



Annual Accounts

For the Year Ended 31 March 2018

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MANAGEMENT COMMENTARY

Introduction

This publication contains the financial statements of Glasgow City Integration Joint Board ('the IJB') for the year ended 31 March 2018. The Management Commentary outlines the key messages in relation to the IJB's financial planning and performance for the year 2017/18 and how this has supported delivery of the IJB's priorities. This commentary also looks forward, outlining the IJB's future financial plans and the challenges and risks which we will face as we strive to meet the needs of the people of Glasgow.

(i) The Role and Remit of the IJB

Glasgow City IJB was established as a body corporate by order of Scottish Ministers, and became operational from 6 February 2016. It is a joint venture between NHS Greater Glasgow and Clyde and Glasgow City Council.

The Glasgow City IJB has responsibility for the strategic planning and commissioning of a wide range of health and social care services within the Glasgow City area. The functions delegated to the IJB are detailed in the Integration Scheme available at the link below, and in summary, include all community health and social care services provided to children, adults and older people, homelessness services, criminal justice and a number of housing functions.

https://glasgowcity.hscp.scot/sites/default/files/publications/Integration_Scheme_-_Glasgow_City.pdf

The purpose of the IJB is to improve the wellbeing of people who use health and social care services, particularly those whose needs are complex and involve support from health and social care at the same time.

Glasgow is Scotland's largest city, with just over 600,000 citizens. It is a city with a great history and heritage built around the River Clyde and on the strength of its people, their pride in the city, spirit and diversity. We are the centre of the only metropolitan area in Scotland and are the most ethnically diverse city in the country.

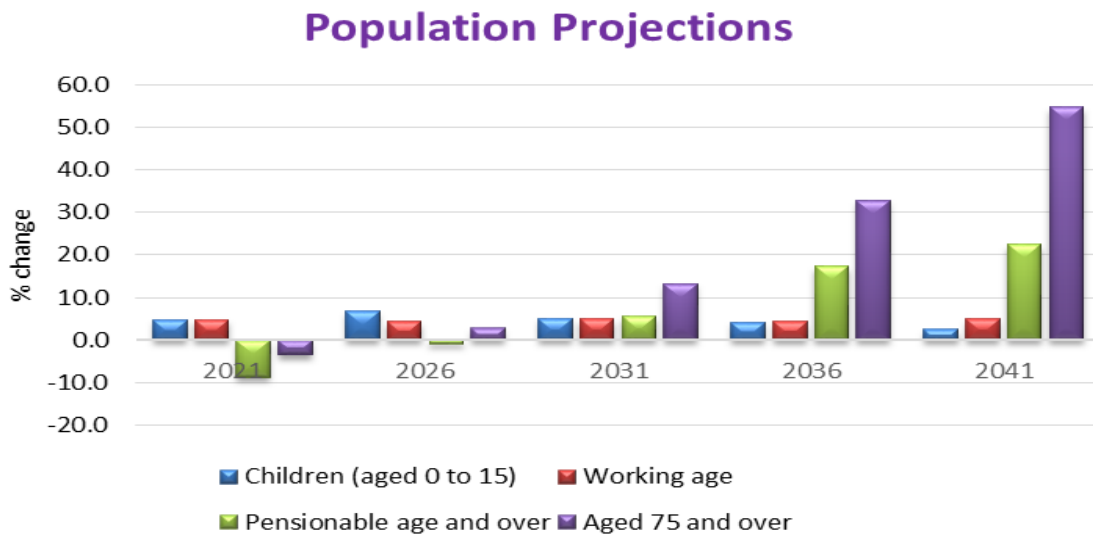
We remain, however, a city of contrasts. Parts of the city still suffer from unacceptable levels of poverty and inequality and not all the prosperity and success in the city has been shared. Research by one of the city's universities in 2012 highlighted that almost half of our citizens live in the 20% most deprived areas in Scotland. One in three of our children live in poverty and we have significant long term health challenges which stop our citizens from reaching their full potential.

MANAGEMENT COMMENTARY (continued)

A full profile of the city was set out in the Strategic Plan. Some of the key characteristics include the following:

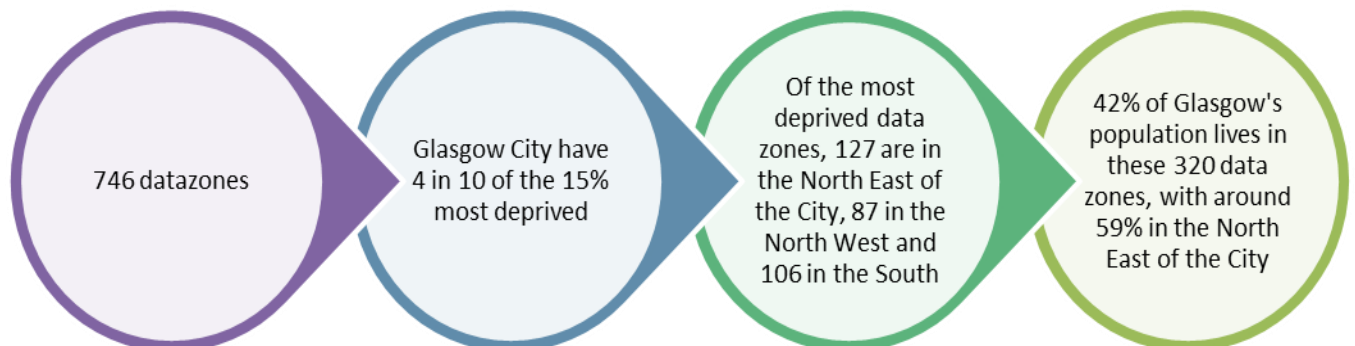
Population

The 2016 population for Glasgow City was 615,070, 11.4% of the total population of Scotland (Source: National Records of Scotland 2017). The National Records for Scotland estimate that this will continue to rise to 632,667 by 2021 and 658,978 by 2041. The graph below illustrates the % change expected across the main population groups.



Deprivation

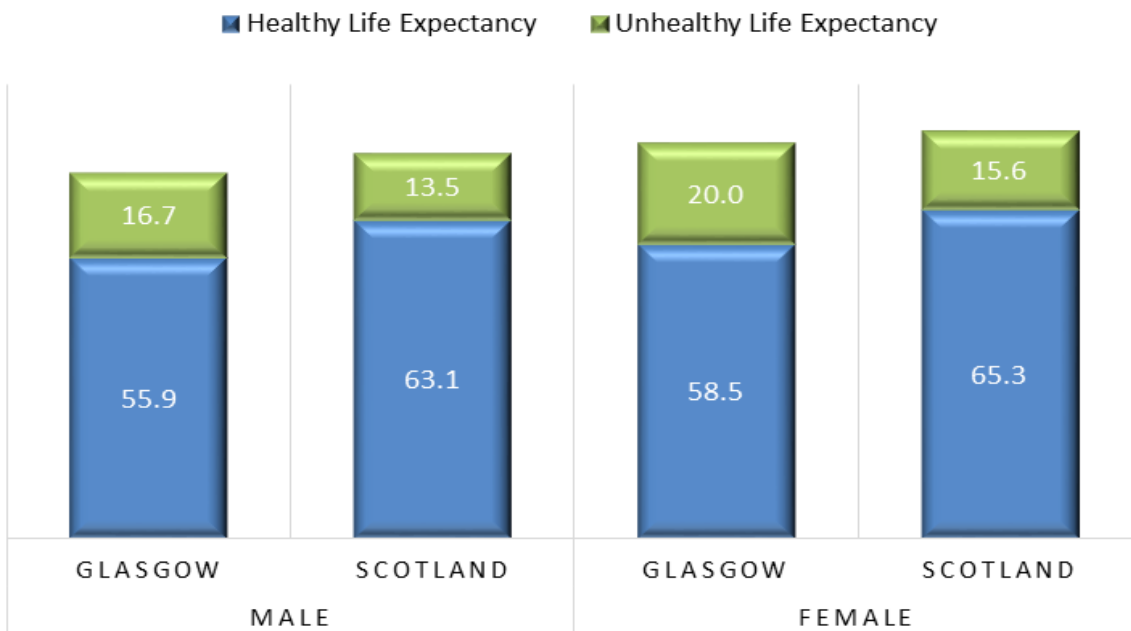
The Scottish Government publishes the Scottish Index of Multiple Deprivation (SIMD) which uses a range of socio-economic data to calculate relative deprivation across small geographical areas with populations between 500 and 2,000 people. Within Glasgow there are 746 areas (datazones) which have been assessed through the SIMD.



