



Perth and Kinross Integration Joint Board

Annual Accounts

2019/20

Un-Audited

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SECTION 1: MANAGEMENT COMMENTARY

INTRODUCTION

This publication contains the financial statements for Perth and Kinross Integration Joint Board (IJB) for the year ended 31 March 2020.

The Management Commentary outlines key messages in relation to the objectives and strategy of IJB and the financial performance of the IJB for the year ended 31 March 2020. It also provides an indication of the issues and risks which may impact upon the finances of the IJB in the future and the challenges it faces in meeting the needs of the people of Perth and Kinross.

The IJB is a legal entity responsible for the strategic planning and commissioning of a wide range of services across Perth and Kinross. This includes social care, primary and community healthcare and unscheduled care for adults. In addition the IJB plans and commissions specific health care services across Tayside by means of hosted services arrangements agreed in the Integration Scheme between NHS Tayside and Perth & Kinross Council.

Perth & Kinross Council and NHS Tayside (Health Board), as the parties to the Integration Scheme, each nominate four voting members to sit on the IJB. The Council nominates Elected Members and the Health Board Non-Executive Directors.

During the first half of 2019/20 an NHS Tayside Board Non Executive nominee was the Chair of the IJB, replaced in October by a Perth & Kinross Council elected member in line with planned rotation. A change in Vice Chair also took place reflecting arrangements to ensure the Chair and Vice Chair are representatives from the different partner bodies. A number of non-voting Representative Members sit on the IJB and contribute to its proceedings. These Representatives are chosen from the Third Sector, Carers, Services Users, and Council and NHS Board staff and include a GP and a Medical Practitioner who is not a GP.

Management support to the IJB is led by the Chief Officer. The operational structure is a composite of four principal service areas:

- Community Health/Hospital & Other Hosted Services
- Primary Care Services
- Adult Social Care Services
- Inpatient Mental Health Services

In line with the Integration Scheme, corporate support to the IJB is provided by each parent body. Across a range of functions differing levels of support have been provided and further work has been taken forward in 2019/20 to integrate and where necessary enhance resources available to build effective partnership functions. The Chief Officer is currently reviewing leadership and management arrangements with a view to further integration.

PURPOSE AND OBJECTIVES OF THE IJB

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

A review of the Strategic Commissioning Plan was undertaken during 2019/20 and the refreshed Strategic Commissioning Plan 2020:25 approved by the IJB in December 2019. However the Vision for the Health and Social Care Partnership remains unchanged

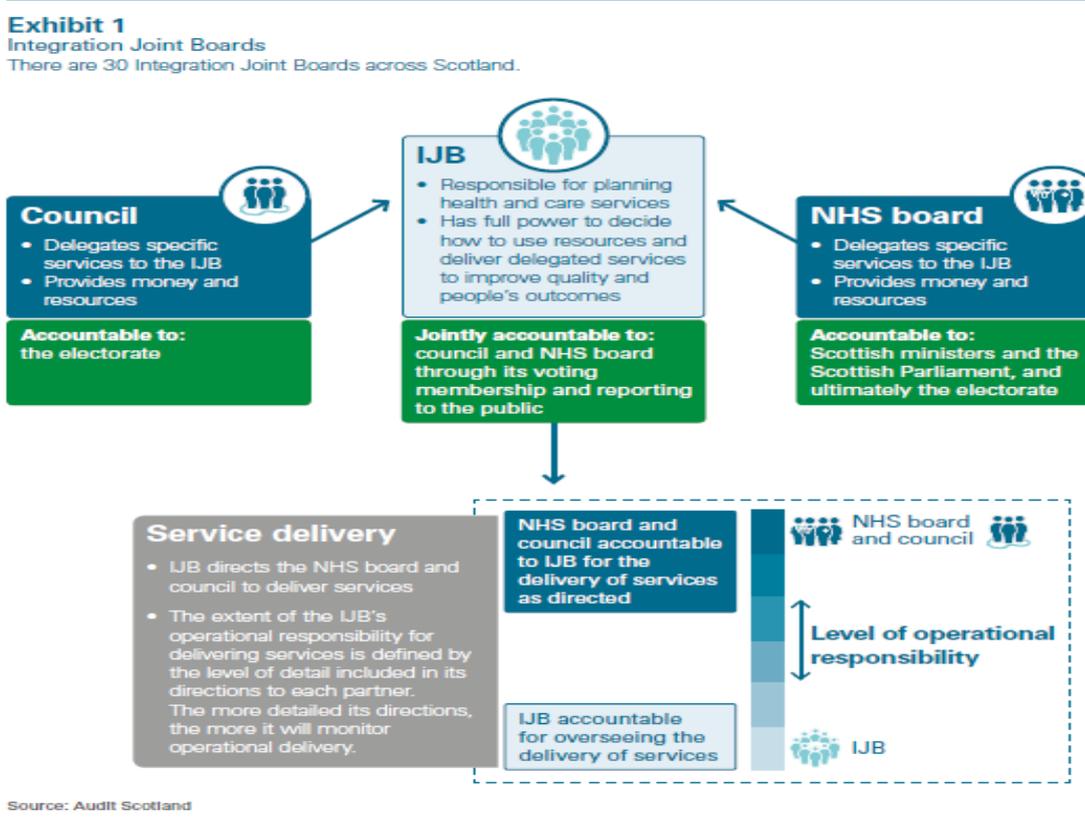
“We will work together to support people living in Perth and Kinross to lead healthy and active lives and live as independently as possible with choice and control over their care and support.”

