



Scottish Borders Health and Social Care Integration Joint Board

ANNUAL ACCOUNTS

***For the Financial Year
01 April 2024 to 31 March 2025***

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A. Management Commentary

Overview

Over 2024/25 we have made good progress in delivering our Health and Social Care Strategic Framework 2023-26. Through strong and close working across teams and partners, we have made some real traction with a number of the critical issues that our communities face, and seen significant improvements in more timely access to services across a range of areas.

Over the past year in what is a difficult environment, I am pleased that, as planned, we have seen reductions in Social Work Assessment waits, in Child and Adolescent Mental Health waiting times, in Delayed Discharges, and, we have managed to maintain relatively low community unmet need for home care services, despite the conversion of social work assessment demand, and challenging vacancy levels in Adult Social Care.

Despite a challenging financial situation, through transformation, redesign and partnership with local partners and with the Scottish Government, we have invested in capacity in areas such as the Primary Care Phased Improvement Programme, Hospital at Home, Community Pharmacotherapy for Social Care service users, and the new day support services in Teviot and Liddesdale. We have reviewed and redefined our Local Area Coordination Service to work with people to better support their individual resilience, launched our MacMillan Improving the Cancer Journeys Service, and made good progress around the Wellbeing Programme which will also improve outcomes. The Coming Home Programme continues to advance with the opening of new bungalows in Kelso, delivered by Eildon Housing Association.

All of these important improvements are developing the necessary community infrastructure to help us better provide the right care in the right place at the right time, and help the people of the Borders live their lives to the full. The progress made allows us to better work in partnership with people, to empower them to prioritise their health and wellbeing, and be supported by a focus on early-intervention, accessibility and prevention.

On a daily basis we see the true value of our teams across Health, Adult Social work and Adult Social Care working closely together and taking a person-centred approach. There is real richness and vocation in the work that all staff across the partnership do and the difference that they make. The Board is grateful to all of our staff and partners for their important and valuable work for the people of the Borders.

In January we saw how well people come together to support our service users in the response to the temporary closure of the Knoll Community Hospital to allow for remedial works for reinforced autoclaved aerated concrete (RAAC). This involved teams across the Health and Social Care Partnership (HSCP) and beyond working closely with NHS Borders to support a rapid decant and reconfiguration of the site.

Whilst we have made good progress during 2024/25, we have also faced a number of major challenges over the past year in our operating environment which includes continuing workforce, financial and economic challenges, along with increasing need for services by a growing number of people with long term conditions and often complex needs, many of whom are older. More detail is provided in section 2, but with over 25% of the population of the Borders being aged 65 years and above, and 30% of the population living in settlements of 500 people or less, providing the services required efficiently is a challenge. In a similar position to last year, the partnership has overspent on its budget, however whilst delegated

services remained in a similar level to previous years (£5.2m) the overspend on set aside has almost doubled to £7.1m. The full statement of accounts is presented in Section F, with notes to the accounts presented in Section G.

Through what is a difficult environment when it comes to the availability of resources, our Integration Joint Board has undertaken and commissioned much enabling work to help ensure future service sustainability, and to set the foundations for us to better work with the communities we serve to continue to improve outcomes. At the beginning of 2024 we launched our Carers Plan, Dementia Plan and Oral Health and Dental Plans. Towards the end of the financial year, we agreed our Medium-Term Financial Plan from 2025/26 and will shortly receive the outputs of the comprehensive needs assessment for Health and Social Care services across the Borders. Better understanding our Medium-Term Financial envelope along with our long-term local needs will help us to make the right decisions in the future to improve outcomes and get best value.

As we move into 2025/26, we will implement our Medium-Term Financial Plan, and Annual Delivery Plan which will help us to better deliver financial sustainability.

1. *Purpose*

Welcome to the Annual Accounts for the Scottish Borders Health and Social Care Integration Joint Board (IJB) for the year ended 31 March 2025. The purpose of the Management Commentary is to assist readers to understand the Statement of Accounts and assess how the IJB has performed in fulfilling its duties during the financial year.

