



**REPORT TO:** East Lothian Integration Joint Board  
**MEETING DATE:** 27 September 2018  
**BY:** Interim Chief Officer  
**SUBJECT:** Changes to Non-Voting Membership of East Lothian Integration Joint Board

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## 1 PURPOSE

- 1.1 This report asks the Integration Joint Board (IJB) to agree the appointment of two new non-voting members.

## 2 RECOMMENDATIONS

- 2.1 To ask the IJB to:
- i. agree to the appointment of David Binnie to represent carers and Jean Trench to represent the independent sector; and
  - ii. agree that the appointment of Mr Binnie should be for two years and Ms Trench for three years.

## 3 BACKGROUND

- 3.1 The IJB agreed in March 2016 to a process for selection of non-voting members involving advertising and interviewing for the positions.
- 3.2 Following interviews held by the Chair, Vice Chair and Interim Chief Officer it is recommended that David Binnie be appointed to represent carers and Jean Trench be appointed to represent the independent sector.
- 3.3 The IJB agreed at its meeting in May 2016 that in order to minimise wholesale changes in membership at any one time the appointments be staggered as follows:
- service users and independent sector – three years
  - third sector and carers – two years

#### **4 ENGAGEMENT**

4.1 The membership vacancies were advertised and the Chair, Depute Chair and Chief Officer were involved in the selection process.

#### **5 POLICY IMPLICATIONS**

5.1 There are no policy implications of the paper.

#### **6 INTEGRATED IMPACT ASSESSMENT**

6.1 This report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

#### **7 RESOURCE IMPLICATIONS**

7.1 There are no resource implications of this paper.

#### **8 BACKGROUND PAPERS**

8.1 None.

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<b>DATE</b>	21 September 2018



## MINUTES OF THE MEETING OF THE EAST LoTHIAN INTEGRATION JOINT BOARD

THURSDAY 23 AUGUST 2018  
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON

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### Voting Members Present:

Mr P Murray (Chair)  
Councillor S Akhtar  
Councillor S Currie  
Ms F Ireland  
Councillor S Kempson  
Councillor F O'Donnell  
Prof M Whyte

### Non-voting Members Present:

Ms F Duncan  
Ms P Dutton  
Dr R Fairclough (Items 3 – 12)  
Mr D King  
Ms A MacDonald  
Mrs M McKay  
Ms M McNeill  
Ms J Tait  
Dr J Turvill

### Officers from NHS Lothian/East Lothian Council:

Mr P Currie  
Ms J Odgen-Smith

### Clerk:

Ms F Currie

### Apologies:

Mr A Joyce  
Ms E Johnston

### Declarations of Interest:

None

## **1. MINUTES OF THE EAST LoTHIAN INTEGRATION JOINT BOARD MEETING OF 28 JUNE 2018 (FOR APPROVAL)**

The minutes of the East Lothian Integration Joint Board meeting of 28 June 2018 were approved.

## **2. MATTERS ARISING FROM THE MINUTES OF THE MEETING ON 28 JUNE**

The following matters arising from the minutes of 28 June were discussed:

**(Item 4)** – Councillor Fiona O'Donnell asked for an update following the discussion on whistleblowing. Fiona Ireland advised that no further meetings had taken place but that staff were routinely encouraged to report any issues. Alison MacDonald confirmed that although there were separate whistleblowing policies for NHS Lothian and East Lothian Council the ethos was the same.

Councillor O'Donnell asked for an update on progress following the Belhaven Care Home inspection report. Ms MacDonald indicated that the action plan had been completed and that the Care Inspectorate (CI) had made a return visit and were satisfied with the progress. The CI had also returned to Eskgreen and were content with the improvements put in place.

**(Item 9)** – Councillor Sue Kempson asked about the proposed information video for GP surgeries. Jane Ogden-Smith advised that she would be meeting with the media company next week to begin planning the video. She said that they were also considering a poster campaign.

**(Item 11)** – David King reminded the members that Councillor Kempson was the new chair of the Audit & Risk Committee and he also advised them that Councillor Stuart Currie had come off the membership of the Committee, leaving four voting members – 2 NHS and 2 Council.

The Chair indicated that his preference would be to appoint further members. The Clerk provided advice regarding the appointment of non-voting members or co-opting external members. The Chair agreed to give further consideration to increasing the membership of the Committee and to report back to the IJB.

**(Item 14)** – Councillor O'Donnell asked for an update on membership of the MELDAP Strategic Group. Judith Tait confirmed that the aspiration to include a representative from education remained but rather than make a formal approach to the Education Service other opportunities were being explored.

## **3. CHAIR'S REPORT**

The Chair said he had had a very useful meeting with Elaine Johnston to discuss the role of the third sector and he had invited her to give a presentation at the IJB's next development session.

He also reported on a visit to Time Bank, his involvement in the outcome of the whistleblowing fora review and his role on the Emergency Access Improvement Board looking at improvements to the reporting of the four hour A&E waiting time target.

The Chair advised members that he had asked the chair of NHS Lothian to convene a meeting of all of the Lothian IJB chairs and vice chairs to discuss efficient working and duplication. This followed concerns expressed by a consultant that the relationships

between acute services and IJBs were not consistent across the area. The next stage in the process would be to invite Chief Officers to consider the issue.

He reported that the next IJB network event would look at Directions and Digital Working. This followed a recent Internal Audit report on another IJB which highlighted the need to maintain close monitoring of the delivery of Directions.

The Chair explained to members that the intended report on re-provision of services had been postponed due to concerns over the resourcing of project teams and other practicalities. Further consideration would be given to these issues and the report would come forward at a later date.

Margaret McKay said that she was aware of concerns from groups in Dunbar and North Berwick that there had been no communication since May. The Chair agreed to contact them and Ms Ogden-Smith indicated that a newsletter could be issued within the next week or two.

The Chair reminded members of the recent e-mail seeking notes of interest in co-chairing the new change boards. He indicated that as yet no volunteers had come forward for 3 of the Boards – IJB Strategic Plan, Re-provisioning and Carers – and he asked members to consider putting their names forward.

Councillor Stuart Currie asked if there had been any discussions around planning for Brexit and specifically the provision of medication. He referred to the technical note being issued by the UK Government later that day and asked if local discussions were taking place. Councillor Kempson referred to a report on the radio which said that NHS Boards were intending to stock pile 6 months of medications.

The Chair advised that NHS Lothian was actively considering the implications and concerns around Brexit. He said he would get feedback following today's announcement and report back to the IJB. Ms MacDonald added that a variety of task forces had been set up to consider issues such as workforce planning and that she would be happy to bring this information to the IJB.

#### **4. NHS HEALTHCARE GOVERNANCE COMMITTEE (VERBAL)**

Ms Ireland reported on a meeting she attended on 10 July. Several papers had been presented including one from Edinburgh regarding an infection outbreak and the lessons learned, and the NHS Lothian strategy on volunteering which she suggested sharing with members of the IJB. The Chair agreed that this would be useful.

#### **5. DELAYED DISCHARGES (VERBAL)**

Ms MacDonald stated that despite a challenging couple of months, her team were on target to achieve a figure of 12 delayed discharges by the time of the monthly census next week. She said that they had had a significant level of success as a result of working closely with care providers, particularly on mixed packages of care. She concluded that while they were currently in a good position it remained a daily challenge to ensure that people were in the right place with the right level of care.

Referring to the recent Internal Audit report on delayed discharges, the Chair observed that the very positive report reflected the quality of the processes in place and the work being undertaken.

In response to a question from Councillor O'Donnell, Ms MacDonald said that East Lothian was performing well in comparison to the other Lothian IIBs and that neighbouring Partnerships had begun visiting to view examples of good practice within the county.

## **6. APPOINTMENT OF CHIEF FINANCE OFFICER**

The Interim Chief Officer had submitted a report asking the IJB to approve the appointment of a new Chief Finance Officer (Section 95 Officer) to replace the current post holder who would be retiring at the end of September 2018.

Mr King presented the report outlining the background to the recruitment process and advising members that, as currently, the new post holder would also be the Chief Finance Officer for Midlothian IJB and undertake a financial role with NHS Lothian.

### **Decision**

The IJB agreed the appointment of Claire Flanagan as the Chief Finance Officer for East Lothian IJB. This appointment to be effective from 1 October 2018.

## **7. FINANCIAL UPDATE – AUGUST 2018**

The Chief Finance Officer had submitted a report to update the IJB on the outline financial projections for 2018/19 based on the financial information currently available.

