



Scottish Borders
Health and Social Care
PARTNERSHIP

Scottish Borders Integration Joint Board

ANNUAL ACCOUNTS

***For the Financial Year
01 April 2022 to 31 March 2023***

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PAGE NUMBERS TO BE UPDATED ONCE PERFORMANCE REPORT UPDATED.

THE PERFORMANCE REPORT WILL BE IN THE PUBLIC DOMAIN AS PART OF THE PAPERS FOR THE IJB MEETING TO BE HELD ON 19 JULY 2023.

A. Management Commentary



**Message from the Chief Officer,
Scottish Borders Health and Social Care Integration Joint
Board**

To be collated once report and accounts complete.

**Chris Myers
Chief Officer**

1. Purpose

Welcome to the Annual Accounts for the *Scottish Borders Integration Joint Board (IJB)* for the year ended 31 March 2023. The purpose of the *Management Commentary* is to assist readers to understand the *Statement of Accounts* and assess how the *IJB* has performed in fulfilling its duties during the financial year.

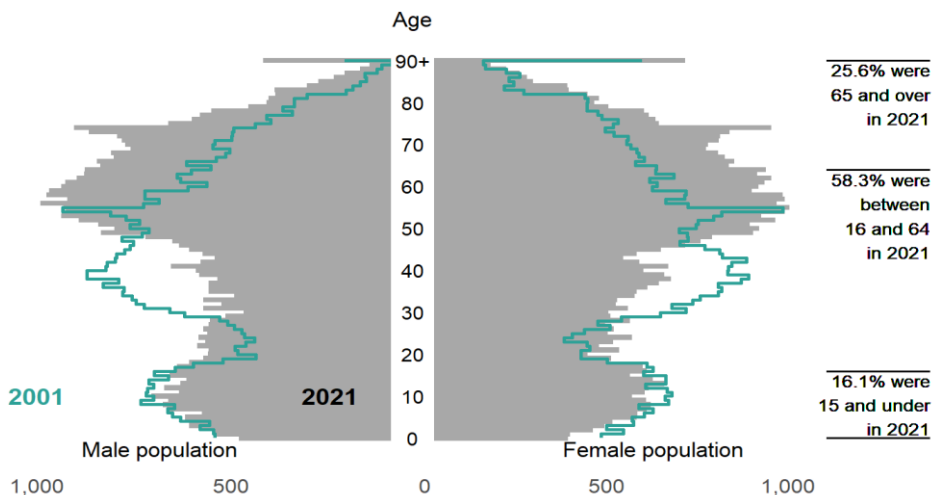
2. Background

The Scottish Borders covers an area of 473,614 hectares (1,827 square miles) and is located in the South East of Scotland. It is situated between Northumberland to the south, Edinburgh and the Lothians to the north, and Dumfries and Galloway to the west. It has a large land area and a sparse population density which presents challenges in organising the provision of health and social care.

Population Information from National Records Scotland

The Scottish Borders is a rural area which, in 2021, had a population of 116,020. From 2020 to 2021, the population of the region increased by 8.5%, which is significantly above Scotland's 0.25% rate of growth. The main reason for the growth in population is inward migration.

Scottish Borders
Population profile, 2001 and 2021



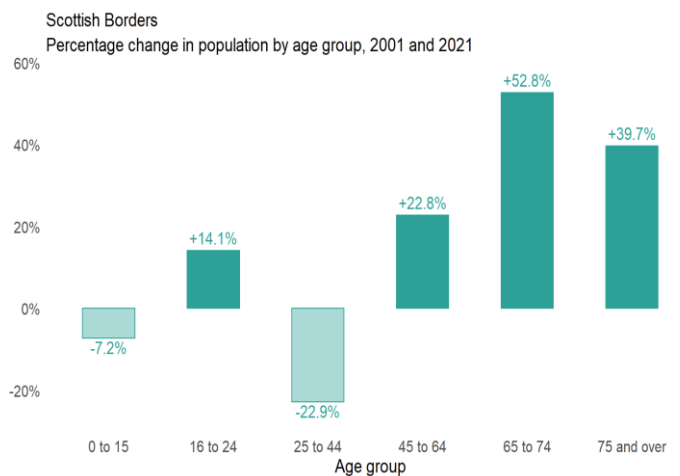
58.4% of the population of the Scottish Borders is aged between *16 and 64* years of age. This is against a national average of 63.9%.

The *45-64s* age group made up an above-average 30.2% of the Scottish Borders population.

25.2% of its population is *over 65 years* of age, significantly above the national average of 19.3%.

In terms of overall size, the *45 to 64 age group* was the largest in 2021, with a population of 35,080.

In contrast, the *16 to 24 age group* was the smallest, with a population of 10,077.



Whilst the overall population of the Scottish Borders may not be projected to increase significantly over the coming years, the average age of the Scottish Borders population is expected to continue to increase. As the current older working-age cohort become pensioners with an increased life expectancy, there is expected to be fewer younger people to replace them. The Borders 16-24 age group is projected to further decrease by over 10% before 2026, and the 75+ age group is projected to increase by almost 30% over the same period.

These demographic factors directly drive our strategic objectives, transformation programmes, planned shifts in the balance of care, resource requirements, and costs.

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3. About the Scottish Borders Integration Joint Board

On 6 February 2016, Ministerial approval was given under the *Joint Working Public Bodies (Scotland) Act 2014* to establish the *Scottish Borders Integration Joint Board* between *NHS Borders* and *Scottish Borders Council*. The *IJB* is a separate legal entity set up to integrate the planning and commissioning of health and social care services in the Scottish Borders. The *Scottish Borders IJB* is a *Public Authority* focused on delivering improvements against the nine *National Outcomes for Health and Wellbeing*, and on achieving the core aims of integration.



To improve the quality and consistency of services for patients, carers, service users and their families



To provide seamless, integrated, quality health and social care services in order to care for people in their homes, or a homely setting, where it is safe to do so



To ensure resources are used effectively and efficiently to deliver services that meet the needs of the increasing number of people with long term conditions and often complex needs, many of whom are older

The table below sets out which services have been delegated to the *IJB* to strategically oversee and commission in line with our local priorities, the core aims of integration and the *National Health and Wellbeing Outcomes*. The day to day delivery of these services is managed through *Directions* to the *Scottish Borders Health and Social Care Partnership (HSCP)* which comprises *NHS Borders (NHSB)*, the *Scottish Borders Council (SBC)*; and other delivery partners including third sector and housing.

ADULT SOCIAL CARE SERVICES*	ACUTE HEALTH SERVICES (PROVIDED IN A HOSPITAL)*	COMMUNITY HEALTH SERVICES*
<ul style="list-style-type: none"> • Social Work Services for adults and older people; • Services and support for adults with physical disabilities and learning disabilities; • Mental Health Services; • Drug and Alcohol Services; • Adult protection and domestic abuse; • Carers support services; • Community Care Assessment Teams; • Care Home Services; • Adult Placement Services; • Health Improvement Services; • Re-ablement Services, equipment and telecare; • Aspects of housing support including aids and adaptations; • Day Services; • Local Area Co-ordination; • Respite Provision; • Occupational therapy services. 	<ul style="list-style-type: none"> • Accident and Emergency; • Inpatient hospital services in these specialties: <ul style="list-style-type: none"> - General Medicine; - Geriatric Medicine; - Rehabilitation Medicine; - Respiratory Medicine; - Psychiatry of Learning Disability; • Palliative Care Services provided in a hospital; • Inpatient hospital services provided by GPs; • Services provided in a hospital in relation to an addiction or dependence on any substance; • Mental health services provided in a hospital, except secure forensic mental health services. 	<ul style="list-style-type: none"> • District Nursing; • Primary Medical Services (GP practices)*; • Out of Hours Primary Medical Services*; • Public Dental Services*; • General Dental Services*; • Ophthalmic Services*; • Community Pharmacy Services*; • Community Geriatric Services; • Community Learning Disability Services; • Mental Health Services; • Continence Services; • Kidney Dialysis outwith the hospital; • Services provided by health professionals that aim to promote public health; • Community Addiction Services; • Community Palliative Care; • Allied Health Professional Services

*Adult Social Care Services for adults aged 18 and over

*Acute Health Services for all ages – adults and children

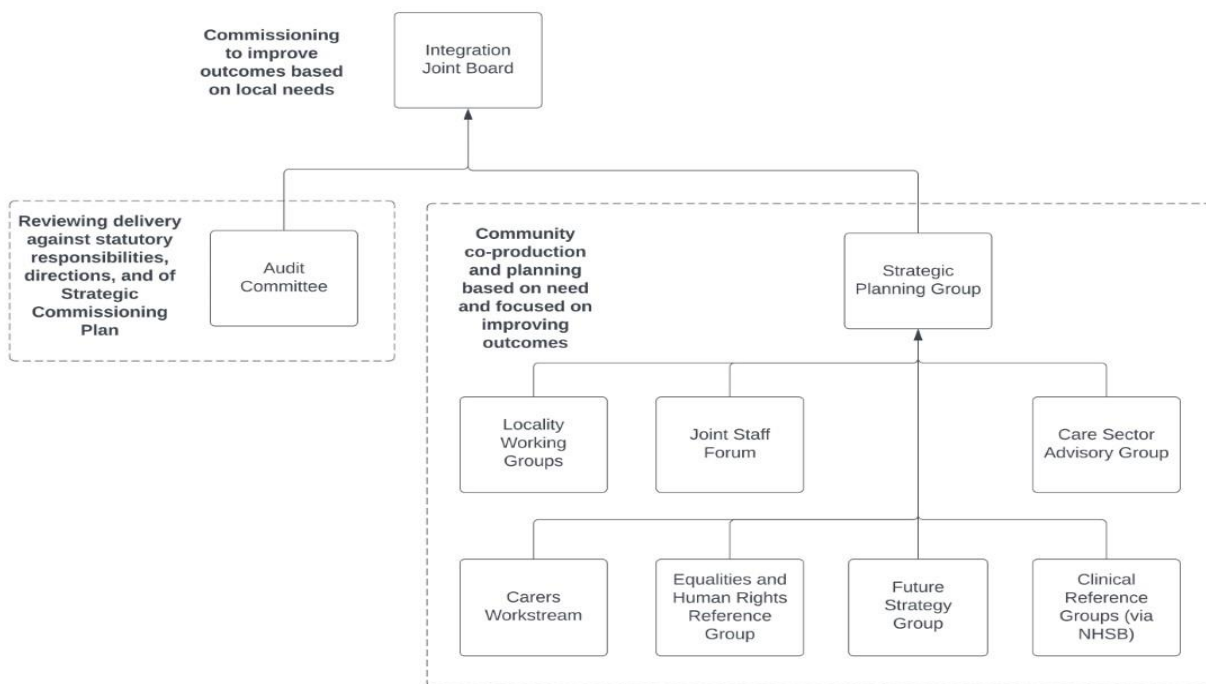
Community Health Services for adults aged 18 and over, and those marked with an (), also services for children

