



# **Scottish Borders Integration Joint Board**

**ANNUAL ACCOUNTS 2019/20**

**For the Financial Year  
01 April 2019 to 31 March 2020**

**(Unaudited)**

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## Management Commentary

### Purpose

Welcome to the Annual Accounts for the Scottish Borders Health and Social Care Partnership Integration Joint Board for the year ended 31 March 2020. The purpose of the Management Commentary is to inform all users of the 2019/20 Statement of Accounts and help them assess how the Integration Joint Board (IJB) has performed in fulfilling its duties over the course of the financial year.

### The Scottish Borders

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.

The Scottish Borders is a rural area with a population of 115,270 in 2019. The population has remained stable for a number of years in total although has had marginal increases across its 5 localities during this time.

Locality	ALL	0 to 15	16 to 64	65+	% 0 to 15	% 16 to 64	% 65+
Berwickshire	20,969	3,400	12,134	5,435	16%	58%	26%
Cheviot	19,433	2,940	11,016	5,477	15%	57%	28%
Eildon	35,598	5,955	21,794	7,849	17%	61%	22%
Teviot and Liddesdale	17,925	2,900	10,538	4,487	16%	59%	25%
Tweeddale	21,345	3,851	12,639	4,855	18%	59%	23%
Scottish Borders	115,270	19,046	68,121	28,103	17%	59%	24%
Scotland	5,438,100	919,502	3,492,484	1,026,114	17%	64%	19%

Whilst the size of the Scottish Borders population puts it in the medium sized category it has a large land area and a sparse population density which presents its own challenges in providing health and social care.

59% of the population of the Scottish Borders is aged between 16 and 64 years of age. This is against a national average of 64%. Conversely, 24% of its population is over 65 years of age, significantly about the national average of 19%.

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 (i.e.) 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 therefore have a unique and challenging impact on the models of health and social care provision in the Scottish Borders and their costs and directly drive the strategic objectives, transformation requirements, planned shifts in the balance of care and resource realignment targeted by the Health and Social Care Partnership.

## Role and Remit of the Integration Joint Board

On 6<sup>th</sup> February 2016, Ministerial approval was given under the Joint Working Public Bodies (Scotland) Act 2014 to establish The Scottish Borders Integration Joint Board (IJB) 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 operation of the IJB is governed by its Scheme of Integration which sets out the body corporate model of integration within the Scottish Borders and details the functions delegated to it by NHS Borders and Scottish Borders Council. These delegated functions include:

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

\*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, excepting those marked with an asterisk (\*), which also include services for children

The IJB has a responsibility for the strategic planning of hospital services most commonly associated with the emergency / unscheduled care pathway. As such, the IJB has control of the resources supporting those associated hospital functions retained by NHS Borders and set-aside for the population of the Scottish Borders: the “Set-Aside Budget”. They are shown in the middle column above.

## Strategic Plan

The IJB Strategic Plan 2018 – 2021 sets out what the IJB wants to achieve through improved health and well-being for Borders residents.

The Strategic Plan also describes priorities and actions being taken forward, including shifting the balance towards more locality-based health and social care services and outlines the performance measures used to assess the progress we are making.

The Strategic Plan is due to be refreshed in 2021, but it is anticipated that the strategic objectives will remain broadly unchanged. Our strategic objectives focus on prevention, flow and community care:

- We will improve the health of the population and reduce the number of hospital admissions;
- We will improve the flow of patients into, through and out of hospital;
- We will improve the capacity within the community for people who have been in receipt of health and social care services to better manage their own conditions and support those who care for them.

A number of key principles are outlined within the Strategic Plan which underpin all three high level objectives:

- Prevention and early intervention;
- Accessible services;
- Care close to home;
- Delivery of services within an integrated care model;
- Greater choice and control;
- Optimise efficiency and effectiveness;
- Reduce health inequalities.

This high level plan will be supported by the implementation of strategies related to specific themes such as dementia, mental health, carers and locality plans that reflect differing patterns of need across the Scottish Borders.

Our Strategic Plan is underpinned by a Strategic Implementation Plan (SIP) which sets out the detail and timescales for the range of projects contributing towards the strategic objectives. The SIP has been extensively developed throughout the year and is set out under the following 10 prioritised workstreams:

- Carers Support Services
- Localities Operations
- Mental Health Provision
- Older People's Pathway
- Technological Support and Enabled Care
- Primary Care Improvement Plan
- Learning and Physical Disabilities Provision
- Joint Capital Planning
- Commissioning of Services
- Workforce Support and Provision

Significant progress has been made during 2019/20 in implementing several of these workstreams and several of the outcomes are summarised later in this commentary. Work continues on all these workstreams although the impact of Covid-19 may alter the pace of change.

## Operations of the IJB

### *Covid – 19 Pandemic*

The Covid-19 pandemic emerged towards the end of the 2019/20 financial year resulting in a significant and rapid change in the configuration and provision of health and social care services in the Scottish Borders. The impact of these temporary operational changes and recovery from them is regularly captured and reported to the Scottish Government, together the impact across non-delegated Health and Social Care functions, within a Covid-19 Local Mobilisation and Recovery Plan and supporting financial model.

Whilst a range of immediate actions were taken to create additional local capacity within health and social care and support resilience during the pandemic, the vast majority of costs relating to the mobilisation plan actions are expected to be incurred in 2020/21 financial year. The Mobilisation and Recovery Plan continues to be updated and refined in line with national guidance and local requirements to ensure that cost estimates, funding requirements and potential unachieved savings are presented to the Scottish Government. To date, funding has yet to be allocated by the Scottish Government to both the Health and Social Care Partnership, NHS Borders and Scottish Borders Council in respect of the majority of direct, indirect and opportunity costs incurred to date or forecast going forward, a key financial risk to overall affordability currently.

### *Annual Performance Report 2019/20*

The partnership's Annual Performance Report (APR) is normally published by 31<sup>st</sup> July of each year. As a result of resource being redirected from across the Partnership to deliver its Covid-19 response, the IJB has exercised the power granted to public authorities under the Coronavirus (Scotland) Act 2020 to delay production of the Annual Performance Report until 31 October 2020.

The APR provides a comprehensive summary of the Partnership's financial performance and its performance against the Local and National Integration Indicators identified by the IJB and the Scottish Government.

The APR also reports on delivery of the strategic objectives, highlighting projects that have been delivered under each objective.

