



Midlothian Integration Joint Board Audited Annual Accounts 2017/18

The Audited Annual Accounts of Midlothian Integration Joint Board for the period from 1 April 2017 to 31 March 2018, prepared pursuant to Section 105 of the Local Government (Scotland) Act 1973 and in accordance with the terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 and Service Reporting Code of Practice.

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Audit Arrangements

Under arrangement approved by the Accounts Commission of Local Authority Accounts in Scotland, the auditor with responsibility for the audit of the accounts of Midlothian Integration Joint Board for the period 1 April 2017 to 31 March 2018 is Ernst and Young LLP, Atria One, 144 Morrison Street, Edinburgh EH3 8EB

Management Commentary

Introduction

The management commentary provides an overview of the key messages relating to the role, remit, members, objectives and the strategy of the Midlothian Integration Joint Board (the IJB). It describes the financial performance for the financial year ended 31 March 2018 and considers those issues and risks which may impact upon the IJB's financial position in the future.

The Role and Remit of the IJB

Midlothian IJB is an Integration Authority set up under the Public Bodies (Joint Working) Act (2014). It is a 'body corporate', that is a separate legal entity. The IJB is constituted through its Integration Scheme which was prepared by Midlothian Council and NHS Lothian and presented to Scottish Ministers in March 2015. The Integration Scheme was approved by the Scottish Parliament in June 2015 and the first meeting of the IJB took place on 20 August 2015.

The IJB's role and responsibility is to plan for the delivery of the functions that have been delegated to the IJB by Midlothian Council and NHS Lothian. These functions are:-

- Adult Social Care
- Primary Care Services (GP Practices, Community Dentists, Community Pharmacies and Community Opticians)
- Mental Health Services
- Physical and Learning Disabilities Services
- Community Health Services
- Community Hospital Services
- Unscheduled Care Services (services that are generally delivered from the Royal Infirmary of Edinburgh, the Western General Hospital and St. John's Hospital).

The IJB assumed formal responsibility for these functions in April 2016 including the budgets for the delivery of these functions. The IJB published its Strategic Plan for these functions covering the period from April 2016 to March 2019 in March 2016. The IJB also publishes an Annual Delivery plan, the plan for 2017/18 being agreed by the IJB at its March 2017 meeting.

Members of the IJB at 31 March 2018

The IJB met nine times in 2017/18. There have been a number of changes to the membership of the IJB since the accounts for 2016/17 were published, both as a result of the local elections in May 2017 and other changes.

The members of the IJB at 31 March 2018 :-

| Member | Nominated/Appointed by | Role |
|---|---------------------------------|--|
| Derek Milligan | Nominated by Midlothian Council | Voting Member, Vice Chair |
| Catherine Johnstone | Nominated by Midlothian Council | Voting Member |
| Jim Muirhead | Nominated by Midlothian Council | Voting Member, Chair of Audit and Risk Committee |
| Pauline Winchester | Nominated by Midlothian Council | Voting Member |
| Alex Joyce | Nominated by NHS Lothian | Voting Member |
| Tracey Gilles | Nominated by NHS Lothian | Voting Member |
| Alison McCallum | Nominated by NHS Lothian | Voting Member |
| Allister Short (since November 2017) | Appointed by the IJB | Chief Officer |
| David King | Appointed by the IJB | Chief Finance Officer |
| Alison White | Nominated by Midlothian Council | Chief Social Worker |
| Fiona Huffer | Appointed by the IJB | Allied Health Professionals lead |
| Caroline Miles | Nominated by NHS Lothian | Chief Nurse |
| Hamish Reid | Nominated by NHS Lothian | General Practitioner |
| Patsy Eccles | Appointed by the IJB | NHS Staff Representative |
| Aileen Currie | Appointed by the IJB | MLC Staff Side Representative |
| Pam Russell | Appointed by the IJB | User/Carer representative |
| Ewan Aitken | Appointed by the IJB | Voluntary Sector Representative |
| Keith Chapman | Appointed by the IJB | User Representative |

Note - The IJB was chaired by John Oates (nominated by NHS Lothian) who stood down in February 2017 and was replaced at the IJB's meeting of 3 May 2018 by Angus McCann (nominated by NHS Lothian). The Chief Officer of the IJB was Eibhlin McHugh until her retirement in October 2017.

The IJB's Operations for the Year

2017/18 was the second operational year for the IJB. The ambitions for the financial year were laid out in the IJB's 2017/18 annual delivery plan, these were:-

- Increasing the capacity and managing the demands upon Primary Care
- Reducing the use of acute hospitals particularly in relation to delayed discharges and preventable admissions
- Improving mental health wellbeing given the high levels of prescribed medication and the links to offending and substance misuse
- Reducing the cost of Learning Disability services
- Strengthening the multi-agency approach to Health Inequalities.

