

# Report

## Edinburgh Integration Joint Board Unaudited Annual Accounts 2017/18

### Edinburgh Integration Joint Board

15 June 2018



#### Executive Summary

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1. This paper presents the unaudited 2017/18 annual accounts for Edinburgh Integration Joint Board (EIJB). They will be submitted to external audit before 30<sup>th</sup> June with final sign off by the IJB in September.

#### Recommendations

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2. The committee is asked to note the:
  - draft financial statements submitted; and
  - proposed timescale for completion.

#### Background

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3. Integration Joint Boards are required to produce annual accounts. The draft financial statements and timescale for finalising are discussed in the main report below.

#### Main report

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4. It is the responsibility of the Chief Financial Officer, as the appointed “proper officer”, to prepare the financial statements in accordance with relevant legislation and the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). This means:
  - maintaining proper accounting records; and
  - preparing financial statements which give a true and fair view of the state of affairs of the board as at 31<sup>st</sup> March 2018 and its expenditure and income for the year.

5. In Scotland the following deadlines are laid out in the Code:
  - The proper officer is required to submit the unaudited accounts to the appointed auditor by **30<sup>th</sup> June**;
  - The authority or a committee of that authority whose remit includes audit or governance functions must meet to consider the unaudited annual accounts as submitted to the auditor by **31<sup>st</sup> August**;
  - The Local Authority Accounts (Scotland) Regulations 2014 require the authority to aim to approve the annual accounts for signature by **30<sup>th</sup> September**; and
  - To publish them by **31<sup>st</sup> October**.
6. In accordance with these requirements, the unaudited accounts were considered at the Audit and Risk Committee on 1<sup>st</sup> June 2017 and, following scrutiny by the IJB, will be submitted to external audit. The final accounts will be presented to the Audit and Risk Committee and IJB meetings in September 2018.
7. Scott-Moncrieff, the external auditors, will give an independent opinion on the financial statements as well as review and report on the arrangements in place to ensure the proper conduct of financial affairs and to manage performance and use of resources.
8. On conclusion of the audit the following documents will be presented by Scott-Moncrieff:
  - **Annual Audit Report:** draws significant matters arising from the audit to the attention of those charged with governance prior to the signing of the independent auditor's report; and
  - **Independent auditors' report:** provides audit opinion on the financial statements.
9. The unaudited (or draft) financial statements for the Edinburgh Integration Joint Board for 2017/18 are attached as an appendix to this report.

## Key risks

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10. None identified.

## Financial implications

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11. The financial results deal principally with the financial governance on operational management of existing resources and no resource implications arise specifically from this report.

## Implications for directions

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12. None.

## Equalities implications

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13. None.

## Sustainability implications

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14. None.

## Involving people

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15. The draft financial statements have been produced with the support and co-operation of both City of Edinburgh Council and NHS Lothian personnel.

## Impact on plans of other parties

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16. As above.

## Background reading/references

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17. None.

## Report author

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**Judith Proctor**

**Chief Officer, Edinburgh Health, and Social Care Partnership**

Moira Pringle, Chief Finance Officer

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## [Links to priorities in strategic plan](#)

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**Managing our resources effectively**

## [Appendices](#)

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**Appendix 1**      Edinburgh Integration Joint Board Unaudited Annual Accounts 2017/18



# Edinburgh Integration Joint Board

Unaudited Annual Accounts 2017/18

The Annual Accounts of Edinburgh Integration Joint Board for the year ended 31 March 2018, prepared pursuant to Section 105 of the Local Government (Scotland) Act 1973 and in accordance with the terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 and Service Reporting Code of Practice.

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## MANAGEMENT COMMENTARY

### Introduction

This management commentary provides an overview of the key messages relating to the objectives and strategy of the Edinburgh Integration Joint Board (EIJB). It considers our financial performance for the year ended 31<sup>st</sup> March 2018 and gives an indication of the issues and risks which may impact upon our finances in the future.

### Role and remit

EIJB was established as a body corporate by order of Scottish Ministers on 27<sup>th</sup> June 2015 under the Public Bodies (Joint Working) (Scotland) Act 2014. As a separate and distinct legal entity from City of Edinburgh Council and NHS Lothian, we are responsible for planning the future direction of and overseeing the operational delivery of integrated health and social care services for the citizens of Edinburgh. These services are largely delivered by the Edinburgh Health and Social Care Partnership (the Partnership) although some are managed by NHS Lothian on our behalf. These are referred to as “hosted” or “set aside” services. The arrangements for EIJB’s operation, remit and governance are set out in the integration scheme which has been approved by the City of Edinburgh Council, NHS Lothian and the Scottish Government.

EIJB meets monthly and has ten voting members: five elected members appointed by City of Edinburgh Council; and five NHS Lothian non-executive directors appointed by NHS Lothian. Non-voting members of the Board include the EIJB Chief Officer, Chief Finance Officer, representatives from the third sector and citizen members. Service and staffing representatives are also on the Board as advisory members.

2017/18 was our second year of operation and we saw a number of changes in the management and governance arrangements with the departure of the EIJB Chief Officer and the establishment of a new interim senior management team as well as a number of changes in voting members following local elections and some new members being appointed by NHS Lothian.

### Strategic Plan

Edinburgh’s population of almost half a million, accounts for 9% of the total population of Scotland and is projected to increase faster than any other area of the country; with a higher rate of growth in some age groups than others. Whilst this growth has many social and economic advantages, it also presents challenges. Although a relatively affluent city, Edinburgh has areas of significant inequality and ‘deprivation’ and one of our key priorities is to lead, where possible, on tackling health and social inequalities.

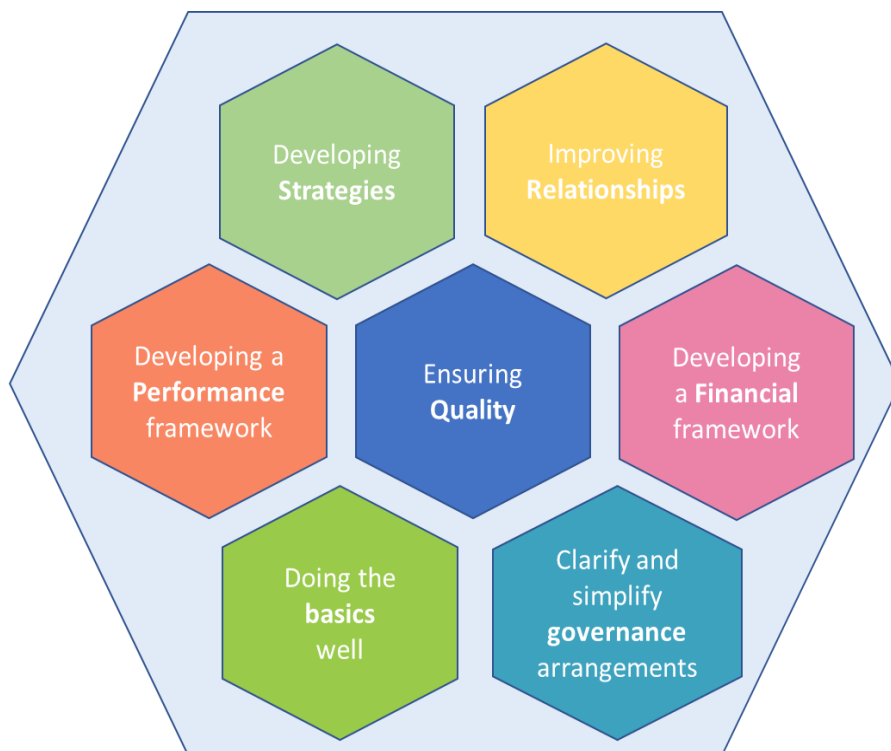
We are now in the second year of implementing our 3-year strategic plan which was approved by the Board on 11<sup>th</sup> March 2016. This plan, which is due for renewal by April 2019, sets out how the health and social care services delegated by the City of Edinburgh Council and NHS Lothian will be developed and changed over the three years from April 2016 using the resources available to meet the changing needs of the population and achieve better outcomes for people. Using our budget of around £700 million, delegated from NHS Lothian and the City of Edinburgh Council, we fund community health and social care services, including GP practices and some elements of acute hospital services.

