

Cùram is Slàinte nan Eilean Siar

**DREACH
CHUNNTASAN BHLIADHNAIL
2016/17**



**Western Isles
Integration Joint Board**

**DRAFT ANNUAL ACCOUNTS
2016/17**

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Management Commentary

Introduction

Cùram is Slàinte Nan Eilean Siar is the Western Isles' Integration Joint Board (IJB). Its parent bodies are NHS Eileanan Siar and Comhairle nan Eilean Siar. This commentary provides a summary of the IJB's financial performance for the year and how this has supported the delivery of its core duties. It also summarises the challenges and risks it faces in future years in delivering its objectives.

The IJB covers the whole of the Outer Hebrides which are located to the north-west mainland of Scotland with a total population of around 26,900. The main Islands are Lewis, Harris, North Uist, Benbecula, South Uist, Eriskay and Barra. The length of the islands measures approximately 130 miles from the Butt of Lewis in the North, to the uninhabited small islands of Berneray, Pabbay and Mingulay to the south of Vatersay. The quality of the natural environment in the Outer Hebrides is special and the people have a strong cultural identity directly related to the Gaelic language, with some 72% of people aged three and over having some Gaelic language ability, significantly more than any other local authority area in Scotland. The traditional industries are crofting, fishing and Harris Tweed.

Western Isles IJB

Following the Public Bodies (Joint Working) (Scotland) Act 2014, NHS Eileanan Siar and Comhairle Nan Eilean Siar have developed a 'body corporate' integration model. This is where both the Health Board and the Local Authority delegate to a third body called an Integration Joint Board (IJB). Cùram is Slàinte Nan Eilean Siar was formally established on 21 September 2015 and agreed to operate in shadow form until 31 March 2016.

NHS Eileanan Siar and Comhairle Nan Eilean Siar set out within their integration scheme the scope of the delegated functions. The scheme was approved by the Scottish Parliament on 24 September 2015.

Delegated functions from the Comhairle include adult social work services (including criminal justice), homecare, adult day care, care homes, and housing support. Delegated functions from NHS Eileanan Siar include A&E, some elements of inpatient care, General Practice, AHPs, Dentistry, Mental Health, Community Nursing, Health Visiting and School Nursing.

The IJB has eight voting members from the Comhairle and NHS Eileanan Siar: four elected members from the Comhairle and four Non-Executive Directors from NHS Eileanan Siar. In addition six professional advisers have been appointed as non-voting members. These are; the Chief Social Work Officer, the Chief Officer of the IJB, the Section 95 Officer of the IJB (Chief Finance Officer), a registered nurse employed by the NHS Board, a General Medical Practitioner; and a medical practitioner who is not a GP. The IJB also appointed stakeholder members who are non-voting members. These include; two staff side representatives working within an integrated function, two representatives of the third sector, service user, and an unpaid carer.

Objectives and Strategy of the IJB

The Integration Joint Board had a statutory obligation to have a strategic plan in place by 1 April 2016. The plan provides a detailed account of the changes to service that the IJB will drive forward over the three years of the plan. It is situated within a national policy framework which seeks to shift resources from acute into community settings.

The Strategic Plan itself provides the operating context and background to integration, a vision of future service delivery, an assessment of how good services are currently, a focused change plan, and a description of the organisational levers that will deliver that change.

The Strategic Plan was developed through a process of engagement with local communities and the people who work in health and social care. Strategic priorities are expressed as twenty five 'deliverables' which will improve personal outcomes and deliver a more sustainable health and social care system against a backdrop of increasing demand for services and budgetary constraints.

At each meeting, the IJB was apprised of progress in respect of the implementation of the twenty five deliverables. Achievements during 2016/17 included:

- The development of an agreed model and resources for a new intermediate care service, which is anticipated to open in October 2017;
- The development of a pilot to tackle social isolation in Uist, which links health professionals to community groups;

- Agreement to a new model of mental health provision, focused on supporting people to live independent lives in the community;
- The development of a local dementia strategy, which aligns with the Scottish Government's National Dementia Strategy;
- The development and implementation of a multi-agency action plan to tackle delayed discharge;
- The successful roll-out of a new deal for homecare workers in Stornoway in Broadbay – predictable working hours and better shift patterns. This will be rolled out across the rest of the island from 2017/18 onwards;
- Supporting collaboration between GP practices through a new 'Quality Cluster' approach, which supports the sharing of best clinical practice;
- The ongoing use of innovative technologies to support people with Long-term Conditions live better lives;
- Initial work to reform assessment processes, to ensure information is safely shared across professional disciplines;
- Secured Scottish Government funding to pilot new ways of delivering palliative and end of life care for people with dementia in a remote and rural setting;
- More people with disabilities being supported back from mainland placements to live in their own communities;
- The development of a new blue-print for residential care and extra care housing to replace two ageing care homes in Stornoway;
- Support and funding delivered to the Community Justice Partnership and the Alcohol and Drugs Partnership; and
- Innovation in the delivery of primary care through the creative use of a transformation fund.