Similarly, the refreshed Strategic Commissioning Plan continues to focus on a number of strategic

objectives designed to ensure a direction of travel by the Perth and Kinross Health and Social Care Partnership (PKHS CP) consistent with National Objectives:

1. Working together with our communities
2. Prevention and early intervention
3. Person-centred health, care and support
4. Reducing inequalities and unequal health outcomes and promoting healthy living
5. Making best use of available facilities, people and other resources

Exhibit 1 sets out the governance arrangements that support delivery of PKHS CP strategic priorities. The IJB’s strategic ambitions sit alongside operational imperatives across a wide range of services. This creates a very challenging landscape for each Programme Board in developing and overseeing implementation of major plans for service redesign.



A summary of progress during 2019/20 and priorities moving forward for each Strategic Programme along with Inpatient Mental Health Services (which Perth and Kinross IJB host on behalf of all three Tayside IJBs) are set out on the following pages.

Older People and Unscheduled Care Board

During 2019/20 the first stage of ambitious plans to transform Older Peoples Services were implemented:

- Establishment of the Locality Intermediate Care and Respiratory (LINCS) service model. This model takes a multi-disciplinary approach to the delivery of community services which assists people to stay at home for longer
- Review of the provision of Inpatient Rehabilitation beds has been initiated. The purpose of this is to ensure equity of access to all Perth & Kinross adult residents and to further

ensure that beds are placed where the most need and demand is. This review takes into consideration the new community models being introduced such as LINC.S.

- As part of the Care about Physical Activity programme (CAPA), "Paths for All", the HSCP successfully secured funding from the Spirit of 2012 Changing Lives Sport and Physical Activity Fund (2 year fund from Jan 2019 to Dec 2020). This was used to develop dementia friendly walking resources to support 5 care homes in 2019 and a further 5 in 2020. These resources enable care home residents to walk more both within the care home and outdoors, and to take part in strength and balance exercises.

In response to the COVID-19 pandemic the HSCP is undertaking a review of all planned work including for example, LINC.S and Inpatient Rehabilitation Beds, in order to ensure that services continue to best meet the needs of patients.

Mental Health and Wellbeing Board

During 2019/20 the Mental Health and Wellbeing Board has overseen investment of Scottish Government Action 15, Mental Health Strategy and Alcohol and Drugs Funding to enhance Community Mental Health Services across a number of areas:

- Additional nursing staff aligned to GP Practices and to the Social Care Access Team to provide triage, initial assessment and support and ongoing referral/signposting. In addition the 'It's Good to Talk' service is now available in every GP Practice in Perth & Kinross/
- Additional mental health support workers now provide support with self-management, symptom control and to provide wellbeing advice the number of third sector provided counselling sessions has been increased to reduce waiting times and increase availability in rural areas.
- The 'Lighthouse Project' now provides increased support for people 'in distress' out with office hours.
- Within Prison Healthcare additional specialist staffing are supporting people with mental health issues in Perth Prison and to support prisoners with substance misuse issues using funding provided by the Alcohol and Drug Partnership.

The Mental Health and Suicide Prevention training programme continues to run in Perth and Kinross. This feeds into the wider awareness raising projects which in 2019 included Mental Health Awareness Week in May, Suicide Prevention Week in September, and Mental Health Awareness Day in October. These campaigns support early intervention and prevention by creating informed communities within Perth and Kinross.

In addition to the above the Mental Health Alliance was established across Tayside in order to influence the strategic and operational direction of mental health service development.

Following the publication of Dr David Strang's report into Mental Health Services in Tayside further work has been undertaken to understand the recommendations and a pan Tayside approach to service development is now being taken forward including amendments to current governance arrangements.

The implications of Covid 19 on demand for community mental health services is being actively considered with plans being implemented to increase service capacity including third sector support.

Primary Care Board

During 2019/20 the Primary Care Board has overseen several significant programmes of transformation.

The PKHSCP Primary Care Improvement Plan approved by the IJB in June 2018 will significantly

transform primary care services in direct support of general practice under the terms of the 2018 General Medical Services contract (the GMS contract). This includes redesign of vaccination services, ensuring effective pharmacotherapy services, establishing new Community Care and Treatment services, transforming urgent care through establishment of Advanced Nurse Practitioner-led services, implementing a musculoskeletal first point of contact, and aligning improved mental health support services to GP practices. Ongoing review and implementation of the Primary Care Investment Fund will be a significant priority for the PKHSCP in 2019/20.

During 2019/20 the PKHSCP Quality Safety and Efficiency in Prescribing Programme has continued to provide significant focus on the review of variation across GP Practices and identify opportunities to improve effectiveness and efficiency. The impact of the increasing older population in Perth and Kinross has significantly increased expenditure on prescribing. We continue to engage proactively with all GP Practices across Perth and Kinross to maximise effectiveness. Prescribing trends in Perth and Kinross highlight that all of the major indicators demonstrate further improvement.

In response to Covid 19, Primary Care Services working with GP's and other staff groups across Perth & Kinross to establish almost overnight the Covid Assessment Centre on the PRI site. This is now being reviewed in light of anticipated demand. In parallel, escalation plans were established to ensure safe delivery of critical primary care services in the event of increased levels of infection. Plans are now being implemented to resume service levels and to embed Covid and Non Covid work flows within practices.

Other Hosted Services

As part of the IJB's wider responsibilities for hosted services, significant review and redesign has been progressed throughout 2019/20.