A key focus for the Partnership going forward continues to be delivering our joint programme of transformation to ensure that we can successfully address the challenges and achieve the Partnership's objectives to ensure the best possible health and wellbeing for our communities.

A full copy of the Annual Performance Report 2019/20, once available, can be requested by contacting [Mr Robert McCulloch-Graham, IJB Chief Officer, Scottish Borders Council HQ, Newtown St Boswells, Melrose. TD6 0SA](#) or by telephoning [01835 824000](tel:01835 824000).

### *Performance against Strategic Objectives 2019/20*

The Strategic Plan 2018/19 – 2020/21 sets out three local Strategic Objectives which are aligned to national health and wellbeing outcomes. These Strategic Objectives are:

1. We will improve the health of the population and reduce the number of hospital admissions
2. We will improve the flow of patients into, through and out of hospital
3. We will improve the capacity within the community for people who have been in receipt of health and social care services to better manage their own conditions and support those who care for them

In September 2019, the Partnership approved and published its Strategic Implementation Plan (2019-2024). This is the commissioning plan vehicle through which it aims to deliver its Strategic Plan objectives and which also includes comprehensive governance and decision-making arrangements outlining required routes for all decision-making.

Whilst the drivers that influenced the creation of the Strategic Objectives and the subsequent Strategic Implementation Plan (SIP) still remain, the SIP now requires review as a result of the Covid-19 pandemic, prioritising work in order to meet both short and longer term requirements.

Despite the impact of Covid-19, the Partnership has made considerable progress against delivery of these objectives which is highlighted through a number of key deliverables made during 2019/20 each of which are linked to a Strategic Objective. The significant areas are summarised below.

#### *Strategic Objective 1: Discharge Programme of Work*

An evaluation of the Discharge Programme of work and a funding model for its continued development was developed during 2019/20 and presented to the March 2020 IJB. The programme is comprised of a range of services that individually and collectively facilitate timely discharge from hospital and that reduce demand for health and social care services:

Home First	A locality based nurse led reablement service that aims to return patients to independent or supported living following a hospital stay.
Waverley Transitional Care	Reablement service for 16 bedded transitional care unit.
Garden View	15 bedded assessment unit supporting patients to return home or to supported accommodation
Matching Unit	The team source and secure homecare support for patients to facilitate their timely discharge
Strata	Cloud based system that links available care home capacity to patient need and greatly reduces the time taken to discharge a patient.

To date the programme has evidenced:

- 8% reduction in hospital occupied bed-days.
- 10% reduction in new care package hours

In March 2020, a report was presented to the IJB which proposed a whole system approach to fund the continued operation of the services within the programme. This included the integration of services within core service delivery and the utilisation of savings released from the redesign of bed based services. The IJB approved the proposed model of delivery and the funding model for 2020/21.

Ongoing delivery of the workstreams supporting this Strategic Objective also enabled related developments to be progressed. Processes and procedures underpinning the Trusted Assessor system have now been established and the delivery model is expected to be in place during 2020/21. Work is also progressing on enhancing the reablement model within the Home First service. Establishing a whole system approach to the programme will enable further development of the service model and strengthen the partnership working that currently exists.

### *Strategic Objective 2: Demand Modelling*

A presentation at the Health and Social Care Partnership IJB meeting in February 2020 detailed demand-modelling work undertaken to forecast the future requirements for the whole system Borders 'bed-base' (i.e.) how many beds we require for hospital-based care, residential care, intermediate care, specialist dementia care and respite care. Modelling also took into account the demands for home care across the Borders. Two areas of context behind the demand modelling are:

- 1) Borders population is only predicted to increase overall by 1.78% by 2041, but the proportion of the population over 65 cohort (and in particular those in the over 75 and 85 cohorts) will increase significantly (36% in total) placing increasing demands on health and social care services and their continued financial sustainability:

Year	All	%All
2019	115,270	1.78
2041	117,318	

Year	65+	% 65+
2019	28,103	24%
2041	38,245	33%

- 2) People are staying in hospital longer than necessary – resulting in increased risk of mortality, hospital-acquired infections, mental ill-health and reductions in mobility.

The modelling undertaken has indicated that the Scottish Borders has a relatively high number of acute (hospital) beds and a relatively low number of non-acute (e.g. short and long-term residential social care) per head of population. Based on such demographic data as the summary above alone, indications are that should this trend continue, an additional 100 non-acute beds will be required by 2025.

The Health and Social Care Partnership IJB has agreed a range of programmes of work be taken forward to tackle this challenge, shifting the balance of care from acute to community settings on a whole-system basis. The Partnership's Joint Financial Planning process highlighted the challenges in driving this programme of change forward within the current financial environment and the need for a whole system approach to funding the change.

It should be noted however that the demand modelling work was undertaken pre-Covid-19 pandemic and the model is being amended to take its impact into account.

### *Strategic Objective 3: Cauldshiels*

In August 2019, the Health and Social Care Partnership IJB approved and directed the closure of 14 beds in the Cauldshiels ward of Borders General Hospital. A national review of the bed base across all of Scotland's inpatient Mental Health services identified a proportionate overprovision within the Scottish Borders. This was supported by lower than national occupancy rates for all acute mental health inpatient beds with only approximately 50% of available capacity being occupied at that time.

The decision was taken to address this over-provision by reducing capacity from 26 inpatient beds down to a recommended 12 and amending the model of care for the remaining beds whilst shifting the balance of care through investment of resource into community mental health services.

As well as enabling investment into the quality of dementia care, the decision to close Cauldshiels ward also delivers significant annual revenue resource savings of approximately **£0.400m** and removes the requirement for substantial backlog maintenance investment in the fabric of the Cauldshiels facility.

The release of funds for investment also contributed towards the expansion and development of community services and capacity including:

- Investment into the Care Home and Community Assessment Team (CHAT) which supports care homes and nursing home staff with challenging patient behaviours
- **£0.338m** recurring annual funding earmarked to purchase additional specialist dementia care home beds as required

Whilst these investments are still being implemented by the Partnership, the Joint Mental Health service has been able to maintain the inpatient service within the reduced bed base whilst the Community Assessment Team continues to expand to the planned levels of resource to support the new ways of working.

### **Key Partnership Decisions 2019/20**

In addition to regular, frequent and scheduled formal meetings to transact its business, the IJB each year, holds a number of member and officer development sessions. This helps enhance its understanding of the complexities and challenges facing the services it commissions and informs the collective direction of travel to deliver its strategic priorities.

