

# Scottish Borders Health and Social Care Partnership Integration Joint Board Audit Committee

19 June 2023

## IJB Draft Annual Accounts 2022/23

Report by Hazel Robertson, IJB Chief Finance Officer



### 1. PURPOSE AND SUMMARY

- 1.1. To consider the content of the draft unaudited annual accounts and identify any corrections or clarifications required.
- 1.2. Please note that the performance report is still to be completed, this is to ensure that the most recent information can be collated and analysed.
- 1.3. Figures for the remuneration report have been received very recently and require a little more work.
- 1.4. The document has a prescribed format and required content however because the annual accounts are placed in the public domain whilst still in draft unaudited form, this provides an opportunity for seeking feedback from our workforce and our population. Comments and queries are welcomed to ensure that the overall report is clearly understood.

### 2. RECOMMENDATIONS

- 2.1. **The Scottish Borders Health and Social Care Integration Joint Board (IJB) Audit Committee is asked to:-**

Consider the draft unaudited IJB Annual Accounts, identify any required changes and approve them for placing in the public domain subject to inclusion of performance report and confirmation on remuneration report.

### 3. ALIGNMENT TO STRATEGIC OBJECTIVES AND WAYS OF WORKING

- 3.1. It is expected that the proposal will impact on the Health and Social Care Strategic Framework Objectives and Ways of Working below:

Alignment to our strategic objectives					
Rising to the workforce challenge	Improving access	Focusing on early intervention and prevention	Supporting unpaid carers	Improving our effectiveness and thinking differently to meet need with less	Reducing poverty and inequalities
				x	

Alignment to our ways of working					
People at the heart of everything we do	Good agile teamwork and ways of working – Team Borders approach	Delivering quality, sustainable, seamless services	Dignity and respect	Care and compassion	Inclusive co-productive and fair with openness, honesty and responsibility
	x	x			x

#### 4. INTEGRATION JOINT BOARD DIRECTION

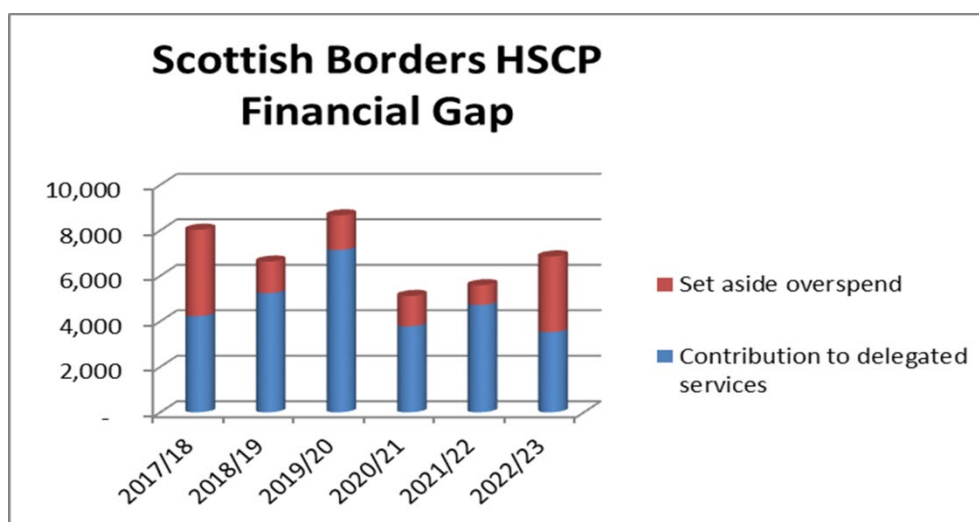
4.1. A Direction is not required.

#### 5. BACKGROUND

- 5.1. Under the IJB Financial Regulations we are required to prepare a draft unaudited set of accounts, for public consultation. Draft accounts need to be available by end June, and then subject to audit, the final version will be considered by the IJB Audit Committee and approved by the IJB in November.
- 5.2. The two partner bodies, NHSB and SBC have prepared their accounts and are now undergoing audit. Their audits are nearing completion. The compilation of accounts and the audit process consumes a significant amount of senior finance time and the three organisations need to work together effectively. There could be changes that emerge from one audit which impacts on another partner.
- 5.3. The format is broadly unchanged from last year although I have tried to improve the presentation and make improvements in the narrative, particularly to try and make the financial position more accessible.
- 5.4. Some of the sections of the report (foreword, performance) have not yet been collated.
- 5.5. Members will see the following elements through separate and more detailed reports to the Committee: performance report, risk register, directions tracking and governance statement.

#### 6. 2022/23 FINANCIAL OUTTURN

- 6.1. The outturn for 2022/23 shows an improved position for delegated services with a reduction in the overspend in healthcare delegated services from £4.721m last year to £3.521m this year. Our ability to use earmarked reserves was central to this reduction. Therefore this is not a recurring benefit. Significant pressures were experienced in Mental Health services, Primary and Community Services, and a historic savings target of nearly £4.4m.
- 6.2. Set-Aside (large hospital unscheduled care) overspend has increased significantly from £0.866m to £3.358m. Pressures were experienced across all unscheduled care services as well as a historic savings target of £0.944m.
- 6.3. The overall financial performance, compared with previous years is shown in Table 1 below. The financial position has been challenging since inception of the IJB. Delegated services has improved however Set-Aside remains very challenging.



