



**REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD – 4 MAY 2016**  
**REPORT ON: INTEGRATION JOINT BOARD FINANCIAL REGULATIONS**  
**REPORT BY: CHIEF FINANCE OFFICER**  
**REPORT NO: DIJB3-2016**

**1.0 PURPOSE OF REPORT**

The purpose of this report is to present the Integrated Joint Board with a set of Financial Regulations for consideration and requests that these are adopted as a key element of the Integration Joint Board's governance arrangements.

**2.0 RECOMMENDATIONS**

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

- 2.1 Notes and adopts the Financial Regulations which are detailed in Appendix 1.

**3.0 FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from this report.

**4.0 MAIN TEXT**

- 4.1 The Public Bodies (Joint Working) (Scotland) Bill was enacted in April 2014. The Public Bodies (Joint Working) (Scotland) Act 2014 (the Act) establishes the framework for the integration of health and social care in Scotland. The Scottish Government established the Integrated Resources Advisory Group (IRAG) to consider the financial implications of integrating health and social care, and to help develop professional guidance.
- 4.2 The IRAG guidance requires IJBs to establish good governance arrangements by producing Financial Regulations. These Financial Regulations are intended to provide the financial governance framework within which the IJB will operate. The Chief Officer, supported by the Chief Finance Officer must ensure there are adequate systems and controls in place for the proper management of its financial affairs.
- 4.3 The purpose of Financial Regulations is to assist organisations in fulfilling their obligations in respect of corporate governance, ensuring that stakeholders have an understanding of their responsibilities and a framework within which to discharge them.
- 4.4 Both Dundee City Council (DCC) and NHS Tayside (NHST) operate under Financial Regulations/Standing Orders for the operational delivery of services. As this direct service delivery will continue to be carried out within NHST and DCC, these Financial Regulations relate specifically to the affairs of the IJB, and, therefore are more limited and focused in scope. All operational and transactional finance matters for the delivery of the IJB will comply with DCC Financial Regulations and NHST Standing Financial Instructions.
- 4.5 The Financial Regulations reflect and are consistent with a number of specific provisions made within the Integration Scheme in relation to financial governance issues.

4.6 The IJB may revise the Financial Regulations at any time but any changes to the Regulations must be approved by the IJB and an updated version encompassing such amendments must be issued.

#### **5.0 POLICY IMPLICATIONS**

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 CONSULTATIONS**

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

#### **7.0 BACKGROUND PAPERS**

None.

Dave Berry  
Chief Finance Officer

DATE: 1 April 2016

# **Dundee Integration Joint Board**

## **Financial Regulations**

**(30/03/16)**

## PREFACE

The Integration Scheme for Dundee was approved by Cabinet Secretary for Health, Wellbeing and Sport on 31 August 2015. An Order to establish the Integration Joint Board was laid before the Scottish Parliament on 4 September 2015 (The Public Bodies (Joint Working) (Integration Joint Board Establishment) (Scotland) Amendment (No.3) Order 2015). The Integration Joint Board was established on 3 October 2015.

Both NHS Tayside (NHST) and Dundee City Council (DCC) have delegated functions and resources to the Dundee Health and Social Care Partnership (The Dundee Integrated Joint Board (IJB)). The IJB will direct the Council and the Health Board on how resources will be spent in line with the approved Strategic plan, and allocate resources back to them in accordance with this direction.

Both DCC and NHST operate under Financial Regulations/Standing Orders for the operational delivery of services. As this service delivery will continue to be carried out within NHST and DCC, these Financial Regulations relate specifically to the affairs of the IJB, and, therefore are more limited and focused in scope. All operational and transactional finance matters for the delivery of the IJB will comply with the respective DCC Financial Regulations and NHST Standing Financial Instructions.

The IJB is accountable for the stewardship of public funds and is expected to operate under public sector best practice governance arrangements, proportionate to its transactions and responsibilities.

Under the Scottish Government Regulations, for all IJB's in Scotland, the Chief Officer, supported by the Chief Financial Officer must ensure that there are adequate systems and controls in place for the proper management of its financial affairs.

