



MINUTES OF THE MEETING OF THE EAST LOTHIAN INTEGRATION JOINT BOARD

THURSDAY 23 MAY 2019
MARRIAGE ROOM, ALDHAMMER HOUSE, PRESTONPANS

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Voting Members Present:

Councillor F O'Donnell
Councillor N Gilbert
Councillor S Kempson
Prof. M Whyte

Non-voting Members Present:

Mr D Binnie
Ms L Cowan
Ms F Duncan
Ms P Dutton
Ms C Flanagan
Ms E Johnston
Ms A MacDonald
Ms M McNeill
Mr T Miller
Ms J Tait
Dr J Turvill

Officers Present from NHS Lothian/East Lothian Council:

Ms L Berry
Mr P Currie
Mr B Davies
Mr J Gibson
Ms D Gray
Ms J Ogden-Smith

Clerk:

Ms F Currie

Apologies:

Ms F Ireland
Mr P Murray
Dr R Fairclough
Ms J Trench

Declarations of Interest:

None

1. MINUTES OF THE MEETING OF THE EAST LoTHIAN INTEGRATION JOINT BOARD OF 25 APRIL 2019 (FOR APPROVAL)

The minutes of the meeting on 25 April were approved.

2. MATTERS ARISING FROM THE MINUTES OF 25 APRIL

There were no matters arising.

3. BUDGET OFFERS FROM NHS LoTHIAN AND EAST LoTHIAN COUNCIL TO THE IJB FOR 2019/20

The Chief Finance Officer had submitted a report presenting the IJB with the formal 2019/20 budget offers from East Lothian Council and NHS Lothian for consideration. The budget offers also included indicative budget offer values for financial years 2020/21 and 2021/22.

Claire Flanagan presented the report summarising the key points of the budget offers from both the Council and NHS Lothian, as outlined in their letters. She reminded members of the year end position for 2018/19 and some of the main financial pressures expected in the current year. She invited the IJB to consider whether it was satisfied that, in the circumstances, the budget offers were fair and adequate. She also advised members that the indicative offers for 2020/21, 2021/22 would assist the IJB in building a longer term financial plan.

Ms Flanagan responded to a number of questions from members clarifying various aspects of the budget offers, the reserves policy and the options open to the IJB at this stage of the budget process.

The Chair concluded the discussion noting that while the IJB had the right to challenge the offers as to whether or not they were 'fair and adequate' this may not change anything. She added that following a recent IJB Chairs & Depute Chairs Network meeting, it was her understanding that there would be no extra funding from the Scottish Government in the current financial year.

Decision

The IJB agreed to:

- i. Consider the formal budget offers for 2019/20; and
- ii. Accept the formal budget offers made by both Partners, noting the indicative future year's values.

4. IJB WORKFORCE PLAN

The Chief Officer had submitted a report presenting to the IJB the finalised East Lothian IJB Workforce Plan and associated Action Plan developed in collaboration with relevant partners.

Bryan Davies presented the report summarising the background and development of the Workforce Plan and Action Plan. He reminded members that the process for

development of the Plan had been reviewed by Internal Audit and given a favourable rating. He said that officers had been engaging with the workforce at a high level over the past 18 months and that the resulting Plan linked strongly with the Strategic and Financial Plans already prepared by the IJB.

Mr Davies explained that the next step in the process would be for managers within each of the services to develop their own detailed workforce plans to sit within each of the Service Plans.

John Gibson added that officers had worked hard to ensure there were clear links between the IJB's Workforce Plan and the plans prepared by NHS Lothian and East Lothian Council.

The members discussed the Plan at length and Mr Davies responded to a number of questions regarding carers, third sector, and the use of strategic partnerships to provide a broader workforce in future years.

Alison MacDonald outlined recent discussions with Edinburgh College and Queen Margaret University and replied to questions regarding the individual Service Plans and developing the skills of the existing workforce.

Ms MacDonald also acknowledged that some future workforce pressures would result from decisions which were out with the control of the IJB. Councillor O'Donnell referred to recent care home applications determined by the Council's Planning Committee and their potential impact on staffing needs in certain areas of the county. It was acknowledged that such decisions taken at Committee, or following appeal to the Scottish Government, were a concern as current guidelines did not allow them to take into account the IJB's Strategic Plan or the potential strain such facilities could place on wider services.

Decision

The IJB agreed to:

- i. Note that the workforce Plan had been developed in consultation with NHS Lothian and East Lothian Council partners and other key stakeholders; and
- ii. Approve the East Lothian IJB Workforce Plan and Action Plan.