Considerable progress has been made on these ambitions, which have been grouped together in themes as follows :-

- Investing in what works well e.g. Wellbeing Service, Access Point
- Supporting primary care - new GP practice at Newtongrange, new GP premises at Loanhead.
- Investing in innovation - new roles such as physiotherapists and pharmacists in GP practices

The IJB publishes an Annual Performance report which provides further details on the activity of the IJB and this report is available on the IJB's website.

The IJB's Position at 31 March 2018

Summary

For the year ended 31 March 2018, the IJB was underspent. That is the costs incurred in delivering the IJB's functions by Midlothian Council and NHS Lothian are less than the income that the IJB received from NHS Lothian and Midlothian Council.

In summary, the position is as follows:-

| | Income | Expenditure | Surplus |
|----------------------|----------------|----------------|------------|
| | £000's | £000's | £000's |
| Health Services | 99,232 | 99,115 | 117 |
| Social Care Services | 38,806 | 38,023 | 783 |
| Total | 138,038 | 137,138 | 900 |

This surplus has been used to create a reserve which is described further below.

Although the IJB has a range of functions delegated to it, these are delivered through a range of services provided by the partners (Midlothian Council and NHS Lothian) and these are further described below in the analysis of the Income and Expenditure position.

Analysis of the Financial Statements

The financial statements are all presented on a net basis.

Income and Expenditure

The following analysis sets out the expenditure incurred by the IJB's partners on areas delegated to them by the IJB. This information is provided to the IJB throughout the year to enable them to monitor the spend on delegated functions. The total expenditure incurred by the partners is met by the payments made by the IJB in respect of delegated functions

| | Budget Health £000's | Budget Social Care £000's | Expenditure Health £000's | Expenditure Social Care £000's | Variance £000's | Note |
|--|-------------------------------------|--|--|---|----------------------------|-------------|
| Direct Midlothian Services | | | | | | |
| Community AHPS | 1,180 | | 980 | | 200 | |
| Community Hospitals | 4,800 | | 5,034 | | (234) | |
| District Nursing | 2,554 | | 2,535 | | 19 | |
| General Medical Services | 14,025 | | 13,901 | | 124 | |
| Health Visiting | 1,427 | | 1,475 | | (48) | |
| Mental Health | 2,029 | | 2,045 | | (16) | |
| Other | 10,568 | | 10,116 | | 452 | 1 |
| Prescribing | 18,257 | | 18,408 | | (151) | |
| Resource Transfer | 4,779 | | 4,776 | | 3 | 2 |
| Older People | | 16,366 | | 14,144 | 2,222 | |
| Learning Disabilities | | 11,534 | | 13,155 | (1,621) | |
| Mental Health | | 842 | | 755 | 87 | |
| Physical Disabilities | | 3,403 | | 3,839 | (436) | |
| Assessment and Care Management | | 3,415 | | 3,120 | 295 | |
| Other | | 3,245 | | 3,010 | 235 | 3 |
| Midlothian Share of pan-Lothian | | | | | | |
| Set Aside | 18,154 | | 18,572 | | (418) | 4 |
| Mental Health | 2,127 | | 2,106 | | 21 | |
| Learning Disabilities | 1,503 | | 1,607 | | (104) | |
| GP Out of Hours | 1,011 | | 1,011 | | 0 | |
| Rehabilitation | 743 | | 663 | | 80 | |
| Sexual Health | 552 | | 551 | | 1 | |
| Psychology | 552 | | 551 | | 1 | |
| Substance Misuse | 937 | | 951 | | (14) | |
| Allied Health Professions | 1,217 | | 1,190 | | 27 | |
| Oral Health | 1,617 | | 1,561 | | 56 | |
| Other | 2,496 | | 2,377 | | 119 | |
| Dental | 4,681 | | 4,681 | | 0 | 5 |
| Ophthalmology | 1,623 | | 1,623 | | 0 | 5 |
| Pharmacy | 2,401 | | 2,401 | | 0 | 5 |
| | 99,233 | 38,805 | 99,115 | 38,023 | 900 | |

Notes –

1. Other includes £5.1m for the Social Care fund. These are resources which the Scottish Government has directed to the IJB through NHS Lothian and are shown as health – however, these funds are then transferred to the Council and used to support the delivery of social care services

2. Resource Transfer are funds for specific purposes which are transferred from health to social care. However, these remain part of the health budget and are reported there.
3. Other includes care for non-specific groups, substance misuse services and other management and performance costs. This also includes £243,000 of funds which have been taken to the IJB's reserve to be carried forward for specific projects. This is detailed in the discussion on reserves below.
4. Set Aside are the budgets for those functions delegated to the IJB which are managed by the Acute Services management teams within NHS Lothian. These services are :-
 - Accident and Emergency
 - Cardiology
 - Diabetes
 - Endocrinology
 - Gastroenterology
 - General Medicine
 - Geriatric Medicine
 - Rehabilitation Medicine
 - Respiratory Medicine
 - Various ancillary support services for the above

These services are delivered at the Royal Infirmary of Edinburgh, the Western General Hospital and St. John's Hospital.

