



Scottish Borders  
**Health and Social Care**  
PARTNERSHIP

# **Scottish Borders Integration Joint Board**

**ANNUAL ACCOUNTS 2021/22**

**For the Financial Year  
01 April 2021 to 31 March 2022**

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# Management Commentary

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## Foreward

In my first five months as Chief Officer, I have heard from many people who use our services, from unpaid carers, and from people delivering health, social care and adult social work services that the pressures they are experiencing are unlike anything that they have ever faced before. This certainly also rings true from my perspective.

The prolonged impacts of the Covid-19 pandemic have been felt by everyone in the Scottish Borders, and this is reflected in our health and wellbeing outcomes. It has also led to pressures in the health, social care and adult social work services commissioned by the Integration Joint Board.

In addition to Covid-19, we are faced with meeting increased levels of need and dependency, in the context of significant financial challenges and workforce challenges.

Whilst recognising that there is a lot that needs to be done, within this challenging ongoing context, much progress has been made to respond to these pressures, to sustain services and to support the health and wellbeing of people in the Scottish Borders.

I would like to express my deepest gratitude to everyone who works in health, social care and social work services; to all of the unpaid carers in the Scottish Borders; to all of our partners; and to everyone who has used health, social care, or adult social work services through what has been an extremely challenging time.

I would also like to thank all Integration Joint Board members for their support including our former Chief Officer, Rob McCulloch-Graham, our outgoing Chair, Councillor David Parker, and to our former Members for their leadership and support to the Integration Joint Board.

One of the key take home messages from the pandemic, is that even in the most challenging circumstances, by working together, everyone achieves more. Integration in its purest sense is about forming and developing partnerships and co-production to streamline services and improve outcomes. I firmly believe that by moving together in the same direction with all of our partners with the common goal of improving outcomes, we can do better.

The Integration Joint Board will continue to renew its focus on partnerships, on engagement, and on working with our communities to enhance how we strategically commission to best improve the outcomes for people living in the Scottish Borders, in these challenging times. By taking this approach, the Integration Joint Board will support improved outcomes while supporting a more sustainable future health, social care and adult social work landscape, with the people of the Scottish Borders at the front and centre of everything we do.

**Chris Myers**  
**Chief Officer**

**Purpose**

Welcome to the Annual Accounts for the Scottish Borders Integration Joint Board (IJB) for the year ended 31 March 2022. The purpose of the Management Commentary is to assist all readers in understanding the Statement of Accounts and help them assess how the IJB has performed in fulfilling its duties during the financial year.

**Background**

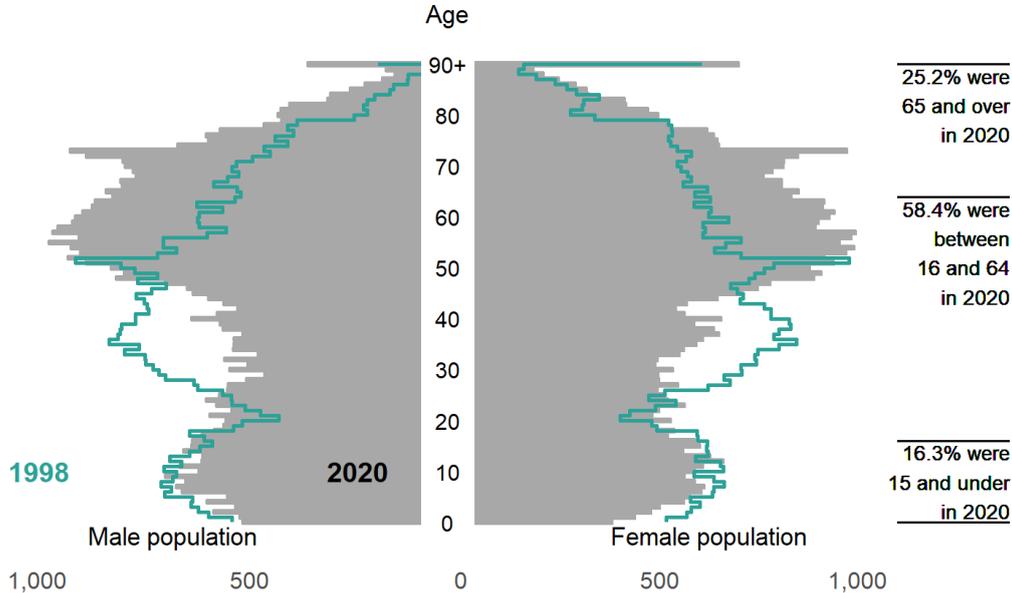
The Scottish Borders covers an area of 473,614 hectares (1,827 square miles) and is located in the South East of Scotland. It is situated between Northumberland to the south, Edinburgh and the Lothians to the north, and Dumfries and Galloway to the west. It has a large land area and a sparse population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

The Scottish Borders is a rural area which, in 2020, had a population of 115,240. Between 1998 and 2020, the population of Scottish Borders increased by 8.7%. This is the 13th highest percentage change out of the 32 council areas in Scotland. Over the same period, Scotland’s population rose by 7.7%.

In 2020, there were more females (51.4%) than males (48.6%) living in Scottish Borders. There were also more females (51.2%) than males (48.8%) living in Scotland overall.

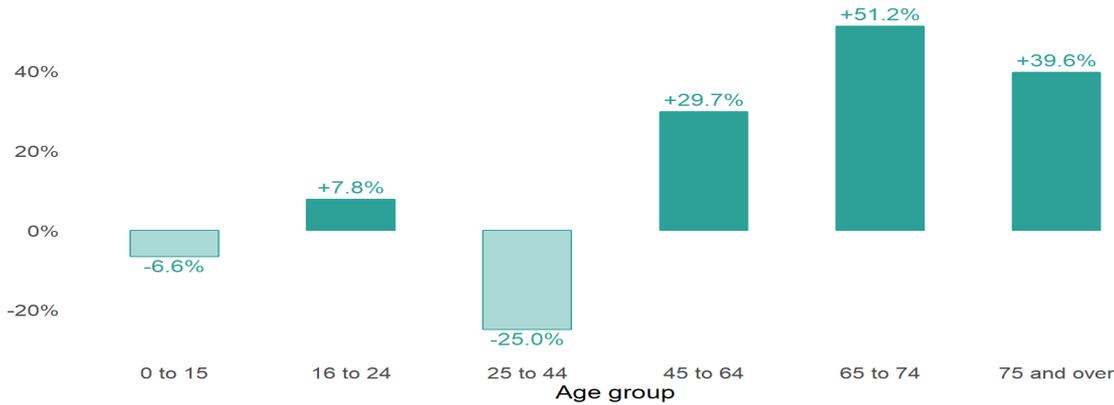
Information from National Records Scotland.

Scottish Borders  
Population profile, 1998 and 2020



Between 1998 and 2020, the 65 to 74 age group saw the largest percentage increase (+51.2%) and the 25 to 44 age group saw the largest percentage decrease (-25.0%).

Scottish Borders  
Percentage change in population by age group, 1998 and 2020



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

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 have a unique and challenging impact on the models of health and social care provision in the Scottish Borders, and their costs. This directly drives our strategic objectives, transformation programmes, planned shifts in the balance of care and resource realignment target.

### Role of the 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 following 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.

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 asterisk (\*),also include services for children

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

Commissioning by the Borders IJB is needs based and outcomes focused. It involves significant levels of engagement and consultation with our stakeholders.

The Strategic Planning Group develops new plans and directions following consultation and engagement with relevant stakeholders, and its subgroups support meaningful co-production with our diverse communities. The Strategic Planning Group ensures a continued focus on outcomes and the delivery of the Integration planning and delivery principles.

## Strategic Plan

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.

A needs assessment has been completed which will inform the Strategic Commissioning Plan 2023-26, which in turn will be approved in 2023. It is anticipated that the Strategic Objectives will remain broadly unchanged. Our Strategic Objectives focus on prevention, flow and community care:

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

These three objectives are underpinned by seven partnership principles:

1. Prevention and early intervention
2. Accessible services
3. Care close to home
4. Delivery of services within an integrated care model
5. Greater choice and control
6. Optimise efficiency and effectiveness
7. Reduce health inequalities.

These are in turn supported by strategies related to specific themes such as dementia, mental health, carers and locality plans that reflect differing patterns of need across the Scottish Borders, and an integrated Workforce Planning Strategy which was approved in October 2022.

## Progress to date

There has been significant work undertaken to implement the Strategic Commissioning Plan, with the table below providing a summary status (RAG) of delivery of the actions, and the following list providing some of the key achievements.

