



**REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
25 AUGUST 2020**

REPORT ON: DRAFT ANNUAL ACCOUNTS 2019/20

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB30-2020

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to present the Integration Joint Board's Draft Annual Statement of Accounts 2019/20.

2.0 RECOMMENDATIONS

It is recommended that the Integration Joint Board (IJB):

2.1 Considers and agrees the content of the Draft Final Accounts Funding Variations as outlined in Appendix 1;

2.2 Approves the Draft Dundee Integration Joint Board Annual Corporate Governance Statement as outlined in Appendix 2;

2.3 Notes the Integration Joint Board's Draft Annual Statement of Accounts 2019/20 as outlined in Appendix 3;

2.4 Notes the application of reserves during 2019/20 to meet the Integration Joint Board's liabilities and support its activities during the financial year as outlined in 4.1.3.

2.5 Notes the Chief Finance Officer submitted the Draft Accounts to the IJB's external auditors (Audit Scotland) on the 30th June 2020 to enable the audit process to commence.

3.0 FINANCIAL IMPLICATIONS

3.1 The draft annual accounts statement for the year end 31 March 2020 highlights that the IJB made an overall deficit of £2,274k in 2019/20. This final position was net of the risk sharing arrangement in place whereby the IJB applied uncommitted reserves of £944k, with Dundee City Council providing an additional £1,021k of funding and NHS Tayside providing a further £2,042k.

4.0 MAIN TEXT

4.1 Background

4.1.1 The IJB is required to prepare financial statements for the financial year ending 31 March 2020 following the Code of Practice on Local Authority Accounting in the United Kingdom ("the Code"). The Annual Accounts report the financial performance of the IJB. Its main purpose is to demonstrate the stewardship of the public funds which have been entrusted to the IJB for the delivery of the IJB's vision and its core objectives.

- 4.1.2 The IJB is required to follow Local Authority Accounts (Scotland) Regulations 2014. This requires the inclusion of a management commentary and remuneration report and recommends submission of the draft accounts by 30 June 2020 to the IJB's external auditors (Audit Scotland for 2019/20). It is acknowledged that the Covid-19 crisis has caused significant disruption to the provision of services and the governance arrangements around those services. Accordingly, provisions made in the Coronavirus (Scotland) Act 2020 in relation to the publication of statutory reports provide some flexibility around reporting requirements and timescales associated with the statutory accounts process as set out within the Local Authority Accounts (Scotland) Regulations 2014. This particularly relates to the potential postponement of the publication of the unaudited accounts, associated inspection periods and publication of the audited accounts with a 2 month extension available if required. It is the view of the Chief Finance Officer that the extended timescales are not required for the IJB's unaudited accounts. Audit Scotland have advised that while they will strive to carry out the work necessary to meet the existing audited accounts deadline of the 30th September, the impact of requiring to work differently and with less staff as a result of Covid-19 may result in delays to the completion of the audited accounts which can now be published by the end of November rather than the 30th September current deadline. The Chief Finance Officer submitted the draft accounts to Audit Scotland on the 30th June 2020 to enable the external audit to commence.
- 4.1.3 The 2019/20 Annual Accounts comprise:-
- a) Comprehensive Income and Expenditure Statement – This statement shows that Dundee Integration Joint Board made an overall deficit of £2,274k in 2019/20 (deficit of £1,794k in 2018/19) on the total income of £273,803k (£261,283k in 2018/19). This overall deficit will be met through the Integration Joint Board's reserves and is net of additional funding provided by Dundee City Council and NHS Tayside totalling £3,063k and the application of uncommitted IJB reserves under the risk sharing arrangements set out within the integration scheme.
 - b) Movement in Reserves – Dundee Integration Joint Board has year-end reserves of £492k at the year ended 31st March 2020 (£2,766k in 2018/19). These are held in line with the Integration Joint Board's reserves policy. Reserves were applied during the year to cover outstanding liabilities to Dundee City Council, NHS Tayside and the activities of the Integration Joint Board.
 - c) Balance Sheet – In terms of routine business Dundee Integration Joint Board does not hold assets, however the reserves noted above are reflected in the year-end balance sheet.
 - d) Notes - Comprising a summary of significant accounting policies, analysis of significant figures within the Annual Accounts and other explanatory information.
- 4.1.4 It should be noted that due to a range of technical accounting and other budgetary changes, there is some variation between the original agreed levels of funding from Dundee City Council and NHS Tayside to Dundee IJB as part of the delegated budget. The details of these are set out within the Draft Final Accounts Funding Variations summary as Appendix 1 to this report and it is proposed that the IJB accepts these changes.
- 4.1.5 The annual accounts document contains a Governance and Assurance Statement which is based on a self-assessment process. The IJB governance arrangements require to be independently assessed by Internal Audit and the Chief Internal Auditor's Annual Internal Audit Report is set out as a separate item on this IJB meeting agenda.
- 4.1.6 Once submitted, Audit Scotland will assess these accounts in line with their Annual Audit Plan for Dundee IJB as approved under the IJB's Essential Business Procedure and produce an independent auditors' report setting out their opinion on the annual statement at the earliest date possible as noted in section 4.1.2 above. The outcome of this will be incorporated into the annual accounts and will subsequently be presented to the IJB for final approval. The draft unaudited accounts are shown in Appendix 3.

5.0 POLICY IMPLICATIONS

5.1 This report has been screened for any policy implications in respect of Equality Impact Assessment and Risk Management. There are no major issues.

6.0 RISK ASSESSMENT

Risk 1 Description	There is a risk that through the audit process, Audit Scotland identify areas of concern or material misstatement leading to a qualified audit certificate
Risk Category	Financial/Governance
Inherent Risk Level	Likelihood 2 x Impact 4 = Risk Scoring 8 (which is High Risk Level)
Mitigating Actions (including timescales and resources)	The accounts have been prepared in accordance with good practice principles and statutory requirements by suitably qualified officers
Residual Risk Level	Likelihood 2 x Impact 3 = Risk Scoring 6 (which is a Moderate Risk Level)
Planned Risk Level	Likelihood 2 x Impact 3 = Risk Scoring 6 (which is a Moderate Risk Level)
Approval recommendation	Given the nature of the risks, these are deemed to be acceptable

7.0 CONSULTATIONS

7.1 The Chief Officer and the Clerk were consulted in the preparation of this report.

8.0 DIRECTIONS

8.1 The Integration Joint Board requires a mechanism to action its strategic commissioning plans and this is provided for in sections 26 to 28 of the Public Bodies (Joint Working)(Scotland) Act 2014. This mechanism takes the form of binding directions from the Integration Joint Board to one or both of Dundee City Council and NHS Tayside.

Direction Required to Dundee City Council, NHS Tayside or Both	Direction to:	
	1. No Direction Required	✓
	2. Dundee City Council	
	3. NHS Tayside	
	4. Dundee City Council and NHS Tayside	

9.0 BACKGROUND PAPERS

9.1 None.

Dave Berry
Chief Finance Officer

DATE: 20th August 2020

Final Accounts – Funding Variations (and Adoption of Specific Presentation)

Extract - Note to Dundee Joint Integration Board regarding variations to the existing Scheme of Integration and the adoption of specific presentation of information within the framework of the International Financial Reporting Standards (IFRS).

Background

The following note provides details of variations to the delegated budget for which approval is sought by the Dundee Integration Joint Board. The adjustments and explanations for these adjustments are outlined below section 1.

In addition, information has been presented within the requirements of the International Financial Reporting Standards (IFRS) and attributable supplementary Local Authority (Scotland) Accounts Advisory Committee (LASAAC). Specific applications of the guidance are outlined in section 2.

Section 1 – Variations to Delegated Budget

Local Authority Variations – The agreed delegated budget 2019/20 provided for a budgeted payment of £77,047k from Dundee City Council to the Dundee City Integration Joint Board to fund the commissioning of services. It is recognised that a number of technical year-end adjustments will result in variations in costs outwith the control of the IJB (e.g. adjustments to pension costs).

The financial reporting process throughout the year highlighted significant pressures on social care services leading to an overspend. The Dundee City Integration Scheme advised how any overspend position for delegated services will be treated. From the 3rd financial year onwards any overspend after the use of reserves will be allocated based on each partner proportionate contribution to the DIJB for that financial year. As a result, Dundee City Council is due to make a further contribution of £1,020k. This figure is included in the total funds provided by DCC.

These year-end adjustments will be a feature of each year end accounts process. Notably they are difficult to quantify at the commencement of the financial year (e.g. pension costs adjustments can vary significantly within a single financial year) and cognisance of these variations requires to be taken of these variations in the Dundee Integration Joint Boards accounts.

The Dundee City Council adjusted funding is outlined below:-

DCC Funding to Dundee Integration Joint Board (DIJB)	£000
Initial DCC contribution to DIJB	77,047
Additional Funding from DCC – pension costs	5,258
Other additional funding from DCC	249
Additional funding to cover overspend as per the risk share agreement	1,021
Total Funds provided by Dundee City Council	83,575

NHS Tayside Variations – The agreed delegated budget 2019/20 provided for a budgeted payment of £158,879k from NHS Tayside to the Dundee City Integration Joint Board to fund the commissioning of services. The financial reporting process throughout the year highlighted significant pressures on NHS Tayside. Despite these pressures NHS Tayside an underlying underspend in NHS budget was reported. However, the DIJB overall financial performance consists of an underlying overspend. The Dundee City Integration Scheme advised how any overspend position for delegated services will be treated. From the 3rd financial year onwards any overspend after the use of reserves will be allocated based on each partner proportionate contribution to the DIJB for that financial year. As a result, NHS Tayside is due to make a further contribution of £2,042k. This figure is included in the total funds provided by NHS Tayside.

The NHS Tayside contribution also includes specific Integration funding which was provided by the Scottish Government with NHS Tayside acting as an agent. These monies have been provided to the Dundee Integration Joint Board and those not expended currently sit in the Board's reserves.

The NHS Tayside adjusted funding is summarised below in terms of core service areas:-

NHS Funding to Dundee Integration Joint Board (DIJB)	£000
Initial NHS Contribution to DIJB	158,879
Superannuation Adjustments / Action 15 Mental Health	496
Hospital & Community Health Services	1,322
FHS Drugs Prescribing	424
General Medical Services	1,628
FHS - Cash Limited & Non Cash Limited	1,083
Net Effect of Hosted Services*	6,182
Large Hospital Set Aside	18,172
Additional funding to cover overspend as per the risk share agreement	2,042
NHS contribution to DIJB	190,228

Section 2 – Specific application of International Financial Reporting Standards (IFRS)

Netting of Income – The Dundee Integrated Joint Board annual accounts have been prepared on the basis that all operational expenditure is shown net of income as it reflects the actual environment the board is working under. In particular the Dundee Integration Joint Board does not have the legal power to set charges for services provided by either the Council or NHS Tayside. In addition the IJB cannot pursue an action to recover income from a service recipient. More specifically it reflects the role of the Dundee Integration Joint Board as a net funding vehicle. Audit Scotland has indicated that this is the preferred approach.

To support this position the following text is included on the face of the 2019/20 Annual Accounts

“The Dundee Integration Joint Board's Comprehensive Income and Expenditure Statement shows the net commissioning expenditure provided to partners to support services. It does not detail income received from service users as this remains the statutory responsibility of the partners.”

Offsetting of Debtors & Creditors – The Dundee Integration Joint Board accounts have been prepared on the basis that the net expenditure from Dundee City Council and NHS Tayside recognises that debtors and creditors in respect of NHS Tayside and Dundee City Council with third parties (other than the Dundee Integration Board) but not yet settled in cash terms are offset against the funds they are holding on behalf of the IJB. This essentially requires that when consolidating its accounts the Dundee Integration Joints Board have consolidated the accrued net expenditure. Therefore only debtors and creditors between Dundee Integration Joint Board and its two constituent body are detailed in the IJB's final accounts. The only exception to this is Audit Scotland audit fees.

The Annual Governance Statement explains Dundee City Integration Joint Board's governance arrangements and reports on the effectiveness of the Integration Joint Board's system of internal control.

Scope of Responsibility

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

To meet this responsibility, the Integration Joint Board has established arrangements for governance which includes a system of internal control. The system is intended to manage risk to support the achievement of the Integration Joint Board's policies, aims and objectives. Reliance is also placed on the NHS Tayside and Dundee City Council 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 Integration Joint Board. Reliance is similarly placed on Angus IJB and Perth & Kinross IJB with respect to Hosted Services.

