Fife Health & Social Care Partnership

Fife Integration Joint Board Annual Accounts
For the Financial Year to 31 March 2020
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MANAGEMENT COMMENTARY

Introduction

The Public Bodies (Joint Working) (Scotland) Act 2014 was passed by the Scottish Parliament on 25 February 2014 and received Royal Assent in April 2014. It established the framework for the integration of health and social care in Scotland.

The Cabinet Secretary for Health, Wellbeing and Sport approved the *Fife Integration Scheme* and the Order to establish the integration joint board was laid in the Scottish Parliament. From Saturday 3 October 2015 the integrated joint board for the area of Fife was legally established.

The parties agreed to proceed by way of adopting the body corporate model of integration and established an Integration Joint Board as provided for in Section 1(4)(a) of the Act. The Integration Joint Board is responsible for the planning and operational oversight of Integrated Services, and through the Chief Officer, known as the Director of Health and Social Care, will be responsible for the operational management of those services delegated and managed by the Integration Joint Board. The effective date of commencement for the Integrated Services was 1 April 2016.

Fife is one of the largest Health and Social Care Partnerships in Scotland with a budget of around £560m million and an acute set aside budget of £38m.

Purpose and Objectives

The main purpose of integration is to improve the wellbeing of people who use health and social care services, particularly those whose needs are complex. The Integration Scheme is intended to achieve the National Health and Wellbeing Outcomes established by the Scottish Ministers namely:

<table>
<thead>
<tr>
<th>National Health and Wellbeing Outcomes</th>
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<tbody>
<tr>
<td>1. People are able to look after and improve their own health and wellbeing and live in good health for longer.</td>
</tr>
<tr>
<td>2. People, including those with disabilities or long-term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.</td>
</tr>
<tr>
<td>3. People who use health and social care services have positive experiences of those services, and have their dignity respected.</td>
</tr>
<tr>
<td>4. Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.</td>
</tr>
<tr>
<td>5. Health and social care services contribute to reducing health inequalities.</td>
</tr>
<tr>
<td>6. People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and wellbeing.</td>
</tr>
<tr>
<td>7. People using health and social care services are safe from harm.</td>
</tr>
<tr>
<td>8. People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.</td>
</tr>
<tr>
<td>9. Resources are used effectively and efficiently in the provision of health and social care services.</td>
</tr>
</tbody>
</table>
Fife Council and NHS Fife are committed to working jointly and have entered into the agreement to achieve these aims and outcomes. The Integration Joint Board (IJB) is fully responsible for:

- Overseeing the development and preparation of the Strategic Plan for services delegated to it.
- Allocating resources in accordance with the Strategic Plan.
- Ensuring that the national and local Health and Wellbeing Outcomes are met.

Services we are responsible for include:

Services are provided in a way which, so far as possible:

- Is integrated from the point of view of service-users.
- Takes account of the particular needs of service-users in different parts of Fife and takes account of the particular characteristics and circumstances of different service-users.
- Respects the rights of service-users.
- Takes account of the dignity of service-users.
- Takes account of the participation by service-users in the community in which service-users live.
- Protects and improves the safety of service-users.
- Improves the quality of the service.
- Is planned and led locally in a way which is engaged with the community (including, in particular, service-users; those who look after service-users, and those who are involved in the provision of health or social care).
- Best anticipates needs and prevents them arising.
• Makes the best use of the available facilities, people and other resources.

**Strategy**

The Partnership Vision is to enable the people of Fife to live independent and healthier lives and we aim to do so by working with individuals and communities, using our collective resources effectively. In Fife we work with around 300 organisations across the voluntary and independent sectors and they are a vital part of the Partnership in delivering services.

The Strategic Plan is the blueprint for change and sets out the IJB’s priorities for 2019-22. The Plan is driven by law, national and local policy, and aims to meet the needs of people now and in the future. It aims to make better use of new technology and working within available financial and workforce resources to tackle inequalities and offer early interventions. It has five key priorities as follows:

- **Working with local people and communities to address inequalities**
- **Managing resources effectively while delivering quality outcomes**
- **Promoting mental health and wellbeing**
- **Working with communities, partners and our workforce to effectively transform, integrate and improve our services**
- **Living with long term conditions**

The plan was developed, consulted upon and agreed with health, social care, voluntary and independent sectors along with the public prior to being approved by the IJB. The Strategic Plan is a live document and we will continue to engage with all those interested in health and social care to deliver the outcomes as described.

**Operational Performance – A Year in View**

In March 2019 the budget for the financial year 2019/20 was approved by the IJB. Savings of £8.827m were approved but a gap of £6.553m still remained. Given the challenging position in which the HSCP commenced the new financial year and given the challenges that had been faced over the 3 previous financial years there was a clear focus on the need to deliver financial sustainability. An immediate priority was to continue to work towards reducing the gap over the three-year period with additional support from partners as required as per the integration scheme.
An Integrated Transformation Board was created during the 2019/20 financial year. The terms of reference of that Board include responsibility for transformation across the whole system. This not only includes Community Health and Local Authority but also Acute services too. This Board has representation across the whole system and is chaired by both the Local Authority Chief Executive and the NHS Chief Executive. A stage and gate process is used to capture milestone achievements and provides a structured approach to progressing projects through to completion. The HSCP projects that fall within the scope of this board at present are:

- Joining Up Care
- Primary Care Improvement Plan
- Mental Health

**Joining Up Care**

NHS Fife’s Clinical Strategy and the Fife Health and Social Care Partnership (HSCP) Strategic Plan recommend transformational change in urgent care; community models of care, the latter with a focus on frailty and older people, and Community Hospitals. As a result, the HSCP developed Joining Up Care. The overall aim of this community transformation programme is to establish a fully integrated 24/7 community health and social care model that ensures sustainable, safe, person-centred care in line with local strategic plans.

The strategic objectives are to:

- Develop and deliver a new model for people’s health and wellbeing focused around Community Health & Wellbeing Hubs (CH&WH).
- Establish a robust and sustainable out of hours urgent care service across Fife providing enhanced services, accessible to those who require the service.
- Develop the clinical model for community hospitals and alternative community-based models which offer choices to people to be cared for at home or in a homely setting.

The HSCP vision requires a flexible and responsive model that works with people to define the outcomes they want to achieve. The vision is one of enabling people to maximise their health and wellbeing by utilising their own and community assets, with HSCP flexing support and services responsively to meet and sustain outcomes. The diagram below seeks to illustrate how our new model will enable practitioners to layer services, when required, by adjusting support and care incrementally.
In 2018/19 the HSCP completed an extensive public consultation regarding the Joining Up care proposals. The first Community Health and Wellbeing Hub was established in Dunfermline with locality huddles being developed across Fife. Proposals for Community Hospitals and intermediate care models are well formed and were considered by the IJB over the course of 2019/20 and this will continue in 2020/21.

Proposals regarding the redesign of Urgent Care were considered by the IJB in December 2018 and an addendum to the options presented was commissioned. This included engagement with communities across Fife. This work has been completed and was considered by the IJB in summer 2019, with the main outcome being the retention of an out of hours service in St Andrews. A significant amount of work is underway to transform the Urgent Care service in Fife including testing and embedding new roles for staff such as Advanced Nurse Practitioners and Trainee Urgent Care Practitioners.