The *IJB* is responsible for the strategic planning of hospital services most commonly associated with emergency / unscheduled care (middle section above). Under the Regulations these are known as *Set-Aside* services.

Responsibility for planning and strategic commissioning of health and social care functions which have been delegated to (and set aside for) the *HSCP* sits with the *IJB* as a statutory public body. Our statutory partners comprise *NHSB* and *SBC*. Commissioning is needs based and outcomes focused. It involves significant levels of engagement and consultation with our stakeholders. The diagram and narrative below summarises our approach to commissioning (and de-commissioning).

The *Strategic Planning Group (SPG)* oversees the work of its subgroups and work streams, through

- developing new plans through meaningful co-production with our diverse communities
- ensuring implementation of the *Integration Planning and Delivery Principles*
- consultation and engagement with relevant stakeholders
- focus on impact and outcomes.



These groups are core to our design of services. The *SPG* ensures that groups provide the detail for plans to be approved by the *IJB* and *Directions* to be proposed for implementation by the *HSCP*:

- all *Directions* are underpinned by a thorough assessment of their impact on people with protected characteristics
- service design is through meaningful engagement and co-production with our communities and professionals.
- the *Direction* sets out the nature of the service change to be implemented by *NHSB* and / or *SBC*.
- the *SPG* recommends the *Direction* for approval by the *IJB*.

The *SPG* operates in an agile manner. The number, nature and content of the groups will change to reflect priorities. The terms of reference and membership are determined by the *SPG* in partnership. Specialist input from colleagues is brought in as required to the *SPG* and the groups.

This is fundamentally built on trust between partner bodies, in a shared endeavour, with a willingness to tolerate acceptable risk, learn from experience, and continually adapt together. As a direct result therefore, governance arrangements are significantly stripped down, and have a greater reliance on the delegation of responsibility. This approach is serving us well.

Locality Planning is a requirement but has not been fully in place in recent years due to the impact of Covid-19. It is now a priority to re-establish these arrangements so that this mechanism can inform and support delivery of the *Strategic Commissioning Framework*. Effective local engagement and involvement is critical to changes required to meet new and existing demands in the Borders. Professionals, communities and individuals can inform locality planning and redesign of services to meet local need in the best way.

The *JB* have approved a programme to start with a pathfinder in the Eildon locality. This will take place in tandem with already established *What Matters Hubs* where individuals and families can drop in for support. These *Hubs* will be supported by the Third Sector, volunteers, Citizens Advice Scotland and other partners who act as gatekeepers, use an asset based conversation (effective conversation model) to triage and signpost to community support where possible. If more formal support is required the multi-disciplinary team can assist.

The *Audit Committee* reviews progress against *Directions* and the operation of systems of internal control.

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4. Strategic Planning and Commissioning

The *IJB Strategic Plan 2018 – 2022* sets out what the *IJB* sought to achieve in relation to improved health and well-being for Borders residents. The plan:

- describes priorities and actions being taken forward, including shifting the balance towards more locality-based health and social care services
- outlines the performance measures used to assess progress being made
- was extended for a year to allow time to develop a new strategic framework.

4.1. Renewal of our Strategic Plan

A needs assessment and engagement process has informed the creation of a new *Strategic Commissioning Plan 2023-26*, which was approved in March 2023. The infographic below shows the six strategic issues which translate to six objectives to enable delivery of our vision: that “all people in Scottish Borders are able to live their lives to the full”.



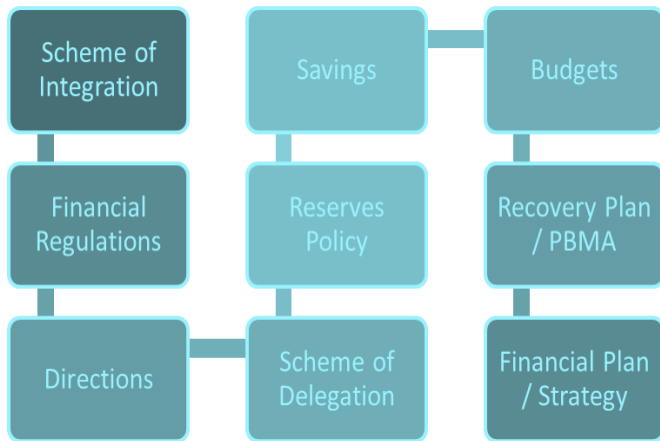
These are in turn supported by *ways of working*, an *Integrated Workforce Plan* which was approved in October 2022 and a developing *Financial Framework*.

4.2. Workforce Plan

The *Workforce Plan* puts effective workforce planning at the forefront of achieving safe, integrated, high quality and affordable health and social care services for the people living in the Scottish Borders. There are actions associated with the *Five Pillars* of how we will: *Plan, Attract, Train, Employ and Nurture* the cross sector adult health and social care workforce working in the communities of the Scottish Borders.



4.3. Financial Framework



This diagram sets out the *Financial Framework*.

We have begun with a full review of the *Reserves Policy* (approved) and the *Financial Regulations* (to be approved July 2023).

A new toolkit has been approved which provides a basis for assessing the impact of use of resources and enabling decisions based on best value. The toolkit is currently being tested.

Further developments in 2023/24 will include a scheme of delegation and a longer term financial strategy.

For 2023/24 we have agreed a more comprehensive *Direction* to *SBC* and *NHSB*, to implement the *Strategic Commissioning Framework* within the *IJB* governance arrangements and particularly within financial plan and budget parameters.

Following approval of the initial budgets the partnership is required to agree a *Financial Recovery Plan*. At the time of writing this report (June 2023) this plan is in development.

4.4. Managing future resources

Recognising the financial position of the *IJB* and workforce positions of the *HSCP*, where possible, progress needs to simultaneously:

- ✓ improve outcomes
- ✓ reduce the workforce requirement and
- ✓ promote financial sustainability.

Progress against saving plans and the development of a *Financial Recovery Plan* will assist with *IJB* financial sustainability and the re-prioritisation of funds for best value.

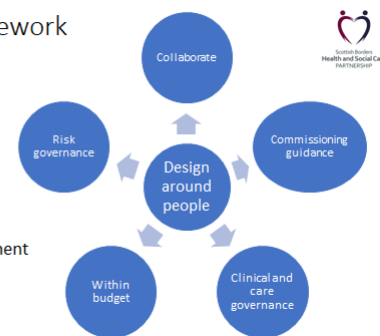
However there will be some areas which require pump-primed investment, and so the *IJB* will work to:

- ✓ develop the use of appropriate funds from available reserves or
- ✓ redirect resources from other services, and
- ✓ direct its partners accordingly.

The scale of work is significant and the *SPG* will provide guidance to the *IJB* on the prioritisation of required changes.

Strategic Framework
Direction

Outcomes focus
Performance management
Refresh of framework



5. Performance Analysis

5.1. Progress during 2022/23

This section will be taken from the annual performance report and any specific commentary from the Audit Committee – due to be available in July 2023.

5.2. Health and Wellbeing Outcomes

This section will be taken from the annual performance report and any specific commentary from the Audit Committee – due to be available in July 2023.

5.3. Quantitative indicators

This section will be taken from the annual performance report and any specific commentary from the Audit Committee – due to be available in July 2023.

5.4. Year on Year Comparisons

This section will be taken from the annual performance report and any specific commentary from the Audit Committee – due to be available in July 2023.

The Annual Performance Report 2022/23 can be obtained online,
Add link when available

5.5. Qualitative Self-Assessment

The *Improvement Service* was commissioned to undertake a new self-assessment process for implementation of the *Ministerial Strategy Group* priorities. Following a planning process, the *Improvement Service* sent out a self-assessment to *IJB* members in March 2023, asking them to agree or disagree with statements outlining the potential effectiveness of the *IJB*.

Theme	Agree/Strongly Agree	Disagree/Strongly Disagree	Don't Know
IJB Response to COVID-19	73%	17%	10%
Leadership and Relationships	63%	24%	13%
Governance and Accountability	50%	39%	11%
Community Engagement and Participation	70%	27%	3%
Outcomes and Impact	37%	46%	17%
Performance Management and Use of Evidence	51%	38%	11%

Through a facilitated workshop the three priorities agreed by *IJB* members were:

- Outcomes and impact: *“Consider how the IJB can further align resources to facilitate the desired shift to early intervention and prevention.”*
- Governance and accountability: *“Clarify the roles and responsibilities of IJB members to ensure they are clear on what is expected of them”.*
- Community engagement and participation *“Reflect upon the IJB’s current mechanisms for engaging with service users and the wider public to more effectively seek their views.”* Despite good progress in this area noted by *IJB* members, it was felt that this must continue to be an ongoing priority.