The system can only provide reasonable and not absolute assurance of effectiveness.

The Governance Framework and Internal Control System

Dundee City Integration Joint Board comprises six voting members, three nominated by Dundee City Council and three nominated by Tayside NHS Board, as well as non-voting members including a Chief Officer and Chief Finance Officer appointed by the Integration Joint Board. During 2019/20, the Integration Joint Board continued to develop, enhance and review its governance arrangements as it moved through its fourth year of being responsible for the strategic planning and operational delivery of integrated health and social care services. This included progressing areas highlighted as developments in the 2017/18 and 2018/19 Annual Governance Statements.

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

- The Integration Scheme as the overarching agreement between the Integration Joint Board, NHS Tayside and Dundee City Council as to how the planning for and delivery of delegated health and social care services is to be achieved reflecting a range of governance arrangements required to support this arrangement.
- The senior leadership team consisting of the Chief Officer, Head of Finance and Strategic Planning (Chief Finance Officer) and Head of Health and Community Care. The Chief Finance Officer has overall responsibility for the Integration Joint Board's financial arrangements and is professionally qualified and suitably experienced to lead the Integration Joint Board's finance function and to direct staff accordingly.
- Formal regular meetings of the senior leadership team including professional advisers.
- Standing Orders, Financial Regulations and a Code of Conduct including the publication of Register of Member's Interests and the nomination of the Clerk to the Integration Joint Board as Standards Officer were all in place during 2019/20. Standing Orders including terms of reference for the Performance and Audit Committee were reviewed and updated during the year.
- The Integration Joint Board met on seven occasions throughout the year to consider its business. Three development sessions were held as part of the 2020/21 budget development process with a further induction session held for new IJB members which covered their role and expected standards and conduct.
- The Integration Joint Board's Performance and Audit Committee met on three occasions throughout the year to enhance scrutiny of the performance of the Integration Joint Board and audit arrangements in line with regulations and good governance standards in the public sector. This is the minimum number of meetings required in line with the Terms of Reference. While a further three meetings had been timetabled, the July meeting was cancelled due to insufficient business, the February meeting as it would not have been quorate and the final one due to the Covid-19 outbreak.
- Internal Audit arrangements for 2019/20 were approved including the appointment of the Chief Internal Auditor of FTF Internal Audit and Management Services to the role of Chief Internal

Auditor of the Integration Joint Board supported by Dundee City Council's Internal Audit Service. An Internal Audit Plan for 2019/20 was approved drawing on resources from both organisations.

- The assurances provided from internal audit through their independent review work of the Integration Joint Board's internal control systems.
- Assurances were provided to the Performance and Audit Committee in relation to Clinical, Care and Professional Governance through the presentation of a Chairs assurance Report from the Clinical, Care and Professional Governance Group
- The Chief Finance Officer complied fully with the five principles of the role of the Chief Finance Officer, as set out in CIPFA guidance.

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:

- A continued focus on considering risk in decision making through the clear identification of risks in relation to Integration Joint Board decisions reflected in reports presented to the Integration Joint Board and Performance and Audit Committee,
- The approval and progressing in year of the Annual Internal Audit Plan with the presentation of Internal Audit reports and follow up action plans as appropriate.
- The presentation of the IJB's Annual Performance Report
- Continued development of the performance management framework with a range of performance reports published and scrutinised by the Performance and Audit Committee throughout the year, including more detailed reviews of specific areas of concern as requested by the committee, including Discharge Management updated performance on Complex and Standard delays and Falls analysis.
- A process of formal regular reporting of financial performance and monitoring to the Integration Joint Board was in place throughout 2019/20.
- The provision of regular budget development reports for 2020/21 to the Integration Joint Board.
- The provision of an assurance report from the chair of the Performance and Audit Committee outlining the key issues raised at the previous Performance and Audit Committee meeting to the following Integration Joint Board meeting.
- In-year reporting on issues relating to the Clinical, Care and Professional Governance Group in the form of the group's Chairs Assurance Report in line with the overarching strategy: Getting It Right for Everyone – A Clinical, Care and Professional Governance Framework with no major issues reported.
- Embedding the issuing of directions to NHS Tayside and Dundee City Council reflected in Integration Joint Board reports during the year.
- Reporting of the implications of national overview reports by scrutiny bodies such as Audit Scotland
- Regular reporting to the Performance & Audit Committee of external scrutiny reports relating to delegated services from scrutiny bodies such as the Care Inspectorate and Mental Welfare Commission and supporting subsequent action plans.
- Provision of a Governance Action Plan progress report to monitor progress of previous recommended areas of improvement provided to each meeting of the Performance and Audit Committee.
- Assurance provided around the quality of Social Work Services through the Chief Social Work Officer Governance Framework and annual Chief Social Work Officer's Annual Report
- Quarterly Reporting of Complaints in relation to delegated Health and Social Care services
- The consideration of inspection reports from other IJB's such as North Ayrshire and Perth and Kinross and implications of lessons learned from these to Dundee IJB.
- The revision of the IJB's Partnership and Engagement Strategy to ensure all stakeholders have the opportunity to contribute to the continued development of health and social care services
- Assurances on the procedures, processes and systems of NHS Tayside and Dundee City Council.

Review of Adequacy and Effectiveness

Dundee City Integration Joint Board is required to conduct, at least annually, a review of the effectiveness of its governance framework including the system of internal control.

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.

The review of Dundee City Integration Joint Board's governance framework is supported by a process of self-assessment and assurance certification by the Chief Officer. The Chief Officer completes a "Self-assessment Checklist" as evidence of review of key areas of the Integration Joint Board's internal control framework. The Senior Management Team has input to this process through the Chief Finance Officer. There were no significant internal control issues identified by the self-assessment review.

In addition, the review of the effectiveness of the governance arrangements and systems of internal control within the Health Board and Local Authority partners places reliance upon the individual bodies' management assurances in relation to the soundness of their systems of internal control.

In preparing the Annual Governance Statement, the Integration Joint Board gave consideration to both NHS Tayside and Dundee City Council's Annual Governance Statements. There were no issues arising which require any further disclosure in the Integration Joint Board's Governance Statement.

Throughout the year, the Performance and Audit Committee has considered a range of issues which cover its core responsibilities in providing the Integration Joint Board with independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance arrangements. Assurances are provided through the internal audit reviews undertaken throughout the financial year and presented to the Performance and Audit Committee. During 2019/20 the number of carried forward days from previous annual audit plans has been a significant factor causing changes to target dates for reporting. The complexity of the control environment for IJBs, the demand on IJB management time to feed into the audit process; as well as the time taken to clear reports with the range of parties involved means some audits planned for 2019/20 were not reported by year-end. Fieldwork on these audits was either substantially completed by the end of May, or a risk assessment process for inclusion in the 2020/21 internal audit plan carried out. The Chief Internal Auditor has assured the Performance and Audit Committee that the work completed at year end on the governance checklist and annual internal audit report is sufficient to allow them to provide robust assurance for the governance statement.

It is recognised that progress in delivering a number of actions from previous internal and external audit recommendations has been slower than originally planned, mainly due to lack of capacity within Dundee Health and Social Care Partnership to take these actions forward at the expected pace. Plans are being developed to enhance capacity throughout 2020/21 to mitigate this risk in future years. In the context of the other controls in place, this is not deemed to undermine the systems of governance and control within the IJB.

The Chair of the Performance and Audit Committee provides an update to the next available Integration Joint Board meeting on the issues raised and any areas of concern which the Integration Joint Board should be made aware of. Over the course of 2019/20, no such areas of concern were noted by the Chair of the Performance and Audit Committee although, as noted below, the Committee will be focusing on the delivery of the amalgamated governance action plan in 2020-21.

Dundee City Integration Joint Board complies in full with "The Role of the Head of Internal Audit in Public Organisations" (CIPFA) and operates in accordance with "Public Sector Internal Audit Standards" (CIPFA). The Head of Internal Audit reports directly to the Performance and Audit Committee with the right of access to the Chief Finance Officer, Chief Officer and Chair of the Performance and Audit Committee on any matter. The annual programme of internal audit work is based on a strategic risk assessment, and is approved by the Performance & Audit Committee.

The Chief Internal Auditor has carried out his review of the adequacy and effectiveness of the Integration Joint Board's framework of governance, risk management and control. The findings of this review are reflected in the Annual Internal Audit Report 2019/20 which supports the outcome of Dundee City IJB's self-assessment process noted above and concludes that although some areas for improvement have been identified these do not impact on the level of assurance provided and reliance can be placed on the Integration Joint Board's governance arrangements and systems of control for 2019/20. A management response, actions and planned completion dates in relation to these areas of improvement

will be developed with the progress of these actions monitored through the Performance and Audit Committee.

Continuous Improvement

The following areas for improvement have been identified through the self-assessment process and Annual Internal Audit Report. Progress against these will be monitored by the Performance and Audit Committee during 2020/21. A number of these are outstanding from previous year's continuous improvement plans and are now included in the Governance Action Plan and updated at each Performance and Audit Committee meeting with revised planned completion dates as appropriate. These have primarily been delayed due to resource capacity and the impact of other priorities across the wider partnership with NHS Tayside and the other Tayside Integration Joint Boards. In addition, a number of areas of improvement have been identified through internal audit reports during the year. The unprecedented implications of responding to the challenges of the Covid-19 pandemic will have an impact in the early stages of 2020/21 of progressing a range of governance improvement actions. The impact of the Covid-19 pandemic on the capacity of the service to take these actions forward has been taken into consideration and a report setting out the revised actions to be undertaken to ensure completion of these actions will be presented to the PAC with any actions outwith the power of that Committee escalated to the IJB Board.

Area for Improvement	Lead Officer	Planned Completion Date
Previous Year Actions Carried Forward and Included in the Governance Action Plan.		
Development of improved Hosted Services arrangements around risk and performance management for hosted services and associated assurances.	Chief Officer / Chief Finance Officer	Revised date September 2020
Clarification of deputising arrangements for the Chief Officer to be presented to the IJB.	Chief Officer	Revised date August 2020
Further develop the Integration Joint Board's local Code of Governance.	Chief Officer / Chief Finance Officer	Revised date September 2020
Development of Large Hospital Set Aside arrangements in conjunction with the Scottish Government, NHS Tayside and Angus and Perth and Kinross Integration Joint Boards.	Chief Officer / Chief Finance Officer	Revised date June 2020
Range of developments following the Internal Audit report on Risk Maturity as reflected in the Risk Management Action Plan, including updating the risk management strategy, streamlining risk registers to prevent duplication and agree reporting arrangements and schedules.	Chief Finance Officer	All actions to be completed by revised date of September 2020
Range of actions arising from the Workforce Internal Audit Review including development of the Integrated Workforce and	Chief Finance Officer/Chief Officer	All actions to be completed by revised date December 2020