Signed

Councillor Fiona O'Donnell
Chair of the East Lothian Integration Joint Board



REPORT TO: East Lothian Integration Joint Board
MEETING DATE: 27 June 2019
BY: Chief Finance Officer
SUBJECT: Draft Unaudited Annual Accounts 2018/19

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1 PURPOSE

- 1.1 This report presents the Board the IJB's draft (unaudited) Annual Accounts for 2018/19.

2 RECOMMENDATIONS

- 2.1 The IJB is asked to agree that the draft annual accounts can be published and presented for audit.

3 BACKGROUND

- 3.1 The IJB is constituted under Section 106 of the Local Government (Scotland) Act 1973 and as such must prepare a set of annual accounts. These accounts must be presented in draft for approval to either the IJB or a committee of governance of the IJB by 30 June whereupon the accounts will be presented for audit by the IJB's external auditors.

- 3.2 The annual accounts contain a range of sections but breakdown into three main areas:-

- The Management Commentary. This provides a statement of the IJB's purpose and its performance against that purpose in the financial year along with a reflection on the challenges facing the IJB in the next financial year.
- The Annual Governance Statement – which reflect on the governance of the IJB and notes any governance improvements identified by the CIA's Internal Audit Annual Assurance Report
- A range of financial statements showing the financial position of the IJB for 2018/19.

4 ENGAGEMENT

- 4.1 The IJB holds its meetings in public and makes its papers and report available on East Lothian Council's website.

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 None

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DATE	19 June 2019

East Lothian
Integration Joint Board



East Lothian Integration Joint Board

Draft Unaudited Annual Accounts 2018/19

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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 2018 to 31 March 2019 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 2019 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 2018 to 31 March 2019.

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 2018/19 in April 2018. This issuing of directions is in line with the processes set out in the Public Bodies (Joint Working) (Scotland) Act 2014.

The IJB met 9 times during the financial year 2018/19. There have been a number of changes to the membership of the IJB during 2018/19, the members of the IJB in March 2019 were as follows:-

Member	Nominated/Appointed by	Role
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, Chair of Audit & Risk Committee
Neil Gilbert (replaced 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
Claire Flanagan (replaced David King)	Appointed by the IJB	Chief Finance Officer
Fiona Duncan	Nominated by East Lothian Council	Chief Social Worker
Alison MacDonald (replaced David Small)	Appointed by the IJB	Interim Chief Officer
Gourab Choudhury (replaced Andy 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
David Binnie (replaced Margaret McKay)	Appointed by the IJB	Carer representative
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 took up the role of Chief Officer on an Interim Basis on 2 July 2018 and was confirmed as permanent Chief Officer in April 2019. David King Chief Finance Officer retired on 1 October 2018 and Claire Flanagan took up the role of Chief Finance Officer.

The IJB's Operations for the Year

2018/19 was the third 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

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 Health & Social Care Partnership (HSCP) to assess the role of Nurse Practitioners, 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 outcomes 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.

Hospital at home service

The hospital at home 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.

Hospital to home service

Support rehabilitation of patients and bridge the gap between hospital discharge and more permanent care arrangements. This service has supported the sustained position regarding low delayed discharges and reduction in occupied bed days.

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 2019

For the year ending 31 March 2019, the IJB was underspent. That is, the costs incurred in delivering the IJB's functions by East Lothian Council and NHS Lothian are less than the income that the IJB received from NHS Lothian and East Lothian Council.

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

	Income	Expenditure	Surplus
	£000's	£000's	£000's
Health	116,531	115,060	1,471
Social Care	45,058	44,747	311
Total	161,589	159,807	1,782

This surplus has been used to create a reserve which is described further below.

Although the IJB has a range of functions delegated to it, these are delivered through a range of services provided by the partners (East Lothian Council and NHS Lothian) and these are further described below in the analysis of the Income and Expenditure position.

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 2018/19.