We intend to deliver our vision for a caring, healthier and safer Edinburgh through taking actions to transform how Council and NHS services and staff teams work together, with other partners, those who use services and communities. Our key priorities (as set out in the strategic plan) and 12 areas of focus to deliver these are shown in the diagram below:



Recognising that certain areas of activity require immediate attention, given their mission criticality, the interim management team for the Partnership committed to bringing greater clarity and focus to the activities of the Partnership, with an emphasis on performance, quality and finance. These immediate priorities are reflected in the “Statement of Intent” which has been shared with the EIJB as well as staff throughout the Partnership. The statement highlighted 7 priorities for the remainder of the financial year and into early 2018/19, these are summarised in the diagram below:





Developing strategies was one of these priorities and consequently the outline strategic commissioning plans were produced for 5 client groups: learning disabilities; mental health; physical disabilities; older people; and primary care. These, supported by a number of cross cutting themes were approved by EIJB in early 2018 and will form the basis for ongoing development of plans which, in turn will inform the new strategic plan.

### Operational Review

We will be publishing an annual performance report at the end of July 2018 which will provide a review of the progress made during 2017/18, the second year of operation of the EIJB:

- how we are working to deliver the national health and wellbeing outcomes including our performance against a range of national and local indicators;
- in delivering the actions we set out in the strategic plan;
- in managing our budget and delivering best value; and
- through the eyes of others including the people who use our services, our staff and external bodies who inspect our services or make awards.

THIS SECTION WILL BE UPDATED FOLLOWING FINALISATION OF THE PERFORMANCE REPORT.

### Annual Accounts 2016/17

The annual accounts report the financial performance of EIJB. The main purpose is to demonstrate the stewardship of the public funds that have been entrusted to us for the delivery of our vision and strategic priorities. The requirements governing the format and content of IJBs' annual accounts are contained in The Code of Practice on Local Authority Accounting in the United Kingdom (the Code). These annual accounts have been prepared in accordance with this Code.

## Financial Performance

The financial plan sets out how we will ensure our limited resources are targeted to maximise the contribution to our objectives. A financial assurance process was undertaken on the 2017/18 funding contributions made available by NHS Lothian and the City of Edinburgh Council. Through this process a savings requirement of £20.5m against projected income of £615.0m was identified. Funding adjustments during the year increased this budget to £709.5m.

EIJB's financial performance for the year is presented in the comprehensive income and expenditure statement, which can be seen on page 18. The balance sheet (page 19) is also presented and sets out the liabilities and assets at 31<sup>st</sup> March 2018.

For the year we are reporting a surplus of £4.7m which brings the total value of the EIJB's reserve to £8.4m. The majority of this reserve, £6.5m is "ringfenced" (i.e. set aside for specific purposes), including supporting the "Short Term Improvement Measures" and the "Plan for Immediate Pressures and Longer-Term Sustainability" agreed by the IJB in November 2017 and May 2018 respectively.

The in-year surplus was only achieved by both the City of Edinburgh Council and NHS Lothian agreeing additional one off contributions to EIJB: £7.2m from the Council and £4.9m from NHS Lothian. These additional payments reflected some of the significant and long standing financial pressures we face, notably:

- **Care at home** continues to be the single most significant financial challenge facing the IJB with a reported in year overspend of £7m. Demographic factors continue to drive demand for these services, as this is also evidenced in the continuing growth in direct payments and individual service funds. This level of overspend is in line with financial projections reported throughout the year and has been factored into the baseline position for budget planning for the next financial year. However, as was the case in 17/18, the 18/19 financial plan is predicated on this growth being offset, at least to some extent, by delivery of savings. Whilst the savings programme is continuing to build momentum, achievement in 17/18 fell well short of target and, as such, a focus on delivery forms a key cornerstone of the financial strategy for 18/19;
- **Prescribing** remains the most significant single financial issue facing delegated NHS services. Similar pressures are evident across Scotland, with short supply and high value drugs offsetting lower than anticipated growth in volumes. Pressures on the GP prescribing budget gave rise to an in year overspend of £2.1 million. Significant efforts have been taken to improve this for 2018/19, including prioritisation of additional funding and the continuation of the pan Lothian effective prescribing fund of £2 million;
- Delivery of **savings and recovery plans** remains a challenge with only a marginal contribution was made towards the Council's transformational savings in 2017/18. Equally, NHS service budgets include elements of unachieved savings carried forward from previous years and not delivered in year. Consequently, this will impact on the 2018/19 financial plan; and
- NHS Lothian **set aside** budgets overspent by £2.4m in the year. Junior doctors is the most significant contributory factor where non-compliant rotas are driving costs upwards. Overall set aside now equates to approximately 50% of the overall NHS position and is clearly an issue which requires to be addressed in partnership with NHS Lothian in 2018/19.

It will be important moving forward to 2018/19 and future years that expenditure is managed within the financial resources available and this will require close partnership working between EIJB as service commissioner and the City of Edinburgh Council and NHS Lothian as providers of services.

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

Like many other public sector organisations, we face significant financial challenges and, due to the continuing difficult national economic outlook and increasing demand for services, will need to operate within tight fiscal constraints for the foreseeable future. Pressures on public sector expenditure are expected to continue, both at a UK and Scottish level, meaning NHS Lothian and City of Edinburgh Council will face continued funding pressures for the foreseeable future. This in turn will impact on their ability to resource the functions delegated to the IJB. In this financial climate, EIJB recognises that returning to a balanced position will require major redesign of services, radical changes in thinking and approach, and the involvement of all partners and stakeholders.

Many of the considerable challenges we face have significant financial consequences and we face a complex landscape of interconnected risks. Examples include:

- increased demand for services alongside reducing resources;
- impact of demographic changes;
- delays in accessing appropriate services, including social care assessments, reviews and timely discharge from hospital;
- impact of welfare reform on the residents of Edinburgh;
- impact of the living wage and other nationally agreed policies;
- risk that the savings programme does not deliver within the required timescales or achieve the desired outcomes; and
- costs associated with meeting new legislative requirements without adequate resources being put in place.