Mr King presented the report outlining the figures provided by NHS Lothian and East Lothian Council and the implications of the predicted overspend in the Adult Wellbeing budget. He advised members that work was continuing to develop the range of information available and to forecast possible outcomes based on different circumstances. He also highlighted the discussions underway with the partners on the preparation of recovery plans. However, he cautioned that these would not be likely to deliver all of the necessary savings required in the current year and additional options would need to be considered. In the meantime, Mr King asked members to note the current position and that a further update would be provided in September.

The Chair added that there had been some very positive discussions on how to broker a financial arrangement going forward.

Responding to questions from members, Mr King confirmed that last year's overspend had been factored into the forecast pressures for this year and that the IJB would be involved in the governance of the recovery plans being prepared by the partners. As well as developing proposals for the current year, the partners were looking at future budget-setting models and working to better understand the causes of recurring financial pressures.

Mr King also advised that the additional money provided by the Council, to cover the costs of the living wage and the national care home contract, had been factored into the budget along with liabilities for future staff pay awards. He confirmed that the additional costs associated with delivery of the Carers Act would be included as a financial pressure for 2019/20.

Responding to further questions, Ms MacDonald said that it would be important to provide evidence of how the balance of care was being changed, examples of the work being undertaken and to encourage open discussion so that the public understood why services were changing.

The Chair explained that discussions were taking place between the Scottish Government and the Chief Executives and Heads of Finance of the partners and that these would provide clarity and lead to a more detailed financial analysis of issues such as acute bed use. This analysis would then lead to the expectation of movement in resources.

Mrs McKay expressed concern that only 16% of the additional funding allocation made available to East Lothian Council had been applied to delivery of the Carers Act. The Scottish Government's expectation was that at least 33% of the extra funds provided would be allocated. She said that she had asked the Carers Network to look at the levels of resource applied across the country.

Marilyn McNeil observed that the figures in the annual report showed that the IJB was not doing as well as it should on carer and patient experience. The possibility of a transfer of resources from hospital to the community and the added security this could offer would allow staff to make improvements to services.

Councillor Currie said that it was a positive step forward getting this information earlier in the year when there was still time to take action. However, he did not see the overall position improving year on year unless there was a shift in resources. He said he looked forward to hearing more about the conversations taking place and to seeing the more detailed financial analysis of the resources required to deliver services.

The Chair noted that the indicators were positive and said that he too looked forward to seeing further progress.

## **Decision**

The IJB agreed to:

- (i) Note the outline projected position; and
- (ii) Support the actions laid out in the report.

## **8. EAST LOTHIAN CLINICAL CARE AND GOVERNANCE FRAMEWORK**

The Interim Chief Officer had submitted a report informing members of the requirement for the East Lothian IJB/Health & Social Care Partnership to have in place a Clinical and Care Governance Framework that meets the requirements of the 5 principles set out in the National Framework 2014.

The report highlighted the steps taken to develop and implement a clinical and care governance framework. It also provided, for consideration and approval, the outline and associated process documents that would support the delivery of a robust assurance process and the proposed terms of reference for the Clinical and Care Governance Committee suggested as a sub-committee of the IJB.

Ms MacDonald presented the report outlining the background and main issues including the ongoing development of the framework, arrangements for the Clinical and Care Governance Committee and proposals for a staff event to be held in October 2018.

Responding to questions from members, Ms MacDonald provided further information on the membership of the Committee and timing of meetings, reporting to the IJB and NHS Lothian and how the Committee would link into the Strategic Planning Group and other governance structures.

Ms Ireland welcomed the framework which she said would allow for a more detailed look at specific areas of clinical practice.

The Chair advised that the Scottish Government had recently published a document considering to what extent IJBs were pursuing clinical and care governance. He said that what was proposed in the framework was a step beyond the level expected by the Government and the work was a credit to Ms MacDonald and her team.

The Chair asked whether there would require to be a change to the IJB's Standing Orders and the Clerk confirmed that this would have to be brought forward in a report to the next meeting. After further discussion, the Chair agreed that the nomination of a chair for the Committee would also be dealt with at the next meeting.

### **Decision**

The IJB agreed to:

- (i) Approve the development of a Clinical and Care Governance infrastructure;
- (ii) Agree the ongoing development and content of the draft framework document. This document will be updated to reflect the feedback from pilot sites and the IJB and will be re-presented for final approval to the IJB in October 2018;
- (iii) Consider and approve the terms of reference for the proposed Clinical and Care Governance Committee;
- (iv) Agree that the Committee will be a sub-committee of the IJB and will be chaired by an IJB member;
- (v) Approve the intention of holding a staff event to launch the clinical and care governance framework in October 2018; and
- (vi) Approve the intention that the implementation of this new process will be monitored and reported to the IJB on a regular basis (frequency to be agreed).

### **9. EAST LoTHIAN INTEGRATION JOINT BOARD ANNUAL REPORT FOR 2017/18**

The Interim Chief Officer had submitted a report to present to the IJB its second annual performance report covering 2017-18, the second year of operation of the IJB.

Paul Currie presented the report advising members that, as agreed last year, the report would be made available electronically through social media with paper copies provided on request. He also confirmed that a short summary document would be prepared. Referring to the content of the report, he highlighted the inclusion of various performance indicators, as required by the Scottish Government, and also the additional reference to the indicators produced by the Ministerial Steering Group on Integration. He invited members to provide comments on the draft document which would then be finalised and published in September.

Councillor Shamin Akhtar suggested that there needed to be a more robust summary of work being undertaken on child poverty and the work underway in response to concerns about the waiting list for CAMHS.

Councillor O'Donnell asked for additional information to be included in Table 1 (Attainment against MSG indicators) to give examples to illustrate the figures. She also asked for the inclusion of a Glossary of Terms in the report and suggested that the



section on public health work be strengthened to show the impact of the progress made. The Chair suggested that examples such as tobacco prevention could be featured.

Ms McNeill welcomed the inclusion of a short summary document and agreed with Councillor O'Donnell's point about including examples to illustrate some of the figures.

Ms Tait suggested the inclusion of examples of prevention work and the achievements in children's services. Ms Ogden-Smith reminded members that the IJB had agreed last year that the report should focus on adult services. Ms MacDonald pointed out that child visiting and school nurses were delegated functions and could be included as examples.

Councillor Currie said that some of the statistics were quite stark and it would be useful to include a commentary to provide some context. For example, where there had been a change in the results from last year it would be useful to explain why this had occurred and what action was being taken.

Councillor Kempson agreed and suggested that the report also needed to explain how targets were being achieved.

Mrs McKay expressed surprise that no one had asked for a paper copy of last year's report and asked if it would be possible to record the number of 'hits' on the web-based version of the report. Ms Ogden-Smith said that it had not been possible to do this last year but that it would be done for this year's report.

The Chair thanked members for their comments and asked them to feedback any other suggestions directly to Mr Currie and Ms Ogden-Smith.

## **Decision**

The IJB agreed to:

- (i) Approve the draft annual report for 2017-18 which has been prepared in line with Scottish Government guidance noting that East Lothian HSCP performance is varied across a number of measures as previously reported to the IJB;
- (ii) Approve, as was the case for the 2016-17 annual report, publication of the annual report on the internet and social media only, with paper copies provided if requested and note that no requests for printed copies were received for last year's annual report;
- (iii) Note that guidance requires that IJB annual reports are made as "*...accessible as possible to the public...*" To meet this requirement, the annual report will be publicised and made widely available via the IJB's established social media channels and the internet;
- (iv) Agree that a summary version of the annual report should be produced and made available via social media and the internet, with printed copies supplied on request; and
- (v) Note that in line with guidance annual report data "*...must be included for both the year which the report covers, and the 5 preceding years, or for all previous reporting years, if this is less than 5 years.*" For this reason, the 2017-18 annual report includes reference to performance from the preceding year.

## **10. QUARTERLY UPDATE ON DIRECTIONS (VERBAL)**

Mr Currie reported on progress with mapping the links between the annual delivery plan and in-year performance management on Directions. He also reminded members that this year would see the development of the IJB's new Strategic Plan.

He advised that discussions were ongoing with the partners to develop detailed operational plans for each of the Directions for which they are responsible and linking issues of delivery and performance, as described in the IJB's annual report and performance report. This information would be provided to the IJB as part of a formal progress report.

Mr King agreed that it would be useful to gather together all of the key information on delivery of the Directions for the IJB and that this should include financial information as part of the performance management reporting.

The Chair expressed his disappointment that this information was not yet available as it was necessary allow the IJB to exercise its main governance role. He emphasised the importance of the IJB reaching the point of having clear Directions with detailed performance measures and regular reporting.