**Primary Care Improvement Plan**

The 2018 General Medical Services (GMS) contract refocuses the GP role as expert medical generalists. This role builds on the core strengths and values of general practice – expertise in holistic, person-centred care – and involves a focus on undifferentiated presentation, complex care, and whole system quality improvement and leadership. All aspects are equally important.

The aim is to enable GPs to do the job they train to do and enable patients to have better care. GP and GP practice workload will reduce and refocus under the proposals, as the wider primary care multi-disciplinary team is established and service redesign embedded by the end of the three-year planned transition period (2018-2021).

The GMS contract proposes significant new arrangements for GP premises, GP information technology and information sharing. The effect of these arrangements will be a substantial reduction in risk for GP partners in Scotland, and a substantial increase in practice sustainability. Sustainable general practice is critical for better care for patients.

A Memorandum of Understanding (MoU), between Integration Authorities, Scottish General Practitioners Committee (SGPC), NHS Boards and the Scottish Government covers an initial three-year period from 1 April 2018 to 31 March 2021 and sets out agreed principles of service redesign (including patient safety and person-centred care); ring-
fenced resources to enable the change to happen; new national and local oversight arrangements, and agreed key priorities.

The scope of this programme is to deliver all priorities defined in the General Medical Services Contract (2018) and associated Memorandum of Understanding:

1. Vaccination Transformation Programme
2. Pharmacotherapy Services
3. Community Treatment and Care Services
4. In Hours Urgent Care (Advance Practitioners)
5. Additional Professional Roles
6. Community Link Workers

The MOU specifies 6 Key Points to provide guidance on what success looks like:

- GP and GP Practice workload will reduce.
- New staff will be employed by NHS Boards and attached to practices and clusters.
- Early priorities will include pharmacy support and vaccinations transfer.
- Work streams will engage all key stakeholders and involve patient/public and carer representatives to influence/inform and agree measures for improvements in patient experience
- Changes will happen in a planned transition over three years when it is safe, appropriate and improves patient care.
- Transform Primary Care Service to best meet population needs.

The Fife Primary Care Improvement Fund (PCIF) allocation for the period 2019/20 (Year 2) was £4.6m. 100.35 WTE were recruited to progress the 6 key priorities outlined in the MoU, reduce GP and GP Practice workload, and support General Practice sustainability.

The multidisciplinary team (MDT) workforce are employed by NHS Fife and work with local models and systems of care agreed between the HSCP, local GPs and others. GPs act as senior clinical leaders within the extended MDT. Practice Managers and other practice staff support the development and delivery of local services via an operational Programme Delivery Group, GP Clinical Quality Group, GMS Implementation Group and all Primary Care Improvement Plan work streams.

During the period 2019/20, the Primary Care Improvement Plan delivered:

1. **Fife-wide phlebotomy service** (MoU priority).

2. **Fife-wide pharmacotherapy service** (MoU priority).

3. **Fife-wide transfer of pre-school/school age/pregnancy immunisations** (MoU priority).

4. **Various successful tests of change**
   - First Response Mental Health Nurse Triage Service
   - First Response Musculoskeletal Physiotherapy Service
   - First Response Advance Paramedic
   - Advance Nurse Practitioner: Care Home Liaison Service.
Mental Health

Since the launch of Fife’s Joint Mental Health Strategy, ‘What Matters to You?’ in 2013 a significant amount of work has been carried out within Fife’s mental health and wellbeing support services. Both locally and nationally there has been an increased awareness of the importance of having and maintaining good mental health and wellbeing. Significant work has been progressed during 2019/20 with the culmination of a new strategy which was approved at the IJB in February. The new Mental Health Strategy for Fife (2020 – 2024) takes full account of the recommendations of the National Mental Health Strategy, which emphasises the need to build capacity within our local communities and reduce the reliance on hospital beds. The new Strategy also takes full account of the extensive feedback gathered through engagement and consultation. The Strategy reinforces Fife’s commitment to embrace an ethos of recovery; focussing on maximising opportunities for people experiencing mental ill health and mental illness and embedding values-based practice into service delivery. The implementation of the Strategy will ensure an equity of access to support across Fife’s localities, tailored to meet local needs, which will be coordinated with the person at the centre at all times. The Strategy commits to the principles of personalisation, where people can build a meaningful and satisfying life whether or not they have ongoing or recurring mental health symptoms.

Fife’s Mental Health Strategy 2020-2024 is the product of a detailed development process to Inform, Engage and Consult. The first stage “Inform” commenced with the Mental Health Engagement Event (May 2018) which was attended by over 180 people, including individuals with lived experience, carers, family members, health and social care staff, mental health professionals, third and independent sector partners and elected members from Fife Council. The key themes which emerged from the event included the need for additional peer support, continued and sustained partnership working as well as better information sharing. The second stage “Engagement” took the form of an extensive People's Panel survey, involvement of Health and Social Care Service leads sharing information with their teams, Fife Council and NHS Fife's intranet, Facebook and Twitter pages as well as a development session with members of Clinical and Care Governance, Clinical Governance, Local Partnership Forum, Integration Joint Board and Integration Performance Advisory Group. Extensive feedback was received from across all sectors – the public, people who use services, their families/carers, staff from health and social care, staff from Fife Council, NHS Fife and Police Scotland. In total, feedback was received from just under 1,200 individuals or groups, with the following key themes emerging: Discrimination and stigma must be challenged through involvement in local and national campaigns. People in Fife recognise that we all have mental health. The promotion of mentally healthy communities, through awareness raising and a focus on prevention and early intervention. Closer partnership working to ensure care and support is matched to the unique needs and outcomes of individuals seeking support. Keeping good mental and physical health and wellbeing is key. All available resources are utilised in the most efficient and effective way, optimising opportunity for the right care in the right setting at the right time and ensuring best value for all. All services are underpinned by evidence-based practice. The third stage of “Consult” involved seeking feedback from all original stakeholders on the new draft Mental Health Strategy for Fife, the product of the Inform and Engage phases, which pulled together all feedback received to date. The key themes of the final draft Mental Health Strategy for Fife, “Let’s Really Raise the Bar”, will inform the planning and delivery of mental health and wellbeing support and services in Fife for the
term of the Strategy and beyond. For each commitment made, an implementation plan will be developed, ensuring commitments are met within the agreed timescale. In addition, through a robust performance framework, evidence will be gathered of what successful delivery will look like. Work on this will commence in 2020/21

Care Homes

The second phase of the residential care homes replacement programme progressed in 2019/20. Construction of the new Methilhaven Care Home was due to start in early 2020 but this was prevented by the imposition of the Covid-19 lockdown. As well as creating a delay in the completion of the Methilhaven Care Home, delays have also been created in the implementation of both the Cupar and Anstruther care home build programme.

Covid-19

Significant progress was made during 2019/20 in terms of financial management, governance but also in a clear directional change towards a more integrated and whole system approach to service delivery.

