



AUDIT & PERFORMANCE SYSTEMS COMMITTEE

Date of Meeting	12.02.2019
Report Title	Local Government in Scotland – Financial Overview 2017/18 (Audit Scotland Report)
Report Number	HSCP.18.126
Lead Officer	Sandra Ross, Chief Officer
Report Author Details	Alex Stephen, Chief Finance Officer
Consultation Checklist Completed	Yes
Appendices	a) Local Government in Scotland – Financial Overview 2017/18 (Audit Scotland Report)

1. Purpose of the Report

- 1.1. This report provides the Audit & Performance System Committee with the opportunity to discuss and comment on Audit Scotland's Report 'Local government in Scotland – Financial overview 2017-18'

2. Recommendations

- 2.1. It is recommended that the Audit & Performance Systems Committee:

- a) Reviews, discusses and comments on the report as attached at Appendix A.
- b) Instructs the Chief Finance Officer to bring the report, *Local government in Scotland: Challenges and performance*, to be published by the Accounts Commission in March 2019, which comments on the wider challenges and performance of councils, to the Committee at its meeting in May 2019.



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3. Summary of Key Information

- 3.1. The report at appendix A provides a high-level independent analysis of the financial performance of councils during 2017/18 and their financial position at the end of that year. It also looks ahead and comments on the financial outlook for councils.
- 3.2. The report also contains a section examining Integration Joint Boards financial performance for 2017/18. Key messages included:
- Funding to the IJBs increased in 2017/18 by three per cent in cash terms. Most of this additional funding came from the NHS and includes additional Scottish Government funding to the NHS for IJBs of £107 million.
 - The majority of IJBs have underlying financial sustainability issues, with 11 out of 30 incurring deficits in 2017/18. A further eight would have incurred deficits without additional ('deficit') funding from their partners.
 - Reserve positions vary enormously between IJBs.
 - Medium-term financial planning is not used by most IJBs and further improvements to financial management should be introduced.

4. Implications for IJB

- 4.1. Equalities – there are no direct equalities implications arising from the recommendations of this report.
- 4.2. Fairer Scotland Duty - there are no direct implications for the Fairer Scotland Duty arising from the recommendations of this report.
- 4.3. Financial – the financial implications are outlined throughout the Audit Scotland Report. The IJB will need to be aware of these implications as Aberdeen City Council is one of its partner organisations and as such any financial difficulties relating to the local authority may impact on IJB budgets.
- 4.4. Workforce – there are no direct workforce implications arising from the recommendations of this report



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- 4.5. Legal - there are no direct workforce implications arising from the recommendations of this report.
- 4.6. Other - there are no other implications arising from the recommendations of this report.

5. Links to ACHSCP Strategic Plan

- 5.1. Ensuring that the APS committee has full awareness of Audit Scotland recommendations which relate to both the IJB and ACHSCP will help to ensure the IJB successfully delivers on its strategic plan.

6. Management of Risk

- 6.1. **Identified risks(s)** There is a risk of financial failure, that demand outstrips budget and IJB cannot deliver on priorities, statutory work, and projects an overspend.
- 6.2. **Link to risks on strategic or operational risk register:** Strategic Risk 2
- 6.3. **How might the content of this report impact or mitigate these risks:** Ensuring that the IJB has an oversight of Audit Scotland reports relating to its partners will provide the IJB on the scale of the challenges faced in transforming the healthcare system in Scotland.