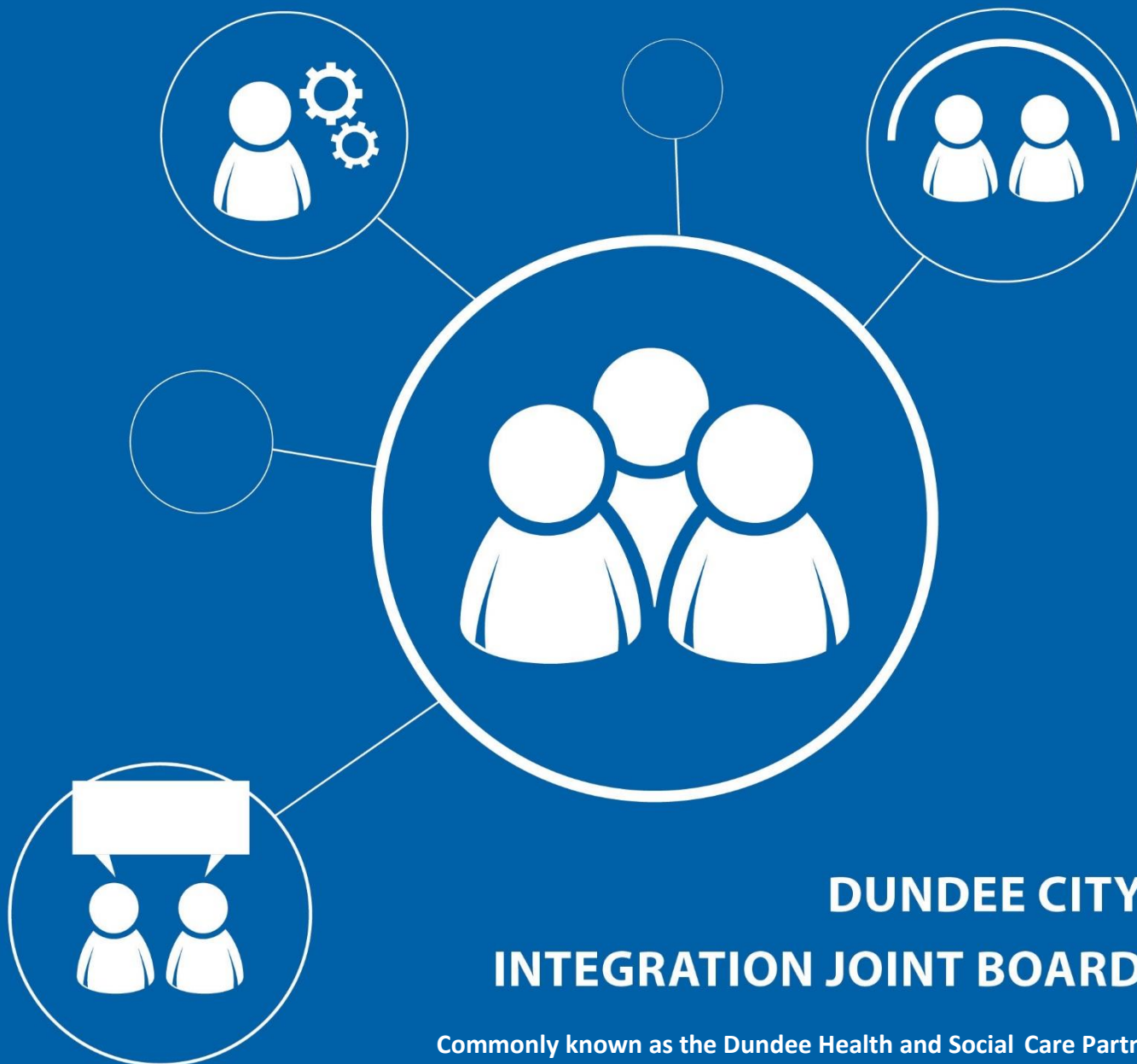
Organisational Development Plan in addition to provision of staff governance reporting.		
2019/20 Areas for Improvement Identified		
The financial ledger should be fully updated in 2019/20 prior to the approval of the annual accounts.	Chief Finance Officer	June 2020
A long-term financial strategy (5 years or more) supported by clear and detailed financial plans (3 years or more) should be prepared.	Chief Finance Officer	August 2020
The IJB should liaise with NHS Tayside and consider the arrangements for regular attendance by a member appointed as the registered medical practitioner providing primary care.	Clerk to the Board	August 2020
The IJB should liaise with its partner organisations to ensure an agreed budget is approved prior to the start of the year.	Chief Finance Officer	June 2020
The IJB should seek to combine financial and performance reporting to ensure that members have clear sight of the impact of variances against budget in terms of service performance.	Chief Finance Officer	September 2020
The IJB should review its reserves to ensure they are adequate.	Chief Finance Officer	March 2020
Mechanisms and reporting arrangements should be implemented to provide assurance to the Chief Officer and the Board that the IJB has arrangements in place to demonstrate that services are delivering Best Value.	Chief Finance Officer	September 2020
Implementation of and reporting on all outstanding recommendations arising from the Ministerial Steering Group report on Health and Social Care Integration.	Chief Officer / Chief Finance Officer	December 2020
Further development of governance and assurance arrangements considering agreed governance principles and updated advice from the Scottish Government Health & Social Care Division.	Chief Officer / Chief Finance Officer	December 2020

Conclusion and Opinion on Assurance

While recognising that improvements are required, as detailed above, it is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of Dundee City Integration Joint Board's governance arrangements.

We consider that the internal control environment provides reasonable and objective assurance that any significant risks impacting on the Integration Joint Board's principal objectives will be identified and actions taken to avoid or mitigate their impact.

Systems are in place to regularly review and improve the internal control environment.



**DUNDEE CITY
INTEGRATION JOINT BOARD**

Commonly known as the Dundee Health and Social Care Partnership

**ANNUAL ACCOUNTS
2019-20**

Unaudited

Dundee City Integration Joint Board
Annual Accounts 2019-20
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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. This established the framework for the integration of health and adult social care in Scotland, to be governed by Integration Joint Boards with responsibility for the strategic planning of the functions delegated to it and for ensuring the delivery of its functions through the locally agreed operational arrangements.

Following approval from Dundee City Council and NHS Tayside, the Dundee Integration Scheme, the formal legal partnership agreement between the two parent organisations, was submitted to the Scottish Ministers in August 2015. On 3 October 2015 Scottish Ministers legally established Dundee's Integration Joint Board as a body corporate by virtue of the Public Bodies (Joint Working) (Integration Joint Board) (Scotland) Amendment (No 3) Order 2015. The Integration Scheme was subsequently amended and approved by the Scottish Government with effect from 3rd April 2018 to take account of The Carers (Scotland) Act 2016.

Dundee City Integration Joint Board formally became responsible for the operational management and oversight of delegated health and social care functions with effect from 1 April 2016. The services delegated to Dundee City IJB by NHS Tayside and Dundee City Council are listed in the [Dundee Integration Scheme](#).

This publication contains the financial statements for Dundee City Integration Joint Board for the year ended 31 March 2020. The Management Commentary highlights the key activities carried out to date and looks forward, outlining the anticipated financial outlook for the future and the challenges and risks facing health and social care services over the medium term.

Role and Remit of Dundee City Integration Joint Board

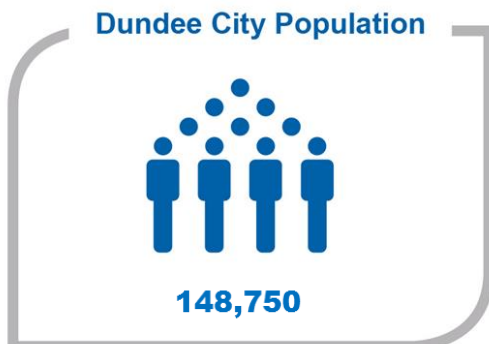
Dundee City Integration Joint Board (commonly known as Dundee Health and Social Care Partnership) has responsibility for planning and providing defined health care and social care services for the residents of Dundee encompassing an area of 60 square kilometres and a population of around 149,000. These services are provided in line with the Integration Joint Board's Strategic and Commissioning Plan 2019-2022 which can be found here:

https://www.dundeehscp.com/sites/default/files/publications/dhscp_strategic_plan_2019-2022.pdf.

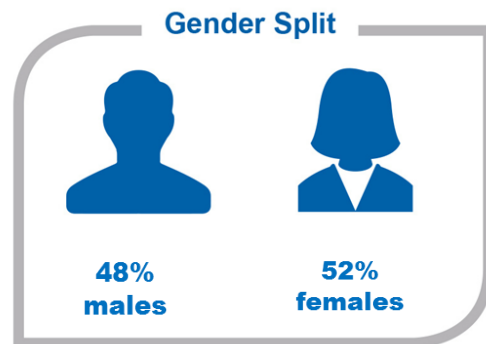
Population, health and deprivation impact directly on demand for health and social care services and can often result in higher support levels being required. Dundee has high levels of inequalities within the city with significant variances across locality areas, driven by high levels of deprivation and resultant impact on higher prevalence levels of health and multiple long-term conditions. In addition to frailty and ill health which is prevalent in the ageing population, many younger adults in Dundee are experiencing health conditions earlier in life as a result of deprivation and associated impact of substance misuse and mental health issues. These factors highlight the scale of the challenges Dundee City Integration Joint Board faces over the coming years.

A full profile of Dundee City is set out in the [Strategic Needs Assessment](#). Some of the key characteristics are presented below. All these characteristics have an impact on the demand for services commissioned by the Dundee City IJB, both now and in the future.

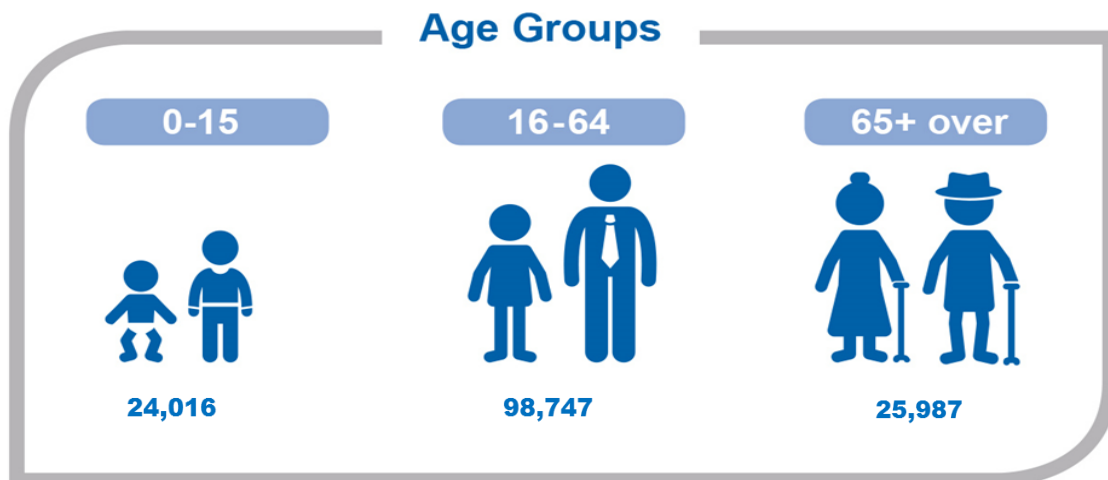
POPULATION PROFILE AND PROJECTIONS



(Source: [National Records of Scotland](#), 2018)



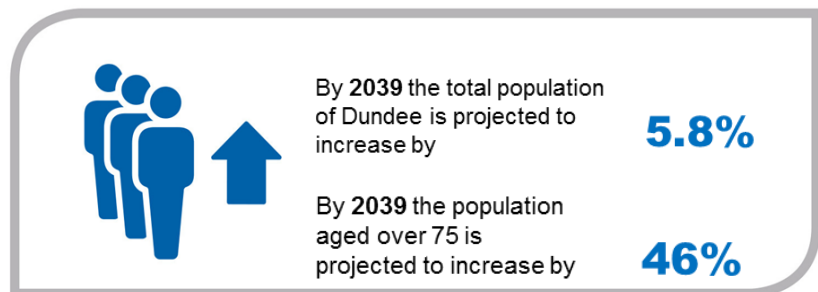
(Source: [National Records of Scotland](#), 2018)



(Source: [National Records of Scotland](#), 2018)

Projected Population

Like other parts of Scotland, Dundee is expected to see a significant rise in the number of older people with an increase of **45%** in those over 75 anticipated over the next 20 years.



Life Expectancy

Dundee **males have the second lowest** life expectancy in Scotland and Dundee **females have the third lowest** life expectancy in Scotland, with factors such as prevalence of substance misuse, mental health problems, smoking, and obesity all contributing to the reduced life expectancy.



Female Life Expectancy at Birth - **79.4 years** (compared to 81.1 years for a Scottish female, a difference of 1.7 years)

Male Life Expectancy at Birth – **73.9 years** compared to 77.0 years for a Scottish male, a difference of 3.1 years)

(Source: [NRS Life Expectancy for areas within Scotland 2015-17](#))

Deprivation

Dundee is the **5th** most deprived local authority area in Scotland with just over **29%** of the population living in the **15%** most deprived areas of Scotland.



In Dundee, **six out of eight Dundee LCPP areas** are above the Scottish average of 15% and are also above Dundee's average of 28.6%.

(Source: Scottish Index of Multiple Deprivation 2016, Scottish Government)

Drug Misuse



Dundee has the **4th** highest prevalence of drug misuse in Scotland. There are an estimated 2,300 problem drug users (ages 15–64) in Dundee.