6.4. I have requested information (very recently) from SBC to enable me to add a section about the use of Carer Act funding, as this is an area of significance for the IJB and other readers to be sighted on. I hope to have this information by the end of the week.

## 7. IMPACTS

### Community Health and Wellbeing Outcomes

7.1. It is expected that the proposal will impact on the National Health and Wellbeing Outcomes below:

N	Outcome description	Increase / Decrease / No impact
1	People are able to look after and improve their own health and wellbeing and live in good health for longer.	No impact
2	People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.	No impact
3	People who use health and social care services have positive experiences of those services, and have their dignity respected.	No impact
4	Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.	No impact
5	Health and social care services contribute to reducing health inequalities.	No impact
6	People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and well-being.	No impact
7	People who use health and social care services are safe from harm.	No impact
8	People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.	Possibly some positive impact
9	Resources are used effectively and efficiently in the provision of health and social care services.	Hopefully some positive impact

7.2. No other local impacts.

### Financial impacts

7.3. There are no costs attached to any of the recommendations contained in this report.

### **Equality, Human Rights and Fairer Scotland Duty**

7.4. This report is a statutory governance requirement and is for information. There is no service proposal to be assessed.

### **Legislative considerations**

7.5. This report meets statutory requirements to produce an annual report and financial statements. There are statutory dates for completion of the draft annual accounts for the IJB so that these can be placed on our website for public consultation, prior to being audited.

7.6. The draft inspection notice needs to be uploaded by 17 June. The IJB accounts will be uploaded alongside the suite of annual accounts prepared for the Council.

7.7. The notice makes it clear that IJB accounts will be available for inspection From Monday 3 July 2023 until Friday 21 July 2023.

7.8. Any person interested may object to the accounts or to any part of the accounts by:

- sending their objection in writing, together with a statement of the grounds of the objection, to the appointed auditors, Audit Scotland, 4th Floor, 102 West Port, Edinburgh, EH3 9DN or email at [jboyd@audit-scotland.gov.uk](mailto:jboyd@audit-scotland.gov.uk) no later than Monday 24th July.
- sending a copy of that objection and statement to the Director of Finance & Corporate Governance at Council Headquarters, Newtown St Boswells, TD6 0SA.

7.9. Where any person objects to the accounts the Auditors shall, if requested by that person, or the Council or by any officer of the Council who may be concerned, afford an opportunity of appearing before and being heard by the Auditor with respect to that objection. Any person or officer may appear and be heard personally or by a representative.

### **Climate Change and Sustainability**

7.10. There are no climate change and sustainability impacts arising within this report.

### **Risk and Mitigations**

7.11. Section 7.7 of the attached report describes the financial outlook, risk and approach we are taking to strive to

- achieve a greater level of recurring savings
- develop a long term financial model that will underpin a Best Value approach, designed to achieve more value with less resource.

## **8. CONSULTATION**

### **Communities consulted**

- 8.1. This report has not triggered an Integrated Impact Assessment. It is intended to have a process of engaging with the public on options under the IJB Financial Recovery Plan, which will involve a full impact assessment.
- 8.2. This report does relate to the Integration Planning Principles in that the document describes activity, outcomes, priorities, costs and risks across the Health and Social Care Partnership. It highlights that our financial position is challenging, and has been since inception of the IJB. With a new Strategic Commissioning Framework, Integrated Workforce Plan and developing Integrated Financial Framework, the need to do more, with more impact, and with less resource has never been more needed.

### **Integration Joint Board Officers consulted**

- 8.3. The IJB Board Secretary, the IJB Chief Finance Officer and the IJB Chief Officer, IJB Chief Internal Auditor, Planning Manager have been consulted, and all comments received have been incorporated into the final report.
- 8.4. My thanks go to the finance teams in partner bodies who have been integral to compiling this document together.

### **Approved by:**

Chris Myers, Chief Officer

### **Author(s)**

Hazel Robertson, Chief Finance Officer

### **Background Papers:**

IJB Annual Accounts 2022-23

**Previous Minute Reference:** not applicable

For more information on this report, contact us at Hazel Robertson, IJB Chief Finance Officer



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 AND REMUNERATION REPORT UPDATED

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## A. Management Commentary

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**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.