These risks mean that money is tighter than ever before. It is therefore crucial that we focus on early intervention, prevention and recovery if we are to work within the total annual budget of just over £700 million. Moving into 2018/19, we are working to proactively address the funding challenges presented while, at the same time, providing services for the residents of Edinburgh.

We have identified eight key categories across each of which sustained change is required to achieve the ambitions of the IJB and linked these to actions required in the short, medium and longer term to achieve sustained improvement, given the known demographics of need and likely future resource constraints.

**1. Prevention** – we need a sustained and meaningful shift of attention and resources towards preventative and early intervention activity that will reduce dependency on acute services and crisis support. Without such a shift, the care and support system as we know it will be unsustainable in the near future, overwhelmed by higher and higher levels of acute need.

**2. Wider cultural change** – our traditional model of health and social care support is based on expectations that formal care will be provided largely by public services, as part of a long-standing social contract, based on taxation contributions in exchange for universal benefits. Whereas the public funding envelope has reduced significantly in recent years, public expectations regarding the level and standard of provision have not reduced

to the same extent. We need to begin a ‘big conversation’ with stakeholders about what it is realistic to expect in terms of public service support, and what might be a reasonable contribution to people’s care from individuals, their relatives, their neighbours and their communities.

3. A **reduction** is required in the volume of demand and expectation that is generated from initial requests for assistance. We need to redesign the system to create opportunities at each stage in the process for people to receive the right information or support at the right time.

4. This will reduce the **volume** of people waiting for an assessment; it will increase satisfaction rates because people will be able to access relevant and appropriate help either directly or much faster. It will speed up our response times, reduce ‘false positives’ and align the need for formal care more closely with its availability. This will leave a smaller volume of higher level need for formal care at home, residential and nursing provision, or other specialist care. This smaller volume will allow us to commission higher quality care at a market rate that ensures both capacity and sustainability.

5. This change of landscape must be complemented by a **redesign** of some of our internal, high cost, direct care services. These include Hospital at Home, Reablement, Intermediate Care, and other similar intensive support, including emergency responses.

6. **Workforce development:** effective integration requires a focus on organisational development, leadership and support for staff groups who are being asked to work in a new environment. Health and social care job demand is projected to rise; however, similar growth is forecast in the retail and hospitality sectors, and competition for the low paid workforce between sectors is likely to become fiercer. Edinburgh is already carrying significant recruitment and retention challenges in respect of adult social care. Without radical renegotiation and redesign, we will not have the people to deliver the type and level of care that citizens expect.

7. Our ability to focus on these critical and transformational priorities is dependent not only on financial resources and a timetabled, monitored action plan, but also requires adequate **business support, processes and IT infrastructure**. Further work to develop appropriate support mechanisms is required to be progressed with our partners.

8. **Professional/clinical governance and quality** – the integration of staff groups with different employers, terms and conditions and professional backgrounds, requires careful consideration of a range of HR issues and governance arrangements. Each professional group is subject to the registration requirements of a different governing body and to that body’s code of conduct. Notwithstanding these different expectations, the principles of integration require the seamless delivery of coherent, coordinated services.

Linked to the above and emerging from the outline strategic commissioning plans our priorities include:

<b>For people with a learning disability:</b>	<b>For people with mental health issues:</b>
<ul style="list-style-type: none"> <li>The redesign of the Royal Edinburgh Hospital will require 19 community placements (18 already commissioned); in addition, 15 beds for assessment and treatment will be commissioned from NHS Lothian.</li> </ul>	<ul style="list-style-type: none"> <li>Prevention – Place-based and person-centred life course approach improving outcomes, population health and health inequalities</li> <li>Access – Responsive and clear access arrangements connecting people to the support they need at the right time</li> </ul>

- Taking a whole life approach that improves earlier intervention in childhood for people with behaviours that are challenging, and the development of smoother transitions from children to adult services.
- Adopting an 'Ageing in Place' strategy, which will promote awareness of disability issues in older people's services and aging issues amongst learning disability services.
- Strengthening services that can support people with more complex behavioural or forensic needs in the community, which will lead to the development of four 'locality leadership groups'.
- Identification of a range of housing and support options for people with learning disabilities and people with complex needs with a focus on core and cluster services.
- Reducing the cost of night care by developing a night support service with the option of on-call responders.
- Creating a 'framework' or 'alliance' agreement for accommodation with support across current partners to improve the links between people and providers.
- Key priorities for people with autism (who do not have a learning disability) include:
- Further development of the existing Edinburgh Autism Plan to reflect the emerging new priorities from the next and final stage of the Scottish Strategy for Autism.
- Ongoing advice and information for people with autism, including finding and maintaining housing and work in Partnership with key stakeholders.
- Continuing the Partnership's approach to promoting autism awareness with staff and the general public.
- Parity of esteem between mental health and physical illness through collaborative and mature cross sector working across public sector bodies, third sector and private sector
- Sustainability – Ensure the best use of Edinburgh's funding through improving financial and partnership sustainability by - place-based cohesive and collaborative
- Commissioning needs-based care pathways, pooled budgets and more community based models of support, linked to wider Edinburgh's transformation activity; maximising digital health opportunities and investing in new workforce roles
- Culture – Mental health is 'everyone's business', enabling local areas to make decisions for system wide outcomes supported by shared information. This includes mental health and social care, but more broadly, the opportunities to consider the best approach across public services and the third sector, with a focus on community, early intervention and resilience, building on 5 Ways to Well Being
- Evidence and Research – Learning from local, national and international evidence and research and driving transformational change across traditional silos and with a wide range of partners from public, voluntary and private sectors
- Measurement – Standardised outcomes framework with minimum standards, outcomes and access across all providers of health and social care and shared approaches to strengthening communities and voluntary sector effectiveness
- Employers – All employers promote good employment practice for mental health, building capacity for conversations to support suicide prevention

**For older people:**

**For people with a physical disability:**

- Stream 1 – Health and Wellbeing – We want to “take a big step back” by focusing on providing alternative and additional services earlier in the pathway, and by ensuring that appropriate information and support are provided to citizens in making choices that reflect their needs more effectively
  - Stream 2 – Access and Assessment – We have taken significant steps forward to meet challenges in accessing care, with the establishment of an assessment and review board, which has sponsored the production of a harmonised assessment process. This requires considerable additional work, but has great potential to reduce the size of queues, including investment in Telecare, self-directed support and changes to our support planning approach
  - Stream 3 – Short Term Care and Support – We will work collaboratively with our primary care, third, independent and housing sector colleagues to identify different models of care and capacity available to ensure quick and timely discharges from acute services and short-term support required to prevent admission
  - Stream 4 – Long Term Care and Support – In light of the significant challenges of acquiring adequate long-term care and support in the community, we will work with the independent, third and housing sectors to create a more coherent design
  - The move from the Astley Ainslie Hospital to the redesigned Royal Edinburgh Hospital will offer opportunities to review current bed use and outpatient services.
  - Strengthening services that can support people to be more independent in their community.
  - Identification of a range of housing and support options for people with physical disability, with a particular focus on core and cluster services.
  - Reducing the cost of night care by developing a night support service, with the option of on-call responders.
  - Reviewing the number of community navigators
- For the primary care improvement plan:**
- The main focus of the plan will be how the new contract outline model can best be implemented at locality/cluster/practice level to stabilise and transform the Primary Care workforce.
  - In Edinburgh, we have already implemented a Linkworker Network supporting 20 practices in areas of high deprivation as classified using the Scottish Index of Multiple Deprivation (SMID). The relevance and associated resource of Linkworker to a population not classified as deprived is being tested both through 17C funding in NW Edinburgh and by Transformation and Stability injections.
  - Following successful ‘tests of change’ Edinburgh GPs are keen to see rapid expansion of Advanced Nurse Practitioners, pharmacists and CPNs in particular.
  - Current tests of change with physiotherapy and clinical admin support are likely to create further demand. (The potential of psychology has not yet been tested).