	Red	Amber	Green	Total
<b>No.</b>	<b>5</b>	13	15	<b>33</b>
<b>%</b>	<b>15</b>	39	45	100

Actions which have been fully implemented include:	Appointment of GP Cluster Leads
	Roll out of the Distress Brief Intervention Service
	Review of community hospital and day hospital provision
	Developing discharge to assess and home based intermediate care
	Increasing the provision of housing with care and extra care housing
	Extending the Matching Unit to source care and respite care at home
	Funding of the Borders Carer's Centre to undertake carer's assessments
	What Matters Hubs are operational in all five localities of the Scottish Borders

	Development of inpatient pharmacy services to optimise outcomes, reduce re-admissions and length of stay
	Implementation of the Transforming Care After Treatment Programme for people with cancer

The actions which were in progress at end March 2022 include:	Progress is ongoing to improve uptake for Self Directed Support
	Full implementation of the Primary Care Improvement Plan Pharmacotherapy service
	Community pharmacy services have developed significantly and work is ongoing
	Fully embedding transitional care / home based intermediate care as a model (Home First has capacity issues)
	Further increasing post diagnostic support rates for people with dementia – while the service is meeting demand, the referral rate is low (this also relates to an action in red)
	Developing step up across all intermediate care services (Home First and the 4 Community Hospitals have this in place, but work is ongoing in Garden View to develop this)
	Work in progress to develop a re-ablement approach for care at home services. This needs to be considered in the context of the Home First service, and the potential for integration of services
	There has been good uptake in the use of telecare and telehealthcare, however there remains further potential and in the context of workforce pressures and Covid-19, a real need to further increase uptake
	Work has progressed in realigning resources to deliver our strategic priorities and disinvest from services not required (e.g. the closure of Cauldsheils), however due to system and covid-19 pressures, there is further work that can be undertaken
	There are many examples of best value in the commissioning and delivery of health and social care, and the design and implementation of cost-effective alternatives to traditional costly models of care, but these need to continue to be progressed and reported upon
There has been redesign of day services with a focus on early intervention and prevention in line with national policy and legislation, and a redesign of learning disability day services, however concern has been raised about the provision of older adults day services. As a result, the Carers workstream is co-producing a further needs assessment to develop an updated position on day supports.	

The actions which had a status of red (minimal progress) at end March 2022 include:	Shifting resources from acute health and social care to community settings
	Developing the Burtzorg model of care and integrated locality management
	Increasing the referral rate for people with dementia to post diagnostic support services
	Providing polypharmacy support to social care service users to prevent medication-related admissions and improve the quality of disease management

An extensive review of progress was considered by the IJB Audit Committee at its meeting on 14 March 2022. This review also informs the new Strategic Commissioning Plan.

## Managing future resources

Recognising the financial position of the IJB and workforce positions of delivery partners, where possible, progress needs to:

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

However there will be some areas which require pump-primed investment, and so the IJB will work to develop a new transformation fund based on the use of appropriate funds from its general reserve, and direct its partners accordingly. Progress against saving plans in existing workstreams and the development of a 3 year financial plan will assist with IJB financial sustainability and the further re-prioritisation of funds for recurrent use.

The scale of work is significant and it is expected that some of the red and amber areas from the current plan may need to be carried forward into the new Strategic Commissioning Plan 2023-26.

## Performance Analysis

### Health and Wellbeing Outcomes

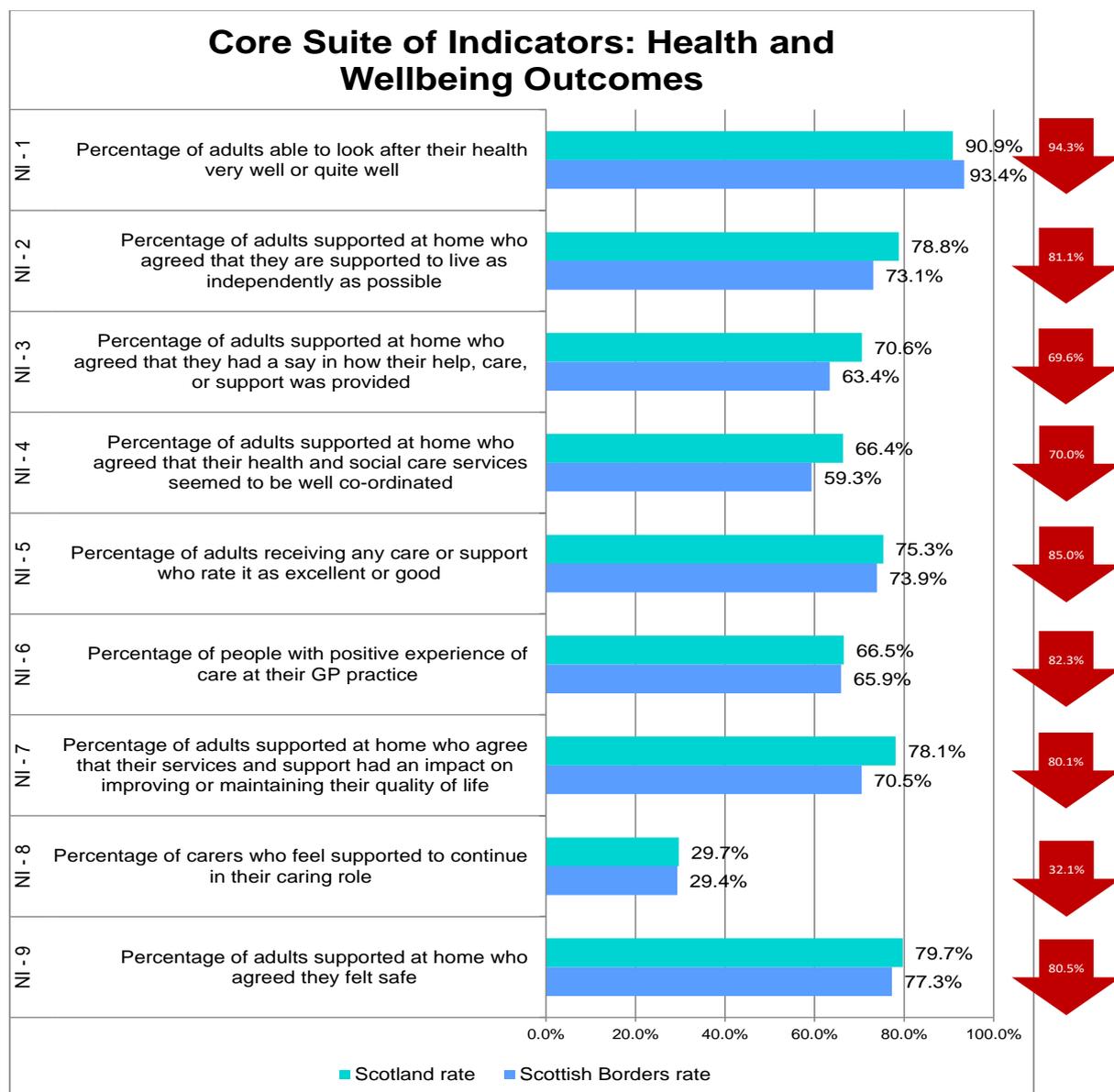
This section provides an overview of our 2021/22 performance against the National Health and Wellbeing Outcomes, which is the most up to date available information. These are derived from national Health and Care Experience Survey feedback for people in the Scottish Borders.

It is important to recognise that due to the pressures that we have faced over the last year, we have seen a significant deterioration in local Health and Wellbeing Outcomes in 2021/22. This is very much reflective of the feedback that we have received from our service users, staff, unpaid carers and partners about the significant pressures that they are under, about the challenges of being able to provide or access key services in a timely manner, and in the higher levels of risk being experienced across the whole health and social care system.

We performed better than the national benchmarks in the following area:	More people reported that they are able to look after their health very well or quite well
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<b>We performed worse than the national benchmarks in the remaining eight National Health and Wellbeing outcome areas:</b>	Fewer adults who were supported at home agreed that they are supported to live as independently as possible
	Fewer adults receiving care than the national average would rate the care they receive as excellent or good
	Fewer people had a positive experience of care at their GP practice than the national average
	Fewer adults supported at home agreed that their services and support had an impact on improving or maintaining their quality of life
	Fewer adults supported at home agreed that they had a say in how their help, care or support was provided
	Fewer adults supported at home agreed that their health and social care services seemed to be well co-ordinated
	Fewer carers felt supported to continue in their caring role
	Fewer adults supported at home agreed they felt safe

Over 2022/23, the Strategic Planning Group (SPG) and its subgroups will focus on how the IJB can promote improvements, with a focus on the areas where we performed worse than the national benchmarks. The red downwards arrows represent the deterioration in performance during the year.



#### Quantitative indicators

This section provides an at a glance view of our 2021/22 performance against the national integration data indicators. This is the most up to date information available.