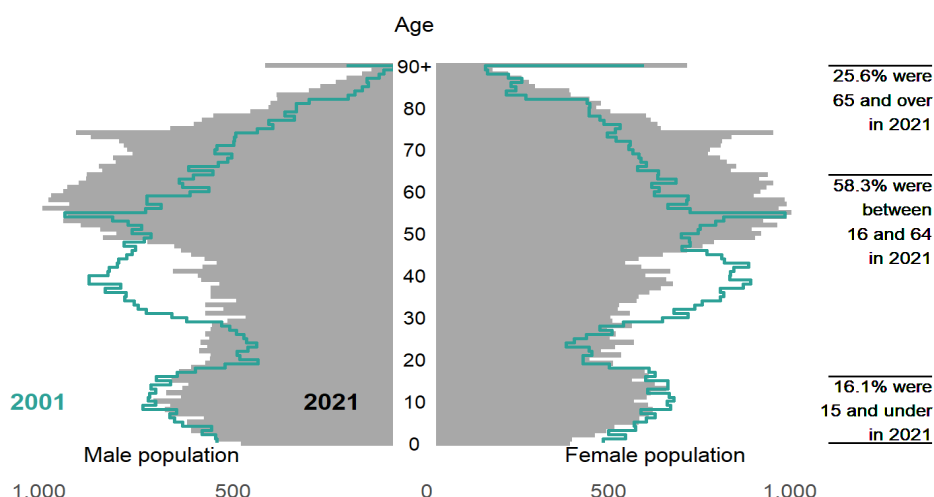
## 2. Background

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



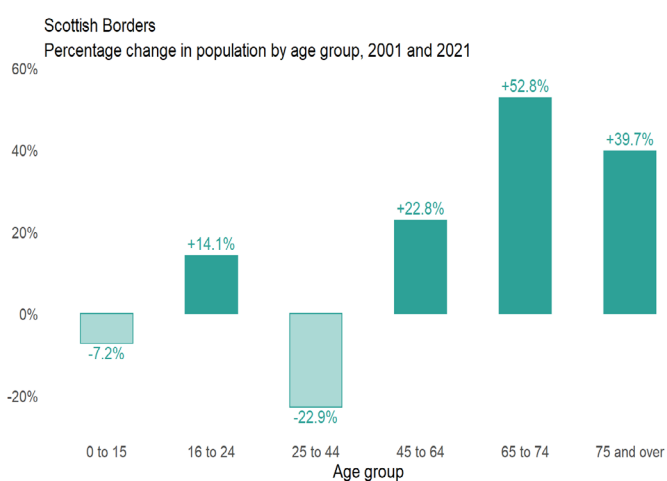
58.4% of the population of the Scottish Borders is aged between **16 and 64** years of age. This is against a national average of 63.9%.

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.

### 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 which comprises NHS Borders, the Scottish Borders Council; 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"> <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

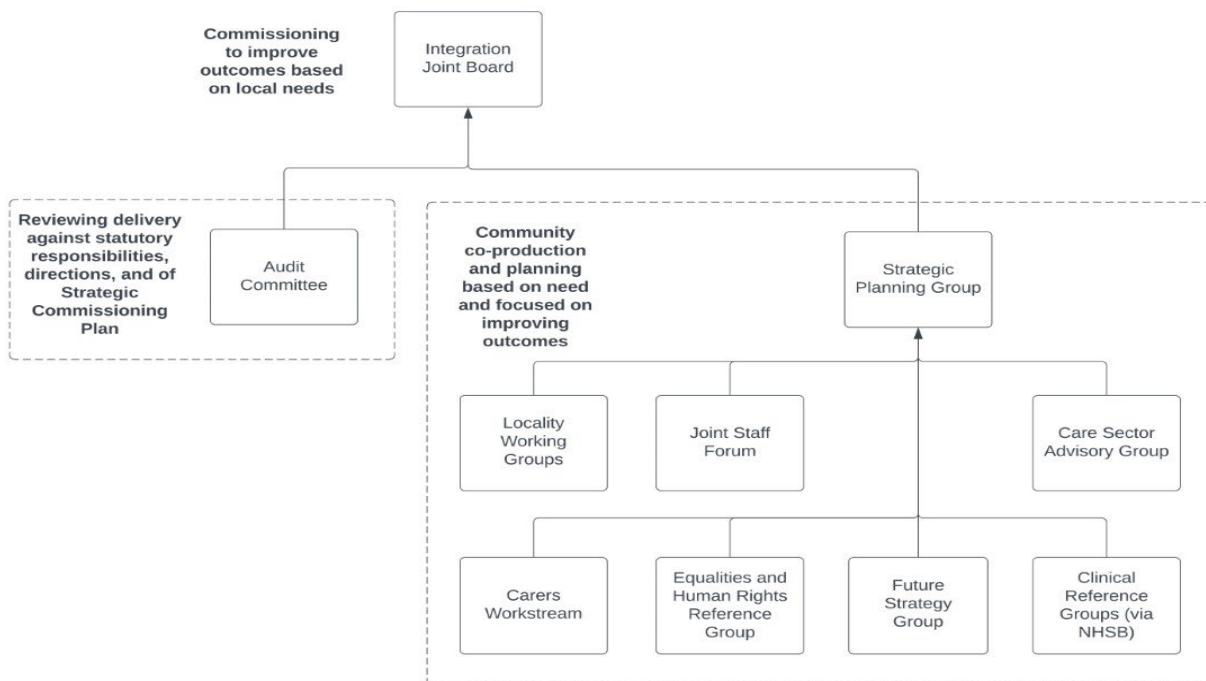
\*Community Health Services for adults aged 18 and over, and those marked with an (\*), also services for children

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 *Health and Social Care Partnership (HSCP)* sits with the *Integration Joint Board (IJB)* as a statutory public body. 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 the Health Board and / or the Council.
- 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 IJB 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.