However, towards the end of the financial year the HSCP was faced with one of its most significant challenges-Covid-19. In preparation for the pandemic, there was an early focus on delayed discharge and the significant effort of all staff involved ensured that Fife achieved a significant reduction in comparison to the previous year in the figures reported to Scottish Government.

- Fife has 76 Care Homes.
- March 2020 saw 175 people (117 from Hospital) admitted to a Care Home in contrast to 116 (all placements) in 2019.

Covid-19 had a significant impact on the operations of the HSCP. Mobilisation plans were developed for the partnership in response to Covid-19, which meant that business-as-usual activity stopped in most areas. Staff were mobilised to do more prioritised pieces of work and most clinics were stopped. The original mobilisation plan submitted to the Scottish Government at the end of March 2020 suggested costs in the region of £26m. In addition to this the impact that Covid-19 will have on the ability to deliver savings in 2020/21 is significant and a substantial number are now unlikely to be delivered. This has
also been reflected in the financials that are reported to government on a regular basis. There is a risk that the mobilisation plans will not be fully funded and the full extent of the impact of this will be considered by the IJB.

The Mobilisation Plan was developed by identifying the potential capacity that existed in the system to scale up operations, whether internally or via our third and independent sector. The mobilisation plan was delivered as required in response to Public Health modelling data. On this basis it is recognised that the full scale of mobilisation outlined may not be required.

The guiding principles behind the mobilisation plan are:

- To be responsive and led by the science.
- To be prepared to manage an increased number of people in the healthcare system.
- To be prepared to mobilise differently.
- To enable discharge across the whole system.
- To increase bed capacity in both hospitals and care homes.
- To ensure critical services are maintained to release capacity.
- To prioritise support to meet the greatest need as part of a whole system response.

Achieving this has been dependent on the significant contribution of staff across both health and social care. To enable readiness in Fife to meet the anticipated requirements of Covid-19, many staff have been required to work in different ways or in different roles to ensure that critical services are sustained. Staff within Health and Social Care are our greatest asset and what has been achieved and continues to be achieved in response to Covid-19 is highly impressive. There has been a sustained focus on supporting staff health and wellbeing including staff hubs, telephone support lines and regular staff briefings as well as ensuing priority is placed on staff safety including Protective Personal Equipment.

**Integrated and Whole System Working**

Another important aspect of this plan is that it has had a whole system focus from the beginning and this has been sustained throughout. Actions that have been taken are in line with Government letters and the key priorities that have been identified within Fife. The Health and Social Care Partnership has actively participated in NHS Fife and Fife Council Executive Teams and Command/Incident Management structures. There have been weekly meetings in place between the Chief Officer and Chief Executives of both NHS Fife and Fife Council. This has supported whole system working and partner engagement in all of the key decisions taken within the Health and Social Care Partnership.

The actions taken throughout this pandemic have supported integrated working. Our third and independent sector organisations are valued and critical key partners within the mobilisation plan. Teams have worked closely with carers and the Carers Centre to support unpaid carers in Fife. There has also been an incredible community response in Fife which has included many volunteers and support from within communities. Integrated and whole system working is integral to this mobilisation plan and has been key to supporting the readiness of services through this pandemic.

**Leadership**

The Senior Leadership Team and Senior Managers across health and social care have operated in a different way over the past couple of months. Physical distancing measures
has required remote working and a greatly enhanced use of technology. This has included enabling senior leadership and support working over a seven-day period. The Senior Leadership Team has been actively involved in the mobilisation of the plan and have also had lead roles to support different aspects of delivery, engaging closely with partners.

**Governance**

There have been robust governance arrangements in place to support the delivery of the mobilisation plan. This includes daily “silver command” meetings with the Chief Officer bringing together operational, clinical and professional advice. Support has been provided by experts within NHS Fife and Fife Council including Public Health, Procurement, HR, finance, e-health/IT, staff side/Trade unions, health and safety and staff wellbeing has been and continues to be valued.

Through professional structures, there has been close working with the Medical Director, Nurse Director and Chief Social Worker to support the clinical and care governance aspects of the key decisions taken. There are also weekly briefings to the chair and vice chair of the Integration Joint Board and for the past six weeks there have been fortnightly meetings which includes the chairs of the Integration Joint Board Committees.

Resilience will be required within our Health and Care system for the foreseeable future in response to Covid-19. Discussions regarding remobilisation and recovery have started. These are taking place within the Health and Social Care Partnership in conjunction with our partners. Due cognisance requires to be given to the impact that many services are still experiencing when considering recovery and remobilisation plans. Reflective discussions have started to consider lessons learned throughout the management of Covid-19 and this will help inform the ‘new norm’. The remobilisation of clinical services will have oversight from the NHS Board Medical and Nurse Directors and will consider priorities set by Scottish Government.

The remobilisation of social care services will be considered via the Senior Leadership Team and with engagement with the Chief Social Work Officer. Remobilisation will remain a priority for the Senior Leadership Team during 2020/21.

**Financial Performance 2019/20**

The IJB commenced 2019/20 with a challenging financial position, having underlying overspends from prior years and requiring to meet new inflationary and funding pressures. The IJB approved budget was set predicated on implementing an approved saving plan to deliver £8.837m of savings, with a remaining budget gap of £6.553m.

Key pressures within the 2019/20 accounts impacting on out-turn have been:

- The significant increased demand for our services associated with an increasing population, in particular, an increasing ageing population and increased complexity of care needs. Adult packages commissioned increased by 15 during the financial year and the average cost of each package increased by £2,185 (5.46%).

- Inability to recruit staff to the Partnership which created a need to recruit higher cost locum and agency staff to cover services.

The IJB delivered significant success through medicines efficiencies made within the GP prescribing budget during 2019/20, which the Fife Pharmacy service led across NHS Fife.
This delivered £1.200m efficiencies in GP prescribing and a breakeven position at year end. Central to delivery has been working with GPs, Consultants, Nursing, Dietetics, Procurement and patients. The three key priorities remain: continue to improve formulary compliance, reduce medicines waste, and realistic prescribing. Achievements during 2019/20 include the launch of a guideline for managing hypertension in frailty and introducing new ordering systems for some nursing and dietetic products.

Within 2019/20, the IJB received further monies from Scottish Government to transform Primary Care Services. Significant projects continue to be undertaken which look at delivery of primary care across Fife and pilot areas of work to deliver more joined-up person-centred care. The funding for this will continue into 2020/21.

The outturn position as at 31 March 2020 for the services delegated to the IJB are:

<table>
<thead>
<tr>
<th></th>
<th>Budget £000</th>
<th>Actual £000</th>
<th>Variance £000</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delegated and Managed Services</td>
<td>559,950</td>
<td>566,589</td>
<td>6,639</td>
<td>1.2</td>
</tr>
<tr>
<td>Set Aside Acute Services</td>
<td>37,821</td>
<td>42,851</td>
<td>5,030</td>
<td>13.3</td>
</tr>
</tbody>
</table>

The main areas of overspend within the Delegated and Managed Services are Hospitals and Long-term care £2.358m, Adult Placements £2.780m and Social Care Other £8.774m. These are partially negated by underspends on Children Services £0.467m, Adult Supported Living £1.018m and Community Health Care £5.400m.