framework for contracting, with a view to increasing care in the community. We will review how our directly-provided services are run and make recommendations on the future model for improved sustainability and quality. In developing a 'Realistic Care' model, self-management and preventative use of equipment to strengthen earlier reablement activity. We will also be engaging with day care and lunch club providers to improve our wider integration. Our work with service users, carers, and the third sector has also identified that we must make more of the opportunities afforded us by self-directed support.

- Stream 5 – Complex care, Accommodation, and Bed-based services – The IJB has outlined its direction of travel for all services, which is to shift the balance of care from institutions to homely settings in the community. Our ambition is to ensure that people are as close to home as possible, which includes supporting care homes by increasing the number of places available and investing in downstream beds, which can facilitate earlier discharge from hospital.

- 2018/19 will see the first collaborative cluster wide bids for additional capacity.
- 2019/20 is anticipated to see the development of the first cluster services as proposed and funded by the new contract arrangements.

## Conclusion

Thus, the IJB faces the twin challenges of: increasing demand for services; and a climate of constrained financial resources. In this context, the development and implementation of a strategic approach to financial planning over the next 3–5 years is essential to support the sustainability of health and social care delivery in Edinburgh.

**Judith Proctor**  
Chief Officer  
June 2018

**Ricky Henderson**  
Chair  
June 2018

**Moira Pringle**  
Chief Finance Officer  
June 2018

## STATEMENT OF RESPONSIBILITIES

### STATEMENT OF RESPONSIBILITIES FOR THE STATEMENTS OF ACCOUNT

#### Responsibilities of the Edinburgh Integration Joint Board

The Edinburgh Integration Joint Board is required:

to make arrangements for the proper administration of its financial affairs and to secure that it has an officer responsible for the administration of those affairs. In this Integration Joint Board, that officer is the Chief Finance Officer;

to manage its affairs to achieve best value in the use of its 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); and

to approve the Annual Accounts.

I confirm that these Annual Accounts were approved for signature by the Edinburgh Integration Joint Board on [Date for Signing].

**Ricky Henderson**  
**Chair of the Edinburgh Integration Joint Board**  
**June 2018**



**Responsibilities of the Chief Finance Officer**

As Chief Finance Officer, I am responsible for the preparation of the EIJB's statement of accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ("the Code of Practice"), is required to give a true and fair view of the financial position of the EIJB at the financial year end and its income and expenditure for the year then ended.

In preparing the financial statements I am responsible for:

selecting suitable accounting policies and then applying them consistently;

making judgements and estimates that are reasonable and prudent; and

complying with the Code of Practice and legislation

I am also required to:

keep proper accounting records which are up to date; and

take reasonable steps to ensure the propriety and regularity of the finances of the EIJB.

**Statement of Accounts**

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Edinburgh Integration Joint Board at the reporting date, and its income and expenditure for the year ended 31 March 2018.

**Moira Pringle**  
**Chief Finance Officer**  
**June 2018**

## REMUNERATION REPORT

The Chief Officer of the Edinburgh Integration Joint Board (EIJB) is a joint appointment between City of Edinburgh Council, NHS Lothian and the EIJB. The terms and conditions, including pay for the post, are those set by the City of Edinburgh Council, who employ the post holder directly and recharge the costs to EIJB and NHS Lothian.

The EIJB Chief Financial Officer is appointed by the EIJB and is supplied without charge by NHS Lothian and the associated costs are included in the support costs disclosed in note 4.

The voting members of the EIJB are appointed by the respective partner bodies (NHS Lothian and City of Edinburgh Council). The voting members from NHS Lothian and City of Edinburgh Council in the period April 2017 to March 2018 were:

S. Allen ( <i>left 31/12/17</i> )	NHS	E. Aitken ( <i>left 18/05/17</i> )	CEC
M. Ash	NHS	R. Aldridge ( <i>appointed 15/03/18</i> )	CEC
M. Hill ( <i>appointed 01/03/18</i> )	NHS	I. Campbell ( <i>appointed 15/03/18</i> )	
C. Hirst	NHS	J. Griffiths ( <i>left 18/05/17</i> )	CEC
A. Joyce ( <i>re-appointed 10/05/18</i> )	NHS	R. Henderson (Chair) ( <i>appointed 18.05.17</i> )	CEC
A. McCann ( <i>appointed 01/01/18</i> )	NHS	S. Howat ( <i>left 18/05/17</i> )	CEC
R. Williams ( <i>left 28/02/18</i> )	NHS	D. Howie ( <i>appointed 18/05/17, left 15/03/18</i> )	CEC
		M. Main ( <i>appointed 24/08/17</i> )	CEC
		C. Miller ( <i>left 24/08/17</i> )	CEC
		A. Rankin ( <i>left 15/03/18</i> )	CEC
		S. Webber ( <i>appointed 18/05/17</i> )	CEC
		N. Work ( <i>left 18/05/17</i> )	CEC

The current voting members from NHS Lothian and City of Edinburgh Council are:

C. Hirst (Vice Chair)	NHS	R. Henderson (Chair)	CEC
M. Ash	NHS	R. Aldridge	CEC
M. Hill	NHS	I. Campbell	CEC
A. Joyce	NHS	M. Main	CEC
A. McCann	NHS	S. Webber	CEC

Councillors and NHS Non-Executive Directors are able through their parent bodies to reclaim any expenses. In the year to 31 March 2018, no expense claims were made in relation to work on the EIJB. The Chair of the EIJB was in receipt of additional remuneration in 2017/18 relating to his duties for the EIJB of £8,464 (£6,807, part year 2016/17). The Vice-Chair of the EIJB was in receipt of additional remuneration in 2017/18 relating to her duties for the EIJB of £8,251 (£0 2016/17). No allowances were paid to other voting members during the year. The remuneration and pension benefits received by all voting members in 2017/18 are disclosed in the remuneration reports of their respective employer.

**Remuneration Paid to Senior Officers**

	<b>Year to 31/3/2018</b>				<b>Year to 31/3/2017</b>
	Salary, fees and allowances (£)	Compensation for loss of office (£)	Total remuneration (£)	<i>FYE</i>	Total remuneration (£)
R McCulloch- Graham, EIJB Chief Officer (to 28/08/2017)	96,844	40,490	<b>137,334</b>	150,390	148,901
M Miller, EIJB Chief Officer (from 29/08/2017)	88,940	-	<b>88,940</b>	150,390	n/a
M Pringle, EIJB Chief Finance Officer	77,092	-	<b>77,092</b>	77,092	74,772

**Pension benefits**

Pension benefits for the Chief Officer and Chair of the EIJB are provided through the Local Government Pension Scheme (LGPS). Pension benefits for the Chief Finance Officer are provided through the NHS New Pension Scheme (Scotland) 2015.