1,600 (70%) male and **700** (30%) are female

(Source: [Prevalence of Problem Drug Use in Scotland 2015/16 estimates](#), ISD Scotland)

Homelessness



1,474 homeless applications were submitted in 2015/16.

1% of Dundee's population.

(Source: [SG Operation of Homeless Persons Legislation, 2015/16 and ONS, 2015](#))

Learning Disability



Dundee has the **highest proportion** of adults with a learning disability in Scotland.

In 2017, there were **9.2 adults** per 1,000 population of adults in Dundee with a learning disability, compared to 5.2 adults per 1,000 population in Scotland.

(Source: [Learning Disability Statistic Scotland, 2017](#))

Physical Disability



10,590 people in Dundee identified themselves as having a physical disability.

7% of Dundee's population.

(Source: [Census 2011, scotlandscensus.gov.uk](#))

Membership of Dundee City Integration Board

The voting membership of Dundee City Integration Joint Board is drawn from three elected members nominated by the Council and three non-executive members nominated by the Health Board.

The table below notes the membership of Dundee City Integration Joint Board in 2019/20:

Voting Members:

Role	Member
Nominated by Health Board	Trudy McLeay
Nominated by Health Board	Jenny Alexander
Nominated by Health Board	Nic Beech (from 1/4/2019 until 4/12/2019) Prof Rory McCrimmon (from 24/1/2020 until 27/2/2020) Donald McPherson (from 27/2/20) Dr Norman Pratt (Appointed as Proxy Member from 24/1/20)
Councillor Nominated by Dundee City Council	Councillor Ken Lynn
Councillor Nominated by Dundee City Council	Bailie Helen Wright
Councillor Nominated by Dundee City Council	Councillor Roisin Smith

Non-voting members:

Role	Member
Chief Social Work Officer	Jane Martin (Dundee City Council) (until 31/7/2019) Diane McCulloch (Dundee City Council) (from 1/8/2019)
Chief Officer	David W Lynch (until 31/12/2019) Vicky Irons (from 3/2/2020)
Proper Officer Appointed under section 95 (Chief Finance Officer)	Dave Berry
Registered medical practitioner whose name is included in the list of primary medical performers prepared by the Health Board	Frank Weber (until 14/11/2019)
Registered nurse who is employed by the Health Board	Sarah Dickie (until 1/8/2019) Kathryn Brechin (from 1/8/2019)
Registered medical practitioner employed by the Health Board and not providing primary medical services	Cesar Rodriguez (until 31/3/2019) James Cotton (from 1/4/2019)

MANAGEMENT COMMENTARY

Staff of the constituent authorities engaged in the provision of services provided under integration functions	Raymond Marshall (NHS Tayside Staff Side Representative) Jim McFarlane (Dundee City Council Trade Union Representative)
Director of Public Health	Drew Walker (NHS Tayside)
Third Sector Representative	Christine Lowden (Dundee Voluntary Action) (until 1/10/2019) Eric Knox (from 2/10/2019)
Service user residing in the area of the local authority	Linda Gray
Persons providing unpaid care in the area of the local authority	Martyn Sloan (Carer, Dundee Carers Centre)

The Chair of Dundee City Integration Joint Board rotates on a two-yearly basis with the Chairs position transferring in October 2018 to Trudy McLeay as a non-executive member of NHS Tayside Board and Councillor Ken Lynn acting as Vice Chair.

No changes in the membership of Dundee City IJB have taken place after the end of the 2019/20 financial year and up to the date when the unaudited annual accounts were authorised for issue.

The Chief Officer provides the strategic leadership and direction to the delegated operational services of the Dundee City Integration Joint Board. The Chief Officer is supported by the Head of Finance and Strategic Planning (as Chief Finance Officer) and the Head of Health and Community Care.

Impact of the COVID-19 EPIDEMIC

The COVID-19 pandemic has been the biggest public health challenge facing society, including our health and social care system, in our lifetimes. Daily life has been significantly restricted, particularly following the imposition of lockdown arrangements by the UK Government on 26 March 2020. On 17 March the Cabinet Secretary for Health placed NHS Scotland on an emergency footing as a direct consequence of substantial and sustained transmission of COVID-19, with non-urgent elective operations and routine care suspended.

The impact of the COVID-19 pandemic on the health and social care needs of the population, how supports and services are delivered, on health inequalities and on the health and wellbeing of the health and social care workforce and of unpaid carers has been substantial and wide ranging.

Services delegated to Dundee Health and Social Care Partnership (DHSCP) form a critical part of the overall health and social care system, particularly the wide range of community-based health, social care and social work supports and services. Partnership services have not only supported efforts to rapidly increase the availability of beds in the acute sector to respond to COVID-19 positive patients requiring hospital admission, but have also been integral to providing responses to COVID-19 positive people in the community, both within their own homes and within residential settings such as care homes. As well as working to establish new COVID-19 pathways and responses, a range of services and supports have been the subject of rapid redesign to enable continued operation in the context of social distancing regulations and public health advice. This has included significant mobilisation and redeployment of the workforce across partner bodies such as Dundee City Council, NHS

Tayside and the Voluntary Sector. Emerging issues such as securing adequate supplies of PPE and the provision of COVID-19 testing facilities have required a response from DHSCP. DHSCP has been integral to the provision of support and advice to care homes and other care providers including establishing a regular care provider information and advice bulletin and a system of financial sustainability payments in line with national guidance.

A range of essential, non-Covid services have also continued to be delivered, including face-to-face contact on a risk assessed basis to ensure the most vulnerable in the city continue to receive the support they need. In addition, the Partnership has made a significant contribution to wider Dundee Community Planning Partnership efforts to respond to community support needs, such as responses to shielded people requirements, food distribution and a range of public protection responses. These have had to be provided against a context of an instant change in the traditional working environment with the closure of most office bases and a move to home working for large parts of the workforce.

Changes to operational arrangements have been overseen and supported by a rapidly established incident control structure overseen by DHSCP's Silver Command which interfaces with associated response structures developed within NHS Tayside and Dundee City Council and the Tayside Local Resilience Partnership.

The IJB's governance arrangements were disrupted through the need to stand down formal meetings during the height of the crisis with the introduction of the Essential Business Procedure providing delegated authority to the Chief Officer and Chair of the IJB. A virtual weekly IJB voting members briefing meeting has been established in the interim period to provide an update on the major issues throughout the emergency period.

In recognition of the additional demands experienced by Health and Social Care Partnership's across the country, the Scottish Government has made available additional funding to support additional costs incurred as a response to the COVID-19 crisis. During 2019/20, DHSCP was provided with additional funding of £755k with further funding due to be received throughout 2020/21 as part of the local mobilisation plan funding process.

During 2020/21, DHSCP will continue to respond to the challenges of COVID-19 through the development and implementation of its recovery plan which will require new approaches to providing health and social care services in the context of increasing demand for services.

Operations for the Year

2019/20 represents the fourth full financial year of Dundee City Integration Joint Board (commonly known as Dundee Health and Social Care Partnership) being formally responsible for planning and delivering community-based health and social care services. Notwithstanding the impact of the COVID-19 crisis over the latter period of the year, the development and delivery of these services throughout 2019/20 was in line with the Dundee City Integration Joint Board's [Strategic and Commissioning Plan 2019-2022](#) which sets out the context within which integrated services in Dundee operate and is shaped around the Health and Social Care Partnership's vision that "Each Citizen of Dundee will have access to the information and support that they need to live a fulfilled life."

This plan focusses on Strategic and Commissioning Plan focusses on the four strategic priorities of tackling health inequalities, early intervention and prevention, localities and engaging with communities and developing models of support / pathways of care. These priorities are supported by ensuring services provided embed a focus on carers, build capacity, provide person centred care and support and resources are managed effectively.

MANAGEMENT COMMENTARY

The priorities in the 2019-2022 Strategic Commissioning Plan are consistent with and support the Scottish Government nine National Health and Wellbeing Outcomes which apply across all health and social care services. These are:

Table 1 National Outcomes

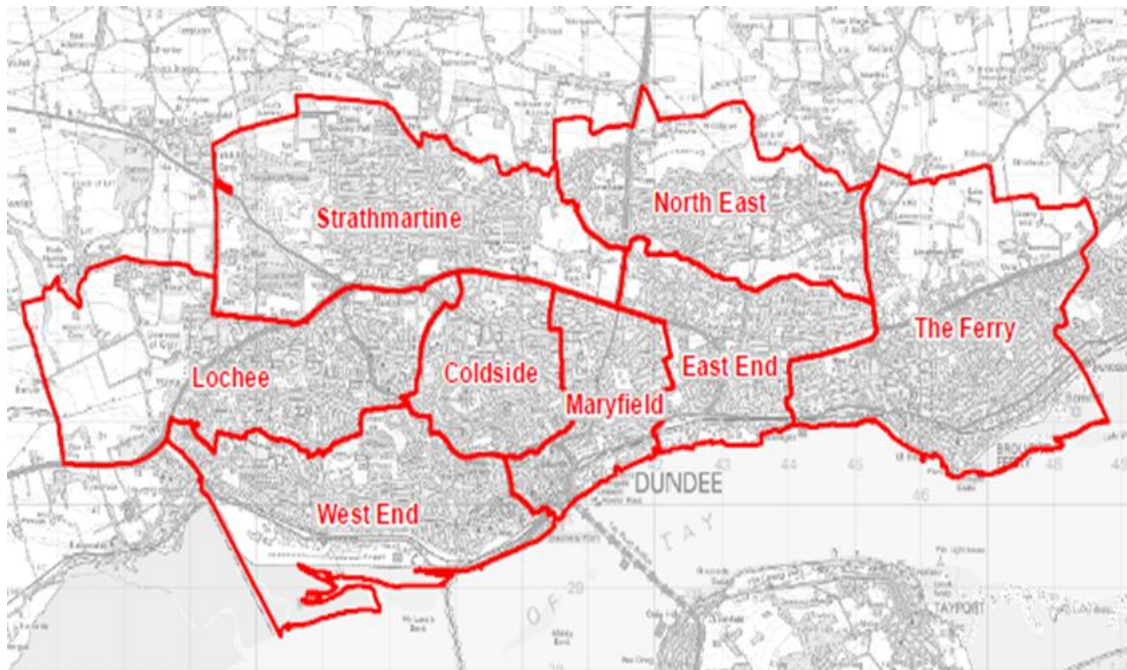
Outcome 1. Healthier Living	People are able to look after and improve their own health and wellbeing and live in good health for longer
Outcome 2. Independent Living	People, including those with disabilities, long term, conditions, or who are frail, are able to live as far as reasonably practicable, independently at home or in a homely setting in their community.
Outcome 3. Positive Experiences and Outcomes	People who use health and social care services have positive experiences of those services and have their dignity respected.
Outcome 4. Quality of Life	Health and social care services are centred on helping to maintain or improve the quality of life of service users.
Outcome 5. Reduce Health Inequalities	Health and social care services contribute to reducing health inequalities.
Outcome 6. Carers are Supported	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.
Outcome 7. People are Safe	People who use health and social care services are safe from harm.
Outcome 8. Engaged Workforce	People who work in health and social care services feel engaged with the work they do, are supported to continuously improve the information, support, care and treatment they provide
Outcome 9. Resources are used Efficiently and Effectively	Resources are used effectively and efficiently in the provision of health and social care services

Over the course of 2020/21, Dundee Integration Joint Board will continue to monitor the impact of the COVID-19 crisis on the Strategic and Commissioning Plan and will review and amend it accordingly if necessary.

Operational Delivery Model

During 2019/20, Dundee Health and Social Care Partnership continued to redesign and develop its operational delivery structure with a view to embedding a fully integrated model of integrated health and social care services to support the delivery of the Dundee City Integration Joint Board's strategic priorities. This structure is based around the eight Local Community Planning Partnership (LCPP) areas within the city as noted below.

Map of Eight Local Community Planning Partnership Areas



Locality managers' portfolios currently include a combination of service specific responsibilities which are city wide (e.g. older people care at home, learning disabilities) as well as an overview of the needs of their locality areas as part of the transition to full locality based integrated health and social care services.