The main area of overspend £13.912m relates to the significant financial pressure in Social Care and relates directly to three main factors:

- The agreed budget deficit of £6.553m which consists of various legacy overspends from previous financial years.

- The overspend in relation to Hospitals relates to the additional cost of complex care patients, along with the use of bank and agency nursing to provide safe staffing levels in line with current workforce tool numbers. There is a significant shortage of Medical staffing due to recruitment difficulties within Mental Health and Older People services. This has resulted in high level usage of Medical Locum cover at significant cost.

- Adult packages have increased due to new packages of care in adult services responding to increased demand.

Underspends on children services and community healthcare represented the continuing difficulties in recruiting to vacancies in health visiting, school nursing posts and community nursing.

The Fife Integration Scheme advises how any overspend position for delegated and managed services will be treated. “Any remaining overspend will be funded by the Parties based on the proportion of their current year contributions to the Integration Joint Board.”
NHS Fife made a further contribution of £4.780m and Fife Council made a further contribution of £1.859m, giving a total of £6.639m which resulted in a break-even position for the Integration Joint Board.

The Acute Set Aside services budget was delegated to the IJB and the services are managed by NHS Fife. There was an overspend on these services of £5.030m but these costs were borne by the Health Board. The cost to the IJB is the same as the budget of £37.821m and there is a break-even position.

Key Performance Indicators

The HSCP measures performance on an ongoing basis and has been successful in maintaining performance and comparing favourably to the Scottish average across key areas. Key performance movements are detailed below:

Smoking cessation: In 2019/20, we aimed to deliver a minimum of 473 post 12 weeks smoking quits in the 40% most deprived areas of Fife. The data received in January 2020 confirmed that Fife had met 92.4% of the target at that stage (364/394 smoking quits). Further data will be available in July however the out turn will be impacted by Covid-19 and some smoking cessation staff being required to undertake alternative roles in Test and Protect for example.

Child and Adolescent Mental Health Services (CAMHS): At least 90% of clients will wait no longer than 18 weeks from referral to treatment was the 2019/20 target. The performance for CAMHS in Fife end March 2020 was 83.1% compared to a Scotland figure of 63.8%.

Psychological Therapies (PTs): At least 90% of clients will wait no longer than 18 weeks from referral to treatment for Psychological Therapies was the Local Delivery Plan (LDP) target for 2019/20. The performance for PTs in Fife end March 2020 was that the Referral Time for Treatment (RTT) was met for those with less complex needs and service redesign in this area helped to free up some capacity for high intensity work. The performance for NHS Fife was 78.4% compared to a national performance figure end March of 78.8%.

Value for Money

The IJB are committed to delivering Value for Money in all provisioning and this is a key strand identified in the Strategic Plan. This is delivered through mechanisms with our partner bodies and ensuring Value for Money is directly referenced within the Health and Social Care Integration Joint Board Strategic Plan 2019-22. The basis of financial sustainability is for all service redesign, purchasing, procurement and commissioning to comply with the best value and procurement guidance of the relevant bodies. Third Sector Commissioning is key in terms of Value for Money and analysis is undertaken to determine value for money of delivery prior to external commissioning. It is extremely important that expenditure is managed within the financial resources available in the future and the IJB are committed to implementing a 3-year financial strategy.
Financial Outlook

Whilst the current situation needed immediate in-year action, work will continue in relation to financial planning beyond the current financial year. A review of the budget model and all underlying assumptions will be carried out in light of the current situation to ensure relevance and to ensure known risks are considered. The intention is that a budget report will be produced which will outline an assessment of the future financial position and outline the options for managing the HSCP resources going forward.

An assessment of the budget gap will be challenging and uncertain due to the continually changing nature of the situation being managed. It may be the case that some of the costs now being incurred could continue beyond this financial year and possibly even into the longer term. There will undoubtedly be an adverse impact on the level of funding made available to HSCPs due to the economic impact of Covid-19. As the recovery phases evolve it will become clearer what some of these impacts are likely to be.

As the HSCP moves through each of the phases of recovery, it will need to consider all options to reconfigure services and potentially use different operating models to provide services in a more cost-effective way and to ensure best value.

It is clear that without taking immediate action the financial consequences will be significant and as a result, direct and swift action needs to be taken.

The immediate actions are set out below.

The HSCP will continue to contain or reduce costs wherever possible and to use all funding streams available to them, in order to mitigate the new financial pressures that they face. Similar to the exercise carried out last year, the HSCP will review all areas of expenditure and identify all possible corrective action that can be taken as an immediate measure to reduce costs wherever possible in order to deal with the new pressures and the challenges arising from Covid-19. It is imperative that every effort is made to control costs within the overall budget.

As a result of the continued closure of facilities and Services, costs in some areas will naturally be avoided and will result in underspends in some areas. These underspends must be used to mitigate against the increased costs identified. The scale of the financial challenge across the HSCP is one that must be managed collectively across all divisions.

It is proposed that allocation of the additional resources received from the Scottish Government are used to fund some of the significant pressures. Where this cannot be contained within the overall financial resources, authority must be sought through the Chief Officer and the Chief Finance Officer.

A financial strategy will be developed that addresses the various new and additional pressures that will face the Health and Social Care Partnership over both next financial year 2020/21, and also into future years.
The most significant risks faced by the IJB over the medium to longer term can be summarised as follows:

- the wider financial environment, which continues to be challenging;
- Covid-19 impact on the economy
- the impact of demographic changes leading to increased demand and increased complexity of demand for services alongside reducing resources;
- difficulties in recruitment leading to use of higher cost locums and agency;
- the cost pressures relating to primary care prescribing;
- the Transformation Programme does not meet the desired timescales or achieve the associated benefits;
- workforce sustainability both internally in health and social care and with our external care partners.

It is therefore crucial that the IJB focus on early intervention and prevention and changing the balance of care if we are to work within the available financial resources.

During 2020/21 an action plan to improve the 6 key features within the Ministerial Strategic Group self-assessment tool will be developed further and progressed. As part of this, the review of the acute set-aside will be progressed and steps made towards transferring this to the Health and Social Care Partnership. We will see the continuation of a whole system approach to delivering services and the Fife pound being utilised to deliver services that best meets the needs of the people of Fife.


Nicky Connor  Rosemary Liewald  Audrey Valente
Chief Officer  Chair of the IJB  Chief Finance Officer

Date........................  Date........................  Date........................
STATEMENT OF RESPONSIBILITIES

This statement sets out the respective responsibilities of the IJB and the Chief Finance Officer, as the IJB’s Section 95 Officer, for the Annual Accounts.

The Integration Joint Board is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that it has an officer responsible for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this Integration Joint Board that officer is the Chief Finance Officer.

- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

- Ensure that the Annual Accounts are prepared in accordance with legislation (The Local Authority (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 for signature.

I confirm that these Annual Accounts were approved for signature at a meeting of the Integration Joint Board on 25 September 2020.