Key aspects of the IJB's business include a focus on governance and operating arrangements, strategic, operational and financial planning and monitoring of its performance and resources.

Examples of key governance decisions it has made during the financial year include:-

- Appointing new voting members to the Board
- Approval of the Local Code of Corporate Governance
- Agreement to extend the STRATA initiative
- Approval of its Communications Strategy
- Agreement to receive a review of the Strategic Risk Register twice yearly

Examples of key performance and resources decisions it has made during the financial year include:-

- Approval of the Strategic Implementation Plan
- Agreement to redesign the Mental Health inpatient bed base and expand community services
- Approval of whole system approach to funding the Discharge Programme
- Review of the Transformation Fund and Direction of the uncommitted funding
- Approval of the Physical Disabilities strategy
- Approval and delivery of the 2019/20 Financial Plan
- Approval of the 2020/21 Financial Plan
- Direction of resources to assist with Joint Winter Planning and Performance

### Locality Planning

Locality planning is a key tool in delivery of the change required to meet new and existing demands in the Borders. The IJB has developed locality arrangements, where professionals, communities and individuals can inform locality planning and redesign of services to meet local need in the best way. This is achieved through having 'Locality Working Groups' in each of the five localities of:

- Berwickshire
- Cheviot
- Eildon
- Teviot & Liddesdale
- Tweeddale.

Each Locality has a Locality Plan. In the long-term, there are opportunities to further integrate the Locality Plans within Community Planning Partnership (CPP) arrangements, but in the short-term the Partnership is planning to strengthen and bolster Locality Working Group arrangements

Further developing our approach to Locality working has been a strategic and operational aim throughout the year. The vision for the future seeks to provide a seamless multi agency approach to health and social care services within localities, incorporating third sector and volunteers in delivering effective and efficient hospital discharges and rehabilitation, reablement and early intervention and prevention services.

A Locality Model was identified as the way forward and work had started to review existing provision and define the model before Covid 19 impacted on progress.

During the first half of the financial year, the Partnership established 5 Community Assistance Hubs (CAHs) – one in each locality. The effects of the pandemic on the development and implementation of the Locality Model are still to be fully assessed but early indications are that the CAHs have successfully provided and coordinated our pandemic response. Additionally, they have also highlighted the clear benefits of joined up working and demonstrated how essential resilience teams, community education & learning, volunteers and the Third Sector are in delivering local services and supporting communities.

As we approach the second half of 2020/21, work has resumed in developing and implementing the Partnership's objective of a joint and coordinated locality approach to the provision of health and social care across the Scottish Borders.

As we start to emerge from the Covid-19 pandemic, it is now increasingly important that we quickly and fully develop our Locality model and work to provide a seamless, multi-agency local approach to the delivery of health and social care services, with a focus on:

- Prevention
- Early intervention
- Rehabilitation
- Reablement
- Hospital discharge

## Governance

The governance structure of the Partnership includes the operation of the IJB and the EMT:

- **The Integration Joint Board (IJB)** as the governing body, approves all decisions of the Health and Social Care Partnership, excluding those delegated to the Executive Management Team (EMT). It receives regular progress updates from the EMT through the Chief Officer and Chief Financial Officer as well as frequent and regular financial and performance planning and management reports.
- **The Executive Management Team (EMT)** supports the Chief Officer to commission tests of change and/or service redesign. These are then drawn up into business cases by the operational level of the governance structure and returned to the EMT for review and decision making. The EMT also considers or supports the preparation of all reports to the IJB and advises the Chief Officer on the Partnership's governance, planning, monitoring and reporting responsibilities.

The Strategic Planning Group and the Joint Staff Forum offer advice to the Integration Joint Board whilst the Health and Social Care Joint Management Team provide operational support and delivery and progress reporting.

The Partnership continues to review performance, identify strengths and areas for improvement and work to deliver continuous improvement in its governance, operations and performance.

The Health and Social Care Partnership IJB and undertakes a regular and frequent review and evaluation of its degree of compliance with legislation and recommended best practice in relation to the Partnership's financial governance, planning, management and reporting arrangements. A number of positive outcomes have been reported following these processes and clear forward planning is in place to continue to provide full assurance to the Partnership going forward.

A quarterly performance reporting scorecard has been developed for the IJB, in line with the themes defined by the Ministerial Strategy Group. In addition to these themes, the scorecard allows for the reporting on more localised measures which have a primary, community or social care focus.

## Financial Position at 31 March 2020

### Delegated Budget

The partnership reported an under-spend position of **£3.108m** against the Delegated Budget at 31 March 2020. This under-spend related entirely to ring-fenced funding received by NHS Borders which has been carried forward to 2020/21. In order to achieve this however, additional allocations from each funding partner were required during the year and at year end to deliver a break even position overall. At the 31 March 2020, the additional allocations made were:

<b>£'000</b>	
Additional Allocations Delegated by Partners at 31 March 2020	
NHS Borders	6,255
Scottish Borders Council	883
	<b>7,138</b>

The reported position across delegated functions is summarised below:

<i>Delegated Functions Total</i>	<b>Base Budget £'000</b>	<b>Revised Budget £'000</b>	<b>Actual Outturn £'000</b>	<b>Outturn Variance £'000</b>
Joint Learning Disability Service	17,852	22,202	22,569	(367)
Joint Mental Health Service	16,813	18,533	18,301	232
Joint Alcohol and Drug Service	545	865	891	(26)
Older People Service	24,818	22,279	22,991	(712)
Physical Disability Service	3,457	3,129	3,191	(62)
Prescribing	22,795	23,741	23,559	183
Generic Services	64,098	68,101	71,379	(3,278)
NHS / SBC Additional Contribution	0	7,138	0	7,138
	<b>150,378</b>	<b>165,988</b>	<b>162,881</b>	<b>3,108</b>

During 2019/20 functions delegated to the Partnership experienced a wide range of expected financial pressures. Drivers for this included:

- Increased demand for social care, both residential and at home, as a result of an increased number of older people requiring care and support, particularly in the 75-84 and 85+ age cohorts
- Increased cost as a result of both need/activity and cost/price within the Joint Learning Disability Service, particularly in relation to the placement of our patients and clients in residential placements
- Additional social care clients transitioning from Children and Families (a service which is not delegated to the IJB) to Adult Health and Social Care services
- Part or non-delivery of planned Financial Planning savings across both Health and Social care functions delegated to the Partnership
- Additional investment requirements as the Partnership strives to deliver its Health and Social Care transformation programme workstreams

Additional funding allocations were required to be made by partners to mitigate these pressures. During the financial year, **£3.182m** of corporate support was provided to Health

and Social Care functions by Scottish Borders Council, of which **£0.899m** was made at 31 March 2020, mainly from planned delivery of targeted remedial savings across other non-delegated local authority functions. **£6.255m** of additional support was provided to healthcare functions by NHS Borders. This required additional funding from the Scottish Government in order to enable NHS Borders to meet its financial obligations. A brokerage agreement was reached with the Scottish Government which provided NHS Borders with additional in year funding and enabled them to make the required allocation at 31 March 2020.

