

Falkirk
Health and Social Care
Partnership

Appendix 1

Falkirk Integration Joint Board

UNAUDITED ANNUAL ACCOUNTS
2019/20

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Management Commentary

Introduction

This publication presents the financial statements for Falkirk Integration Joint Board ("the IJB") for the year ended 31 March 2020. The financial statements have been prepared in accordance with the [Local Authority Accounts \(Scotland\) Regulations 2014](#) and the [Code of Practice on Local Authority Accounting in the United Kingdom](#) as per the requirements of section 106 of the Local Government Scotland Act 1973.

The financial statements are comprised of:

- A management commentary which provides an overview of operational and financial performance during the course of 2019/20. The management commentary also considers key issues and challenges for the coming financial year.
- A statement of responsibilities in respect of the administration of the IJB's financial affairs and delivery of best value.
- A remuneration report summarising remuneration and associated pension benefits in respect of specified IJB members and staff.
- An annual governance statement describing the IJBs corporate governance arrangements and systems of internal control.
- A comprehensive income and expenditure statement which reports the overall surplus or deficit arising from the provision of delegated services.
- A movement in reserves statement which outlines the position on IJB reserves during the course of the year.
- A balance sheet which summarises the assets and liabilities of the IJB as at 31st March 2020.
- Notes to the financial statements, including general accounting policies and other explanatory information.

Role and Remit of Falkirk Integration Joint Board

Falkirk IJB was formally established under the Public Bodies (Joint Working) (Scotland) Act 2014 to lead the integration, strategic planning and commissioning of adult health and social care services in the Falkirk area. Integration of health and social care services is a key flagship policy of the Scottish Government which aims to ensure that people receive the care and support they need at the right time, in the right setting, in a more joined up way underpinned by anticipatory and preventative care planning. This supports the IJB's fundamental purpose ***to enable people in the Falkirk area to live full and positive lives within supportive and inclusive communities.***

The IJB is a legal entity in its own right (created 1st April 2016) and represents a joint venture between Falkirk Council and NHS Forth Valley. Membership of the IJB is comprised of 6 voting members (3 elected members nominated from Falkirk Council and 3 Non-Executive Directors nominated from NHS Forth Valley) and 13 non voting members (including the Chief Officer, Chief Finance Officer, third sector, carer and staff side representatives together with a range of other health and social care professional advisors).



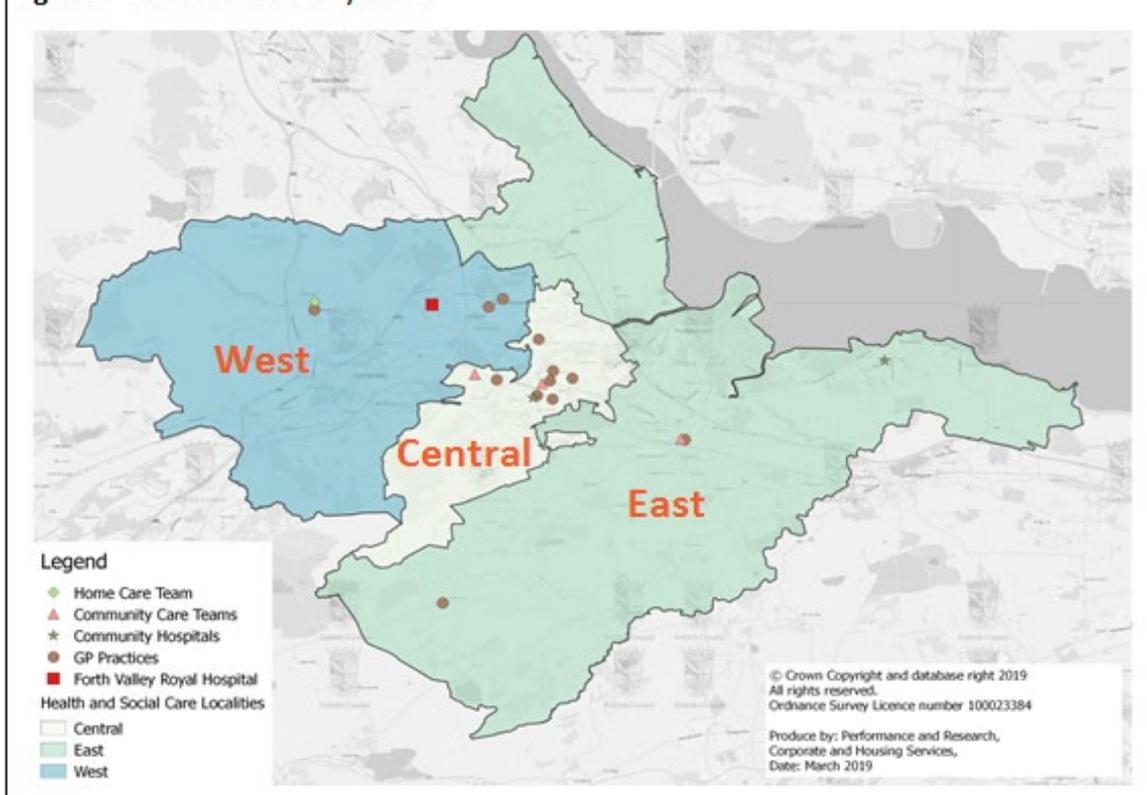
The scope of the health and social care services delegated to the IJB is outlined in the *integration scheme* (a legal document, subject to Ministerial approval, which sets out the specific services involved and how they will be planned, resourced and operationally delivered by the IJB). During 2019/20 this included Adult Social Work services, Integrated Learning Disability services and the Integrated Mental Health team. From February 2020 this was expanded to also include District Nursing and Allied Health Professionals. Operational responsibility and strategic planning for all other services referred to in the integration scheme remained with NHS Forth Valley during 2019/20.

Strategic Planning

A key statutory duty of the IJB is to develop a 3 year strategic plan which reflects the national health and wellbeing outcomes framework and delivery of agreed local priorities. As part of this work, the IJB has implemented a locality planning structure, comprised of 3 distinct areas to ensure that the overall strategic plan is accessible and responsive to the needs and unique circumstances of our local communities (see figure 1 below).

Community empowerment and engagement is key in this respect and the IJB works closely with a range of stakeholders including Falkirk Community Planning Partnership (to ensure service developments are consistent with their Strategic Outcomes and Local Delivery Plan) and Falkirk Council Housing Services to determine and influence housing requirements at locality level. The IJB also consults and maintains established forums with service users and the third and independent sectors.

Figure 1 - Falkirk IJB Locality areas



The current [strategic plan](#) covering the 3 year period 2019 to 2022 was approved by the IJB on 5 April 2019. The plan incorporates a range of policy and legislative developments and describes the transformational change required to improve quality and outcomes for patients, carers, services users and their families whilst making best use of available resources.

This is set against a backdrop of increasing demand linked to ongoing demographic change where people are living longer into old age, often with multiple long term conditions which require more complex multidisciplinary care and support. Similarly the age profile of our workforce is also rising (and this is more prominent in certain staff groups e.g. District Nursing) which presents a number of issues in terms of succession planning and our ability to maintain services and meet future demand. This is also exacerbated by ongoing recruitment and retention difficulties particularly in relation to Social Work services (where staff turnover is in the region of 11.6%).