These Financial Regulations detail the responsibilities of the IJB and serving members for its own financial affairs. The Chief Officer and the Chief Financial Officer and other officers supporting the IJB will follow these Regulations at all times in relation to the conduct of the IJB's own financial affairs.

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## **1 GENERAL**

- 1.1 The preparation and circulation of Financial Regulations assists organisations in fulfilling their obligations in respect of corporate governance, ensuring that stakeholders have an understanding of their responsibilities and a framework within which to discharge them. For this reason, Financial Regulations must be relevant to the needs of users, kept up-to-date and allow for controlled flexibility. A process of ongoing review and monitoring will be maintained to ensure this (See 1.3). Clarification on the interpretation of the Financial Regulations will be issued as required and identified for inclusion in a subsequent review. Clarification of any matter concerning the Financial Regulations shall be undertaken in conjunction with the Integration Joint Board (IJB), Chief Officer (IJBCO) and Chief Finance Officer (IJCFO).
- 1.2 Aspects of the operation of the IJB have been set out in an Integration Scheme, some of which is pertinent to the Financial Regulations. Wording in “quotations” within the Financial Regulations is taken from the Integration Scheme.
- 1.3 The IJCFO will regularly review the IJB Financial Regulations, in consultation with NHS Tayside’s Director of Finance and the Chief Financial Officer (Section 95 Officer) of the Council, and where necessary submit recommendations to the IJB for amendments to the Financial Regulations. The IJB will review and consider any amendments considered necessary to these Financial Regulations as recommended and approve the periodic revisions and issue an updated version encompassing such amendments.

## **2. SCOPE AND OBSERVANCE**

- 2.1 Voting members of the IJB together with non-voting members of the IJB have a duty to abide by the highest standards of probity in dealing with financial issues. This is achieved by ensuring everybody is clear about the standards to which they are working and the controls in place to ensure these standards are met.
- 2.2 The key controls and control objectives for financial management standards are:-
- the promotion of the highest standards of financial management by the IJB;
  - a monitoring system to review compliance with the financial regulations;
  - comparisons of actual and forward projection of financial performance with planned/budgeted performance that are reported to the IJB;
  - preparation and approval of an annual budget;

- preparation of annual accounts which will be submitted for external audit; and
- provision for performance monitoring and scrutiny of the IJB to fulfil its duties under its Terms of Reference.

2.3 In all matters to do with the management and administration of the Integrated Budget by the IJB and its officers exercising such delegated powers as the IJB has agreed in this regard, these Financial Regulations will apply in all circumstances.

2.4 Prior to any funding being passed by one of the Parties to the IJB as part of the Integrated Budget, the Financial Regulations or Standing Financial Instructions of the relevant Party will apply. Similarly, once funding has been approved from the Integrated Budget by the IJB and directed by it to the Council or the NHS for the purposes of service delivery, the Standing Financial Instructions or Financial Regulations of the relevant Party will then apply to the directed sum, which will be utilised in accordance with the priorities determined by the IJB in its Strategic Plan.

### **3 INTEGRATION JOINT BOARD MEMBERS RESPONSIBILITY**

3.1 The responsibility of the IJB in relation to the conduct of the IJB's financial affairs are defined in the IJB's Integration scheme.

### **4 CHIEF OFFICER (IJB CO)/ FINANCE OFFICER (IJB CFO) RESPONSIBILITIES**

#### Joint Responsibilities

4.1 The IJB CO and IJB CFO shall comply with the internal control procedures prevailing within the host organisation responsible for Service Delivery with regard to their operational activities e.g. segregation of duties, procurement of goods / services, control of assets, etc.

4.2 The IJB CO and IJB CFO shall comply with the internal control procedures prevailing within their host organisation with regard to their personal work related activities e.g. travel and subsistence, codes of conduct, declarations, etc.

4.3 Where the IJB CO or IJB CFO delegate any of their responsibilities, the nature and extent of this should be set out in a Scheme of Delegation.