We performed better than the national benchmarks in the following areas	lower premature mortality rate
	lower emergency admission rate
	lower rate of emergency readmissions to hospital within 28 days of discharge
	lower spend on hospital stays where the person was admitted due to an emergency (2019/20 data)
	higher proportion of care services graded as good or better in Care Inspectorate inspections
	lower falls rate per 1,000 population aged 65+

<b>We performed worse than the national benchmarks in the following areas:</b>	lower rate of adults with intensive care needs in the Scottish Borders receiving care at home
	higher rate of occupied bed days in hospital associated to emergency admissions
	lower proportion of people in their last 6 months of life spent this at home or in a community setting
	higher rate of bed days spent in hospital for people who were ready to be discharged

The high level of delayed discharges is a complex cross system challenge and a significant factor in terms of the financial, workforce and quality of service impact. Our response to these issues is incorporated into the plans for Developing the Older People Pathway as part of the Strategic Commissioning approach.

### *Year on Year Comparisons*

<b>Emergency admission rate (per 100,000 population)</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Scottish Borders rate	12,425	12,181	10,248	10,213
Scotland rate	12,279	12,525	10,951	11,475

<b>Emergency bed day rate (per 100,000 population)</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Scottish Borders rate	131,471	119,798	105,790	118,304
Scotland rate	119,986	118,552	100,710	105,957

<b>Emergency readmissions to hospital within 28 days of discharge (rate per 1,000 discharges)</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Scottish Borders rate	109	107	120	93
Scotland rate	103	105	120	103

<b>Proportion of last 6 months of life spent at home or in a community setting</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Scottish Borders rate	85.5%	86.0%	89.6%	88.3%
Scotland rate	88.0%	88.3%	90.3%	90.0%

<b>Falls rate per 1,000 population aged 65+</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Scottish Borders rate	18.7	21.1	18.1	18.2
Scotland rate	22.5	22.8	21.7	22.4

<b>Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Scottish Borders rate	78.5%	85.7%	90.1%	77.9%
Scotland rate	82.2%	81.8%	82.5%	75.8%

<b>Number of days people spend in hospital when they are ready to be discharged (per 1,000 population)</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Scottish Borders rate	761	656	588	1,009
Scotland rate	793	774	484	761

<b>Premature mortality rate per 100,000 persons</b>	<b>Rate</b>	<b>Year of latest data</b>
Scottish Borders rate	367	2020
Scotland rate	457	

<b>Percentage of adults with intensive care needs receiving care at home</b>	<b>Rate</b>	<b>Year of latest data</b>
Scottish Borders rate	57.5%	2021
Scotland rate	64.9%	

<b>Percentage of health and care resource spent on hospital stays where the patient was admitted in an emergency</b>	<b>Rate</b>	<b>Year of latest data</b>
Scottish Borders rate	20.4%	2019/20
Scotland rate	24.2%	

The Annual Performance Report 2021/22 can be obtained online, [https://www.scotborders.gov.uk/downloads/file/11693/hscp\\_annual\\_performance\\_report\\_2021-22\\_and\\_commissioning\\_plan\\_2022-23](https://www.scotborders.gov.uk/downloads/file/11693/hscp_annual_performance_report_2021-22_and_commissioning_plan_2022-23).

### *Covid-19*

The Covid-19 pandemic was declared shortly before the beginning of the 2020/21 financial year resulting in a significant and rapid change in the configuration and provision of health and social care services in the Scottish Borders. The financial impact of these temporary operational changes and recovery from them has been regularly captured and reported to the Scottish Government, together with the financial impact across non-delegated Health and Social Care functions, within a Covid-19 Local Mobilisation and Recovery Plan (LMP) and supporting financial model.

Immediate actions were taken to create additional local capacity within health and social care and support resilience during the pandemic and the vast majority of costs relating to the mobilisation and remobilisation plan actions were incurred during the 2020/21 financial year. The LMP continues to be updated and refined in line with national guidance and local requirements to ensure that cost estimates, funding requirements and potential unachieved savings are presented to the Scottish Government. This has continued into 2021/22.

All direct, indirect and opportunity costs associated with the IJB functions' response to Covid-19, as contained within the LMP, were fully funded by the Scottish Government.

### *Operations of the IJB*

A project reported on transformation of cancer care, enabling service users to access community assets both statutory and voluntary. This will make a measureable improvement in the lives of cancer patients, and other serious illnesses, reducing the amount of patients returning to hospital.

The IJB considered how to maximise the impact of NHS Borders in mitigating health inequalities: a two year programme is focussing on three areas - gathering data, engaging with groups and the NHS as an anchor organisation. Inequalities, including mental health have increased over the last year.

A national consultation on the development of the National Care Service took place between August and October 2021. The Feeley Report recommends that the SPG merges with the IJB and every member of the new IJB will have a vote. The intention is to make sure every member has a greater degree of influence and that there will be more engagement with localities. Other recommendations are for the IJB to become an employing group, and to hold capital and contracts with funding available directly through the IJB. The fundamental principles are to have equal access to services, which is seen as a humanitarian right; to tap in to the resource of older people in society; to get the best out of

every person; to apply the intention of children's services to adult services by getting it right for every child and adult; and establish a common set of values and beliefs.

The development of a renewed Social Care Plan has been delayed for twelve months due to the impact of Covid-19. Sustainability is an issue – increased demand and reduced resources. An integrated impact assessment is needed to develop a commissioning approach that aligns well with the development of the National Care Service.

Modelling of bed demand for care homes over the next 10 years was reviewed, considering the ageing population and fall in younger people who are carers. Consideration was given to Borders residents, the high number of out of area placements and a lower number of self funded care beds. There is a high dependency on the community. Age designated housing is the 6<sup>th</sup> highest in Scotland. A&E attendance is higher. Consideration will be given to rapid action rehabilitation and early intervention.

The third sector voice was considered across seven key themes: community support, family support, carer support, person centred approach, financial concerns, promotion of Scottish Borders and engagement with Health & Social Care services. Respite arrangements were considered and carers are looking for building based respite where they can leave their loved ones for a few hours. Many people live outside Galashiels so transport is also a requirement. A whole system approach is needed.

For Oral Health, ten priority areas for action were identified prior to the Covid pandemic but the impact of the pandemic means there is a backlog of appointments and clinics are not yet running at full capacity. Inequalities have been heightened. The service is looking to remobilise in a way that addresses these issues and to have oral health included in the new Strategic Commissioning Plan as a priority. Dentistry is an indicator of general health. The service is mobile and can go into care homes. Funding for dental services comes directly from the Scottish Government but the IJB could have control over some aspects. General and public dental services are within the scope of the IJB with the caveat that planning and direction come from Scottish Government.

Integrated workforce planning has been a major focus of activity. The IJB heard about the aim being to have the right people at the right place, at the right time; and to work in a more integrated manner than previously. The pandemic has made workforce issues a priority and so we have used the lessons learnt from the pandemic to produce a 2022-25 integrated workforce plan: with staff being re-skilled as an emergency response to the pandemic; and recognising the importance of staff and unpaid carers having the correct competencies. The Integrated Workforce Plan was subsequently approved by the IJB on 26 October 2022, and is available at:  
[https://www.scotborders.gov.uk/downloads/file/11679/hsc\\_integrated\\_workforce\\_plan\\_2022-25](https://www.scotborders.gov.uk/downloads/file/11679/hsc_integrated_workforce_plan_2022-25).

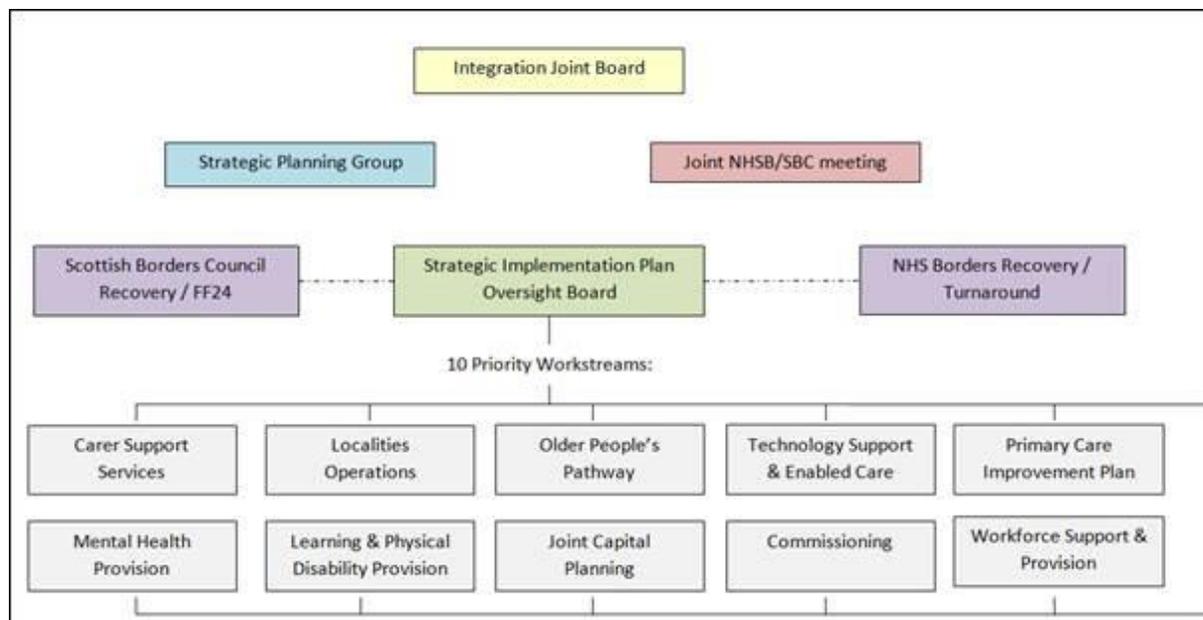
### *Locality Planning*

Locality planning 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 Plan. Effective local engagement and involvement is key to delivery of the 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.