In order to respond to these demographic and workforce challenges (combined with the impact of growth in general price inflation and advances in new technology and medical treatments), it is clear that major reform and transformation of health and social care services is essential in order to deliver better care, better health and better value. The IJB's strategic plan supports this triple aim and sets out 4 local priority areas requiring significant change, progress or investment in the next 3 years.

The 4 priority areas are described below:

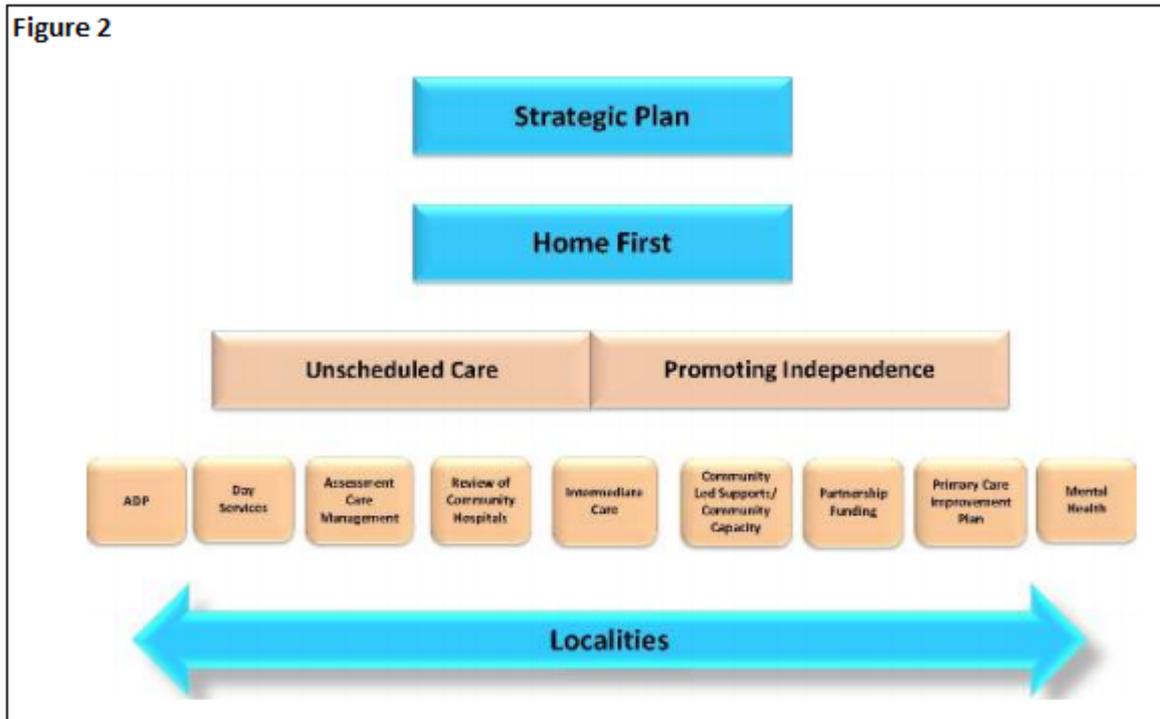
- 1 Deliver local health and social care services, including Primary Care, through enabled communities and workforce
- 2 Ensure carers are supported in their caring role
- 3 Early intervention, prevention and harm reduction that:
 - improve people's mental health and wellbeing
 - improve support for people with substance use issues, their families and communities
 - reduce the impact of health and social inequalities on individuals and communities
- 4 Make better use of technology to support the delivery of health and social care services

A detailed delivery plan has been developed which identifies the specific work streams and actions required to progress the 4 strategic priorities referred to above. Due to the range of complex and competing interdependencies across the entire health and social care landscape, the delivery plan actions are underpinned by an integrated whole systems approach as illustrated in figure 2 overleaf.

The delivery plan actions are well underway and much progress has been made during 2019-20 in terms of the area wide roll out of the home first approach, ongoing implementation of person centred assessment and planning informed by a strengths based systemic social work model (which will be augmented by accurate, complete, real time case management data through the introduction of a new social work information system scheduled to go live during 2020-21), enhanced support for carers, development of locality planning arrangements and expansion of technology enabled care.



Figure 2



2019/20 Operational Performance

2019-20 marks the third year of transition for the IJB. Whilst good progress has been made in a number of key areas, it is recognised that the overall pace of change remains slow, particularly in relation to the transfer of planning and operational management responsibility for all outstanding in scope health services and building capacity in terms of central support functions. These areas will be a key focus for 2020-21 as we work to accelerate our transformation programme and deliver our strategic priorities.

During the course of the financial year, the IJB continued to develop and improve services to promote recovery, reablement and rehabilitation to support the people of Falkirk to remain independent in their own homes (whilst ensuring that people's care needs are anticipated and planned appropriately). A number of specific operational highlights during the year are described below.

Home First

The Home First pilot was introduced in September 2019 initially across 3 wards in Forth Valley Royal Hospital as part of a whole system integrated project designed to improve unscheduled care and instil a "home first" approach to hospital discharge by prioritising care for patients in their own homes or in a homely setting.

As part of the pilot a home first multi-disciplinary team was established to liaise with the patient, their family and ward staff in order to support their timely discharge from hospital (where clinically appropriate) by fully assessing their needs on site and coordinating the necessary arrangements.

74% of the 174 patients supported by the team during 2019-20 were able to return home (the majority of which were in the 85-94 years age bracket) and for most cases, this was achieved in line with the planned discharge date, thereby avoiding unnecessary delays.



Whilst it is recognised that there are a wide range of complex factors that contribute to delayed discharges, initial data is encouraging and demonstrates improvement in the Falkirk area following the introduction of the pilot (particularly in relation to delays previously caused by waits for packages of care or care home places).

As a result of the downward trend in delayed discharges, together with positive feedback and support from the Consultant Geriatrician profession, the pilot was subsequently increased to 2 other ward areas during the year, with further plans to extend to both Falkirk and Bo'ness Community Hospitals. It is also recognised that there is scope to apply the home first principle to the front door of Forth Valley Royal Hospital (including frailty clinics), to support throughput and prevent unnecessary acute admissions.

Locality Planning Arrangements

The IJB's commitment to locality planning continued during 2019-20 with the appointment of the full complement of Locality Managers to each of the 3 localities. This is a key strand of the wider integrated organisational structure and these posts are leading work to align key services, such as in-house homecare, within the new East, West and Central integrated locality teams.

In addition, each locality manager also holds responsibility for specific partnership-wide and/or Forth Valley-wide hosted services including the Joint Loan Equipment Store and Complex Care services.

Social Care Assessment and Planning

Ongoing implementation of new care assessment and planning arrangements incorporating strengths based systemic social work practices continued during 2019-20. This included a review of care packages in excess of £1,500 per week and all out of area care packages in line with the Scottish Government's Coming Home Report and Keys to Life learning disability strategy.

Early indications from the review work reveal that positive assessments and interventions are being delivered. In particular, the use of Talking Points and Good Communications methodology has improved service users' confidence in the assessment process, providing reassurance that their voice is being heard and views and wishes are considered and respected. Interactions promote dignity and choice to ensure that service users have the opportunity to direct their care.