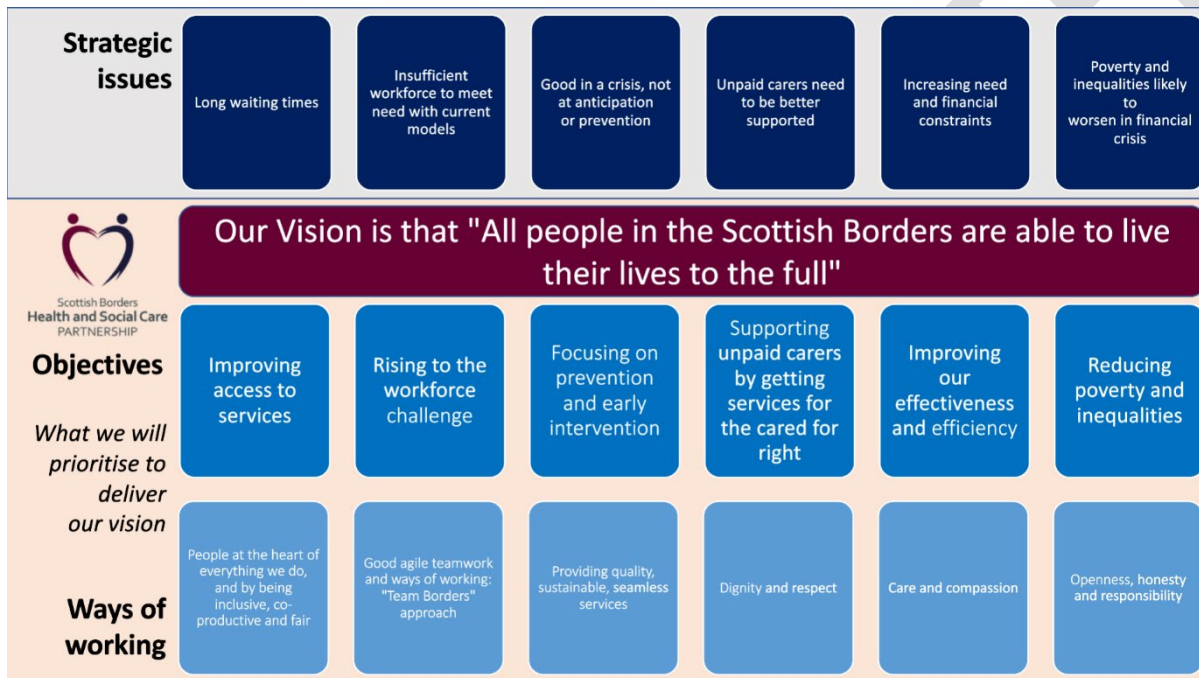
## 4. Strategic Planning and Commissioning

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.

### 4.1. Renewal of our Strategic Plan

A needs assessment 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”.



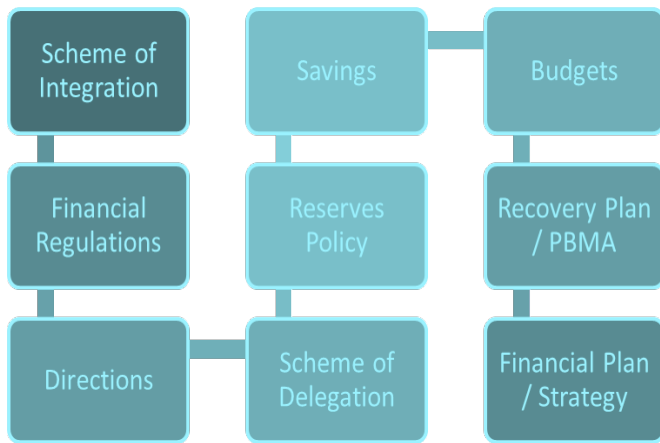
These are in turn supported by ways of working, an integrated Workforce Plan which was approved in October 2022 and a developing Financial Framework.

### 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.

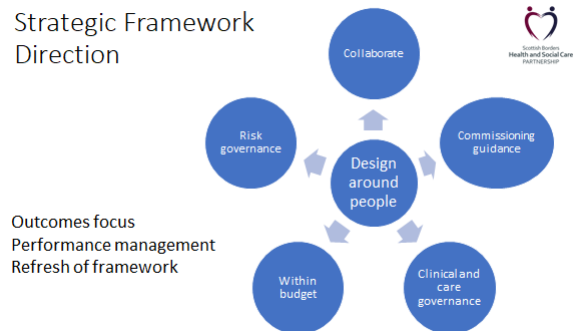
We have begun with a full review of the Reserves Policy (approved) and the Financial Regulations (to be approved June 2023).

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 our delivery partners, 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 delivery partners, 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 further 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 require to provide guidance to the IJB on the prioritisation of required changes.

## 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.

### 5.2. Health and Wellbeing Outcomes

This section will be taken from the annual performance report and any specific commentary from the Audit Committee.

### 5.3. Quantitative indicators

This section will be taken from the annual performance report and any specific commentary from the Audit Committee.

### 5.4. Year on Year Comparisons

This section will be taken from the annual performance report and any specific commentary from the Audit Committee.