## Chief Officer Responsibilities

- 4.4 The IJBCO will ensure that the decisions of the IJB are carried out and has a direct line of accountability to the Chief Executive of the NHS and the Chief Executive of the Council for the delivery of integrated services. The IJBCO is responsible for ensuring that service delivery is in accordance with the Strategic Plan to support the national outcomes, any locally delegated responsibilities for health and wellbeing and for measuring, monitoring and reporting on the underpinning measures and indicators (including financial) that will demonstrate progress.
- 4.5 The IJBCO is the accountable officer of the IJB in all matters except finance. The IJBCO will discharge his/her duties in respect of the delegated resources by:-
- ensuring that the Strategic Plan meets the requirement for economy, efficiency and effectiveness in the use of the IJB resources; and
  - giving directions to the NHS and the Council that are designed to ensure resources are spent according to the Strategic Plan. It is the responsibility of the IJBCO to ensure that the provisions of the directions enable the Parties to discharge their responsibilities with regard to the provisions of the directions.
- 4.6 In his/her operational role within the NHS and the Council, the IJBCO has no “accountable officer” status but is:-
- accountable to the Chief Executive of the Council and Chief Executive of the NHS for the operational performance of the services managed by the IJBCO.
  - accountable to the Chief Executive of the NHS for the proper financial management of the operational budget, and is advised by the NHS Director of Finance;
  - accountable to the Chief Financial Officer (Section 95 Officer) of the Council for the proper financial management of the operational budget, and is advised by the Chief Financial Officer of the Council



## Chief Finance Officer Responsibilities

4.7 The Integration Scheme notes that the IJBCFO “will be accountable to the Integration Joint Board for the proper administration of its financial affairs including the preparation of the Annual Accounts and Financial Plan (including the Annual Financial Statement as required under Section 39 of the Act) and will provide financial advice and support to the Chief Officer and IJB on the financial resources used for operational delivery.” The IJBCFO will be responsible for preparing the IJB’s medium term financial plan to be incorporated into the Strategic Plan.

The IJBCFO is responsible for the administration of the financial resources delegated to the IJB and will discharge this duty by:

- establishing and maintaining financial governance systems for the proper use of the delegated resources
- ensuring that the Strategic Plan meets the requirement for best value in the use of the IJB’s financial resources
- ensuring that financial resources are utilised in accordance with the Strategic Plan

4.8 At the point when the IJB provides Direction to the Parties, for the operational delivery of services, the Director of Finance (NHS) and Council’s Section 95 Officer are responsible for ensuring governance of these resources in accordance with their own organisation’s financial governance documents.

## **5 BUDGET PREPARATION**

### The Integrated Budget

5.1 The resources within scope of the IJB’s Integrated Budget are those local authority social care services, health IJB primary, community healthcare and hospital services delegated in accordance with the Integration Scheme. The Integrated Budget will be the aggregate of payments to the IJB for services delegated by DCC and NHST.

### The Strategic Budget

5.2 The resources within scope of the IJB’s Strategic Budget are those within the Integrated Budget together with those in respect of large hospitals set aside in accordance with the

Integration Scheme, termed “Large Hospital Services”. The NHS budget for Large Hospital services is included within the IJB’s Integrated Budget for direction via the Strategic Plan. Future changes agreed by the IJB and NHST will determine the movement between the Integrated Budget and the Large Hospital “Set Aside”.

### The Strategic Plan

- 5.3 The IJB is responsible for the production of a Strategic Plan - setting out proposals for the delivery of services within the remit of the IJB over the medium term. This will include a medium term financial plan for the resources within scope of the strategic plan, incorporating the integrated budget and the notional budget for directed hospital services.

### Budget Preparation / Requisitions

- 5.4 In accordance with the Integration Scheme the IJBCFO “will make annual budget Requisitions to the Parties in the format reflected within their respective budget guidance and to align with their respective budget setting timetables. The budget Requisitions will be calculated with initial reference to the pertinent year of the latest Strategic Plan agreed by the IJB”.
- 5.5 “Thereafter, the IJBCFO will give consideration to areas of adjustment of budget requisitions in light of actual or projected performance (where applicable for each Party) and taking into account the Parties Corporate Financial Plans. Where any adjustments are made from the proposals/assumptions contained in the Strategic plan this will be made clear in the budget requisition made by the IJBCFO to the Parties”.
- 5.6 “The IJBCO and IJBCFO will meet with DCC and NHST senior finance officers to review and, if necessary, revise the budget Requisition in line with locally agreed budget setting timetables”.
- 5.7 “The Partners (DCC and NHST) will consider these proposed budget Requisitions through their respective budget setting processes and will confirm the actual budget Requisition to the IJB by the day after the Council Tax legally requires to be set each year”.