Action plans were developed for each of these three areas.

6. Work of the IJB during the year

6.1. The IJB agreed the following Directions:

- To *SBC* and *NHSB* to re-commission learning disability services from the market.
- To *NHSB* to implement the *Primary Care Improvement Plan (PCIP)* within available resources; and to continue to engage with the *Scottish Government* regarding the shortfall in funding.
- To *NHSB* for the development of the *Oral Health Strategy*.
- To work in partnership to develop an integrated *poly-pharmacy* support service for all adult social care service users, provided by all providers.
- The *Court of Session* declared the previous decision to close the *Teviot day service* as unlawful. In response, the *IJB* established an inclusive working group to undertake a needs assessment. Through extensive engagement and co-production, *SBC* were directed to implement the agreed service model. Work is now progressing to review requirements and develop solutions for Newcastleton and the other localities.
- To *NHSB* to develop a *Hospital at Home* model within the Eildon locality.
- The *Integrated Workforce Plan* was approved, covering health, social care and third/independent sector.
- The *Strategic Commissioning Framework 2023-26* was welcomed and approved by the *IJB* in March 2023. The Direction to *SBC* and *NHSB* was to implement the *Framework* in the context of the *Financial Plan, Budget, and the Workforce Plan*.

At June 2023, two *Directions* were considered to be of concern:

- Despite significant engagement with *Scottish Government*, *PCIP* funding remained materially less than required. The *PCIP Executive* are working on a proposal for the *IJB* to consider.
- The budget for 2023/24 is very challenging with significant savings targets which have not been fully identified. The *IJB* has requested a *Financial Recovery Plan*. The gap will not be able to be addressed in one year.

6.2. The IJB considered the significant pressures in the following services:

The *IJB* had an extensive discussion in relation to the establishment of care villages. A revised direction was required, to clearly set out the requirements for the *Council, Health Board and IJB*.

The *IJB* noted the financial challenges around implementing the *PCIP* (and the resulting difficulty in implementing the new *GP Contract*). The implementation of the RENEW mental health and wellbeing service in Primary Care has been very successful with clients having a positive experience and workload for GPs has reduced.

The *IJB* had a specific session to consider pressures across the whole system. They considered updates in relation to the use of multi-disciplinary funds and preparations for winter. Primary Care have undertaken adhoc surveys which demonstrate that pressures continue to increase. Pressures are prevalent in hospital services throughout the year. Work is being undertaken through the *Kaizen Programme* to redesign and transform hospital unscheduled care services. Members recorded their appreciation for what was happening and what teams were delivering on the ground to support tients and the local population with their health and care needs.

7. Financial Position at 31 March 2023

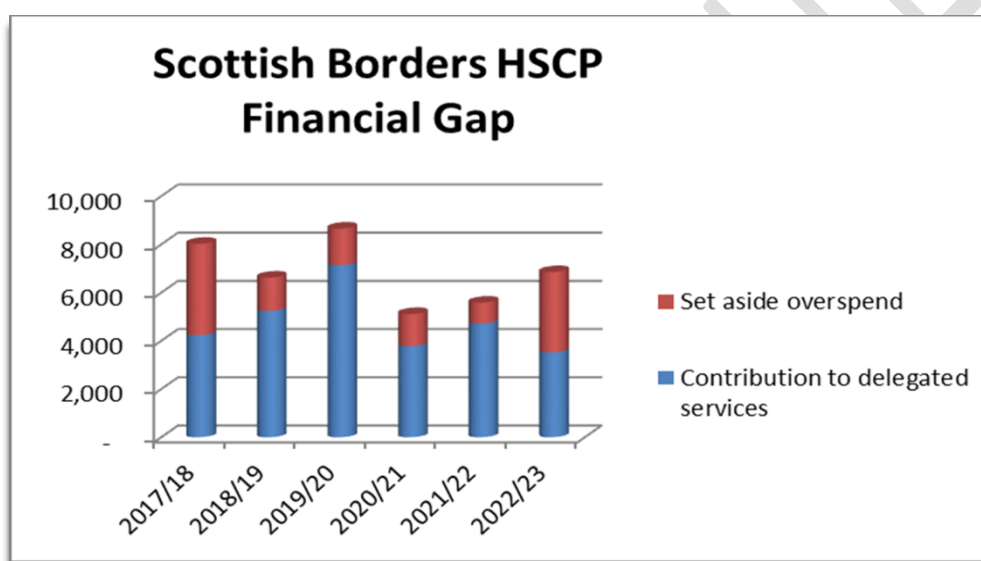
7.1. Introduction to Financial Performance

For *delegated* services, any year end overspends against budget trigger an “*additional payment*” from our partners, *NHSB* and *SBC*. There is no automatic requirement for these additional payments to be refunded in future years.

For *Set-Aside* services, no such payment mechanism is required, and spend is capped at budgeted levels.

The financial position of the *IJB* has been challenging since its inception. *Chart 1* below depicts the historic annual financial gaps based on the *Set-Aside* overspend and additional payments for *delegated* services.

Chart 1 Scottish Borders IJB - Financial Gap



7.2. Year-end Outturn

The *Comprehensive Income and Expenditure Statement* on page [x](#) shows a year end *deficit* of income over expenditure of **£17.832m** (last year *surplus* of **£16.356m**). These movements effectively represent earmarked funds which were carried forward from previous years, held in reserves, and used to meet in year earmarked expenditure plans. This is not by itself an indicator of the financial health of the *IJB*.

The funds carried forward from last year were exaggerated by the retained Covid funding carried forward into 2022/23. The Covid reserve balance is now nil, with unused funds having been returned to the Scottish Government during 2022/23, deemed as no longer being required.

7.3. Delegated Services

The underlying financial performance of *delegated* services was an *overspend* of **£3.521m (1.5%)** of the base delegated budget at 31 March 2023 (last year **£4.718m, or 2.6%**). An additional payment from *NHS Borders* was required to meet this additional in year spend. Table 1 below compares this with the previous year where the additional payment comprised **2.0%** of the *delegated* budget. This is a significant in year improvement, made possible through the use of *earmarked reserves*.

Table 1 Underlying Performance – Delegated services

SCOTTISH BORDERS INTEGRATION JOINT BOARD

UNDERLYING FINANCIAL PERFORMANCE

	SBC £'000	NHSB £'000	IJB £'000
Financial Plan funding for delegated services	(60,767)	(180,468)	(241,234)
Outturn spending	60,767	183,989	244,755
Current year 2022/23 additional payments required	0	3,521	3,521
% value of additional payments over funding	0.0%	1.9%	1.4%
Last year 2021/22 additional payments required	0	4,718	4,718
% value of additional payments over funding	0.0%	2.6%	2.0%

The 2022/23 year-end outturn for *delegated* functions is summarised in Table 2. Note that this was, achieved by the *additional payment* of **£3.521m** from *NHS Borders*.

Table 2 Delegated Services Year-end Outturn 2022-23

<i>Delegated Functions Total</i>	Revised Budget £'000	Actual Outturn £'000	Outturn Variance £'000
Joint Learning Disability Service	24,790	25,879	(1,089)
Joint Mental Health Service	23,428	22,841	587
Joint Alcohol and Drug Service	1,038	1,038	(0)
Older People Service	30,293	30,101	192
Physical Disability Service	2,698	2,586	112
Prescribing	23,432	25,263	(1,830)
Generic Services	103,576	104,495	(919)
Additional Contribution	3,521	0	3,521
	212,777	212,204	573

- Savings targets were not achieved:
 - **£0.975m** in Mental Health and Learning Disability Services
 - **£3.379m** in Primary and Community Services
 - The *NHSB* Financial Turnaround Programme was paused in March 2020 due to the impact of the pandemic. The programme was restarted in July 2022.
- Significant financial pressures in *NHS delegated* functions:
 - High cost individual Learning Disabilities out of area placements
 - Use of premium rate staffing to cover medical workforce gaps within Mental Health
 - Prescribing volumes and price indicators show an increased spend within primary care.
- The financial position in *Social Care delegated* functions is in line with forecast, with slightly lower than expected demand for some services. These balances are carried forward in earmarked reserves and used in next year.

7.4. Large Hospital Budget (Set-Aside)

Legislation sets out that *IJBs* are responsible for strategic planning of hospital services most commonly associated with the emergency care pathway.

The *IJB* directed **£29.031m** to *NHSB* for the *Set-Aside* budget in 2022/23. During the financial year, *NHSB* spent **£32.358m**, resulting in an overspend of **£3.358m, (last year £0.866m)**. The overspend remains the responsibility of *NHSB*, and as a result, has been absorbed within the *NHSB* financial outturn.

The 2022/23 *overspend* is analysed across *services* as shown in Table 3. Significant pressures have been experienced throughout the year, relating to demand and capacity. As can be noted in *Chart 1* above, the overspend in *Set-Aside* is significantly higher than in the previous four financial years.

Table 3 Set Aside Services Year-end Outturn 2022-23

<i>Set Aside Functions</i>	Revised Budget £'000	Actual Outturn £'000	Outturn Variance £'000
Accident & Emergency, Out of Hours	3,777	4,999	(1,222)
Medicine of the Elderly	6,842	7,412	(569)
Medicine & Long-Term Conditions	19,355	19,946	(591)
Planned Savings & Actions	(944)	0	(944)
	29,031	32,358	(3,327)

This has required significant supplementary staffing to be deployed. Unfunded surge beds have remained open throughout the year. The *Kaizen Improvement Programme* has identified improvements which can be made. At the time of writing this report (June 2023), planning for *Set-Aside* services, as part of a whole system review, is looking to inform “right-sizing” bed capacity across the Scottish Borders supported by a single discharge to assess process.

