

**Scottish Government: Draft  
Regulations Relating to the  
Public Bodies (Joint Working)  
(Scotland) Act 2014 – Set 1 & 2**

**A Submission by:**

**The Chartered Institute of Public  
Finance and Accountancy**

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**CIPFA, the Chartered Institute of Public Finance and Accountancy**, is the professional body for people in public finance. CIPFA shows the way in public finance globally, standing up for sound public financial management and good governance around the world as the leading commentator on managing and accounting for public money.

Further information about CIPFA can be obtained at [www.cipfa.org](http://www.cipfa.org)

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## 1. EXECUTIVE SUMMARY

- 1.1 CIPFA welcomes the opportunity to comment on the draft regulations being proposed under the *Public Bodies (Joint Working) (Scotland) Act 2014*.
- 1.2 CIPFA has previously highlighted that leadership is a key ingredient for the success of integrated service delivery, and concluded that efforts to empower local leadership will be a stronger instrument of change than legislation or particular models of delivery.<sup>1</sup> The importance of leadership was also recognised in the policy memorandum accompanying the original Bill, which stated '*Leadership is key, locally and nationally, to achieve the changes in working practices, culture and behaviour that are required.*'<sup>2</sup>
- 1.3 CIPFA considers that the legislative framework should promote and support such leadership to drive the cultural and behavioural changes required for successful integration.
- 1.4 In considering the draft regulations CIPFA have identified some key areas for attention:
- The clarity of leadership is impacted on by an ambiguity as to whether Integrated Joint Boards (IJBs) are acting as an agent of the partners, or as a principal in its own right.
  - Clarity on the role of the Chief Financial Officer (CFO) for partner organisations.
  - Performance management needs to ensure that stewardship is not limited to budget over/underspends, but also addresses best value at the local and national level.
- 1.5 This response focuses on these key areas and also highlights some related accounting issues. In relation to the identified accounting issues, accounting practice should faithfully represent the underlying reality of the situation. CIPFA does not therefore consider that any particular accounting treatment itself is problematic. Instead it is the underlying reality that the accounting treatment reveals which should be the focus of consideration.
- 1.6 The main issue identified relates to the 'agent' versus 'principal' role of the IJB. In relation to this CIPFA suggests the following approach:
- Ensure that both the IJB and the Integrated Joint Committee (IJMC) arrangements achieve equivalent results in a similar way. This would ensure that leadership is seen to be vested in the participating partners.
  - Should partnership working progress to the extent that IJB arrangements can fulfil more of the leadership role required for integrated services it is assumed that the Scottish Government will extend the powers of the IJB. For example the IJB may, in future, be permitted to employ staff, enter contracts and procure services.

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<sup>1</sup> [CIPFA response to the Scottish Parliament's Health and Sport Committee inquiry on the Public Bodies \(Joint Working\) \(Scotland\) Bill](#), August 2013

<sup>2</sup> Public Bodies (Joint Working) (Scotland) Bill, [Policy Memorandum](#)

- At the stage when these powers are available to the IJB, its ability to act as a principal in its own right, and therefore its leadership role, should be clearly established.
  - Any consequent changes to the IJB VAT status, financial reporting, best value and accountability arrangements could be appropriately addressed in regulations at that time.
- 1.7 In relation to the role of the CFO, CIPFA recommends that CFOs should be prescribed members of the IJB/IJMC, in order that assurance can be gained that the financial implications of all matters have been considered, prior to presentation.
- 1.8 A national level performance management framework should be implemented to support consistent and comparable data across Scotland.
- 1.9 The Chair of the IJMC/IJB should be accountable to, and subject to scrutiny, by both partners. The role of the performance report in scrutiny and accountability should be clarified. The performance report should also incorporate a statement and evidence on achievement of best value for each partner.