This management commentary provides a summary of the Scottish Borders Health and Social Care Integration Joint Board's financial performance for the year and how this has supported delivery of the new Health and Social Care Strategic Framework 2023-26. It also outlines the financial framework which the IJB operates within and the challenges it faces in future years in delivering its priorities for the Scottish Borders.

2. *Background*

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

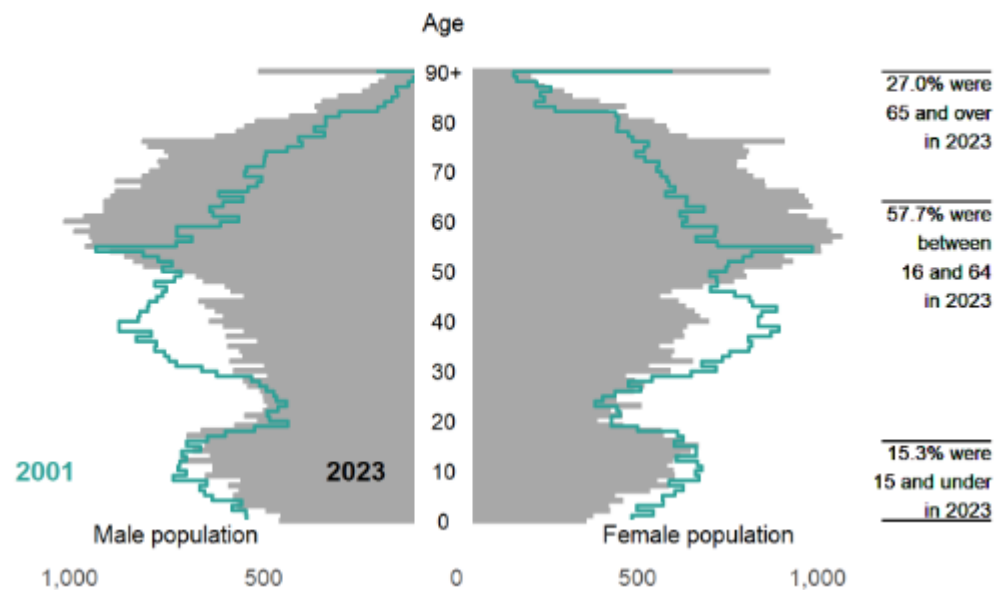
Population Information from National Records Scotland

The Scottish Borders is a rural area which, in 2023, had a population of 116,630. From 2001 to 2023, the population of the region increased by 9.1%, which is above Scotland's 8.4% rate of growth. The main reason for the growth in population is inward migration. 44% of the population growth in the period has occurred in those aged 50 years and above, while the net growth in those aged below 25 years has been 0%.

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

The graph below compares the age distribution of the male and female population of the Scottish Borders in 2023 (grey area) to the distribution in 2001 (area bounded by the blue line). In 2001, 21% of the total population was aged 15 or under, 60% of the total population was aged between 16 and 64, and 19% were 65 and over.

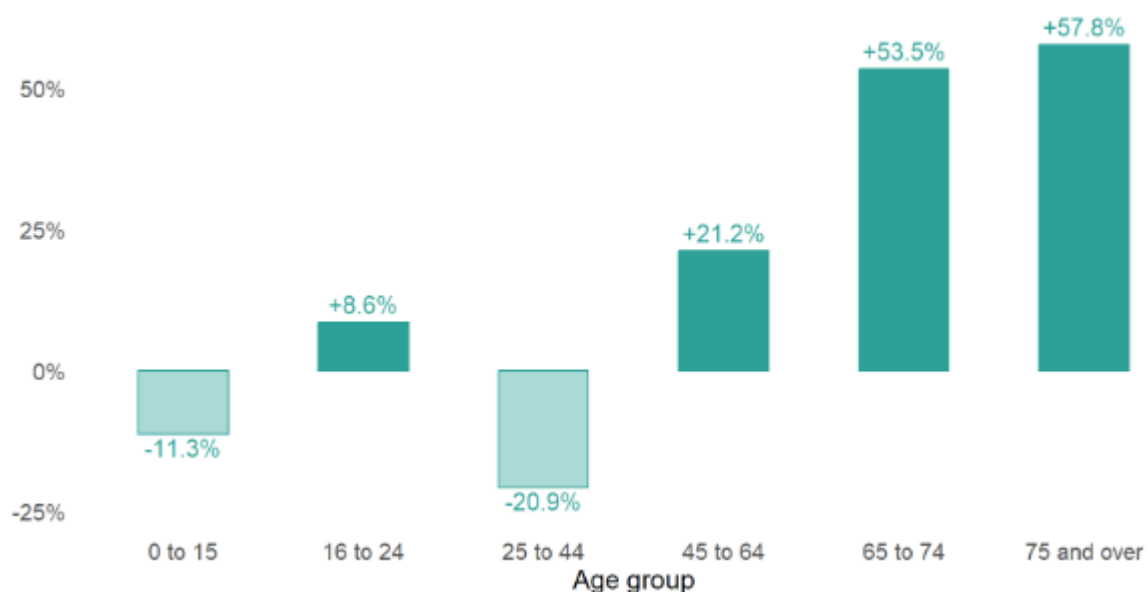
Scottish Borders Population profile, 2001 and 2023