Post Covid-19, the aim is to develop physical hubs (in a similar format to the What Matters hubs) where individuals and families can drop in for support. These physical hubs will be supported by the Third Sector, Volunteers, Citizens Advice Scotland and other partners who would 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. This approach has been agreed in principle by NHS Borders, Scottish Borders Council, the Community Planning Partnership and other key partners.

## Governance

The governance and management structure is demonstrated by the diagram below. This shows the IJB and the supporting management of the Health and Social Care Partnership, including the 10 priority workstreams of its Strategic Implementation Plan (SIP), together with the interface with NHS Borders and Scottish Borders Council with regard to Transformation and Recovery.



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

The SIP Board is a multi-disciplinary team comprised of professional key leaders across Scottish Borders Council (SBC) and NHS Borders (NHSB) formed to support the delivery of the SIP for the IJB. In doing so it will also ensure the delivery of NHSB objectives in relation to service transformation and financial turnaround as well as relevant elements of SBC's Fit for 2024 programme.

The role of the SIP Board is to deliver on the work streams identified within the SIP through integrated working across the whole of the Health and Social Care Partnership and is necessarily dynamic, changing and adapting as required. The number, nature and content of the workstreams will change as priorities evolve. The membership for the workstreams will evolve and be determined by the SIP Board in line with partnership governance.

Specialist input, from colleagues who are not standing members is required within the SIP Board and within each of the priority workstreams. Specialist input is added as and when required in order to support the decision making process. It is the responsibility of the SIP Board, based on the work of its associated workstreams, to provide the detail for individual Directions that may require to be developed and recommended to the Strategic Planning Group of the IJB and onward to the IJB, for implementation across the partnership.

The work of the SIP Board requires to be dynamic and constantly adapt. The number, nature and content of the workstreams will also change as the priorities evolve. The terms of reference and membership for the work streams are determined by the SIP Board and agreed in partnership.

The above structure is serving us well. Lessons learned from the Covid-19 response have been applied to how we plan and deliver services, how we build relationships and how we utilise the collective resource we have. This will become increasingly important when coupled with ever increasing health and social care financial and economic pressures.

This therefore needs agile governance, built on trust between agencies, in a shared endeavour, with a

willingness to accept risk, learn from mistakes, 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.

### *Key Decisions During the Year*

The IJB's business includes a focus on governance and operating arrangements, strategic, operational and financial planning, and monitoring of performance and resources.

<b>Month</b>	<b>Decision</b>
March 21	Approved the approach being taken to progress with the continued development of the Older People's Pathway, following on from the approval of the 'Formative Evaluation of the Discharge Programme' at the IJB's February 2021 meeting.
September 2021	Approved the Annual Performance Report for publication Approved the approach to developing additional capacity for complex care for people with Learning Disabilities in the Scottish Borders Reviewed the Care Home Modelling data which would be used to inform future commissioning of care homes
October 2021	Approved the 2020/21 Annual Accounts
December 2021	Approved the self assessment methodology and roll out, to be used annually Approved changed monitoring arrangement for the SIP, using the IJB Audit Committee Approved approach to developing the new Strategic Commissioning Plan including a comprehensive Joint Needs Assessment Agreed that the IJB Audit Committee would rapidly review terms of reference and self assessment of the IJB Committees Approved the IJB Directions Policy and Procedure Approved addition to the IJB Audit Committee to oversee and scrutinise the implementation of the Strategic Commissioning Plan Agreed to develop an Action Plan for Carers in the Scottish Borders Agreed to issue a direction to commission the provision of care within the care village which would clarify the role and requirements of the IJB
March 2022	Noted the level of financial uncertainty of funding for both local authorities and health boards, and the period of purdah for councillors, meant that the IJB was unable to agree the budget for the year ahead of 1 April Approved a direction to commission the community rehabilitation service as set out in the Millar House Business Case Approved directions for development of the Integrated Workforce Plan Approved directions for development of the Strategic Commissioning Plan Requested that the IJB Audit Committee build in a review of arrangements relating to the Civil Contingencies Act Noted the Chief Social Work Office Annual Report Approved directions for the development of Full Business Cases for Care Village in Tweedbank, and the scoping of Care Home Provision in Hawick to Outline Business Case

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

## Financial Position at 31 March 2022

### Delegated Budget

For 2021/22, the IJB considered its Financial Plan and Budget prior to 1 April (at its meeting of 24 March 2021). Approval of the 2022/23 Financial Plan and budget was delayed due to the level of uncertainty around budget allocations to councils and health boards and the impact on savings targets. It was approved (without changes) on 15 June 2022.

The Comprehensive Income and Expenditure Statement on page 39 shows a year end surplus of income over expenditure of **£16.356m**, which effectively represents the funds which were transferred to reserves, and carried forward to 2022/23 to meet future earmarked expenditure plans. This value by itself is not an indicator of the financial health of the IJB.

The underlying financial performance of the IJB was an over-spend of **£4.718m (2.0%)** of the base Delegated Budget at 31 March 2022 (last year £4.018m). An additional allocation from the NHS was required to meet in year cost pressures. The table below compares this with the previous year where the additional payments comprised 1.9% of the delegated budget.

UNDERLYING FINANCIAL PERFORMANCE			
	SBC £'000	NHSB £'000	IJB £'000
Financial Plan delegated funding	(55,945)	(178,487)	<b>(234,432)</b>
Outturn spending	55,945	183,205	<b>239,150</b>
<b>2021/22 additional payments required</b>	0	4,718	<b>4,718</b>
<b>2021/22 % value of additional payments over funding</b>	<b>0.0%</b>	<b>2.6%</b>	<b>2.0%</b>
<b>2020/21 additional payments required</b>	93	3,925	<b>4,018</b>
<b>2020/21 % value of additional payments over funding</b>	<b>0.2%</b>	<b>2.2%</b>	<b>1.9%</b>

The year end position across delegated functions is summarised below:

<i>Delegated Functions Total</i>	2020/21 Outturn £'000	2021/22 Revised Budget £'000	2021/22 Actual Outturn £'000	2021/22 Outturn Variance £'000
Joint Learning Disability Service	3,830	3,595	4,431	(836)
Joint Mental Health Service	16,925	18,882	19,220	(338)
Joint Alcohol and Drug Service	757	920	920	0
Prescribing	22,660	23,132	23,552	(420)
Generic Services	72,248	70,792	73,916	(3,124)
NHSB / SBC Additional Contribution	0	4,718	0	4,718
	116,420	122,039	122,039	0

During 2021/22 variances in the functions delegated to the IJB included:

- Savings target were not achieved, a shortfall of £5.520m. 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. Scottish Government provided non recurring support for non-achievement of savings plans through the Covid-19 resource allocation. This relates mainly to NHS, both delegated and Set Aside.
- 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 in the period January to March
  - Allied Health Professional services underspend after non-recurring support to offset pressure in Home First
  - Further slippage on dental services.
- The financial position in Social Care functions at 31 March is improved against forecast, with an underspend of £0.934m: mainly due to a combination of the following:
    - Both Older People and Learning Disability experiencing higher than expected client income and lower client/care costs.
    - A benefit realised in Mental Health due to reduced staff and care package costs.
    - Additional support to the partnership through virement from non-delegated functions to offset financial pressures identified in prior periods.
    - Additional support from Scottish Government for non-delivery of savings in 2021/22.
- Financial issues in large hospital functions retained and Set Aside:
    - Accident and Emergency continues to experience significant pressures due to additional staffing to manage increased demand.
    - Offset by underspend in hospital prescribing and reduced activity against long term conditions and General Medicine.
    - Vacancies in a number of key medical staffing posts mitigated the slippage in savings and supported an overall breakeven position, after additional SG support.
- The IJB recorded a total movement in reserves of **£16.356m, £11m of which related to the increase in the Covid-19 reserve earmarked and brought forward to 2022/23.** The remainder of this movement relates to ring-fenced funding received by NHS Borders and associated slippage in service developments which have been carried forward to 2022/23.