Signed on behalf of the Fife Integration Joint Board

Rosemary Liewald
Chair of the IJB

Date ……………………………..
RESPONSIBILITIES OF THE CHIEF FINANCE OFFICER

The Chief Finance Officer, as the S95 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 applied them consistently.
- Made judgements and estimates that are reasonable and prudent.
- Complied with legislation.
- Complied with the Local Authority Accounting Code (in so far as it is compatible with legislation).

The Chief Finance Officer has also:

- Kept proper accounting records which are up to date.
- Taken reasonable steps to ensure the propriety and regularity of the finances of the Integration Joint Board including prevention and detection of fraud and other irregularities.

Statement of Accounts

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

Audrey Valente CPFA
Chief Finance Officer

Date ......30/06/2020............
REMUNERATION REPORT

Introduction

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

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

Remuneration: IJB Chair and Vice Chair

The voting members of the Integration Joint Board are appointed through nomination by NHS Fife and Fife Council. Nomination of the IJB Chair and Vice Chair post holders alternates between a Councillor and a Health Board representative.

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. There were no taxable expenses or remuneration paid to the Chair or Vice Chair in 2019/20 or prior years.

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. All Partnership officers are employed by either NHS Fife or Fife Council, and remuneration for senior staff is reported through the employing organisation. Specific post-holding officers are non-voting members of the Board.

The IJB approved the appointment of the first Chief Officer at its meeting on 2 October 2015. The Chief Officer was appointed by the IJB in consultation with NHS Fife and Fife Council. The remuneration of the Chief Officer was set by NHS Fife and Fife Council. The Chief Officer is employed by NHS Fife and is seconded to the Integration Joint Board in accordance with section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014. The Chief Finance Officer is employed by Fife Council.

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.
There were no payments to officers in 2019/20 or prior years in relation to bonus payments, taxable expenses or compensation for loss of office.

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 has responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the IJB. The following table shows the IJB’s funding during the year to support officers’ pension benefits. The table also shows the total value of accrued pension benefits.

The Local Government Pension Scheme and the NHS Pension Scheme (Scotland) 2015 are funded schemes with contributions from both the employer and the employee and as such the accrued benefits includes both of these contributions.

The pension benefits shown relate to the benefits that the individual has accrued as a consequence of their total service. In respect of the Local Government Pension Scheme this includes any service with a council subsidiary body, and not just their current appointment. In respect of the NHS Pension Scheme this relates to the benefits that the individual has accrued as a consequence of their NHS employment.

<table>
<thead>
<tr>
<th>Senior Employee</th>
<th>In-Year Pension Contributions</th>
<th>Accrued Pension Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For Year to 31/03/19 (£)</td>
<td>For Year to 31/03/20 (£)</td>
</tr>
<tr>
<td>N Connor</td>
<td>10,212</td>
<td>Pension</td>
</tr>
<tr>
<td>Chief Officer</td>
<td></td>
<td>Lump Sum</td>
</tr>
<tr>
<td>From 2 August 2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M Kellet</td>
<td>15,953</td>
<td>Pension</td>
</tr>
<tr>
<td>Chief Officer</td>
<td></td>
<td>Lump Sum</td>
</tr>
<tr>
<td>From 22 August 2016</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FYE = Full Year Equivalent

Eileen Rowand was acting CFO from 11 March 2019 to 6 June 2019 at no additional cost to IJB
<table>
<thead>
<tr>
<th>To 31 July 2019</th>
<th></th>
<th></th>
<th>Pension</th>
<th></th>
<th></th>
<th></th>
<th>Lump Sum</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A Valente</td>
<td>0</td>
<td>13,165</td>
<td>16,000</td>
<td>9,000</td>
<td>55,000</td>
<td>31,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chief Finance Officer</td>
<td></td>
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<td></td>
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<tr>
<td>From June 2019</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>J McPhail</td>
<td>9,548</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chief Finance Officer</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>From 22 November 2017</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>To 10 March 2019</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>25,501</td>
<td>30,971</td>
<td>18,000</td>
<td>64,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Pension</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Lump Sum</strong></td>
<td>9,000</td>
<td>31,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: The increase for A Valente takes into account the effect of her promoted salary and is based on all her LGPS membership not just her current employment.
Disclosure by Pay Bands

As required by the regulations, the following table shows the number of persons whose remuneration for the year was £50,000 or above, in bands of £5,000.

<table>
<thead>
<tr>
<th>Number of Employees in Band 2018/19</th>
<th>Remuneration Band</th>
<th>Number of Employees in Band 2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>£50,000 - £54,999</td>
<td>1</td>
</tr>
<tr>
<td>0</td>
<td>£55,000 - £59,999</td>
<td>0</td>
</tr>
<tr>
<td>1</td>
<td>£60,000 - £64,999</td>
<td>0</td>
</tr>
<tr>
<td>0</td>
<td>£65,000 - £69,999</td>
<td>0</td>
</tr>
<tr>
<td>0</td>
<td>£100,000 - £104,449</td>
<td>0</td>
</tr>
<tr>
<td>1</td>
<td>£105,000 - £109,999</td>
<td>0</td>
</tr>
</tbody>
</table>

Exit Packages

There were no exit packages paid in 2019/20 (2018/19, none).

Nicky Connor
Chief Officer

Date ........................................

Rosemary Liewald
Chair of the IJB

Date ........................................
ANNUAL GOVERNANCE STATEMENT

The Annual Governance Statement explains the Integration Joint Board (IJB) governance and internal control arrangements and how the IJB complies with the Code of Practice on Local Authority Accounting in the UK, and the CIPFA and SOLACE framework “Delivering Good Governance in Local Government”, which details the requirement for an Annual Governance Statement. The IJB’s governance framework places reliance on the Codes of Corporate Governance of Fife Council and NHS Fife.

Scope of Responsibility

The Integration Joint Board is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

The IJB Vision is to deliver high quality person-centred health and social care services in a way that promotes and enhances the health and wellbeing of the people of Fife. The IJB also aims to foster a culture of continuous improvement in the performance of the IJB’s functions and to make arrangements to secure best value. The Integration Scheme delegated Health and Social Care functions to the IJB and the IJB is responsible for operational oversight of the Integrated Services. Currently the IJB only gives formal directions to NHS Fife and Fife Council with regards to financial allocations. The use of Directions is currently being reviewed to strengthen the commissioning of services from Fife Council, NHS Fife and other partner organisations.

The IJB is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

In discharging these responsibilities, the Chief Officer places reliance on the NHS Fife and Fife Council’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.

These arrangements can only provide reasonable and not absolute assurance of effectiveness.

2019/20 Governance Framework

The Board of the IJB comprises voting members, nominated by either Fife Council or NHS Fife, as well as non-voting members including a Chief Officer appointed by the Board.

The main features of the governance framework in existence during 2019/20 were:

- Integration Scheme approved by the Scottish Government in October 2015 subsequently amended and approved on 20 March 2018 to include the formal adoption of the Carers Act into the Partnership. The Integration Scheme is currently being reviewed but finalisation of the scheme has been paused at present due to the Covid-19 Pandemic. Conclusion of this review will recommence shortly.