Tayside Podiatry Service

- The Podiatry centralised Musculoskeletal (MSK) hub has been developed to provide specialist support to all residents in Tayside improving equity of access. The Hub provides more opportunities to see a highly experienced MSK Podiatrist and more rapid access to skilled clinicians; fostering better team working and supporting the improvements in waiting times.
- Podiatry Service is providing third sector organisations with the support and training to establish models that can support local provision of personal foot care. This supports the building of community capability and patient self-care.
- Patient care, safety and improved outcomes have been enhanced through the optimisation of digital solutions including increased use of telephone consultation allowing advice, support or reassurance and delivery of remote training to healthcare staff/partner organisations in foot health.

The Podiatry Service has assisted in the HSCPs COVID-19 response by redeploying staff to support other front line critical services. This has impacted on some of the developments which were being taken forward in the latter part of 2019/20. As services resume (including wider local community services) it is anticipated that the Podiatry service will be able to provide ongoing support, ensuring an appropriate level of local competence and safe practice is maintained.

Public Dental Services

The Public Dental Service provides dental care for the most vulnerable people in Tayside.

- To improve access to regular care for older people in care homes the Scottish Government has developed an enhanced practitioner programme to enable independent dentists to take

responsibility for bi-annual screening and straight forward dental treatment within designated carer homes.

- Throughout 2019/20 the Public Dental Service continued to provide domiciliary care for house bound patients, this service is planned to continue on an ongoing basis.

In response to the COVID-19 pandemic the Public Dental Service has assisted in the HSCPs COVID-19 response by redeploying staff to support other front line critical services. As services resume, new pathways of care and safe systems of working are being/will be scoped out and deployed so that this valuable service can continue to be provided for those most in need.

Prison Healthcare

Following a positive inspection by the Mental Welfare Commission of HMP Perth in late 2018, HMP Castle Huntly was similarly inspected in November 2019. These visits resulted in a single recommendation to increasing staffing levels and to improve the skill mix available. In this regard Mental Health Occupational Therapists have been recruited and plans are being developed to recruit further nurses and psychological therapists.

HMP Perth was the first prison in Scotland to register for peer review through the Quality Network for Mental Health in Prisons. A peer review was then undertaken in March 2019 (reported August 2019) which identified that 51 of 100 standards were met. In relation to the standards which were not met, an improvement plan has been developed and is currently being implemented.

Carers Board

During 2019/20 the Carers Board implemented the Joint Carers Strategy 2019-22 which was approved in November 2019 by the IJB and Perth and Kinross Council Lifelong Learning Committee. This followed extensive consultation with stakeholders to inform and produce the Adult Carers Eligibility Criteria and the Short Breaks Services Statement.

Recognising the impact of the COVID-19 pandemic on how we support carers, the annual Carers Week 2020 is still planned to take place 8th -24th June. To make this a successful event, alternative arrangements are being implemented which will allow participants to take part remotely. This continues to be an excellent opportunity for carers to provide feedback and to influence future service developments.

Inpatient Mental Health Services:

Perth and Kinross IJB hosts Inpatient Mental Health Services on behalf of all three IJBs in Tayside. During 2019/20, there has been continued significant challenges relating to the supply, attraction and retention of critical posts for the medical workforce. A Mental Health Workforce Plan is being developed which will include a programme of work to reform the workforce across mental health with a clear understanding of current state and future workforce needs. Work has continued in partnership with NHS Tayside and all three IJB's to establish a new Mental Health Alliance aimed at involving all stakeholders in the future redesign pathways and models of care moving forward. During 2019/20 the NHS Tayside commissioned enquiry into Mental Health Services lead by David Strang reported its finding and an improvement plan will be implemented during 2020/21.

Large Hospital Set Aside

The Older People and Unscheduled Care Board and the Perth Royal Infirmary (PRI) Clinical Forum have been critical in helping us to understand the impact of planned changes to service provision and performance on the delegated hospital budgets including large hospital set aside. There is also joint working around service design in relation to some clinical pathways. The 3 Year Financial Recovery Plan agreed by the IJB, sets out an anticipated shift in resources from bed-based to community over the three year period.

PERFORMANCE REVIEW

Due to the necessary focus of the PKHSCP on sustaining critical services safely during the COVID-19 pandemic, it has not been possible to produce the Annual Performance Report (APR), and therefore not possible to provide the required commentary in this section. Nevertheless, work on the APR will recommence in the coming weeks and it is planned to be considered by the Audit and Performance Committee and the IJB in September 2020.

FINANCIAL MANAGEMENT

Background

The IJB's finances are overseen by the IJB's Chief Financial Officer. The Chief Financial Officer is supported by finance staff from both Perth & Kinross Council and NHS Tayside.

Analysis of Financial Statements

The main objective of the Annual Accounts is to provide information about the financial position of the IJB that is useful to a wide range of users in making and evaluating decisions about the allocation of resources.

The 2019/20 Annual Accounts comprise:

(a) **Comprehensive Income and Expenditure Statement** - this shows a deficit of £1.311m. This is made up of a breakeven position for the IJB overall, less the £1.311m spend of ear-marked reserves in 2019/20. Further detail is provided in section c) below and in Note 6. The underlying out-turn for the IJB is a £1.798m overspend. However, in line with the risk sharing agreement with NHS Tayside and Perth & Kinross Council further non-recurring budget has been devolved to the IJB to deliver breakeven.