5. In the Health system, expenditure to support the delivery of community dentistry, community opticians and community pharmacists is termed as 'non cash limited' (NCL) but is clearly part of the delivery of primary care services and these functions are delegated to the IJB. However, being NCL there is no budget as such but any expenditure incurred is supported in its entirety by the Scottish Government. The NCL values are not part of the budget setting process, there being no budget, but NHS Lothian has matched the NCL expenditure with income to cover this expenditure.

The charges (shown as expenditure above) made by Midlothian Council to the IJB are the net direct costs incurred in the delivery of social care services in Midlothian. The charges from NHS Lothian are based on the health budget setting model as agreed by the IJB. That is, charges for the core services (those services specifically for and delivered by the Midlothian partnership) are based on the net direct actual costs incurred in Midlothian. However, charges for hosted and set aside services (those services which are not generally managed by the Midlothian Partnership and are delivered on a pan-Lothian basis) are based on the total actual costs for these service shared across four IJBs per the budget setting model. The IJB share of the total actual costs incurred in 2017/18 for hosted services is 10% and, generally, 10% of the Lothian element of the set aside budgets and the non-cash limited budgets.

Overview of the 2017/18 position

From the above table, it can be seen that there were a range of financial pressures identified.

Direct Midlothian Services

Within the health budgets, although there were operational overspends within Community Hospitals and GP Prescribing, these were offset by underspends in GMS and slippage (that is some programmes starting later in the year than planned and thus generating an underspend) within the system.

Within the social care budgets the pressures at the year-end were a significant overspend within adult services, specifically those for clients with Learning Disabilities and Physical Disabilities. This pressure was offset by underspend in services for older people, although there are underlying pressures in some specific services including MERRIT (Midlothian Emergency Rapid Response Intervention Team) and care at home. It should be noted that further developments are taking place within the operational budget setting between social care budgets for Adults and budgets for Older People. An element of the variances in the social care budgets above (for example the significant underspend in Older People services) can be attributed to the budget setting model and this will be further revised in 2018/19.

That said, overall the social care budget has been underpinned in 2017/18 by c.£1.0m made up of additional funding made available to the IJB by Midlothian Council carried forward from 2016/17 (see below) and slippage from Social Care and Integrated Care funds.

Midlothian Share of pan-Lothian services

The hosted position shows an overspend within the Learning Disabilities services but being offset with underspends in community dental (Oral Health), rehabilitation services and the UNPACS (Other) budget (this is the budget used to support Lothian patients cared for by services outwith NHS Lothian).

The significant overspend within the health budgets is within set aside the main pressures being :-

- Junior Medical – driven by additional staffing requested to cover rotas for sickness, maternity and vacancies – causing an over-establishment against funded levels. In addition there were significant excess banding payments for non-compliant rotas. New tighter controls regarding authorisation for additional staffing and reviewing rotas before issues arise are now in place to reduce pressure in 2018/19
- Gastroenterology - significant drug pressure reported on Adalimumab and Aflibercept driving costs as well as overall higher growth than previous year
- General Medicine – Pressure driven by staffing issues (significant at St John's Hospital– where recruitment is difficult) and ongoing bed pressures

- A&E – recruitment issues resulting in additional costs of locums/agency to cover and make safe staffing rotas – especially problematic at St John’s Hospital.

Reserves

The IJB has reserves at the end of 2017/18 of £900,000. Although the IJB did not have reserves in March 2017, Midlothian Council had carried forward c.£1.2m to make available to the IJB in 2017/18 in addition to the budgetary settlement for the financial year 2017/18.

This has meant that, in reality, there has been a movement in reserves although this is not clear from the financial statement. This can be described as follows:-

| | 2017/18 Opening Balance | 2017/18 Expenditure in year | Balance Remaining |
|--------------------------------|-------------------------------|-----------------------------------|----------------------|
| Committed Project Funds | £000's | £000's | £000's |
| SG Self directed support | 316 | 0 | 316 |
| MELDAP | 278 | 132 | 146 |
| SG Funding TEC | 85 | 77 | 8 |
| SG (via NHS) Dementia | 77 | | 77 |
| 7 Pillars (MH) | 27 | | 27 |
| Criminal Justice | 39 | | 39 |
| Other | 73 | 34 | 39 |
| | <u>895</u> | <u>243</u> | |
| 2016/17 c/fwd funding | | | |
| Social Care Fund | 200 | 0 | 200 |
| Integrated Care Fund | 34 | 0 | 34 |
| Resource Transfer | 51 | 0 | 51 |
| Total | <u>1180</u> | <u>243</u> | |

The IJB has agreed a proposal to use its reserves in 2018/19 as follows:-

- Reserves earmarked for specific projects will be used to support these projects – for example the continuation of substance misuse services (using the MELDAP reserve) and the further development of the use of Technology Delivered Care (using the TEC reserve)
- Transformation Programme – a programme of work has been developed to further support the transformation agenda which will include a Programme Manager to work with acute and other service staff to deliver agreed outcomes The initial focus will be on progressing the Mental Health plan and on work to support the IJB’s ambition to reduce its bed use in the Acute hospital sites, particularly in relation to the respiratory pathway. This development will require investment as part of a ‘spend to save’ approach
- Waiting Times – the IJB has a number of community services that are reporting significant waiting times (Psychological Therapies, Substance Misuse, occupational therapy assessment), and projects will be developed to reduce these waiting times and to ensure that the service is sustainable thereafter

- Delayed Discharge – as previously reported to the IJB, there continues to be a need to support timely discharge from hospital and resource will be allocated to support the implementation of the delayed discharge action plan
- The residual element of the general reserve will be used as required to support in-year financial pressures, recognising the continuing underlying and significant overspend in social care.