- Regular meetings of the IJB and Development Sessions for IJB members.
• Regular meetings of the Clinical and Care Governance, Finance and Performance, and Audit and Risk sub-committees.

• Production of a new Strategic Plan for Fife 2019-2022 has been published and widely consulted on. This work was overseen by the Strategic Planning Group throughout the year. The Strategic Plan is the main document determining the direction of the IJB for period 2019-2022.

• Production of a Governance Manual to house all governance document such as the code of corporate governance, standing orders, scheme of delegation, model code of conduct etc.

• Governance is based on Delivering Good Governance in Local Government, 2016
  - Adherence to the stated principles of good governance
  - Acting in the public interest

• The 7 localities now have Locality Plans which are published on the website.

• Compliance with legislation and regulations.

• Liaison of IJB internal audit and partner internal audit functions.

• Reliance on the due diligence and financial assurance process regarding the devolved budgetary resources which was completed in March 2016.

The governance framework described 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 which aid governance:

• Finance and Performance Information regularly reported to the IJB
• Formalised budget setting process
• Financial regulations
• Governance Manual
• Standing Orders
• Code of Conduct
• Financial Directions to Partners
• Clinical and Care Governance Risk Register
• IJB Strategic Risk Register reported to Audit & Risk Committee and the IJB
• Formal Appointment of Internal Audit arrangements.
• Workforce and Organisational Development Strategy and Implementation Plan
• Public Participation and Engagement and Communication Strategies
• 2019/20 Internal Audit Plan

Integration Joint Board

The Integration Scheme sets out how NHS Fife and Fife Council establish integrated partnership arrangements in line with the Public Bodies (Joint Working) Scotland Act 2014. The Integration Schemes submitted to the Scottish Government by NHS Boards
and Local Authorities across Scotland (1 April 2015) have been approved and have legal status.

In Fife, the Board has legal status and is known as the Integration Joint Board (IJB).

The arrangements for appointing the voting membership of the Integration Joint Board are that Fife Council appoints 8 Councillors and NHS Fife appoints 8 Board members to be members of the Integration Joint Board in accordance with article 3 of the Integration Joint Board Order. In addition, the Nursing Director and Medical Director of NHS Fife are also members of the Board. The Board members appointed by the parties will hold office for a maximum period of 3 years. Board members appointed by the parties will cease to be members of the Board in the event that they cease to be a Board member of NHS Fife or a Fife Councillor.

The professional advisors to the IJB are non-voting members. These are identified as follows:

- Chief Officer of the IJB
- Chief Finance Officer (Section 95 officer) of the IJB
- Chief Social Work Officer
- General Medical Practitioner
- Medical Practitioner
- Registered Nurse
- Allied Health Professional Lead

The IJB is required to appoint stakeholder members who are non-voting members. These comprise at least one representative of the following groups, all of whom must be operating within the area of the IJB:

- Independent Sector
- Service Users
- Staff side – NHS Fife and Fife Council
- Carers
- Third Sector

Nominations were sought from Partnership representatives and constituency bodies and were approved by the IJB.

NHS Fife and Fife Council maintain two separate complaints systems (Datix and Lagan) to manage complaints relating to service delivery. Since March 2018 complaints received by the Integration Joint Board have been logged and managed in Lagan. During the financial year 2019 to 2020 the IJB received no complaints. In addition, during the financial year 2019 to 2020 no IJB complaints were escalated to the Scottish Public Sector Ombudsman.

The Partnership continues to work together to integrate the partner’s complaints processes and reporting mechanisms, particularly the bi-annual reports provided to the IJB Committees.

The Clinical and Care Governance Committee, the Finance and Performance Committee, and the Audit and Risk Committee were established in 2016/17 and have approved terms of reference. There is a clear reporting structure for these committees to the IJB.
However, as part of the ongoing governance review the roles, remits and functions of these committees are being reviewed.

The IJB Internal Auditors, the Fife Council Internal Audit Team as appointed by the Audit and Risk Committee, comply with the “The Role of the Head of Internal Audit in Public Organisations” (CIPFA) and operates in accordance with “Public Sector Internal Audit Standards” (PSIAS). The Fife Council Audit and Risk Management Service Manager reports directly to the Audit and Risk Committee with the right of access to the Chief Financial Officer, Chief Officer and Chair of the IJB Audit and Risk Committee on any matter. The annual programme of internal audit work is based on a strategic risk assessment and is approved by the Audit and Risk Committee.

The Audit and Risk Committee performs a scrutiny role and will regularly monitor the performance of the Internal Audit services to the IJB. The IJB’s Chief Internal Auditor (currently the Fife Council Audit and Risk Management Service Manager) has responsibility to review independently and report to the Audit and Risk Committee annually, to provide assurance on the governance arrangements including internal controls within the IJB. In addition, the Internal Audit sections of Fife Council and NHS Fife are subject to an independent external assessment of compliance with the PSIAS at least once every 5 years.

**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 IJB governance arrangements have been subject to review and recommendations put forward by a working group, which has membership from Fife Council, NHS Fife, Health & Social Care Partnership, have been progressed. Specifically, a Code of Corporate Governance was agreed with an action plan for improvements.

An assurance mapping process was agreed by the Audit & Risk Committee. We would have carried out the assurance map snapshot at the year-end but this has not happened because of the Covid-19 Pandemic. The Terms of Reference for all committees were reviewed alongside a skills matrix and self-assessment questionnaire of all governance committees and the IJB itself.

The results of the review were reported to the IJB Audit and Risk Committee with the key conclusions being that the IJB has made good progress in agreeing and documenting its governance structure, but the individual components need to be formally consolidated into a single Governance Framework document. A Governance Manual has been developed and work is being finalised on the assurance mapping process. A review of the Risk Management Strategy was progressed, however, a number of issues arising from the review of the Integration Scheme will impact on the strategy so this will need to be revisited once the revised Integration Scheme is agreed. A session on the development of risk appetite is planned for 2020/21.

**Developments in 2019/20**

There are a number of areas of development recognised internally and as referenced in the Internal Audit report which have been completed or drafted in 2019/20, with the remainder being rolled into 2020/21 as detailed below.
## 2019/20 Key Actions Status