(b) **Movement in Reserves** - In 2019/20, earmarked reserves had an opening balance of £2.470m, of which £1.311m have been utilised and a balance of £1.159m remains. Most significant balances remain in Partnership Transformation Fund, Primary Care Transformation Fund and Alcohol and Drug Partnership Funding. This balance of £1.159m remains within earmarked IJB reserves for specific projects and commitments.

(c) **Balance Sheet** - In terms of routine business the IJB does not hold assets, however the balance of £1.159m earmarked reserves is 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.

The Annual Accounts for 2019/20 do not include a Cash Flow Statement as the IJB does not hold any cash or cash equivalents.

Financial Performance 2019/20

Financial performance for the year compared to Financial Plan is summarised in the table below:

		Financial Plan 2019/20	FRP Mid-Year 2019/20	2019/20 Year End Out-turn	Movement from Plan
	Finance Plan/Forecast	Over / (under) £m	Over / (under) £m	Over / (under) £m	Over / (under) £m
Core	PKHSCP	0.475	0.246	0.550	0.075
Other Hosted	ALL HSCP	0	(0.097)	(0.364)	(0.364)
Prescribing	NHST	0.752	0.322	(0.442)	(1.194)
GMS	NHST	0	0.123	(0.020)	(0.020)
IPMH	PKHSCP	0.574	0.672	0.623	0.049
Health		1.801	1.266	0.0347	(1.453)
Social Care	PKHSCP	2.367	2.053	1.451	(0.916)
Total		4.168	3.319	1.798	(2.370)

The out-turn in 2019/20 was an overspend of £1.798m. This compared to a financial plan deficit of £4.168m and a subsequent Financial Recovery Plan Target of £3.319m agreed with both Partner Bodies and the IJB during 2019/20. The significant improvement in out-turn against plan has largely been driven by GP Prescribing which has benefited from higher than anticipated national rebates and profit sharing claw backs. The key areas of overspend are:

- The Core Health Services year end overspend is driven by the underlying financial deficit of £0.475m arising from funding issues in relation to complex care pressures. Overspends in inpatient beds during 2019/20 due to numbers and complexity of patients has been largely been managed through recovery plan actions and high levels of vacancies in some services.
- PKIJB's £0.623m share of an overall £1.8m overspend in Tayside Inpatient Mental Health Services was largely predicted as part of the Financial Plan and is driven by medical locum costs required to cover significant vacancies.
- Social Care year end overspend is largely driven by the underlying financial deficit of £2.367m arising from funding issues in relation to complex care packages and loss of charging income. Financial recovery plan actions and lower than anticipated spend on Care at Home have offset this at the year end.

At the year-end both Perth & Kinross Council and NHS Tayside increased the devolved budget to the IJB by £1.451m and £0.347m respectively, in order to support delivery of breakeven for 2019/20 in line with the Integration Scheme.

Of £2.6m approved savings within Core Health and Social Care, £2.5m were delivered (96%). During 2019/20, funding was received from Scottish Government for a number of initiatives. These included Mental Health Action 15 monies, Alcohol & Drug Partnership Funding and funding to implement the Primary Care Improvement Plan. The under spend of £1.159m against improvement funds in 2019/20 has been transferred to an earmarked IJB reserve to meet future year commitments.

Additional costs incurred in relation to Covid 19 in 2019/20 were met in full by the Scottish Government and had no impact on financial out-turn.

COVID-19, FINANCIAL OUTLOOK AND PLANS FOR THE FUTURE

The Covid 19 Pandemic impacted on service delivery from early March 2020. It is now recognised that it will be an ongoing challenge to varying levels for the foreseeable future with levels of social distancing and lockdown measures likely to be in place for 12 months or more. For health and social care services across Perth & Kinross the ongoing constraints of PPE use, isolation and shielding of both staff and service users has a significant impact on the ability to deliver services in the same way. The challenge is how PKHSCP rebuilds health and social care services whilst maintaining service capacity to respond to a potential further surge in Covid-19 activity.

The Covid-19 Pandemic response by PKHSCP has resulted in a dramatic and unprecedented level of change in how day to day services are delivered with new access channels, new ways of working implemented including significant use of digital and telephone services, as well as significant efforts to free up hospital bed capacity. Going forward into the recovery phase we are identifying how these changes were delivered and which changes should now be embedded in service models and practice moving forward, seizing the good practice and innovation that has emerged.

Predicting the immediate and future financial implications of the pandemic is extremely challenging. At this stage it is assumed that there will be sufficient Scottish Government to fund the additional net costs. PKHSCP is working closely with the Scottish Government to provide necessary assurance for funding to be allocated for all of the additional activities and costs set out in the PKHSCP Mobilisation Plan. However our estimates at this stage are subject to significant change. The further development of the PKHSCP Mobilisation Plan will set out a range of further service changes as the focus shifts from response to recovery and then to renewal in line with the Scottish Governments Re-Mobilise, Recover, Redesign Framework. A fundamental review of Strategic Objectives and the 3 Year Financial Recovery Plan will be required. As we embrace the renewal phase, we hope to embrace many of the positive changes over a difficult pandemic response period and accelerate service redesign to support future financial sustainability.

Workforce planning and development will be of utmost importance and ensuring the necessary capacity and expertise to support service leaders as they seek to embrace change creatively will be critical. In parallel, the historic gaps in leadership capacity must be addressed to ensure all opportunities can be seized with the momentum required

CONCLUSION AND ACKNOWLEDGEMENTS

We are pleased to record that during 2019/20 the IJB has successfully delivered health and social care services to the population of Perth and Kinross and, for hosted services, to the population of Tayside. In the last month of 2019/20 this was significantly challenged by the Covid-19 Pandemic. PKHSCP's ability to continue to deliver critical is wholly attributable to the hard work of staff employed in Perth & Kinross Council and NHS Tayside and other partner organisations.