### Large Hospital Budget Retained and Set-Aside

Legislation sets out that IJBs are responsible for strategic planning of hospital services most commonly associated with the emergency care pathway, primary and community health care and social care. In relation to the Large Hospital Budget Retained by NHS Borders and Set-Aside, an over-spend position has been reported by NHS Borders at 31 March 2022, summarised overleaf.

	2020/21	2021/22	2021/22	2021/22
<i>Set Aside Healthcare Functions</i>	Outturn	Revised Budget	Actual Outturn	Outturn Variance
	£'000	£'000	£'000	£'000
Accident & Emergency	3,634	3,740	4,233	(493)
Medicine of the Elderly	6,401	6,608	18,008	(11,400)
Medicine & Long-Term Conditions	16,819	18,149	6,076	12,073
Planned Savings & Actions	0	(1,046)	0	(1,046)
	<b>26,854</b>	<b>27,451</b>	<b>28,317</b>	<b>(866)</b>

The IJB directed **£27.451m** to NHS Borders for the Set-Aside budget in 2021/22. During the financial year, NHS Borders spent **£28.317m**, resulting in an over-spend of **(£0.866m), (last year £1.328m)** within these Health Board functions. The over-spend position remains the responsibility of NHS Borders and as a result, has been absorbed within the overall health board financial position at outturn. The IJB therefore is reporting a breakeven position at outturn summarised as follows.

<i>Set-Aside Healthcare Functions</i>	2020/21 Outturn £'000	2021/22 Revised Budget £'000	2021/22 Actual Outturn £'000	2021/22 Outturn Variance £'000
IJB-directed Set-Aside Functions	26,854	27,451	27,451	0
	<b>26,854</b>	<b>27,451</b>	<b>27,451</b>	<b>0</b>

### Other Resources

The brought forward reserve position of **£10.240m** and in-year increase in earmarked reserves of **£16.356m**, results in total funds carried forward to 2021/22 of:

Portfolio	Ring Fenced Allocations (RRL) £	Additional Commitment s (NHSB) £	Total Balance held in Reserves £
Alcohol & Drugs	368,740	605,782	974,522
BBV	0	97,329	97,329
Mental Health	2,287,674	0	2,287,674
PCIP	1,522,980	0	1,522,980
PC Digital	182,369	164,158	346,527
PC Premises	148,831	191,047	339,878
PC Other	531,524	37,155	568,679
Public Health	36,134	108,771	144,905
Regional Diabetes	1,342,059	150,939	1,492,998
Urgent & Unscheduled Care	871,566	0	871,566
Vaccines	0	153,687	153,687
Winter	0	427,468	427,468
Workforce & Wellbeing	687,261	0	687,261
Community Living Change Fund	377,966	0	377,966
Other	275,052	209,001	484,053
HB Support	0	3,720,613	3,720,613
COVID	11,048,000	0	11,048,000
	0	0	0
	<b>19,680,156</b>	<b>5,865,950</b>	<b>25,546,106</b>

Of the above funding, **£16,356m** (and **£9.404m for 2020/21**) relates to slippage on planned investments and the use of ring-fenced funding allocations.

### Covid-19

Additional expenditure of **£9.906m** was incurred in relation to the Covid response. This included **£5,280m** within Healthcare and **£4.626m** within Social care. This includes resource cover for unachieved savings, as described earlier..

○

	HSCP Delegated			Scottish Borders
	NHSB £000s	SBC £000s	Total £000s	Total £000s
Sub-Total Covid-19 Costs	540	3,846	4,386	14,412
Unachievable Savings	4,740	780	5,520	9,590
Offsetting Cost Reductions	0	0	0	0
<b>Total Covid-19 Costs</b>	<b>5,280</b>	<b>4,626</b>	<b>9,906</b>	<b>24,002</b>
Total Remobilisation Costs	0	0	0	86
<b>Total Costs</b>	<b>5,280</b>	<b>4,626</b>	<b>9,906</b>	<b>24,088</b>

Covid-19 expenditure includes key areas of national priority including test & protect, vaccination programmes, infection prevention and control within care home sector, and expansion to hospital capacity including ITU beds. Specific items of Personal Protective Equipment (PPE) and Covid-19 Testing Kits which were procured, and distributed, on a nationally coordinated basis to Boards have been accounted for within the Annual Accounts. Additional funding has been provided by SG to NHS Borders equivalent to the Board's identified value of the PPE and Testing Kits provided by NHS National Services Scotland. Scottish Government support to Covid-19 expenditure and non-delivery of savings includes allocations made available to the IJB in relation to the impact of the pandemic on Social Care.

Significant components of the costs were testing **£1.353m**, vaccinations **£3.044m**, contact tracing **£0.904m**, Infection prevention and control **£0.836m**, Social Care provider sustainability payments **£1.276m** and other additional staff **£1.587m** (NHS), and **£1.893m** (Social Care).

After taking account of expenditure, at end March 2022, the IJB holds a reserve of c.**£11m** for Covid funds which were provided in 2021/22.

Scottish Government have highlighted a significant shortfall in funds available to support future Covid-19 activities identified within financial plans for 2022/23 and IJBs are expected to work with local partners and Scottish Government to develop revised plans as part of a national programme of Covid-19 cost improvement actions. This includes review of Vaccination plans and other directed services, including Test & Protect, and the expected wind-down of schemes to support social care provider sustainability and other support across hospital and community services.

## Financial Outlook Future Years

The IJB continues to face significant financial challenges and both of its partners are facing challenges in meeting the demand for health and social care services within the financial quantum available. The Scottish Government budget outlined resource commitments for a single year pending the medium term spending review in May 2022. The IJB budget is therefore presented on a one year basis in line with SG planning assumptions.

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

There are a number of financial risks which require management and mitigation:

- Delegated and Set-Aside Budgets remain under considerable pressure as a result of responding to Covid-19, slippage in Transformation workstreams and the inability to deliver required efficiency savings. In respect of required savings, a recovery plan is

in development.

- 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.
- There is a risk that 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 or Set-Aside. Accordingly, the IJB may be at risk of overspend, without mitigating solutions.
- Although Strategic Plans cover multiple years, both NHS Borders and Scottish Borders Council receive only a 1-year financial settlement.
- Prescribing remains high risk due to the volatility of price and supply. Whilst there was a significant downturn in the level of prescribing and resultant expenditure due to Covid-19, this trend is not expected to continue.
- There is an ongoing risk around workforce sustainability both internally and with our external care partners.
- The risk that loss of service provision as a result of market failure would result in additional costs for alternative supply.

ing forward, delivering financial balance will require the partnership to increase its focus on identifying and delivering a greater level of savings in year and on a recurring basis. Monitoring of existing actions to mitigate emerging pressures will further support a reduction in spend required to address the pressures experienced during 2021/22 and previous financial years. In setting its strategic agenda for the medium-term and planning outcomes and new health and care services, the partnership must target financial efficiency benefits and strive for overall affordability and best value.

## Risk, Uncertainty and Change

Management of risk including financial risk is one of the key responsibilities of the IJB. Management of risk is a management responsibility and is reviewed regularly by the IJB ensuring actions are in place to mitigate and manage risks appropriately. Risks which have been reported to the IJB along with their status at last review are shown in the table below.

Risk Title	Risk Description	Risk Score
Cultural change	If the required change in culture is not achieved then the delivery of the Partnership's strategic objectives may be delayed or may not be fully met	4 Major – Remote
Resources	If we do not ensure that an effective Commissioning Plan is agreed, and the required resource are directed by the IJB and allocated by NHSB and SBC then we may not secure the expected outcomes or achieve best value	12 Moderate – Likely
Future market for care	If the future market for care is insufficient to meet increasing demand then there may be gaps in service provision and poor outcomes/choices	16 Major – Likely
Stakeholder engagement	If we do not ensure that we have a partnership approach when communicating and engaging with stakeholders then we may fail to get them to play their part in delivering the partnership's strategic objectives	12 Moderate – Likely
Delegated Budget	If both Partners do not sufficiently and rigorously plan and manage their Efficiency and Savings Programmes then the delegated budget may continue to overspend leading to inability to commission sufficient services to deliver the strategic objectives	16 Major – Likely
Workforce	If we do not have a workforce fit for purpose now and in the future then the Partnership may fail to deliver on the strategic objectives leading to poor outcomes	16 Major – Likely
Supplier failure	If a significant supplier was unexpectedly unable to fulfil their contract then there may be a serious gap in service provision leading to risk of harm and reputational damage	20 Catastrophic – Likely

At this most recent review in March 2022 the decision was taken to reframe the IJB Strategic Risk

Register to better reflect the role, remit and strategic objectives of the IJB rather than focusing on risks which are essentially management considerations. Work has been underway since March 2022 to develop a new suite of risks which will support and underpin the objectives of integration while continuing to take into consideration the impacts of Covid-19 and, furthermore, give reference to key policy revisions that will ultimately have a positive bearing on governance, commissioning and service delivery arrangements.