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

### 5.5. Qualitative Self-Assessment

At the end of 2022, the Improvement Service was commissioned to undertake a new self-assessment process for progress with implementation of the Ministerial Strategy Group priorities, on behalf of the IJB. 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. The results are summarised in the table below.

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 priority areas 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; to continue to engage with the Scottish Government regarding the shortfall in funding to implement the contract.
- 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 to this declaration, the IJB established an inclusive working group to undertake a needs assessment. Through extensive SBC 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 and 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, the 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 patients and the local population with their health and care needs.

## 7. Financial Position at 31 March 2023

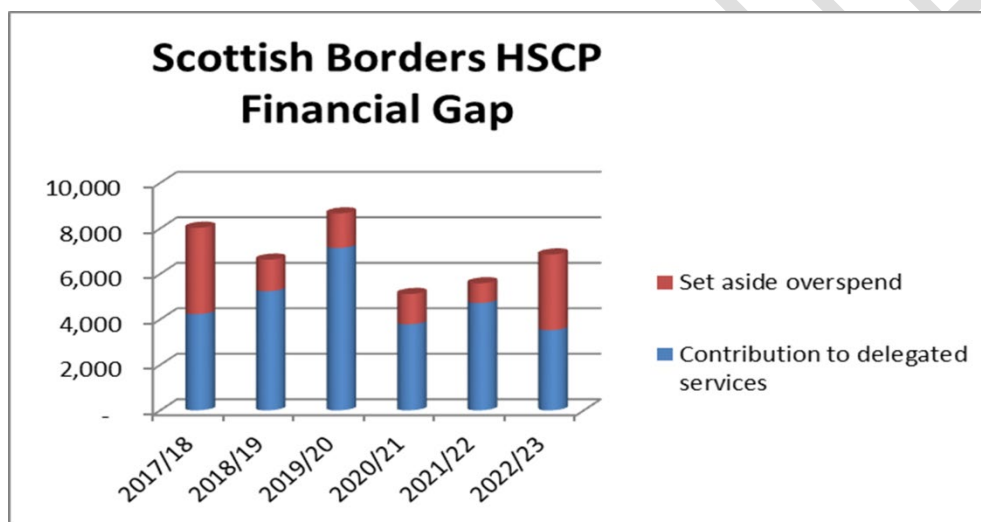
### 7.1. Introduction to Financial Performance

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.

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. Financial Plan and Budget

For 2022/23, the IJB considered the draft budget and financial plan in March 2022, however these were not fully approved until 15 June 2022. The delay was due to a combination of inflationary risk, the level of uncertainty around budget allocations to councils and health boards and the consequent impact on savings targets.

### 7.3. Year-end Outturn

The Comprehensive Income and Expenditure Statement on page x shows a year end deficit of income over expenditure of **£2.524m** (last year surplus of **£16.356m**), which effectively represents the funds which were retained in reserves, and carried forward to 2023/24 to meet future earmarked expenditure plans. This deficit of income by itself is not an indicator of the financial health of the IJB.

The figure for last year was 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.

## 7.4. Delegated Services

The underlying financial performance of delegated services was an over-spend of **£3.521m (1.9%)** of the base delegated budget at 31 March 2023 (last year **£4.718m**). An additional allocation 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 **2.6%** 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 delegated funding	(55,743)	(175,046)	<b>(230,789)</b>
Outturn spending	55,743	178,567	<b>234,310</b>
<b>Current year 2022/23 additional payments required</b>	0	3,521	<b>3,521</b>
<b>Current year 2022/23 % value of additional payments over funding</b>	<b>0.0%</b>	<b>2.0%</b>	<b>1.5%</b>
<b>Last year 2021/22 additional payments required</b>	0	4,718	<b>4,718</b>
<b>Last year 2021/22 % value of additional payments over funding</b>	<b>0.0%</b>	<b>2.6%</b>	<b>2.0%</b>

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

Table 2 Delegated Services Year-end Outturn 2022-23

	Revised Budget £'000	Actual Outturn £'000	Outturn Variance £'000
<b>Delegated Health Functions</b>			
Joint Learning Disability Service	3,661	4,776	(1,114)
Joint Mental Health Service	21,288	20,843	445
Joint Alcohol and Drug Service	1,038	1,038	(0)
Older People Service	0	0	0
Physical Disability Service	0	0	0
Prescribing	23,432	25,263	(1,830)
Generic Services	95,543	96,565	(1,022)
NHSB Contribution to IJB	3,521	0	3,521
	<b>148,484</b>	<b>148,484</b>	<b>0</b>

- Savings targets were not achieved:
  - **£0.975m** in Mental Health and Learning Disability Services
  - **£3.379m** in Primary and Community Services
  - The NHS Borders 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 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.

### 7.5. 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 **£29.031** to NHS Borders for the Set-Aside budget in 2022/23. During the financial year, NHS Borders spent **£32.358m**, resulting in an over-spend of **£3.358m, (last year £0.866m)**. The over-spend remains the responsibility of NHS Borders, and as a result, has been absorbed within NHS Borders 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 from 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>	<b>Revised Budget £'000</b>	<b>Actual Outturn £'000</b>	<b>Outturn Variance £'000</b>
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)
	<b>29,031</b>	<b>32,358</b>	<b>(3,327)</b>

This has required significant supplementary staffing to be deployed. 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.