	Budget	Budget	Expenditure	Expenditure	Variance	Note
	Health	Social	Health	Social Care		
	£000's	Care	Health	Social Care	£000's	
		£000's	£000's	£000's		
Direct East Lothian Services						
Community AHPS	2,600		2,641		(41)	
Community Hospitals	8,501		8,465		36	
District Nursing	2,271		2,269		2	
General Medical Services	14,993		15,491		(498)	
Health Visiting	1,570		1,450		121	
Mental Health	4,375		4,782		(407)	
Other	7,007		4,362		2,645	
Prescribing	20,891		20,762		129	
Resource Transfer	3,227		3,227		(0)	1
Older People		24,303		23,914	390	
Mental Health		1,995		1,575	420	
Physical Disabilities		2,683		3,083	(400)	
Learning Disabilities		14,807		15,328	(521)	
Planning and Performance		2,730		2,587	143	
Other		4,759		4,477	280	
East Lothian Share of pan Lothian						
Set Aside	19,936		20,477		(541)	2
Mental Health	2,032		2,085		(53)	
Learning Disabilities	1,665		1,731		(66)	
GP Out of Hours	1,262		1,262		0	
Rehabilitation	538		498		40	
Sexual Health	684		678		7	
Psychology	861		856		4	
Substance Misuse	803		815		(12)	
Allied Health Professions	1,330		1,267		63	
Oral Health	1,960		1,887		72	
Other	2,768		2,798		(30)	
Dental	5,895		5,895		0	3
Ophthalmology	1,979		1,979		0	3
Pharmacy	3,167		3,167		0	3
Totals	110,315	51,276	108,844	50,963	1,782	
SCF	6216	-6216	6216	-6216		4
Per accounts	116,531	45,060	115,060	44,747		

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 (SCF) 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 HSCP) 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 2018/19 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 2018/19 position.

From the above table, it can be seen that there were a range of financial issues 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 Health Visiting and Prescribing 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 elderly external care and clients with learning and physical disabilities as well as increased transport costs.

East Lothian Share of pan-Lothian services

The hosted position shows an overspend within the Learning Disabilities services and Mental Health being offset with underspends in community dental (Oral Health), and Rehabilitation Services

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

- A&E – ongoing recruitment issues resulting in additional costs of locums/agency to cover and make safe staffing rotas as well as the additional costs of RIE Minor Injuries Unit
- Diabetes – Pressures on providing new, replacement & additional supplies for Adult Insulin Pumps
- Junior Medical – driven by additional staffing requested to cover rotas for sickness; maternity and vacancies – causing an over-establishment against funded levels in particular within A&E areas. Tighter controls regarding authorisation for additional staffing and reviewing rotas before issues arise are in place and have reduced the pressure during 2018/19
- General Medicine – Pressure driven by ongoing staffing issues (significant at St John's Hospital – where recruitment is proving difficult) and ongoing bed pressures across the sites.
- Infectious Diseases - significant drug pressure reported in year, although expenditure is showing a reduction from 17/18

Reserves

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

The IJB is permitted to set aside future amounts of reserves for future policy purposes. These reserves normally comprise; funds that are set aside for specific purposes; and funds which are not earmarked for specific purposes but are set aside to deal with unexpected events or emergencies.

The IJB as at 31 March has a reserve which the IJB can use in later years to support service provision. As noted above, the IJB has £1,782k reserves at 31 March 2019.

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

The IJB's general reserve is broken down as follows :-

	£000's
Opening Balance	0
PCIF	219
Action 15	164
ADP	312
General Reserves	1,087
Closing balance for 2018/19	1,782

The IJB's Strategy and Business Model

The IJB presented its priorities and outline three year financial plan in February 2018. This was reviewed in September 2018 as part of the overall strategic plan. Building 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 remain which underpin 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 intervening 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 within 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 2019/20 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 additional funding (nationally) available to the Councils to support the delivery of the Carers Act and to support further provision of the living wage. East Lothian Council has passed the totality of these funds to the IJB as part of their 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.

Fiona O'Donnell
Chair

Alison MacDonald
Chief Officer

Claire Flanagan
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.

Signed on behalf of East Lothian Integration Joint Board

Fiona O'Donnell
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 2019 and the transactions for the year then ended.

Claire Flanagan
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 2018/19, the Chair was nominated by NHS Lothian and the Vice Chair by East Lothian Council. It's worth noting that at the IJB meeting on the 28th April 2019 that the chair and vice chair rotated with effect from the 1 April 2019.

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 2018/19.

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 2018/19. This remuneration is £8,416 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 changed during 2018/19. Alison MacDonald became the interim Chief Officer and took over post from David Small on 1 July 2018. Both Alison and David had joint roles as Director of Health and Social Care for East Lothian Council and the Joint Director of the East Lothian Partnership. As in previous years it has been agreed, and this was disclosed in the accounts for 2016/17, that 50% of total remuneration is to be shown in the accounts of the IJB as the remuneration as the Chief Officer of the IJB. For 2018/19 part year costs are shown for both individuals.