## **2. LEADERSHIP AS THE KEY TO INTEGRATION**

### **Leadership in IJB Arrangements**

- 2.1 The *Public Bodies (Joint Working) (Scotland) Act 2014* allows different models of integration to be adopted by participating partners. It is assumed that both models are regarded as meeting the Scottish Government's policy objectives.
- 2.2 CIPFA has previously noted that '*All evidence points to leadership as the key ingredient to improving outcomes*'.<sup>3</sup> It is therefore suggested that a core role of the secondary legislation should be to ensure that appropriate leadership is central to the arrangements.
- 2.3 The proposals relating to IJB arrangements can be regarded as creating some uncertainty concerning leadership. In particular, the IJB role includes characteristics of both 'agency', where the IJB is regarded as acting on behalf of the partners, and 'principal', where the IJB is acting in its own right.
- 2.4 For example in relation to issues such as the legal duties of the participating partners<sup>4</sup>, 'Following the Public Pound'<sup>5</sup> and VAT liabilities<sup>6</sup> the IJB has 'agency'

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<sup>3</sup> [CIPFA response to the Scottish Parliament's Health and Sport Committee inquiry on the Public Bodies \(Joint Working\) \(Scotland\) Bill](#), August 2013

<sup>4</sup> For example every Scottish local authority has a duty of best value under the [Local Government in Scotland Act 2003](#) sections 1 & 2 which states "*Best value is continuous improvement in the performance of the authority's functions*". Since the functions are delegated to the IJB the local authority will still retain responsibility for ensuring best value in the exercise of delegated functions.

<sup>5</sup> As indicated in the Integrated Resources Advisory Group, [Professional Guidance, Advice and Recommendations for Shadow Integration Arrangements](#) (Section 2.7 on page 32)

responsibilities and can be regarded as acting on behalf of the participating partners. In relation to other areas however, such as its governance arrangements and responsibilities<sup>7</sup> (for example the achievement of best value on its own behalf,<sup>8</sup> and responsibility for the strategic plan<sup>9</sup>) the IJB is acting as 'principal'.

- 2.5 CIPFA considers that, regardless of the integration arrangement chosen, the source of leadership should be clear and consistent. To achieve this both the IJB and the IJMC arrangements should be treated as equivalent or analogous in most respects. CIPFA's recommendations (see section 5) are intended to achieve this objective.
- 2.6 This would ensure that leadership is seen to be vested in the participating partners regardless of which arrangement is adopted. It would also provide significant clarity in terms of the VAT status of IJB arrangements.<sup>10</sup>

### 3. ACCOUNTING ISSUES

#### Assessment of IJB Control Arrangements

- 3.1 As the proposals stand, IJBs would fail to meet the definition of joint control as stated in IFRS 11 'Joint arrangements'<sup>11</sup>.
- 3.2 In particular the casting vote of the Chair removes the need for unanimous consent of all partners. This means that the IJB would potentially be classified as an associate<sup>12</sup> or subsidiary.<sup>13</sup> The difference in classification reflects the extent of control which a participating partner has over the IJB. Classification as a subsidiary indicates that the partner has the ability to fully control the IJB.

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<sup>6</sup> Based on the advice contained in the Integrated Resources Advisory Group, [Professional Guidance, Advice and Recommendations for Shadow Integration Arrangements](#), paragraph 5.1.1 which states "HMRC have confirmed in writing that there is no VAT registration requirement for the Integration Joint Board. This is on the basis that the Integration Joint Board is not delivering any supplies that fall within the scope of VAT".

<sup>7</sup> As suggested by the Integrated Resources Advisory Group, [Professional Guidance, Advice and Recommendations for Shadow Integration Arrangements](#) paragraph 2.0.1 which states "The Integration Joint Board is a legal entity in its own right" and refers to "good practice governance arrangements which are proportionate to its transactions and responsibilities."

<sup>8</sup> Since the IJB is regarded as a 'section 106' body under [Local Government \(Scotland\) Act 1973](#) it is considered that the duty of best value, as stated in the [Local Government in Scotland Act 2003](#) sections 1 & 2 will apply to the IJB. This is supported by the Integrated Resources Advisory Group [Professional Guidance, Advice and Recommendations for Shadow Integration Arrangements](#) (for example on page 57, the illustrative 'statement of responsibilities, for the IJB).