## 7.6. 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 **£16.773m**, results in total funds of **£8.773m** being carried forward to 2022/23 as shown in Table 4 below.

Movement in year was elevated to reflect the return of **£8.901m** unused (not required) Covid19 reserves to 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)
<b>Grand Total</b>	<b>25,546,106</b>		<b>6,192,376</b>	<b>2,218,698</b>	<b>8,772,906</b>	<b>(16,773,200)</b>

### 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.

## 7.7. Financial Outlook Future Years

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

In this context, the HSPC continues to experience significant financial risks with partners facing challenges in meeting the demand for services within the financial quantum and available staffing levels. As noted earlier in this report, the HSPC has faced significant financial challenges since its inception.

Although Strategic Plans cover multiple years, both NHS Borders and Scottish Borders Council 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.

There are 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 both internally and with our external care 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 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 supply.
- 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 NHS 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.

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:

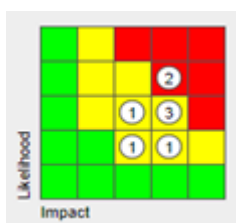
- Increased ability to identify a greater level of savings and management capacity to deliver those savings on a recurring basis.
- Developing a longer term financial model which will quantify the challenges ahead and allow us to use a Best Value approach to longer term financial planning, designed to provide more value with less resource. Using this approach to identify areas of lower priority, where it may be possible 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 IJB 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 Strategic IJB 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
<b>IJB001 - Strategic Objectives</b>	Failure to deliver the SBIJB strategic objectives could lead to the inability of the IJB to deliver the intended health and wellbeing outcomes and achieve the core aims of integration for the Scottish Borders population.	9 Moderate – Possible 
<b>IJB002 – Budget</b>	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 Strategic Commissioning Plan.	16 Major – Likely 
<b>IJB 003 – Issuing of Directions</b>	If the Directions issued by the IJB 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 
<b>IJB 004 – Operating as a Separate Entity</b>	If the IJB does not operate effectively as a separate entity in partnership 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 
<b>IJB 005 – Infrastructure</b>	If the IJB 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 
<b>IJB006 – Resources</b>	If the IJB 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 
<b>IJB007 – Legislative/ Regulatory Compliance</b>	If the IJB fails to comply with legislative and regulatory requirements it could lead to legal breaches and result in fines and/or prosecution.	12 Major – Possible 
<b>IJB008 – National Care Service Bill</b>	SG’s National Care Service Bill (ultimately disbanding Scottish IJBs) could result in partners ceasing to engage with the IJB, subsequently leading to negative impacts on the achievement of IJB 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, Non Executive of NHS Borders. During the same period the Vice–Chair was. Cllr. David Parker, Scottish Borders Council. In addition to the Chair and Vice-Chair, the IJB comprised four additional voting members from NHS Borders (Non-Executive Directors) and from Scottish Borders Council (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 although 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, eg Scottish Borders Council (eg Chief Social Work Officer), NHS Borders (eg Medical Director) and representatives of the Third Sector, Staff, GPs, Carers and Housing sector.

#### Invited members

An invite is extended to a further range of officers across Scottish Borders Council and NHS Borders, 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 (until 31.10.22) Mrs Fiona Sandford (from 01.11.22)	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 (Vice Chair)
Cllr. Jane Cox (until 31.12.22) Cllr. Neil Richards (from 01.02.23)	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
<b>Non voting members</b>		
Mr. Stuart Easingwood	Director of Social Work and Practice	Chief Social Work Officer
Dr. Kevin Buchan (until 26.09.22)	Chair of GP Subcommittee	General Practitioner



Dr. Rachel Mollart (from 27.09.22)		
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
<b>Attendees by invite</b>		
Miss Iris Bishop	Board Secretary	IJB/NHS Borders
Mr Ralph Roberts	Chief Executive	NHS Borders
Mr David Robertson	Chief Executive	Scottish Borders Council
Dr Sohail Bhatti	Director of Public Health	NHS Borders
Mrs June Smyth	Director of Planning & Performance	NHS Borders
Mrs Jen Holland	Director – Strategic Commissioning & Partnerships	Scottish Borders Council
Mrs Susie Flower (until 30.04.23) Mr Philip Grieve (from 17.05.23)	Chief Nurse Health & Social Care Partnership	NHS Borders
Mrs Laura Jones	Director of Quality & Improvement	NHS Borders
Mrs Wendy Henderson	Independent Sector Lead, Partners for Integration	Scottish Care
Mrs Clare Oliver	Head of Communications & Engagement	NHS Borders

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## **C. Annual Statement of Accounts**

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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)

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## D. Remuneration Report

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### 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 NHS Borders and Scottish Borders Council. Nomination of the IJB Chair and Vice-Chair posts alternates between an elected member and an NHS Borders 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 - not yet complete*

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
<b>2,747</b>					<b>5,037</b>

#### 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 Scottish Borders Council (SBC) on 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.

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## **E. Statement of Responsibilities**

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### **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**



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## F. Annual Governance Statement

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### 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.