**Local Government Pension Scheme**

For local government employees, the Local Government Pension Scheme LGPS became a career average pay scheme on 1 April 2015. Benefits built up to 31 March 2015 are protected and based on final salary. Accrued benefits from 1 April 2015 will be based on career average salary.

The scheme's normal retirement age is linked to the state pension age (but with a minimum age of 65).

From 1 April 2009, a five-tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership

The contribution rates for 2017/18 were as follows:

<u>Whole Time Pay</u>	<u>Contribution rate</u>
On earnings up to and including £20,700 (2016/17 £20,500)	5.50%
On earnings above £20,700 and up to £25,300 (2016/17 £20,500 to £25,000)	7.25%
On earnings above £25,300 and up to £34,700 (2016/17 £25,000 to £34,400)	8.50%
On earnings above £34,700 and up to £46,300 (2016/17 £34,400 to £45,800)	9.50%
On earnings above £46,300 (2016/17 £45,800)	12.00%

If a person works part-time their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned.

The value of the accrued benefits has been calculated based on the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation.

### NHS Pension Scheme (Scotland) 2015

The NHS Board participates in the NHS Superannuation Scheme (Scotland). The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31 March 2012. The next valuation will be as at 31 March 2016 and this will set contribution rates from 1 April 2019. The NHS board has no liability for other employers' obligations to the multi-employer scheme. In 2017-18 members paid tiered contribution rates ranging from 5.2% to 14.7% of pensionable earnings.

For NHS employees, the NHS Superannuation Scheme became a career average pay scheme from 1 April 2015. Benefits built up to 31 March 2015 are protected and based on final salary. Accrued benefits from 1 April 2015 will be based on career average salary.

### Accrued Benefits

The pension figures shown below relate to the benefits that the person has accrued as a consequence of their total local government service, and not just their current appointment.

The pension entitlements of senior officers and current voting members for the period to 31 March 2018 are shown in the table below, together with the employer contribution made to the employee's pension during the year. Where accrued pension benefits are not shown in the table below, this indicates the employee has been a member of the pension scheme for less than 2 years.

	Employer In-Year Contribution			Accrued Pension Benefits	
	For year to 31/3/18 £	For year to 31/3/17 £		As at 31/3/18 £000	Difference from 31/3/17 £000
R McCulloch-Graham, EIJB Chief Officer (to 28/08/2017)	13,090	31,716	Pension	n/a	n/a
			Lump Sum	n/a	n/a
M Miller, EIJB Chief Officer (from 29/08/2017)	27,860	n/a	Pension	55	n/a
			Lump Sum	105	n/a
M Pringle, EIJB Chief Finance Officer	11,487	11,222	Pension	14	2
			Lump Sum	30	0
R Henderson, Chair	5,314	7,017	Pension	5	0
			Lump Sum	2	0

The Vice Chair of the EIJB is not a member of the Local Government Pension Scheme or the NHS Pension scheme; therefore, no pension benefits are disclosed.

All information disclosed in the tables in this remuneration report will be audited by Scott-Moncrieff. Scott Moncrieff will review other sections of the report to ensure that they are consistent with the financial statements.

**Judith Proctor**  
**Chief Officer**  
**June 2018**

**Ricky Henderson**  
**Chair**  
**June 2018**

## ANNUAL GOVERNANCE STATEMENT

### Scope of Responsibility

The Edinburgh integration Board (EIJB) is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, that public money is safeguarded and properly accounted for, and that arrangements are in place to secure best value.

In discharging this responsibility, The EIJB and the Chief Officer have put in place arrangements for governance which includes robust internal controls, including the management of risk.

### Governance Framework

The governance framework comprises the systems and processes, culture and values, by which the EIJB is controlled and directed. It enables the EIJB to monitor the progress with its strategic priorities and to consider whether those objectives have led to the delivery of appropriate services and value for money.

A key element of the EIJB's governance framework is its formal committee and sub-groups. These groups provide additional layers of governance, scrutiny and rigour to the business of the EIJB. Their different roles covering the wide spectrum of the EIJB's business, allows increased scrutiny and monitoring and the focus and capability to provide the EIJB with the necessary assurance.

### Board and Committee Structures

The EIJB has been responsible for health and social care functions in Edinburgh since 1 April 2016. The Board consists of 10 voting members of which five are non-executive directors of NHS Lothian and five are councillors from the City of Edinburgh Council. There are also a number of non-voting members both appointed due to the statutory requirements and to provide more varied experience and knowledge to the Board. The chair of the Board rotates from NHS Lothian and the City of Edinburgh Council every two years.

The Strategic Planning Group (SPG) was formally established in May 2016. It is chaired by the vice-chair of the EIJB. This ensures a strong link with the leadership of the EIJB but allows an increased focus. The SPG reviews business cases to ensure they are robust and meet the aims of the strategic plan, provides assurance to the EIJB on whether there has been appropriate consultation and engagement in line with statutory responsibilities. The SPG also oversees the delivery of the strategic plan. The annual review of the Strategic Plan has also commenced and is focussing on the financial plan, directions and annual performance.

The Audit and Risk Committee is a key component of creating a strong governance culture. Its role is to assist the EIJB in ensuring that there is a robust framework in place to provide assurance on risk management, governance and internal control. It also scrutinises internal and external audits and can make recommendations to the EIJB on any matter within its remit.

A work programme including annual approval of IJB Accounts, Internal Audit Charter, Internal Audit Plan and Chief Internal Auditor Opinion has been established. The Committee also annually considers the External Audit Plan and External Auditor's Opinion.

The EIJB has agreed to integrate performance reporting from both the City of Edinburgh Council and NHS Lothian. A performance and quality sub-group was also established which was to provide assurance to the EIJB on the quality of the service being provided. This has recently been reviewed to ensure continuous improvement, in line with the requirements to deliver best value. The sub-group will focus on the delivery of the annual performance report and the review and monitoring of this twice a year. This group has been reviewed and its role is set to be subsumed by the Strategic Planning Group.

The EIJB has also retained the Professional Advisory Group. This group was created in 2012 and provides professional guidance to the EIJB. It has membership on the Strategic Planning Group and the Performance and Quality Sub-Group.

### Internal Controls

As required by the legislation the EIJB has appointed a Chief Officer and a Chief Finance Officer. It has also appointed a Chief Internal, a Standards Officer and a Data Protection Officer.