MANAGEMENT COMMENTARY (continued)

Health and Social Care Needs

Life expectancy in Glasgow is lower than Scotland as a whole and residents of Glasgow will become unhealthy at a younger age, and live longer with health issues, than the Scottish average. The earlier people become unhealthy, the sooner they are likely to access services from the IJB to support them to remain within their own homes and local communities. A high level overview is provided below.



- Around 12% of Glasgow adults (age 16+) have bad/very bad health, compared to 8% of Scotland's adults, with 33% of adults in Glasgow reported as having a limiting long term illness compared to 32% of Scottish adults.
- Around 9.3% of people in the City carry out unpaid caring duties.
- 21% of Glasgow adults are estimated to suffer from common mental health problems compared to 16% of Scottish adults. Far higher proportions of females (25% for Glasgow and 17% for Scotland) than males (17% for Glasgow and 14% for Scotland) are affected in both Glasgow and Scotland.
- An estimated 30% of Glasgow males are potential problem drinkers and 18% of Glasgow females, both far higher than the equivalent Scottish averages of 24% for males and 12% for females.
- Glasgow has an estimated 13,000 problem drug users, most of whom also consume alcohol on a daily basis. There were almost 2,000 drug related hospital stays in Glasgow during 2016/17 - a rate of 304 per 100,000 population, nearly twice the Scottish rate of 162 per 100,000 population.
- There are more than 50,000 Glasgow people claiming incapacity benefit/severe disablement allowance/employment and support allowance, representing 9.8% of the 16+ population.

MANAGEMENT COMMENTARY (continued)

All of these characteristics have an impact on the demand for services which are commissioned by the IJB, both now and in the future.

The vision of the IJB is for the City's people to flourish, with access to health and social care support when they need it. This will be done by transforming health and social care services for better lives. The IJB believes that stronger communities make healthier lives. It will do this by:

- Focusing on being responsive to Glasgow's population and where health is poorest
- Supporting vulnerable people and promoting social well being
- Working with others to improve health and well being
- Designing and delivering services around the needs of individuals, carers and communities
- Showing transparency, equity and fairness in the allocation of resources
- Developing a competent, confident and valued workforce
- Striving for innovation
- Developing a strong identity
- Focusing on continuous improvement.

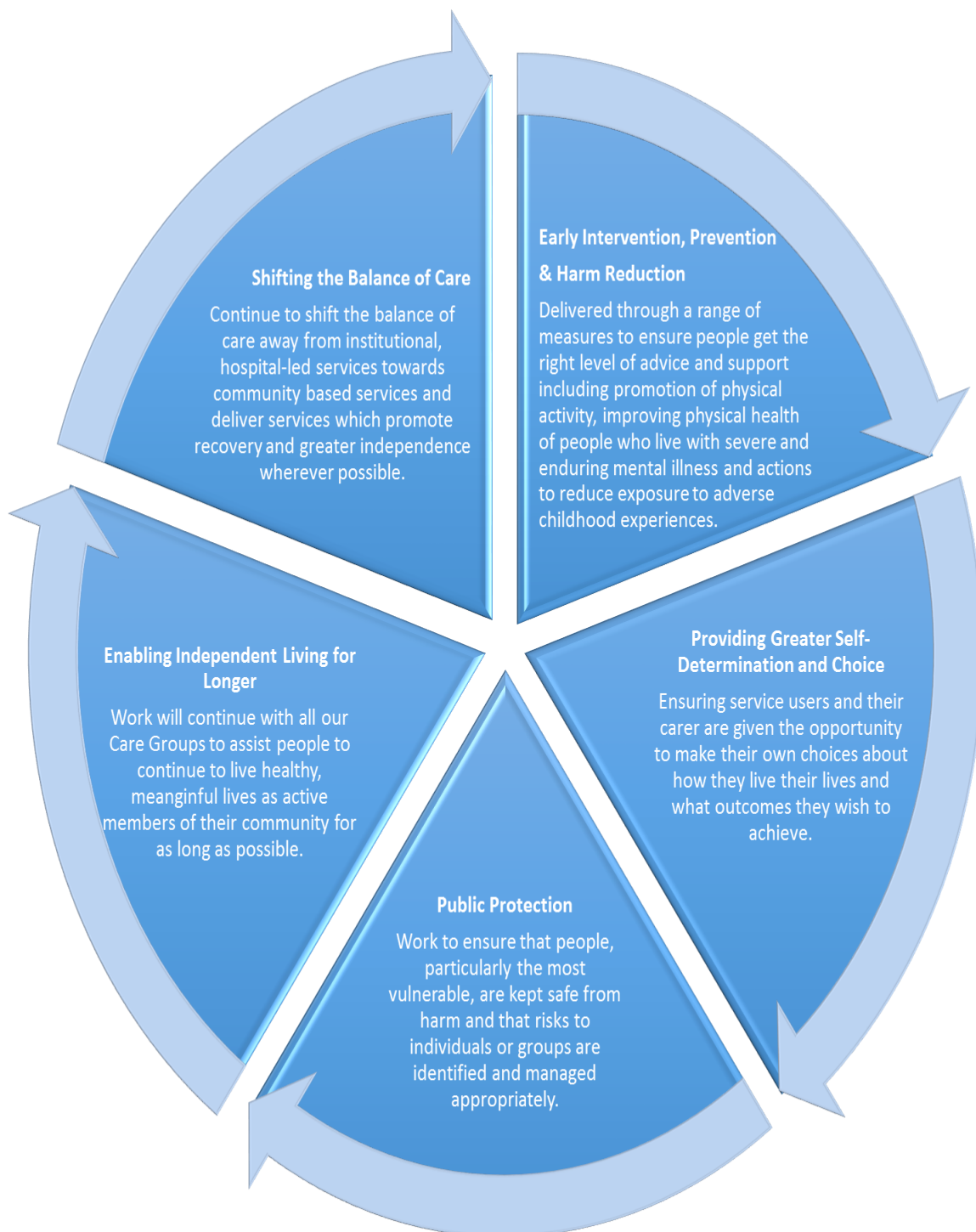
(ii) The IJB's Strategy and Business Model

Integration of health and social care presents the IJB with a number of opportunities, which we are working towards throughout the lifetime of the Strategic Plan. These include:

- Sustaining existing good quality services
- Removing artificial divisions between health and social care
- Minimising duplication and waste by improved coordination between health and social care services
- The ability for a range of non-health agencies to act in concert to prevent illness and promote better health
- A renewed focus on families and communities, as well as individuals
- Delivering transformational change in service provision, leading to positive health and well-being outcomes for Glasgow's citizens
- Improving connections between strategic and locality planning
- The opportunity to develop and embed a shared culture and identity across the Partnership, breaking down traditional organisational barriers
- Opportunities to engage with Primary Care and Acute Services to support effective service planning and delivery
- Joining up of Information and Communication Technology systems and processes to improve business and intelligence reporting

MANAGEMENT COMMENTARY (continued)

The biggest priority for the Glasgow City IJB is delivering transformational change in the way health and social care services are planned, delivered and accessed in the city. We believe that more of the same is not the answer to the challenges facing Glasgow, and will strive to deliver on our vision as outlined below:



MANAGEMENT COMMENTARY (continued)

The scale of the City of Glasgow and NHS Greater Glasgow and Clyde area is significant but this also creates the opportunity to work closely with the five other Health and Social Care Partnerships within the Health Board area to improve outcomes across all Partnerships.