Directions 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  
IJB Chief Officer

Lucy O'Leary  
Chair of the IJB

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

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## G. Independent Auditor's Report

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This section to be updated following completion of the audit process in November 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	Income	Net Expenditure		Gross Expenditure	Income	Net Expenditure	Note
2021/22	2021/22	2021/22		2022/23	2022/23	2022/23	
£'000	£'000	£'000		£'000	£'000	£'000	
126,389	0	126,389	Health Services Delegated	145,821		145,821	3,4,7
64,104	0	64,104	Social Care Services Delegated	63,572		63,572	
27,451	0	27,451	Health Services Retained and Set-Aside by NHS Borders	32,358		32,358	
132	0	132	Corporate Services	295		295	
<b>218,076</b>	<b>0</b>	<b>218,076</b>	<b>Cost of Services</b>	<b>242,045</b>	<b>0</b>	<b>242,045</b>	
0	(234,432)	(234,432)	Taxation and Non-Specific Grant Income		(239,521)	(239,521)	5
<b>218,076</b>	<b>(234,432)</b>	<b>(16,356)</b>	<b>(Surplus) or Deficit on Provision of Services</b>	<b>242,045</b>	<b>(239,521)</b>	<b>2,524</b>	
		<b>(16,356)</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>2,524</b>	

The 2022/23 Comprehensive Income and Expenditure Statement relates to the financial activity pertaining to the seventh full year of operation of the IJB.

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

	£'000
Additional Allocations Delegated by Partners at 31 March 2023	
NHS Borders	3,521
Scottish Borders Council	-
	<b>3,521</b>

This includes a breakeven position for Set-Aside functions. The impact of an underlying over-spend of **£3.521m** on Set-Aside has been accounted for only in NHS Borders' 2022/23 outturn. This means there is no adverse impact on the IJB outturn or on earmarked reserves carried forward to 2022/23.

The deficit of income over expenditure of **£2.524m** reflects the movement in earmarked reserves and is not in itself indicative of financial performance. These unspent allocations are held in reserves to

match future expenditure requirements.

### **18. Movement in Reserves**

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

The policy was applied in order that the IJB may carry forward funding. This related to ring-fenced funding allocations (ear-marked funds) to NHS Borders, including uncommitted Covid-19 funding allocations.

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 2023.

#### **Table to be inserted**

The overall balance held in IJB reserves has reduced by **£8.773m** at March 2023. This is due to the unused Covid-19 reserves of **£8.901m** being returned to Scottish Government during 2022/23. Spend through the Covid-19 reserve totalled **£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.



## 19. Balance Sheet at 31 March 2023

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

BALANCE SHEET					
31 March 2022 £'000			31 March 2023 £'000		Note
29,165		Short-Term Debtors	11,346		6
	<b>29,165</b>	<b>Current Assets</b>		<b>11,346</b>	
(2,570)		Short-Term Creditors	(2,573)		6
	<b>(2,570)</b>	<b>Current Liabilities</b>		<b>(2,573)</b>	
0		Provisions	0		
	<b>0</b>	<b>Long-Term Liabilities</b>		<b>0</b>	
	<b>26,595</b>	<b>Net Assets</b>		<b>8,773</b>	
	26,596	Useable Reserve: General Fund		8,773	
	0	Useable Reserve: Employee Statutory Adjustment Account		0	
	<b>26,596</b>	<b>Total Reserves</b>		<b>8,773</b>	

The unaudited accounts were issued for public consultation on 19 June 2023 and the audited accounts were authorised for issue on 15 November 2023.

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

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# **I. Notes to the Annual Accounts**

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## **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, 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.

#### **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.

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
23,257	0	23,257	Joint Learning Disability Service	25,879	0	25,879
21,280	0	21,280	Joint Mental Health Service	22,841	0	22,841
920	0	920	Joint Alcohol and Drug Service	1,038	0	1,038
25,245	0	25,245	Older People Service	30,101	0	30,101
2,573	0	2,573	Physical Disability Service	2,586	0	2,586
23,552	0	23,552	Prescribing	25,263	0	25,263
88,876	0	88,876	Generic Services	104,428	0	104,428
56	0	56	Older Peoples Change Fund	0	0	0
1,876	0	1,876	Integrated Care Fund / Transformation Fund	1,980	0	1,980
27,451	0	27,451	Health Services Retained and Set-Aside by NHS Borders	29,031	0	29,031
1,514	0	1,514	Scottish and UK Government-Funded Testing Kits	2,876	0	2,876
168	0	168	Corporate Services	89	0	89
<b>216,768</b>	<b>0</b>	<b>216,768</b>	<b>Cost of Services</b>	<b>246,112</b>	<b>0</b>	<b>246,112</b>
(211,236)	0	(211,236)	Other Income and Expenditure		(241,573)	(241,573)
<b>5,532</b>	<b>0</b>	<b>5,532</b>	<b>(Surplus) or Deficit on Provision of Services</b>	<b>246,112</b>	<b>(241,573)</b>	<b>4,540</b>
		(3,742)	Opening General Fund Balance			(10,240)
		5,532	(Surplus) or Deficit in the Year			4,540
		<b>1,790</b>	<b>Closing General Fund Balance</b>			<b>(5,700)</b>

### Table to be checked

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.