Throughout the year, significant work was undertaken to form relationships, gather information and address any issues, prior to the formal review stage. Although this increased the time taken to conclude the review process, it also strengthened relationships whereby service users, and their families, felt confident that assessments were outcomes focussed and any changes or transitions would meet the service user's needs whilst promoting independence and personal growth and development.

The review confirmed that many service users placed outwith the local area wished to return to their community, particularly in respect of service users placed in out of area residential placements. Whilst it is recognised that residential placements can build resilience and skills for service users, these are not necessarily lifelong placements and, where possible and practical, support should be offered to allow the service user to live independently within their own community. This enables them to achieve goals and outcomes, promotes social inclusion, offers opportunities to form natural peer relationships and develop further and sustainable independence.



Case Study

L is a 24 year old man who has a diagnosis of schizo-affective disorder and a mild learning disability. He experienced significant childhood trauma which has impacted on his mental health stability and ability to engage successfully within society. He has spent significant periods of his life in residential placements; schooling and hospital setting due to behaviours associated with his diagnosis and lived experiences. A community placement previously broke down due to him feeling anxious, scared and unsupported due to inconsistencies within his staff team. L has been in a residential placement for 1 year now, his medication has been stable, his environment has been consistent and he has experienced safety and positive encouragement whereby his independence has increased. L now feels ready to move to community living, with support. The review and subsequent outcome focussed single shared assessment has supported this and transition plans are ongoing.

L's transition plans and objectives are aimed at re-integrating him with community living, allowing him opportunities to form relationships with his new core team, familiarise with his new area and feel safe in his ability to develop further independence. Risk factors have been identified alongside risk management strategies to support this transition. It is anticipated his transition plan will complete in April 2020. Not only will this move be positive for L but, in relation to funding, will generate a saving of £88k pa.

This is only one example of positive reviewing to enhance lived opportunities, safely, for service users. By ensuring effective and regular reviews to all service users, not only can we affect positive change but this can also be reflected within funding and finances, without detriment to service users, care plans and support packages. Failure to review consistently and regularly has a negative impact on service users as they can experience increased and unnecessary reliance dependence on others, loss of skills and independence and lack of self confidence and self esteem. By promoting positive and inclusive, person centred reviews, we can positively influence change whilst ensuring fairness in services which is reflected in budgets.

Regular and outcome focussed, person centred reviews are the key to increasing people's resilience, promoting skills development and independence, supporting communities and community spirit whilst reducing pressures on services and funds

Living Well Falkirk Services

The first Living Well Falkirk Centre was established in April 2019. Based within the Forth Valley Sensory Centre at Camelon, the centre builds on the Living Well Falkirk website introduced in 2018 to provide citizens and their relatives with 24/7 access to information about improving their ageing journey, living well and remaining independent.

The Centre enables those with early stage difficulties with everyday tasks to have a 1:1 appointment to complete a web-based assessment. The Lifecurve™ assessment helps people to see where they are on their ageing journey and to have simple exercises recommended for them to help maintain and improve their overall abilities. For difficulties with specific tasks, small equipment items (such as bathing equipment) and minor adaptations (including grab rails or bannisters) may be more appropriate and can also be arranged as part of the appointment.



The official launch of the Living Well Falkirk Centre was held on 4th October, opened by William Buchanan, Provost of Falkirk Council. The launch was well attended by elected members, service users, health and social care staff and third sector partners. The Centre's first ever user also attended and shared her experience of maintaining her independence and getting out and about safely using the rails that were provided at her home.

From April to December 2019 a total of 2,063 self assessments were undertaken by citizens or their families via the Living Well Falkirk website. A further 200 people personally attended Living Well Falkirk Centre appointments for help with one or more areas of difficulty.

Plans are underway to develop Living Well Falkirk Centres in the West and East localities. Work is also at an advanced stage to introduce Living Well Talking Points in all three localities. The talking points will provide a drop-in service where people can come for a good conversation with community volunteers, third sector partners and health or social care staff. Information and advice will be available to help people think about and plan ways they can meet their health and wellbeing outcomes.

Primary Care Improvement Plan

2019-20 represents the second year of the 3-year implementation period of the new General Medical Services (GMS) contract across the 25 GP Practices in the Falkirk area. Implementation of the new contract is being taken forward through the Forth Valley area wide Primary Care Improvement Plan (PCIP) which will see a broad range of multidisciplinary healthcare professionals recruited to work as part of GP Practice teams, including Advanced Nurse Practitioners, Mental Health Nurses, Advanced Practice Physiotherapists, Community Link Workers and Pharmacists.

During 2019-20 the PCIP progressed as planned with 125 new full time additional professional roles in place across Forth Valley delivering 3,500 consultations and 2,500 acute prescription authorisations per week, releasing GP capacity to focus on more complex patients, whole system quality improvement and clinical leadership. This is a significant achievement which will improve access to care and treatment for patients at the right time, with the right person, closer to home whilst also protecting GP sustainability.

Performance Indicators

The IJB is subject to a wide range of national and local key performance indicators (KPIs) which are directly aligned to our strategic plan outcomes (the relationship between the KPIs and our strategic plan is summarised in a [strategy map](#)). Progress against all KPIs is routinely monitored on a quarterly basis and is formally reported and communicated through the publication of an annual performance report.

The annual performance report is a statutory requirement which describes the IJB's contribution towards the national health and wellbeing outcomes, together with specific progress against the core suite of associated national integration indicators. At the time of writing, the 2019-20 performance report has not been published as yet, however available national trend information is summarised in the tables overleaf.



	National Indicator	Title	Falkirk IJB 2015-16	Falkirk IJB 2016-17	Falkirk IJB 2017-18	Falkirk IJB 2018-19	Scotland 2018-19
Data Indicators	NI - 11	Premature mortality rate per 100,000 persons	440	466	427	449	432
	NI - 12	Emergency admission rate (per 100,000 population)	11,529	11,771	12,326	12,122	12,264
	NI - 13	Emergency bed day rate (per 100,000 population)	137,597	145,659	138,917	135,561	119,654
	NI - 14	Emergency readmissions to hospital within 28 days of discharge (rate per 1,000 discharges)	113	121	121	118	103
	NI - 15	Proportion of last 6 months of life spent at home or in a community setting	86%	86%	86%	86%	88%
	NI - 16	Falls rate per 1,000 population aged 65+	20	20	22	24	23
	NI - 17	Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections	84%	86%	88%	84%	82%
	NI - 18	Percentage of adults with intensive care needs receiving care at home	64%	65%	64%	65%	62%
	NI - 19	Number of days people spend in hospital when they are ready to be discharged (per 1,000 population)	864	1,023	910	1,178	793
	NI - 20	Percentage of health and care resource spent on hospital stays where the patient was admitted in an emergency	23%	23%	24%	24%	24%
	NI - 21	Percentage of people admitted to hospital from home during the year, who are discharged to a care home*	NA	NA	NA	NA	NA
	NI - 22	Percentage of people who are discharged from hospital within 72 hours of being ready*	NA	NA	NA	NA	NA
	NI - 23	Expenditure on end of life care, cost in last 6 months per death*	NA	NA	NA	NA	NA

* Denotes that this indicator is under development, therefore data is not available at present.