## **11. MINUTES OF OTHER GROUPS OF RELEVANCE TO THE IJB (FOR NOTING):**

- **Community Justice Partnership Action Note – 20 February 2018**

The action note of the Community Justice Partnership meeting on 20 February 2018 was presented for noting.

Ms Tait explained that this group was part of a new body set up to broaden ownership of partnership working around the justice agenda. Another meeting had taken place in June 2018 which had included a positive discussion around access to mental health and other services for ex-offenders. She also referred to the new scrutiny arrangements put in place by the Care Inspectorate involving reviews of criminal justice social work and community justice evaluation. She said that the Care Inspectorate was currently looking for volunteers for the first phase of evaluations and would be compiling an annual report for the Scottish Government.

### **Decision**

The IJB agreed to note the contents of the action note.

## **SUMMARY OF PROCEEDINGS – EXEMPT INFORMATION**

The Integration Joint Board unanimously agreed to exclude the public from the following business containing exempt information by virtue of Paragraph 5.9.1 of its Standing Orders (the Integration Joint Board is still in the process of developing proposals or its position on certain matters, and needs time for private deliberation).

### **Minutes of other Groups of Relevance to the IJB (for noting):**

- **MELDAP Strategic Group – 10 April 2018**

The IJB agreed to note the minutes of the meeting of the MELDAP Strategic Group on 10 April 2018.







**REPORT TO:** East Lothian Integration Joint Board  
**MEETING DATE:** 27 September 2018  
**BY:** Chief Finance Officer  
**SUBJECT:** IJB Annual Accounts 2017/18

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## 1 PURPOSE

1.1 This report presents the IJB's annual accounts for 2017/18.

## 2 RECOMMENDATIONS

2.1 The IJB is asked to agree that the IJB's annual accounts for 2017/18 are now signed on behalf of the IJB by the Chair, the Chief Officer and the Chief Finance Officer.

## 3. BACKGROUND

3.1 As a body governed by section 110 of the Local Government Scotland Act (1973) and the appropriate regulations and subsequent Acts, the IJB must prepare a set of Annual Accounts. The accounts must fulfil the requirements of the Act and the regulations and must give a true and fair view of the IJB's financial position.

3.2 The accounts must then be reviewed by an Independent Auditor who will report their findings to this IJB's audit and risk committee which will allow the auditors to bring any matters to the committee's attention. If there are no issues arising from the auditors' report then the committee can recommend acceptance and authorisation of the annual accounts to the IJB.

3.3 In summary the auditor's report is unqualified - that is that the auditors consider that the accounts meet the regulations and requirements of the Act and that the accounts are a true and fair view of the IJB's financial position.

3.5 The IJB's Audit and Risk Committee has received the report of the appointed auditors and would recommend that the IJB accepts these accounts and that the accounts are signed on the IJB's behalf by the appropriate members of the IJB

## **4 ENGAGEMENT**

- 4.1 The annual accounts are published on the web and available in hard copies to the public.

## **5 POLICY IMPLICATIONS**

- 5.1 This paper is covered within the policies already agreed by the IJB.

## **6 INTEGRATED IMPACT ASSESSMENT**

- 6.1 There are no implications for health inequalities or general equality and diversity issues arising directly from the issues and recommendations in this paper.

## **7 RESOURCE IMPLICATIONS**

- 7.1 Financial – there are none.  
7.2 Personnel – there are none.

## **8 BACKGROUND PAPERS**

- 8.1 None

### **Appendices**

1. IJB's Annual Accounts 2017/18

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<b>DATE</b>	24 September 2018



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# **East Lothian Integration Joint Board**

## **Audited Annual Accounts 2017/18**

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### **Audit Arrangements**

Under arrangement approved by the Accounts Commission of Local Authority Accounts in Scotland, the auditor with responsibility for the audit of the accounts of East Lothian Integration Joint Board for the period 1 April 2017 to 31 March 2018 is Audit Scotland, 102 West Port, Edinburgh EH3 9DN.



## **Management Commentary**

### **Introduction**

The management commentary provides an overview of the key messages relating to the role, remit, members, objectives and the strategy of the East Lothian Integration Joint Board (the IJB). It describes the financial performance for the financial year ended 31 March 2018 and considers those issues and risks which may impact upon the IJB's financial position in the future.

### **The Role and Remit of the IJB**

East Lothian IJB is an Integration Authority set up under the Public Bodies (Joint Working) Act (2014). It is a 'body corporate', that is a separate legal entity. The IJB is constituted through its Integration Scheme which was prepared by East Lothian Council and NHS Lothian and presented to Scottish Ministers in March 2015. The Integration Scheme was approved by the Scottish Parliament in June 2015 and the first meeting of the IJB took place on 1 July 2015.

The IJB is governed by the Local Government Scotland Act (1973) along with the 2014 regulations and these accounts are prepared on that basis.

These accounts cover the period from 1 April 2017 to 31 March 2018.

The IJB's role and responsibility is to plan for the delivery of the functions that have been delegated to the IJB by East Lothian Council and NHS Lothian. These functions are :-

- Adult Social Care
- Criminal Justice
- Primary Care Services (GP Practices, Community Dentists, Community Pharmacies and Community Opticians)
- Mental Health Services
- Physical and Learning Disabilities Services
- Community Health Services
- Community Hospital Services
- Unscheduled Care Services (services that are generally delivered from the Royal Infirmary of Edinburgh, the Western General Hospital and St. John's Hospital)

The IJB assumed formal responsibility for these functions in April 2016 including the budgets for the delivery of these functions. The IJB published its Strategic Plan for these functions covering the period from April 2016 to March 2019 in November 2015.

The IJB issued directions to its partners for the financial year 2017/18 in March 2017. This in line with the processes set out in the Public Bodies (Joint Working) (Scotland) Act 2014.

The IJB met 7 times during the financial year 2017/18. There have been a number of changes to the membership of the IJB since the accounts for 2016/17 were published, both as a result of the local elections in May 2017 and other changes and the members of the IJB in March 2018 were as follows:-

<b>Member</b>	<b>Nominated/Appointed by</b>	<b>Role</b>
Peter Murray	Nominated by NHS Lothian	Voting Member, Chair
Fiona O'Donnell	Nominated by East Lothian Council	Voting member, Vice Chair
Shamin Akhtar	Nominated by East Lothian Council	Voting Member
Susan Kempson	Nominated by East Lothian Council	Voting Member
Stuart Currie	Nominated by East Lothian Council	Voting Member
Alex Joyce	Nominated by NHS Lothian	Voting Member
Moira Whyte	Nominated by NHS Lothian	Voting Member
Fiona Ireland	Nominated by NHS Lothian	Voting Member
David Small	Appointed by the IJB	Chief Officer
David King	Appointed by the IJB	Chief Finance Officer
Fiona Duncan	Nominated by East Lothian Council	Chief Social Worker
Alison MacDonald	Nominated by NHS Lothian	Chief Nurse/Head of Older People and Access
Andrew Flapan	Nominated by NHS Lothian	Medical Consultant
Jon Turvill	Nominated by NHS Lothian	Clinical Director
Richard Fairclough	Appointed by the IJB	General Practitioner
Thomas Miller	Appointed by the IJB	NHS Staff Representative
Penny Dutton	Appointed by the IJB	ELC Staff Side Representative
Margaret McKay	Appointed by the IJB	User/Carer representative, Chair of the Audit and Risk Committee
Elaine Johnston	Appointed by the IJB	Voluntary Sector Representative
Judith Tait	Appointed by the IJB	Head of Adult and Children's Services
Marilyn McNeill	Appointed by the IJB	User representative

Note – all members, except those indicated above as voting members, are non-voting members

David Small, the Chief Officer of the IJB stepped down from that role on 1 July 2018. Alison MacDonald will take up the role of Chief Officer on an Interim Basis from that date.

## **The IJB's Operations for the Year**

2017/18 was the second year of the IJB's operations and the IJB continued to deliver against its Strategic Plan.

One of the key areas of delivery within the health functions of the IJB is further development of the primary care services which will support both health and social care in the community and further the balance of care.

Developments include :-

- **Collaborative Working for Immediate Care (CWIC)**

The Collaborative Working for Immediate Care (CWIC) team was established in Musselburgh Primary Care Centre using Primary Care Transformation Funds in order to test approaches to meet same day demand through a non-medical team. This has allowed the HSCP to assess the role of Nurse Practitioners and Advanced Nurse Practitioners and Advanced Scope Physiotherapists in delivering primary care services. In doing so, this has directed appropriate activity from GPs, one of the desired outcome of the new General Medical Services (GMS) contract. In parallel to CWIC, the HSCP has developed, in partnership with NHS 24 a new primary care telephone triage service. Both CWIC and the NHS 24 service are being assessed for their suitability for roll-out to other GP practices across the county.