The IJB's Strategy and Business Model

Our Vision

The Midlothian Health and Social Care Partnership's vision is that people will lead longer and healthier lives by getting the right advice, care, and support, in the right place, at the right time.

The IJB aims to achieve this ambitious vision by changing the emphasis of services, placing more importance and a greater proportion of our resources on the approaches described below :-

Key Changes in Our Use of Resources

Shifting Focus



The IJB's remit and goals are laid out in the IJB's Strategic Plan. These are in line with the Scottish Government's national outcomes and will be delivered through:-

1. Prioritising the Allocation of Resources

The IJB will make decisions by reviewing the resources available and prioritising them to achieve the agreed outcomes. Guidance on this process has been issued by the Scottish Government and the themes laid out in this guidance are those that flow through the IJB's strategies. These themes are based on a fundamental review of the current use of resources in order to support the redesign of the overall health and social care system. The move of resources should reflect the key strategic aims of the IJB. The key principles guiding this movement are outlined in this report, along with some specific plans which are being developed to achieve the required shifts in expenditure:

2. Making More Efficient use of Resources

There are immediate pressures on the IJB which require action to bring the expenditure in line with the monies now being made available by the Council and NHS Lothian:-

Social Care: The *Realistic Care Realistic Expectations* Programme is intended to identify significant savings through more efficient and more equitable ways of providing social care services.

Prescribing: In response to major pressures upon the local prescribing budget GPs and the Pharmacy Service are implementing a series of changes to reduce expenditure.

Service Integration: The social care and health teams within the Partnership are being joined together into one overall team with a single management structure. This will generate operational synergies and stop 'double doing' – for example multiple assessments etc.

3. Public Engagement

The emerging financial challenges facing the partners, and therefore the budgets likely to be available to the IJB, require a concerted programme of public engagement. Transforming health and care services will only succeed if the people of Midlothian understand the changes being considered are able to influence these and are prepared to support them. A Communication and Engagement Plan in relation to Realistic Care has been developed and is now being implemented.

The IJB will continue the process of full integration of the service delivery teams, not just between NHS and Council delivered services but also moving pan-Lothian services into the locally managed and locally delivered services. This will generate operational and managerial synergies and should reduce costs, however this will be a step in the redesign of services into the establishment of multi-disciplinary teams delivering care in a community based setting.

Key Risks and Uncertainties

The challenge for the IJB is to transform the delivery of its delegated functions whilst supporting the delivery of financial balance with an (in real terms) reduction in the financial resources available. There remain a series of uncertainties:-

1. It remains difficult for the partners to recruit elements of the workforce to deliver the IJB's functions, e.g. GPs, District Nurses and Care workers.
2. The increasing population in Midlothian remains a challenge which may exacerbate the staffing pressures above.
3. The financial position for the UK and Scotland remains uncertain and this will provide a challenge to the amount of financial resources available to the IJB.

Angus McCann
IJB Chair

Allister Short
Chief Officer

David King
Chief Finance Officer

Statement of Responsibilities

Responsibilities of the Integration Joint Board

The Integration Joint Board is required to:-

- Make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the board has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this authority, 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 Audit & Risk Committee on 6 September 2018.

Signed on behalf of Midlothian Integration Joint Board.

Angus McCann

Chair

Responsibilities of the Chief Finance Officer

The chief finance 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 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 Midlothian Integration Joint Board as at 31 March 2018 and the transactions for the year then ended.

David King
Chief Finance Officer

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 other sections of this report will be reviewed by Ernst & Young LLP and any apparent material inconsistencies with the audited financial statements will be considered as part of their audit report.

Remuneration: IJB Chair and Vice Chair

The voting members of the IJB are appointed through nomination by Midlothian Council and NHS Lothian Board. 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. Neither the Chair nor the Vice Chair appointments had any taxable expenses paid by the IJB in 2017/18.

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.

NHS Lothian remunerates its non-executive members on a notional day basis. Those non-executive members of the NHS Lothian Board who are also Chairs or Vice Chairs of IJBs are given an additional notional day's remuneration in recognition of the additional time required to undertake those roles. John Oates, as a non-executive member of NHS Lothian Board who was also the Chair of Midlothian IJB has received an additional notional day's remuneration specifically for his role as Vice Chair of the IJB in 2017/18. This remuneration is £8,251 per annum.