Chief Finance Officer

The Chief Finance Officer of the IJB changed during 2018/19. Claire Flanagan was appointed in this role on 1 October 2018 following David King’s retirement. For 2018/19 part year costs are shown for both individuals. 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 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 as a Finance Business Partner. 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.

Total for 2017/18 £	Senior Employees Salary, Fees & Allowances	Total for 2018/19 £
-	Alison MacDonald	33,273
-	Claire Flanagan	11,030
27,073	David King	16,104
52,522	David Small	13,920

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.

Pension Disclosure

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.

	In year Contribution			Accrued Pension benefits	
	For year to	For year to		at	at
	31/03/2019 £000's	31/03/2018 £000's		31/3/19 £000's	31/3/18 £000's
Alison MacDonald	12	-	Pension Lump Sum	18 34	- -
Claire Flanagan	8	-	Pension Lump Sum	11 22	- -
David King	7	11	Pension Lump Sum	37 110	35 106
David Small	15	14	Pension Lump Sum	47 142	44 131

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	
	2017/18	2018/19
£50,000 - £54,999	1	0
£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 - £114,999		
£115,000 - £119,999		
Totals	1	0

Exit Packages

The IJB did not support nor did it direct to be supported by its partners any exit packages during 2018/19.

Fiona O'Donnell
Chair

Alison MacDonald
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 2018/19 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 2019, but noted areas for further development. These improvements are reflected below.

Action Plan

During 2018/19, areas identified with scope for improvement included the following:

- The budget monitoring arrangements in place, to ensure planned efficiencies are being achieved and recovery plans are having their desired effect.
- Ongoing work in developing the Risk Register, to ensure compliance with the Risk Management Strategy and Policy.
- The arrangements in place for monitoring, reviewing and reporting on the effectiveness and impact of the engagement activities being undertaken by the IJB.
- Ongoing work on the Workforce Plan, to ensure compliance with the Integration Scheme and with Scottish Government guidance.

The implementation by Management of agreed actions to address the weaknesses identified should provide assurance that the system of internal control is operating as intended.

It is our opinion, subject to the weaknesses outlined above, that reasonable assurance can be placed on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control for the year to 31 March 2019.

Fiona O'Donnell
Chair of the IJB

Alison MacDonald
Interim Chief Officer

Independent auditor's report

To be inserted after completion of the audit

DRAFT

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.

2017/18		2018/19
Net Expenditure		Net Expenditure
£000's		£000's
114,734	NHS Lothian	115,060
44,589	East Lothian Council	44,747
159,323	Cost of Services	159,807
159,323	Taxation and Non-Specific Grant Income	161,589
0	Surplus or Deficit on Provision of Services	1,782
0	Total Comprehensive Income and Expenditure	1,782

Movement in Reserves Statement

This Statement shows the movement in the year on the different reserves held by the East Lothian IJB

	2017/18	2018/19
	£000's	£000's
Useable Reserves		
General Reserves	0	0
Surplus on Provision of Service	0	1,087
Total Comprehensive income & expenditure	0	0
Earmarked Reserves		
Surplus on Provision of Service	0	695
Total Comprehensive income & expenditure	0	0
Total Usable reserves	0	1,782
Unusable Reserve		
Employee Statutory Adjustment Account	0	0
Balance, as at 31 March 2019, carried forward	0	1,782

Reserves

The reserves are classified as either Useable or Unusable Reserves

The Integration Joint board is permitted to set aside future amounts of reserves for future policy purposes. These reserves normally comprise; funds that are set aside for specific purposes; and funds which are not earmarked for specific purposes but are set aside to deal with unexpected events or emergencies. They are created by appropriating amounts out of revenue balances. When expenditure to be funded from a reserve is incurred, it is charged to the appropriate service in that year and thus included in the Comprehensive Income and Expenditure Statement. Movements in reserves are reported in the Movement in Reserves Statement.

Useable reserves

East Lothian IJB has a general reserve which can be used to mitigate financial consequences of risks and other events impacting on the joint board's resources. The monies within this fund are earmarked for specific purposes as set out in the financial plan for 2019/20.

East Lothian IJB has an earmarked reserve which can be used to mitigate financial consequences of risks and other events impacting on the specific project budget. The monies within this fund are earmarked against the specific project, these being PCIF, Action 15 and ADP.