- **ELSIE (East Lothian Service for Integrated Care for the Elderly)**

The ELSIE service has continued to support patients in avoiding admission and where admission has been clinically necessary, has supported patients in returning home. This service has contributed to East Lothian's improved delayed discharge performance.

- **East Lothian Care Home Team**

The Care Home Team has continued to provide nursing and care staff of care homes in the Musselburgh and Gullane areas with advice on the clinical and nursing management of individual patients.

The Team schedules regular visits to care homes they cover in order to provide all registered patients with access to Advanced Nurse Practitioners or Nurse Practitioners for the management of acute and long term conditions.

## **The IJB's Position at 31 March 2018**

For the year ending 31 March 2017, the IJB has broken even. That is, the costs incurred in delivering the IJB's functions by East Lothian Council and NHS Lothian are equal to the income that the IJB received from NHS Lothian and East Lothian Council. However that position has been achieved by both partners making additional resources available.

Before any year-end adjustments, the Health element of the IJB's budget was underspent whilst the social care element was overspent. Having transferred the health underspend to support the social care overspend, the partners gave the IJB further non-recurrent support to allow the IJB to break-even.

The year-end position being arrived at as follows :-

Values are underspends /(overspends)	Health £000's	Social Care £000's	Total £000's
Initial out-turn position	250	(936)	(686)
Addition Resources			
NHS Lothian		75	75
East Lothian Council		611	611
Underspend/(overspend)	250	(250)	0

The IJB directed the underspend in its health 'arm' to be moved so support the initial overspend in social care – this is in line with the Integration Scheme – and thereafter the partners provided additional support. This support is non-recurrent.

### **Analysis of the Financial Statements**

The financial statements are all presented on a net basis.

### **Income and Expenditure**

The table below summarises the income and expenditure for the IJB for 2017/18.

East Lothian Integration Joint Board – Annual Accounts for the year ended 31 March 2018

	<b>Budget</b>	<b>Budget</b>	<b>Expenditure</b>	<b>Expenditure</b>	<b>Variance</b>	<b>Note</b>
	<b>Health</b>	<b>Social</b>	<b>Health</b>	<b>Social Care</b>		
	<b>£000's</b>	<b>Care</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	
<b>Direct East Lothian Services</b>						
Community AHPS	1,398		1,376		22	
Community Hospitals	9,274		8,855		419	
District Nursing	2,297		2,215		82	
General Medical Services	14,380		14,610		(230)	
Health Visiting	1,464		1,453		11	
Mental Health	4,215		4,517		(302)	
Other	4,672		4,262		410	
Prescribing	21,227		21,305		(78)	
Resource Transfer	3,227		3,226		1	<b>1</b>
Older People		24,253		24,687	(434)	
Learning Disabilities		14,923		15,374	(451)	
Mental Health		1,799		1,804	(5)	
Physical Disabilities		2,686		2,877	(191)	
Planning and Performance		2,850		2,598	252	
Other		3,707		3,489	218	
Non-recurrent support		611			611	
<b>East Lothian Share of pan Lothian</b>						
Set Aside	21,141		21,636		(495)	<b>2</b>
Mental Health	2,166		2,145		21	
Learning Disabilities	1,804		1,929		(125)	
GP Out of Hours	1,214		1,214		0	
Rehabilitation	533		487		46	
Sexual Health	662		661		1	
Psychology	825		805		20	
Substance Misuse	954		984		(30)	
Allied Health Professions	1,305		1,278		27	
Oral Health	1,940		1,873		67	
Other	3,349		3,216		133	
Dental	5,618		5,618		0	<b>3</b>
Ophthalmology	1,948		1,948		0	<b>3</b>
Pharmacy	2,881		2,881		0	<b>3</b>
<b>Totals</b>	<b>108,494</b>	<b>50,829</b>	<b>108,494</b>	<b>50,829</b>	<b>0</b>	
SCF	6,240	-6,240	6,240	-6,240		<b>4</b>
<b>Per accounts</b>	<b>114,734</b>	<b>44,589</b>	<b>114,734</b>	<b>44,589</b>		

Notes –

1. Resource Transfer are funds for specific purposes which are transferred from health to social care. However, these remain part of the health budget and are reported there.

2. Set Aside are the budgets for those functions delegated to the IJB which are managed by the Acute Services management teams within NHS Lothian.

These services are :-

- Accident and Emergency
- Cardiology
- Diabetes
- Endocrinology
- Gastroenterology
- General Medicine
- Geriatric Medicine
- Rehabilitation Medicine
- Respiratory Medicine
- Various ancillary support services for the above.

These services are delivered at the Royal Infirmary of Edinburgh, the Western General Hospital and St. John's Hospital.

3. In the Health system, expenditure to support the delivery of community dentistry, community opticians and community pharmacists is termed as 'non cash limited' (NCL) but is clearly part of the delivery of primary care services and these functions is delegated to the IJB. However, being NCL there is no budget as such but any expenditure incurred is supported in its entirety by the Scottish Government. The NCL values are not part of the budget setting process, there being no budget, but NHS Lothian has matched the NCL expenditure with income to cover this expenditure.
4. The Social Care fund is a resource which the Scottish Government has directed to the IJB through NHS Lothian and is shown as health funds in the accounts. However, these funds are then transferred to the Council and used to support the delivery of social care services and the analysis above reflects this.

The charges (shown as expenditure above) made by East Lothian Council to the IJB are the net direct costs incurred in the delivery of social care services in East Lothian. The charges from NHS Lothian are based on the health budget setting model as agreed by the IJB. That is, charges for the core services (those services specifically for and delivered by the East Lothian partnership) are based on the net direct actual costs incurred in East Lothian. However, charges for hosted and set aside services (those services which are not generally managed by the East Lothian Partnership and are delivered on a pan-Lothian basis) are based on the total actual costs for these service shared across four IJBs per the budget setting model. The IJB share of the total actual costs incurred in 2017/18 for hosted services is 12% and, generally, 12% of the Lothian element of the set aside budgets and the non-cash limited budgets.

### **Overview of the 2017/18 position.**

From the above table, it can be seen that there were a range of financial pressures identified.

## Direct East Lothian Services

Within the health budgets although there were operational overspends within mental Health Services and GMS these were offset by underspends in community hospitals and slippage (that is some programmes starting later in the year than planned and thus generating an underspend) within the system.

Within the social care budgets the pressures lay within increased demand for care services, particularly external care for elderly clients and clients with learning and physical disabilities as well as increased transport costs. The social care service also had an ambitious efficiency programme which was not fully delivered in year. As was discussed above, the social care position has been underpinned by further allocations from the partners.

## East Lothian Share of pan-Lothian services

The hosted position shows an overspend within the Learning Disabilities services but being offset with underspends in community dental (Oral Health), rehabilitation services and the UNPACS (Other) budget (this is the budget used to support Lothian patients cared for by services outwith NHS Lothian).

The significant overspend within the health budgets is within set aside the main pressures being :-

- Junior Medical – driven by additional staffing requested to cover rotas for sickness; maternity and vacancies – causing an over-establishment against funded levels. In addition there were significant excess banding payments for non-compliant rotas. New tighter controls regarding authorisation for additional staffing and reviewing rotas before issues arise are now in place to reduce pressure in 2018/19
- Gastroenterology - significant drug pressure reported on Adalimumab and Aflibercept driving costs as well as overall higher growth than previous year
- General Medicine – Pressure driven by staffing issues (significant at St John's Hospital – where recruitment is difficult) and ongoing bed pressures
- A&E – recruitment issues resulting in additional costs of locums/agency to cover and make safe staffing rotas – especially problematic at St John's Hospital.

## Balance Sheet

The IJB has broken even in 2017/18 and that there are no outstanding balances either carried into this financial year nor brought forward into future years (the IJB has no assets per its integration scheme). There are no entries in the IJB's balance sheet for 2017/18.

## **Reserves**

The IJB has no reserves at the end of 2017/18.

## **The IJB's Strategy and Business Model**

The IJB presented its financial strategy and outline three year financial plan at its February 2018 meeting. This strategy builds on the principles of realistic care and realistic expectations and this work will be supported through wide ranging public engagement which will not only explain how the health and social care service delivery is changing but will also engage the public as key elements in the delivery of their own care.