### Large Hospital Budget Retained and Set-Aside

Legislation sets out that Integration Authorities are responsible for the strategic planning of hospital services most commonly associated with the emergency care pathway along with primary and community health care and social care.

In relation to the Large Hospital Budget Retained by NHS Borders and Set-Aside, an overspend position has been reported at 31 March 2020, summarised as:

<i>Set Aside Healthcare Functions</i>	<b>Base Budget £'000</b>	<b>Revised Budget £'000</b>	<b>Actual Outturn £'000</b>	<b>Outturn Variance £'000</b>
Accident & Emergency	2,516	2,957	3,206	(249)
Medicine & Long-Term Conditions	13,231	6,695	6,725	(30)
Medicine of the Elderly	6,767	16,033	16,175	(142)
Planned Savings & Actions	0	(1,824)	0	(1,824)
Contribution from NHSB	0	1,518	0	1,518
	<b>22,514</b>	<b>25,378</b>	<b>26,106</b>	<b>(728)</b>

Key pressures within the 2018/19 set aside accounts impacting on out-turn have been:

- the impact of vacancies and the subsequent use of agency staff to ensure rotas are supported and services are fully operational
- high patient acuity impacting on staffing levels
- the impact of Covid-19 on acute hospital functions late in the financial year

The brokerage secured by NHS Borders enabled it to make an additional contribution of **£1.518m** at the year end. At outturn, large hospital functions set-aside delivered an adverse variance of **£0.728m**.

### Other Resources

#### Transformation Fund

Reported within the 2018/19 accounts of the Health and Social Care Partnership, the Integrated Care Funding (ICF) stream ended on 31 March 2017/18. This was a 3-year funding allocation made by the Scottish Government to support partnerships to begin a programme of transformation of health and social care services. Each year, **£2.130m** was allocated to the Partnership and was committed across a range of transformation workstreams.

At the end of 2017/18, the Partnership had overcommitted its programme by **£0.038m**, although at that point in time, there was still a significant level of expenditure to be incurred resulting in carry forward of ICF funding to 2018/19.

From 01 April 2018, ICF funding was baselined within the annual NHS funding allocation and it was agreed that the annual sum of **£2.130m** would be delegated to the Health and Social Care Partnership as the IJB Transformation Fund. As a result of the ongoing completion of workstreams supported by the residual ICF funding, no spend was incurred against the Transformation fund during 2018/19, enabling its carry forward (net of the **£0.038m** over-commitment on ICF funding in 2017/18) to 2019/20 where it was further supplemented by an additional **£2.130m**.

During 2019/20, expenditure on the Transformation Fund was £3.826m. A summary of the funding and expenditure profile is detailed below:

	2018/19 Allocation £'000	2019/20 Allocation £'000	2017/18 Over Commitment £'000	2019/20 Available Funding £'000	2019/20 Actual Expenditure £'000	2019/20 Funds c/f £'000
Transformation Fund	2,130	2,130	(38)	4,222	(3,826)	396

During 2019/20, the Fund was directed to support a range of initiatives, some of which were newly implemented and some which continued from when they were funded via ICF. These included:

- Community Capacity Building
- Transport Hub
- Matching Unit
- STRATA
- Specialist Dementia
- Transitional Care
- Home First

In addition, a non-recurring contribution of **£0.704m** was made to support revenue pressures within social care functions during 2019/20.

#### Former Older People's Change Fund

Prior to the establishment of the Health and Social Care Partnership, NHS Borders, Scottish Borders Council and their third and fourth sector partners worked together to deliver the Reshaping Care Programme, funded by the Scottish Government Change Fund allocation over 4 years to March 2015. This programme is now complete. During 2019/20, a further **£0.271m** was utilised to provide ongoing Older People's services formerly created by the Change Fund leaving a residual balance on the original funding allocation of **£0.179m** remaining for carry forward to 2020/21 for use by the Partnership.

	Balance b/f from 2018/19 £'000	2019/20 Actual Expenditure £'000	Balance c/f to 2020/21 £'000
Older People's Change Fund	450	(271)	179

Total funds carried forward to 2020/21 therefore are:

	£'000
Ringfenced funding carried forward in Delegated Functions	3,108
Transformation Fund	396
Older People's Change Fund	179
	<b>3,683</b>

## Financial Outlook

The IJB continues to face significant financial challenges and both of its partners are facing challenges in meeting the demand for health and social care services within the financial quantum available. This, going forward, will have a direct impact on the levels of funding provided to the IJB. Within the IJB, the key barriers to managing the financial position arises from demographic pressures of demand, together with capacity to plan and deliver required levels of transformation and efficiency savings. The significant growth anticipated in the number of older people and their need for suitable services requires innovative solutions to allow services to be provided within funding levels available and the ability of the partnership to transform services to help meet this demand.

The partnership is facing a number of risks which will require management and mitigation in 2019/20 and beyond:

- the 2019/20 Financial Plan does not currently address all historic and existing pressures
- the 2019/20 Financial Plan is also now under considerable financial pressure as a result of the Partnership incurring considerable additional costs as a result of Covid-19 mobilisation and subsequent re-mobilisation, lost income-generation opportunities and a reduction in capacity to plan and deliver required levels of efficiency savings
- the financial challenges facing NHS Borders will result in a requirement for further brokerage in 2019/20 to enable it to meet its statutory obligations, including funding any overspend incurred by the IJB
- the partnership's Strategic Plan covers the 3 years from 2018/19 to 2020/21. Similarly, its Strategic Implementation Plan runs from 2019/20-2023/24. Both NHS Borders and Scottish Borders Council currently receive only a 1-year financial settlement
- prescribing remains a high risk area due to the level of spend and volatility of price and supply
- there is an ongoing risk in relation to the sustainability of the workforce both internally and with our external care partners
- further cost pressures within core operational services may emerge during 2019/20 that are not yet projected or provided for within either partner's financial plans, nor the resources delegated to the IJB
- the risk of loss of service provision as a result of market failure would result in additional costs as alternative supply is transitioned

Going forward, delivering financial balance will require the H&SC Partnership to increase its focus on identifying and delivering a greater level of savings in year and on a recurring basis.