As an IJB there are a number of key things we must do to enable effective integration.

- Across health and social care we have found ways to effectively share information, ensuring that it is safe, and we must continue to build on this. Sharing information will be key to providing effective joint services.
- A joint approach to service reform will create opportunities to ensure that transformational change can take place in a truly integrated way, taking account of impacts across health and social care services.
- We will use our property estate to encourage joint and flexible use of our accommodation.
- Information technology is crucially important in supporting our staff in their work and in sharing information. We want health and social care workers to be able to work from any building across the estate and we are developing a joint strategy to ensure that this can be achieved.

Glasgow is divided into three areas, known as localities, to support service delivery. Those localities are North West, North East and South and locality plans have been developed for each locality which supports delivery of the Strategic Plan. These can be found at:

<https://glasgowcity.hscp.scot/strategic-and-locality-plans>

The purpose of locality plans is to show how the IJB's Strategic Plan is to be implemented in each locality and how the locality plans to respond to local needs and issues.

Care Group level plans have also been developed by the IJB's six Strategic Planning Groups and appropriate planning structures within Children's Services, Criminal Justice and Health Improvement. As well as the Strategy Maps, the individual Strategic Planning Groups have developed their own Action Plans which provide more details of the activities to be carried out over the lifetime of the plan. The Strategy Maps outline how each care group will deliver the 9 National Outcomes in the medium and long term, and the main objectives of that care group.

A Strategic Planning Forum, chaired by the Chief Officer, Planning, Strategy & Commissioning/Chief Social Work Officer, meets twice yearly to ensure that links are made across the strategic and planning related functions within the partnership;

MANAGEMENT COMMENTARY (continued)

to facilitate and co-ordinate activities between and across the strategic functions to ensure development activities do not happen in isolation; and to monitor delivery of actions related to the Strategic Plan.

The IJB is responsible for operational oversight of integrated services, and through the Chief Officer, is responsible for the management of integrated services. Directions from the IJB to the Council and Health Board govern front-line service delivery in as much as they outline what the IJB requires both bodies to do, the budget allocated to this function(s), and the mechanism(s) through which the Council or Health Board's performance in delivering those directions will be monitored.

Front-line service delivery continues to be carried out by the Council and Health Board, under direction from the IJB, with the Chief Officer having delegated responsibility for delivery of integrated services. As required by the Public Bodies (Joint Working) (Scotland) Act 2014, directions from the IJB to the Council and Health Board are made in writing – within Glasgow this is enabled through the Chief Officer writing to the Chief Executives of the Council and Health Board following each meeting of the IJB, giving details of each direction agreed by the IJB.

The business of the IJB is managed through a structure of strategic and financial management and core leadership groups that ensure cross-care and cross-locality working. The structure includes Executive and Senior Management Groups; Executive and Operational Management Teams; Workforce Planning, ICT, and Capital Boards; Core Leadership Groups (Adults, Older People and Children's Services); Functional Planning groups e.g. Strategy, Planning and Commissioning Senior Management Team; and Locality Management Groups. The IJB business structure is currently under review, and will conclude early in 2018/19.

There are well developed structures to ensure clinical and care governance issues are considered and influence strategic planning and transformational change, as well as providing reassurance on clinical and care standards and quality assurance.

(iii) The IJB's Operations for the Year

The IJB has remained committed to ensuring that the people of Glasgow will get the health and social care services they need at the right time, in the right place and from the right person. During this year we have continued to be ambitious about the services which we deliver with a focus on achieving the best possible outcomes for our population, service users and carers.

MANAGEMENT COMMENTARY (continued)

Operational Highlights for 2017/18 include:

Early Intervention, Prevention and Harm Reduction (National Health and Wellbeing Outcomes 1, 4, 5 & 6)

- Delivered a range of health improvement initiatives in local neighbourhoods aligned with the Community Planning Thriving Places approach, which aims to find a better way of working between organisations and communities, making better use of existing resources and assets to achieve improved outcomes and address the persistent inequalities that exist within and between communities.
- Established a new City Tobacco Group to develop a consistent, evidence based and cost effective approach for the delivery and development of tobacco and smoking cessation activity across the city.

Providing Greater Self Determination and Choice (National Health and Wellbeing Outcomes 1, 3, 4, 5 & 6)

- Established a Young Person's Champions' Board, which seeks to ensure that the voices of young people are at the forefront of how we plan and deliver services for care experienced children and young people in the city.
- Continued to move towards recovery focused, shorter, more intensive residential alcohol and drugs rehabilitation programmes with stronger links to community services and the Recovery Communities

Shifting the Balance of Care (National Health and Wellbeing Outcomes 1, 2, 3, 4 & 9)

- Continued to implement and develop intermediate care provision within the city, which has supported an ongoing reduction in the numbers of people being unnecessarily delayed in hospital, and an increase in the numbers being supported at home.
- Implemented the children's services transformation programme, reducing the reliance upon high cost and out of city residential placements; strengthening the role of prevention; and developing comprehensive family support services in the most vulnerable neighbourhoods including Family Group Decision Making and Lifelong Links.
- Led on behalf of all six HSCPs in NHS Greater Glasgow and Clyde on the development of a whole system five year Strategy for Mental Health, which has now been agreed and will be implemented going forward.

MANAGEMENT COMMENTARY (continued)

Enabling Independent Living for Longer (National Health and Wellbeing Outcomes 1, 2, 3, 4, 6 & 9)

- Introduced the Home is Best service which seeks to support the smoother transition of patients from acute to intermediate and other community based care settings
- Introduced new integrated older people's neighbourhood teams based around GP clusters and natural local communities and expanded the range of Supported Living options to enable older people to remain at home.
- Introduced streamlined Occupational Therapy processes in relation to the provisions of minor adaptations, which have reduced the steps involved and ensured a swifter response to patients.
- Generated approximately £3.90 million (£2.37m ongoing and £1.53m in arrears) in successful benefit claims for social care service users receiving a chargeable social care service; and delivered a financial gain of over £6m for health service patients through the Financial Inclusion Partnership.
- Represented over 1,700 clients at social security tribunals, which had an overall success rate for concluded appeals of 71%, resulting in a total gain of over approximately £5.4m.

Public Protection (National Health and Wellbeing Outcomes 3, 4, 5 & 7)

- Opened two 30 bed new build emergency accommodation facilities within Homeless services for males and decommissioned a temporary facility, resulting in a net increase of 20 emergency beds.
- Retendered and increased the contract value for an additional 450 units of private rented sector accommodation over the next 3 years.