The key themes underpinning the financial strategy are :-

### **1. Prioritising the Allocation of Resources**

This is a very challenging exercise but the IJB will continue to look at the outcomes delivered by its services and consider how each service contributes to the delivery of the outcomes as described by the Scottish Government. Some of this work will fall naturally out of the service redesign and the IJB's underlying principles of transparency and engagement with the populations it services should support this process.

### **2. Making more efficient use of resources**

The principle of improved efficiency in every service will continue to be pursued. Some of this will be delivered by redesign and some may be delivered by advances in technology.

### **3. A move from failure demand to prevention**

There is little doubt that early intervention, especially in health will both improve the quality of life for individuals and often reduce the need to later, more costly interventions and treatments. A key part of this is 'co-production' – that is making sure that the individual is fully involved in their health and rather than a recipient of treatment a partner in their overall care. For example this approach is delivered through the link workers project in partnership with the third sector and is emphasised further in the Primary Care development programme.

### **4. A move from hospital care or care homes to community based services**

This is fundamental to the principle of changing the balance of care – the Scottish Government's policy is that more care should be delivered in the home or in a homely setting. Institutional services, especially large acute hospitals are not only



costly but the experience of the patients is often poor. Not, of course, in terms of the quality of the clinical care but in terms of having to be moved from the individual's home and then to be returned back into the community a process which can lead to delays in discharge.

## **5. A move to improved quality and access**

Improved quality of care should lead to better outcomes and mean that individuals do not have to be admitted to institutional services or that they do not have to be readmitted to care unnecessarily. Improved access to the appropriate level of care should support quality and should also support reductions in unnecessary interventions and thus reduce costs.

## **6. A move from working in silos to team working**

In simplest terms this would entail the creation of a 'care team' whose members would support individuals based on the premise that the most appropriate member of the care team intervenes where required. The current model often provides a highly trained specialist to support an individual who then refers onto another specialist or to a more generalist support. The system is currently designed around quite specialist services (the 'silos') and the redesign will move from a specialist based system into a team based system with specialist support.

## **7. A move from reactive to anticipatory care planning**

This is an underlying principle to the treatment of individuals with long term conditions or needs. Simply – rather than wait until a crisis and respond to that crisis, a long term anticipatory plan will support the individual through their care path.

## **Key Risks and Uncertainties**

The challenge for the IJB is to transform the delivery of its delegated functions whilst supporting the delivery of financial balance with a potential (in real terms) reduction in the financial resources available. There remain a series of uncertainties:-

1. There is an underlying financial pressure within the social care budgets as discussed above and the management of this pressure is being addressed in the IJB's 2018/19 financial plan.
2. The delivery of the Carers Act may generate additional pressures beyond the resources made available. It should be noted that the Scottish Government made an additional £66m (nationally) available to the Councils in 2018/19 (in East Lothian c. £1.2m) to support the delivery of the Carers Act and to support further provision of the living wage. Lothian Council has passed the totality of these funds to the IJB as part of their 18/19 IJB budget proposition.
3. It remains difficult for the partners to recruit elements of the workforce to deliver the IJB's functions, e.g. GPs, District Nurses and Care workers.
4. The increasing population in East Lothian remains a challenge which may exacerbate the staffing and financial pressures above.
5. The financial position for the UK and Scotland remains uncertain and this will provide a challenge to the amount of financial resources available to the IJB.

That said, the Scottish Government have announced a series of investments in Primary Care, Mental Health and Substance misuse all of which will be directed to the IJB and these resources will support not only the delivery of the new GMS contract but also the transformation programme that the IJB is managing for these services.

**Peter Murray**  
Chair

**Alison MacDonald**  
Interim Chief Officer

**David King**  
Chief Finance Officer.

## **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 finance officer
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland act 2003)
- Approve the Annual Accounts.

I confirm that these Annual Accounts were approved for signature at a meeting of the Audit & Risk Committee on 27 September 2018.

Signed on behalf of East Lothian Integration Joint Board

**Peter Murray**  
Chair

## **Responsibilities of the Chief Finance Officer**

The chief finance 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 finance officer has :-

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

The chief finance officer has also :-

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

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

**David King**  
Chief Finance Officer

## **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.

### **Remuneration: IJB Chair and Vice Chair**

The voting members of the IJB are appointed through nomination by East Lothian Council and NHS Lothian Board. Nomination of the IJB Chair and Vice Chair post holders alternates between a Councillor and a Health Board representative. In 2017/18, the Chair was nominated by NHS Lothian and the Vice Chair by East Lothian Council.

The IJB does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. Neither the Chair nor the Vice Chair appointments had any taxable expenses paid by the IJB in 2017/18.

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

NHS Lothian remunerates its non-executive members on a notional day basis. That is they are paid a fixed annual amount which is considered to represent payment for one day a week. Those non-executive members of the NHS Lothian Board, who are also Chairs or Vice Chairs of IJBs, are given an additional day's remuneration per week in recognition of the additional time required to undertake those roles. Peter Murray, as a non-executive member of NHS Lothian Board who is also the chair of East Lothian IJB, has received an additional day's remuneration specifically for his role as chair of the IJB in 2017/18. This remuneration is £8,251 per annum.

## Remuneration: Officers of the IJB

The IJB does not directly employ any staff in its own right, however, specific post-holding officers are non-voting members of the Board.

### Chief Officer

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

The Chief Officer of the IJB is David Small who is also the Director of Health and Social Care for East Lothian Council and the Joint Director of the East Lothian Partnership. It has been agreed, and this was disclosed in the accounts for 2016/17, that 50% of his total remuneration is to be shown in the accounts of the IJB as his remuneration as the Chief Officer of the IJB.

### Chief Finance Officer

Although the costs of the Chief Finance Officer are not included in the charges made to the IJB by either partner, given the S95 role of the Chief Finance Officer and in the interests of transparency the remuneration of the Chief Finance officer is included below. The Chief Finance Officer is David King. The Chief Finance Officer is employed by NHS Lothian and has three roles – the IJB's Chief Finance Officer, the Chief Finance Officer of Midlothian IJB and an operational role in the NHS Lothian finance team. On that basis, one third of the total remuneration is shown below.

### Other Officers

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

<b>Total 2016/17 £</b>	<b>Senior Employees</b>	<b>Salary, Fees &amp; Allowances £</b>	<b>Total 2017/18 £</b>
50,865	David Small	52,522	52,522
26,802	David King	27,073	27,073

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

The IJB however has responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their

role on the IJB. The following table shows the IJB’s funding during the year to support officers’ pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer’s own contributions.

**Pension Disclosure – David Small, Chief officer and David King, Chief Finance Officer**

	In year Contribution			Accrued Pension benefits	
	For year to 31/03/2018 £000's	For period ending 31/03/2017 £000's		at 31/3/18 £000's	at 31/3/17 £000's
David King	11	11	Pension Lump Sum	35 106	34 102
David Small	14	14	Pension Lump Sum	44 131	41 124

**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 Bands	Number of Employees	
	2016/17	2017/18
£50,000 - £54,999	1	1
£55,000 - £59,999		
£60,000 - £64,999		
£65,000 - £69,999		
£70,000 - £74,999		
£75,000 - £79,999		
£80,000 - £84,999		
£85,000 - £89,999		
£90,000 - £94,999		
£95,000 - £99,999		
£100,000 - £104,999		
£105,000 - £109,999		
£110,000 - £104,999		
£115,000 - £109,999		
Totals	1	1

## **Exit Packages**

The IJB did not support nor did it direct to be supported by its partners any exit packages during 2017/18.

**Peter Murray**  
Chair

**Alison MacDonald**  
Interim Chief Officer



## **Annual Governance Statement**

### **Purpose**

The annual governance statement lays out how East Lothian Integration Joint Board (the IJB) complies with the Code of Corporate Governance and sets out the framework within which the IJB has put in place proper financial and governance arrangements for the conduct of its business affairs. This will facilitate the effective exercise of its functions, ensuring that appropriate arrangements are in place for the management of risk and that appropriate systems of internal control are in place.

### **Scope of Responsibility**

East Lothian Integration Joint Board is responsible for ensuring that its business is conducted in accordance with the law and proper standards. This is to allow the public funds at its disposal to be safeguarded and used efficiently and effectively in pursuit of best value.

Board members, including the Chief Officer and the Chief Finance Officer, are responsible for the governance of the business affairs of the IJB. This includes setting the strategic direction, vision, culture and values of the IJB and establishing appropriate and cost effective systems, processes and internal controls to allow the strategic objectives to be delivered.

In order to achieve this, the IJB follows the principles of corporate governance based on the CIPFA/SOLACE Framework and Guidance on 'Delivering Good Governance in Local Government'.