Performance Management and Reporting

For the purposes of managing the performance of the IJB, including the delivery of the national health and wellbeing outcomes and the Strategic Plan, a Performance Framework has been produced.

The monitoring arrangements within the Performance Framework are in accordance with statutory requirements for production of an Annual Performance Report under the Public Bodies (Joint Working) (Scotland) Act 2014.

Performance monitoring and reporting arrangements are set out within the Performance Framework. This includes the production of an Annual Performance Report as required under Section 42 of the 2014 Act with the content in accordance with the Public Bodies (Joint Working) (Content of Performance Reports) (Scotland) Regulations 2014. The Framework details a hierarchy of performance indicators that comprise the performance monitoring of activities at various levels across the Partnership which are detailed in a series of appendices to the Framework.

In respect of performance, the IJB has performed well against most of the indicators set out by the Scottish Government. Service user survey material indicates that more needs to be done on the degree to which service users have a say in how their help, care or support is provided; and the degree to which service users' health and care services seem to be well coordinated. Work is ongoing on both of these matters.

H&SC Survey questions aligned to National Outcome Indicators	2015/16	+/- Scottish Rate
I am able to look after my own health	96%	+2
Service users are supported to live as independently as possible	92%	+8
Service users have a say in how their help, care or support is provided	77%	-2
Service users' health and care services seem to be well coordinated	83%	+8
Rating of overall help, care or support services	83%	+2
Rating of overall care provided by GP practice	92%	+5
The help, care or support improves service users' quality of life	92%	+8
Carers feels supported to continue caring	59%	+17
Service users feel safe	91%	+7
Staff who say they would recommend their workplace as a good place to work.	69%	0

In terms of system measures, we have similarly performed well against national benchmarks and see an improving picture in relation to discharge from hospital. However, in line with national trends, we are seeing a greater rate of emergency admissions and emergency bed days:

National Outcome Indicators	Western Isles March 2017	Western Isles March 2016	Scotland Rate
Premature mortality rate (per 100,000)	490	441	441
Rate of emergency admissions for adults (per 100,000)	13,636	12,896	12,037
Rate of emergency bed days for adults (per 100,000)	159,045	140,211	119,649
Readmissions to hospital within 28 days of discharge (per 1000)	86	86	95
Proportion of last 6 months of life spent at home or in community setting	87%	88%	88%
Falls rate per 1,000 population in over 65s	23	18	21
Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections	81%	82%	83%
Percentage of adults with intensive needs receiving care at home	70.7%	70.4%	61.6%
Number of days people (75+) spend in hospital when they are ready to be discharged (rate per 1000)	2,194	2,540	842
Percentage of total health and care spend on hospital stays where the patient was admitted in an emergency	23%	21%	23%

Although we are demonstrating real improvement across a number of indicators, we have had ongoing challenges in managing delayed discharges, in common with most partnership areas. As a partnership, we are committed to reducing the length of time that older people wait in hospital despite being ready for discharge. Hospitals are not the most appropriate setting for long-term patient care. We have been working hard to turn this around through the implementation of an action plan. The action plan focuses on capacity issues, as well as issues around culture and practice. As evidenced below, delays in hospital have reduced markedly since January.

People experiencing a Delayed Discharge or Potential Delay 2016-17



Annual Accounts

The Annual Accounts for 2016/17 are set out in pages 15 to 21 and incorporate financial and other information required by the Code of Practice on Local Authority Accounting in the United Kingdom. The statement of Accounting Policies explains the basis for the recognition, measurement and disclosure of transactions and other events in the Annual Accounts, to ensure that they present a “true and fair view” of the IJB’s financial performance.

Financial Performance 2016/17

The revised annual budget and actual expenditure for both partners is shown in the table below:

	Budget	Actual	Variance
	£'000	£'000	£'000
NHS Eileanan Siar	38,356	38,150	206
Comhairle nan Eilean Siar	19,660	16,792	2,868
	58,016	54,942	3,074

The underspend of £3.074m, which will be transferred to reserves in line with the reserve policy agreed by the IJB, includes £1,631k from previous years’ Health and Social Care reserves held for earmarked projects. Several reports went to the IJB detailing how this reserve would be committed. The three broad areas for investment are mental health redesign (to support short-term double running costs), intermediate care (the absence of which was contributing to delayed discharges and which had been picked up as part of the joint inspection), and the redesign of the residential estate in Lewis (to boost long-term care capacity as part of a move to a mixed economy of care).

To date there is a £110k per annum ongoing commitment to the maintenance of the community equipment store, thereby ensuring faster response times for people with assessed needs (both community based and delayed in hospital) and an ongoing cost in respect of the expansion of long term care beds (via the development of respite beds in Bethesda). This cost has been met until 2018/19, at which point a part year cost of £164k will be required and going forward £365k will be found from the baselined Integrated Care Fund. So while the IJB has developed a substantial reserve, in reality this is either committed against future service arrangements, needed to fund transformational change, or provide a buffer against future cost pressures.