Remuneration: Officers of the IJB

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

Chief Officer

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 a Chief Officer for the IJB has to be appointed and the employing partner has to formally second the officer to the IJB. The employment contract for the Chief Officer 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 IJB.

The Chief Officer of the IJB is Allister Short who is also the Director of Health and Social Care for Midlothian Council and the Joint Director of the Midlothian Partnership. It has been agreed, and this was disclosed in the accounts for 2016/17, that 50% of his total remuneration is to be shown in the accounts of the IJB as his remuneration as the Chief Officer of the IJB.

Chief Finance Officer

Although the costs of the Chief Finance Officer are not included in the charges made to the IJB by either partner, given the S95 role of the Chief Finance Officer and in the interests of transparency, the remuneration of the Chief Finance officer is included below. The Chief Finance officer is David King. The Chief Finance Officer is employed by NHS Lothian and has three roles – the IJB's Chief Finance Officer, the Chief Finance Officer of East Lothian IJB and an operational role in the NHS Lothian finance team. On that basis, one third of the total remuneration is shown below.

Other Officers

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

| Total 2016/17 £ | Senior Employees | Salary, Fees & Allowances 2017/18 £ | Total 2017/18 £ |
|-------------------------------------|-------------------------------------|--|-------------------------------------|
| 49,668 | Eibhlin McHugh (to October 2017) | 29,263 | 29,263 |
| n/a | Allister Short (from November 2017) | 16,816 | 16,816 |
| 26,802 | David King | 27,069 | 27,069 |

Allister Short was appointed in November 2017, his costs above are therefore 5/12th of the annual costs.

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 tables show the IJB's funding during the year to support officers' pension benefits. The table below 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.

| | In-year pension contributions | | Accrued pension benefits | | | |
|----------------|-------------------------------|----------|--------------------------|---------------|-----------------|---------------|
| | For year | For year | As at 31 March 2018 | | Difference from | |
| | to 2018 | to 2017 | | | 31-Mar-17 | |
| | £ | £ | Pension £000 | Lump Sum £000 | Pension £000 | Lump Sum £000 |
| Allister Short | 10,864 | 9,424 | 16 | 34 | 4 | 5 |
| David King | 11,127 | 11,017 | 35 | 106 | 1 | 4 |
| Eibhlin McHugh | 11,721 | 19,894 | 44 | 90 | 1 | 0 |

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 2016/17 | Remuneration Band | Number of Employees in Band 2017/18 |
|-------------------------------------|-------------------|-------------------------------------|
| 0 | £50,000 - £54,999 | 0 |
| 0 | £55,000 - £59,999 | 0 |
| 0 | £60,000 - £65,000 | 0 |

Exit Packages

The IJB did not support nor did it direct to be supported by its partners, any exit packages during 2017/18.

Angus McCann
IJB Chair

Allister Short
Chief Officer

Annual Governance Statement

Purpose

The annual governance statement lays out how Midlothian Integration Joint Board (MIJB) complies with its Local Code of Corporate Governance and sets out the framework within which the IJB has put in place proper financial and governance arrangements for the conduct of its business affairs. This will facilitate the effective exercise of its functions, ensuring that appropriate arrangements are in place for the management of risk and that appropriate systems of internal control are in place.

Scope of Responsibility

MIJB is responsible for ensuring that its business is conducted in accordance with the law and proper standards. This is to allow the public funds at its disposal to be safeguarded and used efficiently and effectively in pursuit of best value.

Board members, including the Chief Officer and Chief Finance Officer, are responsible for the governance of the business affairs of MIJB. This includes: setting the strategic direction, vision, culture and values of the MIJB and establishing appropriate and cost effective systems, processes and internal controls to allow the strategic objectives to be delivered.

In order to achieve this, the MIJB has developed a Local Code of Corporate Governance based on the CIPFA/SOLACE Framework and Guidance on 'Delivering Good Governance in Local Government'.

The Local Code of Corporate Governance details 7 core principles which are supported by 20 sub-principles and 91 behaviours and actions that demonstrate good Governance. Elements of good governance included are:-

- Ensuring Board and Committee members behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the MIJB
- Creating the conditions to ensure that all MIJB members and the MIJB's partners (Midlothian Council and NHS Lothian) are able to fulfil their responsibilities in accordance with legislative and regulatory requirements
- Having a clear vision, which is an agreed formal statement of the MIJB's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the MIJB's overall strategy, planning and other decisions
- Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources and to ensure best value is achieved
- Evaluating and monitoring risk management and internal control on a regular basis
- Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the MIJB's Chief Internal Auditor

- Ensuring an audit committee, which is independent of the Board and accountable to the MIJB, provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment and that its recommendations are listened to and acted upon
- Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on the assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement)
- Ensuring that recommendations for corrective action made by the external auditor are acted upon.