The Local Code of Corporate Governance details 7 core principles which are supported by 20 sub-principles and 91 behaviours and actions that demonstrate good governance. Elements of good governance included are :-

- Ensuring Board and Committees members behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the IJB
- Creating the conditions to ensure that all IJB members and the IJB's partners (East Lothian Council and NHS Lothian) are able to fulfil their responsibilities in accordance with legislative and regulatory requirements
- Having a clear vision, which is an agreed formal statement of the IJB's purpose and intended outcome which provide the basis for the IJB's overall strategy, planning and other decisions
- Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources and to ensure best value is achieved
- Evaluating and monitoring risk management and internal control on a regular basis

- Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the IJB's Chief Internal Auditor
- Ensuring an audit committee, which is independent of the Board and accountable to the IJB, provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment and that its recommendations are listened to and acted upon
- Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and providing an Annual Report which includes an action plan for improvement and evidence to demonstrate good governance (the annual governance statement)
- Ensuring that recommendations for corrective action made by the external auditor are acted upon.

East Lothian IJB's financial management arrangements conform to the requirements of the CIPFA Statement on the role of the Chief Financial Officer in Local Government. The Chief Finance Officer has overall responsibility for the IJB's financial arrangements and is professionally qualified and suitably experienced.

The IJB is responsible for conducting each financial year, a review of the effectiveness of its governance framework, including risk management and the systems for internal control and financial control. The review of the effectiveness of the IJB's governance framework is informed by :-

- The work of the IJB Board, the Strategic Planning Group, and the Audit and Risk Committee
- The annual assurances that are provided by the IJB Chief Officer and the Chief Finance Officer
- The IJB Chief Internal Auditor's annual assurance report which is based on internal audit work completed during the year
- Reports from the IJB's external auditor
- Reports from other external review bodies, agencies and inspectorates.

The key governance arrangements and controls are set out in the Local Code of Corporate Governance.

### **Statutory and other Compliance**

East Lothian IJB ('the Board') has secured compliance with statutory and other requirements, as follows:-

- Membership - its minimum membership (voting and non-voting) is set by statutory instrument, with the power to appoint additional members as it sees fit. The Board's membership is fully populated
- Standing Orders - the Board is required by statutory regulations to have Standing Orders to regulate its business, with some aspects stipulated in those regulations. Standing Orders were adopted at its inaugural meeting. They comply with statutory requirements

- Committees - the Board has established an Audit and Risk Committee with a detailed remit and powers and with the membership clearly defined. This complies with statutory requirements and with the Board's Standing Orders
- Meetings - the Standing Orders adopted by the Board allow the public to have prior access to meeting agendas and reports, and to attend meetings of the Board and its committees, except in clearly defined and limited circumstances
- Strategic Plan - the Board established its Strategic Planning Group as required by legislation, with Terms of Reference approved by the Board covering membership, meetings and meetings procedures
- Officers - the Board appointed a Chief Officer and a Chief Finance Officer as required by the legislation. A Chief Internal Auditor has been appointed to carry out the Board's internal audit requirements and assist its Audit and Risk Committee
- Finance - the Board received reports in relation to financial assurance prior to the setting of budgets for the functions delegated by East Lothian Council and NHS Lothian, and adopted Financial Regulations in relation to the conduct of its financial affairs, the maintenance of its accounting and financial records, and its annual accounts and financial statements
- Code of Conduct - pending finalisation of arrangements for a Code of Conduct for Members, the Board adopted an Interim Code based on the existing Model Code for Members of Devolved Public Bodies in Scotland, and members have registered their interests according to that Code. The Scottish Government approved the IJB's Code of Conduct on 1 June 2016.

The IJB Chief Internal Auditor has responsibility for the provision of Internal Audit services to the East Lothian IJB and reports functionally to the IJB Audit and Risk Committee to allow appropriate independence. The IJB Chief Internal Auditor is professionally qualified and suitably experienced to lead and direct the Internal Audit team.

The IJB Chief Internal Auditor concluded that based on the work undertaken in 2017/18 that reasonable assurance can be placed on overall adequacy and effectiveness of the IJB's framework of governance, risk management and control for the period to 31 March 2018, but noted areas for further development. These improvements are reflected below.

### **Action Plan**

A number of areas with scope for improvement were highlighted in the IJB Chief Internal Auditor's Annual Assurance Report and these are summarised below along with the proposed actions. This is in addition to work undertaken over the past two years to improve elements of internal control, risk management and governance reported in 2015/16 and 2016/17.

The areas with scope for improvement in the Chief Internal Auditor's annual report are:-

- Monitoring and reporting of progress being made in implementing the priorities outlined in the Strategic Plan Implementation Programme.

Regular reports have been presented to the IJB updating the progress made by its partners on delivering the directions and an annual delivery plan was presented to the IJB in April 2018, which lays out the priorities arising from the Strategic Plan to be delivered in year. The progress against this specific plan will be reported to the IJB during the financial year.

- Strategic planning arrangements for ensuring that roles and remits, accountability structures and governance are operating in accordance with the Strategic Planning Framework.

A complete revision of the strategic planning structure has been discussed and agreed by the IJB's Strategic Planning Group and a paper laying out the revised structure, roles and remits was agreed by the Group at its June 2018 meeting. This will be presented to the IJB for agreement.

- Ongoing work in developing the Risk Register, to ensure compliance with the Risk Management Strategy and Policy.

Further development and review of the risk register continues and will be brought back both to the Audit and Risk Committee and the IJB during the financial year.

- Monitoring and reporting of performance targets.

The IJB has continued to develop its reporting and performance management systems with regular reports now being presented to the IJB.

- Ongoing work on the Participation and Engagement Strategy and the Workforce Development and Support Plan, to ensure compliance with the Integration Scheme.

This work continues to be developed with reports being made to the IJB during 2018/19.

- Reporting key statistics on delayed discharges in a timely and consistent manner.

Delayed discharge statistics have been reported to the IJB verbally at its meetings during 2017/18. Reporting of delayed discharges will be incorporated into the IJB's performance reports.

On the basis of the IJB's assurance system, and the elements of governance at its disposal, we are satisfied that overall East Lothian IJB's systems of internal control, risk management and governance arrangements are of a satisfactory standard. We are aware of areas where improvements are required and steps will be taken in the forthcoming year to address these areas, allowing the IJB to enhance its corporate governance arrangements and seek continuous improvement.

**Peter Murray**  
**Chair of the IJB**

**Alison MacDonald**  
**Interim Chief Officer**

## **Independent auditor's report**

Independent auditor's report to the members of East Lothian 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 East Lothian Integration Joint Board for the year ended 31 March 2018 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 (the 2017/18 Code).

In my opinion the accompanying financial statements:

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

#### **Basis for opinion**

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

### **Conclusions relating to going concern basis of accounting**

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

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

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

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

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

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

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

My objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

### **Report on other requirements**

#### **Opinions on matters prescribed by the Accounts Commission**

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

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

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



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

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

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

I have nothing to report in respect of these matters.

Gillian Woolman MA FCA CPFA

Audit Director

Audit Scotland  
4<sup>th</sup> Floor  
102 West Port  
Edinburgh  
EH3 9DN

September 2018

**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>2016/17</b>		<b>2017/18</b>
Net Expenditure		Net Expenditure
£000's		£000's
109,600	NHS Lothian	114,734
44,290	East Lothian Council	44,589
<b>153,890</b>	<b>Cost of Services</b>	<b>159,323</b>
153,890	Taxation and Non-Specific Grant Income	159,323
<hr/>		
<b>0</b>	<b>Surplus or Deficit on Provision of Services</b>	<b>0</b>
<hr/>		
<b>0</b>	<b>Total Comprehensive Income and Expenditure</b>	<b>0</b>
<hr/>		

**Movement in Reserves Statement**

The IJB had no reserves in 2017/18 nor did it hold any reserves to 31 March 2017.

**Balance Sheet**

The IJB has neither assets nor liabilities at 31 March 2018.

The unaudited accounts were issued on 30 June 2018 and the audited accounts were authorised for issue on 27 September 2018.

**David King**  
Chief Finance Officer



## **Notes to the Financial Statements**

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

#### **General Principles**

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

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

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

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

#### **Accruals of Income and Expenditure**

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

- Expenditure is recognised when goods or services are received and their benefits are used by the IJB
- Income is recognised when the IJB has a right to the income, for instance by meeting any terms and conditions required to earn the income, and receipt of the income is probable
- Where income 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.

It should be noted that the above principle are those applied by the partners (NHS Lothian and East Lothian Council). The IJB has funded these partners to deliver the delegated functions and these partners have charged the IJB as above.