In preparing the original budget from 2016/17 the IJB identified a number of risks particularly around the achievement of cash releasing savings, high levels of delayed discharges, increase in high cost care packages and increasing pressure due to the increasing proportion of elderly people requiring care. Over the course of 2016/17 the Partnership successfully mitigated these risks due to prudent financial management, regular monitoring and review. Monthly monitoring reports were produced and went to Integrated Corporate Management Team and the Integrated Joint Board to allow officers to make informed in year decisions to ensure the IJB stayed within their agreed budget.

The key variances during the year were as follows:

- Actual income from clients in care homes and supported accommodation was £365k higher than had been budgeted. This has been largely due to the financial assessment team reducing the number of outstanding assessments and these assessments generating higher actual charges than had been assumed previously;
- The homecare service was underspent by £492k at year-end. This included underspends in management and coordination and reflects a number of unfilled vacancies across the contracted workforce. It also includes levels of targeted savings in the Overnight Support Service and general home care redesign that are to be directed to the introduction of a reablement team, an urgent care response team and the roll-out of contracts across the whole of the workforce; and
- Filling vacancies has been a problem for both partners across the services, with some posts remaining unfilled or filled with high cost agency locums, for example; general medical consultants, community nurses, care workers and dentists.

Although the IJB made an underspend in 2016/17, this was mostly the result of non-recurring income or reduction in expenditure due to in year vacancies, described above.

Financial Outlook and Future Activity

Financial Outlook

Although the settlement for both partners for 17/18 is less favourable than in previous years, the IJB set a balanced budget of £58.032m after agreeing a £1.494m saving plan. The anticipated risks for the IJB in the coming year and beyond are as follows:

- Increased demand for services alongside reducing resources;
- Reduction in the workforce population together with an increase in the elderly population requiring care;
- Increased co-morbidity; and
- The wider financial environment including uncertainty around Brexit and the effect that may have on European funding.

The Scottish Government identified a one-year budget for 2017/18, which means that the IJB cannot plan for future years with certainty. However, we can make reasonable assumptions about the likely pressures that will emerge based on recent trends in public sector finance. The Scottish Budget is anticipated to grow from £26.1bn in 2016/17 to £26.7bn in 2019/20, representing a modest cash increase. Typically, the Scottish Government has chosen to offer some protection to the NHS in Scotland, while reducing the local government settlement. The experience of the last few years would indicate that the IJB settlement will increase by up to 0.5%. By contrast, inflationary and demand pressures will increase by at least 4-5% each year. In cash terms, in 2017/18 the savings requirement is £1.5m, and we anticipate further savings of £1.5m-£2.5m each year for the next two years. This means that transformation rather than efficiency will be the primary driver of change over that period.

In view of these trends, the IJB has prepared a budget strategy for the period 2017-19. This strategy sets out the efficiency measures which will be introduced over that period, the service choices which may have to be made, the options for generating additional income, and the areas of transformation that will drive financial sustainability into the local system.

Allied to that, each Head of Service is working on service transformation plans, which are designed to identify how services will change and adapt to the anticipated financial realities of the next few years.

Our budget strategy points to three transformational agendas which will support sustainability and underpin integrated community health and social care services: developing intermediate care; redesigning mental health services and redesigning urgent care. By making these changes, our resources will be better used, and will focus on maximising people's independence, rather than drawing people into hospital. We are therefore focused on delivering the following changes over the next two years:

Discharge to assess - no older person should have their longer-term needs assessed from hospital bed

- Intermediate care service to support rehabilitation for up to 6 weeks, including:
 - Bed Based Step-up/Step Down Care; and
 - Reablement at home, supported by a multi-disciplinary team focused on rehabilitation.
- Recovery model in mental health, optimising people's well-being and independence;
- Older people with dementia will no longer have to live in hospital;
- Multi-disciplinary team overseeing urgent care – preventing unnecessary hospital admission by providing short term support for up to 48 hours;
- Integrated Community Health and Social Care Teams, with responsive local leadership under a single manager;
- Redesign of dental provision, maximising the role of independent practice and streamlining NHS provision; and
- We will redesign palliative and end-of-life care.

One of the over-arching goals of the strategic plan is to shift resources from building-based services like hospitals and care homes to community based settings, where people are supported in their own homes. For example, we anticipate that as we shift away from long-stay psychiatric hospital care towards community based care and diagnosis, and as we make inroads into delayed discharge, we will see our overall investment in hospital reduce, with a corresponding increase in primary and social care. The consequence of this shift will not just be our budgetary provision changing over time but also how we deploy our staff – our most valuable asset. We will work with our staff teams to support the transition towards community based care, including consideration of any training and support arrangements that have to be put in place. In order to deliver against this wider objective, we will also take forward key workforce policies designed to attract, retain and support people to deliver high quality health and social care. This transformational agenda will deliver more sustainable health and social care services into the future.

Conclusion

In its first year, Cùram is Slàinte has successfully established the governance arrangements necessary to support effective decision making and has been able to deliver services within budget. Progress has been made in implementing the strategic plan, and wider performance on the national health and well-being outcomes has been tracked and benchmarked against national trends. Cùram is Slàinte performs well in some areas, with high levels of customer satisfaction, but has more to do in reducing delays from hospital and reducing emergency admissions. Overall, the first full year has represented steady performance, with more to do in future years.