Monitoring of existing actions to mitigate emerging pressures will further support a reduction in spend required to address the pressures it experienced during 2019/20 and deliver affordability within a revised financial planning landscape, reducing in time, the requirement for Scottish Government brokerage.

## Risk, Uncertainty and Change

Management of risk and in particular, Financial Risk is one of the key responsibilities of the Board. Strategic and Operational Risk Registers for the Partnership are in place. Specific prevalent risks are outlined above and within the Partnership's Risk Register, these are categorised across the following strategic themes:

- Lack of change in culture to partnership approach
- Unclear direction by the IJB to utilise resources efficiently and effectively
- Insufficient future provider market for care to meet increasing demand
- Lack of partnership approach to engagement and consultation
- Slippage in delivery by partners of efficiency savings and the ambitious programme to transform to new models of care
- Insufficient workforce skills and capacity to meet demand and transformed service delivery
- Significant supplier failure to provide services
- Reputational damage and financial loss if someone comes to harm
- Lack of resources or inadequate governance to implement change and transformation programmes and projects
- Insufficient oversight of information governance
- Financial, space and staffing capacity to delivery required levels of service following the Covid-19 pandemic
- formal confirmation that the costs incurred by the Partnership to date responding to the Covid-19 situation will be funded by the Scottish Government has yet to be received

## The Integration Joint Board

During 2019/20, the IJB was chaired by Dr Stephen Mather, who is an NHS Borders Non-Executive Director. During the same period the Vice-Chair was Councillor David Parker, an Elected Member and Convenor of Scottish Borders Council. Councillor Parker took over the role of Chair in April 2020. From the same date, the Vice-Chair role was undertaken by Mr Malcolm Dickson.

In addition to the Chair and Vice-chair, the IJB Board comprises 4 additional voting members from NHS Borders (Non-Executive Members) and 4 from Scottish Borders Council (Elected Members). Following the departure of Mr John Raine in March 2019, Mr Malcolm Dickson was appointed to both the NHS Borders Board and the Health and Social Care Partnership Integration Joint Board during 2019/20.

The Board is also constituted by a number of non-voting members. These include a range of officers from across the wider partnership including Scottish Borders Council (e.g. Chief Social Work Officer), NHS Borders (e.g. Medical Director) and representatives of the Third Sector, Staff, GPs, Carers and Housing sectors. A number of officers across Scottish Borders Council and NHS Borders are also required to be in attendance.

The Chief Officer of the Integration Joint Board is Mr Rob McCulloch-Graham who has been in post since late 2017. The Chief Officer is also a member of the Board.

The post of CFO was undertaken during the whole of 2019/20 by Mr Michael Porteous on a secondment basis and is also a member of the Board. Mr Porteous' secondment ended on 02 August 2020. The CFO post currently remains vacant with statutory responsibilities being undertaken on an interim basis by Mr David Robertson, Chief Financial Officer of Scottish Borders Council.

## 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 the 2003 Act.

**Cllr David Parker**  
**Chair**

**Rob McCulloch-Graham**  
**Chief Officer**

**David Robertson CPFA**  
**Chief Financial Officer**

On behalf of the Integration Joint Board Members and Officers of Scottish Borders Health and Social Care Partnership Integration Joint Board

30 September 2020

# Remuneration Report

## 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.

## 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.

## Remuneration of Integration Joint Board Members

The voting members of the IJB are appointed through nomination by NHS Borders and Scottish Borders Council. Nomination of the IJB Chair and Vice-Chair posts alternates between an elected member and a Health Board representative every 3 years. IJB Board members at 31 March 2020 are:

- Dr S Mather (Chair)
- Councillor D Parker (Vice Chair)
- Mr M Dickson
- Mrs K Hamilton
- Mr T Taylor
- Mr J McLaren
- Councillor J Greenwell
- Councillor S Haslam
- Councillor T Weatherston
- Councillor E Thornton-Nicol

Additional remuneration and expenses paid to IJB members including the Chair, Vice-Chair and other Board members relating to their role on the IJB are detailed below. All IJB Board members are supplied to the IJB at zero cost to the Board by their respective organisations.

Expenses 2018/19 £	Name	Post(s) Held	Nominated By	Expenses 2019/20 £
2,935	Dr Stephen Mather	Chair	NHS Borders	3,296
0	Cllr David Parker	Vice-Chair	Scottish Borders Council	0
0	Cllr John Greenwell	Member	Scottish Borders Council	54
0	Cllr Shona Haslam	Member	Scottish Borders Council	97
0	Cllr Tom Weatherston	Member	Scottish Borders Council	163
0	Cllr Thornton-Nicol	Member	Scottish Borders Council	5
714	Mrs Karen Hamilton	Member	NHS Borders	0
238	Mr David Davidson	Member	NHS Borders	0
1,127	Mr Malcolm Dickson	Member	NHS Borders	2,104
0	Mr Tristram Taylor	Member	NHS Borders	0
	Mr John McLaren	Member	NHS Borders	0
<b>5,014</b>	<b>Total</b>			<b>5,719</b>

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 as they are defined above.

## 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.

**Chief Officer:** Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014, a Chief Officer for the IJB has to be appointed and the employing partner has to formally second the officer to the IJB. The employment contract for the Chief Officer will adhere to the legislative and regulatory framework of the employing partner organisation. The remuneration terms of the Chief Officer's employment are approved by the IJB.

**Other Officers:** The services of a Chief Finance Officer (CFO) have been secured through a secondment appointment. The 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. Other non-voting board members who meet the criteria for disclosure are included in the disclosures below.

The Chief Officer therefore has responsibility for the management of the IJB, supported by the Chief Financial Officer 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 partnership or funded, both are therefore deemed to be Senior Employees in line with criterion 1 above.

Total 2018/19 £	Name	Employing Organisation	Salary 2019/20 £	Fees and Allowances £	Total 2019/20 £
104,797	Mr Rob McCulloch-Graham	Scottish Borders Council	104,279	8,461	112,741
38,760 (FYE 58,277)	Mr Michael Porteous	NHS Borders	63,570	0	63,570
<b>104,797</b>	<b>Total</b>	<b>Total</b>	<b>167,849</b>	<b>8,461</b>	<b>176,311</b>

\*<sup>1</sup> Mr Michael Porteous left the post of Chief Financial Officer to the IJB on 02 August 2020

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 Board during this period.