### Directions

- 5.8 Following agreement of the Strategic Plan by the IJB, and confirmation of the requisitions from the Parties, in accordance with the Integration Scheme the IJB “will approve and

provide Direction to the Parties before the start of the IJB financial year, in the relevant year, regarding the functions that are being directed, how they are to be delivered and the resources to be used in delivery”. This direction is with a view to ensuring that resources are utilised in accordance with the objectives of the Strategic Plan.

- 5.9 The Integration Scheme notes that in “the event that a material calculation error in the spending Directions provided by the IJB to the Parties is discovered this will be adjusted for and revised Directions issued to the Parties”.

## **6 BUDGET MONITORING AND CONTROL**

### Budget Monitoring

- 6.1 In accordance with the Integration Scheme the IJBCFO will “ensure routine financial reports are available to the IJBCO and the IJB on a timely basis and include as a minimum, annual budget, full year outturn projection and commentary on material variances. All IJB reports will be shared with the Parties simultaneously”. The frequency, form and content of reports will be agreed by the IJB. These reports will cover the financial performance of the Integrated Budget and the Strategic Budget together with projections for the full financial year and any implications for the following financial years.
- 6.2 “Where a year end overspend in the IJB’s budget is projected the IJBCO and the IJBCFO must present a recovery plan to the Parties and the IJB to address in year overspends and any recurring overspends for future financial years”.

In the event that the recovery plan is unsuccessful, and an overspend is evident at the year-end, uncommitted Reserves held by the IJB would firstly be used to address any overspend. If after the application of reserves there remains a forecast overspend, a revised Strategic Plan must be developed and agreed by the Parties to enable the overspend to be managed in subsequent years.

In the event that an overspend is evident following the application of a recovery plan, use of reserves or where the Strategic Plan cannot be adjusted, the following arrangements will apply:

- 1<sup>st</sup> and 2<sup>nd</sup> financial year of the IJB – the overspend will be met by the Party with operational responsibility for service delivery, unless agreed otherwise through a tripartite agreement between the IJB and the Parties;
- 3<sup>rd</sup> financial year of the IJB onwards – the overspend will be allocated based on each Parties' proportionate contribution to the IJB's budget Requisition for that financial year on a like for like basis.

In the event that further services and their associated budgets are added to the initial scope of the IJB the above timelines will not be adjusted unless the Parties agree otherwise.

6.3 In the event that an underspend is evident within the IJB's year end position, this will be retained by the IJB unless the following conditions apply:

- Where a clear error has been made in calculating the budget Requisition;  
or
- In other circumstances agreed through a tripartite agreement between the Parties and the IJB

If these conditions apply, the underspend will be returned to each of the Parties as follows:

- 1<sup>st</sup> and 2<sup>nd</sup> financial year of the IJB – the underspend will be returned to the Party with operational responsibility for service delivery, unless agreed otherwise through a tripartite agreement between the IJB and the Parties;
- 3<sup>rd</sup> financial year of the IJB onwards – the underspend will be allocated based on each Parties' proportionate contribution to the IJB's budget Requisition for that financial year on a like for like basis unless agreed otherwise through a tripartite agreement between the IJB and the Parties.

#### IJB Reports

6.4 The IJBCFO will be consulted on all reports being submitted to the IJB to ensure that any financial implications arising have been considered. Each IJB report should include a Financial Implications section.

- 6.5 It is a requirement of the Public Bodies (Joint Working) (Scotland) Act 2014 that an Annual Performance Report is presented to the IJB and the financial contents therein should comply with the requirements as set out in the Act.
- 6.6 It will be the responsibility of the IJBCO and IJBCFO to provide relevant information and reports to ensure the DCC and NHST performance reporting arrangements are complied with.