Dr Ron Culley
Chief Officer

29 June 2017

Dr Neil Galbraith
Chair

29 June 2017

Debbie Bozkurt
Chief Financial Officer

29 June 2017

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Integration Joint Board's Responsibilities

The Board is required:

- to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Board, that officer is the Chief Financial Officer;
- to 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); and
- Approve the Annual Accounts.

I confirm that these Annual Accounts were approved for signature by the Board at its meeting on 29 June 2017.

Dr Neil Galbraith
Chairperson

29 June 2017

The Chief Financial Officer's Responsibilities

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

In preparing the Annual Accounts, the Chief Financial Officer has:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the Local Authority Accounting Code (in so far as it is compatible with legislation).

The Chief Financial Officer has also:

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

I certify that the Annual Accounts present a true and fair view of the financial position of the Board at the reporting date and the transactions of the Board for the year ended 31 March 2017.

Debbie Bozkurt
Chief Financial Officer

29 June 2017

ANNUAL GOVERNANCE STATEMENT OF ASSURANCE

Scope of Responsibility

Cùram is Slàinte Nan Eilean Siar (the Western Isles Integration Joint Board (hereafter the IJB) is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and proper arrangements are in place to account for it.

In meeting the obligations of the Public Bodies (Joint Working) (Scotland) Act 2014, NHS Eileanan Siar and Comhairle nan Eilean Siar are required to put in place proper arrangements for the governance of the functions delegated to an Integration Authority. The legislation provides a choice of ways in which to do this. NHS Eileanan Siar and the Comhairle have used a 'body corporate' integration model. This is where both the Health Board and the Local Authority delegate to a third body called an Integration Joint Board.

The Integration Joint Board is required to agree a strategic plan and will begin to deliver its functions from the date set out in that plan. The Integration Joint Board will achieve this by giving direction to the Health Board and the Local Authority and will be able to require them to carry out these functions in a particular way.

NHS Eileanan Siar and Comhairle nan Eilean Siar set out within their integration scheme the scope of the delegated functions. The scheme was approved by the Scottish Parliament on 24 September 2015.

Delegated functions from the Comhairle include adult social work services (including criminal justice), homecare, adult day care, care homes, and housing support. Delegated functions from NHS Eileanan Siar include A&E, some elements of inpatient care, General Practice, AHPs, Dentistry, Mental Health, Community Nursing, Health Visiting and School Nursing.

The IJB was formally established on 1 April 2016. This governance statement covers the period from 1 April 2016 until 31 March 2017.

The Integration Joint Board

Membership

The Public Bodies Joint Working (Scotland) Act 2014 and associated Regulations set out the arrangements for the membership of the Integration Joint Board. As a minimum this must comprise voting members nominated from the NHS Board and Comhairle; non-voting members who are holders of key professional roles within the Comhairle and NHS Board; and representatives of groups who have an interest in the Integration Joint Board. There is also flexibility to appoint additional members in certain circumstances.

Local authorities must nominate councillors as voting members. The NHS Board should nominate non-executive directors. Where this is not possible, there is scope to appoint "appropriate persons" as agreed by the Scottish Ministers, but at least two non-executive directors must be nominated.

During 2016/17 the IJB Chair was Dr Neil Galbraith and the Vice-Chair Cllr Uisdean Robertson. The chairmanship of the IJB will pass from NHS Eileanan Siar to the Comhairle from 21 September 2017 for two years.

The IJB has four voting members each from the Comhairle and NHS Eileanan Siar.

In addition, six professional advisers have been appointed as non-voting members. These are:

- the Chief Social Work Officer;
- the Chief Officer of the Integration Joint Board;
- the Section 95 Officer of the Integration Joint Board (Chief Finance Officer);
- a registered nurse employed by the NHS Board;
- a General Medical Practitioner; and
- a medical practitioner who is not a GP.

Finally, the Integration Joint Board is required to appoint stakeholder members who are non-voting members. These include:

- Two staff side representatives working within an integrated function;
- Two representatives of the third sector;
- A service user; and
- An unpaid carer.

The full IJB membership across the year was 45% female and 55% male

Governance of the Board

During the financial year 2016/17, the IJB met six times. During that period, the Board:

- Homologated the decisions of the Shadow Board at the first meeting of the IJB in May 2016, which included:
 - A balanced budget for 2016/17;
 - An agreed strategic plan and associated directions to the parent bodies;
 - The fulfilment of policy obligations in respect of agreeing strategies covering: workforce; audit; participation and engagement; risk management; communications; and performance management;
 - The appointment of internal auditors; and
 - Received reports on the management of the IJB budget; performance of services delegated to the IJB; the implementation of the strategic plan; and the IJB risk register.

One development session was held for all IJB members and one performance review seminar was held as a joint meeting of NHS Eileanan Siar and Comhairle nan Eilean Siar.