7.5. Earmarked Reserves

The balances shown in *Table 4* below relate to earmarked reserves. These reserves are created from ring-fenced allocations received from Scottish Government. Funds remain in reserves until spend plans are agreed and spend incurred. Expenditure often occurs over more than one financial year, and reserves are released to reflect in-year spending.

The brought forward reserves of **£25.546m** and in-year net *reduction in reserves* of **£17,8233m**, results in total funds of **£8.773m** being carried forward to 2022/23 as shown in *Table 4* below.

The reduction in reserves in year was elevated to reflect the return of **£8.901m** unused (not required) Covid19 reserves to Scottish Government.

Table 4 Ring fenced allocations and additional commitments outturn 2022-23

Portfolio	Opening Balance April 2022	Ring Fenced Allocations (RRL)	Additional Commitment (NHSB)	Total Balance end March 2023	2022/23 in-year movement
	£	£	£	£	£
ADP	974,522	611,098		611,098	(363,424)
BBV	97,329		45,520	45,520	(51,809)
Mental Health & Wellbeing	2,287,674	2,015,560		2,015,560	(272,114)
PCIP	1,522,980	386,736		386,736	(1,136,244)
PC Digital	346,527	126,468		126,468	(220,059)
PC Premises	339,878	106,308	112,280	218,588	(121,290)
PC Other	568,679	865,284		865,284	296,605
East Region Diabetes	1,492,998	832,471		832,471	(660,527)
Urgent & Unscheduled Care	871,566	785,439		785,439	(86,127)
Winter	427,468		33,047	33,047	(394,421)
Workforce & Wellbeing	687,261	85,046		85,046	(602,215)
Community Living Change Fund	377,966	377,966		377,966	0
Covid *	11,048,000			0	(11,048,000)
HB Support	3,720,613		2,027,851	2,027,851	(1,692,762)
Other	782,645	170,195	191,637	361,832	(420,813)
Grand Total	25,546,106	6,192,376	2,218,698	8,772,906	(16,773,200)

Note

* Scottish Government clawed back the balances on NHS Board's Covid reserve as at end of period 8, with costs continuing to be supported from period 9 - 12 based on actual spend. The final spend on Covid for the H&SC Partnership was £2,147,000. The funding returned to Scottish Government totalled £8,901,000.

7.6. Financial Outlook Future Years

The anticipated continued increase in the number of older people and a greater need for suitable services, requires innovative solutions to enable services to be provided within available staffing and funding levels and, within the capacity of the partnership to transform services.

Although Strategic Plans cover multiple years, both *NHSB* and *SBC* receive only a 1-year financial settlement. This means that long term planning is challenging. Capacity to plan and deliver required levels of transformation and efficiency savings is also a key factor.

In this context, the *HSCP* continues to experience significant challenges in meeting the demand for services within available budget and staffing levels. As noted earlier in this report, the *HSCP* has faced significant financial challenges since its inception.

Significant financial risks which require management and mitigation:

- Underlying *savings targets of £2.26m for Set-Aside* and *£3.63m for delegated health budgets*.
- If service pressures are not funded by the *Scottish Government* in full, neither partner will be able to make additional contributions to top-up the budget delegated to the *IJB*. Accordingly, the *IJB* may be at risk of overspend, without mitigating solutions.
- Workforce sustainability for health, social and independent/third sector partners.

- The potential loss of service provision as a result of market failure would result in additional costs for alternative supply. The impact of inflationary pressure on third and independent sector is significant. National negotiations around the uplift have not yet concluded.
- Insufficient funding allocation from Scottish Government to implement the *PCIP* which underpins the new GP contract (from 1 April 2023).
- Prescribing remains high risk due to the volatility of price and volume of prescriptions.
- Services previously provided under the Transformation Programme have been permanently provided as recurring budget. Any future transformation activity will require additional resources to be identified.

The *IJB* did not approve the *NHSB* initial *delegated budget* until its April 2023 meeting, because further information was requested. The *IJB* has targeted reaching final sign off of budgets by end June (realistically means by the July *IJB*).

The *IJB* has requested a *recovery plan* be prepared, to address the pressures and risks, and the *IJB* budget was therefore presented on a one year basis pending agreement to the recovery plan.

Moving forward, two approaches are key to success:

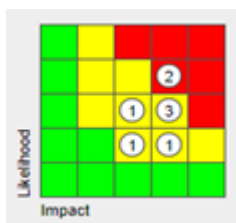
- Increased ability to identify a greater level of savings and management capacity to deliver those savings on a recurring basis.
- Developing a longer term financial model which will quantify the challenges ahead and allow us to use a *Best Value* approach to longer term financial planning, designed to provide more value with less resource. Using this approach to identify areas of priority, and to realign spending plans to provide greatest benefit.

8. Risk, Uncertainty and Change

Effective risk management including financial risk is one of the key responsibilities of the *IJB*. The identification and management of risk is a management responsibility and is reviewed regularly by the *IJB Audit Committee*, ensuring that actions are in place to mitigate and manage risks appropriately.

In accordance with the *IJB Risk Management Policy and Strategy*, the *IJB Chief Officer*, on a quarterly basis, carries out a review of the *IJB Strategic Risk Register*, which sets out the strategic risks associated with the achievement of objectives and priorities within the *IJB Strategic Commissioning Plan*.

The *Chief Officer* and *CFO* carried out a management review of the previous iteration of the risk register on 25 March 2022. This was followed by a series of development sessions between May and July 2022 to reframe the *Risk Register* to better reflect the role and remit of the *IJB* and support and underpin the objectives of integration, retaining all relevant elements from the original risk register before its deactivation. The *Risk Register* and risk mitigation was last considered by the *IJB* in March 2023. At that time two risks were rated as likely: failure to live within budgets, and lack of infrastructure to operate effectively.



Risk Title	Description of risk	Score and Rating
IJB001 - Strategic Objectives	Failure to deliver the <i>SBIJB</i> strategic objectives could lead to the inability of the <i>IJB</i> to deliver the <i>intended health and wellbeing outcomes</i> and achieve the <i>core aims of integration</i> for the Scottish Borders population.	9 Moderate – Possible
IJB002 – Budget	If we fail to ensure the effective delivery of outcomes/delegated services within the available budgets then it could lead to poorer outcomes and an inability to deliver the <i>Strategic Commissioning Plan</i> .	16 Major – Likely
IJB 003 – Issuing of Directions	If the <i>Directions</i> issued by the <i>IJB</i> are unclear or are not implemented by partners then it may adversely impact on outcomes, resources and on the principles of integration.	8 Major – Unlikely
IJB 004 – Operating as a Separate Entity	If the <i>IJB</i> does not operate effectively as a <i>separate entity in partnership</i> with communities, the Council and the Health Board, then it could result in a failure to deliver the principles of integration and achieve its objectives.	6 Moderate – Unlikely
IJB 005 – Infrastructure	If the <i>IJB</i> lacks the professional, administrative and technical infrastructure to operate effectively it could result in failures of planning, governance, scrutiny and performance arrangements.	16 Major – Likely
IJB006 – Resources	If the <i>IJB</i> fails to make best use of the expertise, experience and creativity of its communities then it could result in negative impacts to the delivery of its strategic outcomes and poor relationships with its communities.	12 Major – Possible
IJB007 – Legislative/Regulatory Compliance	If the <i>IJB</i> fails to comply with legislative and regulatory requirements it could lead to legal breaches and result in fines and/or prosecution.	12 Major – Possible
IJB008 – National Care Service Bill	<i>SG's National Care Service Bill</i> (ultimately disbanding Scottish <i>IJBs</i>) could result in partners ceasing to engage with the <i>IJB</i> , subsequently leading to negative impacts on the achievement of <i>IJB</i> objectives and the communities it serves.	12 Major – Possible

B. Governance

9. The Integration Joint Board

Voting members

During 2022/23 the *IJB* was chaired by Mrs Lucy O’Leary, Vice Chair of *NHSB*. During the same period the Vice–Chair was. Cllr. Tom Weatherston, *SBC*. In addition to the Chair and Vice-Chair, the *IJB* comprised four additional voting members from *NHSB* (Non-Executive Directors) and from *SBC* (Elected Members).

Non-Voting members

The *Chief Officer* of the *IJB* is Mr Chris Myers. The *Chief Officer* is a non-voting member.

The *Chief Finance Officer (CFO)* is also a non-voting member. This post was vacant until 1 August 2022. This role is a statutory requirement, which, whilst vacant, was undertaken by Mr Andrew Bone, *Director of Finance of NHS Borders* and Mr David Robertson, *Chief Financial Officer of Scottish Borders Council* on a shared basis until 01 August 2022 when Mrs Hazel Robertson commenced as responsible officer under *Section 95 of the Local Government (Scotland) Act 1973*. Mrs Robertson has responsibility for signing the accounts of the *IJB*.

Non-voting members play an important role in the *IJB*. Members are invited from across the partnership and they provide expertise, engagement and representation of key stakeholders: *SBC* (eg Chief Social Work Officer), *NHSB* (eg Medical Director) and representatives of the *Third Sector, Staff, GPs, Carers and Housing sector*.

Invited members

An invite is extended to officers across *SBC* and *NHSB*, who provide expertise and support to the *IJB*.