<table>
<thead>
<tr>
<th>Action</th>
<th>2019/20 Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation of approved Risk Strategy, risk appetite and robust</td>
<td>Partially Complete</td>
</tr>
<tr>
<td>Risk Management reporting. This will need to be revisited following</td>
<td></td>
</tr>
<tr>
<td>agreement on the review of the Integration Scheme. Regular risk</td>
<td></td>
</tr>
<tr>
<td>reporting does occur. A session on risk appetite is planned for the</td>
<td></td>
</tr>
<tr>
<td>coming year</td>
<td></td>
</tr>
<tr>
<td>Preparation of a formal Governance Framework.</td>
<td>Partially Complete</td>
</tr>
<tr>
<td>Maintain compliance with data protection requirements including</td>
<td>Ongoing</td>
</tr>
<tr>
<td>General Data Protection Regulations (GDPR)</td>
<td></td>
</tr>
<tr>
<td>The preparation of an IJB Scheme of Delegation - to ensure robust</td>
<td>Ongoing</td>
</tr>
<tr>
<td>consistency across services to support integration and ensure within</td>
<td></td>
</tr>
<tr>
<td>boundaries of both funding partners’ schemes of delegation</td>
<td></td>
</tr>
<tr>
<td>Implementation of Financial Regulations – to expand on existing</td>
<td>Ongoing</td>
</tr>
<tr>
<td>documentation and provide clarity and responsibility</td>
<td></td>
</tr>
<tr>
<td>Implementation of Budgetary Management Control Guidance</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Roll out of Board skills matrix and Board self-assessment framework.</td>
<td>Likely timescale for restarting the governance review is August/Sept 2020.</td>
</tr>
<tr>
<td>The Skills Matrix and Board self-assessment were undertaken but will</td>
<td></td>
</tr>
<tr>
<td>need reviewed and refined as the Governance Review has potential to</td>
<td></td>
</tr>
<tr>
<td>change the committee structures and memberships of any committees</td>
<td></td>
</tr>
<tr>
<td>going forward.</td>
<td></td>
</tr>
</tbody>
</table>

## 2020/21 New Actions

### New Actions for 2020/21

- **Formal adoption and implementation of self-assessment governance review to provide focus on key areas of development**

  The governance review group continues to monitor and review governance documentation to provide clarity and consistency where appropriate. Further work is ongoing in relation to the Ministerial Steering Group report. Our Self-evaluation form on the review of progress with integration of health and social care was submitted to Scottish Government on 15 May 2019. A further self-assessment will need to be completed.

- **Implementation of a single, centralised file structure for all IJB records**

  Following on from an Audit Scotland Report, a Ministerial Steering Group was established and the IJB submitted a self-assessment in May 2019. An Action Plan was developed by the partnership and submitted to Scottish Government in August 2019.
The Joint Strategic Transformation Group was established in its current format in 2019 following a review of the transformational change projects across health and social care services. It is co-chaired by the Chief Executive of the Health Board and Council. Minutes and updates were provided to the Clinical Governance Committee of the NHS Board.

The IJB will seek to address any gaps in governance identified by the self-assessment.

**Conclusion and Opinion on Assurance**

Progress has been made during 2019/20. However, not all areas have been fully implemented and several actions have been carried forward into 2020/21 as detailed in the table above.

However, currently we consider that the internal control environment provides reasonable and objective assurance that any significant risks impacting on the IJB’s principal objectives will be identified and actions taken to avoid or mitigate their impact. Continuing work in 2020/21 will further ensure robust governance.

……………………………………………

Nicky Connor  Rosemary Liewald
Chief Officer    Chair of the IJB

Date ............................................. Date .............................................
Comprehensive Income and Expenditure Statement

This statement shows the cost of providing services for the year according to accepted accounting practices.

<table>
<thead>
<tr>
<th></th>
<th>2018/19</th>
<th></th>
<th></th>
<th>2019/20</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross</td>
<td>Gross</td>
<td>Net</td>
<td>Gross</td>
<td>Gross</td>
<td>Net</td>
</tr>
<tr>
<td></td>
<td>Expenditure</td>
<td>Income</td>
<td>Expenditure</td>
<td>Expenditure</td>
<td>Income</td>
<td>Expenditure</td>
</tr>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
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<td>£000</td>
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<td>-</td>
<td>55,259</td>
<td>57,197</td>
<td>-</td>
<td>57,197</td>
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<td>Healthcare</td>
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</tr>
<tr>
<td>Services &amp;</td>
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<td>Prescribing</td>
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<td>17,077</td>
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<td>149</td>
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<tr>
<td>Cost of Services</td>
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<td>574,023</td>
<td>604,407</td>
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<td>- (574,023)</td>
<td>(574,023)</td>
<td></td>
<td></td>
<td>(604,407)</td>
<td>(604,407)</td>
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<tr>
<td>Surplus or Deficit on Provision of Services</td>
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<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
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<td>Comprehensive Income and Expenditure</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

There are no statutory or presentation adjustments which affect the IJB’s application of the funding received by NHS Fife and Fife Council. 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

There were no reserves held in either 2018/19 or 2019/20 therefore a Movement in Reserves Statement is not included in these accounts.
Balance Sheet

The Balance Sheet shows the value of the IJB’s assets and liabilities as at 31 March 2020. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

<table>
<thead>
<tr>
<th></th>
<th>31 March 2019</th>
<th>Notes</th>
<th>31 March 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td></td>
<td>£000</td>
</tr>
<tr>
<td>Short term Debtors</td>
<td>19</td>
<td>6</td>
<td>27</td>
</tr>
<tr>
<td>Current Assets</td>
<td>16</td>
<td></td>
<td>27</td>
</tr>
<tr>
<td>Short-term Creditors</td>
<td>19</td>
<td>7</td>
<td>27</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>16</td>
<td></td>
<td>27</td>
</tr>
</tbody>
</table>

- Long-term Liabilities

Net Assets: 0

- Usable Reserve: 8
  - General Fund
  - Total Reserves

The Statement of Accounts present a true and fair view of the financial position of the Fife Integration Joint Board as at 31 March 2020 and its income and expenditure for the year then ended.

The unaudited accounts were issued on 30 June 2020 and the audited accounts were authorised for issue on xx.

Audrey Valente - CPFA
Chief Finance Officer

Date ....30/06/2020.................
Notes to the Financial Statements

1. Significant Accounting Policies

1.1 General Principles

The Financial Statements summarises the Integration Joint Board’s transactions for the 2019/20 financial year and its position at the year-end of 31 March 2020.

The Fife Integration Joint Board was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Joint Venture between Fife Council and NHS Fife. The IJB 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).

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.

1.2 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 used by the IJB.
- Income is recognised when the IJB has a right to the income and receipt of the income is probable.
- Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.
- Where debts may not be received, the balance of debtors is written down.

1.3 Funding

The Fife IJB is primarily funded through funding contributions from the statutory funding partners, Fife Council and NHS Fife. Expenditure is incurred as the IJB commissions specified health and social care services from the funding partners for the benefit of service recipients in the Fife IJB area.

1.4 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 on the IJB’s Balance Sheet.

1.5 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. The Chief Finance Officer is a non-voting board member. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs. The Chief Officer’s and Chief Finance Officer’s absence entitlement as at 31 March have not been accrued as it is not deemed to be material.

There are no further charges from funding partners for other staff and these costs have remained with the funding partners.

1.6 Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the IJB’s financial performance. There are no exceptional items for the IJB in respect of the financial year 2019/20.

2. Critical Judgements in Applying Accounting Policies

In applying the accounting policies, the IJB has had to make certain judgements about complex transactions or those involving uncertainty about future events. There are no material critical judgements and the note below relates to uncertainty about future events:

2.1 Public Sector Funding

There is a high degree of uncertainty about future levels of funding for Local Government and the NHS and this will directly impact on the IJB.

There is uncertainty in terms of costs to remobilise services, and what the longer term outlook is likely to be in terms of Covid-19 and the impact this will have on the financial strategy of the IJB.