Sub Committees

The Integration Joint Board (IJB) is required to properly manage its financial and governance affairs. An Audit Committee of the IJB has been established to assist in the delivery of those functions. The IJB Audit Committee has a key role with regard to ensuring the efficient and effective performance of Western Isles' Health and Social Care Partnership in order to deliver the outcomes set out in the Integration Scheme.

The IJB Audit Committee met on two occasions during 2016/17: June 2016 and February 2017. At the June meeting, the IJB accounts for the period 2016-17, which were limited to the Chief Officer's salary because it reflected the shadow year, were formally agreed. At the February meeting, the terms of the appointment of Audit Scotland as the external auditor were agreed.

Risk Management

The Integration Scheme indicates that a risk management strategy and policy will be adopted by the Integration Joint Board (IJB). The Risk Management Strategy and Policy was agreed by the Shadow IJB in March 2016. It was prepared in line with the international standard for risk management (ISO 31000).

As part of that, the IJB has maintained a risk register, reflecting its strategic activities and taking cognisance of both significant issues from each statutory partner's own risk registers, and also emerging risks.

The Chief Officer has overall accountability for risk management, ensuring that suitable and effective arrangements are in place to manage the risks relating to the functions within the scope of the Integration Joint Board. The Comhairle and NHS Eileanan Siar supported the Chief Officer and the Integration Joint Board with relevant specialist advice.

Over the course of the year, the level of risk changed in light of material circumstances. Actual risk ratings were consistently higher than the target risk rating, with three major risks having a consistently high rating:

- Change management projects fail or have unintended consequences / service redesign is not implemented;
- Recruitment and retention challenges within the Partnership create service stress; and
- Unanticipated service pressures create an in-year overspend.

Mitigating measures were applied to all identified risks. Effective governance and project management arrangements were put in place to ensure change management was effectively progressed, although lack of core managerial capacity remains an issue. Recruitment and retention issues are being addressed through the workforce strategy and wider engagement with community planning arrangements, although specific posts have been unable to be filled. Finally, in-year financial pressures were mitigated through the production of good management information, albeit that there was a degree of variation on the reported budgetary position over the last quarter.

Audit and Scrutiny

The Public Sector Internal Audit Standards 2013 (PSIAS) sets basic principles for carrying out public sector internal audit in the UK. The PSIASs are applicable to the Comhairle, NHS Eileanan Siar and the IJB.

A Strategic Audit Plan has been prepared based on a robust risk assessment process, following appropriate consultation, challenge and comparison with underlying, national, corporate and professional objectives. The planned internal audit reviews address the main focus of the IJB in terms of establishment, planning, and complying with the need to provide quality service provision in our communities whilst doing so effectively and efficiently in the use of finite resources.

The Chief Internal Auditor for the Integration Joint Board was appointed by in December 2015. The internal audit function will be provided by the Comhairle.

Over the course of the year, a range of issues were highlighted through the audit process:

- The financial outlook for the next three years is very challenging. The IJB has a proposed outline budget of £58million for 2017/18, which requires significant efficiency savings. The ongoing financial pressures for the IJB and parent bodies are significant;
- Key challenges have been highlighted in respect of developing a sustainable workforce. This affects all areas of service delivery, including home care and general practice;
- The Section 95 role of the Chief Financial Officer has not been reflected in an up to date job description. Given that the post holder has been undertaking such a senior role for a significant period of time, this should have been agreed by the parent bodies prior to the appointment; and
- The issue of delayed discharges remains an ongoing issue and is one of the biggest challenges affecting the IJB and indeed those individuals who are waiting for either domiciliary support or longer term residential/nursing care.

No matters of concern were raised by either of the parent bodies' internal auditors.

Audit Scotland was appointed as the external auditor for 2016/17.

Performance Management

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On system indicators, the IJB performs well. It is recognised that the Western Isles is a significant outlier in respect of performance on delayed discharge and as such an action plan has been developed and implemented over the course of the year in order to address this issue.

Strategic Plan

The Integration Joint Board had a statutory obligation to have a strategic plan in place by 1 April 2016. The plan provides a detailed account of the changes to service that the IJB will drive forward over the three years of the plan. It is situated within a national policy framework which seeks to shift resources from acute into community settings.

The Strategic Plan itself provides the operating context and background to integration, a vision of future service delivery, an assessment of how good services are currently, a focused change plan, and a description of the organisational levers that will deliver that change.

The Strategic Plan was developed through a process of engagement with local communities and the people who work in health and social care. Strategic priorities are expressed as twenty five 'deliverables' which will improve personal outcomes and deliver a more sustainable health and social care system against a backdrop of increasing demand for services and budgetary constraints.