Source: Public Health Scotland

	National Indicator	Title	Falkirk IJB 2015-16	Falkirk IJB 2017-18	Scotland 2017-18
Outcome indicators	NI - 1	Percentage of adults able to look after their health very well or quite well	93%	92%	93%
	NI - 2	Percentage of adults supported at home who agreed that they are supported to live as independently as possible	85%	83%	81%
	NI - 3	Percentage of adults supported at home who agreed that they had a say in how their help, care, or support was provided	80%	76%	76%
	NI - 4	Percentage of adults supported at home who agreed that their health and social care services seemed to be well co-ordinated	79%	72%	74%
	NI - 5	Total % of adults receiving any care or support who rated it as excellent or good	81%	81%	80%
	NI - 6	Percentage of people with positive experience of the care provided by their GP practice	84%	81%	83%
	NI - 7	Percentage of adults supported at home who agree that their services and support had an impact on improving or maintaining their quality of life	84%	78%	80%
	NI - 8	Total combined % carers who feel supported to continue in their caring role	43%	37%	37%
	NI - 9	Percentage of adults supported at home who agreed they felt safe	85%	84%	83%
	NI - 10	Percentage of staff who say they would recommend their workplace as a good place to work	NA	NA	NA

Note that data to support these indicators is only collected biannually.

* Denotes that this indicator is under development, therefore data is not available at present.

Source: Public Health Scotland



Covid-19 Pandemic

As we approached the end of the financial year, the impact of covid-19 resulted in a significant and rapid change in the configuration of health and social care services across Scotland. As part of the IJB's covid-19 mobilisation plan response, a range of immediate actions were implemented in order to create additional local health and social care capacity and support resilience during the course of the pandemic. The vast majority of the costs relating to the mobilisation plan actions are expected to be incurred during financial year 2020-21. We are working closely with the Scottish Government to refine the cost estimates and associated funding requirements, including the impact of potential unachieved savings.

2019/20 Financial Performance

The IJB reported total income of £234.637m for financial year 2019/20 (an increase of £12.821m compared to the previous year) comprised of £206.896m in respect of the integrated budget and £27.741m relating to set aside.

This compares to total expenditure of £234.989m incurred during the year (an increase of £13.621m relative to 2018-19) comprised of £207.248m in respect of expenditure on integrated services and £27.741m relating to set aside.

As a result, a small deficit of £0.352m was reported in the Comprehensive Income and Expenditure Statement as at 31st March 2020. The deficit position is solely due to the in-year net reduction in reserve balances, largely due to the planned release of funds carried forward from 2018-19 for use in 2019-20 in respect of the Primary Care Improvement Plan.

During the course of the year, a number of financial challenges were evident, culminating in projected overspends of £2.619m against the integrated budget and £1.654m against the set aside budget. The projected overspend against the integrated budget reflected a number of issues including:

- Care at Home – due to increased demand for care at home packages resulting in a 13% rise in costs compared to the same period in the previous year (primarily in relation to external providers). Ongoing pressures were also reported in relation to housing aids and adaptations and residential services.
- Primary Care Prescribing – reflecting higher than expected volume growth in the number of items prescribed and increased uptake of expensive new drugs and devices (including direct acting oral anticoagulants and a new blood glucose monitoring system now available on prescription). Ongoing price concessions due to short supply issues also contributed to the overspend position.
- Community Hospitals – relating to increased use of temporary staffing to cover sickness absence and maternity leave. In addition, a number of patients required specialist nursing input resulting in increased staffing ratios over and above the budgeted establishment.
- Covid-19 – largely due to increased GP Prescribing costs as a result of early reordering of repeat prescriptions during March in advance of lockdown arrangements, together with the costs of local care home contingency block booking measures and provision of personal protective equipment (PPE).



In line with previous years, a risk sharing agreement was reached for 2019-20 in respect of the integrated budget whereby Falkirk Council and NHS Forth Valley made an additional payment to the IJB (£0.759m and £1.706m respectively) in order to deliver an overall breakeven position on the specific services delegated to them by the IJB.

With respect to the set aside budget (i.e. the amount set aside by NHS Forth Valley relating to delegated services provided in Forth Valley Royal Hospital for the population served by the IJB), the projected £1.654m overspend reflected ongoing reliance on temporary nursing staff to cover absence and patients requiring special clinical observation. In addition, pressures were reported in relation to drug costs and medical staffing specifically within old age psychiatry services. Note that financial risk in relation to the set aside budget is currently managed by NHS Forth Valley and therefore the figures disclosed in Comprehensive Income and Expenditure Statement represent the set aside budget figures only.

A reconciliation of the overall 2019/20 financial position to the Comprehensive Income and Expenditure Statement is presented below:

Reconciliation to Comprehensive Income & Expenditure Statement (CIES)	2019-20 £000s		
	Budget	Expenditure	(Underspend)/ Overspend
Large Hospital Services*	27,741	27,741	0
Community Healthcare Services	37,490	36,604	(886)
Social Care Services	87,332	88,259	927
Primary Healthcare Services	79,349	81,941	2,592
IJB Running Costs	458	444	(14)
	232,370	234,989	2,619
Additional payment Falkirk Council	759	0	(759)
Additional payment NHS Forth Valley**	1,706	0	(1,706)
Additional funding Scottish Government (covid-19)	154	0	(154)
	2,619	0	(2,619)
TOTAL	234,989	234,989	0
Reserve adjustments included in budget figures above			
Community Healthcare Services transfers to reserves	424	0	(424)
Social Care Services transfers to reserves	103	0	(103)
Primary Healthcare Services transfers from reserves	(879)	0	879
	(352)	0	352
REVISED TOTAL AS PER CIES	234,637	234,989	352

* This reflects the budget for Large Hospital services only.

** Note that £542k of the £1,706k payment from NHS Forth Valley relates to additional covid-19 related GP prescribing costs estimated for the month of March. This reflects agreement to manage these costs locally rather than through the Scottish Government.



Reserves

As highlighted above, the balance held in reserves reduced by £0.352m from £6.938m as at 31st March 2019 to £6.586m as at 31st March 2020. This reflects a number of transactions where funding previously held in earmarked reserves for specific purposes was released during 2019-20, offset by instances where funding was added or returned to reserves (due to underspends or late funding allocations that required to be carried forward for use in future years).

The vast majority of the £6.586m balance represents earmarked reserves, a small sum of £0.316m is held as a general/contingency reserve. A summary of the key movements is presented below (detailed information is reported under note 8):

Use of reserves during 2019-20	£000s
<u>Transfers from reserves</u>	
Primary Care Improvement Plan	748
GP Out of Hours Service	217
Housing Revenue Account	61
Alcohol & Drugs Partnership	28
Other	22
	1,076
<u>Transfers to reserves</u>	
Partnership funding	(389)
Dementia Innovation	(88)
GMS Premises Improvement	(86)
Capital Grant	(67)
Mental Health Innovation Fund	(64)
Other	(30)
	(724)
Net movement in reserves	352

Forward Look 2020-21

Financial year 2020-21 is likely to be dominated by the ongoing financial and operational impact of the covid-19 pandemic. A number of services have been temporarily suspended to enable frontline staff to focus on immediate covid-19 priorities and to provide additional health and social care capacity. Significant service redesign is likely to be required in response to ongoing social distancing requirements and new ways of working as lockdown is gradually eased in line with the Scottish Government's "framework for decision making - Scotland's route map through and out of the crisis". Given the level of inherent uncertainty in terms of the duration of the pandemic, the impact on demand and the magnitude of the potential costs involved, covid-19 represents a significant financial risk.