<sup>9</sup> Section 29 (1) of the [Public Bodies \(Joint Working\) \(Scotland\) Act 2014](#)

<sup>10</sup> Integrated Resources Advisory Group [Professional Guidance, Advice and Recommendations for Shadow Integration Arrangements](#). Paragraph 5.1.2 indicates that if the powers of the IJB are amended the VAT status would be uncertain.

<sup>11</sup> IFRS 11 Joint Arrangements as issued by [International Accounting Standards Board](#).

<sup>12</sup> As defined in IAS 28 Investments In Associates And Joint Ventures (see [IASB/IFRS website](#)) which states "An associate is an entity over which the investor has significant influence"

<sup>13</sup> As defined in IFRS 10 Consolidated Financial Statements (see [IASB/IFRS website](#)) which states that a subsidiary is "An entity that is controlled by another entity."

Classification as an associate indicates that while the partner may have significant influence over the IJB, it cannot fully control its actions.

- 3.3 The alternation of the Chair position between the Health Board and the local authority every three years, coupled with the casting vote, could lead to the status of the integrated joint board changing for each partner, between associate and subsidiary every three years.
- 3.4 The underlying reality that unanimous consent would not be required for the control of the IJB is regarded as the key issue for attention (see recommendation in section 5).
- 3.5 Where a casting vote would be required the inability of the IJB or IJMC, to provide leadership would indicate that direction by the Scottish Ministers might be warranted<sup>14</sup>, although it is anticipated that such a situation would be rare and regarded as extremely undesirable.

#### **IFRS 11: Risks Retained by the Participating Partners**

- 3.6 IFRS 11,<sup>15</sup> Application Example No. 5 indicates, that where two parties establish a separate venture, but effectively share all the output, this may be classed as a joint operation.
- 3.7 This assessment would negate the need for inclusion of the IJB in group accounts as a separate entity. Instead the share of assets, liabilities and transactions may be shown in the local authority and health board single entity accounts. In effect the application of accounting judgement may reflect the assessment that under the currently proposed IJB arrangements the principal risks, including demand risk, involved with the provision of the integrated functions remain with the participating partners and have not been transferred to the IJB. In effect this situation could be regarded as analogous to the proposed IJMC arrangements, in that the IJB is effectively acting in an agency arrangement.
- 3.8 The extent to which the participating partners retain control of, and responsibility for, the provision of integration services, including exposure to risks, should be the focus for consideration.
- 3.9 In accordance with the comments on more clearly identifying the agency role of the IJB, CIPFA considers that enhancing clarity that the IJB model represents an agency arrangement would be appropriate. CIPFA's recommendations are intended to achieve this objective (see section 5).

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<sup>14</sup> For example under the terms of Section 52 of the [Public Bodies \(Joint Working\) \(Scotland\) Act 2014](#)

<sup>15</sup> IFRS 11 Joint Arrangements as issued by [International Accounting Standards Board](#)

### **Status of the IJB As Agent or Principal**

- 3.10 Potentially an IJB may be assessed as acting as an agent for the participating partners. If deemed to be acting as an agent, then income and expenditure transactions incurred on behalf of the partners would not normally feature in the IJB financial statements; only the commission element or any residual balance for the integrated joint board would be represented.
- 3.11 IPSAS 9 Revenue from Exchange Transactions states: '*An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for revenue arising from the following exchange transactions and events:*
- (a) The rendering of services;*
  - (b) The sale of goods; and*
  - (c) The use by others of entity assets yielding interest, royalties, and dividends.'*<sup>16</sup>
- 3.12 IPSAS 23 Revenue from Non-Exchange Transactions (Taxes and Transfers) states that an agent entity '*cannot control the use of, or otherwise benefit from, the collected assets in the pursuit of its objectives.*'<sup>17</sup>
- 3.13 For the IJB to be assessed as acting as principal, CIPFA suggests that it would need to be regarded as either:
- (a) Rendering services to the participating partners: confirmation that this is the situation may be constrained by the limited ability of the IJB to contract with third parties or directly utilise its own resources (e.g. staff) to deliver services.
- or
- (b) Pursuing its own objectives: confirmation that this applies may be constrained by the ultimate responsibility, in statutory terms, of the participating partners for the integration functions.
- 3.14 The determination of the IJB role as agent or principal is important in ensuring that financial reporting appropriately reflects and supports public accountability for the use of taxpayer funds and the fulfilment of statutory responsibilities.