At each meeting, the IJB was apprised of progress in respect of the implementation of the twenty five deliverables. Our achievements during 2016/17 included:-

- The development of an agreed model and resources for a new intermediate care service, which we anticipate will open in October 2017;
- The development of a pilot to tackle social isolation in Uist, which links health professionals to community groups;
- Agreement to a new model of mental health provision, focused on supporting people to live independent lives in the community;
- The development of a local dementia strategy, which aligns with the Scottish Government's National Dementia Strategy;
- The development and implementation of a multi-agency action plan to tackle delayed discharge;
- The successful roll-out of a new deal for homecare workers in Stornoway in Broadbay – predictable working hours and better shift patterns. This will be rolled out across the rest of the island from 2017/18 onwards;
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- The ongoing use of innovative technologies to support people with Long-term Conditions live better lives;
- Initial work to reform assessment processes, to ensure information is safely shared across professional disciplines;
- Secured Scottish Government funding to pilot new ways of delivering palliative and end of life care for people with dementia in a remote and rural setting;
- More people with disabilities being supported back from mainland placements to live in their own communities;
- The development of a new blue-print for residential care and extra care housing to replace two ageing care homes in Stornoway;
- Support and funding delivered to the Community Justice Partnership and the Alcohol and Drugs Partnership; and
- Innovation in the delivery of primary care through the creative use of a transformation fund.

Review of Effectiveness

During 2016/17, the IJB continued to put in place appropriate management and reporting arrangements to enable it to be satisfied that its approach to corporate governance is both appropriate and effective in practice.

Specifically, the IJB's governance arrangements have been reviewed and tested against the requirements of the Public Bodies (Joint Working) (Scotland) Act, associated regulations and guidance notes and the CIPFA Good Governance Framework.

Specific measures were introduced to ensure the IJB as a public body in compliant with all of its legislative obligations. During 2016/17 a publication scheme was agreed under the Freedom of Information legislation.

The Chief Finance Officer was responsible for the preparation and oversight of the IJB's accounts for 2015/16, and for the development, along with the Chief Officer, of the budget for 2016/17.

A Joint Inspection of Older People's Services in the Western Isles was led by the Care Inspectorate and Health Improvement Scotland from February - April 2015. The final report was published in March 2016. The report identified key strengths in relation to a highly motivated and well supported workforce, working jointly to improve services and the outcomes of individuals and families. The report also referred to the strong sense of community spirit and a flexible approach to the utilisation of available resources to meet local needs. However, key weaknesses were found in other areas and work has been undertaken over the course of 2016/17 to ensure that actions are being addressed. The Integrated Corporate Management Team has taken an overview of the action plan developed to tackle areas of improvement.

In respect of day-to-day social care services, services continue to perform well against the standards set out by the Care Inspectorate.

Certification

It is our opinion that reasonable assurance, subject to the matters noted above, can be placed upon the adequacy and effectiveness of the Western Isles Integration Joint Board's systems of governance.

Dr Ron Culley
Chief Officer

Dr Neil Galbraith
Chair

29 June 2017

29 June 2017

REMUNERATION REPORT

Introduction

This report is set out in accordance with the Local Authority Accounts (Scotland) Amendment regulations 2014. These regulations require the disclosure of certain details in respect of the remuneration and pension benefits of senior Voting Board Members and senior employees. The term remuneration means gross salary, fees and bonuses, allowances and expenses, and compensation for loss of employment. It excludes pension contributions paid by the Comhairle or NHS Western Isles. Gross salary means the annual salary for a full time employee or member and for presentation purposes the salaries of part time employees or those who have been employed or served as members for less than a full year are annualised.

The term pension benefits, covers the in-year contributions paid by the Comhairle or NHS Western Isles for the employee or Councillor, and their accrued pension benefits at 31 March 2017.

All information disclosed below will be audited by external auditors. The other sections will be reviewed by external auditors to ensure that they are consistent with the financial statements.

Arrangements for Remuneration

Board Members

Voting membership consists of 4 councillors nominated as board members by the Comhairle and 4 NHS representatives nominated by NHS Western Isles. In addition, there are 12 non-voting members which include the Chief Officer, the Comhairle's Chief Social Work Officer, The Chief Financial Officer, registered medical practitioners from both primary and non-primary care and a registered nurse.

The Senior Members on the Board are:

Chairperson	Dr Neil Galbraith	NHS Western Isles
Vice-Chairperson	Mr Uisdean Robertson	Comhairle nan Eilean Siar

Members are remunerated by the relevant partner organisation and the Board does not pay allowances or other remuneration directly.

The statutory liability for pension contributions and ongoing commitments lies with the partner organisation and on this basis there is no pension liability reflected on the Board Balance Sheet.

Senior Employees

The appointment of a Chief Officer is required by Section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014. However, the Board is not empowered to directly employ the Chief Officer and the contract of employment must be with one of the partner organisations. In this case the Comhairle is the employer.

Other Officers employed by the partner organisations, including the Chief Financial Officer, who meet the criteria for disclosure are included in the tables below.

The remuneration of the Chief Officer is set by reference to the arrangements for Service Directors in the Comhairle.

Remuneration

Name and Responsibility	2016/17			2015/16
	Salary, fees & Allowances	Taxable Expenses	Total Remuneration	Total Remuneration
	£	£	£	£
Ron Culley, Chief Officer	79,132	-	79,132	58,291 (FYE £78,239)
Debbie Bozkurt, Chief Financial Officer	53,433	-	53,433	25,716 (FYE £50,270)

Pension Benefits

With regard to 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 pension liability reflected on the Board's Balance Sheet.