Engaging and Developing Our Staff (National Health and Wellbeing Outcomes 1 & 8)

- Developed and launched a public website and Twitter profiles (for the HSCP and the Chief Officer) to increase awareness and understanding of the vision, priorities and work of the Partnership.
- Developed and improved Your Support Your Way Glasgow (YSYWG), the Partnership's public website for social care support.
- Rolled out I-Matter, the national system which measures staff engagement within teams and supports the production of team development plans to improve and increase communication and engagement

Operationally, work continued during 2017/18 on the development and delivery of the IJB's Transformation Programme in support of integration and the Strategic Plan. During 2017/18 this included the development and approval of Transformational Change Programmes for Adult, Older People and Children

MANAGEMENT COMMENTARY (continued)

Services which will be delivered between 2018 and 2021. These programmes will deliver a focus on early intervention, prevention and harm reduction, deliver care which enables choice, supports independent living and shifts the balance of care from hospital to a community based setting where appropriate.

The Transformation Programme consists of a range of activities across the entirety of the business of the IJB which are delivered in support of the strategic plan. The Transformation Programme Board, chaired by the Chief Officer, has oversight of the delivery of these programme, the aims of which are to:

- Deliver transformational change in health and social care services in Glasgow in line with the Integration Joint Board's vision and Strategic Plan, and the National Health and Wellbeing Outcomes.
- Monitor and evaluate the short, medium and long term impacts of the transformational change programme.
- Monitor and realise financial savings arising from Transformational Change programme.
- Engage with stakeholders and promote innovation within and beyond the Glasgow City Health and Social Care Partnership.

Delivery of the Transformation Programme is closely monitored by the Transformation Board and delivery of associated savings is reported regularly to the IJB and IJB Finance and Audit Committee through budget monitoring reporting. Good progress continues to be made, demonstrating best value for the IJB, Council and Health Board. Budget savings targets in respect of the IJB's Transformation Programme were 96% achieved in 2017/18.

The IJB has detailed performance management arrangements in place to measure performance against agreed local and national performance indicators and performance in delivering on the commitments set out within the IJB's Strategic Plan.

Routine performance management arrangements are in place, with regular performance reports produced for internal scrutiny by citywide and locality management teams. These reports are also scrutinised by the IJB's Finance and Audit Committee, which adopts a particular focus on specific services, in order to undertake a more in-depth review of performance, with relevant strategic leads invited to attend and discuss their respective areas. A strategic overview of performance is also maintained by the IJB which receives a quarterly performance report that focuses upon a smaller set of more strategic performance indicators.

The range of mechanisms in place to scrutinise performance at city-wide and locality levels, as well as by the IJB enables areas of good practice to be shared across the city and performance improvement plans to be developed in response to identified areas of underperformance, which are monitored on an ongoing basis.

MANAGEMENT COMMENTARY (continued)

2017-18 Performance Achievements

In addition to the quarterly reports, the Annual Performance Report was approved by the IJB on 20 June 2018 and published on 31 July 2018 in line with statutory guidance. In this report, we review our performance for 2017/18 against local and national performance indicators and against the commitments within our Strategic Plan. Key areas where performance has shown the greatest improvement over the past 12 months are as follows:

Indicator	Baseline (16/17 Year End)	Latest Period (Q4)
Older People		
Number of community service led Anticipatory Care Plans in place	482	824
Number of people in supported living services	231	734
% Service users who receive a reablement service following community referral for home care	76.5%	78.2%
Unscheduled Care		
Total number of acute bed days lost to delayed discharge	15,557	10,982
Children's Services		
% of young people receiving an aftercare service known to be in employment, education or training	61%	67%
Number of children in high cost placements	111	67
Homelessness		
Number of individual households not accommodated in the last month of the quarter	209	186
Number of households reassessed as homeless or potentially homeless within 12 months	493	444

MANAGEMENT COMMENTARY (continued)

Indicator	Baseline (16/17 Year End)	Latest Period (Q4)
Health Improvement		
Women smoking in pregnancy – general population	13.4%	12.8%
Women smoking in pregnancy – most deprived population	19.7%	18.5%

2017-18 Performance - Areas For Improvement

Ongoing improvement is sought across all services within the HSCP and the performance management arrangements in place are designed to facilitate this. Specific areas we would like to improve going forward include the following.

Unscheduled Care

Working with NHS acute services:

- Reduce the number of inappropriate A&E attendances and emergency hospital admissions
- Reduce the numbers of people who are unnecessarily delayed in hospital across all client groups

Children's Services

- Further increase the percentage of young people in aftercare in employment, education or training. While there has been an improvement, performance remains below the target of 75%.

Criminal Justice

- Increase the Percentage of Community Payback Order (CPO) work placements commenced within 7 days of sentence.

Health Improvement

- Further increase exclusive breastfeeding in the most deprived neighbourhoods (at 6-8 weeks)

Human Resources

- Reduce Social Work and NHS staff sickness absence rates.

MANAGEMENT COMMENTARY (continued)

Business Processes

- Increase the percentage of Social work complaints responded to within timescales (Stage 2)

More detailed performance information can be accessed at the link below:

<https://glasgowcity.hscp.scot/sites/default/files/publications/ITEM%20No%2015%20-%20Annual%20Performance%20Report.pdf>

(iv) The IJB's Position at 31 March 2018

The financial position for public services continues to be challenging. This requires the IJB to have robust financial management arrangements in place to deliver services within the funding available in year as well as plan for 2018-19.

The Comprehensive Income and Expenditure Statement (see page 26) describes expenditure and income by care group across the IJB, and shows that an underspend of £12,066,000 was generated in 2017/18.

Expenditure in 2017/18 included £7,551,000 of expenditure which was planned to be financed from earmarked reserves carried forward from 2016/17. This was off-set by an in-year underspend of £19,617,000 and results in a net increase on reserves of £12,066,000 (see page 36).

The in-year underspend of £19,617,000 is as a result of our robust financial management arrangements (£4,200,000) and commitments made in 2017/18 in relation to local and national priorities which will not be completed until future financial years (£15,417,000).

Budget monitoring throughout 2017-18 has forecast an underspend of £3,946,000, against which an underspend of £4,200,000 was secured. The main broad themes are:-

- An underspend within Children Services, mainly as a result of early delivery of future year savings (£2,577,000);
- Budgeted contingency not required to be utilised in 2017/18 (£1,725,000);
- An underspend within Older People services mainly in relation to slippage within the Older People's Residential and Day Care Strategy and the over recovery of income (£2,701,000); and
- An underspend within Addiction Services due to staff turnover and occupancy levels within residential rehabilitation services (£1,557,000).

This has been off-set by overspends, the main areas being attributable to unachieved savings from 2017/18 and 2016/17 (£1,868,000). The Transformation

MANAGEMENT COMMENTARY (continued)

Programme Board continues to monitor these savings to ensure these are secured moving forward. There are also ongoing costs of beds in Darnley and Quayside, accommodating adults with incapacity ('AWI') who have been discharged from acute services, for which there is no budget in 2017/18 (£1,748,000) and an increase in demand for packages of care within Learning Disability (£708,000).

A number of commitments made in 2017/18 in relation to local and national priorities will not complete until future years. These are:-

- Funding received for the delivery of national and local priorities including Primary Care and Mental Health Transformation which is required to meet future year commitments (£12,412,000);
- Commitments which were made in 2017/18, where implementation has been delayed until 2018/19 (£3,005,000);

The IJB elected to earmark the full £19,617,000 underspend for specific commitments in 2018/19. Detail of the earmarked reserves can be found at

<https://glasgowcity.hscp.scot/sites/default/files/publications/ITEM%20No%2013%20-%20Outturn%20Report%202017-18.pdf>

In preparing the 2017-18 financial statements the treatment of Hosted Services has changed. The full cost of services which are hosted by the IJB are now reflected in our financial accounts and are no longer adjusted to reflect activity to/for other IJB's within the Greater Glasgow & Clyde area. This change is fully explained on page 33 and reflects our responsibility in relation to service delivery and the risk and reward associated with it.

