Governance and transparency (continued)

Integration of health and social care

North Ayrshire IJB

As reported in our 2017/18 annual report, the IJB ended 2017/18 with a carried forward deficit of £5.81m payable to the Council as a result of cumulative overspend in the last two years. This presented a recoverability risk to the Council.

In 2018/19 the Council had set aside £1.49m to support repayment of the IJB deficit. An in year overspend of £0.82m by the IJB was funded from this sum, reducing the deficit repayment to £0.67m. The resultant cumulative deficit is now £5.14m with the remainder due to be repaid over the next three years. A balanced budget has been set for 2019/20, however, this includes significant efficiencies that need to be achieved.

The final financial position for the IJB in 2018/19 is an improvement on the prior year, particularly given the significant historical overspends. Improvements have been made to the quality and frequency of financial monitoring reports and there is now an effective integrated budget monitoring arrangement in place.

Given the importance of the IJB and the significant overspends in previous years, the Council's Audit and Scrutiny Committee has received reports on the IJB's financial performance on a regular basis and we have noted that reporting from the IJB to the Council is effective. The ultimate responsibility for IJB budget being met lies with the IJB and not the Council, however, the Council must recognise the potential impact of any deficits in the IJB and consider this as part of future financial planning.

Deloitte view

The Council has had changes to leadership in 2018/19 with the appointment of a new Chief Executive, this has also allowed the Council to approve a wider Directorate restructure. Whilst the new structure isn't expected to be fully implemented until 2020/21, the Council needs to ensure that the change in structure will not have an adverse impact on capacity to deliver services.

We have noted that reporting from the IJB to the Council is effective. The ultimate responsibility for IJB budgets being met lies with the IJB, however, the Council must recognise the potential impact of any deficits in the IJB and consider this as part of future financial planning.

We have considered the Council's approach to openness and transparency, how good the Council's information is; and its commitment to improving openness and transparency and we are satisfied that the Council is open and transparent with its residents and relevant stakeholders.

The Council fully supports community empowerment and recognises the importance of building community capacity, we would like to highlight the Council's approach to community engagement as best practice and sector leading.