Name	Designation	Membership status
Ms. Lucy O’Leary	Non-Executive Director, NHSB	Voting member (Chair)
Mrs. Harriet Campbell	Non-Executive Director, NHSB	Voting member
Ms. Karen Hamilton	Non-Executive Director, NHSB	Voting member
Mr. John McLaren	Non-Executive Director, NHSB	Voting member
Mr. Tris Taylor	Non-Executive Director, NHSB	Voting member
Cllr. David Parker	Elected Member, SBC	Voting member
Cllr. Jane Cox	Elected Member, SBC	Voting member
Cllr. Robin Tatler	Elected Member, SBC	Voting member
Cllr. Elaine Thornton-Nicol	Elected Member, SBC	Voting member
Cllr. Tom Weatherston	Elected Member, SBC	Voting member
Non voting members		
Mr. Stuart Easingwood	Director of Social Work and Practice	Chief Social Work Officer
Dr. Kevin Buchan / Dr. Rachel Mollart	Chair of GP Subcommittee	General Practitioner
Dr. Lynn McCallum	Executive Medical Director	Secondary Care Medical Practitioner
Ms. Sarah Horan	Director of Nursing and Midwifery and Allied Health Professionals	Nursing representative
Mr. David Bell	Unite	Staff-side
Ms. Vikki MacPherson /Ms. Gail Russell	Partnership NHS	Staff-side

Ms. Jenny Smith	Borders Care Voice	Third Sector representative
Ms. Juliana Amaral	Berwickshire Association of Voluntary Services and Borders Third Sector Interface	Third Sector representative
Ms. Lynn Gallacher	Borders Carers Centre	Carer representative
Ms. Linda Jackson	LGBTQ+ representative	Service User representative
Mr. Nile Istephan	Chief Executive, Eildon Housing Association	Housing representative
Mr. Chris Myers	Chief Officer and Joint Director of Health and Social Care	Integration Joint Board Chief Officer
Mrs. Hazel Robertson From 01.08.22	Chief Finance Officer	Section 95 Officer of the Integration Joint Board
Attendees by invite		
Miss Iris Bishop	Board Secretary	IJB / NHSB
Mr Ralph Roberts	Chief Executive	NHSB
Mr David Robertson	Chief Executive	SBC
Dr Sohail Bhatti	Director of Public Health	NHSB
Mrs June Smyth	Director of Planning & Performance	NHSB
Mrs Jen Holland	Director – Strategic Commissioning & Partnerships	SBC
Mrs Susie Flower	Chief Nurse Health & Social Care Partnership	NHSB
Mrs Laura Jones	Director of Quality & Improvement	NHSB
Mrs Wendy Henderson	Independent Sector Lead, Partners for Integration	Scottish Care
Mrs Clare Oliver	Head of Communications & Engagement	NHSB

C. Annual Statement of Accounts

The *Integration Joint Board* is required to prepare *Annual Accounts* by the *Local Authority Accounts (Scotland) Regulations 2014*, which section 12 of the *Local Government in Scotland Act 2003* requires preparation in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 supported by *International Financial Reporting Standards (IFRS)* and statutory guidance issued under section 12 of 2003 Act.

Lucy O'Leary
Chair of the IJB

Chris Myers
Chief Officer IJB

Hazel Robertson CPFA
Chief Finance Officer IJB-
(Section 95 Officer)

D. Remuneration Report

10. Introduction

The remuneration report has been prepared in accordance with the *Local Authority Accounts (Scotland) Regulations 2014*. These Regulations require various disclosures about the remuneration and pension benefits of specific *IJB* members and senior employees in respect of earnings and pension benefits.

11. Remuneration

The term remuneration means gross salary, fees and bonuses, allowances and expenses, and compensation for loss of employment. It excludes pension contributions paid by the Employee. Pension contributions made to a person's pension are disclosed as part of the pension benefits disclosure below.

The information contained in the report is subject to external audit. The explanatory text within the report is reviewed by external auditors to ensure that it is consistent with the financial statements.

12. Remuneration of Integration Joint Board Members

The voting members of the *IJB* are appointed through nomination by *NHSB* and *SBC*. Nomination of the *IJB* Chair and Vice-Chair posts alternates between an elected member and an *NHSB* representative every three years.

The *IJB* does not provide any additional remuneration to the Chair, Vice-Chair or any other Board member. All *IJB* Board members are nominated to the *IJB* by their respective organisations at no cost. Expenses paid to *IJB* members including the Chair, Vice-Chair and other voting Board members are detailed below.

Remuneration Table 1: Members expenses

Expenses 2021/22 £	Name	Post held	From / to	Nominated by	Expenses 2022/23 £
1,082	Mr Malcolm Dickson		To 31/07/2021	NHS Borders	
1,117	Mrs Lucy O'Leary	Member	From 01/04/2021	NHS Borders	3,485
		Vice Chair	From 31/07/2021		
37	Dr Stephen Mather			NHS Borders	
511	Mr Tristram Taylor			NHS Borders	1,551
2,747					5,037

Footnote

NHS Board members expenses include sessional payments made by NHS Borders to recognise additional workload.

No information at this date about any expenses paid to members nominated by *SBC*. This will be updated before putting draft accounts on website for inspection.

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 and Vice-Chair of the *IJB*.

13. Remuneration of Senior Employees

The term 'Senior Employee' means:

1. Any employee who has responsibility for the management of the Integration Joint Board to the extent that the person has the power to direct or control the major activities of the Board (including activities involving the expenditure of money), during the year to which the Report relates, whether solely or collectively with other persons;
2. Who holds a post that is politically restricted by reason of section 2(1) (a), (b) or (c) of *Local Government and Housing Act 1989* (4); or
3. Whose annual remuneration, including any remuneration from a local authority subsidiary body, is £0.150m or more.

The *IJB* does not employ any staff in its own right. Specific post-holding officers are non-voting members of the board, however:

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 Financial Officer (CFO)* undertakes the statutory role of Section 95 Officer for the *IJB*. The employment contract for the *CFO* will adhere to the legislative and regulatory framework of the employing partner organisation. The *CFO* role was performed jointly by the *CFO of Scottish Borders Council* and the *Director of Finance for NHS Borders* on an interim basis, until Mrs Hazel Robertson took up the *IJB CFO* role on a permanent basis on 22 August 2022. There was no additional remuneration or charge to the *IJB* for the interim arrangement. There are no other non-voting board members who meet the criteria for disclosure.

The Chief Officer has responsibility for the management of the *IJB*, supported by the *CFO* within a financial context as *Section 95 Officer (Local Government (Scotland) Act 1973)* to the Partnership. Regardless of how these posts are supplied to the *IJB* or funded, both are therefore deemed to be Senior Employees in line with criterion 1 above.

Remuneration Table 2: Senior Employees of the IJB

Total 2021/22 £	Name	Employing Organisation	Note	Salary 2022/23 £	Fees and allowance £	Total 2022/23 £
77,836	Mr Rob McCulloch-Graham	Scottish Borders Council	1	-	-	-
37,918	Mr Chris Myers	NHS Borders	2	92,034	-	92,034
-	Mrs Hazel Robertson	NHS Borders	3	54,284	-	54,284

Notes

- 1 Mr Rob McCulloch-Graham left the post of Chief Officer to the IJB on 31 October 2021. Only salary costs to this date have therefore been included.
- 2 Mr Chris Myers took up post of Chief Officer to the IJB on 1 November 2021. For 2021/22 Mr Myers annual salary was £85,966.
- 3 Mrs Hazel Robertson took up post of Chief Financial Officer to the IJB on 1 August 2022 thus there are no salary costs in 2021/22. Mrs Robertson's annual salary is £75,000.
- 4 Mr Andrew Bone, NHS Borders and Mr David Robertson, Scottish Borders Council jointly provided cover for the CFO role in 2021/22 and up to the date of Mrs Hazel Robertson taking up post in August 2022. There was no additional remuneration associated with this arrangement.

During the period, no payments were made in respect of bonuses, compensation for loss of office or any non-cash benefits. No exit packages were agreed by the *IJB* during this period.

Mr Rob McCulloch-Graham held an employment contract with *SBC* terms and conditions of employment

and was a member of the [SBC Local Government Pension Scheme \(LGPS\)](#). This scheme became a career average pay scheme on 1 April 2015. Benefits built up to 31 March 2015 are protected and based on final salary. Accrued benefits from 1 April 2015 are based on career average salary.

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 pension liability reflected on the [IJB Balance Sheet](#) for the Chief Officer or any other officers. The [IJB](#) however has responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the [IJB](#).

The following table shows the [IJB's](#) funding during the year to support officers' pension benefits and the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

Remuneration Table 3: Pension benefits

Name	Employing Organisation	Note	In-year pension contributions for year to		Accrued pension benefits		
			31-Mar-22	31-Mar-23	Type	As at 31/3/23	Difference from 31/3/2022
			£	£		£	£
Mr Chris Myers	NHS Borders	1	nil	12,556	Pension	60,680	35,577
					Lump Sum	9,101	5,336
Mr David Robertson	Scottish Borders Council	2	nil	nil		nil	nil
Mr Andrew Bone	NHS Borders	2	nil	nil		nil	nil
Mrs Hazel Robertson	NHS Borders	3	nil	5,194	Pension	9,773	9,773
					Lump Sum	tbc	tbc

Notes

- 1 Mr Chris Myers took up post of Chief Officer to the IJB on 1 November 2021. Mr Myers annual salary for the period was £85,966.
- 2 Mr David Robertson, CFO Scottish Borders Council and Mr Andrew Bone, Director of Finance NHS Borders jointly performed the role of IJB CFO from 03 August 2020 to 31 July 2022. There was no additional remuneration or recharge to the IJB.
- 3 Mrs Hazel Robertson took up post of Chief Financial Officer to the IJB on 1 August 2022 thus there is no salary costs in the reporting period. Mrs Robertson's annual salary is £75,000.