The EIJB has agreed the following governance documentation:

- Financial Regulations – Section 95 of the Local Government (Scotland) Act 1973 requires all IJBs to have adequate systems and controls in place to ensure the proper administration of their financial affairs. The EIJB has agreed a set of financial regulations which are supported by a series of financial directives and instructions with clear lines of delegation to the Chief Finance Officer to carry out that function.
- A Code of Conduct for the members of the EIJB has been agreed and made available to all members. Compliance with the Code of Conduct is regulated by the Standards Commission for Scotland. Training is provided to members on the Code of Conduct.
- A set of Standing Orders has been agreed which sets out the rules governing the conduct and proceedings at the EIJB and its committees. The Standing Orders includes rules on the notice of meetings and how voting and debate should be conducted.

The EIJB and the Audit and Risk Committee both have a rolling actions log which helps the groups monitor the implementation of decisions.

A formal referral process for relevant audit reports has been agreed with the Council's Chief Internal Auditor and the City of Edinburgh Council's Governance, Risk and Best Value Committee. A similar approach has been sought with NHS Lothian. This ensures that audit information can be shared between the three organisations.

A deputation process has been agreed by the EIJB which allows and encourages groups to directly address the Board on issues under consideration.

The EIJB created a risk register in July 2016 following a risk management initiative which prioritised and scored inherent risks was developed by the IJB Senior Management Team, supported by PwC. The risk register has been continually updated, including having specific development sessions where all members could take part in a discussion on risk appetite. The last significant update was in September 2017 and consolidated strategic and operational risks into one document. In February and March 2018, the EIJB agreed that the risk register should be divided into IJB and Health and Social Care Partnership risks in 2018/19. This would allow the IJB to focus on its roles and responsibilities, concentrating on risks regarding strategy, scrutiny and performance.

A lead has been identified for the co-ordination of business continuity and reports directly to the Chief Officer.

The Health and Social Care Partnership Procurement Board exercises oversight of all proposals to award, extend or terminate contracts with third party providers.

A review of complaint handling was undertaken in July 2016. The results of this transferred the management of complaints. Further work is necessary to develop a single recording system for the management and co-ordination of complaints to ensure a more efficient and robust system.

A financial plan is in place which focuses on the impacts of the financial settlements and outlines inherent risks. A new plan is submitted annually.

Insurance against legal liability for neglect, error or omission by any employee in the performance of their duties in relation to work on the IJB is arranged through CNORIS (NHS Lothian's self-insurance scheme). This is reviewed on an annual basis.

A health and safety group has been established with a cross-section of staff in the Partnership making up its membership.

A Savings Governance Board has been established that oversees financial savings and is led by the Chief Finance Officer. It monitors progress against targets and identifies appropriate remedial action.

The Edinburgh Integrated Joint Board (EIJB) has information governance responsibilities in relation to strategic planning and delegated functions which it determines and directs with its partners. To achieve appropriate governance in this area, a memorandum of understanding (MOU) has been agreed between the EIJB, NHS Lothian and the City of Edinburgh Council that ensures responsibilities are clearly set out and understood. The MOU will be underpinned by subsidiary agreements to ensure that information governance arrangements support integrated working and practices, and that statutory requirements are fully met.

### **Review of Effectiveness**

The EIJB has responsibility for reviewing the effectiveness of the governance arrangements including the internal controls.

This review of effectiveness is informed by:

- The Chief Officer annual assurance for the EIJB and the health and social care partnership.
- Officer management activities;
- The Chief Internal Auditor's annual report and internal audit reports;
- Reports from the Council's external auditor; and
- reports by external, statutory inspection agencies.

The evidence of effectiveness from these sources includes:

- Standing Orders are reviewed annually in a report to the EIJB, to ensure they are up to date and relevant.
- The Health and Social Care Partnership's contract management framework is subject to annual internal review.
- The EIJB considers monthly performance reports.



- A resilience plan was created in January 2018 but was not fully developed due to the opportunities for further exploration of incident readiness following the late winter severe weather. Further work is planned for 2018/19.
- A quarterly Internal Audit update detailing Internal Audit activity on behalf of the EIJB is submitted to the Audit and Risk Committee.
- The Chief Internal Auditor provides an annual audit opinion.
- Progress in implementing recommendations from previous audit reports has been closely tracked by the Chief Officer and the Audit and Risk Committee. However, a validation exercise in late 2017/early 2018 identified that there were some historic audit actions that had not been implemented. An action plan has been created to address the outstanding actions.
- Regular finance monitoring reports are presented to the EIJB and Council and NHS committees. Monitoring arrangements have been effective in identifying variances and control issues and taking appropriate action. This has included allocating funds to offset unachieved saving plans.
- Performance monitoring has been comprehensive but improvements were necessary to ensure sufficient focus on key issues and to join up monitoring with the Strategic Plan and Directions. This is due to be resolved by the role of the Performance and Quality Committee being transferred to the Strategic Planning Group.
- The report on the Joint Inspection of Services for Older People identified a number of areas of concern and identified recommendations that an improvement plan has been agreed to address. It did highlight though that the EIJB had appropriate governance arrangements in place to support the integration of health and social care and that demonstrated a commitment to engage with the community.
- On 29 August 2017, the Chief Officer of the EIJB and the Chief Strategy and Performance Officer left the Health and Social Care Partnership. Interim management arrangements were put in place immediately, and an improvement programme established. The programme was approved by the IJB and additional resources allocated to support the programme, together with formal progress reporting arrangements. A new Chief Officer is in place and the rest of her senior management team will be in place by the summer of 2018.
- There has been significant turnover of members of EIJB, although some of this is stipulated by timescales of appointment, it can have an impact on the quality of scrutiny and decision-making as members adjust to their new role. A period of relative stability in membership would be beneficial.
- Although there has been temporary chairs of the Audit and Risk Committee which has meant the role of the committee could continue effectively; there has not been a permanent chair since September 2017.

**Further development**

	<b>Issue</b>	<b>Responsible Party</b>	<b>Reporting Date</b>
1	Further improvement and development of the mitigating actions for the new separate EIJB Risk Register	Chief Officer	June 2018 and onwards
2	Development of an Integrated Resilience Management Strategy for the Health and Social Care Partnership	Chief Officer	May 2018
3	Review and changes to responsibilities of sub groups regarding performance monitoring	Chief Officer	May 2018
4	Establishment of an Improvement Programme Board to oversee non-savings related work for the Health and Social Care Partnership	Chief Officer	May 2018
5	Appointment of an Audit and Risk Committee Chair	Chief Officer	August 2018

**Certification**

It is our opinion that in light of the foregoing, reasonable assurance, subject to the matters raised above, can be placed on the effectiveness and adequacy of the EIJB's systems of governance.