Looking forward the IJB faces continuing challenging financial circumstances. The Covid-19 Pandemic response has resulted in a dramatic and unprecedented level of change in how day to day services are delivered and significant additional costs are expected to be incurred. Financial balance in 2020/21 relies on securing additional funding from the Scottish Government. In the longer term we must identify the changes in service delivery over the Covid 19 response period that should now be embedded in service models and practice moving forward, seizing the good practice and innovation that has emerged to accelerate the delivery of sustainable services moving forward.

FURTHER INFORMATION

You can find links to the IJB's Integration Scheme, Strategic Commissioning Plan and all formal Board papers on the Health and Social Integration section of Perth & Kinross Council's website.

Further information regarding the Annual Accounts can be obtained from:

Chief Financial Officer, Perth & Kinross IJB, 2 High Street, PERTH PH1 5PH or phone 07966 875713.

Eric Drysdale

IJB Chair

Gordon Paterson

Chief Officer

Jane Smith

Chief Financial Officer

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SECTION 2: STATEMENT OF RESPONSIBILITIES

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

Responsibilities of the Integration Joint Board

The Integration Joint Board is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the board has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this authority, that officer is the chief financial 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 Integrated Joint Board's Audit & Performance Committee on 14 September 2020.

Signed on behalf of the Perth and Kinross IJB

Eric Drysdale
IJB Chair

Responsibilities of the Chief Financial Officer

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

In preparing the Annual Accounts, the Chief Financial 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 Financial 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 Perth and Kinross Integration Joint Board as at 31 March 2020 and the transactions for the year then ended.

Jane Smith

Chief Financial Officer

SECTION 3: REMUNERATION REPORT

INTRODUCTION

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

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

BOARD MEMBERS

At 31 March 2020, Perth and Kinross IJB had 8 voting members and 9 non-voting members as follows:

Voting Members:

Councillor Eric Drysdale (Chair)	Councillor Xander McDade
Bob Benson (Vice Chair) (Non-Executive Member)	Pat Kilpatrick (Non-Executive Member)
Councillor Callum Purves	Peter Drury (Non-Executive Member)
Councillor John Duff	Ronnie Erskine (Non-Executive Member)

Non-voting Members:

Gordon Paterson (Chief Officer)	Allan Drummond (Staff Organisations Rep.)
Jane Smith (Chief Financial Officer)	Stuart Hope (Staff Organisations Rep.)
Jacqueline Pepper (Chief Social Work Officer)	Sandy Watt (Third Sector Representative)
Dr Douglas Lowden (Associate Medical Director)	Lynne Blair (Independent Sector Rep.)
Sarah Dickie (Associate Nurse Director)	

During 2019/20 the position of Chair was held by Robert Peat, Non-Executive, until 16th September 2019, then by Councillor Eric Drysdale from 22nd October 2019 until present day.

The position of Vice-Chair was held by Councillor Colin Stewart until 3rd October 2019. The position of Vice-Chair from 31st October 2019 until present day has been filled by Bob Benson, Non-Executive.

IJB CHAIR AND VICE CHAIR

The voting members of the IJB are appointed through nomination by Perth & Kinross Council and NHS Tayside. Nomination of the IJB Chair and Vice Chair post holders alternates between a Councillor and a Health Board representative.

The IJB does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. There were no taxable expenses paid by the IJB to either the Chair or the Vice Chair in 2019/20.

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

OFFICERS OF THE IJB

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

Other Officers

The Integration Joint Board requires to appoint a proper officer who has responsibility for the administration of its financial affairs in terms of Section 95 of the 1973 Local Government (Scotland) Act. The employing contract for the Chief Financial Officer adheres to the legislative and regulatory governance of the employing partner organisation. The Chief Financial Officer is included in the disclosures below.

Total 2018/19 £	Senior Employees	Salary, Fees & Allowances £	Total 2019/20 £
89,261	Rob Packham Chief Officer	7,706	7,706
n/a	Gordon Paterson Chief Officer	108,024	108,024
72,675	Jane Smith Chief Financial Officer	74,952	74,952
161,936	Total	190,682	190,682

Gordon Paterson was appointed to the position of Chief Officer on the 1st of April 2019. Rob Packham retired on the 30th of April 2019, there was an overlapping hand-over period of one month.

In respect of officers' pension benefits the statutory liability for any future contributions to be made rests with the relevant employing partner organisation. On this basis there is no pensions liability reflected on the IJB balance sheet for the Chief Officer or any other officers.

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

Senior Employee	In Year Pension Contributions		Accrued Pension Benefits		
	For Year to 31/03/19 £	For Year to 31/03/20 £		Difference from 31/03/19	As at 31/03/20
Rob Packham Chief Officer (to	13,510	1,579	Pension	93	26,819
			Lump sum	279	80,457
Jane Smith Chief Financial Officer	10,829	15,614	Pension	2,095	25,074
			Lump sum	1,432	52,601
Gordon Paterson Chief Officer	n/a	18,364	Pension	n/a	49,085
			Lump sum	n/a	91,950
Total	24,339	35,557	Pension	2,188	100,978
			Lump Sum	1,711	225,008

Disclosure by Pay Bands

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

Number of Employees in Band 2018/19	Remuneration Band	Number of Employees in Band 2019/20
1	£70,000 - £74,999	1
1	£85,000 - £89,999	0
0	£105,000 - £109,999	1

Exit Packages

No exit packages were paid to IJB staff during this period or the previous period.