Whilst it is expected that additional funding will be provided by the Scottish Government to offset covid-19 related costs incurred during 2020-21, allocations have still to be confirmed and there may be a need to re-prioritise IJB funding (including reserves) and identify alternative efficiency savings. In addition, the long term adverse impact on the wider economy, together with any unintended consequences arising from the current suspension of health and social care services is a key consideration going forward.

Other pressing strategic, corporate and operational risks and issues identified through the IJB's risk management process are outlined below:

- financial sustainability – a £4.977m funding gap against the integrated budget is estimated for 2020-21. Significant recurring savings require to be delivered in order to address the underlying deficit and reduce reliance on non-recurring measures and/or additional one off payments from partners to achieve breakeven. Savings initiatives totalling £3.080m were initially identified, however implementation of several schemes have been delayed due covid-19. The position will be reassessed as part of our pandemic recovery planning in order to enable existing savings schemes to recommence as soon as possible and to identify new initiatives arising from potential opportunities to redesign services in response to covid-19.
- Transfer of outstanding health care services and conclusion of set aside arrangements – lack of progress in these areas impacts on the IJB's ability to affect whole system transformational change and shift the balance of care. Work to resolve these issues is expected to be finalised during 2020-21 (including formal review of the integration scheme and financial risk sharing arrangements).
- National policy commitments – specifically in relation to the funding implications of the Scottish Living Wage, new GMS contract/Primary Care Improvement Plan and the Mental Health Strategy.
- Brexit – potential disruption to services as a result of the impact on our workforce and supply chain arrangements remains high risk. Effective planning and mitigation is challenging due to the ongoing level of uncertainty.

Overall risk is subject to regular systematic review, in conjunction with partners, and is updated in response to new and emerging information, including the impact of ongoing deployment of mitigation controls.

Conclusion

2019/20 concludes another productive and demanding year for the IJB. Implementation of the integrated management structure progressed well during the year and a number of important delivery plan actions were also taken forward to improve services as we worked towards our strategic priorities in a bid to enable people in the Falkirk area to live full and positive lives within supportive and inclusive communities.

It is acknowledged that the pace of change has been relatively slow in terms of the transfer of operational management responsibility for the full range of in scope health care services. This is a key focus for 2020-21 and presents a real opportunity to fulfil the aims of integration to benefit our local patients, service users, carers, families and workforce.



Where to Find More Information

If you would like more information please visit our website at: www.falkirkhscp.org

Fiona Collie

19 June 2020

Chair

Patricia Cassidy

19 June 2020

Chief Officer

Jillian Thomson

19 June 2020

Chief Finance Officer



Statement of Responsibilities

Responsibilities of the Integration Joint Board

The Integration Joint Board is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the board has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this authority, that officer is the Chief Finance Officer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- Approve the Annual Accounts.

I confirm that these Annual Accounts were approved for signature at a meeting of the Integration Joint Board on 19 June 2020.

Signed on behalf of the Falkirk IJB

Fiona Collie

19 June 2020

Chair



Responsibilities of the Chief Finance Officer

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

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

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with legislation
- complied with the accounting code (in so far as it is compatible with legislation)

The Chief Finance Officer has also:

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

I certify that the financial statements give a true and fair view of the financial position of the Falkirk Integration Joint Board as at 31 March 2020 and the transactions for the year then ended.

Jillian Thomson

19 June 2020

Chief Finance Officer



Remuneration Report

Introduction

The Remuneration Report discloses information relating to the remuneration and pension benefits of specified IJB members and staff in accordance with the requirements of the Local Authority Accounts (Scotland) Regulations 2014.

The information provided in the tables below is subject to external audit. The explanatory text in the Remuneration Report is reviewed by the external auditors to ensure it is consistent with the financial statements.

Voting Membership of the IJB in 2019/20

The 6 voting members of Falkirk IJB are comprised of 3 elected members nominated from Falkirk Council and 3 Non-Executive Directors nominated from NHS Forth Valley. The IJB Chair and Vice Chair posts alternate between a Councillor and NHS Board representative on the basis of 2 year fixed term.

During 2019-20 voting Membership of the IJB was as follows:

NHS Forth Valley

Julia Swan, Non Executive Member of Forth Valley NHS Board (until 3 Feb 2020)
Alex Linkston, Non Executive Member of Forth Valley NHS Board (until 29 Feb 2020)
Gordon Johnstone, Non Executive Member of Forth Valley NHS Board (from 3 Feb 2020)
Stephen McAllister, Non Executive Member of Forth Valley NHS Board (from 3 Jan 2020)
Dr Michele McClung, Non Executive Member of NHS Forth Valley Board (Vice Chair)

Falkirk Council

Councillor Allyson Black
Councillor Cecil Meiklejohn
Councillor Fiona Collie (Chair)

Remuneration: IJB Chair and Vice Chair

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

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

Remuneration: Officers of the IJB

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



Chief Officer

Section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 stipulates that a Chief Officer must be appointed on a formal secondment basis to the IJB through the employing partner (in this case the employing partner is Falkirk Council). The employment contract for the Chief Officer will therefore adhere to the legislative and regulatory framework of the employing partner organisation. The remuneration terms of the Chief Officer's employment are approved by the IJB.

Other Officer

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

Total 2018/19 £	Senior Employee	Salary, Fees & Allowances £	Taxable Expenses £	Total 2019/20 £
105,896	Patricia Cassidy Chief Officer	109,073	-	109,073
58,478	Amanda Templeman Chief Finance Officer	60,233,	-	60,233
164,374	Total	169,306	-	169,306

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

However the IJB is required to fund employer contributions for the current year in respect of the officer time spent on discharging their role on the IJB. The below table presents the IJB's funding during the year to support officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

Senior Employee	In year Pension Contribution		Accrued pension benefits		
	For the year to 31 March 2019 £	For the year to 31 March 2020 £		As at 31 March 2020 £000s	Difference from March 2019 £000s
Patricia Cassidy Chief Officer	23,297	24,541	Pension	33	3
			Lump Sum	22	1
Amanda Templeman Chief Finance Officer	12,865	13,552	Pension	15	2
			Lump Sum	14	1
Total	36,162	38,093	Pension	48	5
			Lump Sum	36	2



Disclosure by pay bands

Pay information has not been separately disclosed as all relevant details are already included in the information above.

Exit Packages

There were no exit packages in relation to the Falkirk IJB in financial year 2019/20.

Fiona Collie

19 June 2020

Chair

Patricia Cassidy

19 June 2020

Chief Officer



Annual Governance Statement

As specified in the Local Authority Accounts (Scotland) Regulations 2014, the IJB is required to conduct a review of the effectiveness of its internal control systems at least once in each financial year and must also include an annual governance statement as part of the annual accounts. This is consistent with Code of Practice on Local Authority Accounting in the United Kingdom and guidance developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) entitled "*Delivering Good Governance in Local Government: a framework*".