The regulations require any officer whose remuneration for the year was **£0.050m** or above, to be disclosed in bandings of **£0.005m**. For the *IJB* in 2022/23 this is:

Remuneration Table 4: Remuneration Band of senior employees

Number of employees in Band 2021/22	Remuneration Band	Number of employees in Band 2022/23
	£55,001 - £60,000	1
1	£70,001 - £75,000	
	£105,001 - £110,000	1

Lucy O’Leary

Chair of the IJB

Chris Myers

Chief Officer IJB

On behalf of the Members and Officers of Scottish Borders Integrated Joint Board.

E. Statement of Responsibilities

14. 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 the responsibility for the administration of those affairs (*Section 95 of the Local Government (Scotland) Act 1973*). In this Joint Board, that officer is the *Chief Financial Officer*;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- Ensure the Annual Accounts are prepared in accordance with legislation (*The Local Authority Accounts (Scotland) Regulations 2014*), and so far as is compatible with that legislation, in accordance with proper accounting practices (*section 12 of the Local Government in Scotland Act 2003*); and
- Approve the Annual Accounts.

I confirm that these Annual Accounts were approved for signature by the *Integration Joint Board* at its meeting on 15 November 2023.

Signed on behalf of *Scottish Borders Integration Joint Board*.

Lucy O'Leary
Chair of the IJB

15. Chief Finance Officer

The **CFO** is responsible for the preparation of the **IJB's** Annual Accounts in accordance with the 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 **CFO** is responsible for:

- selecting suitable accounting policies and then applying them consistently
- making judgements and estimates that are reasonable and prudent
- complying with the Code of Practice and legislation.

The **CFO** is also required to:

- keep adequate proper accounting records which are up to date; and
- take reasonable steps to ensure the propriety and regularity of the finances of the IJB.

I certify that the financial statements give a true and fair view of the financial position of **Scottish Borders Integration Joint Board** as at 31 March 2023 and the transactions of the **IJB** for the year then ended.

**Hazel Robertson CPFA
Chief Finance Officer
(Section 95 Officer) IJB**

F. Annual Governance Statement

16. Introduction

The Annual Governance Statement explains the IJB's governance arrangements and system of internal control and reports on their effectiveness.

16.1. Scope of Responsibility

The IJB is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

To meet this responsibility the *IJB* has established arrangements for governance which includes a system of internal control. The system is intended to manage risk to support the achievement of the *IJB's* policies, aims and objectives. Reliance is also placed on *NHS Borders* and *Scottish Borders Council* (the partners') systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives.

The system can only provide reasonable and not absolute assurance of effectiveness.

16.2. The Governance Framework and Internal Control System

The Board of the *IJB* comprises voting members, nominated by either *NHS Borders or Scottish Borders Council*, as well as third sector, carer, public and professional non-voting members, and a Chief Officer and Chief Financial Officer appointed by the Board.

The *IJB's Local Code of Corporate Governance (IJB Local Code)*, which was approved by the *Board* in September 2018, sets out the framework and key principles which require to be complied with to demonstrate effective governance. The *IJB Local Code* reflects the changing context of integration and is consistent with the principles and recommendations of the new *CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (2016)* and the supporting guidance notes for Scottish authorities. The overall aim of the *Framework* is to ensure that: resources are directed in accordance with agreed policy and according to priorities; there is sound and inclusive decision making; and there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

The main features of the governance framework and internal control system associated with the *IJB Local Code's 7 core principles of good governance* in existence during 2022/23 included: *Behaving with integrity, demonstrating strong commitment to ethical values, and respecting rule of law*

The roles and responsibilities of *Board* members and statutory officers and the processes to govern the conduct of the *Board's* business are defined in the approved *Scheme of Integration, Constitution and Standing Orders* to make sure that public business is conducted with fairness and integrity. The *Board* has a standalone *Terms of Reference* setting out its remit.

The IJB has adopted the new model code of conduct for members of devolved public bodies. Reliance is placed on the values and standards set out in the codes of conduct for the health and social care partnership staff within the employer partner organisations, which incorporate "*The Seven Principles of Public Life*" identified by the Nolan Committee on Standards in Public Life.

The *IJB* is dependent upon and places significant reliance on arrangements within the partner organisations for areas such as:

- ensuring legal compliance in the operation of services
- handling complaints
- counter fraud and corruption arrangements in line with best practice, including ethical awareness training, whistleblowing policies and procedures, and identifying, mitigating and recording conflicts of interest, hospitality and gifts
- staff appointment and appraisal processes which take account of values and ethical behaviour;
- management of data in accordance with legislation and
- procurement of goods and services which are sustainable, represent value of money and which reinforce ethical values.

The IJB Chief Officer is responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with. Professional advice on the discharge of duties is provided to the *Board* by the IJB Chief Officer supported by the Board Secretary, Chief Finance Officer, and Chief Internal Auditor as appropriate.

A. *Ensuring openness and comprehensive stakeholder engagement*

Board meetings are public unless there are good reasons for not doing so on the grounds of confidentiality. Unless confidential, decisions made by the *Board* are documented in the public domain.

The key principles of stakeholder consultation and engagement, including the integration planning principles were applied during the development of the *Strategic Framework 2023-26*. A new *Equalities and Human Rights Framework* was approved in March 2023 which includes a new *Equalities and Human Rights Impact Assessment* that promotes consultation with people with protected characteristics and harder to reach groups.

The *Future Strategy Group (FSG)* supports the *Strategic Planning Group (SPG)* in undertaking the 'analyse and plan' commissioning segments of the strategic commissioning cycle.

B. *Defining outcomes in terms of sustainable economic, social, and environmental benefits*

The vision, strategic objectives, ways of working and outcomes are reflected in the *Health & Social Care Strategic Framework 2023-26*, informed by the comprehensive *Joint Needs Assessment*. Implications and Consultation are considered during the decision-making process by way of the new report template (March 2023) covering: Community Health and Wellbeing Outcomes; Financial impacts; Equality, Human Rights and Fairer Scotland Duty; Legislative considerations; Climate Change and Sustainability; Risk and Mitigations.

C. *Determining the interventions necessary to optimise the achievement of the intended outcomes*

In determining how services and other courses of action should be planned and delivered, the *IJB* has a statutory responsibility to involve patients and members of the public.

The *Strategic Framework* applies to the *IJB* as its *Strategic Commissioning Plan*, and supports the *IJB* in its oversight of all delegated and set aside services and integration agenda. It sets out how the *IJB* will transform, commission and provide health and social care services over the next three years to improve and support the health and wellbeing of the people of the Scottish Borders.

An *Integrated Financial Framework* is being developed to support the *Strategic Framework*, and ensure that the strategic objectives and ways of working are prioritised from a financial perspective in line with the principles of *Programme Budgeting and Marginal Analysis* and *Best Value*. An annual plan for 2023/24 will outline the priorities of the *IJB* and its partners for the year ahead.

Direction`s are routinely used by the *IJB* in line with the *Directions Policy and Procedure*. Monitoring of progress on *Directions* is reported to the *Audit Committee*.

D. Developing the entity's capacity, including capability of its leadership and the individuals within it

The *IJB* Chief Officer is responsible and accountable to the *Board* for all aspects of strategic management including promoting sound governance and providing quality information/support to inform decision-making and scrutiny.

Regular meetings are held between the Chief Officer and the Chair and Vice Chair of the *IJB*. The Chief Officer also meets regularly with the Chief Executives of the partner organisations.

Members of the *IJB Board* are provided with the opportunity to attend Development Sessions relevant to their role, as do members of the *IJB Audit Committee* to enhance skills and knowledge. The latter undertakes an annual self-assessment against Audit Committee best practice. A facilitated self-evaluation with the *IJB Board* will inform areas for improvement.

The *Integrated Workforce Plan 2022/25* is interlinked with the Strategic Framework to support transformation, change and redesign to meet the current and emerging needs of the communities.

E. Managing risks & performance through robust internal control & strong public financial management

The *IJB* Chief Officer has overall responsibility for the strategic commissioning of health and social care services. The *IJB Board* is responsible for key decision-making.

The *IJB* has approved a *Risk Management Strategy*. Improved strategic risk review and reporting to the Board have been established to embed risk management into *IJB's* culture.

The *IJB* Chief Finance Officer is responsible for the proper administration of all aspects of the *IJB's* financial affairs.

The *IJB's* system of internal financial control is dependent upon on the framework of appropriate financial regulations, codes of financial practice, and reporting standards.

Quarterly Revenue Budget Monitoring reports are presented to the *Board* for monitoring and control purposes including the annual outturn.

The 2023/24 budget includes reference to the development of a *Financial Recovery Plan* with its partners. It is expected that *Directions* will be used to support this.

F. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Quarterly Performance Reports were presented to the *IJB Board* for the purposes of monitoring and control. An *Annual Performance Report* for 2022/23 will be presented to the *Board* to outline progress against strategic objectives during the year.

The independent and objective audit opinion of the *IJB Chief Internal Auditor* on the effectiveness of the *IJB's* internal control, risk management and governance arrangements is stated in the *Internal Audit Annual Assurance Report for the IJB*. Provision of *Internal Audit* services for the *IJB* by *Scottish Borders Council's* Internal Audit team is carried out in conformance with *Public Sector Internal Audit Standards* to fulfil statutory Internal Audit provision.

The *IJB* responds to the findings and recommendations of Internal Audit, External Audit, and other bodies via the *IJB Audit Committee*, which is integral to overseeing assurance and monitoring improvements in internal control, risk and governance. The *IJB Audit Committee* undertakes its

functions in compliance with the [CIPFA Audit Committees Guidance](#), including the production of an [annual report](#) to the [IJB](#) on the performance of the IJB Audit Committee against its remit.