Unusable Reserve

East Lothian IJB's only unusable reserve is the Employee Statutory Adjustment Accounts which is required by legislation.

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Balance Sheet

The Balance Sheet shows the value, as at 31 March 2019, of the assets and liabilities recognised by the Board. The net assets of the Board are matched by the reserves held.

2017/18	Notes	2018/19
£000's		£000's
	Current Assets	
0	Short Term Debtors	1,782
	Current Liabilities	
0	Short Term Creditors	0
0	Net assets	1,782
	Useable Reserves	1,782
0	Total Reserves	1,782
	MIRS	

The unaudited accounts were issued on xxx and the audited accounts were authorised for issue on xxx.

Claire Flanagan
Chief Finance Officer

Notes to the Financial Statements

1. Significant Accounting Policies

General Principles

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

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

The accounts are prepared on a going concern basis, which assumes that the 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 partner at 31st March 2019.

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 2019.

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 reserves of £1,782,000 at 31 March 2019..

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

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 2018/19 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 2019 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 2018/19 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 26th September 2019. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2019, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

4. Reserves

The IJB's general reserve is broken down as follows:-

	2018/19
Earmarked Reserves	£000's
SG Mental Health - Action 15	164
SG Primary Care Transformation	219
MELDAP	312
	695
General Reserves	1,087
Total Reserves	1,782

5. Expenditure and Funding Analysis

2017/18		2018/19
Net		Net
Expenditure	Expenditure	Expenditure
£000's		£000's
	Services specifically for East Lothian	
68,060	Health	80,974
44,589	Social Care	44,747
	East Lothian's share of Lothian Health Services	
25,038	Hosted	13,609
21,636	Set Aside	20,477
159,323	Total	159,807
	Funded By	
44,589	East Lothian Council	45,058
114,734	NHS Lothian	116,531
159,323	Total	161,589
0	Useable Reserves	1,782

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:-

2017/18		2018/19
£000's		£000's
53	Staff (Chief Officer)	47
6	CNORIS	6
24	Audit Fee	25
83	Total	78

6. 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.

2017/18		2018/19
Net Expenditure		Net Expenditure
£000's		£000's
114,734	NHS Lothian	115,060
-3,226	Resource Transfer	-3,226
-6,240	Social Care Fund	-6,216
105,268	Total	105,618
44,589	East Lothian Council	44,747
3,226	Resource Transfer	3,226
6,240	Social Care Fund	6,216
54,055	Total	54,189

Both Resource Transfer and the Social Care fund are resources which are part of the NHS Lothian Budget and are shown as expected there in but these funds are used to deliver social care service supplied by East Lothian Council.

7. 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.

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REPORT TO: East Lothian Integration Joint Board
MEETING DATE: 27 June 2019
BY: Chief Finance Officer
SUBJECT: Medium Term Rolling Five Year Financial Plan

8

1 PURPOSE

- 1.1 This report presents the Board with a medium term rolling five year financial plan for noting.

2 RECOMMENDATIONS

- 2.1 The IJB is asked to:
- i. Note the medium term rolling five year financial plan for the IJB; and
 - ii. Note the requirement for significant medium term financial recovery actions to bring the plan back into balance

3 BACKGROUND

- 3.1 The IJB were presented with the outline of the financial strategy on 22 February 2018. The financial strategy underlies the annual plan and sits alongside the strategic plan.
- 3.2 The IJB were presented with the financial outlook for 2019/20 on 28 March 2019 which was based on indicative budget offers from both NHS Lothian and East Lothian Council.
- 3.3 The IJB accepted formal budget offers from NHS Lothian and East Lothian Council on 23 May 2019 on the basis that they were fair and adequate.
- 3.4 Following acceptance of the formal budget offers for 2019/20 from both partners and the indication budget values for future years the IJBs rolling 5 year financial plan for 2019/20 – 2023/24 has been developed.

3.5 The Scottish Government published its medium term financial framework for Health and Social Care in October 2018. The framework was presented to the IJBs Audit and Risk Committee on 10th January 2019 and has supported the development of the rolling 5 year financial plan for the IJB.

3.6 As mentioned above the rolling 5 year financial plan is based on formal budget offers for 2019/20 and indicative budget offers for subsequent years. Table 1 summarises total anticipated delegated budgets over the next 5 years.