The services which are hosted by Glasgow City are identified in the table below. This also shows expenditure in 2017/18 and the value consumed by other IJB's within Greater Glasgow and Clyde.

Host	Service	Actual Net Expenditure	Consumed by other IJB's
Glasgow	Continence	£3,683,091	£1,745,438
Glasgow	Sexual Health	£9,697,602	£3,466,992
Glasgow	Mh Central Services	£7,707,927	£3,583,570
Glasgow	MH Specialist services	£11,517,713	£5,305,546
Glasgow	Alcohol + Drugs Hosted	£16,585,776	£4,499,721
Glasgow	Prison Healthcare	£7,177,437	£2,670,674
Glasgow	HC In Police Custody	£2,274,008	£1,046,044
Glasgow	Old Age Psychiatry	£20,947,550	£4,743,942
Glasgow	General Psychiatry	£36,885,493	£8,706,968
	Total	£116,476,598	£35,768,895

MANAGEMENT COMMENTARY (continued)

The services which are hosted by other IJB's on behalf of the other IJB's including Glasgow City are identified in the table below. This also shows expenditure in 2017/18 and the value consumed by Glasgow City IJB.

Host	Service	Actual Net Expenditure to Date	Consumed by Glasgow City IJB
East Dunbartonshire	Oral Health	£10,094,336	£5,682,102
	Total	£10,094,336	£5,682,102
East Renfrewshire	Learning Disability	£8,194,990	£6,600,330
	Total	£8,194,990	£6,600,330
Inverclyde	General Psychiatry	£5,469,258	£12,698
Inverclyde	Old Age Psychiatry	£3,357,004	£0
	Total	£8,826,262	£12,698
Renfrewshire	Podiatry	£6,235,691	£3,354,802
Renfrewshire	Primary Care support	£3,873,082	£2,196,301
Renfrewshire	General Psychiatry	£7,471,809	£10,140
Renfrewshire	Old Age Psychiatry	£6,589,023	£174,575
	Total	£24,169,605	£5,735,818
West Dunbartonshire	MSK Physio	£5,858,142	£3,493,372
West Dunbartonshire	Retinal Screening	£798,272	£424,202
West Dunbartonshire	Old Age Psychiatry	£1,541,243	£0
	Total	£8,197,657	£3,917,574
Total		£59,482,850	£21,948,521

(v) Key Risks, Uncertainties and Financial Outlook

The IJB approved its Risk Management Strategy, available at https://glasgowcity.hscp.scot/sites/default/files/publications/IJB_Meeting_20160208_Item_14.pdf in February 2016. The IJBs Risk Register, and the separate registers which currently remain in place for social care and NHS services, are reviewed regularly by the Senior Management Team and by the IJB Finance and Audit Committee. The full IJB also reviews its own risk register on a twice-yearly basis.

The key risks identified within the IJB Risk Register are:

- an inability to budget within allocated resources;
- budget settlements being lower than anticipated;
- the implementation of welfare reform will lead to increased deprivation for the most vulnerable citizens, thereby leading to an increased demand for social work services;

MANAGEMENT COMMENTARY (continued)

- the risk that the Scottish Child Abuse Inquiry could result in adverse legal, financial, reputational and operational impacts to the Service; and
- resource issues due to excessive bureaucracy required to satisfy governance arrangements and reporting needs of IJB, Council and Health Board.

A range of wider issues presents some degree of uncertainty to the IJB, particularly in terms of future planning relating to finance, the workforce and the scale and scope of the IJB. Examples include:

- Potential reform(s) of NHS boards and local government
- The national and local political landscape
- Impacts of Brexit, such as uncertainty regarding the future employment rights of health and social care staff from EU countries

This list is not exhaustive, and the specific impacts of each potential issue cannot be reliably quantified at this point. The IJB and its senior officers continue to monitor such developments and will take the appropriate actions when and where necessary.

In March 2018 the IJB conditionally approved its budget for 2018/19, subject to approval of Health Board funding by NHS Greater Glasgow and Clyde and discussion with Glasgow City Council in relation to corporate savings which have been allocated to the IJB.

A wide-ranging programme of service reforms and efficiencies has been identified which will deliver £16,964,000 to address budget pressures in 2018/19 and to support achievement of the National Health and Wellbeing Outcomes. Progress on achievement of this programme will be reported during the year to the IJB and the IJB Finance and Audit Committee and in the 2018/19 Annual Performance Report.

A forward financial outlook was reported to the IJB Finance and Audit Committee on the 7 February 2018 and the link is attached below. This looks forward to 2021-22 and identifies the need for a further £89,000,000 of savings to deliver a balanced budget over this three year period.

https://glasgowcity.hscp.scot/sites/default/files/publications/ITEM%20No%2015%20-%20Update%20on%20Financial%20Planning%202018-2021_0.pdf

This is against a backdrop of significant demographic change where demographic changes in Glasgow City will likely result in increasing demand for community health and social care services. The IJB remains committed to transforming services and the Transformational Change Programmes approved this year will put us in a strong position for dealing with the financial pressures which lie ahead.

MANAGEMENT COMMENTARY (continued)

(vi) Analysis of the Financial Statements

The Comprehensive Income and Expenditure Statement (see page 26) describes expenditure and income by care group across the IJB, and shows that, from a net funding allocation from NHS Greater Glasgow and Clyde, and Glasgow City Council of £1,153,987,000 a surplus of £12,066,000 was generated in 2017/18, of which £12,066,000 was earmarked for specific commitments in future years.

David Williams
Chief Officer

Councillor Mhairi Hunter
Chair

Sharon Wearing
Chief Officer, Finance & Resources



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 Integration Joint Board, that officer is the Chief Officer, Finance & Resources;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland act 2003); and
- approve the statement of accounts.

Councillor Mhairi Hunter
Chair

STATEMENT OF RESPONSIBILITIES (continued)

Responsibilities of the Chief Officer, Finance & Resources

The Chief Officer, Finance & Resources, 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 Officer, Finance & Resources has:

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

The Chief Officer, Finance & Resources 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 Glasgow City Integration Joint Board as at 31 March 2018 and the transactions for the year then ended.



Sharon Wearing

Chief Officer, Finance & Resources

20 June 2018

REMUNERATION REPORT

(i) 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.

(ii) Remuneration: IJB Chair and Vice Chair

The voting members of the IJB are appointed through nomination by Glasgow City Council and NHS Greater Glasgow & Clyde. 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. The details of the Chair and Vice Chair appointments and any taxable expenses paid by the IJB are shown below.

Name	Post(s) Held	Nominated by	Taxable Expenses 2017/18 £	Taxable Expenses 2016/17 £
A Graham	Vice Chair February 2017 to May 2017 Chair April 2016 to February 2017	Glasgow City Council	-	-
M Hunter	Chair February 2018 to March 2018 Vice Chair May 2017 to February 2018	Glasgow City Council	-	-
T McAuley	Chair February 2017 to February 2018 Vice Chair April 2016 to February 2017	NHS Greater Glasgow & Clyde	-	-
Total			-	-

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

REMUNERATION REPORT (continued)

rights disclosures are provided for the Chair or Vice Chair.