#### Virement (Between Financial Years)

- 6.7 The Strategic Plan and budget Requisitions will detail the budget virement that is proposed to be undertaken between each financial year in respect of both the Integrated Budget and large hospital services set aside. The extent of virements will be confirmed following completion of the IJB annual accounts.

#### Virement (In Year) – Integrated Budget

- 6.8 The IJBCO, in consultation with the IJBCFO, can undertake budget virement of up to and including £1,000,000 under delegated authority subject to this virement not impacting upon current IJB, Council or NHS policies and must be consistent with the aims of the Strategic Plan. Individual virements in excess of £100,000 must subsequently be reported to the IJB for noting through the budget monitoring reports. Budget virement in excess of this sum requires approval of the IJB.
- 6.9 It will be necessary for the IJBCO to issue a revised direction to the Parties in light of in-year budget virement.

#### Virement (In Year) – Large Hospital Services

- 6.10 All budget virement in respect of Large Hospital services will require approval of the IJB and the NHST and the reasons for this virement will be detailed in such a request e.g. changes in the timing of planned capacity changes from that outlined in the Strategic Plan.

## Year End Budget Variances

6.11 Any surplus or deficit arising at the financial year end on the Strategic Budget will be addressed in accordance with the provisions for this detailed within the Integration Scheme as follows:-

### **Deficit**

- Uncommitted Reserves held by the IJB would firstly be used to address any overspend;
- Via the risk sharing provisions between the Parties as set out in the Integration Scheme.

### **Surplus**

- Retained in Reserves unless either a clear error has been made in calculating the budget Requisition or in other circumstances agreed through a tripartite agreement between the Parties and the IJB.

## Reserves

6.12 The IJB is able to retain Reserves albeit these will be notional as the IJB will not hold cash balances. The IJB is required to set out and agree, therefore, a Reserves policy and strategy in the Strategic Plan.

## **7 ANNUAL ACCOUNTS**

7.1 The annual accounts for the IJB are required to be prepared subject to the provisions of Section 106 of the Local Government (Scotland) Act 1973. As such the annual accounts – including a Governance Statement and Best Value Statement will be undertaken in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom.

7.2 The IJBCFO will arrange for the preparation and submission of the IJBs annual accounts by the statutory deadline and sign the annual accounts.

7.3 The draft annual accounts and final accounts should be submitted to the IJB and Audit Committee (if applicable) for their scrutiny and review.

## **8 EXTERNAL AUDIT**

- 8.1 The IJB will be subject of external audit by auditors appointed by the Accounts Commission. The IJB, IJBCO and IJBCFO are required to comply with all reasonable requests made by the auditors in completion of their external audit.
- 8.2 The IJBCFO will be the initial point of contact with external auditors for all matters in relation of the IJB's annual accounts.

## **9 TREASURY MANAGEMENT**

- 9.1 Legislation, under Section 106 of the Local Government (Scotland) Act 1973 empowers the IJB to hold reserves, which should be accounted for in the financial accounts and records of the IJB.
- 9.2 The IJB will not undertake any cash transactions but rather these will be on a notional basis through the direction of expenditure undertaken by the Parties. Any cash correction arising as a result of variance between the Requisitions from and Directions to the Parties will be undertaken directly between the Parties without any adjustment for interest.
- 9.3 In light of the above the IJB will not operate a bank account.

## **10 PROCUREMENT**

- 10.1 The Public Bodies (Joint Working) (Scotland) Act 2014 provides that the IJB may be empowered to contract itself to carry out the functions delegated to it. The IJBCO shall consult with the IJBCFO and both Parties' senior finance officers prior to seeking IJB approval for such contracting.
- 10.2 Until such agreement is achieved, procurement activity will be undertaken by the respective Parties and in accordance with the guidance prevailing in the organisation to which the IJB has given operational direction for the use of financial resources. The IJBCO and IJBCFO will give ongoing consideration to whether there are financial or other benefits for either of the Parties to be directed to undertake particular areas of spend.