Scope of Responsibility

The IJB is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively to secure best value.

In discharging these responsibilities, the Chief Officer has established a system of internal control and arrangements for the governance of the IJB's affairs and the effectiveness of its functions (including management of risk). It is recognised that any system of internal control can only provide reasonable and not absolute assurance of effectiveness.

As part of the governance arrangements, reliance is placed on Falkirk Council and NHS Forth Valley's systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the IJB.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes and culture and values by which the IJB is directed and controlled. It enables the IJB to monitor achievement of the priorities and outcomes included in the Strategic Plan.

As part of the overall governance framework, the system of internal control is designed to identify, prioritise and manage risk to an acceptable level. This includes evaluation of the risk of failure to achieve the IJB's policies, aims and objectives, the likelihood of those risks being realised and the impact of those risks should they be realised. The system aims to help manage risks as efficiently, effectively and economically as possible.

The Governance Framework and Internal Control System

The Board of the IJB is comprised of the Chair, Vice-Chair and 4 other voting members. Of the 6 voting members in total, 3 are nominated by NHS Forth Valley and 3 by Falkirk Council. The Board also includes 13 non-voting members, comprised of the Chief Officer, Chief Finance Officer, other Officers appointed by virtue of their professional role including the Chief Social Work Officer, Medical Director and Director of Nursing, as well as employee representatives, service users, carers and third sector representatives. The IJB is the key decision making body in respect of the planning, resourcing and operational delivery of all integrated health and social care services within its geographical boundary area.



The main features of the governance framework in existence during 2019/20 are summarised below:

- Strategic decision making is governed by the IJB's key constitutional documents including the Integration Scheme, standing orders, scheme of delegation, financial regulations and reserves policy.
- A code of conduct is in place for all IJB Board members, including a register of interests.
- The IJB's vision, outcomes and priorities are set out in the IJB's Strategic Plan for 2019-2022, which contributes to the strategic priorities and outcomes contained in the Community Planning Partnership's Strategic Outcomes and Local Delivery Plan (SOLD) and the national health and well-being outcomes framework.
- A comprehensive Performance Management Framework is in place and the IJB regularly receives updates on performance.
- An Audit Committee is in place with a remit which includes risk management, corporate governance and all matters relating to internal and external audit. Terms of reference are regularly reviewed and an annual work plan agreed.
- The Clinical and Care Governance Committee provides assurance to the IJB on the systems in place for delivery of safe, effective, person-centred care in line with the IJB's statutory duty for the quality of health and care services. An annual work plan is in place to ensure all key pieces of work are covered.

System of Internal Control

The governance framework operates on the foundation of internal controls, including management and financial information, financial regulations, administration, supervision and delegation. During 2019/20 this included the following:

- Financial regulations and codes of financial practice
- Management information systems and regular monitoring reports, including performance and financial reporting
- Comprehensive budgeting systems and a formal budget setting process
- Regular reporting to the Audit Committee including internal audit progress reports
- Regular reporting to Falkirk Council's External Scrutiny Committee and the Community Planning Partnership
- Minutes of IJB meetings submitted to Falkirk Council and Forth NHS Valley Board
- Publication of the IJB annual report and submission to Falkirk Council and Forth Valley NHS Board.



Review of Adequacy and Effectiveness

The IJB is required to conduct, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of the effectiveness of the framework is informed by the work of the Chief Officer and Senior Management who have responsibility for development and maintenance of the governance environment; reports by the Chief Internal Auditor and reports from External Auditors and other review bodies as appropriate.

The IJB operates in accordance with Public Sector Internal Audit Standards (PSIAS) which require the Chief Internal Auditor to deliver an annual opinion and report to inform the IJB's governance statement.

The Chief Internal Auditor reports directly to the Audit Committee on all audit matters, with the right of access to the Chief Officer, Chief Finance Officer and Chair of the Audit Committee on any matter. The annual programme of internal audit work is based on a risk assessment. The annual internal audit assurance report for 2019-20 has been received which confirms that sufficient internal audit activity was undertaken during the year to allow a balanced opinion to be provided. This included work in relation to performance management and reporting, governance mapping (in terms of the appropriateness of the IJB's committee structure to adequately support delivery of its strategic objectives), progress in implementing the requirements of the Carers (Scotland) Act 2016 and a review of medium term financial planning arrangements. The annual internal audit assurance report offers substantial assurance in respect of Falkirk IJB's overall arrangements for risk management, governance, and control for the year to 31 March 2020.

Areas for improvement

The IJB adopts a continuous improvement approach as part of our ongoing effort to enhance our governance arrangements and system of internal control. A number of areas for improvement have been identified, including

- Arrangements to conclude the transfer of operational management of all outstanding healthcare services, including risk, assurance framework and reporting structures
- Implementation of statutory guidance in respect of set aside services in collaboration with NHS Forth Valley and Clackmannanshire and Stirling IJB
- Formal review of the Performance Management Framework (last undertaken in 2016) including arrangements to improve locality level reports and information.

Emerging governance issues

A number of new governance issues arose during March 2020 as a direct result of the covid-19 pandemic in terms of decision making arrangements, conduct of IJB business and implementation of new policies and procedures.

The IJB deemed the covid-19 outbreak as an emergency under the terms of its Scheme of Delegation and agreed, with effect from 20th March, to:

- suspend all IJB Board and committee meetings until at least 5th June;
- delegate authority to the Chief Officer and/or Chief Finance Officer to deal with urgent business, which would otherwise have normally been determined by the Board, during the period of the Coronavirus outbreak until at least 5th June.



As part of the emergency delegated powers, the Chief Officer and Chief Finance Officer were authorised to take such measures as may be required in emergency situations, subject to:

- reporting to the Board as soon as possible on any items for which approval would normally be necessary.
- Continuing to act in accordance with any policies and procedures of the Board when discharging emergency delegated powers.
- Consulting the Chair and Vice Chair where any decision proposed under the use of emergency delegated powers might lead to a budget being exceeded.

These temporary arrangements will be reviewed and potentially extended pending further Scottish Government advice.

Conclusion and Opinion on Assurance

Subject to the above, and on the basis of the assurances provided, we consider that the internal control environment operating during the reporting period provides reasonable and objective assurance that any significant risks impacting on achievement of the IJBs principal objectives will be identified and actions taken to avoid or mitigate their impact.

Systems are in place to regularly review and improve the internal control environment. These will be supported by action plans going forward.

Fiona Collie

19 June 2020

Chair

Patricia Cassidy

19 June 2020

Chief Officer



Comprehensive Income and Expenditure Statement

This statement illustrates the cost of providing services for the year according to accepted accounting practices. Where the impact on the General Fund is amended by statutory adjustments this is shown in the Movement in Reserves Statement.

2018/19 Gross Expenditure £000	Gross Income £000	Net Expenditure £000		2019/20 Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Notes
26,026	-	26,026	Large Hospital Services	27,741	-	27,741	
119,116	-	119,116	Community Health and Social Care Services	124,863	-	124,863	
75,816	-	75,816	Primary Care Services	81,941	-	81,941	
410	-	410	IJB Running Costs	444	-	444	
221,368	-	221,368	Cost of Services	234,989	-	234,989	
-	(221,816)	(221,816)	Taxation and Non-Specific Grant Income	-	(234,673)	(234,673)	4
221,368	(221,816)	(448)	(Surplus) or Deficit on Provision of Services	234,989	(234,673)	352	3
		(448)	Total Comprehensive Income and Expenditure	352	-	352	

There are no statutory adjustments which affect the IJBs 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 an Expenditure and Funding Analysis is not provided in these annual accounts.