In 2023 (the last published data) 57.7% of the population of the Scottish Borders is aged between 16 and 64 years of age. This is against a national average of 67.1%. The 45-64 years age group made up an above average 29.7% of the Scottish Borders population and 27.0% of its population is over 65 years of age, significantly above the national average of 20.1%. In contrast, the 16 to 24 age group was the smallest, with a population of 9,588.

The current proportion of the over 65 population in the Scottish Borders is 30 years ahead of the estimated Scottish national demographic, which will reach this level in 2051.

Scottish Borders Percentage change in population by age group, 2001 and 2023



According to the 2022 Scottish Census the Scottish Borders has 30,724 people aged 65 and older which equates to 26% compared to 20% for Scotland. The Scottish Borders has the 5th largest proportion of people aged 65 and older compared to the other 32 Scottish local authorities. By 2043 the proportion of people aged 65 and older in the Scottish Borders is expected to increase to 31.5% compared to 24.9% for Scotland. This will result in an additional 6,000 over 65s in the area in the next 20 years, and a lower working age population which demonstrates the value of planning over the longer term.

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

3. *Role and Remit of the Scottish Borders Health and Social Care Integration Joint Board*

The Scottish Borders Health and Social Care Integration Joint Board is a Public Authority focused on delivering improvements against the nine National Outcomes for Health and Wellbeing, and on achieving the core aims of integration.



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



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



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

The table below sets out which services have been delegated to the IJB to strategically oversee and commission. The day-to-day delivery of these services is managed through Directions to the Scottish Borders Health and Social Care Partnership (HSCP) which comprises NHS Borders (NHSB), the Scottish Borders Council (SBC); who in turn may commission other delivery partners, including third sector and housing.