Scrutiny and Performance

The Integration Joint Board's Performance and Audit Committee (PAC) provides the opportunity for committee members to better understand the needs of communities and to monitor and scrutinise performance of delegated services against delivering the strategic priorities through a range of performance indicators and benchmarking. Throughout 2019/20, the Integration Joint Board's Performance and Audit Committee received performance reports which quantified Dundee's health and social care challenges in relation to the baseline data against a range of performance indicators, designed to capture the progress made under integration over time. This includes nationally and locally set indicators, a number of which are reflected at locality level to assist the Dundee City Integration Joint Board in determining the areas of greatest need and to inform the targeting of resources. Dundee's 2019/20 performance against a range of national indicators is noted in **Table 2** below. This shows that a good progress is being made in relation to reducing emergency admissions compared to 2018/19 data however challenges still remain in relation to delayed discharges from hospital. Emergency bed days have improved significantly since 2015/16. Further information regarding the performance of Dundee Integration Joint Board can be found at the Annual Performance Report (link to be inserted once available).

Table 2

National Indicator	Dundee 15/16 (Baseline Year)	Dundee 2018/19	Dundee 2019/20 Q3	Scotland 2019/20**
Emergency admissions rate to hospital per 100,000 people aged 18+	12,168	12,703*	12,569	To be confirmed**
Emergency bed days rate per 100,000 people aged 18+	146,192	125,377*	120,584	To be confirmed**
Readmissions to acute hospital within 28 days of discharge rate per 1,000 population	122	129*	127	To be confirmed**
Falls rate per 1,000 population aged 65+	25	31	31	To be confirmed**
Number of days people spend in hospital when they are ready to be discharged, per 1,000 population (Delayed Discharge bed days)	832	372*	488	To be confirmed**

Notes:

* figures have been revised in accordance with data provided from ISD Scotland

** the data will be populated should the information become verified and available for the audited accounts.

Transforming Services

Transforming services is key to the Dundee City Integration Joint Board continuing to improve outcomes for service users and performance and service redesign opportunities connect to the overarching strategic priorities. During 2019/20, DHSCP re-designed the internal home care service with the aim of delivering a service which is more responsive to the needs of service users, providing services when they need it and delivering a more sustainable and effective service delivery model. Furthermore, through an expansion of community supports for older people with mental health needs under the Reshaping Care for Older People Programme, demand for inpatient beds continues to reduce with a resultant reduction in the bed base at the Kingsway Care Centre. Progress continues to be made in relation to more efficient and effective prescribing which has seen GP prescribing expenditure for Dundee reduce to below the Scottish average per weighted patient. The challenge for the Dundee City IJB is to be able to continually develop and sustain levels of change at scale and pace to meet the growing demographic needs with continuing financial restrictions.

Through delivery of the Dundee City Integration Joint Boards Strategic and Commissioning Plan, Dundee Health and Social Care Partnership continues to reduce the number of hospital beds it directly manages and continues to reduce the number of emergency bed days used by the Dundee population through the acute hospital sector. The bed base is part of the overall description within the legislation around health and social care integration known as the large hospital set aside, with the Dundee City Integration Joint Board being responsible for the

planning of acute services that are delegated with NHS Tayside responsible for the operational oversight and management of these services. The sustained progress made by DHSCP in reducing the number of emergency bed days has resulted in NHS Tayside committing to the release of £1m of financial resources to DHSCP on a recurring basis from 2020/21.

Following the publication of the findings and recommendations of the Dundee Drugs Commission Report “Responding to Drug Use with Kindness, Compassion and Hope”, a programme of service development and change is underway in relation to the provision of substance misuse services and supports.

Following the publication of the final report of the Independent Inquiry into Mental Health Services in Tayside, “Trust and Respect”, agreement has been reached that the operational management of in-patient mental health services in Tayside transfer from the Tayside Integration Joint Boards, hosted by Perth & Kinross IJB, to NHS Tayside. The Tayside IJBs will remain critical to the response to the recommendations of the inquiry through the redesign of community based mental health services.

Dundee City IJB has continued to transform Primary Care services. The First Contact Physiotherapy (FCP) has expanded to all 4 GP clusters across Dundee by utilising an innovative federated appointment system. Patients now have direct access to the advanced physiotherapy care they need for their musculoskeletal problems. The FCP service has demonstrated significant reductions in secondary care referrals by offering advanced skills to assess, diagnose, offer self-management advice and, where necessary, refer for investigations or further treatment. In turn, this releases GP capacity while providing faster access to diagnosis and treatment. The FCP service was also nominated for a STAR award in 2019.

Transforming Primary Care - Case study example

A female attended one of the First Contact Physiotherapy (FCP) clinics having seen the service advertised in her own GP practice – as an infographic on the TV screen. She contacted her GP practice and was given an appointment to attend one of the hub sites that day to see a member of the FCP team. Following assessment, the results of the consultation were inputted directly into the primary care record and self-management advice was provided.

The assessment identified that onward referral to the MSK outpatient physiotherapy service was required and it was possible to refer at the time of the consultation.

The service received positive feedback and it is recognised this service allows people to be seen by the right person at the right time for her, reducing the pressure on General Practitioners.

Source: DHSCP Annual Performance Report 2019-20 (link to be inserted once available)

A summary of the key achievements over 2019/20 is as follows:

- Of the 10 services directly provided by the Partnership that were subject to inspection by the Care Inspectorate over the last year, 100% received grades that were 'good' or better and 80% received grades of 'very good' or 'excellent'.
- Maintained good performance in relation to the number of bed days lost to delayed discharge per 100 people aged 75 years or over; in 19-20 Dundee was the 11th best performing Partnership in Scotland.
- Further improvement of the Post Diagnostic Support (PDS) service which included further integrated working, achieving national targets, introduction of cognitive stimulation and therapy groups as a way of meeting increased demand for PDS.
- Significant improvements achieved during the redesign and development of physiotherapy and occupational therapy teams in order to improve quality, patient outcomes and access to services, including the use new technology.
- Continued to develop an assessment at home model in partnership with British Red Cross which supported people to return home from hospital, reducing care home admissions and increasing the proportion of people able to continue to live independently in their own homes following the assessment.
- The development of a comprehensive Induction Resource and a suite of COVID-19 learning resources to ensure that all existing and redeployed health and social care workers were given the right knowledge and information to practice in a safe and informed way as a response to the COVID-19 pandemic.
- More than doubled the spend on Self Directed Support Options 1 and 2 from £2.5m in 2018-19 to £5.5m in 2019-20.

Analysis of Financial Statements 2019/20

The Annual Accounts report the financial performance of Dundee City Integration Joint Board. Its main purpose is to demonstrate the stewardship of the public funds which have been entrusted to the Dundee City Integration Joint Board for the delivery of its vision and its core objectives. The requirements governing the format and content of local authorities' annual accounts are contained in The Code of Practice on Local Authority Accounting in the United Kingdom (the Code 2019/20). The 2019/20 Accounts have been prepared in accordance with this Code.

Integration Joint Boards need to account for their spending and income in a way which complies with our legislative responsibilities and supplementary Local Authority (Scotland) Accounts Advisory Committee (LASAAC) guidance.

The 2019/20 Annual Accounts comprise: -

- a) Comprehensive Income and Expenditure Statement – This statement shows that Dundee City Integration Joint Board made an overall deficit of £2,274k in 2019/20 (deficit of £1,1794k in 2018/19). This overall deficit is funded through the Dundee City Integration Joint Board's reserves.

- b) Movement in Reserves – Dundee City Integration Joint Board has year-end reserves of £492k (£2,766k in 2018/19). These are held in line with the Dundee City Integration Joint Board’s reserves policy.
- c) Balance Sheet – In terms of routine business Dundee City Integration Joint Board does not hold non-current assets.
- d) Notes - Comprising a summary of significant accounting policies, analysis of significant figures within the Annual Accounts and other explanatory information.

The Annual Accounts for 2019/20 do not include a Cash Flow Statement as Dundee City Integration Joint Board does not hold any cash or cash equivalents.

Financial Position at the End of March 2020

The overall financial performance consists of an underlying overspend of £6,037k in Social Care budgets (overspend of £3,360k in 2018/19) and an underlying underspend of £266k in NHS budgets (underspend of £1,836k in 2018/19) resulting in a net deficit of £5,771k before the application of the risk share agreement of £3,063k and ring-fence funding of £434k. 2019/20 saw the first year of a change to the financial risk sharing arrangement set out within the Dundee Health and Social Care Integration Scheme whereby in the event of an overspend within the delegated budget, after the application of a financial recovery plan and use of IJB reserves, the overspend will be allocated based on each Parties’ proportionate contribution to the Integration Joint Board’s budget for that financial year on a like for like basis. Under this arrangement, NHS Tayside became liable to make a further contribution of £2,042k and Dundee City Council liable to make a further contribution of £1,021k giving a total additional funding of £3,063k. This resulted in a net £2,274k overspend for the IJB.

A deficit in 2019/20 was anticipated through the planned use £1,765k of the Integration Joint Board’s reserves to contribute to transition funding for the Reshaping Care for Older People programme and ring-fenced Scottish Government funding in relation to Primary Care Improvement Plan, Action 15 Mental Health and Alcohol and Drug Partnership funding. Within the Dundee City Council overspend position, further overspends were incurred during the year in relation to staff costs of £1,660k, partly due to a delay in the implementation of the redesign of care at home services. In addition, high demographic demand for community based social care services led to an overspend in services provided by third and independent sector care providers of £3,372k across budgeted provision for care homes and care at home services in particular. A bad debt provision made by Dundee City Council of £341k mainly contributed to an overspend in supplies and services of £391k with a shortfall in income of £174k partly due to reduced levels of residential charging income from council operated care homes to reflect a planned reduction in the number of placements.

The NHS underspend position is mainly due to underspends within the overall GP and other prescribing budget of £1,072k, partly offset by a net effect overspend position within hosted services where the primary cost pressure in this area was the recharged share from Perth and Kinross IJB of an overspend within In-Patient Mental Health Services (Dundee share £733k.)

The impact of the overall financial position for integrated services in Dundee for 2019/20 has resulted in the level of reserves held by Dundee City Integration Joint Board decreasing to £492k at the year ended 31 March 2020 (as against £2,766k at the year ended 31 March 2019). This is reflected in the Movement in Reserves Statement.

The reserves balance of £492k has been committed by the Dundee City Integration Joint Board mainly through the reinvestment of Scottish Government ring fenced funding for Primary Care and Alcohol and Drug Partnership funding carried forward from 2019/20. The reserve balance of £492k at the year ended 31 March 2020 is less than the level of reserve of 2% of the Dundee City Integration Joint Board's net expenditure as set out within its reserves policy.

Achieving long-term financial sustainability and making best use of resources is critical to delivering the Dundee City Integration Joint Board's Strategic and Commissioning Plan's priorities. In response to the growing demand for health and social care and financial constraints, the Dundee City IJB recognises that continuous service redesign and further integration of services is critical.

Key Risks and Uncertainties

The impact of the COVID 19 pandemic on the delivery of community-based health and social care services over the short term has been instant and significant. Services have had to adapt and change the way essential services to the most vulnerable citizens are delivered while ensuring staff and service users are protected. The lessons learned from the first few months of the crisis are being assessed by DHSCP to inform the nature of the longer-term response to living with COVID-19 on a longer-term basis. Key risks have been identified with mitigation plans developed to reduce those risks in a range of areas including a reduction in the workforce due to illness, access to appropriate PPE, the risk of services becoming overwhelmed, lack of access to clinical space and the impact on the welfare of staff. These have been reflected in the IJB's risk register. Information is being gathered in relation to the legacy impact of the outbreak on the health of the population with anticipated higher demand for mental health and substance misuse services, health inequalities and other factors relating to increased levels of deprivation. This will assist in informing the IJB of the scale of the new challenge it faces as part of its recovery plan.

There is also further considerable uncertainty as to the impact of the COVID-19 pandemic on public finances. The consequences of potential further restrictions to public funding against an already challenging financial environment, including the implications of the UK's withdrawal from the EU, would likely to be significant for the IJB's delegated budget, particularly given the low level of reserves the IJB has to release to support services. If "post COVID-19" demand levels increase there is a risk that the Dundee City Integration Joint Board will not have sufficient resilience to meet these demands without additional funding being made available. This current uncertainty has impacted on the IJB's ability to develop a realistic five year financial framework as planned. The assumptions around this framework will be re-set in line with the most current predictions around funding and growth in demand for services.