Movement in Reserves Statement

This statement presents the movement during the year on the IJB's reserves. The movements which arise due to statutory adjustments which affect the General Fund balance will be separately identified from the movements due to accounting practices, if required.

Movements in Reserves During 2019/20	General Fund Balance £000	Unusable Reserves £000	Unusable Reserves £000
Opening Balance at 31 March 2019	(6,938)	-	(6,938)
Total Comprehensive Income and Expenditure	352	-	352
Adjustments between accounting basis and funding basis under regulations		-	-
(Increase) or Decrease in 2019/20	(6,586)	-	(6,586)
Closing Balance at 31 March 2020		-	

Movements in Reserves During 2018/19	General Fund Balance £000	Unusable Reserves £000	Total Reserves £000
Opening Balance at 31 March 2018	(6,490)	-	(6,490)
Total Comprehensive Income and Expenditure	(448)	-	(448)
Adjustments between accounting basis and funding basis under regulations	-		-
(Increase) or Decrease in 2018/19	(448)	-	(448)
Closing Balance at 31 March 2019	(6,938)	-	(6,938)



Balance Sheet

The Balance Sheet shows the value of the IJB's assets and liabilities as at the balance sheet date. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB. Usable reserves may be used to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. Unusable Reserves include reserves relating to statutory adjustments as shown in the Movement in Reserves Statement.

31 March 2019 £000		31 March 2020 £000	Notes
6,938	Short Term Debtors	6,586	5
6,938	Current Assets	6,586	
-	Short Term Creditors	-	6
-	Current Liabilities	-	
-	Provisions	-	
-	Long Term Liabilities	-	
6,938	Net Assets	6,586	
(6,938)	Usable Reserve: General Fund	(6,586)	8
-	Unusable Reserves	-	
(6,938)	Total Reserves	(6,586)	

The unaudited accounts were issued on 19 June 2020 and the audited accounts were authorised on 25 September 2020.

Jillian Thomson

19 June 2020

Chief Finance Officer



Notes to the Financial Statements

1. Significant Accounting Policies

General Principles

The Financial Statements summarise the authority's transactions for the 2019/20 financial year and its position at the year ended 31 March 2020.

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

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

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

Accruals of Income and Expenditure

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

- Expenditure is recognised when goods or services are received and their benefits are used by the IJB.
- Income is recognised when the IJB has a right to the income, for instance by meeting any terms and conditions required to earn the income, and receipt of the income is probable.
- Where income and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the Balance Sheet.
- Where debts may not be received, the balance of debtors is written down.

Funding

The IJB is primarily funded through funding contributions from the statutory funding partners, Falkirk Council and NHS Forth Valley. Expenditure is incurred as the IJB commission's specified health and social care services from the funding partners for the benefit of service recipients in Falkirk.



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 on the IJB's Balance Sheet.

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.

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

Provisions, Contingent Liabilities and Contingent Assets

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

A contingent liability is a possible liability arising from events on or before 31 March, whose existence will only be confirmed by later events. A provision that cannot be reasonably estimated, or where settlement is not probable, is treated as a contingent liability. A contingent liability is not recognised in the IJB's Balance Sheet, but is disclosed in a note where it is material. The IJB has no contingent liabilities.

A contingent asset is a possible asset arising from events on or before 31 March, whose existence will only be confirmed by later events. A contingent asset is not recognised in the IJB's Balance Sheet, but is disclosed in a note only if it is probable and can be reliably measured. The IJB has no contingent assets.

Reserves

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

The IJB's only Usable Reserve is the General Fund. The balance of the General Fund as at 31 March shows the extent of resources which the IJB can use in later years to support service provision.

The IJB has no unusable reserves.



Indemnity Insurance

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Forth Valley and Falkirk Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide.

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

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

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

VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

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

Where the Council is the provider, income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to H.M. Revenue & Customs and all VAT paid is recoverable from it. The Council is not entitled to fully recover VAT paid on a very limited number of items of expenditure and for these items the cost of VAT paid is included within service expenditure to the extent that it is irrecoverable from H.M. Revenue and Customs.

Where the NHS is the provider, expenditure incurred will include irrecoverable VAT as generally the NHS cannot recover VAT paid and will seek to recover its full cost as income from the Commissioning IJB.

2. Events after the Reporting Period

The Unaudited Annual Accounts were authorised for issue by the Chief Finance Officer on 18 June 2020. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2020, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.



3. Expenditure and Income Analysis by Nature

2018/19 £000		2019/20 £000
73,036	Services commissioned from Falkirk Council	76,489
147,922	Services commissioned from NHS Forth Valley	158,056
-	Provisions	-
382	Other IJB Operating Expenditure	404
3	Insurance and Related Expenditure	3
25	Auditor Fee: External Audit Work	37
(221, 816)	Partners Funding Contributions and Non-Specific Grant Income	(234,637)
(448)	Surplus of Deficit on the Provision of Services	352

Other IJB Operating Expenditure relates to shared costs for the Chief Officer, Chief Finance Officer, Programme Manager and supporting administration posts plus associated non-pay costs. Equal contributions to these costs are made by the constituent authorities to reflect the costs of running the Integration Authority.

4. Taxation and Non-Specific Grant Income

2018/19 £000		2019/20 £000
62,517	Funding Contribution from Falkirk Council	66,763
159, 299	Funding Contribution from NHS Forth Valley	167,874
221,816	Taxation and Non-Specific Grant Income	234,637

The funding contribution from the NHS Board shown above includes £27,741,000 in respect of 'set aside' resources relating to acute hospital and other resources (£26,026,000 in 2018/19). 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 the partners shown above exclude any funding which is ring-fenced for the provision of specific services. Such ring-fenced funding is presented as income in the Cost of Services in the Comprehensive Income and Expenditure Statement.

5. Debtors

31 March 2019 £000		31 March 2020 £000
992	Falkirk Council	1,095
5,946	NHS Forth Valley	5,491
6,938	Debtors	6,586

6. Creditors

31 March 2019 £000		31 March 2020 £000
-	Falkirk Council	-
-	NHS Forth Valley	-
-	Creditors	-



7. Provisions

A provision for bad debts in relation to Adult Social Care of £50,000 is included in the 2019/20 accounts.

8. Useable Reserve: General Fund

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 regarded as a key element of the IJB's financial risk management framework.

The table below shows the movements on the General Fund balance, analysed between those elements earmarked for specific planned future expenditure, and the amount held as a general contingency.