The Board does however have responsibility for funding the employer contributions for the current year and the table below shows the expenditure incurred in respect of pension benefits during the year. The table also shows the total value of accrued pension, some of which may relate to previous employment.

Name and Responsibility	In-year pension contributions		Accrued Pension Benefits		
	Year to 31/03/17	Year to 31/03/16		As at 31/03/17	Difference from March 2016
	£	£		£	£
Ron Culley, Chief Officer	15,035	10,784	Pension	14,000	1,000
			Lump Sum	8,000	-
Debbie Bozkurt, Chief Financial Officer	-	-	Pension	-	-
			Lump Sum	-	-

Disclosure by Pay Bands

As required by the regulations, the following table shows the number of officers whose remuneration was £50,000 or above.

Remuneration Band	Number of Employees	
	2016/17	2015/16
£50,000 - £54,999	1	
£55,000 - £59,999		1
£75,000 – £79,999	1	

Dr Ron Culley
Chief Officer

29 June 2017

Dr Neil Galbraith
Chairperson

29 June 2017

MOVEMENT IN RESERVES STATEMENT

This Statement shows the movement in the year on the IJB's reserves.

Movement in Reserves during 2016/17	General Reserves	Earmarked Reserves	Total Reserves
	£'000	£'000	£'000
Opening Balance at 31 March 2016	-	-	-
Total Comprehensive Income and Expenditure	(3,074)	-	(3,074)
Increase or (Decrease) in 2016/17	(3,074)	-	(3,074)
Closing Balance at 31 March 2017	(3,074)	-	(3,074)

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This Statement shows the cost of providing services for the year according to 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.

2015/16			Service	2016/17		
Gross Expend	Gross Income	Net Expend		Gross Expend	Gross Income	Net Expend
£'000	£'000	£'000		£'000	£'000	£'000
98	-	98	Management and Administration	1,428	-	1,428
-	-	-	Alcohol and Drugs Partnership	531	-	531
-	-	-	Locality Services	16,494	-	16,494
-	-	-	Partnership Services	9,533	-	9,533
-	-	-	Dental Services	3,066	-	3,066
-	-	-	Mental Health Services	2,564	-	2,564
-	-	-	Medical	15,084	-	15,084
-	-	-	Acute Set Aside Budget	5,936	-	5,936
-	-	-	Housing Services	306	-	306
98	-	98	Cost of Services	54,942	-	54,942
	(98)	(98)	Taxation and Non-Specific Grant Income		(58,016)	(58,016)
98	(98)	-	(Surplus)/Deficit on Provision of Services	54,942	(58,016)	(3,074)
98	(98)	-	Total Comprehensive Income and Expenditure	54,942	(58,016)	(3,074)

The IJB did not begin formal delivery of services until 1 April 2016. Consequently, the 2016/17 financial year is the first fully operational financial year and this is reflected in the figures above.

There are no statutory or presentation adjustments which affect the IJB's application of the funding received from partners. The movement in the General Fund balance is therefore solely due to the transactions shown in the Comprehensive Income and Expenditure Statement. Consequently and Expenditure and Funding Analysis is not provided in these accounts.

BALANCE SHEET

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

2015/16			2016/17	
£'000	£'000		£'000	£'000
5		Short Term Debtors	3,079	
	5	Current Assets		3,079
(5)		Short Term Creditors	(5)	
	(5)	Current Liabilities		(5)
	-	Net Assets		3,074
-		Usable Reserves	3,074	
-		Unusable Reserves	-	
	-	Total Reserves		3,074

The unaudited accounts were issued on 29 June 2017.

Debbie Bozkurt
Chief Financial Officer
29 June 2017

NOTE 1 ACCOUNTING POLICIES

1. General Principles

The IJB was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Section 106 body as defined by the Local Government (Scotland) Act 2014. The Annual Accounts have therefore been prepared on an Income and Expenditure basis in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom. The accounts have been prepared on a going concern basis, which assumes that the IJB will continue in operational existence for the foreseeable future. The historic cost convention has been adopted.

2. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Expenditure is recognised when goods or services are received and their benefits are recognised 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 debts may not be received, the balance of debtors is written down; and
- Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the corresponding amount is recorded in the Balance Sheet.

3. Funding

The IJB is primarily funded through funding contributions from the statutory funding partners namely NHS Eileanan Siar and Comhairle nan Eilean Siar. Expenditure is incurred as the IJB commissions specified health and social care services from the funding partners for the benefit of service recipients.

4. 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 partners. Consequently the IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet. The funding balance due, to or from each funding partner as at 31 March, is represented as a debtor or creditor in the IJB Balance Sheet. A Cash Flow Statement is therefore not required to be presented in the Annual Accounts.

5. Employee Benefits

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

The IJB has a legal responsibility to appoint a Chief Officer. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs. Where material the Chief Officer's absence entitlement as at 31 March is accrued, for example in relation to annual leave earned but not yet taken.