## The Integration Joint Board

During 2021/22, the IJB was chaired by Cllr David Parker, Scottish Borders Council. During the same period the Vice-Chair was Mrs Lucy O’Leary, Vice Chair of NHS Borders. In addition to the Chair and Vice-chair, the IJB Board comprised 4 additional voting members from NHS Borders (Non-Executive Directors) and 4 from Scottish Borders Council (Elected Members).

The Chief Officer of the IJB was Mr Chris Myers who has been in post since November 2021. Prior to this date the role was held by Mr Rob McCulloch-Graham. The Chief Officer is a non voting member.

The post of Chief Financial Officer (CFO) is also a non voting member although this post was vacant throughout the year. This role is a statutory requirement, which 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 interim 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 off the accounts of the IJB.

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

Name	From / To	Designation
<b>Voting members</b>		
Cllr David Parker		Elected Member, Scottish Borders Council (Chair)
Mr Malcolm Dickson	To 31.07.2021	Non Executive Director, NHS Borders (Vice Chair)
Ms Lucy O’Leary	From 01.04.2021 From 31.07.2021	Non-Executive Director, NHS Borders (Vice Chair)
Mrs Harriet Campbell	From 15.12.2021	Non-Executive Director, NHS Borders
Mr Malcolm Dickson	To 31.07.2021	Non-Executive Director, NHS Borders
Cllr John Greenwell	To 28.07.2021	Elected Member, Scottish Borders Council
Ms Karen Hamilton		Non-Executive Director, NHS Borders
Cllr Shona Haslam		Elected Member, Scottish Borders Council
Cllr Jenny Linehan	From 28.07.2021	Elected Member, Scottish Borders Council
Mr John McLaren		Non-Executive Director, NHS Borders
Cllr Elaine Thornton-Nicol		Elected Member, Scottish Borders Council
Mr Tristram Taylor		Non-Executive Director, NHS Borders
Cllr Tom Weatherston		Elected Member, Scottish Borders Council
<b>Non voting members</b>		
Mr Rob McCulloch-Graham	To 30.10.2021	Chief Officer and Joint Director of Health and Social Care Integration Joint Board
Mr Chris Myers	From 01.11.2021	Chief Officer and Joint Director of Health and Social Care Integration Joint Board
Vacant (Role undertaken by Mr Andrew Bone, Director of Finance, NHS Borders and Mr David Robertson, Chief Financial Officer, Scottish Borders Council)		Chief Financial Officer (Section 95 Officer)

Ms Juliana Amaral	From 15.12.2021	Berwickshire Association of Voluntary Services and Borders Third Sector Interface
Mr David Bell		Unite
Mrs Nicky Berry	To 01.06.2021	Director of Nursing, Midwifery and Operations
Dr Kevin Buchan		Chair of GP Sub-committee
Mr Stuart Easingwood		Director of Social Work and Practice
Ms Lynn Gallacher		Borders Carers Centre
Ms Sarah Horan	From 01.06.2021	Director of Nursing and Midwifery and Allied Health Professionals
Mr Nile Istephan		Chief Executive, Eildon Housing Association
Ms Linda Jackson		LGBTQ+ representative
Dr Lynn McCallum		Executive Medical Director
Mrs Morag Low	To 28.07.2021	User representative
Ms Vikki MacPherson / Ms Gail Russell		Partnership NHS
Ms Jenny Smith		Borders Care Voice

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## 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**  
(replaced Cllr Parker  
15 June 2022)

30 November 2022



**Chris Myers**  
**Chief Officer IJB**

30 November 2022



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

30 November 2022

# Remuneration Report

## Introduction

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

## Remuneration

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

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

## Remuneration of Integration Joint Board Members

The voting members of the IJB are appointed through nomination by NHS Borders and Scottish Borders Council. Nomination of the IJB Chair and Vice-Chair posts alternates between an elected member and 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.

Expenses 2020/21 £	Name	Post(s) Held	From / To	Nominated By	Expenses 2021/22 £
0	Cllr David Parker	Chair		Scottish Borders Council	0
1,214	Mr Malcolm Dickson	Vice-Chair	To 31/07/2021	NHS Borders	1,082
0	Mrs Lucy O'Leary	Member	From 01/04/2021	NHS Borders	1,117
		Vice-Chair	From 31/07/2021		
722	Dr Stephen Mather	Member		NHS Borders	37
0	Mr Tristram Taylor	Member		NHS Borders	511
<b>1,942</b>	<b>Total</b>				<b>2,747</b>
Footnote					
* NHS Board members expenses include sessional payments made by NHS Borders to recognise additional workload.					

Due to a lower level of face to face meetings as a result of Covid-19, the level of expenses paid remains low.

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.

## Remuneration of Senior Employees

The term 'Senior Employee' means:

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

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

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

**Other Officers:** The 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 was seconded to the IJB from one or other partner organisation for part of 2020/21 until 02 August 2020 following which the CFO of Scottish Borders Council and the Director of Finance for NHS Borders jointly undertook the duties of the role on an interim basis. There was no additional remuneration or charge to the IJB associated with this 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.

Total 2020/21 £	Name	Employing Organisation	Note	Salary 2021/22 £	Fees and allowance £	Total 2021/22 £
117,988	Mr Rob McCulloch-Graham	Scottish Borders Council	1	71,388	6,448	77,836
-	Mr Chris Myers	NHS Borders	2	36,177	1,741	37,918
24,172	Mr Michael Porteous	NHS Borders	3	-	-	-
-	Mrs Hazel Robertson	NHS Borders	4	-	-	-
<b>Notes</b>						
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. Mr Myers annual salary for the period was £85,966.					
3	Mr Michael Porteous left the post of Chief Financial Officer to the IJB on 02 August 2020. Only salary costs to this date have therefore been included. Mr Porteous full time equivalent annual salary was £71,151.					
4	Mrs Hazel Robertson took up post of Chief Financial Officer to the IJB on 1 August 2022 thus there are no salary costs in the reporting period. Mrs Robertson's annual salary is £75,000.					

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.

Mr Michael Porteous held an employment contract with NHS Borders and was a member of the NHS Pension Scheme (Scotland) 2015. The NHS Pension Scheme became a career average pay scheme from 1 April 2015. Benefits built up to 31 March 2015 are protected and based on final salary.

In respect of officers' pension benefits, the statutory liability for any future contributions to be made rests with the relevant employing partner organisation. On this basis, there is no 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:

Name	Employing Organisation	Note	In-year pension contributions for year to		Accrued pension benefits		
			31-Mar-21	31-Mar-22	Type	As at 31/3/22	Difference from 31/3/2021
			£	£		£	£
Mr Rob McCulloch-Graham	Scottish Borders Council	1	19,342	15,225	Pension	19,342	5,402
					Lump Sum	5,934	5,934
Mr Chris Myers	NHS Borders	2	nil	4,774	Pension	25,103	25,103
					Lump Sum	3,765	3,765
Mr David Robertson	Scottish Borders Council	3	nil	nil		nil	nil
Mr Andrew Bone	NHS Borders	3	nil	nil		nil	nil
Mrs Hazel Robertson	NHS Borders	4	nil	nil		nil	nil
<b>Notes</b>							
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. Mr Myers annual salary for the period was £85,966.						
3	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.						
4	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 2021/22 this is:

Number of employees in Band 2020/21	Remuneration Band	Number of employees in Band 2021/22
	£70,001 - £75,000	1
	£75,001 - £80,000	
	£80,001 - £85,000	
	£85,001 - £90,000	
	£90,001 - £95,000	
	£100,001 - £100,000	
	£100,001 - £105,000	
1	£105,001 - £110,001	



**Lucy O'Leary**

**Chair of the IJB**

30 November 2022



**Chris Myers**

**Chief Officer IJB**

30 November 2022

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

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# Statement of Responsibilities

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## 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 30 November 2022.

Signed on behalf of Scottish Borders Integration Joint Board.



**Lucy O'Leary**  
**Chair of the IJB**

30 November 2022

## Chief Financial 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 2022 and the transactions of the IJB for the year then ended.

*Hazel Robertson*

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

30 November 2022

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# Annual Governance Statement

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## Introduction

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

## Scope of Responsibility

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

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

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

## The Governance Framework and Internal Control System

The Board of the IJB comprises voting members, nominated by either NHS Borders or Scottish Borders Council, as well as non-voting members including a Chief Officer appointed by the Board.

The IJB's Local Code of Corporate Governance (IJB Local Code), which was approved by the Board in September 2018, sets out the framework and key principles which require to be complied with to demonstrate effective governance. The IJB Local Code reflects the changing context of integration and is consistent with the principles and recommendations of the 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 2021/22 included:

### ***A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting rule of law***

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

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

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.