Midlothian IJB's financial management arrangements conform to the requirements of the CIPFA Statement on the role of the Chief Financial Officer in Local Government. The Chief Finance Officer has overall responsibility for the MIJB's financial arrangements and is professionally qualified and suitably experienced.

The MIJB is responsible for conducting each financial year, a review of the effectiveness of its governance framework, including risk management and the systems for internal control and financial control. The review of the effectiveness of the MIJB's governance framework is informed by :-

- The work of the MIJB Board, the Strategic Planning Committee, and the Audit and Risk Committee
- The annual assurances that are provided by the MIJB Chief Officer and the Chief Finance Officer
- An annual review, by the MIJB Chief Internal Auditor, of compliance with the MIJB's Local Code of Corporate Governance
- The MIJB Chief Internal Auditor's annual assurance report which is based on internal audit work completed during the year
- Reports from the MIJB's external auditor
- Reports from other external review bodies, agencies and inspectorates.

The key governance arrangements and controls are set out in the Local Code of Corporate Governance. Each year, the MIJB Chief Internal Auditor samples elements in the Local Code to determine whether these are working effectively and that, therefore, the governance framework is working effectively.

In addition, the MIJB Chief Officer and the Chief Finance Officer are required to undertake an annual self assessment of their area of responsibility where key elements of governance are examined.

Neither of these assessments highlighted any issues that would impact on the level of effectiveness of the MIJB's governance framework.

The Annual Governance Statement has also been informed by the work undertaken by the MIJB Chief Internal Auditor who, following the requirements of the Local Authority Accounts (Scotland) Regulations 2014, conducted an annual review of the effectiveness of the MIJB's system of internal control. The MIJB Chief Internal Auditor concluded that based on the work undertaken in 2017/18 that overall, the MIJB's framework of governance, risk management and control is adequate but noted areas for further development in 2018/19. These improvements are reflected below.

The MIJB Chief Internal Auditor has responsibility for the provision of Internal Audit services to the MIJB and reports functionally to the MIJB Audit and Risk Committee to allow appropriate independence. The MIJB Chief Internal Auditor is professionally qualified and suitably experienced to lead and direct the Internal Audit team.

Statutory and other Compliance

The Midlothian IJB was established by parliamentary order in June 2015 following approval of the Midlothian Integration Scheme by the Scottish Ministers. It is a body corporate, a legal entity in its own right but it relies on support from officers employed by Midlothian Council and NHS Lothian in relation to the conduct of its business. It is subject to the Public Bodies (Joint Working) (Scotland) Act 2014 and secondary legislation directly relating to the integration of health and social care services, and indirectly in relation to regulatory regimes affecting devolved public bodies in Scotland.

Midlothian IJB ('the Board') has secured compliance with statutory and other requirements, as follows:-

- Membership - its minimum membership (voting and non-voting) is set by statutory instrument, with the power to appoint additional members as it sees fit. The Board's membership is fully populated
- Standing Orders - the Board is required by statutory regulations to have Standing Orders to regulate its business, with some aspects stipulated in those regulations. Standing Orders were adopted at its inaugural meeting. They comply with statutory requirements
- Committees - the Board has established an Audit and Risk Committee with a detailed remit and powers and with the membership clearly defined. This complies with statutory requirements and with the Board's Standing Orders
- Meetings - the Standing Orders adopted by the Board allow the public to have prior access to meeting agendas and reports, and to attend meetings of the Board and its committees, except in clearly defined and limited circumstances
- Strategic Plan - the Board established its Strategic Planning Committee as required by legislation, with Terms of Reference approved by the Board covering membership, meetings and meetings procedures
- Officers - the Board appointed a Chief Officer and a Chief Finance Officer as required by the legislation. A Chief Internal Auditor has been appointed to carry out the Board's internal audit requirements and assist its Audit and Risk Committee
- Finance - the Board received reports in relation to financial assurance prior to the setting of budgets for the functions delegated by Midlothian Council and NHS Lothian, and adopted Financial Regulations in relation to the conduct of its financial affairs, the

maintenance of its accounting and financial records, and its annual accounts and financial statements

- Code of Conduct - pending finalisation of arrangements for a Code of Conduct for Members, the Board adopted an Interim Code based on the existing Model Code for Members of Devolved Public Bodies in Scotland, and members have registered their interests according to that Code. The Scottish Government approved the MIJB's Code of Conduct on 1 June 2016.

Action Plan

A number of areas of governance improvements were highlighted in the MIJB Chief Internal Auditor's Annual Assurance Report and these are summarised below along with the proposed actions. This is in addition to work undertaken over the past two years to improve elements of internal control, risk management and governance reported in 2015/16 and 2016/17.

1. MIJB's Directions and its Strategic Plan.

The MIJB will continue to develop this work to clearly show how the directions to partners link to the specific objectives stated in the MIJB's Strategic Plan.