The Scottish Government has provided short term additional funding to IJB's to support the immediate response to the COVID-19 epidemic and to recognise the additional costs incurred by health and social care, including the third and private sector in delivering essential front-line services and ensuring financial sustainability through local mobilisation plans. There is a risk that over the course of 2020/21, the cost of delivering the mobilisation plan will be greater than the funding the Scottish Government provides by the end of the financial year leading to an additional funding pressure.

There are financial sustainability risks with third and independent sector contractual arrangements with care providers across the country who provide services on our behalf highlighting contractual payment levels which are insufficient for them to meet their running and business costs. These challenges will continue to be monitored and responded to through the contract monitoring process accordingly.

Progress in implementing the IJB's Primary Care Improvement Plan has also been impacted on by the COVID-19 pandemic however challenges still exist in relation to the ability of DHSCP to recruit or develop the workforce to deliver all the expectations of the plan through the introduction of new multi-disciplinary community-based support teams. There are also financial challenges in meeting the Scottish Government's and GP's expectations with the resources provided with potential funding shortfalls identified in future years.

During 2019/20 the IJB received the outcome of two significant publications which involve services delegated to the IJB. The Dundee Drugs Commission Review "Responding to Drug Use with Kindness, Compassion and Hope" and the Independent Inquiry into Mental Health Services in Tayside "Trust and Respect" both contained significant recommendations which the IJB as a partner organisation will need to respond, contribute to and resource effectively if improvements to services and ultimately outcomes for service users are to be made in line with these recommendations.

Regular identification and assessment of risk such as those uncertainties noted above is part of the Dundee City IJB's risk management strategy with appropriate actions to eliminate or reduce the impact of such risks set out in the Dundee City IJB's risk register when and where necessary.

Conclusion

We are pleased to present the annual accounts for the year ended 31 March 2020 for Dundee City Integration Joint Board. The accounts show that Dundee City Integration Joint Board has had to continue to deliver its operational services within an increasingly challenging environment of limited funding and demographic driven growth in demand for services. The impact of this environment over recent years has resulted in a considerable reduction in the Dundee City IJB's level of available reserves.

Going forward, Dundee City Integration Joint Board has a significant financial challenge ahead to deliver the Strategic & Commissioning Plan in this climate of growing demand and limited resources. Furthermore, the uncertainty caused by the COVID-19 epidemic in relation to how services can be safely delivered, the impact of increased demand for mental health and substance misuse services and for those recovering from COVID-19 as well as the impact on public sector funding will provide further challenges. In order to meet these challenges, we must ensure the IJB's resources are used effectively, identifying, testing and implementing innovative ways to deliver more personalised and well-co-ordinated services, building the resilience of people and their communities and reducing unnecessary hospital admissions and delayed discharges from hospital. This will require the confidence of professionals and the public to further shift resources from intensive, high cost services to a focus on more preventative service provision to ensure best value for public funds. The recognition by NHS Tayside of the sustained reduction in emergency bed days incurred by Dundee residents due to the service changes developed through Dundee Health and Social Care Partnership through the commitment to transfer resources to shift the balance of care highlights the IJB is making good progress in this regard.



Dave Berry CPFA
Chief Finance Officer
Dundee City
Integration Joint Board

Date:



Vicky Irons
Chief Officer
Dundee City
Integration Joint Board

Date:



Trudy McLeay
Chair
Dundee City
Integration Joint Board

Date:

STATEMENT OF RESPONSIBILITIES

Responsibilities of the Dundee City Integration Joint Board

The Dundee City 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). For this 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 the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- Approve the Annual Accounts.

I confirm that these Annual Accounts were approved for signature at a meeting of the Performance and Audit Committee on

Signed on behalf of the Dundee City Integration Joint Board

Trudy McLeay

Chair

Dundee City Integration Joint Board

Date:

STATEMENT OF RESPONSIBILITIES

Responsibilities of the Chief Finance Officer

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

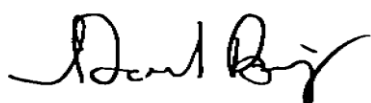
In preparing the Annual Accounts, the Chief Finance Officer has:

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

The Chief Finance Officer has also:

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

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



Dave Berry CPFA
Chief Finance Officer
Dundee City Integration Joint Board

30 June 2020

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 Integration Joint Board members and staff.

The information in the tables on the following page 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: Integration Joint Board Chair and Vice Chair

The voting members of Dundee City Integration Joint Board are appointed through nomination by Dundee City Council and Tayside NHS Board. Nomination of the Integration Joint Board Chair and Vice Chair post holders alternates between a Councillor and a Health Board representative. The details of the Chair and Vice Chair appointments are shown below:

Name	Post(s) held	Nominated by
K Lynn	Vice Chair From 30 October 2018 to date	Dundee City Council
T McLeay	Chair From 30 October 2018 to date	NHS Tayside

Dundee City Integration Joint Board does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the Integration Joint Board. The Chair and Vice Chair are remunerated by their relevant Integration Joint Board partner organisation. Dundee City Integration Joint Board does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. No taxable expenses were paid to the Chair or Vice Chair of the Integration Joint Board in 2019/20.

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

Remuneration: Officers of Dundee City Integration Joint Board

Dundee City Integration Joint Board does not directly employ any staff in its own right, however specific post-holding officers are non-voting members of the Board.

Senior Employees

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 a Chief Officer for the Integration Joint Board has to be appointed and the employing partner has to formally second the officer to the Integration Joint Board. The employment contract for the Chief Officer will adhere to the legislative and regulatory framework of the employing partner organisation. The remuneration terms of the Chief Officer's employment are approved by the Dundee City Integration Joint Board. Other non-voting board members who meet the criteria for disclosure are included in the disclosures below.

REMUNERATION REPORT

Total 2018/19 £	Post	Senior Employees	Total Salary, Fees & Allowances 2019/20 £
101,558	Chief Officer	David Lynch 1/4/2016 to 31/12/2019	78,454 (FYE 104,606)
-	Chief Officer	Vicky Irons From 3/2/2020 to date	16,539
81,867	Chief Finance Officer	Dave Berry	89,056
183,425		Total	184,049

FYE = Full Year Equivalent

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 Dundee City Integration Joint Board balance sheet for the Chief Officer or any other officers. The Chief Finance Officer is a member of the Tayside Pension Fund which is a Local Government Pension Scheme (LGPS). The LGPS is a defined benefit statutory scheme, administered in accordance with the Local Government Scheme Regulations 2014. The Chief Officer is a member of the NHS Pension Scheme (Scotland). The scheme is an unfunded multi-employer defined benefit scheme. Details of the LGPS can be found in Dundee City Council's accounts and details of the NHS pension scheme can be found in NHS Tayside's accounts. Both documents are available on their respective websites.

Dundee City Integration Joint Board 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 Integration Joint Board. The following table shows the Dundee City Integration Joint Board'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.

REMUNERATION REPORT

Senior Employee	In Year Pension Contributions		Accrued Pension Benefits		
	For Year to 31/03/19 £	For Year to 31/03/20 £		Difference from 31/03/19 £000	As at 31/03/20 £000
D Lynch 1/4/2016 to 31/12/2019	17,265	13,337	Pension	0.5	41
Chief Officer			Lump sum	(4)	96
D Berry	13,917	15,139	Pension	2	35
Chief Finance Officer			Lump sum	1	56
V Irons 3/2/2020 to date	-	3,441	Pension	-	36
Chief Officer			Lump sum	-	80
Total	31,182	31,917	Pension	2.5	112
			Lump Sum	(3)	232

Pay band information is not separately provided as all staff pay information has been disclosed in the information above.

Exit Packages

There were no exit packages payable during the financial year.

Trudy McLeay
Chair
Dundee City Integration Joint Board

Vicky Irons
Chief Officer
Dundee City Integration Joint Board

Date:

Date:

Introduction

The Annual Governance Statement explains Dundee City Integration Joint Board's governance arrangements and reports on the effectiveness of the Integration Joint Board's system of internal control.

Scope of Responsibility

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

To meet this responsibility, the Integration Joint Board has established arrangements for governance which includes a system of internal control. The system is intended to manage risk to support the achievement of the Integration Joint Board's policies, aims and objectives. Reliance is also placed on the NHS Tayside and Dundee City Council 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 Integration Joint Board. Reliance is similarly placed on Angus IJB and Perth & Kinross IJB with respect to Hosted Services.

The system can only provide reasonable and not absolute assurance of effectiveness



The Governance Framework and Internal Control System

Dundee City Integration Joint Board comprises six voting members, three nominated by Dundee City Council and three nominated by Tayside NHS Board, as well as non-voting members including a Chief Officer and Chief Finance Officer appointed by the Integration Joint Board. During 2019/20, the Integration Joint Board continued to develop, enhance and review its governance arrangements as it moved through its fourth year of being responsible for the strategic planning and operational delivery of integrated health and social care services. This included progressing areas highlighted as developments in the 2017/18 and 2018/19 Annual Governance Statements.

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

- The Integration Scheme as the overarching agreement between the Integration Joint Board, NHS Tayside and Dundee City Council as to how the planning for and delivery of delegated health and social care services is to be achieved reflecting a range of governance arrangements required to support this arrangement.
- The senior leadership team consisting of the Chief Officer, Head of Finance and Strategic Planning (Chief Finance Officer) and Head of Health and Community Care.

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The Chief Finance Officer has overall responsibility for the Integration Joint Board's financial arrangements and is professionally qualified and suitably experienced to lead the Integration Joint Board's finance function and to direct staff accordingly.

- Formal regular meetings of the senior leadership team including professional advisers.
- Standing Orders, Financial Regulations and a Code of Conduct including the publication of Register of Member's Interests and the nomination of the Clerk to the Integration Joint Board as Standards Officer were all in place during 2019/20. Standing Orders including terms of reference for the Performance and Audit Committee were reviewed and updated during the year.
- The Integration Joint Board met on seven occasions throughout the year to consider its business. Three development sessions were held as part of the 2020/21 budget development process with a further induction session held for new IJB members which covered their role and expected standards and conduct.
- The Integration Joint Board's Performance and Audit Committee met on three occasions throughout the year to enhance scrutiny of the performance of the Integration Joint Board and audit arrangements in line with regulations and good governance standards in the public sector. This is the minimum number of meetings required in line with the Terms of Reference. While a further three meetings had been timetabled, the July meeting was cancelled due to insufficient business, the February meeting as it would not have been quorate and the final one due to the Covid-19 outbreak.
- Internal Audit arrangements for 2019/20 were approved including the appointment of the Chief Internal Auditor of FTF Internal Audit and Management Services to the role of Chief Internal Auditor of the Integration Joint Board supported by Dundee City Council's Internal Audit Service. An Internal Audit Plan for 2019/20 was approved drawing on resources from both organisations.
- The assurances provided from internal audit through their independent review work of the Integration Joint Board's internal control systems.
- Assurances were provided to the Performance and Audit Committee in relation to Clinical, Care and Professional Governance through the presentation of a Chairs assurance Report from the Clinical, Care and Professional Governance Group
- The Chief Finance Officer complied fully with the five principles of the role of the Chief Finance Officer, as set out in CIPFA guidance.

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:

- A continued focus on considering risk in decision making through the clear identification of risks in relation to Integration Joint Board decisions reflected in reports presented to the Integration Joint Board and Performance and Audit Committee.
- The approval and progressing in year of the Annual Internal Audit Plan with the presentation of Internal Audit reports and follow up action plans as appropriate.
- The presentation of the IJB's Annual Performance Report.
- Continued development of the performance management framework with a range of performance reports published and scrutinised by the Performance and Audit Committee throughout the year, including more detailed reviews of specific areas of concern as requested by the committee, including Discharge Management updated performance on Complex and Standard delays and Falls analysis.
- A process of formal regular reporting of financial performance and monitoring to the Integration Joint Board was in place throughout 2019/20.
- The provision of regular budget development reports for 2020/21 to the Integration Joint Board.