### **Role of the Chief Financial Officer (CFO)**

- 3.15 CIPFA considers that governance arrangements should reflect the principles of the Good Governance Standard for Public Services.<sup>18</sup> CIPFA's guidance on the Role of the CFO,<sup>19</sup> considers that the CFO of any public sector organisation should be a key member of the management team. The scale of the changes related to integration emphasises the importance of the CFO's role in supporting good governance.

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<sup>16</sup> [IPSAS 9 Revenue from Exchange Transactions](#) as issued by IFAC / IPSASB (paragraph 1)

<sup>17</sup> [IPSAS 23 Revenue from Non-Exchange Transactions \(Taxes and Transactions\)](#) as issued by IFAC/IPSASB (paragraph 12)

<sup>18</sup> The Independent Commission on Good Governance in Public Services, [The Good Governance Standard for Public Services](#)

<sup>19</sup> CIPFA, [Role of the Chief Financial Officer in Public Service Organisations](#)

3.16 CIPFA's guidance on the role of the CFO identifies five key principles. We have analysed the proposals in the regulations against each of these five principles and the tables below provide comments relating to CFO responsibilities for three potential scenarios:

- a) IJMC
- b) IJB assessed as acting as agent on behalf of the participating partners
- c) IJB assessed as acting as principal i.e. in its own right

A. IJMC - Public Bodies (Joint Working) (Membership and Operation of Integration Joint Committees) (Scotland) Order

<b>Role of CFO Principle</b>	<b>Comments on Proposal</b>
Principle 1 :Key member of leadership team  and  Principle 2: Responsible for financial strategy and influencing decision making.	Partner CFO involvement is dependent on the identification of the integration authority. This can mean that the CFO of a participating partner may not be a member of the IJMC.  Where the CFO is not a member of the IJB there should be a mechanism by which the Board can gain assurance that the financial implications of all matters have been assessed. (see recommendations in section 5). (see recommendations in section 5).
Principle 4: Finance function that is resourced and fit for purpose	This is considered to be a matter for each Integration Authority to address to ensure that the approach is proportionate for local situations. CIPFA considers that the scale of service transformation, and the risks and opportunities involved, will place a focus on the resources available to the CFO of each partner and the Integration Authority collectively.
Principle 5: Must be professionally qualified and suitably experienced	The <i>Local Authority Accounts (Scotland) Regulations 2014</i> <sup>20</sup> effectively support the principle that the CFO should be professionally qualified and experienced. <sup>21</sup>  For Scottish Health Boards the Accountable Officer <sup>22</sup> is not required to be a qualified accountant however an Accountable Officer is expected to be supported by appropriately skilled staff <sup>23</sup> . CIPFA considers that this support must include a professionally qualified and suitably experienced CFO.

B. IJB assessed as acting as agent for the participating partners - Public Bodies (Joint Working) (Proceedings, Membership and Operation of Integration Joint Boards) (Scotland) Order

<sup>20</sup> [The Local Authority Accounts \(Scotland\) Regulations 2014](#)

<sup>21</sup> As stated in the [Scottish Government's Finance Circular 7/2014](#) paragraphs 6-7 which note that adherence with good governance requirements will normally include compliance with CIPFA's '[The Role of the Chief Financial Officer in Local Government](#)'

<sup>22</sup> As appointed under the requirements of the [Public Finance and Accountability \(Scotland\) Act 2000](#) (section 15) and the [Scottish Public Finance Manual](#) (Accountability section).