2. Performance Management.

The MIJB will continue to update its performance monitoring and reporting arrangements

3. Local Code of Corporate Governance.

The MIJB will update its Local Code of Corporate Governance in line with the CIPFA/SOLACE (2016) Framework and further develop its Board's understanding of the Local Code and reflect this in future in the content and format of the Annual Governance Statement

4. Risk Management

The MIJB will continue to review and to keep updated its strategic risk register and report on a regular basis both to the Board and its Audit and Risk Committee.

5. Workforce Plan.

The IJB will continue to develop its workforce plan through a process of engagement with staff and its partners.

On the basis of the MIJB's assurance system, and the elements of governance at its disposal, we are satisfied that overall Midlothian IJB's systems of internal control, risk management and governance arrangements are of a satisfactory standard. We are aware of areas where improvements are required and steps will be taken in the forthcoming year

to address these areas, allowing the MIJB to enhance its corporate governance arrangements and seek continuous improvement.

Angus McCann
IJB Chair

Allister Short
Chief Officer

Independent Auditor's Report

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

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice approved by the Accounts Commission, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Report on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the annual accounts of Midlothian Integration Joint Board (the "IJB") for the year ended 31 March 2018 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 (the 2017/18 Code).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2017/18 Code of the state of affairs of the IJB as at 31 March 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2017/18 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the IJB in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditor's report to the members of Midlothian Integration Joint Board and the Accounts Commission (continued)

Conclusions relating to going concern basis of accounting

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Finance Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the IJB's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Chief Finance Officer and IJB's Audit and Risk Committee for the financial statements

As explained more fully in the Statement of Responsibilities, the Chief Finance Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the IJB's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

The IJB's Audit and Risk Committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report to the members of Midlothian Integration Joint Board and the Accounts Commission (continued)

Other information in the annual accounts

The Chief Finance Officer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report, and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with our audit of the financial statements, our responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

In our opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

In our opinion, based on the work undertaken in the course of the audit

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which we are required to report by exception

We are required by the Accounts Commission to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or

Independent auditor's report to the members of Midlothian Integration Joint Board and the Accounts Commission (continued)

- we have not received all the information and explanations we require for our audit; or
- there has been a failure to achieve a prescribed financial objective.

We have nothing to report in respect of these matters.

Stephen Reid, *for and on behalf of Ernst & Young LLP*

Ernst & Young LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Comprehensive Income and Expenditure Statement

This statement shows the cost of providing services for the year according to accepted accounting practices. Where the impact on the General Fund is amended by statutory adjustments, this is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

Midlothian IJB Comprehensive Income and Expenditure Statement

| 2016-17 Net Expenditure £000s | | 2017-18 Net Expenditure £000s |
|--|---|--|
| 96,250 | Health Care Services - NHS Lothian | 99,115 |
| 38,240 | Social Care Services - Midlothian Council | 38,023 |
| 134,490 | Cost of Services | 137,138 |
| -134,490 | Taxation and Non-Specific Grant Income | -138,038 |
| - | Surplus on Provision of Services | -900 |

The Integration scheme lays out that the partners will provide corporate and other support to the IJB as required and will not charge for these services. These costs are not, therefore, included above.

Movement in Reserves Statement

| Movements in Reserves During 2017/18 | General Fund Balance | Unusable Reserves: Employee Statutory Adjustment Account | Total Reserves |
|---|---------------------------------|---|-----------------------|
| | £000's | £000's | £000's |
| Opening Balance at 31 March 2017 | 0 | 0 | 0 |
| Total Comprehensive Income and Expenditure | 900 | 0 | 900 |
| Increase or Decrease in 2017/18 | 900 | 0 | 900 |
| Closing Balance at 31 March 2018 | 900 | 0 | 900 |

The IJB had no reserves in 2016/17 and hence comparative information has not been presented.

Balance Sheet

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

Midlothian IJB Balance Sheet

| 31 March 2017 £000s | | 31 March 2018 £000s |
|---------------------------|---|---------------------------|
| | Current Assets | |
| - | Debtors | 900 |
| - | Creditors: amounts falling due within one year | 000 |
| - | Total assets less current liabilities | 900 |
| | Capital and Reserves | |
| - | Reserves (see note 4) | 900 |
| - | Total Reserves | 900 |

The Audited accounts were authorised for issue on 14th September 2018

David King
Chief Finance Officer

Notes to the Financial Statements

1. Significant Accounting Policies

General Principles

The Financial Statements summarise the IJB's transactions for the 2017/18 financial year and its position at the year-end of 31 March 2018.

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

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

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

Accruals of Income and Expenditure

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

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

Funding

The IJB is wholly funded through funding contributions from the statutory funding partners, Midlothian Council and NHS Lothian. Expenditure is incurred in the form of net charges by the partners to the IJB.

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.

Employee Benefits

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

The IJB has a legal responsibility to appoint a Chief Officer. More details on the arrangements are provided in the Remuneration Report.

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 2018 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 2018, 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.

The IJB has none of the above.

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 2018 shows the extent of resources which the IJB can use in later years to support service provision. As noted above, the IJB has reserves of £900,000 at 31 March 2018.