The [Annual Accounts and Report for 2022/23](#) sets out the financial position in accordance with relevant accounting regulations, and are presented for review by the IJB Audit Committee prior to submission to the [IJB Board](#) for approval.

[Review of Adequacy and Effectiveness](#)

The [IJB](#) is required to conduct an annual review of the effectiveness of its governance framework. The review was informed by: an annual assessment by [Internal Audit](#) against the [IJB's Local Code of Corporate Governance](#); [Internal Audit reports for IJB](#); [External Audit reports for IJB](#); relevant reports by other external scrutiny bodies and inspection agencies; and relevant partners' (NHS Borders and Scottish Borders Council) Internal Audit and External Audit reports.

In respect of the four improvement areas of governance identified by the [IJB](#) in 2021/22, there has been progress made with their implementation. Two recommendations are now complete (Develop the [Workforce Planning Framework](#) to align to [Strategic Commissioning Plan](#); Ensure the key themes of consultation and sustainability are evidenced in reports used for decision-making to enhance transparency), and two recommendations are still in progress with extensions granted to completion dates to enable the IJB Chief Officer to fully implement these. These therefore continue to be noted below, nos. 1-2. One further recommendation was made by [Internal Audit](#) arising from their 2022/23 review to enhance corporate governance arrangements, no. 3 below.

[Improvement Areas of Governance](#)

The review activity outlined above has identified the following areas where further improvement in governance arrangements can be made to enhance compliance with the [IJB Local Code](#):

- 1 Ensure regular updates on progress against the [Ministerial Strategy Group \(MSG\) Self Evaluation HSCP Action Plan](#) and Best Value Areas of Improvement.
- 2 Review and update the [Communications Strategy](#) to ensure that it remains relevant in the current environment in respect of stakeholder consultation and engagement.
- 3 Establish a mechanism for the [Partnership Joint Staff Forum](#) to monitor and report on cross sector organisational development during the delivery of the [Integrated Workforce Plan](#).
- 4 Develop financial reporting to ensure compliance with guidance in relation to the [Set-Aside](#), in collaboration with [NHS Borders](#).
- 5 Formalise engagement of the IJB Chief Finance Officer in the scrutiny and monitoring arrangements for the [NHS Borders Financial Improvement Plan](#).

The implementation of the associated Action Plan, Nos.1-3 set out within the [Internal Audit Annual Assurance Report 2022/23](#) and Nos. 4-5 set out in the [External Audit Annual Report 2021/22](#), to enhance the governance arrangements will be driven and monitored by the IJB Chief Officer and IJB Chief Finance Officer in order to inform the next annual review. [Internal Audit](#) work planned in 2023/24 will follow-up on progress with implementation of the [Action Plan](#).

Conclusion and Opinion on Assurance

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the *IJB's* governance and risk arrangements and system of internal control, while recognising that improvements are required to fully demonstrate compliance with the *IJB Local Code* in order for the *IJB* to fully meet its principal objectives. Systems are in place to regularly review and improve governance and risk arrangements and the system of internal control.

Chris Myers
Chief Officer IJB

Lucy O'Leary
Chair of the IJB

On behalf of the Members and Officers of the Scottish Borders Integrated Joint Board-

G. Independent Auditor's Report

This section to be updated following completion of the audit process in October 2023

DRAFT - UNAUDITED

H. Statement of Accounts

17. Comprehensive Income and Expenditure Statement (CIES) For the Year Ended 31 March 2023

This statement shows the cost of providing services for the year. Where the impact on the General Fund is amended by statutory adjustments, these would normally be included in both the Expenditure and Funding Analysis and the Movement in Reserves Statement. For 2022/23, there are none.

SCOTTISH BORDERS INTEGRATION JOINT BOARD							
ANNUAL ACCOUNTS							
COMPREHENSIVE INCOME & EXPENDITURE STATEMENT							
Gross Expenditure 2021/22 £'000	Income 2021/22 £'000	Net Expenditure 2021/22 £'000		Gross Expenditure 2022/23 £'000	Income 2022/23 £'000	Net Expenditure 2022/23 £'000	Note
126,390	0	126,390	Health Services Delegated	163,023		163,023	3,4,7
64,104	0	64,104	Social Care Services Delegated	66,710		66,710	
27,451	0	27,451	Health Services Set-Aside	29,031		29,031	
132	0	132	Corporate Services	295		295	
218,077	0	218,077	Cost of Services	259,058	0	259,058	
0	(234,432)	(234,432)	Taxation and Non-Specific Grant Income		(241,235)	(241,235)	5
218,077	(234,432)	(16,355)	(Surplus) or Deficit on Provision of Services	259,058	(241,235)	17,823	
		(16,355)	Total Comprehensive (Income) and Expenditure			17,823	

The deficit of income over expenditure of **£17,823m** reflects the downward movement in earmarked reserves and is not indicative of financial performance. It is simply a matter of timing of expenditure. Unspent allocations are held in reserves to match future expenditure requirements.

Under the *Scheme of Integration*, both partners are required to fund any adverse outturn balance on delegated services. The net surplus position above is created by ring-fenced funding uncommitted at 31 March 2023:

Additional Partner Allocations at 31 March 2023	£'000
NHS Borders	3,521
Scottish Borders Council	-
	3,521

The IJB accounts report a *breakeven* position for *Set-Aside* functions because the overspend has been accounted for only in NHSBs 2022/23 outturn. This means there is no adverse impact on the IJB outturn or on earmarked reserves carried forward to 2022/23.

18. Movement in Reserves

The *IJB* approved its *Reserves Policy* initially in 2016/17, and updated it during 2022/23.

The policy was used by the IJB to carry forward funding. This related to ring-fenced funding allocations (ear-marked) received by *NHSB*, including Covid-19.

SCOTTISH BORDERS INTEGRATION JOINT BOARD

ANNUAL ACCOUNTS

MOVEMENT IN RESERVES

	General Fund Balance £'000	Total Reserves £'000
Opening Balance at 31 March 2022	26,595	26,595
Adjustments between accounting basis and funding under regulations	(17,823)	(17,823)
Closing Balance at 31 March 2023	8,772	8,772
Increase / (decrease) during 2022/23	(17,823)	(17,823)

IJB reserves reduced by **£17.823m** during the year. This movement is largely due to unused Covid-19 reserves of **£8.901m** being returned to Scottish Government during the year, and spend through the Covid-19 reserve of **£2.147m**.

The remainder of the reserves are ring-fenced allocations for which delivery is phased over more than one year. The most significant service areas are Mental Health at **£2.0m**, and Primary Care at **£1.5m**.

No adjustments have been made for any absence entitlement on the part of the Chief Officer which has been earned but not yet taken as at 31 March 2023.

19. Balance Sheet at 31 March 2023

The Balance Sheet shows the value of the IJB's assets and liabilities as at 31 March 2023. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

SCOTTISH BORDERS INTEGRATION JOINT BOARD					
ANNUAL ACCOUNTS					
BALANCE SHEET					
31 March 2022 £'000			31 March 2023 £'000		Note
29,165		Short-Term Debtors	10,892		6
	29,165	Current Assets		10,892	
(2,570)		Short-Term Creditors	(2,120)		6
	(2,570)	Current Liabilities		(2,120)	
0		Provisions	0		
	0	Long Term Liabilities		0	
	26,595	Net Assets		8,772	
26,595		Useable Reserve: General Fund		8,772	
0		Useable Reserve: Employee Statutory Adjustment Account		0	
	26,595	Total Reserves		8,772	

The unaudited accounts were issued for public consultation on 30 June 2023 and the audited accounts were authorised for issue on 15 November 2023.

Hazel Robertson CPFA
Chief Financial Officer IJB
(Section 95 Officer)

I. Notes to the Annual Accounts

20. Significant Accounting Policies

21. General Principles

The Annual Accounts summarise the Integration Joint Board's transactions for 2022/23 and its position at the year-end of 31 March 2023.

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.

It is therefore required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 2014. Section 12 of the Local Government in Scotland Act 2003 requires these to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

The accounting convention adopted in the Annual Accounts is historical cost. They are prepared on a going concern basis, which assumes that the IJB will continue in operational existence for the foreseeable future.

21.1. Accruals of Income and Expenditure

Activity is accounted for in the year in which 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.

21.2. Funding

The IJB is primarily funded through funding contributions from the statutory funding partners, NHSB and SBC. Expenditure is incurred as the IJB commissions health and social care services from the funding partners for the benefit of service recipients in the Scottish Borders.

21.3. Cash and Cash Equivalents

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partners. Consequently, the IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet. The funding balance due to / from each funding partner, as at 31 March 2023, is represented as a debtor or creditor on the IJB's Balance Sheet.

21.4. Employee Benefits

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

The IJB has a legal responsibility to appoint a Chief Officer. Details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as Employee-Related costs. Where material, the Chief Officer's absence entitlement as at 31 March will be accrued, for example in relation to annual leave earned but not yet taken. There are no charges from funding partners for other staff.

21.5. Provisions, Contingent Liabilities and Contingent Assets

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

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

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

No provisions or contingent liabilities or assets have been made at 31 March 2023.

21.6. 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 2023 shows the extent of resources which the IJB can use in later years to support service provision.

The IJB's only Unusable Reserve is the Employee Statutory Adjustment Account. This is required by legislation. It defers the charge to the General Fund for the Chief Officer's absence entitlement as at 31 March 2023, for example any annual leave earned but not yet taken. The General Fund is only charged for this when the leave is taken, normally during the next financial year.

21.7. VAT

VAT payable is included as an expense where appropriate, only to the extent when it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

In November 2016, HMRC issued an opinion on the VAT treatment of services provided by IJB's partners. This related to the VAT treatment of the exchanges of staff between the Health Board and Local Authority, when under the direction of the IJB.