Mr Rob McCulloch-Graham held an employment contract with Scottish Borders Council on Scottish Borders Council pay terms and conditions of employment and is a member of the Scottish Borders Council 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 will be based on career average salary.

Mr Michael Porteous has an employment contract with an NHS Board and is a member of the NHS Pension Scheme (Scotland ) 2015. The NHS Superannuation Scheme became a career average pay scheme from 1 April 2015, replacing previous 2008 section and 1997 scheme. Benefits built up to 31 March 2015 are protected and based on final 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 pensions liability reflected on the IJB Balance Sheet for the Chief Officer or any other officers. The IJB however has the 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:

Name	In-Year Pension Contributions For Year To		Accrued Pension Benefits At 31 March 2020	
	31 March 2019 £	31 March 2020 £	Pension £	Lump Sum £
Chief Officer Mr Rob McCulloch-Graham (09 October 2017 to 31 March 2018)	18,737	20,167	11,677	0
	Movement from 31 March 2019 =		2,482	0
Chief Financial Officer Mr Michael Porteous (06 August 2018 to 31 March 2019)	5,108	13,286	23,255	58,578
	Movement from 31 March 2019 =		5,102	6,342
	<b>Total Movement from 31 March 2019 =</b>		<b>7,584</b>	<b>6,342</b>

\*<sup>1</sup> Mr Michael Porteous left the post of Chief Financial Officer to the IJB on 02 August 2020

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 2019/20 this is:

Number of Employees in Band 2018/19	Remuneration Band	Number of Employees in Band 2019/20
	£50,001 - £55,000	
1	£55,001 - £60,000	
	£60,001 - £65,000	1
	£65,001 - £70,000	
	£70,001 - £75,000	
	£75,001 - £80,000	
	£80,001 - £85,000	
	£85,001 - £90,000	
	£90,001 - £95,000	
	£95,001 - £100,000	
1	£100,001 - £105,000	
	£105,001 - £110,000	
	£110,001 - £115,000	1

**Cllr David Parker**  
**Chair**

**Rob McCulloch-Graham**  
**Chief Officer**

On behalf of the Councillors and Officers of Scottish Borders Health and Social Care Partnership

30 September 2020

# Statement of Responsibilities

## Integration Joint Board

The Integration Joint Board has appointed its Chief Officer on a permanent basis.

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 **XX XXXXX** 2020.

Signed on behalf of Scottish Borders Health and Social Care Partnership Integration Joint Board

**Cllr David Parker**  
**Chair**

30 September 2020

## Chief Financial Officer

The Chief Financial Officer (CFO) is seconded at no cost to the IJB from one or other partner organisation.

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 Health and Social Care Partnership Integration Joint Board as at 31 March 2020 and the transactions of the Joint Board for the year then ended.

**David Robertson CPFA**  
**Chief Financial Officer**

30 September 2020

# Annual Governance Statement 2019/20

## Introduction

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

## 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, as well as those of the IJB.

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

## 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 non-voting members including a Chief 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 seven core principles of good governance defined in the Local Code in existence during 2019/20 included:

### A. 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.

Reliance is placed on the values and standards set out in the codes of conduct 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 arrangements within the partner organisations for areas such as:

- ensuring legal compliance in the operation of services;
- handling complaints;
- ethical awareness training and whistleblowing policies and procedures;
- staff appointment and appraisal processes which take account of values and ethical behaviour;
- identifying, mitigating and recording conflicts of interest, hospitality and gifts; and
- procurement of goods and services which are sustainable, represent value of money and which reinforce ethical values.

Other areas where the IJB places significant reliance on arrangements in place within the partner organisations are set out in the remainder of the statement.

The 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 Board Secretary, Chief Financial Officer, and Chief Internal Auditor as appropriate.

#### **B. Ensuring openness and comprehensive stakeholder engagement**

Board meetings are held in 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.

Community engagement was encouraged as part of the development of the Scheme of Integration and the Strategic Plan of the Health and Social Care Partnership and Locality Plans were developed following engagement with interested parties including members of the public.

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

The vision, strategic objectives and outcomes are reflected in the Scottish Borders Health & Social Care Partnership's Strategic Plan 2018-2021 and the associated Strategic Implementation Plan, which reflect on-going assessment of need. These are underpinned by the Locality Plans which provide the associated implementation actions.

Implications are considered during the decision making process by way of the standard report template covering Personnel, Carers, Equalities, Financial, Legal, and Risk implications.

#### **D. 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 partnership has a statutory responsibility to involve patients and members of the public. The Scottish Borders Health & Social Care Partnership's Strategic Plan 2018-2021 is based on consultation during its review and update and describes the planned redesign of Health and Social Care. The Strategic Implementation Plan sets out how services will be planned and delivered using the integrated budgets to achieve the strategic objectives.

The IJB, as strategic commissioner of health and social care services, gives directions to NHS Borders and Scottish Borders Council for delivery of the services in line with the

Strategic Plan. In future there will be more use of directions as service redesign and re-commissioning in line with the transformation programme is progressed.

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

The IJB Chief Officer is responsible and accountable to the Board for all aspects of 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 IJB 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.

#### F. Managing risks and performance through robust internal control and strong public financial management

The IJB Chief Officer has overall responsibility for directing and controlling the partnership.

The IJB Board is responsible for key decision-making.

The IJB has approved a Risk Management Strategy which includes: the reporting structure; types of risks to be reported; risk management framework and process; roles and responsibilities; and monitoring risk management activity and performance. Improved strategic risk review and reporting to the Board have been established to embed risk management into the culture of the IJB.

The IJB Chief Financial Officer is responsible for the proper administration of all aspects of the Partnership's financial affairs including ensuring appropriate advice is given to the Board on all financial matters. The IJB CFO post has been filled on an interim basis until August 2020.

The IJB's system of internal financial control is dependent upon on the framework of financial regulations, regular management information, administrative procedures (including segregation of duties), management supervision and systems of delegation and accountability within the partner organisations.

Revenue Budget Monitoring reports are presented to the Board at each meeting for monitoring and control purposes including the annual outturn. Financial reporting for the partnership requires the application of appropriate financial regulations, codes of financial practice, and reporting standards.