The IJB's only Unusable Reserve is the Employee Statutory Adjustment Account. This is required by legislation, but has a nil balance.

Indemnity Insurance

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Lothian and Midlothian Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide. The IJB holds separate indemnity insurance through its membership of the CNORIS scheme, the charge for this in 2017/18 was £6,000.

Unlike NHS Boards, the IJB does not have any 'shared risk' exposure from participation in CNORIS. The IJB participation in the CNORIS scheme is therefore analogous to normal insurance arrangements.

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

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

There are no outstanding claims or any indications that any claims are to be made against the IJB.

2. Critical Judgements and Estimation Uncertainty

The critical judgements made in the Financial Statements relating to complex transactions are:-

- The partner organisations have considered their exposure to possible losses and made adequate provision where it is probable that an outflow of resources will be required and the amount of the obligation can be measured reliably. Where it has not been possible to measure the obligation, or it is not probable in the partner organisations' opinions that a transfer of economic benefits will be required, material contingent liabilities have been disclosed (there are none)
- The Annual Accounts contains estimated figures that are based on assumptions made by the IJB about the future or that 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

- There are no items in the IJB's Balance Sheet at 31 March 2018 for which there is a significant risk of material adjustment in the forthcoming financial year.

Provisions

The IJB has not created any provisions in respect of compensation claims. This position is based on the best information available to the IJB at the time of signing these accounts.

3. Events After the Reporting Period

The Annual Accounts were authorised for issue by the IJB on 14 September 2018. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing as at 31 March 2018, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

4. Reserves

The IJB's general reserve is broken down as follows:-

| Earmarked Reserve | £000's |
|-------------------------------------|---------------|
| Tech Enabled Care (SG funding) | 77 |
| Smile Project (Big Lottery funding) | 12 |
| See Hear (SG funding) | 7 |
| Autism Strategy (SG funding) | 12 |
| MELDAP | 132 |
| Spring Project (SG funding) | 4 |
| General Reserve | 656 |
| | 900 |

5. Debtors

The reserves are held in cash by Midlothian Council and NHS Lothian on the IJB's behalf, the IJB does not have a bank account.

6. Expenditure and Funding Analysis

Expenditure

| 2016/17 | | 2017/18 |
|----------------|---|----------------|
| £000's | | £000's |
| 55,840 | Services specifically for Midlothian Health | 59,270 |
| 38,234 | Social Care | 38,023 |
| | Midlothian's share of Lothian Health Services | |
| 20,953 | Hosted | 21,273 |
| 19,457 | Set Aside | 18,572 |
| 134,484 | Total | 137,138 |

Funded By

| | | |
|----------------|--------------------|----------------|
| 38,234 | Midlothian Council | 38,805 |
| 96,250 | NHS Lothian | 99,233 |
| 134,484 | | 138,038 |

Surplus

900

Expenditure above has been split into three main areas:-

- Expenditure on those services delivered specifically for the population of Midlothian. These services are managed locally by the Midlothian Partnership
- Hosted Services – these are health services managed either by the Edinburgh, East Lothian and West Lothian Partnerships or managed by NHS Lothian on a pan-Lothian basis. These services included Mental Health Services, Learning Disability Services, Substance Misuse Services, Rehabilitation services, General Dental Services, General Pharmaceutical Services and General Ophthalmic Services. This is the IJB's agreed share of these services
- Set Aside Services – these are services delivered in the main acute hospitals (Royal Infirmary of Edinburgh, Western General Hospital and St. John's Hospital) and managed by NHS Lothian. This is the IJB's agreed share of these services.

Corporate Service

Included in the above costs are the following corporate services:-

| 2016/17 | | 2017/18 |
|-----------|--------------|-----------|
| £000's | | £000's |
| 50 | Staff | 49 |
| 25 | Audit Fee | 24 |
| 75 | Total | 73 |

As noted above, the Chief Finance Officer is not charged to the IJB.

7. Related Party Transactions

As partners with the Midlothian Integration Joint Board, both Midlothian Council and NHS Lothian are related parties and the material transactions with these bodies are disclosed in these accounts.

There are elements of expenditure which are shown against the NHS Lothian above but where the resources are used by the social care services delivered by Midlothian Council.

| 2016/17 | | 2017/18 |
|---------------|--------------------|---------------|
| £000's | | £000's |
| 96,250 | NHS Lothian | 99,115 |
| -4,776 | Resource Transfer | -4,776 |
| -3,505 | Social Care Fund | -5,100 |
| 87,969 | | 89,239 |
| 38,234 | Midlothian Council | 38,023 |
| 4,776 | Resource Transfer | 4,776 |
| 3,505 | Social Care Fund | 5,100 |
| 46,515 | Total | 47,899 |

Both Resource Transfer and the Social Care Fund are resources which are part of the NHS Lothian budget and are shown as expended therein but these funds are used to deliver social care service supplied by Midlothian Council.

8. VAT

The IJB is not a taxable entity and does not charge or recover VAT on its functions.