### ***B. 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 IJB are documented in the public domain.

Community engagement was encouraged as part of the development of the Scheme of Integration and the Strategic Plans which involve consultations with interested parties including members of the public.

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

The vision, strategic objectives and outcomes are reflected in the Strategic Plan 2018-2021 and the associated Strategic Implementation Plan, which are being reviewed and updated to reflect on-going assessment of need.

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

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

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

The Strategic Plan 2018-2021 is based on consultation during its review and update and describes the planned redesign of Health and Social Care. The Strategic Implementation Plan sets out how services will be planned and delivered using the integrated budgets to achieve the strategic objectives. These are both being reviewed and updated.

The IJB is the strategic commissioner of health and social care services from NHS Borders and Scottish Borders Council for the delivery of services in line with the Strategic Plan. In future there will be more use of Directions as service redesign and re-commissioning in line with the transformation programme is progressed in line with the new Directions Policy.

The 2022/23 Commissioning Plan aligns the IJB's areas of focus for commissioning over 2022/23 in line with its Strategic Plan, and improvements against the National Health and Wellbeing Outcomes.

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

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

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

Members of the IJB Board are provided with the opportunity to attend Development Sessions relevant to their role.

There is an interim Integrated Workforce Plan 2021/22 which supports the commissioned partners of the IJB (3-year Integrated Workforce Plan 2022 to 2025 has been developed and approved).

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

The IJB Chief Officer has overall responsibility for the strategic commissioning of health and social care services. The IJB 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 Financial Officer is responsible for the proper administration of all aspects of the IJB's financial affairs. Since August 2020 the IJB CFO role has been fulfilled jointly by the NHS Borders and Scottish Borders Council Directors of Finance. A permanent appointment has been made and the post holder commenced in the role in August 2022.

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 IJB for monitoring and control purposes including the annual outturn.

The 2022/23 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.

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

Scottish Borders Council's Chief Officer Audit & Risk is the appointed IJB Chief Internal Auditor whose role is to provide an independent and objective audit opinion on the effectiveness of the IJB's internal control, risk management and governance arrangements. 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.

The IJB responds to the findings and recommendations of Internal Audit, External Audit, Scrutiny and Inspection bodies. The IJB Audit Committee is integral to overseeing assurance and monitoring improvements in internal control and governance. The functions of the IJB Audit Committee are undertaken in compliance with the CIPFA Audit Committees Practical Guidance for Local Authorities and Police 2018 Edition (which is deemed relevant for integration authorities).

Quarterly Performance Reports were presented to the IJB for the purposes of monitoring and control. An Annual Performance Report for 2021/22 was presented to the IJB to outline progress against strategic objectives during the year.

The Annual Accounts and Report for 2021/22 sets out the financial position in accordance with relevant accounting regulations.

#### **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 2020/21, there has been progress made with their implementation. Two recommendations are now complete (Recruit on a permanent basis to the IJB Chief Financial Officer post; Improve the clarity and transparency of Directions from the IJB to partners), and two recommendations are still in progress with extensions granted to completion dates to enable the new IJB Chief Officer to fully implement these. These therefore continue to be noted in the section below, nos. 1-2. Two further recommendations were made by Internal Audit arising from their 2021/22 review to enhance corporate governance arrangements, nos. 3-4 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 Local Code:

- 1 Develop the Workforce Planning Framework to align to Strategic Commissioning Plan.
- 2 Ensure regular updates on progress against the Ministerial Strategy Group (MSG) Self Evaluation HSCP Action Plan and Best Value Areas of Improvement.
- 3 Review and update the Communications Strategy to ensure that it remains relevant in the current environment in respect of stakeholder consultation and engagement.
- 4 Ensure the key themes of consultation and sustainability are evidenced in reports used for decision-making to enhance transparency.

The implementation of the associated Action Plan, set out within the Internal Audit Annual Assurance Report 2021/22, to enhance the governance arrangements in 2022/23 will be driven and monitored by the IJB Chief Officer in order to inform the next annual review. Internal Audit work planned in 2022/23 is designed to follow-up on progress with implementation of the Action Plan and test improvements in governance arrangements.

### Conclusion and Opinion on Assurance

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



**Lucy O'Leary**  
Chair of the IJB  
30 November 2022



**Chris Myers**  
Chief Officer IJB  
30 November 2022

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

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# Independent Auditor's Report

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

### Reporting on the audit of the financial statements

#### Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Scottish Borders Integration Joint Board for the year ended 31 March 2022 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the 2021/22 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2021/22 Code of the state of affairs of the Board as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2021/22 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

#### Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 10 April 2017. The period of total uninterrupted appointment is six years. I am independent of the Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the

Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the Board's current or future financial sustainability. However, I report on the Board's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

### **Risks of material misstatement**

I report in a separate Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my judgements thereon.

### **Responsibilities of the Chief Financial Officer and Audit Committee for the financial statements**

As explained more fully in the Statement of Responsibilities, the Chief Financial Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the Board's operations.

The audit committee is responsible for overseeing the financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how the Board is complying with that framework;
- identifying which laws and regulations are significant in the context of the Board;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and

- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Board's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skillfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

## Reporting on other requirements

### Opinion prescribed by the Accounts Commission on the audited part of the Remuneration Report

I have audited the part of the Remuneration Report described as audited. In my opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

### Other information

The Chief Financial Officer is responsible for other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited part of the Remuneration Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

## Opinions prescribed by the Accounts Commission on Management Commentary and Annual Governance Statement

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

## Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

## Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in my Annual Audit Report.

## Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

*Gillian Woolman*

Gillian Woolman MA FCA CPFA  
Audit Director  
Audit Scotland  
102 West Port  
Edinburgh  
EH3 9DN

30 November 2022

# Statement of Accounts

## Comprehensive Income and Expenditure Statement (CIES) For the Year Ended 31 March 2022

This statement shows the cost of providing services for the year according to accepted accounting practices. Where the impact on the General Fund is amended by statutory adjustments, these would normally be included in both the Expenditure and Funding Analysis and the Movement in Reserves Statement. For 2020/21, there are none.

Gross Expenditure 2020/21 £'000	Income 2020/21 £'000	Net Expenditure 2020/21 £'000		Gross Expenditure 2021/22 £'000	Income 2021/22 £'000	Net Expenditure 2021/22 £'000	Note	
118,984	0	118,984	Health Services Delegated	126,389		126,389	3,4,7	
60,060	0	60,060	Social Care Services Delegated	64,104		64,104		
25,526	0	25,526	Health Services Retained and Set-Aside by NHS Borders	27,451		27,451		
168	0	168	Corporate Services	132		132		
<b>204,738</b>	<b>0</b>	<b>204,738</b>	<b>Cost of Services</b>	<b>218,076</b>	<b>0</b>	<b>218,076</b>		
0	(211,236)	(211,236)	Taxation and Non-Specific Grant Income		(234,432)	(234,432)	5	
<b>204,738</b>	<b>(211,236)</b>	<b>(6,498)</b>	<b>(Surplus) or Deficit on Provision of Services</b>	<b>218,076</b>	<b>(234,432)</b>	<b>(16,356)</b>		
						<b>(6,498)</b>	<b>Total Comprehensive Income and Expenditure</b>	<b>(16,356)</b>

The 2021/22 Comprehensive Income and Expenditure Statement relates to the financial activity pertaining to the sixth full year of operation of the IJB since its formation.

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 2022:

£'000	
Additional Allocations Delegated by Partners at 31 March 2022	
NHS Borders	4,718
Scottish Borders Council	-
	<b>4,718</b>

Total Comprehensive Income and Expenditure includes a breakeven position for the IJB on Set-Aside functions. The impact of an underlying over-spend of **£1.328m** on these functions has been accounted for only as part of NHS Borders' overall 2020/21 outturn position as there is no adverse impact on the outturn position or on earmarked general reserves carried forward to 2021/22.

The surplus of income over expenditure of **£16.356m** reflects the impact of the pandemic on the IJBs planned investments in relation to whole system transformation, as well as increased slippage on ring-fenced allocations for which delivery is phased over more than one year. These unspent allocations are held in reserves to match future expenditure requirements.

## Movement in Reserves Statement

The IJB approved its Reserves Policy in 2016/17. In 2020/21, the policy was applied in order that the IJB may carry forward funding. This relates to ring-fenced funding allocations to NHS Borders, unspent Older People's Change Fund and Transformation Fund balances and 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 2022.

	General Fund Balance £'000	Useable Reserves: Employee Statutory Adjustment Account £'000	Total Reserves £'000
<b>Opening Balance at 31st March 2021</b>	<b>10,240</b>	<b>0</b>	<b>10,240</b>
Adjustments between accounting basis and funding under regulations	16,356	0	16,356
<b>Closing Balance at 31st March 2022</b>	<b>26,596</b>	<b>0</b>	<b>26,596</b>
<b>Increase or Decrease during 2021/22</b>	<b>16,356</b>	<b>0</b>	<b>16,356</b>

The overall balance held in IJB reserves has increased significantly at March 2022. This reflects the impact of the pandemic on the IJBs planned investments in relation to whole system transformation, as well as increased slippage on ring-fenced allocations for which delivery is phased over more than one year. Within these ring-fenced allocations a residual balance of £11.048m is held in relation to Covid-19 plans which will be set against expenditure plans for 2022/23. A total excess of earmarked income over expenditure (£16.356m) has been carried forward to 2022/23 in line with Scottish Government guidance.