The IJB also relies upon the partners for:

- Counter fraud and corruption arrangements; and
- Management of data in accordance with applicable legislation.

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

The Chief Officer Audit & Risk of Scottish Borders Council is the IJB's Chief Internal Auditor to provide an independent and objective annual opinion on the effectiveness of internal control, risk management and governance. Provision of Internal Audit services is carried out in conformance with the Public Sector Internal Audit Standards.

The IJB responds to the findings and recommendations of Internal Audit, External Audit, Scrutiny and Inspection bodies. The IJB Audit Committee is integral to overseeing assurance and monitoring improvements in internal control and governance.

Quarterly Performance Reports were presented to the Board for monitoring and control purposes. An Annual Performance Report for 2019/20 is being prepared to outline progress against strategic objectives over the year (the deadline has been extended in light of COVID-19 outbreak).

The Annual Accounts and Report for 2019/20 setting out the financial position in accordance with relevant accounting regulations is also being prepared.

The IJB completed a self-assessment return in May 2019 for the Ministerial Strategic Group as part of the review of progress with health and social care integration. Progress with implementation of improvements set out in an Action Plan is being monitored.

### Review of Adequacy and Effectiveness

The IJB is required to conduct, at least annually, a review of the effectiveness of its governance framework.

The review was informed by: an annual self-assessment against the IJB's Local Code of Corporate Governance consistent with the principles of the CIPFA/SOLACE Framework (2016), carried out by IJB Internal Audit; IJB Internal Audit reports; IJB External Audit reports; 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.

### 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 Local Code:

- 1 Recruit on a permanent basis to the IJB Chief Financial Officer post
- 2 Improve the clarity and transparency of Directions from the IJB to partners
- 3 Review the Workforce Strategy to align to Strategic Plan priorities

The implementation of these actions to enhance the governance arrangements in 2020/21 will be driven and monitored by the IJB Chief Officer in order to inform the next annual review. Internal Audit work planned in 2020/21 is designed to test improvements in governance arrangements.

### 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 arrangements and system of internal control, while recognising that improvements are required to fully demonstrate compliance with the Local

Code in order for the IJB to fully meet its principal objectives. Systems are in place to regularly review and improve governance arrangements and the system of internal control.

### **Covid-19 Response**

The above assurance reflects the assessment of governance in place during normal operations in 2019/20 prior to the significant Covid-19 outbreak in late March 2020. The Scottish Borders Health and Social Care Partnership played a strategic role in the emergency response with innovations, new business processes and solutions, and new technology being embraced in order to deliver services to the community. This was achieved using new ways of decision-making, amended governance arrangements, leadership and implementation including virtual meetings, conference calls, and systems remote access. The learning from the Covid-19 response will now feature in a fundamental review of the future decision-making processes of the partnership.

**Cllr David Parker**  
**Chair**

**Rob McCulloch-Graham**  
**Chief Officer**

On behalf of the Councillors and Officers of Scottish Borders Health and Social Care Partnership

30 September 2020

# Independent Auditor's Report

## **Independent auditor's report to the members of Scottish Borders Integration Joint Board and the Accounts Commission**

This remains blank until the Independent Auditor provides her report following completion of the audit. This will reasonably cover the following areas:

*Report on the audit of the financial statements*  
*Opinion on financial statements*  
*Basis for opinion*  
*Risks of material misstatement*  
*Auditor's responsibilities for the audit of the financial statements*  
*Other information in the annual accounts*  
*Report on other requirements*  
*Matters on which I am required to report by exception*  
*Conclusions on wider scope responsibilities*  
*Use of my report*

**Gillian Woolman MA FCA CPFA**

**Audit Director**  
Audit Scotland  
102 West Port  
Edinburgh  
EH3 9DN

30 September 2020

## Statement of Accounts

### Comprehensive Income and Expenditure Statement (CIES) For the Year Ended 31 March 2020

This statement shows the cost of providing services for the year according to accepted accounting practices. Where the impact on the General Fund is amended by statutory adjustments, these would be included in both the Expenditure and Funding Analysis and the Movement in Reserves Statement. For 2018/19, there are no statutory adjustments.

Gross Expenditure 2018/19	Income 2018/19	Net Expenditure 2018/19		Gross Expenditure 2019/20	Income 2019/20	Net Expenditure 2019/20	Note
£'000	£'000	£'000		£'000	£'000	£'000	
102,274	0	102,274	Health Services Delegated	104,285	0	104,285	4,7
58,432	0	58,432	Social Care Services Delegated	62,693	0	62,693	
25,125	0	25,125	Health Services Retained and Set-Aside by NHS Borders	26,106	0	26,106	
162	0	162	Corporate Services	174	0	174	
<b>185,993</b>	<b>0</b>	<b>185,993</b>	<b>Cost of Services</b>	<b>193,258</b>	<b>0</b>	<b>193,258</b>	
0	(185,993)	(185,993)	Taxation and Non-Specific Grant Income	0	(193,258)	(193,258)	5
<b>185,993</b>	<b>(185,993)</b>	<b>0</b>	<b>Surplus or (Deficit) on Provision of Services</b>	<b>193,258</b>	<b>(193,258)</b>	<b>0</b>	
						<b>0</b>	<b>Total Comprehensive Income and Expenditure</b>
						<b>0</b>	

The Integration Joint Board came into existence in February 2016. In 2015/16 a set of shadow-Board accounts were prepared. The 2019/20 Comprehensive Income and Expenditure Statement therefore represents the financial activity pertaining to the fourth full year of financial operation of the IJB since its formation.

### Movement in Reserves Statement

The IJB does not, at this time, carry Reserves.

Following additional delegation of resources by partners at the end of the financial year, the Comprehensive Income and Expenditure Statement reports only balances carried forward in respect of ring-fenced funds held.

No statutory adjustments have been made in respect of any absence entitlement on the part of the Chief Officer which has been earned but not yet taken as at 31 March 2020.

Following these positions therefore, the net movement in reserves which has taken place during 2019/20 is **£3.683m**.

	General Fund Balance £'000	Statutory Adjustment Account £'000	Total Reserves £'000
<b>Opening Balance at 31 March 2019</b>	<b>0</b>	<b>0</b>	<b>0</b>
Adjustments between accounting basis and funding under regulations	3,683	0	0
<b>Closing Balance at 31 March 2020</b>	<b>3,683</b>	<b>0</b>	<b>0</b>
Increase or Decrease during 2019/20	3,683	0	0

## Balance Sheet at 31 March 2020

The Balance Sheet shows the value of the IJB's assets and liabilities as at the balance sheet date. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB. At 31 March 2020, these remain nil.