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

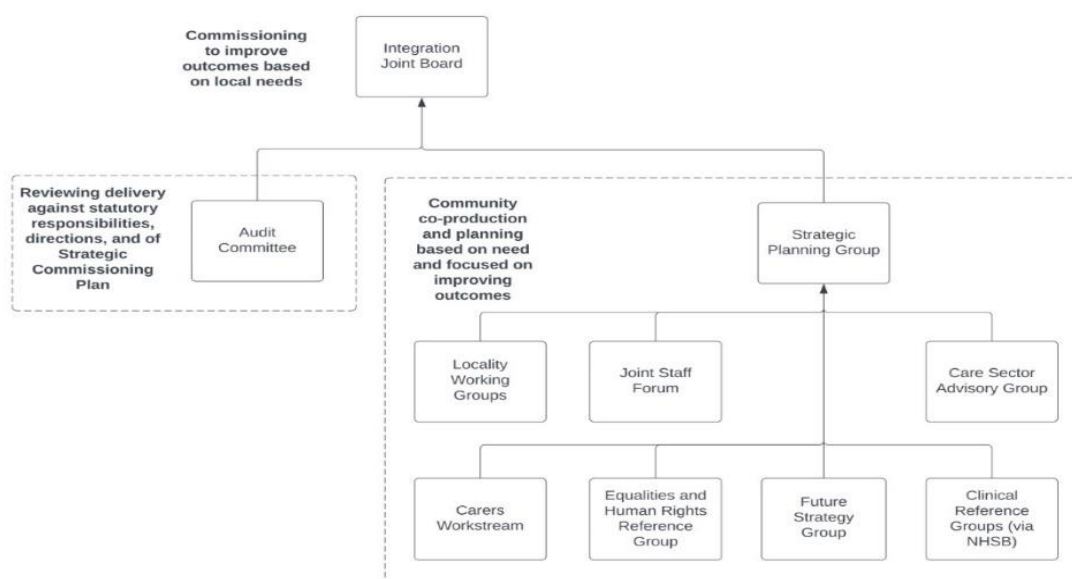
ADULT SOCIAL CARE SERVICES* • Social Work Services for adults and older people; • Services and support for adults with physical disabilities and learning disabilities; • Mental Health Services; • Drug and Alcohol Services; • Adult protection and domestic abuse; • Carers support services; • Community Care Assessment Teams; • Care Home Services; • Adult Placement Services; • Health Improvement Services; • Re-ablement Services, equipment and telecare; • Aspects of housing support including aids and adaptations; • Day Services; • Local Area Co-ordination; • Respite Provision; • Occupational therapy services.	ACUTE HEALTH SERVICES (PROVIDED IN A HOSPITAL)* • Accident and Emergency; • Inpatient hospital services in these specialties: - General Medicine; - Geriatric Medicine; - Rehabilitation Medicine; - Respiratory Medicine; - Psychiatry of Learning Disability; • Palliative Care Services provided in a hospital; • Inpatient hospital services provided by GPs; • Services provided in a hospital in relation to an addiction or dependence on any substance; • Mental health services provided in a hospital, except secure forensic mental health services.	COMMUNITY HEALTH SERVICES* • District Nursing; • Primary Medical Services (GP practices)*; • Out of Hours Primary Medical Services*; • Public Dental Services*; • General Dental Services*; • Ophthalmic Services*; • Community Pharmacy Services*; • Community Geriatric Services; • Community Learning Disability Services; • Mental Health Services; • Continence Services; • Kidney Dialysis outwith the hospital; • Services provided by health professionals that aim to promote public health; • Community Addiction Services; • Community Palliative Care; • Allied Health Professional Services
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*Adult Social Care Services for adults aged 18 and over

*Acute Health Services for all ages – adults and children

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

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



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

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

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

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

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

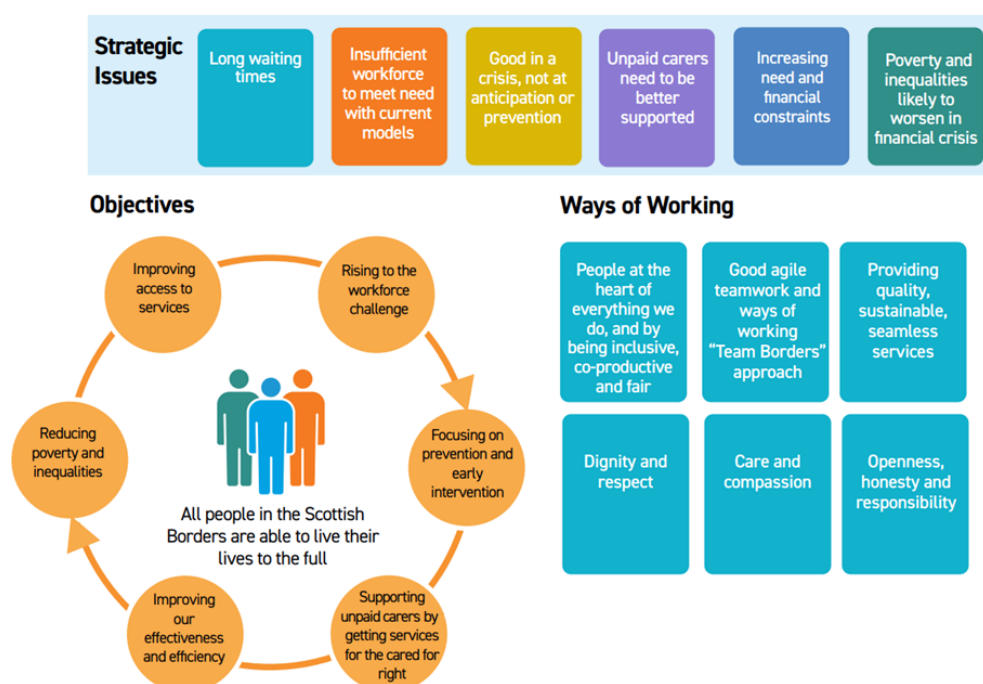
Locality Planning is a requirement but has not been fully in place in recent years due to the impact of Covid-19. The approach agreed by the IJB during 2024/25 has been to focus on planning and delivering for key themes at a place based / locality level including: prevention and early intervention, children and young people, mental health and older adults. This work has commenced and is within the Annual Delivery Plan for 2025/26.