	19/20 £k	20/21 £k	21/22 £k	22/23 £k	23/24 £k
NHSL delegated base budget	100,617	102,360	104,233	105,229	106,245
Additional contributions	3,498	1,873	996	1,016	1,037
Total NHS income	104,114	104,233	105,229	106,245	107,282
ELC delegated base budget	51,424	52,932	52,896	52,646	52,646
Additional contributions	2,758	548	548	548	548
ELC savings target	(702)	(36)	(250)	0	0
Total ELC income	53,480	53,444	53,194	53,194	53,194
Total income	157,594	157,677	158,423	159,439	160,476

Table 1: Indicative IJB delegated budget 2019/20-2023/24

3.7 The projected costs of delegated services across the same period are shown below in table 2. The modelling assumptions used to estimate future costs are described in paragraph 3.9.

	19/20 £k	20/21 £k	21/22 £k	22/23 £k	23/24 £k
Base expenditure	154,401	159,748	165,246	169,949	174,849
Price effects	1,672	2,147	1,279	1,299	1,331
Demographic change	658	3,545	3,648	3,792	3,942
Non demographic growth	4,581	384	324	357	390
Total expenditure	161,312	165,824	170,497	175,397	180,511

Table 2: Projected cost of delegated services 2019/20-2023/24

3.8 The overall position for the IJB is summarised in table 3.

	19/20	20/21	21/22	22/23	23/24
	£k	£k	£k	£k	£k
Total income	157,594	157,677	158,423	159,439	160,476
Total Expenditure	161,312	165,824	170,497	175,397	180,511
Gap before savings plans	(3,718)	(8,148)	(12,074)	(15,958)	(20,035)
Total savings plans	2,192	578	548	548	548
Total gap	(1,526)	(7,570)	(11,526)	(15,410)	(19,487)

% gap	(1%)	(5%)	(7%)	(10%)	(12%)
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Table 3: IJB rolling five year financial plan

3.9 Future NHS Lothian costs within the financial plan are based on the detailed financial planning exercise conducted by NHS Lothian. For East Lothian Council costs the assumption in 2019/20 is that social care services will overspend by circa £500k; in future years 5% growth in social care costs has been applied per the Scottish Government medium term financial framework (2018).

3.10 In their budget offer to the IJB for 2019/20 NHS Lothian have provided the IJB with additional funding to ensure that the base budget is uplifted by 2.6% and that unscheduled care investments made by NHS Lothian are also funded. In the rolling 5 year financial plan this funding is only non recurring. However NHS Lothian is committed to finding a recurring funding source for these commitments. Table 4 shows a restated rolling 5 year financial plan assuming recurring funding is available in 2020/21.

	19/20	20/21	21/22	22/23	23/24
	£k	£k	£k	£k	£k
Total income	157,595	159,432	160,178	161,194	162,231
Total Expenditure	161,312	165,824	170,497	175,397	180,511
Gap before savings plans	(3,717)	(6,393)	(10,319)	(14,203)	(18,280)
Total savings plans	2,192	578	548	548	548
Total gap	(1,525)	(5,815)	(9,771)	(13,655)	(17,732)

% gap	(1%)	(4%)	(6%)	(8%)	(11%)
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Table 4: restated IJB rolling five year financial plan

3.11 At this stage limited assurance can be given around the IJBs ability to break even in 2019/20 however there is a significant financial challenge on the horizon. The IJB should ask officers within the partnership to

develop a medium term recovery plan and update the IJB on progress against this plan at a future meeting.

4 ENGAGEMENT

- 4.1 The IJB holds its meetings in public and makes its papers and reports available on East Lothian Council's website.

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 Outline Financial Strategy – February 2018 IJB meeting.
8.2 2019/20 Financial Outlook – March 2019 IJB meeting.
8.3 Scottish Government medium term health & social care financial framework – January IJB Audit & Risk Committee

AUTHOR'S NAME	Claire Flanagan
DESIGNATION	Chief Finance Officer
CONTACT INFO	claire.flanagan@nhslothian.scot.nhs.uk
DATE	19 June 2019

Appendix 1 – Medium term rolling five year financial plan
Appendix 2 – Five year variance by service