## Balance Sheet at 31 March 2022

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

31st March 2021 £'000			31st March 2022 £'000		Note
12,965	<b>12,965</b>	Short-Term Debtors <b>Current Assets</b>	29,165	<b>29,165</b>	6
(2,725)	<b>(2,725)</b>	Short-Term Creditors <b>Current Liabilities</b>	(2,570)	<b>(2,570)</b>	6
0	<b>0</b>	Provisions <b>Long-Term Liabilities</b>	0	<b>0</b>	
	<b>10,240</b>	<b>Net Assets</b>		<b>26,595</b>	
	10,240	Useable Reserve: General Fund		26,595	
	0	Useable Reserve: Employee Statutory Adjustment Account		0	
	<b>10,240</b>	<b>Total Reserves</b>		<b>26,595</b>	

The unaudited accounts were issued on 31 August 2022 and the audited accounts were authorised for issue on 30 November 2022.

*Hazel Robertson*

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

30 November 2022

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# Notes to the Annual Accounts

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## 1 Significant Accounting Policies

### 1.1 General Principles

The Annual Accounts summarise the Integration Joint Board's transactions for 2021/22 and its position at the year-end of 31 March 2022.

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.

### 1.2 Accruals of Income and Expenditure

Activity is accounted for in the year in which it takes place, not simply when settlement in cash occurs. In particular:

- Expenditure is recognised when goods or services are received and their benefits are used by the IJB;
- Income is recognised when the IJB has a right to the income, for instance by meeting any terms and conditions required to earn the income, and receipt of the income is probable;
- Where income and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the Balance Sheet;
- Where debts may not be received, the balance of debtors is written down.

### 1.3 Funding

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

### 1.4 Cash and Cash Equivalents

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partners. Consequently, the IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet. The funding balance due to / from each funding partner, as at 31 March 2022, is represented as a debtor or creditor on the IJB's Balance Sheet.

## 1.5 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.

## 1.6 Provisions, Contingent Liabilities and Contingent Assets

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

A contingent liability is a possible liability arising from events on or before 31 March, whose existence will only be confirmed by later events. A provision that cannot be reasonably estimated, or where settlement is not probable, is treated as a contingent liability. A contingent liability is not recognised in the IJB's Balance Sheet, but 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 2022.

## 1.7 Reserves

The IJB's reserves are classified as either Usable or Unusable Reserves.

The IJB's only Usable Reserve is the General Fund. The balance of the General Fund as at 31 March 2022 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 2022, for example any annual leave earned but not yet taken. The General Fund is only charged for this when the leave is taken, normally during the next financial year.

## 1.8 VAT

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

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 Integrated Joint Board.

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.

## 2 Events after the Reporting Period / Balance Sheet Date

The unaudited Annual Accounts were authorised for issue by the IJB Audit Committee ~~Chief Financial Officer~~ on 31 August 2022. 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 2022, 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.

## 3 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.

2020/21			2021/22		
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
20,877	0	20,877	23,257	0	23,257
19,152	0	19,152	21,280	0	21,280
757	0	757	920	0	920
23,841	0	23,841	25,245	0	25,245
2,646	0	2,646	2,573	0	2,573
22,660	0	22,660	23,552	0	23,552
85,665	0	85,665	88,809	0	88,809
56	0	56	0	0	0
1,876	0	1,876	1,980	0	1,980
25,526	0	25,526	27,451	0	27,451
1,514	0	1,514	2,876	0	2,876
168	0	168	132	0	132
<b>204,738</b>	<b>0</b>	<b>204,738</b>	<b>218,075</b>	<b>0</b>	<b>218,075</b>
(211,236)	0	(211,236)		(234,432)	(234,432)
<b>(6,498)</b>	<b>0</b>	<b>(6,498)</b>	<b>218,075</b>	<b>(234,432)</b>	<b>(16,357)</b>
		(3,742) Opening General Fund Balance			(10,240)
		(6,498) (Surplus) or Deficit in the Year			(16,357)
		<b>(10,240) Closing General Fund Balance</b>			<b>(26,597)</b>

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 2022.

## 4 Expenditure and Income Analysis by Nature

2020/21 £'000		2021/22 £'000
144,510	Services commissioned from NHS Borders	153,840
60,060	Services commissioned from Scottish Borders Council	64,104
141	Employee Benefits Expenditure	104
27	Auditor Fee: External Audit	28
(211,236)	Partners' Funding Contributions	(234,432)
<b>(6,498)</b>	<b>Net Cost of Services / (Surplus)</b>	<b>(16,356)</b>

The Fee charged by the Independent Auditor for 2021/22 was £27,960, an increase of 2.2% from 2020/21.

## 5 Taxation and Non-Specific Grant Income

2020/21 £'000		2021/22 £'000
(159,523)	Funding Contribution from NHS Borders	(178,487)
(51,713)	Funding Contribution from Scottish Borders Council	(55,945)
<b>(211,236)</b>	<b>Taxation and Non-Specific Grant Income</b>	<b>(234,432)</b>

The funding contribution from the NHS Board shown above includes **£27.451m** in respect of 'set aside' resources relating to acute hospital and other resources. These are provided by the NHS who retain responsibility for managing the costs of providing the services. The IJB however has responsibility for the consumption of, and level of demand placed on, these resources.

## 6 Debtors and Creditors

### 6.1 Debtors

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

31st March 2021 £'000		31st March 2022 £'000
13	Funding NHS Borders	25,559
12,952	Funding Scottish Borders Council	3,606
0	Funding Non-Public Sector	0
<b>12,965</b>	<b>Debtors</b>	<b>29,165</b>

## 6.2 Creditors

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:

### CREDITORS incl. INCOME IN ADVANCE

31st March 2021 £'000		31st March 2022 £'000
0	Funding NHS Borders	0
(2,725)	Funding Scottish Borders Council	(2,570)
0	Funding Non-Public Sector	0
<b>(2,725)</b>	<b>Creditors</b>	<b>(2,570)</b>

The net balance between Debtors and Creditors relates to the earmarked reserves held by the IJB of **£26.595m**.

31st March 2021 £'000		31st March 2022 £'000
<b>10,240</b>	<b>Net Debtors and Creditors</b>	<b>26,595</b>

## 7 Related Party Transactions

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

### NHS Borders

2020/21 £'000		2021/22 £'000
(159,523)	Funding Contributions	(178,487)
0	Service Income	0
144,510	Expenditure on Services Provided	153,840
0	Key Management Personnel	37
13	Support Services	14
<b>(15,000)</b>	<b>Net Transactions with NHS Borders</b>	<b>(24,596)</b>

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

31st March 2021 £'000		31st March 2022 £'000
13	Debtors: Amounts Due from NHS Borders	25,559
0	Creditors: Amounts Due to NHS Borders	0
<b>13</b>	<b>Net Balance with NHS Borders</b>	<b>25,559</b>

## Scottish Borders Council

2020/21 £'000		2021/22 £'000
(51,713)	Funding Contributions	(55,945)
0	Service Income	0
60,060	Expenditure on Services Provided	64,104
141	Key Management Personnel	67
14	Support Services	14
<b>8,502</b>	<b>Net Transactions with Scottish Borders Council</b>	<b>8,240</b>

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

## 8 Other Notes to the Accounts

### 8.1 Provisions:

No provisions have been made at the 31 March 2022.

### 8.2 Useable Reserve: General Fund:

The IJB holds a balance on its General Fund Reserve at 31 March 2022. This balance is earmarked in that it relates to funding received from the Scottish Government ring-fenced for specific purposes such as Primary Care Improvement or Alcohol and Drugs Partnership activity. The IJB has an approved Reserves Policy which enables it over time to earmark or build up funds which are to be used for specific purposes in the future such as known or predicted future expenditure needs. This supports strategic financial management. The Policy can also enable a contingency fund to be established in order to cushion the impact of unexpected events or emergencies. This is regarded as a key part of the IJB's risk management framework.

### 8.3 Unusable Reserve: Employee Statutory Adjustment Account:

Only one officer, the Chief Officer, requires to be considered in relation to absence entitlement earned but not yet taken at 31 March 2022. The value of this untaken but accrued entitlement is not considered material to the overall financial position of the IJB as presented in the Comprehensive Income and Expenditure Statement.

#### **8.4 Agency Income and Expenditure:**

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

#### **8.5 Contingent Assets and Contingent Liabilities:**

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