC IJBS *		(11,775)
Services hosted by West Dunbartonshire HSCP for other IJBS		6,263
Assisted garden maintenance and Aids and Adaptions		(702)
<b>Total</b>	<b>(113,737)</b>	<b>(167,693)</b>

\*West Dunbartonshire HSCP Board was established on 1<sup>st</sup> July 2015 and integrated delivery of health and social care services commenced on this date. Consequently the 2016/17 financial year is the first fully operational financial year of the HSCP Board and the figures above reflect this. In accordance with the Code there is a requirement to restate 2015/16 figures with the removal of the total cost of services hosted by WDHSCP Board for MSK Physio and Retinal Screening as there is no available cost data linking activity across all partnerships to expenditure. The value of hosted services for the 9 months of 2015/16 was £4.556m and £0.572m respectively and when included the total "taxation and non-specific grant income" equals £118.865m.

## 7. Debtors

Short Term Debtors	2015-16 Restatement £000	2016-17 £000
NHS Greater Glasgow and Clyde Health Board	1,048	1,628
West Dunbartonshire Council	564	3,940
<b>Total</b>	<b>1,612</b>	<b>5,568</b>

## 8. Creditors

Short Term Creditors	2015-16 Restatement £000	2016-17 £000
NHS Greater Glasgow and Clyde Health Board	0	0
West Dunbartonshire Council	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

# West Dunbartonshire Health & Social Care Partnership

West Dunbartonshire Integration Joint Board – Annual Accounts for the Year Ended 31<sup>st</sup> March 2017

## 9. Usable Reserve: General Fund

The HSCP 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 a key part of the HSCP Board's risk management 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.

Balance as at 1st April 2015 £000	Transfers Out 2015/16 £000	Transfers In 2015/16 £000	Balance as at 31st March 2016 £000		Transfers Out 2016/17 £000	Transfers In 2016/17 £000	Balance as at 31st March 2017 £000
0	0	(301)	(301)	Integrated Care Fund	301	(555)	(555)
0	0	(275)	(275)	Delayed Discharge	191	(87)	(171)
0	0	(205)	(205)	GIRFEC NHS	30	0	(175)
0	0	(24)	(24)	GIRFEC Council	10	0	(14)
0	0	(46)	(46)	MSK Physio	46	0	0
0	0	(21)	(21)	Ophthalmology	21	0	0
0	0	(48)	(48)	Criminal Justice - transitional funds	48	(60)	(60)
0	0	(200)	(200)	DWP Conditions Management	16	0	(184)
0	0	0	0	TEC ( Technology enabled care) project	0	(118)	(118)
0	0	0	0	Cluster lead funding	0	(26)	(26)
0	0	0	0	SMT Leadership development funding	0	(3)	(3)
0	0	0	0	Social Care Fund - Living Wage	0	(833)	(833)
0	0	0	0	Service Redesign and Transformation	0	(1,000)	(1,000)
				Physio waiting times initiative	0	(75)	(75)
0	0	0	0	CHCP 2015/16 Saving	0	(274)	(274)
<b>0</b>	<b>0</b>	<b>(1,120)</b>	<b>(1,120)</b>	<b>Total Earmarked Reserves</b>	<b>663</b>	<b>(3,031)</b>	<b>(3,488)</b>
<b>0</b>	<b>0</b>	<b>(492)</b>	<b>(492)</b>	<b>Unearmarked</b>	<b>396</b>	<b>(1,984)</b>	<b>(2,080)</b>
<b>0</b>	<b>0</b>	<b>(1,612)</b>	<b>(1,612)</b>	<b>Total General Fund</b>	<b>1,059</b>	<b>(5,015)</b>	<b>(5,568)</b>

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## 10. Agency Income and Expenditure

On behalf of all IJBs within the NHSGGC area, the WD HSCP acts as the lead manager, or host for a number of delegated services. It commissions services on behalf of the other IJBs and recovers the costs involved. The payments that are made on behalf of the other IJBs' and the consequential reimbursement are removed from the Comprehensive Income and Expenditure Statement (CIES) since WD HSCP is not acting as principal in these transactions.