<sup>23</sup> This expectation is clearly specified in paragraph 2.4 of [Memorandum To Accountable Officers For Other Public Bodies](#) which states that the Accountable Officer "...must make sure that arrangements for delegation promote good management and that you are supported by the necessary staff with an appropriate balance of skills. The latter requires careful selection and development of staff and the sufficient provision of special skills and services (scientific, economic, statistical, accountancy, inspection and review etc)."

<b>Role of CFO Principle</b>	<b>Comments on Proposal</b>
<p>Principle 1: Key member of leadership team</p> <p>And</p> <p>Principle 2: Responsible for financial strategy and influencing decision making.</p>	<p>The proposals indicate that the Chief Officer (CO) is on the IJB.</p> <p>The CO may not be the CFO for the IJB or the CFO for a partner. Even where they are the CFO of a partner this could mean that at least one partner's responsible financial officer is not on the IJB.</p> <p>Given the scale and importance of health and social care to both partners this would not ensure that each partner's responsible finance officer is adequately represented at leadership team level in a situation where the IJB is acting as an agent of the partner.</p> <p>Where the CFO is not a member of the IJB there should be a mechanism by which the Board can gain assurance that the financial implications of all matters have been assessed. (see recommendations in section 5). (see recommendations in section 5).</p>
Principle 4: Finance function that is resourced and fit for purpose	This is considered to be a matter for each integration authority to address to ensure that the approach is proportionate for local situations. CIPFA considers that the scale of service transformation, and the risks and opportunities involved, will place a focus on the resources available to the CFO of each partner and the Integration Authority collectively.
Principle 5: Must be professionally qualified and suitably experienced	<p>The <i>Local Authority Accounts (Scotland) Regulations 2014</i><sup>24</sup> effectively support the principle that the CFO should be professionally qualified and experienced.<sup>25</sup></p> <p>For Scottish Health Boards the Accountable Officer<sup>26</sup> is not required to be a qualified accountant however an Accountable Officer is expected to be supported by appropriately skilled staff.<sup>27</sup> CIPFA considers that this support must include a professionally qualified and suitably experienced support CFO.</p>

C. IJB assessed as acting as principal in its own right - Public Bodies (Joint Working) (Proceedings, Membership and Operation of Integration Joint Boards) (Scotland) Order

<b>Role of CFO Principle</b>	<b>Comments on Proposal</b>
Principle 1 : Key member of leadership	The proposals indicate that the CO is on the IJB.

<sup>24</sup> [The Local Authority Accounts \(Scotland\) Regulations 2014](#)

<sup>25</sup> As stated in the [Scottish Government's Finance Circular 7/2014](#) paragraphs 6-7 which note that adherence with good governance requirements will normally include compliance with CIPFA's '[The Role of the Chief Financial Officer in Local Government](#)'

<sup>26</sup> As appointed under the requirements of the [Public Finance and Accountability \(Scotland\) Act 2000](#) (section 15) and the [Scottish Public Finance Manual](#) (Accountability section).

<sup>27</sup> This expectation is clearly specified in paragraph 2.4 of [Memorandum To Accountable Officers For Other Public Bodies](#) which states that the Accountable Officer "...must make sure that arrangements for delegation promote good management and that you are supported by the necessary staff with an appropriate balance of skills. The latter requires careful selection and development of staff and the sufficient provision of special skills and services (scientific, economic, statistical, accountancy, inspection and review etc)."