31 March 2019 £'000			31 March 2020 £'000		Note
15,002	<b>15,002</b>	Short-Term Debtors <b>Current Assets</b>	8,607	<b>8,607</b>	6
(15,002)	<b>(15,002)</b>	Short-Term Creditors <b>Current Liabilities</b>	(8,607)	<b>(8,607)</b>	6
0	<b>0</b>	Provisions <b>Long-Term Liabilities</b>	0	<b>0</b>	
	<b>0</b>	<b>Net Assets</b>		<b>0</b>	
	0	Useable Reserve: General Fund		0	
	0	Useable Reserve: Employee Statutory Adjustment Account		0	
	<b>0</b>	<b>Total Reserves</b>		<b>0</b>	

The unaudited accounts were issued on 31 August 2020 and the audited accounts were authorised for issue on [tbc.](#)

**David Robertson CPFA**  
**Chief Financial Officer**

30 September 2020

# Notes to the Annual Accounts

## 1 – Significant Accounting Policies

### 1.1 General Principles

The Annual Accounts summarise the Integration Joint Board's transactions for the 2019/20 financial year and its position at the year-end of 31 March 2020.

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 2016/17, 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.

### 1.2 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.

### 1.3 Funding

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

### 1.4 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 2020, is represented as a debtor or creditor on the IJB's Balance Sheet.

## **1.5 Employee Benefits**

The IJB does not directly employ staff. Officers are formally 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. More 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 Officers absence entitlement as at 31 March 2020 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.

## **1.6 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 is disclosed in a note where it is material.

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 2020.

## **1.7 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 2020 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 2020, 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.

## **1.8 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.



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 2020.

## 4 – Expenditure and Income Analysis by Nature

### 4.1 Expenditure and Income Analysis by Nature

2018/19 £'000		2019/20 £'000
127,399	Services commissioned from NHS Borders	130,391
58,432	Services commissioned from Scottish Borders Council	62,693
137	Employee Benefits Expenditure	147
25	Auditor Fee: External Audit	27
(185,993)	Partners' Funding Contributions	(193,258)
<b>(0)</b>	<b>Cost of Services</b>	<b>0</b>

The Fee charged by the Independent Auditor for 2019/20 was £26,560.

## 5 – Taxation and Non-Specific Grant Income

### 5.1 Taxation and Non-Specific Grant Income

2018/19 £'000		2019/20 £'000
(134,050)	Funding Contribution from NHS Borders	(141,514)
(51,943)	Funding Contribution from Scottish Borders Council	(51,744)
<b>(185,993)</b>	<b>Taxation and Non-Specific Grant Income</b>	<b>(193,258)</b>

The funding contribution from the NHS Board shown above includes **£25.378m** in respect of 'set aside' resources relating to acute hospital and other resources. These are provided by the NHS which retains responsibility for managing the costs of providing the services. The IJB however has responsibility for the consumption of, and level of demand placed on, these resources.

## 6 – Debtors and Creditors

### 6.1 Debtors

The IJB's Debtors include money owed to the partnership at 31 March 2020 and any payments made in respect of delegated functions in advance of the financial year 2020/21:

31 March 2019 £'000		31 March 2020 £'000
3,761	Funding NHS Borders	2,974
11,241	Funding Scottish Borders Council	5,633
0	Funding Non-Public Sector	0
<b>15,002</b>	<b>Debtors</b>	<b>8,607</b>

### 6.2 Creditors

The IJB's Creditors include payments due by the partnership not yet made by the 31 March 2020 and any income it has received in advance of the financial year 2020/21:

31 March 2019 £'000		31 March 2020 £'000
(3,761)	Funding NHS Borders	(160)
(11,241)	Funding Scottish Borders Council	(8,447)
0	Funding Non-Public Sector	0
<b>(15,002)</b>	<b>Creditors</b>	<b>(8,607)</b>

## 7 – Related Party Transactions

### 7.1 Related Party Transactions

The IJB has related party relationships with NHS Borders and Scottish Borders Council. In particular 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.

#### NHS Borders

2018/19 £'000		2019/20 £'000
(134,050)	Funding Contributions	(141,514)
0	Service Income	0
127,399	Expenditure on Services Provided	130,391
0	Key Management Personnel	0
13	Support Services	13
<b>(6,638)</b>	<b>Net Transactions with NHS Borders</b>	<b>(11,110)</b>

Key Management Personnel: There are no non-voting Board members employed by the NHS Board and recharged to the IJB.

31 March 2019 £'000		31 March 2,020 £'000
3,761	Debtors: Amounts Due from NHS Borders	2,974
(3,761)	Creditors: Amounts Due to NHS Borders	(160)
<b>0</b>	<b>Net Balance with NHS Borders</b>	<b>2,814</b>

#### Scottish Borders Council

2018/19 £'000		2019/20 £'000
(51,943)	Funding Contributions	(51,744)
0	Service Income	0
58,432	Expenditure on Services Provided	62,693
137	Key Management Personnel	147
13	Support Services	14
<b>6,638</b>	<b>Net Transactions with Scottish Borders Council</b>	<b>11,110</b>

Key Management Personnel: The senior officers employed by the Local Authority and recharged to the IJB include only the Chief Officer. Details of the remuneration for some specific post-holders are provided in the Remuneration Report.

31 March 2019 £'000		31 March 2,020 £'000
11,241	Debtors: Amounts Due from Scottish Borders Council	5,633
(11,241)	Creditors: Amounts Due to Scottish Borders Council	(8,447)
<b>0</b>	<b>Net Balance with Scottish Borders Council</b>	<b>(2,814)</b>

## 8 – Other Notes to the Accounts

### 8.1 Provisions:

No provisions have been made at the 31 March 2020.

### 8.2 Useable Reserve: General Fund:

The IJB does not hold a balance on its General Fund Reserve at 31 March 2020. 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. This is regarded as a key part of the IJB's risk management framework.

### 8.3 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 2020. 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.

### 8.4 Agency Income and Expenditure:

The Scottish Borders Partnership IJB is co-terminus between NHS Borders and Scottish Borders Council. 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.

### 8.5 Contingent Assets and Contingent Liabilities:

No Contingent Liabilities or Contingent Assets have been identified relating to any item not recognised on the IJB's Balance Sheet.