Eric Drysdale IJB Chair	14/9/20
Gordon Paterson Chief Officer	14/9/20

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SECTION 5: ANNUAL ACCOUNTS

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

2018/19		2019/20
Net Expenditure		Net Expenditure
£000		£000
28,660	Community and Hospital Health Services	33,036
21,433	Hosted Health Services	22,587
27,520	GP Prescribing	27,008
41,480	General Medical/Family Health Services	44,080
14,346	Large Hospital Set aside	16,280
241	IJB Operating Costs	282
69,405	Community Care	72,336
203,085	Cost of Services	215,609
(205,555)	Taxation and Non-Specific Grant Income (Note 4)	(214,298)
(2,470)	(Surplus) or Deficit on Provision of Services	1,311
(2,470)	Total Comprehensive (Income) and Expenditure (Note 3)	1,311

Whilst this statement shows a deficit of £1.311m, this is offset by a planned utilisation of earmarked reserves in year to meet planned expenditure. (As per Movement in Reserves Statement and Note 6 below).

There are no statutory or presentation adjustments which affect the IJB's application of the funding received from partners. The movement in the General Fund balance is therefore solely due to the transactions shown in the Comprehensive Income and Expenditure Statement. Consequently, an Expenditure and Funding Analysis is not shown in these annual accounts.

MOVEMENT IN RESERVES STATEMENT

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

Movements in Reserves During 2019/20	General Fund Balance
	£000
Opening Balance at 31 March 2019	(2,470)
Total Comprehensive Income and Expenditure	1,311
(Increase) or Decrease in 2019/20	1,311
Closing Balance at 31 March 2020	(1,159)

Movements in Reserves During 2018/19	General Fund Balance
	£000
Opening Balance at 31 March 2018	-
Total Comprehensive Income and Expenditure	(2,470)
(Increase) or Decrease in 2018/19	(2,470)
Closing Balance at 31 March 2019	(2,470)

BALANCE SHEET

The Balance Sheet shows the value of the IJB's assets and liabilities as at the balance sheet date. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

31 March 2019		Notes	31 March 2020
£000			£000
2,470	Short term Debtors	5	1,159
2,470	Current Assets		1,159
-	Short-term Creditors		-
-	Current Liabilities		-
-	Provisions		-
-	Long-term Liabilities		-

2,470	Net Assets		1,159
(2,470)	Usable Reserve: General Fund	6	(1,159)
(2,470)	Total Reserves		(1,159)

The unaudited annual accounts were issued on 22 June 2020, and the audited annual accounts were authorised for issue on 14 September 2020.

Jane Smith
Chief Financial Officer

14/9/20

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SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

A. GENERAL PRINCIPLES

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

The IJB was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Section 106 body as defined in the Local Government (Scotland) Act 1973.

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

The accounts are prepared on a going concern basis, which assumes that the IJB will continue in operational existence for the foreseeable future. The historical cost convention has been adopted.

B. ACCRUALS OF INCOME AND EXPENDITURE

Activity is accounted for in the year that it takes place, not simply when settlement in cash occurs. In particular:

- Expenditure is recognised when goods or services are received and their benefits are used by the IJB.
- Income is recognised when the IJB has a right to the income, for instance by meeting any terms and conditions required to earn the income, and receipt of the income is probable.
- Where income and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the Balance Sheet.
- Where debts may not be received, the balance of debtors is written down

C. FUNDING

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

D. CASH AND CASH EQUIVALENTS

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partners. Consequently the IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet. The funding balance due to or from each funding partner as at 31 March is represented as a debtor or creditor on the IJB's Balance Sheet.

E. EMPLOYEE BENEFITS

The IJB does not directly employ staff. Staff are formally employed by the funding partners who retain the liability for pension benefits payable in the future. The IJB therefore does not present a pensions liability on its Balance Sheet.

The IJB has a legal responsibility to appoint a Chief Officer and a Chief Financial Officer. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs.

Charges from funding partners for other staff are treated as administration costs.

F. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are liabilities of uncertain timing or amount. A provision is recognised as a liability on the balance sheet when there is an obligation as at 31 March due to a past event; settlement of the obligation is probable; and a reliable estimate of the amount can be made. Recognition of a provision will result in expenditure being charged to the Comprehensive Income and Expenditure Statement and will normally be a charge to the General Fund.

A contingent liability is a possible liability arising from events on or before 31 March, whose existence will only be confirmed by later events. A provision that cannot be reasonably estimated, or where settlement is not probable, is treated as a contingent liability. A contingent liability is not recognised in the IJB's Balance Sheet, but is disclosed in a note where it is material.

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

A review for contingent assets and liabilities has been undertaken for the IJB and none have been identified at 31 March 2020.

G. RESERVES

The IJB's reserves are classified as either Usable or Unusable Reserves.

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

H. INDEMNITY INSURANCE

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Tayside and Perth and Kinross Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide.

Unlike NHS Boards, the IJB does not have any 'shared risk' exposure from participation in Clinical Negligence and Other Risks Indemnity Scheme (CNORIS). The IJB participation in the CNORIS scheme is therefore analogous to normal insurance arrangements.