6. Support Services Costs

Costs relating to the overheads (e.g. human resources support, financial services, information technology) required by the Comhairle and the NHS Board to provide the services commissioned by the Integration Joint Board are not regarded as IJB running costs. These costs were not included in the partner contributions agreed as part of the establishment of the IJB and will be retained by the partner organisations.

7. Provisions

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

8. Contingent Assets and Liabilities

A contingent asset or liability arises where an event has taken place that gives the IJB a possible obligation or benefit whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the IJB. Contingent liabilities or assets also arise in circumstances where a provision would otherwise be made but, either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent Assets and Liabilities are not recognised in the financial statements, but are disclosed as a note to the accounts where they are deemed material.

9. Reserves

Integration Joint Boards are not currently anticipated to hold cash or to have bank accounts. However, where the IJB underspends on the partner funding contributions, this would result in a General Fund Reserve.

Property, Plant and Equipment used for the delivery of commissioned services have not transferred to the IJB Balance Sheet and the related Capital Adjustment and Revaluation Reserves are therefore not required.

10. Events after the Reporting Period

These are events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. An adjustment is made to the statements where there is evidence that the event relates to the reporting period, otherwise the statements are not adjusted, and where the amount is material, a disclosure is made in the notes.

11. VAT

The Integration Joint Board is a non-taxable body and does not charge or recover VAT on its activities.

Note 2 Related Party Transactions

The Integration Joint Board is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Board or to be controlled or influenced by the Board. Disclosure of these transactions allows readers to assess the extent to which the Board might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Board. As a partnership between the Comhairle and the NHS Board, these two organisations are the main related parties to the Board and the following transactions were made during 2016/17.

2015/16 £'000		2016/17 £'000
	Transactions with NHS Eileanan Siar	
47	Funding contributions received	38,356
-	- Services Income received	-
-	- Expenditure on Services provided	38,034
38	Key Management Personnel: Non-Voting Board Members	105
9	Support Services	11
	Transactions with Comhairle nan Eilean Siar	
51	Funding contributions received	19,660
-	- Services Income received	-
-	- Expenditure on Services provided	16,721
46	Key Management Personnel: Non-Voting Board Members	60
5	Support Services	11

2015/16 £'000		2016/17 £'000
	Balances with NHS Eileanan Siar	
5	Debtor balances: Amounts due from the NHS	206
-	- Creditor balances: Amounts due to the NHS	-
5	Net Balance with the NHS Board	206
	Balances with Comhairle nan Eilean Siar	
-	- Debtor balances: Amounts due from the Comhairle	2,873
-	- Creditor balances: Amounts due to the Comhairle	-
-	Net Balance with the Comhairle	2,873

Note 3 Expenditure and Income Analysis

2015/16 £'000		2016/17 £'000
-	Services Commissioned from the NHS	38,034
-	Services Commissioned from the Comhairle	16,721
84	Employee Benefits	165
9	Other IJB Operating Expenditure	11
5	Auditor Fee: External Audit Work	11
-	Service Income from Comhairle	-
-	Service Income from NHS	-
(98)	Partners Funding	(58,016)
-	(Surplus)/Deficit on Provision of Services	(3,074)

Note 4 Taxation and Non-Specific Grant Income

2015/16 £'000		2016/17 £'000
51	Funding Contribution from the NHS	38,356
47	Funding Contribution from the Comhairle	19,660
-	Other Non-ringfenced Grants and Contributions	-
98	Total	58,016

The funding contribution from the NHS Eileanan Siar shown above includes £5,936k in respect of "set aside" resources relating to acute hospital and other resources. These are provided by the NHS, which retains responsibility for managing the costs of providing the services. The IJB however has responsibility for the consumption of, and level of demand placed on, these resources.

The funding contributions from partners shown above would exclude any funding which is ringfenced for the provision of specific services. Such income, of which there is none in the current year, would be presented as service income in the Cost of Services within the Comprehensive Income and Expenditure Statement.

Note 5 Corporate Expenditure

2015/16 £'000		2016/17 £'000
84	Staff Costs	165
9	Administration	11
5	Audit Fee	11
98	Total	187

Note 6 Short Term Debtors

2015/16 £'000		2016/17 £'000
5	National Health Service	206
-	Local Authorities	2,873
5	Total	3,079

Note 7 Short Term Creditors

2015/16 £'000		2016/17 £'000
(5)	Other Entities	(5)
(5)	Total	(5)

Note 8 Usable Reserve

The IJB holds a balance on the General Fund for two main purposes:

- to earmark or build up funds which are to be used for specific purposes in the future, such as known or predicted future expenditure needs. This supports strategic financial management.
- to provide a contingency fund to cushion the impact of unexpected events or emergencies. This is part of the IJB's risk management framework.

Usable Reserves - General Fund	£'000	£'000
Balance Brought Forward 1 April 2016		-
Surplus/(Deficit) on Provision of Services	3,074	
Other Comprehensive Income and Expenditure	-	
Total Comprehensive Income and Expenditure		3,074
Balance Carried Forward at 31 March 2017		3,074

This balance is for general purposes and is not earmarked for specific projects.