### Funding

The IJB is wholly funded through funding contributions from the statutory funding partners, East Lothian Council and NHS Lothian. Expenditure is incurred in the form of charges by the partners.

### Cash and Cash Equivalents

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partner. Consequently the IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet. There are no outstanding funding balances from either partners at 31<sup>st</sup> March 2018.

### Employee Benefits

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

The IJB has a legal responsibility to appoint a Chief Officer. More details on the arrangements are provided in the Remuneration Report.

### Provisions, Contingent Liabilities and Contingent Assets

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

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

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

The IJB has no provisions, Contingent Liabilities or Contingent Assets at 31 March 2018.

## Reserves

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

The IJB'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 IJB can use in later years to support service provision. As noted above, the IJB had no reserves as at 31 March 2017.

The IJB's only Unusable Reserve is the Employee Statutory Adjustment Account. This is required by legislation.

The IJB has no reserves at 31 March 2018.

## Indemnity Insurance

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Lothian and East Lothian Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide. The IJB holds separate indemnity insurance through its membership of the CNORIS scheme; the charge for this in 2017/18 was £6,000.

Unlike NHS Boards, the IJB does not have any 'shared risk' exposure from participation in CNORIS. The IJB participation in the CNORIS scheme is therefore analogous to normal insurance arrangements.

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

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

## **2. Critical Judgements and Estimation Uncertainty**

The critical judgements made in the Financial Statements relating to complex transactions are:

- The partner organisations have considered their exposure to possible losses and made adequate provision where it is probable that an outflow of resources will be required and the amount of the obligation can be measured reliably. Where it has not been possible to measure the obligation, or it is not probable in the partner organisations' options



that a transfer of economic benefits will be required, material contingent liabilities have been disclosed (there are none).

- The Annual Accounts contains estimated figures that are based on assumptions made by the IJB about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.
- There are no items in the IJB’s Balance Sheet at 31 March 2018 for which there is a significant risk of material adjustment in the forthcoming financial year.

### Provisions

The IJB has not created any provisions in respect of compensation claims, the IJB has not had any claims made against in 2017/18 it nor is it aware of any claims pending. However, it is not certain that all claims have been identified or that the historic level of settlement payments is a reliable guide for future settlements.

### **3. Events After the Reporting Period**

The Annual Accounts were authorised for issue by the IJB on 28 September 2018. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2018, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

### **4. Expenditure and Funding Analysis**

Expenditure		2017/18
2016/17		£000's
£000's	Services specifically for East Lothian	
63,940	Health	68,060
44,290	Social Care	44,589
	East Lothian’s share of Lothian Health Services	
21,370	Hosted	25,038
24,290	Set Aside	21,636
<b>153,890</b>	<b>Total</b>	<b>159,323</b>
Funded By		
44,290	East Lothian Council	44,589
109,600	NHS Lothian	114,734
<b>153,890</b>		<b>159,323</b>

Expenditure above has been split into three main areas:-

- Expenditure on those services delivered specifically for the population of East Lothian. These services are managed locally by the East Lothian Partnership
- Hosted Services; these are health services managed either by the Edinburgh, East Lothian and West Lothian Partnerships or managed by NHS Lothian on a pan-Lothian basis. These services included Mental Health Services, Learning Disability Services, Substance Misuse Services, Rehabilitation services, General Dental Services, General Pharmaceutical Services and General Ophthalmic Services. This is the IJB's agreed share of these services.
- Set Aside Services; these are services delivered in the main acute hospitals (Royal Infirmary of Edinburgh, Western General Hospital and St. John's Hospital) and managed by NHS Lothian. This is the IJB's agreed share of these services

#### Corporate Service

Included in the above costs are the following corporate services :-

2016/17 £000's		2017/18 £000's
51	Staff (Chief Officer)	53
6	CNORIS	6
17	Audit Fee	24
<b>74</b>	<b>Total</b>	<b>83</b>

#### **5. Related Party Transactions**

As partners with the East Lothian Integration Joint Board both East Lothian Council and NHS Lothian are related parties and the material transactions with these bodies are disclosed in these accounts.

There are elements of expenditure which are shown against the NHS Lothian above but where the resources are used by the social care services delivered by East Lothian Council.

2016/17 £000's		2017/18 £000's
109,600	NHS Lothian	114,734
-3,230	Resource Transfer	-3,226
-4,370	Social Care Fund	-6,240
<b>102,000</b>	<b>Total</b>	<b>105,268</b>
44,290	East Lothian Council	44,589
3,230	Resource Transfer	3,226
4,370	Social Care Fund	6,240
<b>51,890</b>	<b>Total</b>	<b>54,055</b>

Both Resource Transfer and the Social Care Fund are resources which are part of the NHS Lothian budget and are shown as expended therein but these funds are used to deliver social care service supplied by East Lothian Council.

## 6. VAT

The IJB is not a taxable entity and does not charge or recover VAT on its functions.

The VAT treatment of expenditure and income within the accounts depends upon which of the partners is providing the services as these bodies are treated differently for VAT purposes.





**REPORT TO:** East Lothian Integration Joint Board  
**MEETING DATE:** 27 September 2018  
**BY:** Chief Finance Officer  
**SUBJECT:** Financial Position 2018/19 and Financial Plan

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## 1 PURPOSE

- 1.1 This report further updates the IJB on its current financial position in 2018/19, considers the projected year end out-turn and describes the continuing work on the IJB's three year financial plan.

## 2 RECOMMENDATIONS

- 2.1 The IJB is asked to:
- i. Note the current financial position
  - ii. Support the actions laid out below to work to-towards a break-even position in 2018/19
  - iii. Support the further work on the three year financial plan

## 3 BACKGROUND

- 3.1 At its meeting in August 2018, the IJB received an update on its in year (2018/19) financial projection. At month 3 (June) using the AWB position as a proxy for the IJB's social care services, the paper presented a year to date (to month 3) underspend of c. £96,000 in the IJB's health 'arm' with an overspend of c. £344,000 within the IJB's social care services.
- 3.2 The August paper further reflected that the social care position was unlikely to improve, and whilst more detailed forecasts are still being developed, initial estimates suggest the Council delegated functions will not operate within approved budgets. Further work was underway by NHS Lothian to review their Q1 forecast out-turn position. The paper also considered the provisions within the Integration Scheme regarding projected overspends. To summarise:-

- The partners prepare a recovery plan – *that not being considered to be successful*
  - The IJB prepares a recovery plan – *that not be considered to be successful*
  - In the event that there is an underspend in one ‘arm’ of the IJB’s budget and an overspend in the other, the IJB may move resources from one ‘arm’ to the other. That requires the support of the underspent partner. *That not being considered to be successful*
  - That additional resources are made available by the partner(s).
- 3.3 NHS Lothian have now reported their Q1 forecast to their Finance and Resources committee. This shows – based on the current information – a projected underspend within the health budget of the IJB in 2018/19. That said, there is a clear risk around the GP prescribing budget wherein the current position is underspent which is a considerable improvement on the opening financial plan. However previous experience has suggested that the GP prescribing position can move significantly in a relatively short period of time. There are also pressures within Set Aside and the mental health services with REAS and there may be a financial impact from the coming winter depending on how severe it is.
- 3.4 As was discussed above, the social care position is not expected to improve and although the management team is working on a recovery plan the position remains at ‘high risk’ of an overspend.
- 3.5 The August IJB paper concluded with a list of actions which would both further inform the IJB and the partnership management team of the underlying cause of the financial pressures and provide valuable baseline information for the IJB’s own financial planning processes.
- 3.6 This work has continued and is now reaching completion. A detailed analysis of both the social care activity and the budgets and spend associated with that activity is currently being reviewed.
- 3.7 In principle a financial pressure can be driven by three main causes:-
- Activity greater than the budgeted capacity
  - The cost of each item of activity greater than the budget cost
  - The service delivery model (which is clearly a key determinate of the unit cost) being inefficient in that it does not properly manage the use of the resources (activity) or the costs of delivery

The work described at the end of the August paper will address the first two bullet points above but the third bullet point is part of the IJB’s transformation agenda. With the benefit of three years of experience and knowledge, it is possible that there are further elements of service delivery redesign that the IJB now has to address and this will be tackled as part of the overall revision of the IJB’s Strategic Plan.