ANNUAL GOVERNANCE STATEMENT

- The provision of an assurance report from the chair of the Performance and Audit Committee outlining the key issues raised at the previous Performance and Audit Committee meeting to the following Integration Joint Board meeting.
- In-year reporting on issues relating to the Clinical, Care and Professional Governance Group in the form of the group's Chairs Assurance Report in line with the overarching strategy: Getting It Right for Everyone – A Clinical, Care and Professional Governance Framework with no major issues reported.
- Embedding the issuing of directions to NHS Tayside and Dundee City Council reflected in Integration Joint Board reports during the year.
- Reporting of the implications of national overview reports by scrutiny bodies such as Audit Scotland.
- Regular reporting to the Performance & Audit Committee of external scrutiny reports relating to delegated services from scrutiny bodies such as the Care Inspectorate and Mental Welfare Commission and supporting subsequent action plans.
- Provision of a Governance Action Plan progress report to monitor progress of previous recommended areas of improvement provided to each meeting of the Performance and Audit Committee.
- Assurance provided around the quality of Social Work Services through the Chief Social Work Officer Governance Framework and annual Chief Social Work Officer's Annual Report.
- Quarterly Reporting of Complaints in relation to delegated Health and Social Care services.
- The consideration of inspection reports from other IJB's such as North Ayrshire and Perth and Kinross and implications of lessons learned from these to Dundee IJB.
- The revision of the IJB's Partnership and Engagement Strategy to ensure all stakeholders have the opportunity to contribute to the continued development of health and social care services .
- Assurances on the procedures, processes and systems of NHS Tayside and Dundee City Council.

Review of Adequacy and Effectiveness

Dundee City Integration Joint Board is required to conduct, at least annually, a review of the effectiveness of its governance framework including the system of internal control.

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.

The review of Dundee City Integration Joint Board's governance framework is supported by a process of self-assessment and assurance certification by the Chief Officer. The Chief Officer completes a "Self-assessment Checklist" as evidence of review of key areas of the Integration Joint Board's internal control framework. The Senior Management Team has input to this process through the Chief Finance Officer. There were no significant internal control issues identified by the self-assessment review.

In addition, the review of the effectiveness of the governance arrangements and systems of internal control within the Health Board and Local Authority partners places reliance upon the individual bodies' management assurances in relation to the soundness of their systems of internal control.

ANNUAL GOVERNANCE STATEMENT

In preparing the Annual Governance Statement, the Integration Joint Board gave consideration to both NHS Tayside and Dundee City Council's Annual Governance Statements. There were no issues arising which require any further disclosure in the Integration Joint Board's Governance Statement.

Throughout the year, the Performance and Audit Committee has considered a range of issues which cover its core responsibilities in providing the Integration Joint Board with independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance arrangements. Assurances are provided through the internal audit reviews undertaken throughout the financial year and presented to the Performance and Audit Committee. During 2019/20 the number of carried forward days from previous annual audit plans has been a significant factor causing changes to target dates for reporting. The complexity of the control environment for IJBs, the demand on IJB management time to feed into the audit process; as well as the time taken to clear reports with the range of parties involved means some audits planned for 2019/20 were not reported by year-end. Fieldwork on these audits was either substantially completed by the end of May, or a risk assessment process for inclusion in the 2020/21 internal audit plan carried out. The Chief Internal Auditor has assured the Performance and Audit Committee that the work completed at year end on the governance checklist and annual internal audit report is sufficient to allow them to provide robust assurance for the governance statement.

It is recognised that progress in delivering a number of actions from previous internal and external audit recommendations has been slower than originally planned, mainly due to lack of capacity within Dundee Health and Social Care Partnership to take these actions forward at the expected pace. Plans are being developed to enhance capacity throughout 2020/21 to mitigate this risk in future years. In the context of the other controls in place, this is not deemed to undermine the systems of governance and control within the IJB.

The Chair of the Performance and Audit Committee provides an update to the next available Integration Joint Board meeting on the issues raised and any areas of concern which the Integration Joint Board should be made aware of. Over the course of 2019/20, no such areas of concern were noted by the Chair of the Performance and Audit Committee although, as noted below, the Committee will be focusing on the delivery of the amalgamated governance action plan in 2020-21.

Dundee City Integration Joint Board complies in full with "The Role of the Head of Internal Audit in Public Organisations" (CIPFA) and operates in accordance with "Public Sector Internal Audit Standards" (CIPFA). The Head of Internal Audit reports directly to the Performance and Audit Committee with the right of access to the Chief Finance Officer, Chief Officer and Chair of the Performance and Audit Committee on any matter. The annual programme of internal audit work is based on a strategic risk assessment, and is approved by the Performance & Audit Committee.

The Chief Internal Auditor has carried out his review of the adequacy and effectiveness of the Integration Joint Board's framework of governance, risk management and control. The findings of this review are reflected in the Annual Internal Audit Report 2019/20 which supports the outcome of Dundee City IJB's self-assessment process noted above and concludes that although some areas for improvement have been identified these do not impact on the level of assurance provided and reliance can be placed on the Integration Joint Board's governance arrangements and systems of control for 2019/20. A management response, actions and planned completion dates in relation to these areas of improvement will be developed with the progress of these actions monitored through the Performance and Audit Committee.

Continuous Improvement

The following areas for improvement have been identified through the self-assessment process and Annual Internal Audit Report. Progress against these will be monitored by the Performance and Audit Committee during 2020/21. A number of these are outstanding from previous year's continuous improvement plans and are now included in the Governance Action Plan and updated at each Performance and Audit Committee meeting with revised planned completion dates as appropriate. These have primarily been delayed due to resource capacity and the impact of other priorities across the wider partnership with NHS Tayside and the other Tayside Integration Joint Boards. In addition, a number of areas of improvement have been identified through internal audit reports during the year. The unprecedented implications of responding to the challenges of the Covid-19 pandemic will have an impact in the early stages of 2020/21 of progressing a range of governance improvement actions. The impact of the Covid-19 pandemic on the capacity of the service to take these actions forward has been taken into consideration and a report setting out the revised actions to be undertaken to ensure completion of these actions will be presented to the PAC with any actions outwith the power of that Committee escalated to the IJB Board.

Area for Improvement	Lead Officer	Planned Completion Date
Previous Year Actions Carried Forward and Included in the Governance Action Plan.		
Development of improved Hosted Services arrangements around risk and performance management for hosted services and associated assurances.	Chief Officer / Chief Finance Officer	Revised date September 2020
Clarification of deputising arrangements for the Chief Officer to be presented to the IJB.	Chief Officer	Revised date August 2020
Further develop the Integration Joint Board's local Code of Governance.	Chief Officer / Chief Finance Officer	Revised date September 2020
Development of Large Hospital Set Aside arrangements in conjunction with the Scottish Government, NHS Tayside and Angus and Perth and Kinross Integration Joint Boards.	Chief Officer / Chief Finance Officer	Revised date June 2020
Range of developments following the Internal Audit report on Risk Maturity as reflected in the Risk Management Action Plan, including updating the risk management strategy, streamlining risk registers to prevent duplication and agree reporting arrangements and schedules.	Chief Finance Officer	All actions to be completed by revised date of September 2020

ANNUAL GOVERNANCE STATEMENT

Range of actions arising from the Workforce Internal Audit Review including development of the Integrated Workforce and Organisational Development Plan in addition to provision of staff governance reporting.	Chief Finance Officer/Chief Officer	All actions to be completed by revised date December 2020
2019/20 Areas for Improvement Identified		
The financial ledger should be fully updated in 2019/20 prior to the approval of the annual accounts.	Chief Finance Officer	June 2020
A long-term financial strategy (5 years or more) supported by clear and detailed financial plans (3 years or more) should be prepared.	Chief Finance Officer	August 2020
The IJB should liaise with NHS Tayside and consider the arrangements for regular attendance by a member appointed as the registered medical practitioner providing primary care.	Clerk to the Board	August 2020
The IJB should liaise with its partner organisations to ensure an agreed budget is approved prior to the start of the year.	Chief Finance Officer	June 2020
The IJB should seek to combine financial and performance reporting to ensure that members have clear sight of the impact of variances against budget in terms of service performance.	Chief Finance Officer	September 2020
The IJB should review its reserves to ensure they are adequate.	Chief Finance Officer	March 2020
Mechanisms and reporting arrangements should be implemented to provide assurance to the Chief Officer and the Board that the IJB has arrangements in place to demonstrate that services are delivering Best Value.	Chief Finance Officer	September 2020
Implementation of and reporting on all outstanding recommendations arising from the Ministerial Steering Group report on Health and Social Care Integration.	Chief Officer / Chief Finance Officer	December 2020
Further development of governance and assurance arrangements considering agreed governance principles and updated advice from the Scottish Government Health & Social Care Division.	Chief Officer / Chief Finance Officer	December 2020

Conclusion and Opinion on Assurance

While recognising that improvements are required, as detailed above, it is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of Dundee City Integration Joint Board's governance arrangements.

We consider that the internal control environment provides reasonable and objective assurance that any significant risks impacting on the Integration Joint Board's principal objectives will be identified and actions taken to avoid or mitigate their impact.

Systems are in place to regularly review and improve the internal control environment.

Trudy McLeay

Chair

Dundee City Integration Joint Board

Vicky Irons

Chief Officer

Dundee City Integration Joint Board

Date:

Date:

THE FINANCIAL STATEMENTS

COMPREHENSIVE INCOME & EXPENDITURE STATEMENT

The Comprehensive Income and Expenditure Statement shows the cost of providing services which are funded by budget requisitions from the partners for the year according to accepted accounting practices.

2018/19		2019/20
Net Expenditure (Income) £000		Net Expenditure (Income) £000
71,019	Older People Services	78,085
18,447	Mental Health	21,062
33,186	Learning Disability	35,448
9,680	Physical Disability	8,672
4,330	Substance Misuse	5,256
13,089	Community Nurse Services / AHP* / Other Adult Services	15,128
11,463	Community Services (Hosted)**	10,776
7,314	Other Services / Support / Management	4,875
33,620	Prescribing	32,406
25,110	General Medical Services (FHS**)	26,687
18,083	FHS – Cash limited & Non-Cash Limited	19,216
245,341	Net Cost of Operational Services during the Year	257,611
287	IJB Operational Costs	294
0	Central Support	0
17,449	Large Hospital Set Aside	18,172
263,077	Total Cost of Services	276,077
(261,283)	Taxation and Non- Specific Grant Income (Note 5)	(273,803)
1,794	(Surplus) or Deficit on Provision of Services	2,274
1,794	Total Comprehensive Income & Expenditure	2,274

Notes

* AHP – Allied Health Professionals

** FHS – Family Health Services

*** Reflects the impact of hosted services not attributable to specific client groups

Dundee City Integration Joint Board's Comprehensive Income and Expenditure Statement shows the net commissioning expenditure provided to partners to support services. It does not detail income received from service users as this remains the statutory responsibility of the partners.

THE FINANCIAL STATEMENTS

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the Dundee City Integration Joint Board's reserves.

Total Reserves 2018/19 £000	Movements in Reserves	General Fund Balance Total Reserves £000
4,560	Opening Balance at 31 March 2019	2,766
(1,794)	Total Comprehensive Income and Expenditure	(2,274)
(1,794)	Increase/(Decrease)	(2,274)
2,766	Closing Balance at 31 March 2020	492

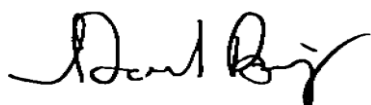
THE FINANCIAL STATEMENTS

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by Dundee City Integration Joint Board.

31 March 2019 £000		Notes	31 March 2020 £000
2,786	Short Term Debtors	Note 6	5,631
2,786	Current Assets		5,631
(20)	Short Term Creditors	Note 7	(5,139)
(20)	Current Liabilities		(5,139)
2,766	Net Assets		492
2,766	Usable Reserve: General Fund	Note 8	492
2,766	Total Reserves		492

The unaudited accounts were issued on 30 June 2020.



Dave Berry, CPFA
Chief Finance Officer
Dundee City Integration Joint Board

30 June 2020

1. Significant Accounting Policies

General Principles

The Financial Statements summarise Dundee City Integration Joint Board's transactions for the 2019/20 financial year and its position at the year-end of 31 March 2020. The Dundee City Integration Joint Board was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Section 106 body as defined in the Local Government (Scotland) Act 1973.

The Financial Statements are 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), and statutory guidance issued under Section 12 of the Local Government in Scotland Act 2003.

The accounts are prepared on a going concern basis, which assumes that the Dundee City Integration Joint Board 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 occurs. In particular:

- Expenditure is recognised when goods or services are received and their benefits are used by the Dundee City Integration Joint Board.
- Income is recognised when the Dundee City Integration Joint Board 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 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

Dundee City Integration Joint Board is primarily funded through funding contributions from the statutory funding partners, Dundee City Council and NHS Tayside. Expenditure is incurred as the Integration Joint Board commission's specified health and social care services from the funding partners for the benefit of service recipients in the Dundee City Integration Joint Board area.

