

**Integration Joint Board  
 Finance and Audit Committee**

**Report By:** Chief Officer, Finance and Resources

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**GLASGOW CITY HSCP FINANCIAL FRAMEWORK**

<b>Purpose of Report:</b>	To provide a summary to Committee members of the financial framework to which the Integration Joint Board operates.
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<b>Recommendations:</b>	The Finance and Audit Committee is asked to note this report
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**Implications for IJB:**

<b>Financial:</b>	None
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<b>Personnel:</b>	None
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<b>Legal:</b>	None
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<b>Economic Impact:</b>	None
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<b>Sustainability:</b>	None
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<b>Sustainable Procurement and Article 19:</b>	None
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<b>Equalities:</b>	None
<b>Implications for Glasgow City Council:</b>	None
<b>Implications for NHS Greater Glasgow &amp; Clyde:</b>	None

## 1. Introduction and Background

- 1.1 This report provides a summary to Committee members of the financial framework to which the Integration Joint Board operates.
- 1.2 The legislation governing Integration Joint Boards is the Public Bodies (Joint Working) (Scotland) Act 2014 ('the Legislation'). Various guidance has also been issued (by Scottish Government, by the Integrated Resources Advisory Group ('IRAG'), and the Local Authority (Scotland) Accounts Advisory Committee ('LASAAC') on how the provisions of the Act should be implemented in practice. This paper provides information on and interpretation of the main guidance.

## 2. Financial Framework Guidance

- 2.1 The main guidance associated with the financial framework for IJBs is outlined below:
- 2.2 Integrated Resources Advisory Group  
<http://www.gov.scot/Resource/0048/00480494.pdf>

The Scottish Government established the IRAG to consider the financial implications of integrating health and social care, and to help develop professional guidance. The guidance and advice addresses financial matters and was issued to assist Health Boards and Local Authorities in preparing for integration.

The key matters covered relate to:

- The Model of Integration (in our case, Delegation to an Integration Joint Board). It describes how in this model, the Health Board and Local Authority delegate functions and resources to the Integration Joint Board. This section covers the Integration Scheme, the Strategic Plan, the Annual Financial Statement and Annual Performance Report. It looks at assurance and governance, financial reporting, financial planning and

management, and includes, as an appendix, an illustrative example of a set of IJB annual accounts.

### 2.3 The Local Authority (Scotland) Accounts Advisory Committee

<http://www.cipfa.org/~media/files/regions/scotland/lasaac/lasaac-guidance-on-accounting-for-integration-2015-16-sept-2015.pdf?la=en>

A number of stakeholders in Scottish local government financial reporting identified areas where detailed guidance would be of assistance for the 2015/16 financial year. Consequently this guidance has been developed to support consistency of treatment, and the appropriate implementation of financial reporting for integration in both IJB and local authority accounts.

Where the model of integration is through delegation to an Integration Joint Board, IJBs are specified in legislation as 'section 106' bodies under the terms of the Local Government (Scotland) Act 1973. Consequently IJBs are expected to prepare their financial statements in compliance with the Code of Practice on Accounting for Local Authorities in the United Kingdom.

Guidance is provided on a number of areas, including

- the Period of Account for an IJB in 2015/16
- IJB Running Costs
- Remuneration Reports in the IJB and Local Authority Partner
- Related Party Disclosures

### 2.4 Good Practice Note - Directions from Integration Authorities to Health Boards and Local Authorities

(<http://www.gov.scot/Resource/0049/00498164.pdf> )

The legislation places a duty on Integration Authorities to develop a strategic commissioning plan for integrated functions and budgets under their control. The IJB requires a mechanism to action its strategic commissioning plan, and this is laid out in legislation (sections 26 to 28). This mechanism takes the form of binding 'Directions' from the IJB to one or both of the Health Board and Local Authority.

This guidance describes the required form and content of these directions, and the process for issuing and revising them. The directions should set out a clear framework for the operational delivery of the functions that have been delegated to the IJB. They must include detailed information on the financial resources that are available for carrying out the functions that are the subject of the directions, including the allocated budget and how that budget is to be used.

2.5 Integration Financial Assurance  
(<http://www.gov.scot/Resource/0046/00465080.pdf> )

The purpose of this note is to provide advice to Health Boards, Local Authorities and Integration Joint Boards on a process of assurance in respect of legal, financial and operational areas. Assurance relates to the way in which the IJB satisfies itself that its resources are adequate to allow it to carry out its functions and to assess the risks associated with this. The guidance identifies that the assurance process should enable the IJB to identify the resources delegated to it and the financial, legal or organisational risks involved.

2.6 Guidance on Financial Planning for Large Hospital Services and Hosted Services  
(<http://www.gov.scot/Resource/0049/00491284.pdf> )

The purpose of this guidance is to provide advice on implementing the requirements of the Legislation and regulations in respect of the amounts to be set aside for those delegated services provided in large hospitals, and the treatment of hosted services included in delegated functions. Large hospitals are defined as hospitals which provide services delegated to an IJB for the areas of two or more local authorities.

The guidance covers:

- A method for establishing the amount to be set aside for the services that are delivered in a large hospital, i.e. showing consumption by partnership residents;
- A method for quantifying and reporting performance for the financial consequences of planned changes in capacity as they relate to set aside budgets for large hospitals, i.e where there is a planned increase or decrease in consumption.

### 3. Recommendations

The Finance and Audit Committee is asked to;

- (i) note the contents of this report