Relevant to the Scottish Borders, where other than the Chief Officer, the supply of these services is seen as part of the party's statutory obligation/contribution to the IJB and therefore the local authority and health board have not recharged for any costs incurred, HMRC's opinion is that there is no consideration and as such no supply for VAT purposes.

HMRC has issued a final view that the secondment of the Chief Officer is outside the scope of VAT as the provision of a Chief Officer by a HB and/or LA to the IJB is done under a special legal regime. Therefore the local authority and health board should not be charging VAT to the other party on this supply as it outside the scope of VAT.

21.8. Events after the Reporting Period / Balance Sheet Date

The unaudited Annual Accounts were authorised for issue by the IJB Audit Committee on 19 June 2023. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provide information about conditions existing at 31 March 2023, the figures in the financial statements and notes would normally be adjusted in all material respects to reflect the impact of this information. There are no identified events after the reporting period to 31 March 2022.

21.9. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how the funding available to the IJB in the form of funding partner contributions has been used in providing services. This is compared to the cost of services on an accounting basis.

No adjustments are required in relation to the statutory requirement to defer any charge to the General Fund for the Chief Officer's absence entitlement at 31 March 2023.

SCOTTISH BORDERS INTEGRATION JOINT BOARD

ANNUAL ACCOUNTS

NOTE 3 - EXPENDITURE & FUNDING ANALYSIS

2021/22			2022/23		
Net Expenditure Chargeable to the General Fund £'000	Adjustments £'000	Net Expenditure in the CIES £'000	Net Expenditure Chargeable to the General Fund £'000	Adjustments £'000	Net Expenditure in the CIES £'000
2,876	0	2,876	0	0	0
132	0	132	295	0	295
920	0	920	1,038	0	1,038
2,573	0	2,573	2,586	0	2,586
1,980	0	1,980	0	0	0
21,280	0	21,280	22,841	0	22,841
23,552	0	23,552	25,263	0	25,263
23,257	0	23,257	25,879	0	25,879
25,245	0	25,245	30,101	0	30,101
27,451	0	27,451	29,031	0	29,031
88,811	0	88,811	122,023	0	122,023
218,077	0	218,077	259,058	0	259,058
(234,432)	0	(234,432)	(241,235)	0	(241,235)
(16,355)	0	(16,355)	17,823	0	17,823
		(10,240) Opening General Fund Balance			(26,595)
		(26,595) Closing General Fund Balance			(8,772)

21.10. Expenditure and Income Analysis by Nature

SCOTTISH BORDERS INTEGRATION JOINT BOARD						
ANNUAL ACCOUNTS						
NOTE 3 - EXPENDITURE & FUNDING ANALYSIS						
2021/22			2022/23			
Net Expenditure Chargeable to the General Fund £'000	Adjustments £'000	Net Expenditure in the CIES £'000		Net Expenditure Chargeable to the General Fund £'000	Adjustments £'000	Net Expenditure in the CIES £'000
2,876	0	2,876	Scottish and UK Government-Funded Testing Kits	0	0	0
132	0	132	Corporate Services	295	0	295
920	0	920	Joint Alcohol and Drug Service	1,038	0	1,038
2,573	0	2,573	Physical Disability Service	2,586	0	2,586
1,980	0	1,980	Integrated Care Fund / Transformation Fund	0	0	0
21,280	0	21,280	Joint Mental Health Service	22,841	0	22,841
23,552	0	23,552	Prescribing	25,263	0	25,263
23,257	0	23,257	Joint Learning Disability Service	25,879	0	25,879
25,245	0	25,245	Older People Service	30,101	0	30,101
27,451	0	27,451	Health Services Set-Aside	29,031	0	29,031
88,811	0	88,811	Generic Services	122,023	0	122,023
218,077	0	218,077	Cost of Services	259,058	0	259,058
(234,432)	0	(234,432)	Other Income and Expenditure	(241,235)	0	(241,235)
(16,355)	0	(16,355)	(Surplus) or Deficit on Provision of Services	17,823	0	17,823
		(10,240)	Opening General Fund Balance			(26,595)
		(26,595)	Closing General Fund Balance			(8,772)

The Fee charged by the Independent Auditor for 2022/23 was £31,470, an increase of 14.2% from last year.

21.11. Taxation and Non-Specific Grant Income

SCOTTISH BORDERS INTEGRATION JOINT BOARD		
ANNUAL ACCOUNTS		
NOTE 5 - TAXATION & NON-SPECIFIC GRANT INCOME		
2021/22 £'000		2022/23 £'000
(178,487)	Funding Contribution from NHS Borders	(180,468)
(55,945)	Funding Contribution from Scottish Borders Council	(60,767)
(234,432)	Taxation and Non-Specific Grant Income	(241,235)

The funding contribution from **NHSB** shown above includes **£29.031m** in respect of Set-Aside resources relating to acute hospital and healthcare unscheduled care services. The **NHS** retains responsibility for managing the costs of providing the services. The **IJB** however is responsible for managing the consumption of these resources, through managing the demand.

21.12. Debtors and Creditors

The IJB's debtors include money owed to the partnership at 31 March 2023 and any payments made in respect of delegated functions in advance of the financial year 2022/23.

The IJB's Creditors include payments due by the partnership not yet made by the 31 March 2023 and any income it has received in advance of the financial year 2023/24.

SCOTTISH BORDERS INTEGRATION JOINT BOARD		
ANNUAL ACCOUNTS		
NOTE 6 - DEBTORS & CREDITORS		
DEBTORS incl. PAYMENTS IN ADVANCE		
31 March 2022 £'000		31 March 2023 £'000
25,559	Funding NHS Borders	8,788
3,606	Funding Scottish Borders Council	2,104
0	Funding Non-Public Sector	0
29,165	Debtors	10,892
CREDITORS incl. INCOME IN ADVANCE		
31 March 2022 £'000		31 March 2023 £'000
0	Funding NHS Borders	0
(2,570)	Funding Scottish Borders Council	(2,120)
0	Funding Non-Public Sector	0
(2,570)	Creditors	(2,120)
31 March 2022 £'000		31 March 2023 £'000
26,595	Net Debtors and Creditors	8,772

The net balance between Debtors and Creditors relates to the earmarked reserves held by the IJB.

21.13. Related Party Transactions

The IJB has related party relationships with **NHSB** and **SBC**. The nature of the partnership means that the **IJB** may influence, and be influenced by, its partners. The following transactions and balances included in the **IJB's** accounts are presented to provide additional information on the relationships.

SCOTTISH BORDERS INTEGRATION JOINT BOARD		
ANNUAL ACCOUNTS		
NOTE 7 - RELATED PARTIES		
NHS BORDERS		
2021/22 £'000		2022/23 £'000
(178,487)	Funding Contributions	(180,468)
0	Service Income	0
153,840	Expenditure on Services Provided	192,053
37	Key Management Personnel	146
14	Support Services	16
(24,596)	Net Transactions with NHS Borders	11,748
31 March 2022 £'000		31 March 2023 £'000
25,559	Debtors: Amounts Due from NHS Borders	8,788
0	Creditors: Amounts Due to NHS Borders	0
25,559	Net Balance with NHS Borders	8,788
SCOTTISH BORDERS COUNCIL		
2021/22 £'000		2022/23 £'000
(55,945)	Funding Contributions	(60,767)
0	Service Income	0
64,104	Expenditure on Services Provided	66,710
67	Corporate Services	117
14	Auditor Fee: External Audit	16
8,240	Net Transactions with Scottish Borders Council	6,075
31 March 2022 £'000		31 March 2023 £'000
3,606	Debtors: Amounts Due from Scottish Borders Council	2,104
(2,570)	Creditors: Amounts Due to Scottish Borders Council	(2,120)
1,036	Net Balance with Scottish Borders Council	(16)
(16,356)	Net Transactions Overall	17,823
26,595	Net Balances	8,772

There are no non-voting IJB members employed by NHSB and recharged to the IJB.

The senior officers employed by SBC (none) and NHSB and recharged to the IJB are the Chief Officer and Chief Finance Officer. Details of the remuneration for specific post-holders are provided in the Remuneration Report.

22. Other Notes to the Accounts

22.1. Provisions:

There were no provisions brought forward from 2021/22, nor made at 31 March 2023.

22.2. Useable Reserve: General Fund:

The IJB holds a balance on its General Fund Reserve at 31 March 2023. This balance is earmarked in that it relates to funding received from the Scottish Government ring-fenced for specific purposes such as Mental Health Service, Primary Care or Alcohol and Drugs Partnership.

The IJB has an approved **Reserves Policy** which enables it over time to earmark or build up funds which are to be used for specific purposes in the future such as known or predicted future expenditure needs. This supports strategic financial management. The Policy can also enable a contingency fund to be established in order to cushion the impact of unexpected events or emergencies. The IJB does not currently hold such contingency reserves.

22.3. Unusable Reserve: Employee Statutory Adjustment Account:

Only one officer, the Chief Officer, requires to be considered in relation to absence entitlement earned but not yet taken at 31 March 2023. The value of this untaken but accrued entitlement is not considered material to the overall financial position of the IJB as presented in the Comprehensive Income and Expenditure Statement.

22.4. Agency Income and Expenditure:

The IJB is co-terminus with NHSB and SBC. The IJB does not act as the lead agency / manager for any delegated health or care services nor does it commission services on behalf of any other IJBs.

22.5. Contingent Assets and Contingent Liabilities:

No Contingent Liabilities or Contingent Assets were recognised at 31 March 2023 nor have any been identified during the year or at the year end, relating to any item not recognised on the IJB's Balance Sheet.