## **Resolution to the 2018/19 projected financial pressure**

- 3.8 East Lothian Council have already indicated that there is unlikely to be any additional resources available in the current financial year above those currently identified in their overall budgets and therefore those that have been allocated to the IJB. That said, it is equally clear that there is a financial pressure in the IJB's 18/19 budgets and that the IJB now needs to address this. The following steps are now proposed:-
- 3.8.1 East Lothian Council will be asked for an indicative projected out-turn position for the social care services delegated to the IJB for 2018/19. This will allow the starting point for a recovery plan to be developed.
- 3.8.2 The Partnership will be asked to indicate what recovery actions they are planning – these require to be agreed and supported by the IJB – and the potential impact on the financial projection
- 3.8.3 The IJB must then consider if it wishes to direct any further recovery actions in year.
- 3.8.4 The IJB will approach NHS Lothian, having indicated a potential underspend in the health services delegated to the IJB, and discuss if these resource can be made available to the IJB to underpin its overall financial position. This action was undertaken at the end of 2017/18 albeit this was agreed after the end of the financial year.

This would be a tri-partite recovery plan and it is proposed that the further development of this recovery plan be brought back to the IJB at its October meeting.

## **Reflection of the proposed revised health IJB budget setting model**

- 3.9 As has been previously discussed NHS Lothian is proposing a revised IJB Health Budget setting and charging model. A paper laying this out was presented to the NHSiL Finance and Resources committee at its November meeting and a copy of that paper was presented to the IJB at its February 2018 meeting. Simply this model proposes an overall IJB budget based on the IJB's NRAC share of the total delegated resources and then the IJB is charged for its actual use of the delegated resources. Early indications are that this model will advantage the IJB and this should provide additional resources to the IJB which can support any residual pressures within its system. There will be a period of transition from the old model to the new model in order to manage any issues of financial turbulence and a further report will be brought back to the IJB as further, more detailed, propositions are available from NHSiL.

## **Financial Plan**

- 3.10 Of course, the recurrent solution is to have a clear financial plan which is designed to deliver a sustainable financial position. The IJB's outline financial strategy was agreed at the IJB's meeting of February 2018. This is based on the overall principle that the IJB will take the totality of the resources available to it and use those resources to deliver the outcomes required by the Strategic Plan.

The key themes underpinning the financial strategy are:-

- Prioritising the Allocation of Resources
  - Making more efficient use of resources
  - A move from failure demand to prevention
  - A move from hospital care or care homes to community based services
  - A move to improved quality and access
  - A move from working in silos to team working
  - A move from reactive to anticipatory care planning
- 3.11 The IJB identified the continued development of a multi-year financial plan as a one of its priorities (as described in the report presented to the IJB at its February meeting) and this work has been progressed. The identification of baselines and the underlying capacity of its current services – as described above – being invaluable preparatory work for the delivery of the plan.

## **4 ENGAGEMENT**

- 4.1 The IJB holds its meetings in public and makes its papers and report available on the internet.

## **5 POLICY IMPLICATIONS**

- 5.1 There are no new policies arising from this paper.

## **6 INTEGRATED IMPACT ASSESSMENT**

- 6.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy

## **7 RESOURCE IMPLICATIONS**

- 7.1 Financial – discussed above
- 7.2 Personnel – none



7.3 Other – none

## 8 BACKGROUND PAPERS

8.1 IJB's financial strategy and out-line financial plan – February 2018 IJB meeting.

8.2 Financial Update – August 2018 IJB meeting.

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<b>DESIGNATION</b>	Chief Finance Officer
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<b>DATE</b>	24 September 2018





**REPORT TO:** East Lothian Integration Joint Board  
**MEETING DATE:** 27 September 2018  
**BY:** Interim Chief Officer  
**SUBJECT:** Update – Review of the IJB’s Strategic Plan

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## 1 PURPOSE

- 1.1 This report updates the IJB on the current work underway to review the IJB’s Strategic Plan.

## 2 RECOMMENDATIONS

- 2.1 The IJB is asked to:
- i. Note the report; and
  - ii. Support the work underway.

## 3 BACKGROUND

- 3.1 The Public Bodies (Joint Working) Act (2014) which requires each Council area to set up an Integration Authority also requires that Integration Authority to publish a three year Strategic Plan.
- 3.2 East Lothian Integration Joint Board (the Integration Authority) published its first Strategic Plan – to run from 2016 to 2019 – at its meeting in February 2016 having been widely consulted on and recommended to the IJB by the IJB’s Strategic Planning Group.
- 3.3 The regulations require a further Strategic Plan now be prepared and published for the three years 2019 to 2022, this was reported to the IJB at its meeting in February 2018 which was part of the IJB’s agreed revised priorities for 2018/19.
- 3.4 At this meeting a report was also presented which described an Internal Audit report on the IJB’s Strategic Planning process. The covering paper (paragraph 3.6) described the recommendation and the management response:

*Recommendation 3.3.1 –*

*Consideration should be given to reviewing and refreshing the Strategic Plan to ensure that it continues to be an accurate reflection of the IJB's priorities.*

*Resulting actions:*

*The mechanism for reviewing and updating the IJB's strategic plan is through the Strategic Planning Group supported by the Strategic Planning Programme Board. Further, the recent establishment of the specific strategy groups focussed on the different elements of the overall strategic plan will aid the reviewing and refreshing of the Plan. The arrangements for these groups has been revised to ensure that they are able to support the review of the financial plan. The Strategic Plan is, in principle, for three years although as issues arise these are being brought to the IJB. That said, a workplan is being developed to ensure that the plan is properly updated. This action to be completed by March 2018.*

- 3.5 In order to fully support this work, the IJB issued a direction to its partners (EL IJB/NHSL/D17a-2017 (strategic plan, financial plan and workforce plan) which required the partners to provide appropriate resources to support the revision of the IJB's Strategic Plan, along with a supporting Financial Plan and a Workforce plan. This work is planned to start in September and to be completed by March 2019.
- 3.6 The IJB has reviewed and revised its planning processes and has now set up seven strategic groups (now to be called Change Boards) which will address the following:-
- IJB Strategic Plan 2019-22
  - Primary Care
  - Adults with Complex Needs
  - MH and Addiction
  - Shifting the Balance of Care
  - Re-provisioning Programmes
  - Carers
- 3.7 Remits for these groups have been prepared and the memberships is being finalised. Each group will be chaired by a member of the IJB thus ensuring that the IJB is fully engaged with the planning process.
- 3.8 Work has also started on refreshing the Joint Needs Assessment which is a review of the care and health requirement of the population of East Lothian both currently and over the next few years. This is being supported by a range of colleagues from the partners and led by 'data experts' provided to the IJB by National Services Scotland.

- 3.9 Broadly, the outline of the workplan is as follows:-
1. Prepare and agree an engagement strategy – the engagement strategy was presented to and agreed by the IJB at its meeting in March 2018
  2. Agree the underpinning Strategic Groups (Change Boards) and their roles, remit and membership - this is complete, but requires final agreement, which it is proposed is delegated to the IJB's Strategic Planning Programme Board, with a report presented to the IJB at its October 2018 meeting.
  3. Undertake the Joint Needs Assessment (JNA) – this work is being developed.
  4. Review the current plan – what has worked and what has not? This work has been going on for the past three years as part of both the performance reports to the IJB and the updates on the delivery of the directions. That said, this will be a key consideration of the Strategic Planning Group.
  5. Review the current plan – how has 'the world' changed and how does will revised plan reflect that? Much of this will flow though the JNA however (for example) the new GMS contract and the PCIF (Primary Care Improvement Fund) mean that the model for GP services is now different from that which pertained in 2016.
- 3.10 The IJB's SPPB meets on 27 September 2018 and a workplan will be discussed at that meeting. As is discussed above, much of the underpinning work is already undertaken and the Chief Officer is considering how to organise the partnership's planning resources to fully support the revision of the IJB's Strategic Plan. A further report will be brought back to the IJB at its October 2018 meeting.
- 3.11 The Financial Plan was discussed at the IJB's meeting in February 2018. A further report will also be brought to the October 2018 meeting along with an update on the development of the Workforce Plan.

## **4 ENGAGEMENT**

- 4.1 The IJB publishes its papers on the internet and holds its meeting in public.

## **5 POLICY IMPLICATIONS**

- 5.1 There are no further policy implications in the above report.

## **6 INTEGRATED IMPACT ASSESSMENT**

- 6.1 A key element of the Strategic Plan will be an impact assessment, this will be prepared along with the revision of the Strategic Plan.

## **7 RESOURCE IMPLICATIONS**

- 7.1 Financial – none  
7.2 Personnel – none  
7.3 Other – none

## **8 BACKGROUND PAPERS**

- 8.1 None

<b>AUTHOR'S NAME</b>	David King
<b>DESIGNATION</b>	Chief Finance Officer
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<b>DATE</b>	21 September 2018