	19/20			20/21			21/22			22/23			23/24		
	Rec £k	Non rec £k	Total £k	Rec £k	Non rec £k	Total £k	Rec £k	Non rec £k	Total £k	Rec £k	Non rec £k	Total £k	Rec £k	Non rec £k	Total £k
Income															
Recurring budget	150,547	1,494	152,041	153,798	1,494	155,292	155,635	1,494	157,129	156,381	1,494	157,875	157,397	1,494	158,891
Uplifts	1,666	0	1,666	1,873	0	1,873	996	0	996	1,016	0	1,016	1,037	0	1,037
Investments	2,210	2,303	4,513	0	548	548	0	548	548	0	548	548	0	548	548
Other adjustments	(624)	0	(624)	(36)	0	(36)	(250)	0	(250)	0	0	0	0	0	0
Total income	153,798	3,797	157,594	155,635	2,042	157,677	156,381	2,042	158,423	157,397	2,042	159,439	158,434	2,042	160,476
Expenditure															
Baseline expenditure	150,547	1,494	152,041	154,665	1,494	156,159	156,502	1,494	157,996	157,248	1,494	158,742	158,264	1,494	159,758
Full year effect	2,356	4	2,360	3,589	0	3,589	7,251	0	7,251	11,207	0	11,207	15,091	0	15,091
Anticipated cost increases	0	0		0	0		0	0		0	0		0	0	
Pay awards	1,521	0	1,521	1,980	0	1,980	1,108	0	1,108	1,125	0	1,125	1,153	0	1,153
Non pay uplift	151	0	151	167	0	167	171	0	171	174	0	174	177	0	177
Contract inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GP Prescribing	658	0	658	886	0	886	891	0	891	897	0	897	902	0	902
Demographic growth	0	0	0	2,659	0	2,659	2,757	0	2,757	2,895	0	2,895	3,040	0	3,040
Strategic investments	3,669	0	3,669	93	0	93	3	0	3	3	0	3	0	0	0
Hospital medicines	866	0	866	291	0	291	321	0	321	353	0	353	390	0	390
Other	46	0	46	0	0	0	0	0	0	0	0	0	0	0	0
Total expenditure	159,814	1,498	161,312	164,330	1,494	165,824	169,003	1,494	170,497	173,903	1,494	175,397	179,017	1,494	180,511
Net position before savings	(6,016)	2,298	(3,718)	(8,696)	548	(8,148)	(12,622)	548	(12,074)	(16,506)	548	(15,958)	(20,583)	548	(20,035)
Savings and recovery plans															
2019/20 plans	(1,560)	(632)	(2,192)	(578)	0	(578)	(548)	0	(548)	(548)	0	(548)	(548)	0	(548)
Total recovery actions	(1,560)	(632)	(2,192)	(578)	0	(578)	(548)	0	(548)	(548)	0	(548)	(548)	0	(548)
Net position after savings	(4,456)	2,930	(1,526)	(8,118)	548	(7,570)	(12,074)	548	(11,526)	(15,958)	548	(15,410)	(20,035)	548	(19,487)

	19/20	20/21	21/22	22/23	23/24
	£k	£k	£k	£k	£k
A&E and General Medicine	(722)	(1,652)	(1,920)	(2,211)	(2,530)
Older People	(945)	(1,513)	(1,653)	(1,792)	(1,940)
District Nursing & Primary Care	(314)	(919)	(1,353)	(1,796)	(2,250)
Mental Health and Wellbeing	(145)	(319)	(418)	(514)	(620)
Physical Disabilities	(289)	(1,299)	(2,509)	(3,674)	(4,898)
Learning Disabilities	(270)	(1,573)	(3,083)	(4,538)	(6,065)
Planning and Performance	10	(128)	(248)	(364)	(364)
Other	1,150	(166)	(342)	(519)	(820)
Total surplus/(gap)	(1,526)	(7,570)	(11,526)	(15,410)	(19,487)



REPORT TO: East Lothian Integration Joint Board

MEETING DATE: 27 June 2019

BY: Chief Officer

SUBJECT: Change to the Non-Voting Membership of the East Lothian Integration Joint Board

9

1 PURPOSE

- 1.1 To note the change to the non-voting membership of the East Lothian Integration Joint Board (IJB) as it relates to the role of Chief Social Work Officer (CSWO).

2 RECOMMENDATIONS

- 2.1 The IJB is asked to note that Fiona Duncan has left her post as CSWO at East Lothian Council and has been replaced by Judith Tait.

3 BACKGROUND

- 3.1 The Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014 ('the Order') sets out the arrangements for the membership of all Integration Joint Boards. The Order states that an IJB's non-voting membership must include the Chief Social Work Officer of the local authority.
- 3.2 Ms Duncan left her post as CSWO at East Lothian Council in May 2019. Ms Tait was recently appointed as Chief Operating Officer for Children's Services within the Council and as CSWO.
- 3.3 Ms Tait was appointed as a non-voting member of the IJB in April 2018 in her previous role as Head of Children & Adult Services. She will therefore continue as a non-voting member of the IJB but acting in her new capacity as CSWO and Chief Operating Officer for Children's Services.