3. Events After the Reporting Period

The Chief Finance Officer issued the unaudited accounts on 30 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.
4. **Expenditure and Income Analysis by Nature**

<table>
<thead>
<tr>
<th>2018/19</th>
<th>2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>207,674</td>
<td>216,394</td>
</tr>
<tr>
<td>Services commissioned from Fife Council</td>
<td></td>
</tr>
<tr>
<td>366,103</td>
<td>387,864</td>
</tr>
<tr>
<td>Services commissioned from Fife NHS Board</td>
<td></td>
</tr>
<tr>
<td>219</td>
<td>122</td>
</tr>
<tr>
<td>Other IJB Operating Expenditure</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>27</td>
</tr>
<tr>
<td>Auditor Fee: External Audit Work</td>
<td></td>
</tr>
<tr>
<td>Partners Funding Contributions and (574,023)</td>
<td>(604,407)</td>
</tr>
<tr>
<td>Non-Specific Grant Income</td>
<td></td>
</tr>
<tr>
<td><strong>Surplus or Deficit on the Provision of Services</strong></td>
<td>0</td>
</tr>
</tbody>
</table>

5. **Taxation and Non-Specific Grant Income**

<table>
<thead>
<tr>
<th>2018/19</th>
<th>2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>(425,379)</td>
<td>(448,191)</td>
</tr>
<tr>
<td>Funding Contribution from NHS Fife</td>
<td></td>
</tr>
<tr>
<td>(148,644)</td>
<td>(156,216)</td>
</tr>
<tr>
<td>Funding Contribution from Fife Council</td>
<td></td>
</tr>
<tr>
<td>(574,023)</td>
<td>(604,407)</td>
</tr>
<tr>
<td>Taxation and Non-specific Grant Income</td>
<td></td>
</tr>
</tbody>
</table>

The funding contribution from NHS Fife shown above includes £37.821m in respect of ‘set aside’ resources relating to acute hospital and other resources. These are provided by NHS Fife 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. There are no other non-ringfenced grants and contributions.

6. **Debtors**

<table>
<thead>
<tr>
<th>31 March 2019</th>
<th>31 March 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>9 NHS Fife</td>
<td>13</td>
</tr>
<tr>
<td>10 Fife Council</td>
<td>14</td>
</tr>
<tr>
<td>- Non-public sector</td>
<td>-</td>
</tr>
<tr>
<td>19 Debtors</td>
<td>27</td>
</tr>
</tbody>
</table>
7. **Creditors**

<table>
<thead>
<tr>
<th>31 March 2019</th>
<th>31 March 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>- NHS Fife</td>
<td>-</td>
</tr>
<tr>
<td>- Fife Council</td>
<td>-</td>
</tr>
<tr>
<td>19 External Audit Fee</td>
<td>27</td>
</tr>
</tbody>
</table>

| 19 Creditors | 27 |

8. **Usable Reserve: General Fund**

The IJB could hold 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 part of the IJB’s risk management framework.

Currently, there are no reserves held by the IJB in 2019/20 (2018/19, none)

9. **Related Party Transactions**

The IJB has related party relationships with NHS Fife and Fife 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 Fife**

<table>
<thead>
<tr>
<th>2018/19</th>
<th>2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>(425,379)</td>
<td>Funding Contributions received from NHS Fife</td>
</tr>
<tr>
<td>- Service Income received from NHS Fife</td>
<td>-</td>
</tr>
<tr>
<td>356,103</td>
<td>Expenditure on Services Provided by NHS Fife</td>
</tr>
<tr>
<td>110</td>
<td>Key Management Personnel: Non-Voting Board Members</td>
</tr>
<tr>
<td>13</td>
<td>External Audit Fee</td>
</tr>
<tr>
<td><strong>(59,153)</strong></td>
<td><strong>Net Transactions with NHS Fife</strong></td>
</tr>
</tbody>
</table>

Key Management Personnel: The non-voting Board members directly employed by NHS Fife and recharged to the IJB are the Chief Officer and the Chief Finance Officer to 10th March 2019. Details of the remuneration for the specific post-holders is provided in the Remuneration Report.
Balances with NHS Fife

<table>
<thead>
<tr>
<th>31 March 2019</th>
<th>31 March 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>9 Debtor balances: Amounts due from NHS Fife</td>
<td>13</td>
</tr>
<tr>
<td>- Creditor balances: Amounts due to NHS Fife</td>
<td>-</td>
</tr>
<tr>
<td><strong>9 Net Balance with NHS Fife</strong></td>
<td><strong>13</strong></td>
</tr>
</tbody>
</table>

Transactions with Fife Council

<table>
<thead>
<tr>
<th>2018/19</th>
<th>2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>(148,644)</td>
<td>(156,216)</td>
</tr>
<tr>
<td>Funding Contributions received from Fife Council</td>
<td></td>
</tr>
<tr>
<td>- Service Income received from the Fife Council</td>
<td></td>
</tr>
<tr>
<td>207,674</td>
<td>216,394</td>
</tr>
<tr>
<td>Expenditure on Services Provided by the Fife Council</td>
<td></td>
</tr>
<tr>
<td>109 Key Management Personnel: Non-Voting Board Members</td>
<td>61</td>
</tr>
<tr>
<td>14 External Audit Fee</td>
<td>14</td>
</tr>
<tr>
<td><strong>59,153 Net Transactions with Fife Council</strong></td>
<td><strong>60,253</strong></td>
</tr>
</tbody>
</table>

Key Management Personnel: The Non-Voting Board members employed by Fife Council and recharged to the IJB is the Chief Finance Officer. Details of the remuneration for the specific post-holders is provided in the Remuneration Report.

Balances with Fife Council

<table>
<thead>
<tr>
<th>31 March 2019</th>
<th>31 March 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>10 Debtor balances: Amounts due from Fife Council</td>
<td>14</td>
</tr>
<tr>
<td>- Creditor balances: Amounts due to Fife Council</td>
<td>-</td>
</tr>
<tr>
<td><strong>10 Net Balance with Fife Council</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>

Support services were not delegated to the IJB and are provided by NHS Fife and Fife Council free of charge. Support services provided mainly comprised: provision of financial management; human resources; legal; committee services; ICT; payroll; internal audit, and the provision of the Chief Internal Auditor.
10. **External Audit Fee**

The IJB has incurred costs of £27,000 in respect of fees payable to Audit Scotland with regard to external audit services carried out in 2019/20 (2018/19, £27,000).

11. **Contingent Assets and Liabilities**

The IJB is not aware of any material contingent asset or liability as at 31 March. The IJB is a member of the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) established by the Scottish Government which reimburses costs to members where negligence is established.

All amounts in respect of claims or reimbursement by CNORIS, which may arise under the CNORIS scheme are reported in NHS Fife Accounts.

12. **VAT**

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

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 Fife Council is the provider, income and expenditure exclude any amounts related to VAT, as all VAT collected is payable to H.M. Revenue and Customs and all VAT paid is recoverable from it. Fife 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 NHS Fife is the provider, expenditure incurred will include irrecoverable VAT as generally the NHS cannot recover VAT paid as input tax and will seek to recover its full cost as Income from the IJB.