(iii) Remuneration: Officers of the IJB

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

Chief Officer

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014, a Chief Officer for the IJB has to be appointed and the employing partner has to formally second the officer to the IJB. The employment contract for the Chief Officer adheres to the legislative and regulatory framework of the employing partner organisation. In the case of Glasgow City IJB, this is Glasgow City Council. The remuneration terms of the Chief Officer's employment are approved by the IJB. This post is funded 50% each by Glasgow City Council and NHS Greater Glasgow & Clyde Health Board. This funding is included in the partner contributions.

Other Officers

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

Total 2016/17 £	Senior Employees	Salary, Fees & Allowances £	Compensation for Loss of Office £	Total 2017/18 £
137,870	D Williams Chief Officer* April 2016 to date	139,170	-	139,170
94,841	S Wearing Chief Officer, Finance & Resources April 2016 to date	98,740	-	98,740
232,711		237,910	-	237,910

* The 2016/17 figures have been restated to include allowances paid to the Chief Officer

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.

REMUNERATION REPORT (continued)

The IJB however has responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the IJB. The following table shows the IJB's funding during the year to support officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

Senior Employee	In Year Pension Contributions		Accrued Pension Benefits		
	For Year to 31 March 2017 £	For Year to 31 March 2018 £		Difference from 31 March 2017 £000	As at 31 March 2018 £000
D Williams Chief Officer	26,593	26,860	Pension	3	22
			Lump Sum		
S Wearing Chief Officer, Finance & Resources	18,304	19,057	Pension	4	44
			Lump Sum	3	84
Total	44,897	45,917	Pension	7	66
			Lump Sum	3	84

(iii) Remuneration policy

The board members are entitled to payment of travel and subsistence expenses relating to approved duties. Payment of voting board members' allowances will be the responsibility of the members' individual Council or Health Board, and will be made in accordance with their own Schemes. Non-voting members of the IJB will be entitled to payment of travel expenses. During the year to 31 March 2018, no voting or non-voting board member has claimed any expenses.

The remuneration of the senior officers is set by the contractual arrangements of the appropriate employing organisation.

David Williams
Chief Officer

Councillor Mhairi Hunter
Chair

ANNUAL GOVERNANCE STATEMENT

1. Scope of responsibility

- 1.1 The Integration Joint Board (IJB) 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 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.
- 1.2 In discharging these responsibilities, the Chief Officer has a reliance on the NHS and Local Authority'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.
- 1.3 The IJB has adopted governance arrangements consistent where appropriate with the six principles of CIPFA and the Society of Local Authority Chief Executives (SOLACE) framework "*Delivering Good Governance in Local Government*". This statement explains how the IJB has complied with the governance arrangements and also meets the Code of Practice on Local Authority Accounting in the UK, which details the requirement for an Annual Governance Statement.

2. Purpose of the governance framework

- 2.1 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 the achievement of the objectives set out in the Glasgow City Strategic Plan. The governance framework will be continually updated to reflect best practice, new legislative requirements and the expectations of stakeholders.
- 2.2 The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the IJB's objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively.

ANNUAL GOVERNANCE STATEMENT (continued)

3. Governance framework

- 3.1 The Board of the IJB comprises the Chair and 15 other voting members; eight are Council Members nominated by Glasgow City Council and eight are Board members of NHS Greater Glasgow and Clyde. There are also a number of non-voting professional and stakeholder members on the IJB Board. Stakeholder members currently include representatives from the third and independent sector bodies and service users. Professional members include the Chief Officer and Chief Officer, Finance and Resources. The IJB, via a process of delegation from NHS Greater Glasgow and Clyde and Glasgow City Council, and its Chief Officer has responsibility for the planning, resourcing and operational delivery of all integrated health and social care within its geographical area.
- 3.2 The main features of the IJB's system of internal control are summarised below.
- The overarching strategic vision and objectives of the IJB are detailed in the IJB's Corporate Statement which sets out the key outcomes the IJB is committed to delivering with its partners, as set out in its Strategic Plan and Annual Financial Statement.
 - Services are able to demonstrate how their own activities link to the IJB's vision and priorities through their Corporate Improvement Plans.
 - Performance management, monitoring of service delivery and financial governance is provided by the Finance and Audit Committee. It reviews and reports on the effectiveness of the integrated arrangements including the financial management of the integrated budget.
 - We have a comprehensive performance management framework in place which ensures there is regular scrutiny at senior management, committee and Board levels. Performance is linked to delivery of objectives and is reported quarterly to the IJB. Information on performance can be found in the Annual Performance Report published on the IJB website.
 - The Participation and Engagement Strategy sets out the IJB's approach to engaging with stakeholders. Consultation on the future vision and activities of the IJB is undertaken with its health service and local authority partners and through existing community planning networks. The IJB publishes information about its performance regularly as part of its public performance reporting.
 - The IJB operates within an established procedural framework. The roles and responsibilities of Board members and officers are defined within Standing Orders, Scheme of Delegation, Financial Regulations and Standing Financial Instructions; these are scheduled for regular review.
 - Effective scrutiny and service improvement activities will be supported by the formal submission of reports, findings and recommendations by the external auditors, Inspectorates and the appointed Internal Audit service to the IJB's Senior Management Team, the main Board and the Finance and Audit Committee.

ANNUAL GOVERNANCE STATEMENT (continued)

- The IJB follows the principles set out in COSLA’s *Code of Guidance on Funding External Bodies and Following the Public Pound* for both resources delegated to the Partnership by the Health Board and Local Authority and resources paid to its local authority and health service partners.
- Responsibility for maintaining and operating an effective system of internal financial control rests with the Chief Officer Finance and Resources. The system of internal financial control is based on a framework of regular management information, Financial Regulations and Standing Financial Instructions, administrative procedures (including segregation of duties), management and supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the IJB.
- The IJB’s approach to risk management is set out in the risk management strategy, the risk management policy and the Corporate Risk Register. Regular reporting on risk management is undertaken and reported annually to the Senior Management Team and Finance and Audit Committee.
- Committee members observe and comply with the Nolan seven Principles of Public Life. Arrangements are in place to ensure Board members and officers are supported by appropriate training and development.
- Staff are made aware of their obligations to protect client, patient and staff data. The NHS Scotland *Code of Practice on Protecting Patient Confidentiality* has been issued to all staff.
- Staff are also required to undertake mandatory training on information security.

4. Compliance with best practice

- 4.1 The IJB complies with the CIPFA Statement on “*The Role of the Chief Financial Officer in Local Government 2010*”. The IJB’s Chief Officer, Finance & Resources has overall responsibility for the IJB’s financial arrangements and is professionally qualified and suitably experienced to lead the IJB’s finance function and to direct finance staff.
- 4.2 The IJB complies with the requirements of the CIPFA Statement on “*The Role of the Head of Internal Audit in Public Organisations 2010*”. The IJB’s appointed Chief Internal Auditor has responsibility for the IJB’s internal audit function and is professionally qualified and suitably experienced to lead and direct internal audit staff. The Internal Audit service generally operates in accordance with the CIPFA “*Public Sector Internal Audit Standards 2013*”.
- 4.3 The IJB’s Finance and Audit Committee operates in accordance with CIPFA’s *Audit Committee Principles in Local Authorities in Scotland* and *Audit Committees: Practical Guidance for Local Authorities*.