4 ENGAGEMENT

- 4.1 This change of staffing is a matter for East Lothian Council. The inclusion of a CSWO as a non-voting member of an IJB is regulated by legislation.

5 POLICY IMPLICATIONS

- 5.1 There are no policy implications as a result of this report.

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 DIRECTIONS

- 7.1 The subject of this report does require the creation of a new Direction or the alteration of an existing Direction issued by the IJB.

8 RESOURCE IMPLICATIONS

- 8.1 Financial – None.
8.2 Personnel – None.
8.3 Other – None.

9 BACKGROUND PAPERS

- 9.1 None.

AUTHOR'S NAME	Fiona Currie
DESIGNATION	Committees Officer
CONTACT INFO	fcurrie@eastlothian.gov.uk
DATE	12 June 2019



REPORT TO: East Lothian Integration Joint Board
MEETING DATE: 27 June 2019
BY: Chief Officer
SUBJECT: East Lothian IJB Meeting Dates 2019/20

10

1 PURPOSE

- 1.1 To set the dates of East Lothian Integration Joint Board (IJB) business meetings and development sessions during 2019/20.

2 RECOMMENDATIONS

- 2.1 The IJB is asked to:
- i. approve the dates for business meetings during session 2019/20 (proposals set out in Appendix 1); and
 - ii. approve the dates for development sessions during session 2019/20 (as set out in Appendix 2).

3 BACKGROUND

- 3.1 The IJB is required to approve a schedule of meeting dates for session 2019/20. From August 2017 the frequency of business meetings changed to every two months, with development sessions scheduled in the months in between. The exceptions were February/March when business meetings were scheduled on consecutive months. There were also additional meetings arranged in September (to sign-off the annual accounts) and April and May to deal with agreement of the budget, Directions and other urgent items of business.
- 3.2 As a result of the ongoing requirement for additional meetings, it is proposed that the timing of IJB meetings should be altered. Beginning with session 2019/20 it is proposed that business meetings should continue to be every two months but with three exceptions – a meeting in early/mid September rather than late August, consecutive meetings in February & March and a special budget-setting meeting in May.

- 3.3 Standing Orders allow the IJB to call additional business meetings if necessary. However, this discretion will be used only in exceptional circumstances. In the event that a meeting date requires to be changed, members will be notified as soon as practicable.
- 3.4 The proposed business meeting dates for session 2019/20 are set out in Appendix 1. Members should note that two options have been offered for the meeting date in September 2019 and they will be asked to indicate their preference. The proposed dates for development sessions are listed in Appendix 2.

4 ENGAGEMENT

- 4.1 The proposed meeting dates were discussed with the Chair, Depute Chair and Chief Officers prior to this report being presented to the IJB.

5 POLICY IMPLICATIONS

- 5.1 None.

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 DIRECTIONS

- 7.1 The subject of this report does not require the creation of a new Direction or the alteration of an existing Direction issued by the IJB.

8 RESOURCE IMPLICATIONS

- 8.1 Financial – none.
- 8.2 Personnel – none.
- 8.3 Other – none.

9 BACKGROUND PAPERS

- 9.1 None.

AUTHOR'S NAME	Fiona Currie
DESIGNATION	Committees Officer, East Lothian Council
CONTACT INFO	fcurrie@eastlothian.gov.uk
DATE	19 June 2019

PROPOSED BUSINESS MEETING DATES FOR SESSION 2019/20

Thursday 5 September 2019, 2pm or Wednesday 11 September 2019, 1pm

Thursday 31 October 2019, 2pm

Thursday 5 December 2019, 2pm

Thursday 27 February 2020, 2pm

Thursday 26 March 2020, 2pm

Thursday 28 May 2020, 2pm (budget-setting)

Thursday 25 June 2020, 2pm

The majority of meetings will be held in the Council Chamber, Town House, Haddington, with occasional meetings held at venues elsewhere in East Lothian.

PROPOSED DATES FOR DEVELOPMENT SESSIONS IN 2019/20

Thursday 29 August 2019, 2pm

Thursday 28 November 2019, 2pm

Thursday 23 January 2020, 2pm

Thursday 30 April 2020, 2pm

Venues for the development sessions will be confirmed in due course.