The net amount of expenditure and income relating to those agency arrangements is shown below. (Comparative data not available for 2015/16)

2015/16 Agency Expend £000	2015/16 Agency Income £000	2015/16 Net Exp £000		2016/17 Agency Expend £000	2016/17 Agency Income £000	2016/17 Net Exp £000
-	-	-	MSK Physio	5,486	(5,486)	0
-	-	-	Retinal Screening	681	(681)	0
-	-	-	Old Age Psychiatry	96	(96)	0
<b>0</b>	<b>0</b>	<b>0</b>	<b>Services Hosted by WD HSCP Board for Other IJBs</b>	<b>6,263</b>	<b>(6,263)</b>	<b>0</b>

Similarly, other HSCP's within GGC area act as the Lead Manager, or Host, for a number of delegated services on behalf of WD HSCP Board. The payments that are made by the other IJBs on behalf of WD HSCP Board and the consequential reimbursement are included in the comprehensive income and expenditure statement since this expenditure is incurred for the residents of West Dunbartonshire.

2015/16 Agency Expend £000	2015/16 Agency Services £000	2015/16 Net Exp £000		2016/17 Agency Expend £000	2016/17 Agency Income £000	2016/17 Net Exp £000
-	-	-	Podiatry	485	(485)	-
-	-	-	Primary Care support	373	(373)	-
-	-	-	Continence	311	(311)	-
-	-	-	Sexual Health	646	(646)	-
-	-	-	Learning Disability Tier 4	170	(170)	-
-	-	-	Mh Central Services	660	(660)	-
-	-	-	MH Citywide services	962	(962)	-
-	-	-	Oral Health	657	(657)	-
-	-	-	Addictions	1,096	(1,096)	-
-	-	-	Prison Healthcare	756	(756)	-
-	-	-	HC In Police Custody	177	(177)	-
-	-	-	General Psychiatry	3,393	(3,393)	-
-	-	-	Learning Disability	417	(417)	-
-	-	-	Old Age Psychiatry	1,672	(1,672)	-
<b>-</b>	<b>-</b>	<b>-</b>	<b>Services Hosted by other NHS GGC IJB's</b>	<b>11,775</b>	<b>(11,775)</b>	<b>-</b>

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## 11. Related Party Transactions

The HSCP Board has related party relationships with the Greater Glasgow and Clyde Health Board and West Dunbartonshire Council. In particular the nature of the partnership means that the HSCP Board may influence, and be influenced by, its partners. The following transactions and balances included in the HSCP Board's accounts are presented to provide additional information on the relationships.

### Transactions with Greater Glasgow and Clyde Health Board

2015-16 Restatement £000		2016-17 £000
(73,546)	Funding Contributions received from the NHS Board	(99,965)
72,498	Expenditure on Services Provided by the NHS Board	99,385
<b>(1,048)</b>	<b>Net transactions with NHS Board</b>	<b>(580)</b>

Greater Glasgow and Clyde Health Board did not charge for any support services provided in the year ended 31<sup>st</sup> March 2017.

### Balances with Greater Glasgow and Clyde Health Board

2015-16 £000		2016-17 £000
1,048	Debtors Balances: Amount Due from the NHS Board	1,628

### Transactions with West Dunbartonshire Council

2015-16 £000		2016-17 £000
(45,319)	Funding Contributions received from the council	(61,514)
44,511	Expenditure on Services Provided by the council	57,884
244	Key management personnel	254
<b>(564)</b>	<b>Net transactions with West Dunbartonshire Council</b>	<b>(3,376)</b>

### Balances with West Dunbartonshire Council

2015-16 £000		2016-17 £000
564	Debtors Balances: Amount Due from West Dunbartonshire Council	3,940

West Dunbartonshire Council did not charge for any support services provided in the year ended 31<sup>st</sup> March 2017.

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## 12. External Audit Costs

In 2016/17 the HSCP Board incurred the following fees relating to external audit in respect of external audit services undertaken in accordance with the Code of Audit Practice:

2015-16 £000		2016-17 £000
17	Fees payable	17

No other fees were payable for any other audit services.



## **INDEPENDENT AUDITOR'S REPORT**

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

In my opinion the accompanying financial statements:

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

#### **Basis of opinion**

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

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

As explained more fully in the Statement of Responsibilities, the Chief Financial Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Chief

Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor’s responsibilities for the audit of the financial statements**

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

My objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that 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&I) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Other information in the annual accounts**

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

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

**Report on other requirements**

**Opinions on other prescribed matters**

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

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

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

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

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

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

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

I have nothing to report in respect of these matters.



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20 September 2017