team  And  Principle 2: Responsible for financial strategy and influencing decision making.	Where the CO is the CFO the IJB, acting in its own right, would have direct access to suitable financial expertise at leadership level.  Where the CO is not the CFO the IJB, acting in its own right, would not have direct access to suitable financial expertise at leadership level. Given the expected scale and importance of health and social care services this is regarded as a significant concern.  Where the CFO is not a member of the IJB there should be a mechanism by which the Board can gain assurance that the financial implications of all matters have been assessed. (see recommendations in section 5).
Principle 4: Finance function that is resourced and fit for purpose	This is considered to be a matter for each Integration Authority to address to ensure that the approach is proportionate for local situations. CIPFA considers that the scale of service transformation, and the risks and opportunities involved, will place a focus on the resources available to the CFO of each partner and the Integration Authority collectively.
Principle 5: Must be professionally qualified and suitably experienced	The <i>Local Authority Accounts (Scotland) Regulations 2014</i> <sup>28</sup> effectively support the principle that the CFO should be professionally qualified and experienced. <sup>29</sup> CIPFA understands that these requirements will apply to the IJB.

#### 4. PERFORMANCE MANAGEMENT

##### National Framework

4.1 CIPFA recognises that outcomes, not the production of performance metrics, is the ultimate objective of public services. Appropriate use of performance management information supports the achievement of outcomes. The need for performance management information has been recognised in a variety of Audit Scotland reports<sup>30</sup>. In particular, in their report on Health Inequalities in Scotland, Audit Scotland stated:

*"Current performance measures do not provide a clear picture of progress. CPPs' reports on delivering their Single Outcome Agreements (SOAs) are weak in the quality and range of evidence used to track progress in reducing health inequalities, and differences among SOAs means that a Scotland-wide picture is hard to identify."*<sup>31</sup>

4.2 The *Public Bodies (Joint Working)(Scotland) Act 2014* marks a major change in management arrangements for a significant proportion of Scotland's public service expenditure. CIPFA considers that appropriate and adequate performance

<sup>28</sup> [The Local Authority Accounts \(Scotland\) Regulations 2014](#)

<sup>29</sup> As stated in the [Scottish Government's Finance Circular 7/2014](#) paragraphs 6-7 which note that adherence with good governance requirements will normally include compliance with CIPFA's '[The Role of the Chief Financial Officer in Local Government](#)'

<sup>30</sup> For example "[Managing performance: are you getting it right?](#)"; "[An overview of local government in Scotland 2014](#)" and "[Health Inequalities in Scotland](#)"

<sup>31</sup> Audit Scotland, [Health Inequalities in Scotland](#), December 2012.

management information should be embedded from the start in this transformation.

- 4.3 In particular, a national level performance management framework for integrated functions which supports comparison, identification of best practice, and an understanding of the reasons for local variations is regarded as vital. This is central to transparently demonstrating the achievement of best value in the use of taxpayer funds.
- 4.4 Since local service delivery methods will differ across Scotland CIPFA suggests that a national performance management framework dataset, to promote consistency of performance reporting across Scotland, should be based on agreed 'client need' or 'client group' categories.

#### **Inclusion of Best Value Reporting**

- 4.5 CIPFA suggests that assessing stewardship of public resources should not be limited to determining whether budgets have been over or under spent. Demonstrating good stewardship also requires that the achievement of best value is appropriately evidenced.
- 4.6 Consequently the performance report should also include details of how the integration authority has secured, on behalf of the participating partners, best value from the integrated resources. This should be supported by the use of performance and financial management information.
- 4.7 As service models will differ from one integrated authority to another CIPFA suggests that reported performance and financial information should not be 'service model' based but rather should be based on an agreed 'client need' or 'client group' basis. This would allow initial comparisons between integrated authorities and investigation of variances; thus helping to identify and establish best practices.
- 4.8 The importance of establishing financial and performance information which can identify the underlying reasons for variations is highlighted by the following statement from explanatory notes accompanying the original Bill:

*'There is variation in per capita expenditure on health and social care across partnerships. For healthcare, the variation cannot be explained by differences in need across partnership populations or in input costs and may be due to inefficiencies. For adult social care expenditure, the picture is less clear and we are unable to determine whether the variation is due to differences in local democratic decisions, input costs, prevalence of unpaid care, the relative size of the voluntary sector or inefficiencies.'*<sup>32</sup>