ANNUAL GOVERNANCE STATEMENT (continued)

5. Review of Adequacy and Effectiveness

- 5.1 The IJB has responsibility for conducting at least annually, a review of effectiveness of the system of internal control and the quality of data used throughout the organisation. The review is informed by the work of the Senior Management Team (who have responsibility for the development and maintenance of the internal control framework environment), the work of the Internal Auditors and the Chief Internal Auditor's annual report, and reports from External Auditors and other review agencies and inspectorates.
- 5.2 The review of the IJB's governance framework is supported by processes within Glasgow City Council and NHS Greater Glasgow and Clyde. Within Glasgow City Council a self-assessment governance questionnaire and certificate of assurance is completed by all Service Directors on an annual basis. The responses to these are considered as part of the review of the Council's governance framework. A similar process is in operation within NHS Greater Glasgow and Clyde where Service Managers were provided with a "Self assessment Checklist" to complete and return as evidence of review of key areas of the internal control framework. The Senior Management Team then considered the completed evaluations and provided a Certificate of Assurance for their services.
- 5.3 The arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

6. Significant governance issues

- 6.1 The Chief Internal Auditor has confirmed that there are no significant governance issues that require to be reported specific to the IJB for 2017/18.

7. Update on Significant Governance Issues Previously Reported

- 7.1 There were no significant governance issues in 2017/18 specific to the IJB.

8. Internal audit opinion

- 8.1 Based on the audit work undertaken, the assurances provided by the Chief Officers of the IJB, Executive Directors of Glasgow City Council Services, and the Senior Management Teams of services within NHS Greater Glasgow and Clyde, and excluding the issues noted above, it is the Chief Internal Auditor's opinion that reasonable assurance can be placed upon the control environment which operated during 2017/18.

ANNUAL GOVERNANCE STATEMENT (continued)

9. Certification

- 9.1 Subject to the above, and on the basis of assurances provided, we consider that the internal control environment operating during the reporting period provides reasonable and objective assurance that any significant risks impacting upon the achievement of our principal objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the internal control environment and action plans are in place to identify identified areas for improvement.

David Williams
Chief Officer

Councillor Mhairi Hunter
Chair

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

for the year ended 31 March 2018

2016/17			2017/18			
Gross Expenditure (Restated)	Gross Income (Restated)	Net Expenditure (Restated)	Notes	Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000		£000	£000	£000
155,094	- 2,273	152,821		152,983	- 3,054	149,929
24,116	- 19,230	4,886		24,018	- 18,427	5,591
247,758	- 43,541	204,217		248,882	- 42,286	206,596
48,963	- 1,662	47,301		42,513	- 2,201	40,312
2,072	- 222	1,850		2,056	- 297	1,759
29,067	- 981	28,086		32,825	- 1,115	31,710
68,849	- 14,993	53,856		71,759	- 3,221	68,538
29,721	- 2,093	27,628		30,380	- 1,858	28,522
106,149	- 15,235	90,914		107,549	- 15,345	92,204
76,400	- 33,467	42,933		73,638	- 25,305	48,333
127,352	-	127,352		129,469	-	129,469
180,808	- 8,772	172,036		182,404	- 8,787	173,617
11,149	- 1,397	9,752		11,431	- 1,734	9,697
61,788	- 14,144	47,644		57,779	- 12,407	45,372
1,169,286	- 158,010	1,011,276		1,167,685	- 136,036	1,031,649
120,801	-	120,801		120,803	-	120,803
3,290	-	3,290		3,290	-	3,290
1,293,377	- 158,010	1,135,367		1,291,777	- 136,036	1,155,741
-	-	1,154,676	4		-	1,167,808
		19,309				12,066

The income and expenditure statement has been restated in 2016/17 to reflect the revised position in relation to hosted services. See page 33 for further details.

There are no statutory or presentation adjustments which result in the IJB's application of the funding received from partners, and therefore the movement in the General Fund balance, being different from the costs and income shown in the Comprehensive Income and Expenditure Statement. Consequently, an Expenditure and Funding Analysis is not provided in these annual accounts as it is not required to provide a true and fair view of the IJB's finances.

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the IJB's reserves. The movements which arise due to statutory adjustments which affect the General Fund balance are separately identified from the movements due to accounting practices.

Movements in Reserves During 2017/18	General Fund Balance £000
Opening Balance at 31 March 2017	19,309
Total Comprehensive Income and Expenditure	12,066
Increase in 2017/18	12,066
Closing Balance at 31 March 2018	31,375

BALANCE SHEET

as at 31 March 2018

31 March 2017 £000		Notes	31 March 2018 £000
19,309	Short term Debtors	5	31,375
19,309	Current Assets		31,375
	- Short-term Creditors		-
	- Current Liabilities		-
19,309	Net Assets		31,375
19,309	Usable Reserve: General Fund	6	31,375
19,309	Total Reserves		31,375

The Statement of Accounts present a true and fair view of the financial position of the Integration Joint Board as at 31 March 2018 and its income and expenditure for the year then ended.

The unaudited annual accounts were authorised for issue on 20 June 2018.

Sharon Wearing
 Chief Officer, Finance & Resources
 20 June 2018

NOTES TO THE ANNUAL ACCOUNTS

1 Accounting policies

General Principles

The Financial Statements summarise the transactions of Glasgow City Integration Joint Board ('IJB') for the 2017/18 financial year and its position at 31 March 2018.

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. It is a joint venture between NHS Greater Glasgow and Clyde and Glasgow City Council.

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18, 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, Glasgow City Council and NHS Greater Glasgow & Clyde. Expenditure is incurred as the IJB commissions specified health and social care services from the funding partners for the benefit of service recipients in Glasgow City and service recipients in Greater Glasgow & Clyde, for services which are delivered under Hosted arrangements.

NOTES (continued)

Cash and Cash Equivalents

Although the IJB has formally opened a bank account, it neither holds any funds nor incurs any expenditure. All 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. This has resulted in there being no requirement for the IJB to produce a cash flow statement. 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. Where material the Chief Officer's absence entitlement as at 31 March is accrued, for example in relation to annual leave earned but not yet taken.

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.

A contingent asset is a possible asset arising from events on or before 31 March, whose existence will only be confirmed by later events. A contingent asset is not recognised in the IJB's Balance Sheet, but is disclosed in a note only if it is probable to arise and can be reliably measured.

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

NOTES (continued)

service provision.

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.

Indemnity Insurance

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. The NHS Greater Glasgow & Clyde and Glasgow City 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 analogous to normal insurance arrangements.

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

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

Critical judgements and estimation uncertainty

In applying the accounting policies set out above, the IJB has had to make a critical judgement relating to complex transactions in respect of the values included for services hosted within Glasgow City IJB for other IJBs within the NHS Greater Glasgow & Clyde area. In previous financial years the financial accounts have been prepared on the basis that the costs associated with activity for services related to non-Glasgow City residents were removed and transferred to other IJB's to reflect the location of the service recipients. Costs were also added to reflect activity for services delivered by other IJB's related to Glasgow City residents. The costs removed/added were based upon budgeted spend such that any overspend or underspend remains with the hosting IJB.

In preparing the 2017-18 financial statements this adjustments will no longer be made. Within Greater Glasgow and Clyde, each IJB has operational responsibility for services, which it hosts on behalf of the other IJB's. In delivering these services the IJB has primary responsible for the provision of the services and bears the risk and reward associated with this service delivery in terms of demand and the financial resources required. As such the IJB is considered to be acting as 'principal', and the full costs should be reflected within the financial statements for the services which it hosts. This is the basis on which 2017-18 accounts have been prepared.