**Judith Proctor**  
**Chief Officer**  
**June 2018**

**Ricky Henderson**  
**Chair**  
**June 2018**

**COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT**

*This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices*

**COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT****FOR THE YEAR ENDED 31 MARCH 2018**

<b>2016/17</b>				<b>2017/18</b>
<b>Net Expenditure £000</b>		<b>Gross expenditure £000</b>	<b>Gross income £000</b>	<b>Net Expenditure £000</b>
	<b>Note</b>			
	<b>8</b>			
	<b>Health Services</b>			
228,797	Core services	250,957	0	250,957
82,154	Hosted services	86,071	0	86,071
49,461	Non- cash Limited	49,623	0	49,623
101,176	Set aside services	99,410	0	99,410
684	Corporate services	1,257	0	1,257
<b>462,272</b>		<b>487,318</b>	<b>0</b>	<b>487,318</b>
	<b>8</b>			
	<b>Social Care Services</b>			
126,604	External purchasing	124,670	0	124,670
24,710	Care at home	34,616	0	34,616
14,829	Day services	12,698	0	12,698
22,594	Residential care	22,457	0	22,457
11,994	Social work assessment and care management	13,191	0	13,191
0	Corporate services	527	0	527
12,884	Other	8,918	0	8,918
<b>216,615</b>		<b>217,077</b>	<b>0</b>	<b>217,077</b>
277	Corporate services	420	0	420
<b>676,164</b>	<b>Cost of services</b>	<b>704,815</b>	<b>0</b>	<b>704,815</b>
<b>-679,854</b>	<b>Taxation and non-specific grant income and expenditure</b>	<b>0</b>	<b>-709,477</b>	<b>-709,477</b>
<b>-3,690</b>	<b>Surplus on provision on services</b>	<b>704,815</b>	<b>-709,477</b>	<b>-4,662</b>

**BALANCE SHEET**

*The Balance Sheet shows the value, as at 31 March 2018, of the assets and liabilities recognised by the Board. The net assets of the Board are matched by the reserves held.*

<b>BALANCE SHEET AS AT 31 MARCH 2018</b>			
<b>31/03/2017</b>		<b>Notes</b>	<b>31/03/2018</b>
<b>£000</b>			<b>£000</b>
	<b>Current assets</b>		
3,714	Short term debtors	4	8,378
	<b>Current liabilities</b>		
-24	Short term creditors	5	-26
<b>3,690</b>	<b>Net assets</b>		<b>8,352</b>
-3,690	Usable reserves	MIRS <sup>1</sup>	-8,352
<b>-3,690</b>	<b>Total reserves</b>		<b>-8,352</b>

I certify that the Statement of Accounts present a true and fair view of the financial position of the Edinburgh Integration Joint Board as at 31 March 2018 and its income and expenditure for the period.

**Moira Pringle**  
**Chief Finance Officer**  
 June 2018

## MOVEMENT IN RESERVES

*This statement shows the movement in the year on the different reserves held by the Edinburgh Integration Joint Board.*

	<b>31/03/2018</b>	<b>31/03/2017</b>
	<b>£000</b>	<b>£000</b>
<b>Usable reserves – General Fund brought forward</b>	-3,690	0
Surplus on the provision of services	-4,662	-3,690
<b>Total comprehensive income and expenditure</b>	<b>-8,352</b>	<b>-3,690</b>
<b>Balance, as at 31 March, carried forward</b>	<b>-8,352</b>	<b>-3,690</b>

## NOTES TO ACCOUNTS

### 1. ACCOUNTING POLICIES

#### 1.1 General Principles

The Annual Accounts for the year ended 31 March 2018 have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 (the Code) and the Service Reporting Code of Practice. This is to ensure that the accounts 'present a true and fair view' of the financial position and transactions of the Edinburgh Integration Joint Board (EIJB).

#### 1.2 Accruals of Income and Expenditure

The revenue accounts have been prepared on an accruals basis in accordance with the Code of Practice

#### 1.3 VAT Status

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

#### 1.4 Going Concern

The accounts are prepared on a going concern basis, which assumes that the EIJB will continue in operational existence for the foreseeable future.

#### 1.5 Funding

Edinburgh Integration Joint Board receives contributions from its funding partners, namely NHS Lothian and the City of Edinburgh Council to fund its services.

Expenditure is incurred in the form of charges for services provided to the EIJB by its partners.

#### 1.6 Provisions, Contingent Liabilities and Assets

Contingent assets are not recognised in the accounting statements. Where there is a probable inflow of economic benefits or service potential, this is disclosed in the notes to the financial statements.

Contingent liabilities are not recognised in the accounting statements. Where there is a possible obligation that may require a payment, or transfer of economic benefit, this is disclosed in the notes to the financial statements

The value of provisions is based upon the Board's obligations arising from past events, the probability that a transfer of economic benefit will take place and a reasonable estimate of the obligation.

#### 1.7 Employee Benefits

The Chief Officer is regarded as an employee of the EIJB, although her contract of employment is with City of Edinburgh Council. The LGPS is a defined benefit statutory scheme, administered in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998, as amended. The post is funded by

the EIJB however the statutory responsibility for employer pension liabilities rests with the employing partner organisation (City of Edinburgh Council).

The Chief Financial Officer is regarded as an employee of the EIJB, although her contract of employment is with NHS Lothian. NHS Lothian participates in the NHS Superannuation Scheme (Scotland) which is a defined benefit statutory public service pension scheme, with benefits underwritten by the UK Government.

The remuneration report presents the pension entitlement attributable to the posts of the EIJB Chief Officer, Chief Financial Officer and Chair of the EIJB although the EIJB has no formal ongoing pension liability. On this basis, there is no pension liability reflected on the EIJB balance sheet for these posts.

### **1.8 Cash and Cash Equivalents**

The EIJB does not hold a bank account or any cash equivalents. Payments to staff and suppliers relating to delegated services will be made through cash balances held by the partner organisations (NHS Lothian and City of Edinburgh Council). On this basis, no Cash Flow statement has been prepared in this set of Annual Accounts.

### **1.9 Reserves**

The Integration Joint Board is permitted to set aside future amounts of reserves for future policy purposes. These reserves normally comprise: funds which 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 of Reserves Statement.

The EIJB has one usable reserve, the General Fund which can be used to mitigate financial consequences of risks and other events impacting on the Boards resources. The monies within this fund have been earmarked for specific purposes as set out in the financial plan for 2018/19.

### **1.10 Support Services**

Support services are not delegated to the EIJB through the Integration scheme, and are instead provided by NHS Lothian and the City of Edinburgh Council free of charge, as a 'service in kind'. Support services provided mainly comprise the provision of financial management, human resources, legal services, committee services, ICT, payroll and internal audit services.

## 2. RELATED PARTY TRANSACTIONS

The Edinburgh Integration Joint Board was established on 27 June 2015 as a joint board between City of Edinburgh Council and NHS Lothian. The income received from the two parties was as follows:

	<b>31/03/2018</b>	<b>31/03/2017</b>
	<b>£000</b>	<b>£000</b>
NHS Lothian	-511,593	-486,410
City of Edinburgh Council	-197,357	-193,444
<b>Total</b>	<b>-708,950</b>	<b>-679,854</b>

Expenditure relating to the two parties was as follows;

	<b>31/03/2018</b>	<b>31/03/2017</b>
	<b>£000</b>	<b>£000</b>
NHS Lothian	487,561	486,398
City of Edinburgh Council	216,697	189,698
<b>Total</b>	<b>704,258</b>	<b>676,096</b>

Details of creditor and debtor balances with the partner bodies are set out in the subsequent notes (4 and 5).

## 3. CORPORATE EXPENDITURE

	<b>31/03/2018</b>	<b>31/03/2017</b>
	<b>£000</b>	<b>£000</b>
Staff Costs	391	206
Other Fees	3	47
Audit Fees	26	24
<b>Total</b>	<b>420</b>	<b>277</b>

Staff costs relate to the Chief Officer, Chief Finance Officer, EIJB Chair and Vice-Chair.