Cash and Cash Equivalents

Dundee City Integration Joint Board does not operate a bank account or hold cash. Transactions are settled on behalf of Dundee City Integration Joint Board by the funding partners. Consequently, Dundee City Integration Joint Board 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 Dundee City Integration Joint Board's Balance Sheet.

Employee Benefits

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

Reserves

The Dundee City Integration Joint Board's only Usable Reserve is the General Fund. The balance of the General Fund as at 31 March 2020 shows the extent of resources which the Dundee City IJB can use in later years to support service provision.

Indemnity Insurance

Dundee City Integration Joint Board has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Tayside and Dundee City Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide. Unlike NHS Boards, Dundee City Integration Joint Board does not have any 'shared risk' exposure from participation in Clinical Negligence and Other Risks Indemnity Scheme (CNORIS). Dundee City Integration Joint Board 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 Dundee City Integration Joint Board'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. The Dundee City IJB currently has no known or potential claims against it.

2. Critical Judgements and Estimation Uncertainty

Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Dundee City Integration Joint Board has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Annual Accounts are:

The value of the Large Hospital "set aside" expenditure reported within the total Integration Joint Board expenditure is £18.172m. This figure for 2019/20 has been agreed with NHS Tayside and will be included in both the NHS Tayside and Dundee City IJB annual accounts. The figure is based on the most recently available, full year activity levels for hospital inpatient and day case activity (2018/19) as provided by NHS Scotland's Information Services Division and 2017/18 unit costs information uplifted to 2019/20 provided by NHS Tayside. As such, the sum set aside included in the accounts will not reflect actual hospital usage in 2019/20. This is a transitional arrangement for 2019/20 agreed locally between NHS Tayside and the three Tayside Integration Joint Boards and with the Scottish Government. Work is progressing at a national and local level to refine the methodology for calculating and planning the value of this in the future.

NOTES TO THE FINANCIAL STATEMENTS

On behalf of all IJBs within the NHS Tayside area, Dundee City IJB acts as the lead partner under hosting arrangements for a range of services including Palliative Care, Brain Injury, Dietetics, Sexual and Reproductive Health and Psychology. It commissions services on behalf of the three Tayside IJB's and is responsible for the strategic planning and operational budget of those hosted services. The Dundee City IJB reclaims the cost of these services using an agreed methodology based around population shares from the other IJB's. Dundee City IJB is not responsible for covering the full cost of any overspends in these areas, nor do they retain the benefits of any underspends. The Dundee City IJB will also receive a corresponding charge from the other Tayside IJB's for the services they host on Dundee's behalf. This arrangement is treated as an agency arrangement.

Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Annual Accounts contain estimated figures that are based on assumptions made by the Dundee City Integration Joint Board about the future or that which are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

3. Events after the Reporting Period

The Dundee City IJB's response to the Covid-19 pandemic, and the associated financial implications, are set out in the Management Commentary section on page 7. It is considered that there have been no events occurring between 1 April 2020 and 30 June 2020 that would require adjustments to the 2019/2020 Annual Accounts (i.e. no adjusting events). The latter date is the date on which the unaudited accounts were authorised for issue by the Chief Finance Officer of Dundee City IJB. The provision of bad debt included in the CIES, however, takes into account the likely economic impact of the Covid-19 pandemic.

4. Expenditure and Income Analysis by Nature

2018/19 £000	Description	2019/20 £000
159,473	Services commissioned from NHS Tayside	166,641
103,317	Services commissioned from Dundee City Council	109,142
262	Other IJB Operating Expenditure	266
25	Auditor Fee: External Audit Work	28
(182,825)	Partners Funding Contributions – NHS Tayside	(190,228)
(78,458)	Partners Funding Contributions – Dundee City Council	(83,575)
1,794	(Surplus) or Deficit on the Provision of Services	2,274

NOTES TO THE FINANCIAL STATEMENTS

5. Taxation and Non-Specific Grant Income

2018/19 £000	Description	2019/20 £000
(182,825)	Funding Contribution from NHS Tayside	(190,228)
(78,458)	Funding Contribution from Dundee City Council	(83,575)
(261,283)	Taxation and Non-Specific Grant Income	(273,803)

The funding contribution from the NHS Board shown above includes £18.172m in respect of 'set aside' resources relating to acute hospital and other resources (Large Hospital Set Aside). Dundee City Integration Joint Board has responsibility for the strategic planning of the amount set aside based on the local population's consumption of these resources. NHS Tayside has the responsibility to manage the costs of providing these services. The value of the set aside noted above is based on activity information provided by NHS Scotland's Information Services Division, set against direct expenditure figures provided by NHS Tayside. The methodology of calculating future values of the Large Hospital Set Aside is being developed locally and nationally.

6. Debtors

2018/19 £000	Description	2019/20 £000
1,837	NHS Tayside	4,298
949	Dundee City Council	1,333
2,786	Total Debtors	5,631

Amounts owed by the funding partners are stated on a net basis. Debtor balances relating to income yet to be received by the funding partners but not yet settled are offset against the funds they are holding on behalf of the Dundee City Integration Joint Board.

7. Creditors

2018/19 £000	Description	2019/20 £000
1	NHS Tayside	3
19	Other Bodies	28
-	Dundee City Council	5,108
20	Total Creditors	5,139

Amounts owed are stated on a net basis. Creditor balances relating to expenditure obligations incurred by the funding partners but not yet settled are offset against the funds they are holding on behalf of the Dundee City Integration Joint Board.

NOTES TO THE FINANCIAL STATEMENTS

8. Usable Reserve: General Fund

Dundee City Integration Joint Board holds a general reserve balance for two main purposes:

- To commit, 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 Dundee City Integration Joint Board's risk management framework.

2018/19	Balance at 1 April 2018 £000	Transfers Out 2018/19 £000	Transfers In 2018/19 £000	Balance at 31 March 2019 £000
Uncommitted	230	0	331	561
Committed	4,330	(3,630)	1,505	2,205
Total – General Fund Balances	4,560	(3,630)	1,836	2,766

2019/20	Balance at 1 April 2019 £000	Transfers Out 2019/20 £000	Transfers In 2019/20 £000	Balance at 31 March 2020 £000
Uncommitted	561	(561)	-	0
Committed	2,205	(2,147)	434	492
Total – General Fund Balances	2,766	(2,708)	434	492

Committed Balances

The transfers out in 2019/20 mainly reflect the planned draw down of general fund balances to support overall expenditure levels during the year including supporting transformation. The transfers in reflect the impact of funding for specific initiatives carried forward to 2020/21. The reserves balance of £492k has been committed by the Dundee City Integration Joint Board mainly through the reinvestment of Scottish Government ring fenced funding for Primary Care and Alcohol and Drug Partnership.

9. Related Party Transactions

The Dundee City Integration Joint Board has related party relationships with NHS Tayside and Dundee City Council. In particular the nature of the partnership means that the Dundee City Integration Joint Board may influence, or be influenced by, its partners. The following transactions and balances included in Dundee City Integration Joint Board's accounts are presented to provide additional information on the relationships. Dundee City Integration Joint Board is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence Dundee City Integration Joint Board or to be controlled or influenced by Dundee City Integration Joint Board. Related party relationships require to be disclosed where control exists, irrespective of whether there have been transactions between the related parties. Disclosure of these transactions allows readers to assess the extent to which the Dundee City Integration Joint Board may have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with Dundee City Integration Joint Board.

Dundee City Integration Joint Board Members

Board members of Dundee City Integration Joint Board have direct control over the Board's financial and operating policies. The Dundee City Integration Joint Board membership is detailed on page 6 of these statements. Board members have the responsibility to adhere to a Code of Conduct, which requires them to declare an interest in matters that directly or indirectly may influence, or be thought to influence their judgement or decisions taken during the course of their work. In terms of any relevant parties, board members with declarations of interest did not take part in any discussion or decisions relating to transactions with these parties.

Officers

Senior Officers have control over Dundee City Integration Joint Board's financial and operating policies. The total remuneration paid to senior officers is shown in the Remuneration Report. Officers have the responsibility to adhere to a Code of Conduct, which requires them to declare an interest in matters that directly or indirectly may influence, or be thought to influence their judgement or decisions taken during the course of their work. In terms of any relevant parties, officers with declarations of interest did not take part in any discussion or decisions relating to transactions with these parties.

Key Management Personnel

The Non-Voting Board members employed by Dundee City Council and recharged to the Dundee City Integration Joint Board include the Chief Officer and the Chief Finance Officer. Details of the remuneration for these post-holders is provided in the Remuneration Report.

Transactions with NHS Tayside

2018/19 £000	Description	2019/20 £000
182,825	Funding Contributions received from the NHS Tayside Board	190,228
(159,473)	Net Expenditure on Services Provided by the NHS Tayside Board	(166,641)
23,352	Net Transactions with NHS Tayside	23,587

NOTES TO THE FINANCIAL STATEMENTS

NHS Tayside did not charge for any support services provided in the year ended 31 March 2020 (2019: nil)

Balances with NHS Tayside

2018/19 £000	Description	2019/20 £000
1,837	Debtor balances: Amounts due from the NHS Board	4,298
(1)	Creditor balances: Amounts due to the NHS Board	(3)
1,836	Net Balance with the NHS Board	4,295

Transactions with Dundee City Council

2018/19 £000	Description	2019/20 £000
78,458	Funding Contributions received from Dundee City Council	83,575
(103,604)	Net Expenditure on Services Provided by Dundee City Council	(109,436)
0	Support Services from Dundee City Council	0
(25,146)	Net Transactions with Dundee City Council	(25,861)

Dundee City Council did not charge for any support services provided in the year ended 31 March 2020 (2019: nil).

The Net Expenditure on Services Provided by Dundee City Council figure includes IJB Operating Expenditure of £294k.

Balances with Dundee City Council

2018/19 £000	Description	2019/20 £000
949	Debtor balances: Amounts due from Dundee City Council	1,333
0	Creditor balances: Amounts due to Dundee City Council	(5,108)
949	Net Balance with Dundee City Council	(3,775)

10. Value Added Tax (VAT)

Dundee City IJB is not a taxable person and does not charge or recover VAT on its functions. The VAT treatment of expenditure in the Dundee City IJB's accounts depends on which of the partner agencies is providing the service as these are treated differently for VAT purposes. The services provided to Dundee City IJB by the Chief Officer are outside the scope of VAT as they are undertaken under a special legal regime.

11. Agency Income and Expenditure

On behalf of all Integration Joint Boards within the NHS Tayside area, the Dundee City Integration Joint Board acts as the lead manager for a variety of Community, Older People, Physical Disability, Mental Health and Learning Disability Services. It commissions services on behalf of the other Integration Joint Boards (Perth & Kinross and Angus) and reclaims the costs involved. The payments that are made on behalf of the other Integration Joint Boards,

NOTES TO THE FINANCIAL STATEMENTS

and the consequential reimbursement, are not included in the Comprehensive Income and Expenditure Statement (CIES) since the Dundee City Integration Joint Board is not acting as principal in these transactions.

The amount of expenditure and income relating to the agency arrangement is shown below.

2018/19 (£000)	Description	2019/20 (£000)
11,341	Expenditure on Agency Services	11,904
(11,341)	Reimbursement for Agency Services	(11,904)
0	Net Agency Expenditure Excluded from CIES	0

12. Provisions

Dundee City Integration Joint Board has currently made no provisions. This does not prohibit Dundee City Integration Joint Board making provisions in the future and will where necessary consider the needs for a provision based on the merits of the incumbent circumstances at a relevant future point.

13. Accounting Standards that have been issued but not adopted

There were no relevant accounting standards that have been issued but are not yet adopted in the 2020/21 Code of Practice on Local Authority Accounts in the United Kingdom.

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of Dundee City Integration Joint Board and the Accounts Commission

The Annual Accounts are subject to audit in accordance with the requirements of Part VII of the Local Government (Scotland) Act 1973.

The Auditor appointed for this purpose by the Accounts Commission for Scotland is:

Fiona Mitchell-Knight FCA
Audit Director
Audit Scotland
4th Floor
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