Balance 31 March 2019 £000		Transfers Out £000	Transfer In £000	Balance 31 March 2020 £000
(630)	Integration Funding	-	-	(630)
(2,350)	Partnership Funding	3,355	(3,744)	(2,739)
(1,390)	Leadership Funding	-	-	(1,390)
(478)	PC & MH Transformation Funds	374	-	(105)
(245)	Transforming Urgent Care	245	-	-
(112)	Services for Survivors	12	-	(100)
(50)	Sensory Strategy	9	-	(41)
(200)	Dementia Innovation Fund	-	(88)	(288)
(64)	Mental Health Innovation Fund	-	(64)	(128)
(63)	Alcohol & Drugs Partnership	516	(488)	(35)
(11)	British Sign Language Plan	-	(6)	(17)
(23)	Choose Life	-	(24)	(47)
(143)	GP Out of Hours Fund	220	(142)	(67)
(24)	GP Sub Committees		(14)	(38)
-	Action 15 Mental Health Strategy	489	(489)	-
(140)	Unscheduled Care	140	-	-
-	GMS Premises	-	(86)	(86)
(419)	Primary Care Improvement Fund	1,337	(1,194)	(276)
(6,342)	Total Earmarked	6,697	6,339	5,984
(78)	Capital Grant	-	(67)	(145)
(202)	Housing Revenue Account	61	-	(141)
(316)	General Reserve	-	-	(316)
(6,938)	GENERAL FUND	6,758	6,406	6,586

Further information on some of the reserves is provided below:

- Integration Funding

This is funding provided by the Scottish Government which is ring-fenced for Social Care. Such funding was initially passed to the Partnership via the Health Board but now comes via the Council. The focus of this funding is for example, to help fund payment of the living wage to social care staff. This reserve balance comes from 2016/17 with all subsequent years funding being fully spent in year.

- Partnership Funding & Leadership Funding

This is funding provided by the Scottish Government for Delayed Discharge and Integrated Care.

- Capital Grant

This is funding received as part of the Falkirk Council financial settlement and is tied to private sector housing grants. It is used to fund aids and adaptations to privately owned houses.



- **Housing Revenue Account** This is funding received as part of the Falkirk Council financial settlement and is derived from council house rents. As such it is ring-fenced for aids and adaptations within council house properties.

9. Related Party Transactions

The IJB has related party relationships with NHS Forth Valley and Falkirk Council. In particular the nature of the partnership means that the IJB may influence, and be influenced by, its partners. The following transactions and balances included in the IJB's accounts are presented to provide additional information on the relationships.

Transactions with NHS Forth Valley

2018/19 £000		2019/20 £000
(159,299)	Funding Contributions received from NHS Forth Valley	(167,874)
147,922	Expenditure on Services Provided by the NHS Board	158,056
10,852	Integration Funding passed through Falkirk Council	10,055
205	Key Management Personnel: Non-Voting Board Members	218
(320)	Net Transactions with the NHS Forth Valley	455

Balances with NHS Forth Valley

31 March 2019 £000		31 March 2020 £000
5,946	Debtor balances: Amounts due from the NHS Board	5,491
-	Creditor Balances: Amounts due to the NHS Board	-
5,946	Net Balance with NHS Forth Valley	5,491

Key Management Personnel: The Chief Officer and Chief Finance Officer are employed by Falkirk Council. The cost of the posts are recharged to the IJB and funded via equal contributions from the constituent authorities based on voting shares. Details of the remuneration for the Chief Officer and the Chief Finance Officer are provided in the Remuneration Report.

Support services were not delegated to the IJB through the Integration Scheme and are instead provided free of charge as a 'service in kind'. The support services provided by NHS Forth Valley mainly consist of performance management, human resources, financial management, information services, information technology and payroll.



Transactions with Falkirk Council

2018/19		2019/20
£000		£000
(62,517)	Funding Contributions received from Falkirk Council	(66,763)
73,036	Expenditure on Services Provided by Falkirk Council	76,489
(10,852)	Integration Funding passed through Falkirk Council	(10,055)
205	Key Management Personnel: Non-Voting Board Members	226
(128)	Net Transactions with Falkirk Council	(103)

Balances with Falkirk Council

31 March		31 March
2019		2020
£000		£000
1,042	Debtor balances: Amounts due from Falkirk Council	1,145
1,042	Net Balance with Falkirk Council	1,145

Support services were not delegated to the IJB through the Integration Scheme and are instead provided free of charge as a 'service in kind'. The support services provided by Falkirk Council mainly consist of governance services, human resources, financial management, information services, information technology and payroll.



Independent Auditor's report to the members of Falkirk Integration Joint Board and the Accounts Commission

To be inserted



Glossary

While much of the terminology used in this document is intended to be self explanatory, the following additional definitions and interpretation of terms may be of assistance.

Accounting Period	The period of time covered by the accounts, which is normally a period of 12 months commencing on 1 April.
Assets	An asset is categorised as either current or non-current. A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock). A non-current asset will provide benefit for a period of more than one year. The Falkirk Integration Joint Board is not allowed to hold non-current assets.
Balance Sheet	This represents the overall financial position of the Falkirk Integration Joint Board at the end of the year. All inter-company balances between the Board and its constituent bodies have been eliminated in preparation of the balance sheet.
Comprehensive Income & Expenditure Statement (CIES)	This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices (IFRS).
Constituent Authorities	The Falkirk Integration Joint Board has two constituent authorities which both fund the Board's activities and provide services to the Board. These are NHS Forth Valley and Falkirk Council.
Creditor	Amounts owed by the Falkirk Integration Joint Board for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.
Debtor	Amount owed to the Falkirk Integration Joint Board for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.
Events after the Reporting Period	<p>Events after the Reporting Period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. Should such events occur it may or may not be necessary to adjust the accounts. Guidelines are in place to determine whether an adjustment should be made to the accounts.</p> <p>Events taking place after the accounts have been authorised are not reflected in the financial statements or notes.</p>
General Fund	The General Fund encompasses all services areas and is funded mainly by the constituent bodies or the Scottish Government.
Government Grants	Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Falkirk Integration Joint Board. These grants may be specific to a particular scheme or may support the revenue spend of the Falkirk Integration Joint Board.
Gross Expenditure	This includes all expenditure attributable to the service and activity including employee costs, expenditure relating to premises and transport, supplies and services, third party payments, support services and capital charges.



Gross Income	This includes grant income and all charges to individuals and organisations for the direct use of the Board's services.
Liability	A liability is where the Falkirk Integration Joint Board owes payment to an individual or another organisation. A current liability is an amount which will become payable or could be called in within the next accounting period e.g. creditors. A long term liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.
Movement in Reserves Statement	This statement shows the movement in the year on the different reserves held by the Board, analysed into usable reserves (i.e. those that can be applied to fund expenditure) and unusable reserves.
Net Expenditure	This relates to gross expenditure less gross income and is the amount that needs to be funded by the constituent bodies and the Scottish Government.
Notes to the Core Financial Statements	These are intended to give the reader further information which is not separately detailed in the financial statements.
Provision	An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates or when they will arise are uncertain.
Related Parties	These are entities or individuals that have the potential to control or influence the Falkirk Integration Joint Board, or to be controlled or influenced by the Board.
Remuneration	All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as these sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash.
Reserves	The accumulation of surpluses, deficits and appropriations over past years. Reserves can be either usable or unusable. Usable reserves can be used to fund expenditure. Unusable reserves are accounting adjustments which enable a true and fair view to be determined. Unusable reserves cannot be used to fund expenditure. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Board.
Revenue Expenditure	The day-to-day running costs associated with the provision of services.