EIJB is in receipt of NHS Lothian and City of Edinburgh Council support services. NHS Lothian and the City of Edinburgh Council have agreed to provide support services, without an onward recovery. Support services to a value of £0.709m (£0.751m 2016/17) have been provided.



#### 4. SHORT TERM DEBTORS

	31/03/2018	31/03/2017
	£000	£000
Central Government Bodies	-	12
Other Local Authorities	8,378	3,702
<b>Total</b>	<b>8,378</b>	<b>3,714</b>

#### 5. SHORT TERM CREDITORS

	31/03/2018	31/03/2017
	£000	£000
Other Bodies	-26	-24
<b>Total</b>	<b>-26</b>	<b>-24</b>

#### 6. POST BALANCE SHEET EVENTS

No material events have occurred post the balance sheet reporting date.

#### 7. CONTINGENT LIABILITIES and ASSETS

There are no contingent liabilities or assets to disclose.

#### 8. PRIOR PERIOD ADJUSTMENT

Prior period figures have been re-stated to exclude the resource transfer between NHS Lothian and the City of Edinburgh Council. The impact on the Comprehensive Income and Expenditure is shown below:

##### COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

	2016/17	Resource	2017/18
	Statements	Transfer	Re-stated
	£000	£000	£000
Health Services			
Core Services	252,816	-24,019	228,797
Social Care Services			
Other	-11,135	24,019	12,884

## 9. SEGMENTAL REPORTING

Expenditure on services commissioned by the EIJB Board from its partner agencies is analysed over the following services:

	Budget	Actual Expenditure	Variance	Actual Expenditure (re-stated)
	£000	£000	£000	£000
<b>SERVICES PROVIDED BY NHS Lothian</b>				
<b>Core services</b>				
AHPs	7,831	7,492	339	5,992
Community hospitals	11,259	11,303	-44	10,959
District nursing	10,617	10,666	-49	10,349
Geriatric medicine	4,235	4,015	220	0
General medical services	74,579	75,269	-690	72,699
Mental health	9,322	9,195	127	9,408
Prescribing	80,072	82,172	-2,100	80,167
Other	49,426	50,845	-1,419	39,223
<b>Total core services</b>	<b>247,341</b>	<b>250,957</b>	<b>-3,616</b>	<b>228,797</b>
<b>Hosted services</b>				
AHPs	6,574	6,438	136	6,464
Complex care	2,379	2,419	-40	2,301
GMS	5,588	5,780	-192	5,796
Hospices	2,329	2,331	-2	0
Learning disabilities	8,569	9,161	-592	8,878
Lothian unscheduled care service	5,765	5,765	0	5,986
Mental health	25,794	25,361	433	24,740
Oral health services	9,218	8,898	320	9,200
Psychology services	4,280	4,194	86	0
Rehabilitation medicine	3,336	3,005	331	3,745
Sexual health	3,147	3,140	7	3,010
Substance misuse	7,079	7,212	-133	5,271
UNPAC	3,640	3,107	533	0
Other	-465	-740	275	6,763
<b>Total hosted services</b>	<b>87,233</b>	<b>86,071</b>	<b>1,162</b>	<b>82,154</b>
<b>Non- Cash Limited</b>				
Dental	26,684	26,684	0	26,447
Ophthalmology	9,253	9,253	0	9,067
Pharmacy	13,686	13,686	0	13,947
<b>Total Non-Cash Limited</b>	<b>49,623</b>	<b>49,623</b>	<b>0</b>	<b>49,461</b>

	Budget	Actual Expenditure	Variance	Actual Expenditure (re-stated)
	£000	£000	£000	£000
<b>SERVICES PROVIDED BY NHS LoTHIAN</b>				
<b>Set aside services</b>				
Accident and emergency	6,341	6,509	-168	6,419
Cardiology	11,214	11,163	51	16,960
Diabetes	1,204	1,262	-58	0
Gastroenterology	3,288	4,041	-753	5,529
General medicine	24,559	24,972	-413	32,764
Geriatric medicine	13,286	13,100	186	18,677
Infectious disease	7,135	6,792	343	8,186
Junior medical	12,543	13,757	-1,214	0
Management	1,743	1,938	-195	0
Rehabilitation medicine	2,040	2,180	-140	2,152
Respiratory medicine	5,294	5,362	-68	0
Therapies	6,523	6,447	76	6,177
Other	1,805	1,887	-82	4,312
<b>Total set aside services</b>	<b>96,975</b>	<b>99,410</b>	<b>-2,435</b>	<b>101,176</b>
<b>Corporate</b>				
Other	1,265	1,257	8	684
Additional contribution from NHS Lothian	4,881	0	4,881	0
<b>Total corporate</b>	<b>6,146</b>	<b>1,257</b>	<b>4,889</b>	<b>684</b>
<b>TOTAL SERVICES PROVIDED BY NHS LoTHIAN</b>	<b>487,318</b>	<b>487,318</b>	<b>0</b>	<b>462,272</b>
<b>SERVICES PROVIDED BY CITY OF EDINBURGH COUNCIL</b>				
External purchasing	115,623	124,670	-9,047	126,604
Care at home	34,652	34,616	36	24,710
Community equipment	1,801	1,650	151	1,542
Corporate	578	527	51	0
Day services	13,912	12,698	1,214	14,829
Health improvement/health promotion	1,520	1,374	146	1,598
Information and advice	2,069	2,307	-238	3,782
Local area co-ordination	1,490	1,390	100	1,329
Residential care	20,905	22,457	-1,552	22,594
Social work and OT support	2,329	2,739	-410	0
Social work assessment & care management	11,336	10,452	884	11,994
Telecare	19	394	-375	717
Other	3,594	1,803	1,791	3,916
Additional contribution from City of Edinburgh Council	7,249	0	7,249	0
<b>TOTAL SERVICES PROVIDED BY CITY OF EDINBURGH COUNCIL</b>	<b>217,077</b>	<b>217,077</b>	<b>0</b>	<b>213,615</b>
Useable Reserves		-8,352	-8,352	-3,690
<b>TOTAL ALL SERVICES</b>	<b>704,395</b>	<b>696,043</b>	<b>-8,352</b>	<b>672,197</b>

## 10. FUNDING ANALYSIS

The expenditure and funding analysis shows how annual expenditure is used and funded from resources in comparison with how those resources are consumed or earned in accordance with generally accepted accounting practice. In essence this demonstrates the difference between expenditure on an accounting basis and a funding basis. For EIJB no such difference applies and the information required is disclosed elsewhere in the financial statements

## 11. INDEPENDENT AUDITOR'S REPORT

The Statement of Accounts is subject to audit in accordance with the requirements of Part VII of the Local Government (Scotland) Act 1973.

The Auditor appointed for this purpose by the Accounts Commission for Scotland is:

Nick Bennett  
For and on behalf of Scott-Moncrieff  
Scott-Moncrieff  
Exchange Place 3  
Semple Street  
EDINBURGH  
EH3 8BL