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

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

I. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

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

The Integration Scheme sets out the process for determining the value of the resources used in Large Hospitals, to be Set Aside by NHS Tayside and made available to the IJB. The value of the Large Hospital Set Aside expenditure reported in 2018/19 was £14.346m. The total expenditure in 2019/20 of £16.280m is based on the most recently available activity levels for hospital inpatient and day case activity as provided by NHS Services Scotland's Information Services Division and direct cost information provided by NHS Tayside. 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.

J. RELATED PARTY TRANSACTIONS

Related parties are organisations that the IJB can control or influence or who can control or influence the IJB. As partners in the Joint Venture of Perth and Kinross Integration Joint Board, both Perth and Kinross Council and NHS Tayside are related parties and material transactions with those bodies are disclosed in note 8 in line with the requirements of IAS 24 Related Party Disclosures.

I. SUPPORT SERVICES

Support services were not delegated to the IJB and are provided by the Council and the Health Board free of charge as a 'service in kind'. These arrangements were outlined in the report of Corporate Supporting Arrangements to the IJB on 23 March 2016.

NOTE 2: EVENTS AFTER THE REPORTING PERIOD

The Annual Accounts were authorised for issue by the Chief Financial Officer on 14 September 2020. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2020, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

NOTE 3: EXPENDITURE AND INCOME ANALYSIS BY NATURE

2018/19		2019/20
£000		£000
69,405	Services commissioned from Perth and Kinross Council	72,336
133,439	Services commissioned from NHS Tayside	142,992
210	Other IJB Operating Expenditure	249
3	Insurance and Related Expenditure	3
28	External Audit Fee	29
(205,555)	Partner Funding Contributions and Non-Specific Grant Income	(214,298)
(2,470)	(Surplus) or Deficit on the Provision of Services	1,311

Costs associated with the Chief Officer and Chief Financial Officer are included within “other IJB operating expenditure”. The insurance and related expenditure relates to CNORIS costs (see note 1,H). Auditor fees related to fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor.

NOTE 4: TAXATION AND NON-SPECIFIC GRANT INCOME

2018/19		2019/20
£000		£000
(51,661)	Funding Contribution from Perth and Kinross Council	(54,077)
(153,894)	Funding Contribution from NHS Tayside	(160,221)
(205,555)	Taxation and Non-specific Grant Income	(214,298)

The funding contribution from NHS Tayside shown above includes £16.280m in respect of ‘set aside’ resources relating to acute hospital and other resources. These are provided by the NHS which retains responsibility for managing the costs of providing the services. The IJB however has responsibility for the consumption of, and level of demand placed on, these resources.

The funding contributions from the partners shown above exclude any funding which is ring-fenced for the provision of specific services. Such ring-fenced funding is presented as income in the Cost of Services in the Comprehensive Income and Expenditure Statement.

NOTE 5: DEBTORS

2018/19		2019/20
£000		£000
2,470	NHS Tayside	1,159
2,470	Debtors	1,159

Amounts owed by the funding partners are stated on a net basis. Creditor balances relating to expenditure obligations incurred by the funding partners but not yet settled in cash terms are offset against the funds they are holding on behalf of the IJB.

NOTE 6: USABLE RESERVE: GENERAL FUND

The IJB holds a balance on the General Fund for two main purposes:

- To earmark, or build up, funds which are to be used for specific purposes in the future, such as known or predicted future expenditure needs. This supports strategic financial management.
- To provide a contingency fund to cushion the impact of unexpected events or emergencies. This is regarded as a key part of the IJB's risk management framework.

As at 31 March 2019, the IJB's Annual Accounts showed that Perth & Kinross IJB had reserves totalling £2.470m. The following table sets out the earmarked reserve balances as at 31 March 2020 which are required for specific commitments in future years.

	Balance as at 31 March 2019	Transfers (In)/Out	Balance as at 31 March 2020
	£000	£000	£000
Primary Care Improvement Fund	642	(576)	66
Mental Health Action 15 Fund	171	(152)	19
Primary Care Transformation Fund	359	(4)	355
Alcohol and Drug Partnership Fund	572	(366)	206
Partnership Transformation Fund	554	(123)	431
GP Recruitment and Retention Fund	118	(118)	0
Mental Health Bundle	54	(54)	0
GP Premises Improvement Fund	0	82	82
Closing Balance at 31 march	2,470	(1,311)	1,159

NOTE 7: AGENCY INCOME AND EXPENDITURE

On behalf of all IJBs within the NHS Tayside area, Perth and Kinross IJB acts as the host partnership for Learning Disability Inpatient services, Substance Misuse Inpatient services, Public Dental services/Community Dental services, General Adult Psychiatry (GAP) Inpatient services, Prison Healthcare and Podiatry.

The IJB directs services on behalf of Dundee and Angus IJBs and reclaims the full costs involved. The payments that are made on behalf of the other IJBs, and the consequential reimbursement, are not included in the Comprehensive Income and Expenditure Statement (CIES) since the IJB is not acting as principal in these transactions.

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

2018/19		2019/20
£000		£000
21,432	Expenditure on Agency Services	22,908
(21,432)	Reimbursement for Agency Services	(22,908)
-	Net Agency Expenditure excluded from the CIES	-

NOTE 8: RELATED PARTY TRANSACTIONS

The IJB has related party relationships with the NHS Tayside and the Perth and Kinross Council. In particular the nature of the partnership means that the IJB may influence, and be influenced by, its partners. The following transactions and balances included in the IJB's accounts are presented to provide additional information on the relationships.