## **11 CHARGES FOR SERVICES**

- 11.1 The IJB will not charge for services as any charging will be undertaken by the organisation to which the IJB has given operational Direction to deliver the services for which a charge is made in accordance with local policy and national guidance.

## **12 VALUE ADDED TAX (VAT)**

- 12.1 There is no requirement for a separate VAT registration for the IJB as the IJB will not be delivering any services within the scope of VAT.
- 12.2 The IJBCO and IJBCFO must remain cognisant of possible VAT implications arising from the delivery of the Strategic Plan. The Parties will be consulted in early course on proposals which may have VAT related implications.

## **13 INSURANCE AND RISK MANAGEMENT**

- 13.1 The IJB must establish a system of risk management for the functions delegated to it and maintain a Risk Register. This will ensure that risks faced by the IJB are identified and quantified and that effective measures are taken to reduce, eliminate or insure against them.
- 13.2 The IJB must make appropriate provision for insurance according to the extent of risk exposure of the IJB itself and in light of the risk management strategy applied by the IJB. These should be reviewed periodically.
- 13.3 The IJBCO will notify the IJB as soon as reasonably possible of any incidents of loss, damage or injury, which may give rise to a claim by or against the IJB.

## **14 INTERNAL AUDIT**

- 14.1 The IJB shall establish adequate and proportionate internal audit arrangements for review of the adequacy of the arrangements for risk management, governance and control of the allocated resources, but not the amount or sufficiency of the allocated resources. This will



include determining who will provide the internal audit service for the IJB and nominating a Chief Internal Auditor.

- 14.2 The operational delivery of internal audit services within the NHS and the Council will be contained within their respective and established arrangements.
- 14.3 The Internal Audit Service will undertake its work in compliance with the Public Sector Internal Audit Standards.
- 14.4 On or before the start of each financial year, the IJB's Chief Internal Auditor will prepare and submit a strategic risk based audit plan to the IJB (or appropriate Sub-Committee, if established) for approval. It is recommended this is shared for information with the relevant committee of the NHS and the Council.
- 14.5 The IJB's Chief Internal Auditor will submit an annual audit report of the Internal Audit function to the Chief Officer and the IJB (or appropriate Sub-Committee) indicating the extent of audit cover achieved and providing a summary of audit activity during the year. As a minimum the annual audit report and IJB Chief Internal Auditor's opinion will also be reported to the audit committee of the NHS Board and the Scrutiny Committee of the Council.
- 14.6 The IJB, IJB CO and IJB CFO have a duty to inform DCC's Chief Internal Auditor and the NHS Counter Fraud Service of any suspicion of fraud, irregularity or any other matter concerning the contravention of the Financial Regulations affecting assets of the IJB or the Parties.

## **15 BREACH OF FINANCIAL REGULATIONS**

- 15.1 A breach of these Financial Regulations must be reported immediately to the Chief Officer, who may then discuss the matter with the NHS's Chief Executive, the Council's Chief Executive or another nominated or authorised person as appropriate to decide what action to take.

## **16 BOARD MEMBERS' ALLOWANCES AND EXPENSES**

16.1 Payment of IJB Board Members' allowances, travel and subsistence expenses will be the responsibility of the Members' individual Council or NHST or employing organisation, and will be made in accordance with their own Schemes as required to reflect the capacity of the role being discharged e.g. Lead Clinician, third sector representative.

## **17 AUTHORISATION OF COMMUNITY CARE PACKAGES**

17.1 The IJBCFO will have delegated authority to authorise expenditure on community care packages for adults as detailed below:

- For individuals who present a significant risk to themselves or to others (including people who have forensic needs or severe challenging behaviour), the IJBCFO will have delegated authority to agree the cost of care packages for these individuals up to £2,200 per week
- For individuals requiring twenty-four hour care and support from a specialist provider, the IJBCFO will have delegated authority to agree the cost of care packages for these individuals up to £1,400 per week
- For individuals who can be supported in their own home with interval support and care packages, the IJBCFO will have delegated authority to agree the cost of care packages for these individuals at a rate equating to the national care home rate for nursing care plus 15%.