NOTES (continued)

The set-aside figure included in the IJB accounts is based on the average of 2013-14 and 2014-15 acute hospital activity with a 1% uplift applied. As such, the sum set aside included in the accounts will not reflect actual hospital usage in 2017-18.

2 Events after the reporting period

The Annual Accounts were authorised for issue by the Chief Officer, Finance & Resources on 11 September 2018. 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 2018, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

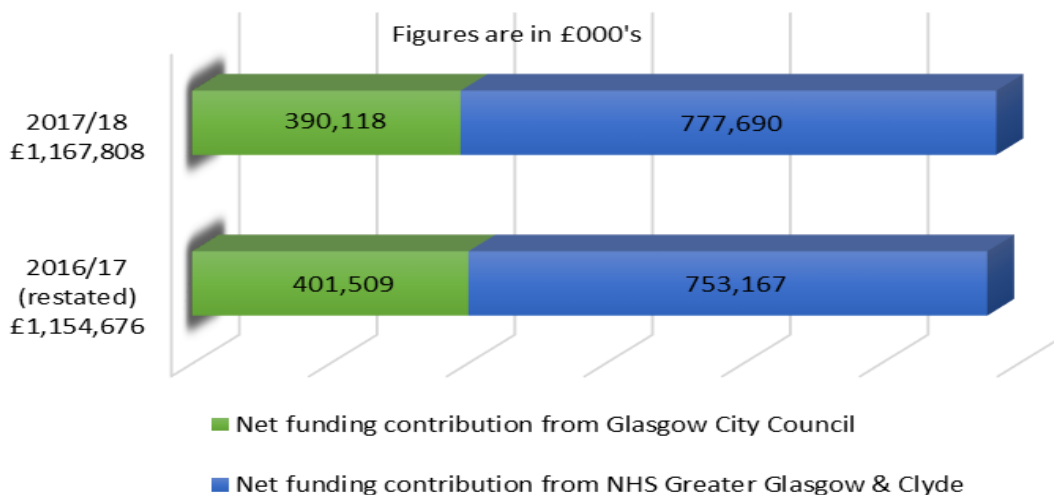
3 Expenditure and income analysis by nature

2016/17 (Restated) £000	2017/18 £000
- 1,154,676 Partners' funding contributions and non-specific grant income	-1,167,808
- 158,010 Fees, charges and other service income	-136,036
324,723 Employee costs	332,992
25,427 Premises costs	25,510
5,767 Transport costs	6,208
74,143 Supplies and services	73,216
397,503 Third party costs	388,569
28,054 Transfer payments	25,927
973 Capital financing costs	528
135,271 Prescribing	135,733
180,697 Family health services	182,267
120,801 Set-aside for delegated services provided in large hospitals	120,803
18 Fees payable to Audit Scotland in respect of external audit services	24
- 19,309 Surplus on the provision of services	- 12,066

No fees were payable in respect of other services provided by the appointed auditor. This note has been restated in 2016/17 to reflect the revised position in relation to hosted services. See page 31 for further details.

NOTES (continued)

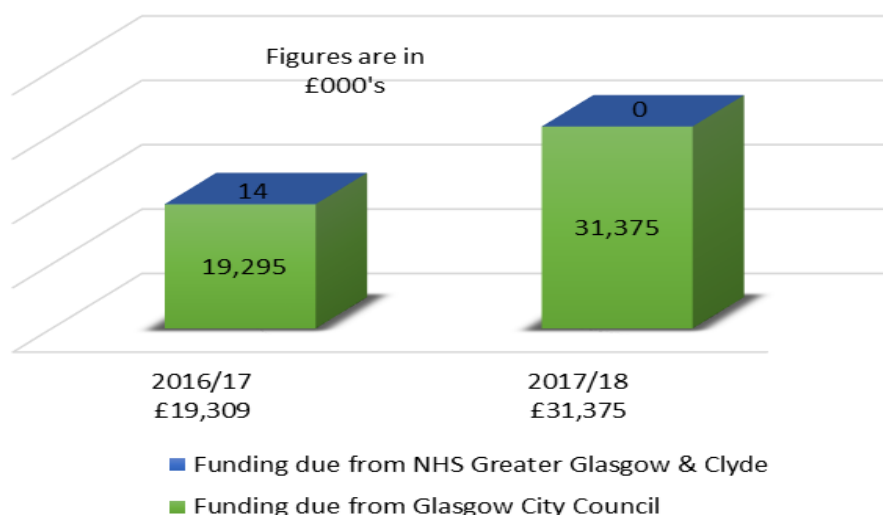
4 Taxation and Non-Specific Grant Income



This note has been restated in 2016/17 to reflect the revised position in relation to hosted services. See page 31 for further details.

The funding contribution from the NHS Board shown above includes £120,803,000 in respect of 'set-aside' resources relating to acute hospital and other resources. These are provided by the NHS which retains responsibility for managing the costs of providing the services. The IJB, however, has responsibility for the consumption of, and level of demand placed on, these resources.

5 Debtors



NOTES (continued)

6 Usable 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 part of the IJB's 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 at 1 April 2016 £000	Transfers Out £000	Transfers In £000	Balance at 31 March 2017 £000		Transfers Out £000	Transfers In £000	Balance at 31 March 2018 £000
-	-	11,880	11,880	Earmarked	7,551	19,617	23,946
-	-	7,429	7,429	Contingency	-	-	7,429
-	-	19,309	19,309	General fund	7,551	19,617	31,375

7 Related party transactions

The IJB has related party relationships with the NHS Greater Glasgow & Clyde and Glasgow City 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. The table below shows the funding that has transferred from the NHS Board via the IJB to the Council. This amount includes Resource Transfer Funding.

This note has been restated in 2016/17 to reflect the revised position in relation to hosted services. See page 31 for further details.

NOTES (continued)

2016/17 (restated) Transactions with NHS Greater Glasgow & Clyde £000	2017/18 £000
753,167 Funding Contributions received from the NHS Board	777,690
- 653,713 Expenditure on Services Provided by the NHS Board	-653,990
- 545 Key management personnel: non-voting board members	-567
98,909 Net Transactions with the NHS Board	123,133

Key Management Personnel: the non-voting Board members employed by the NHS Board and recharged to the IJB include representatives of primary care, nursing and non-primary services; and a staff representative. NHS Greater Glasgow & Clyde did not charge for any support services provided in the year ended 31 March 2018 (2017: nil).

2016/17 £000	2017/18 £000
Balance with NHS Greater Glasgow & Clyde	
14 Debtor balances: amounts due from the NHS Board	0
14 Net balance with the NHS Board	0

2016/17 £000	2017/18 £000
Transactions with Glasgow City Council	
401,509 Funding Contributions received from the Council	390,118
- 480,636 Expenditure on Services Provided by the Council	-500,704
- 473 Key management personnel: non-voting board members	-480
- 79,600 Net Transactions with Glasgow City Council	-111,066

Key Management Personnel: the non-voting Board members employed by the Glasgow City Council and recharged to the IJB include the Chief Officer, the Chief Financial Officer, the Chief Social Work Officer and a staff representative. Details of the remuneration for some specific post-holders are provided in the Remuneration Report. Glasgow City Council did not charge for any support services provided in the year ended 31 March 2018 (2017: nil).

NOTES (continued)

2016/17 £000	Balance with Glasgow City Council	2017/18 £000
19,295	Debtor balances: amounts due from the Glasgow City Council	31,375
19,295	Net balance with Glasgow City Council	31,375

8 **New standards issued but not yet adopted**

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. The IJB considers that there are no such standards which would have significant impact on its annual accounts.



INDEPENDENT AUDITOR'S REPORT

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