Income – payments for integrated functions

2018/19		2019/20
£000		£000
51,661	Perth and Kinross Council	54,077
153,894	NHS Tayside	160,221
205,555	Total	214,298

Expenditure – payments for delivery of integrated functions

2018/19		2019/20
£000		£000
69,541	Perth and Kinross Council	72,368
133,334	NHS Tayside	142,992
210	NHS Tayside: Key Management Personnel Non-Voting Board Members	249
203,085	Total	215,609

This table shows that expenditure within Perth and Kinross Council is £18.291m greater than Perth and Kinross Council funding contributions. This represents IJB funding received from NHS Tayside being directed into Perth and Kinross Council.

Key Management Personnel: The non-voting Board members employed by the NHS Board and recharged to the IJB include the Chief Officer; the Chief Financial Officer. Details of the remuneration for some specific post-holders are provided in the Remuneration Report.

Perth and Kinross Council employs the council staff and Chief Social Work Officer representatives on the IJB Board but there is no discrete charge for this representation.

Balances with Perth and Kinross Council

2018/19		2019/20
£000		£000
-	Debtor balances: Amounts due from Perth and Kinross Council	-
-	Creditor balances: Amounts due to Perth and Kinross Council	-
-	Total	-

Balances with NHS Tayside

2018/19		2019/20
£000		£000
2,470	Debtor balances: Amounts due from NHS Tayside	1,159
-	Creditor balances: Amounts due to NHS Tayside	-
2,470	Total	1,159

NOTE 9: VAT

The IJB is not VAT registered and as such the VAT is settled or recovered by the partner agencies.

The VAT treatment of expenditure in the IJBs accounts depends on which of the partner agencies is providing the service as these agencies are treated differently for VAT purposes.

Where the Council is the provider, income and expenditure excludes any amounts relating to VAT, as all VAT collected is payable to H.M. Revenue and Customs and all VAT paid is recoverable from it. The Council is not entitled to fully recover VAT paid on a very limited number of items of expenditure and for these items the cost of VAT paid is included within service expenditure to the extent that it is recoverable from H.M. Revenue and Customs.

Where the NHS is the provider, expenditure incurred will include irrecoverable VAT as generally the NHS cannot recover VAT paid as input tax and will seek to recover its full cost as income from the commissioning IJB.

SECTION 7: INDEPENDENT AUDITOR'S REPORT

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SECTION 8: GLOSSARY OF TERMS

While the terminology used in this report is intended to be self-explanatory, it may be useful to provide additional definition and interpretation of the terms used.

Accounting Period

The period of time covered by the Accounts normally a period of twelve months commencing on 1 April each year. The end of the accounting period is the Balance Sheet date.

Accruals

The concept that income and expenditure are recognised as they are earned or incurred not as money is received or paid.

Asset

An item having value to the IJB in monetary terms. Assets are categorised as either current or non-current. A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock). A non-current asset provides benefits to the IJB and to the services it provides for a period of more than one year.

Audit of Accounts

An independent examination of the IJB's financial affairs.

Balance Sheet

A statement of the recorded assets, liabilities and other balances at the end of the accounting period.

CIPFA

The Chartered Institute of Public Finance and Accountancy.

Consistency

The concept that the accounting treatment of like terms within an accounting period and from one period to the next is the same.

Contingent Asset/Liability

A Contingent Asset/Liability is either:

- A possible benefit/obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly within the IJB's control; or
- A present benefit/obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

Creditor

Amounts owed by the IJB for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

Debtor

Amount owed to the IJB for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

Defined Benefit Pension Scheme

Pension scheme in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

Entity

A body corporate, partnership, trust, unincorporated association or statutory body that is delivering a service or carrying on a trade or business with or without a view to profit. It should have a separate legal personality and is legally required to prepare its own single entity accounts.

Post Balance Sheet Events

Post Balance Sheet events are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Annual Accounts are authorised for issue.

Exceptional Items

Material items which derive from events or transactions that fall within the ordinary activities of the IJB and which need to be disclosed separately by virtue of their size or incidence to give a fair presentation of the accounts.

Government Grants

Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the IJB. These grants may be specific to a particular scheme or may support the revenue spend of the IJB in general.

IAS

International Accounting Standards.

IFRS

International Financial Reporting Standards.

IRAG

Integration Resources Advisory Group

LASAAC

Local Authority (Scotland) Accounts Advisory Committee

Liability

A liability is where the IJB owes payment to an individual or another organisation. A current liability is an amount which will become payable or could be called in within the next accounting period e.g. creditors or cash overdrawn. A non-current liability is an amount which by arrangement is payable beyond the next year at some point in the future or will be paid off by an annual sum over a period of time.

Provisions

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

PSIAS

Public Sector Internal Audit Standards.

Related Parties

Bodies or individuals that have the potential to control or influence the IJB or to be controlled or influenced by the IJB. For the IJB's purposes, related parties are deemed to include voting members, the Chief Officer, the Chief Finance Officer, the Heads of Service and their close family and household members.

Remuneration

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as these sums are chargeable to UK income tax) and the monetary value of any other benefits received other than in cash.

Reserves

The accumulation of surpluses, deficits and appropriation over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the IJB.

Revenue Expenditure

The day-to-day expenses of providing services.

Significant Interest

The reporting authority is actively involved and is influential in the direction of an entity through its participation in policy decisions.

SOLACE

Society of Local Authority Chief Executives.

The Code

The Code of Practice on Local Authority Accounting in the United Kingdom.

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