17.2 Should a proposed package of care exceed these levels, the proposal will be referred to the IJBCO for consideration in consultation with the Chair and Vice Chair of the IJB. The outcome of the decision will be reported to the next available IJB meeting for information.

## GLOSSARY

**“The Act”** means the Public Bodies (Joint Working) (Scotland) Act 2014;

**Integration Scheme** – this is a document agreed jointly by Dundee City Council and NHS Tayside which details the joint working procedures to be followed by Integrated Joint IJB

**Parties** – these are Dundee City Council and NHS Tayside

**“Integrated Functions”** means those functions and services delegated to the IJB by virtue of this Scheme;

**“Integration Joint Board Order”** means the Public Bodies (Joint Working) (Proceedings, Membership and General Powers of Integration Joint IJBs) (Scotland) Order 2014;

**“IJB”** means the Integration Joint IJB to be established by Order under section 9 of the Act, abbreviated to **“IJB”**

**IJB Chief Officer (IJBCO)** – that individual appointed by the Integrated Joint IJB to ensure delivery of the IJB’s Strategic Plan

**IJB Finance Officer (IJBCFO)** – that individual appointed by the Integrated Joint IJB to ensure governance of the IJB’s financial resources and provide financial advice to the IJBCO and IJB

**Local Authority Section 95 Officer** – this is the individual occupying the post within the local authority with responsibility for governance of financial resources in accordance with Section 95 of the Local Government (Scotland) Act 1973

**Health Director Of Finance** – that individual occupying the post within NHS Tayside with accountability for governance of financial resources

**Requisition** – this is the financial resources devolved by each of the Parties to the Integrated Joint IJB

**Direction** – this is the instruction from the IJB to each of the Parties to undertaken operational provision of services and the related financial resource level to undertake this (issued under section 26 of the Act)

**“Payment”** Term used in the legislation to describe the Integrated Budget contribution to the Integration Joint Board and does not require that a bank transaction is made. In addition the term used to describe the resources paid by the Integration Joint Board to the Health Board and the Local Authority for carrying out the directed functions.

**Integrated Budget:** Budget for the delegated resources for the functions set out in the Integration Scheme as specified in legislation (See “notional budget”).

**Notional Budget:** Activity based budget for commissioned hospital services used by the IJB population as set out in the Strategic Plan. This is the amount required to be set aside by the Health Board for use by the IJB.

**Strategic Plan** – means the plan which the IJB is required to prepare and implement in relation to the delegated provision of health and social care services to adults in accordance with section 29 of the Act.

**Virement** – the transfer of an under spend on one budget head to finance additional spending on another budget head. For the purposes of the IJB, represents the transfer of budget one are of “subjective” spend to another, i.e. staff costs, employee costs, property costs, etc. or the transfer of budget between Parties.

**“Acute services”** means those services set out in Part 2 of Annex 1 to the Scheme which are delivered within Ninewells Hospital and Perth Royal Infirmary, except medicine for the elderly services delivered at Perth Royal Infirmary (for which the Integration joint IJB will have operational delivery responsibility);

**“Large Hospitals”** means those hospitals which fall within the definition set out in section 1(14) of the Act; Means the functions that a Health Board proposes to delegate under an integration scheme which are carried out in the area of the Health Board and are provided for the areas of two or more local authorities. **(Section 1 (14))**. Note that it is possible that this definition could be interpreted as referring to community hospitals that provide care to people from more than local authority but this is not the intention of the legislation and will be clarified in the explanatory notes.

**“Outcomes”** means the Health and Wellbeing Outcomes prescribed by the Scottish Ministers in Regulations under section 5(1) of the Act;

**“Dundee City Council”** means the local government area of Dundee City as defined in the Local Government Etc. (Scotland) Act 1994;

**VAT:** Health Boards and Local Authorities have a different VAT status under the VAT Act 1994. Local Authorities have Section 33 status whereby they can recover VAT on non-business activities; and Health Boards have Section 41 status, whereby they can typically only recover VAT incurred on services (in accordance with contracted out services regulations). Local Authorities typically recover a greater proportion of VAT than Health Boards.