## 21.10. Expenditure and Income Analysis by Nature

### 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
23,257	0	23,257	Joint Learning Disability Service	25,879	0	25,879
21,280	0	21,280	Joint Mental Health Service	22,841	0	22,841
920	0	920	Joint Alcohol and Drug Service	1,038	0	1,038
25,245	0	25,245	Older People Service	30,101	0	30,101
2,573	0	2,573	Physical Disability Service	2,586	0	2,586
23,552	0	23,552	Prescribing	25,263	0	25,263
88,876	0	88,876	Generic Services	104,428	0	104,428
56	0	56	Older Peoples Change Fund	0	0	0
1,876	0	1,876	Integrated Care Fund / Transformation Fund	8,816	0	8,816
27,451	0	27,451	Health Services Retained and Set-Aside by NHS Borders	29,031	0	29,031
1,514	0	1,514	Scottish and UK Government-Funded Testing Kits	2,876	0	2,876
168	0	168	Corporate Services	150	0	150
<b>216,768</b>	<b>0</b>	<b>216,768</b>	<b>Cost of Services</b>	<b>253,009</b>	<b>0</b>	<b>253,009</b>
(211,236)	0	(211,236)	Other Income and Expenditure		(241,455)	(241,455)
<b>5,532</b>	<b>0</b>	<b>5,532</b>	<b>(Surplus) or Deficit on Provision of Services</b>	<b>253,009</b>	<b>(241,455)</b>	<b>11,554</b>

(3,742)	Opening General Fund Balance	(10,240)
5,532	(Surplus) or Deficit in the Year	11,554
<b>1,790</b>	<b>Closing General Fund Balance</b>	<b>1,314</b>

### Table to be checked

The Fee charged by the Independent Auditor for 2022/23 was £27,960, an increase of 12.6% from last year.

## 21.11. Taxation and Non-Specific Grant Income

### NOTE 5 - TAXATION & NON-SPECIFIC GRANT INCOME

2021/22 £'000		2022/23 £'000
(178,487)	Funding Contribution from NHS Borders	(177,884)
(55,945)	Funding Contribution from Scottish Borders Council	(63,424)
<b>(234,432)</b>	<b>Taxation and Non-Specific Grant Income</b>	<b>(241,308)</b>

The funding contribution from the NHS Board shown above includes **£32.358m** 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 2022 and any income it has received in advance of the financial year 2022/23.

### NOTE 6 - DEBTORS & CREDITORS

#### DEBTORS incl. PAYMENTS IN ADVANCE

31 March 2022 £'000		31 March 2023 £'000
25,559	Funding NHS Borders	8,789
3,606	Funding Scottish Borders Council	2,558
0	Funding Non-Public Sector	0
<b>29,165</b>	<b>Debtors</b>	<b>11,346</b>

#### CREDITORS incl. INCOME IN ADVANCE

31 March 2022 £'000		31 March 2023 £'000
0	Funding NHS Borders	0
(2,570)	Funding Scottish Borders Council	(2,573)
0	Funding Non-Public Sector	0
<b>(2,570)</b>	<b>Creditors</b>	<b>(2,573)</b>

31 March 2022 £'000		31 March 2023 £'000
<b>26,595</b>	<b>Net Debtors and Creditors</b>	<b>8,773</b>

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 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.

NOTE 7 - RELATED PARTIES		
NHS BORDERS		
2021/22 £'000		2022/23 £'000
(159,523)	Funding Contributions	(177,884)
0	Service Income	0
144,510	Expenditure on Services Provided	183,543
0	Key Management Personnel	92
13	Support Services	16
<b>(15,000)</b>	<b>Net Transactions with NHS Borders</b>	<b>5,767</b>
31 March 2022 £'000		31 March 2023 £'000
13	Debtors: Amounts Due from NHS Borders	8,789
0	Creditors: Amounts Due to NHS Borders	0
<b>13</b>	<b>Net Balance with NHS Borders</b>	<b>8,789</b>
SCOTTISH BORDERS COUNCIL		
2021/22 £'000		2022/23 £'000
(51,713)	Funding Contributions	(63,424)
0	Service Income	0
60,060	Expenditure on Services Provided	55,684
141	Key Management Personnel	0
14	Support Services	16
<b>8,502</b>	<b>Net Transactions with Scottish Borders Council</b>	<b>(7,725)</b>
31 March 2022 £'000		31 March 2023 £'000
12,952	Debtors: Amounts Due from Scottish Borders Council	2,558
(2,725)	Creditors: Amounts Due to Scottish Borders Council	(2,573)
<b>10,227</b>	<b>Net Balance with Scottish Borders Council</b>	<b>(16)</b>
<b>(6,498)</b>	Net Transactions Overall	<b>(1,958)</b>
<b>10,240</b>	Net Balances	<b>8,773</b>

There are no non-voting IJB members employed by the NHS Board 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 provision 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 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.

### **22.5. Contingent Assets and Contingent Liabilities:**

No Contingent Liabilities or Contingent Assets were recognised at 31 March 2022 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.