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<sup>32</sup> Public Bodies (Joint Working) (Scotland) Bill, [Explanatory Notes](#) (Financial Memorandum, paragraph 30)

4.9 CIPFA considers that there will be a requirement to replace the existing financial and performance data collation currently undertaken within local authorities<sup>33</sup> and health boards.<sup>34</sup> A national level replacement should be agreed with stakeholders. It should allow comparison of integration authorities and be able to explain variations between them (see section 5).

### **Ensuring the Performance Report Supports Scrutiny and Accountability**

4.10 The performance report is anticipated to be a core element in the governance of the activities of the integration authority. In particular it should act as a key instrument for scrutiny and challenge, both within the integration authority's arrangements and by the participating partners.

4.11 As noted above CIPFA considers that clarity should be provided that all integration authorities are acting as agents for the participating partners. To support this CIPFA considers that the Chair of the IJB / IJMC should be clearly accountable to, and subject to scrutiny by, both partners. The role of the performance report in scrutiny and accountability should also be clarified.

4.12 The integration authority should also produce, as part of the performance report, a statement and evidence on the achievement of best value by the integration authority as a whole, and in relation to the funding provided by each partner (see section 5).

## **5. RECOMMENDED AMENDMENTS TO REGULATIONS**

5.1 CIPFA suggests that the legislative framework should establish as clearly as possible that the IJB is acting as an agent for the participating partners. This may be achieved by:

- removing the casting vote of the Chair which would place an emphasis on achieving genuine mutual partnership between local authorities and health boards (*Set 2: Proceedings, Membership and General Powers on IJB Order*);
- specification that the Chair should prepare an "Agent's Report" for the participating partners. This may be an element of the proposed performance report, and could equally apply to the IJMC arrangements (*Set 2: Content of Performance Report Regulations*); and
- specification that the performance report includes a statement, with accompanying evidence, on the achievement of best value on behalf of each participating partner. This can also apply to IJMC arrangements (*Set 2: Content of Performance Report Regulations*).

5.2 CIPFA suggests that inclusion of an allowance for the participating partners to agree a nominated Chair in order to support stability, would be preferable with

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<sup>33</sup> For example [Local Financial Returns](#) (LFRs), especially LFR 03 Social Work. Other returns may also be relevant.

<sup>34</sup> For example the [Scottish Health Service Costs](#) ( the Cost Book). Other returns may also be relevant.

three year alternation only being required where agreement is not reached. (*Set 2: Proceedings, Membership and General Powers on IJB Order*).

- 5.3 CIPFA recommends that the partner CFOs are prescribed members of the IJMC (or the IJB acting as agent), in order that each partners can gain assurance that the financial implications of all matters have been assessed. (*Set 2: Proceedings, Membership and General Powers on IJB Order and Membership and Operation of IJMC Order*).
- 5.4 CIPFA recommends that where the CO of an IJB acting as principal is not the CFO, that the IJB CFO should be a prescribed member of the Board, in order that the IJB can gain assurance that the financial implications of all matters have been assessed (*Set 2: Proceedings, Membership and General Powers on IJB Order*).
- 5.5 CIPFA suggests that the draft regulations should implement a national level performance management framework to support the provision of consistent and comparable performance data across Scotland. (*Set 2: Content of Performance Reports Regulations*).
- 5.6 CIPFA suggests that the Chair of the IJMC (or IJB acting as agent) should be clearly accountable to, and subject to scrutiny by both partners. The role of the performance report in scrutiny and accountability should also be clarified. (*Set 1: Prescribed Information to be included in the Integration Scheme*).
- 5.7 CIPFA suggests that the performance report requirements should include a statement and evidence on the achievement of best value for each partner. (*Set 2: Content of Performance Reports Regulations*).