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

4. Strategic Planning and Commissioning

4.1. Strategic Planning and Commissioning: Renewal of our Strategic Plan

A needs assessment and engagement process informed the creation of the Strategic Commissioning Plan, the 'Health and Social Care Strategic Framework 2023-26'¹, which was approved in March 2023. The infographic below shows the six strategic issues which translate to six objectives to enable delivery of our vision: that "all people in Scottish Borders are able to live their lives to the full".



These are in turn supported by our Annual Delivery Plan², agreed ways of working, an Integrated Workforce Plan³ which was approved in October 2022 and our Medium-Term Financial Plan approved in March 2025.

5. Performance Analysis

There has been continued focus on performance for the IJB this year with Performance and Delivery Reports presented to each IJB meeting. Highlights and exceptions are discussed in detail which allows IJB members to ensure that they can have an appropriate overview of performance and delivery, while also focusing on areas of greatest risk, and celebrating successes. The most recent performance report was approved by the IJB on 19th March 2025 alongside the Annual Delivery Plan for 2025/26.

Performance and Delivery Reports provide a range of metrics aligned to the 6 objectives agreed within the Strategic Commissioning Plan 2023-26 and the Annual Delivery Plan. A summary of recent performance as provided to the May Board is detailed in the infographic below.

¹ [ijb-strategic-framework-2023-2026](#)

² [hscp-annual-performance-report-2023-24-and-delivery-plan-2024-25](#)

³ [hscp_integrated_workforce_plan_2022-2025.pdf](#)

GP In Hours Activity

January 25: **86,590**
February 25: **79,730**



Social Work waits for assessment

December 24: **98**
April 25: **79**



Homecare waits



People waiting December 24: **98**
People waiting April 25: **79**

Hours yet to be provided December 24: **567**
Hours yet to be provided April 25: **862**

Unpaid Carers: Carer Support Plans



Offered Quarter 3 2024/25: **207**
Offered Quarter 4 2024/25: **226**

Completed Quarter 3 2024/25: **118**
Completed Quarter 4 2024/25: **144**

Child and Adolescent Mental Health



People starting treatment within 18 weeks
February 2025 – 100.0%

People starting treatment within 18 weeks
March 2025 – 100.0%

Psychological Therapies



People starting treatment within 18 weeks
February 2025 – 80.6%

People starting treatment within 18 weeks
March 2025 – 89.6%

Flu Vaccination

63.9% Eligible population vaccinated by 8 January 25 in Scottish Borders compared to **52.2%** Scotland



Covid Vaccination

16.4% Eligible population vaccinated by 27 April 25 in Scottish Borders compared to **16.6%** Scotland



Accident and Emergency



23.87 per 1000 A&E attendances in Borders compared to **23.23** in Scotland in September 2024

27 people over 75 per 1000 population for A&E admissions in Borders compared to **26** in Scotland in September 2024

472 Occupied Bed Days for emergency admissions for people over 75 in Borders compared to **379** in Scotland

Delayed Discharges



69 people delayed on 6 April 25 compared to **69** on 2 March 25

5.1. Health and Wellbeing Outcomes

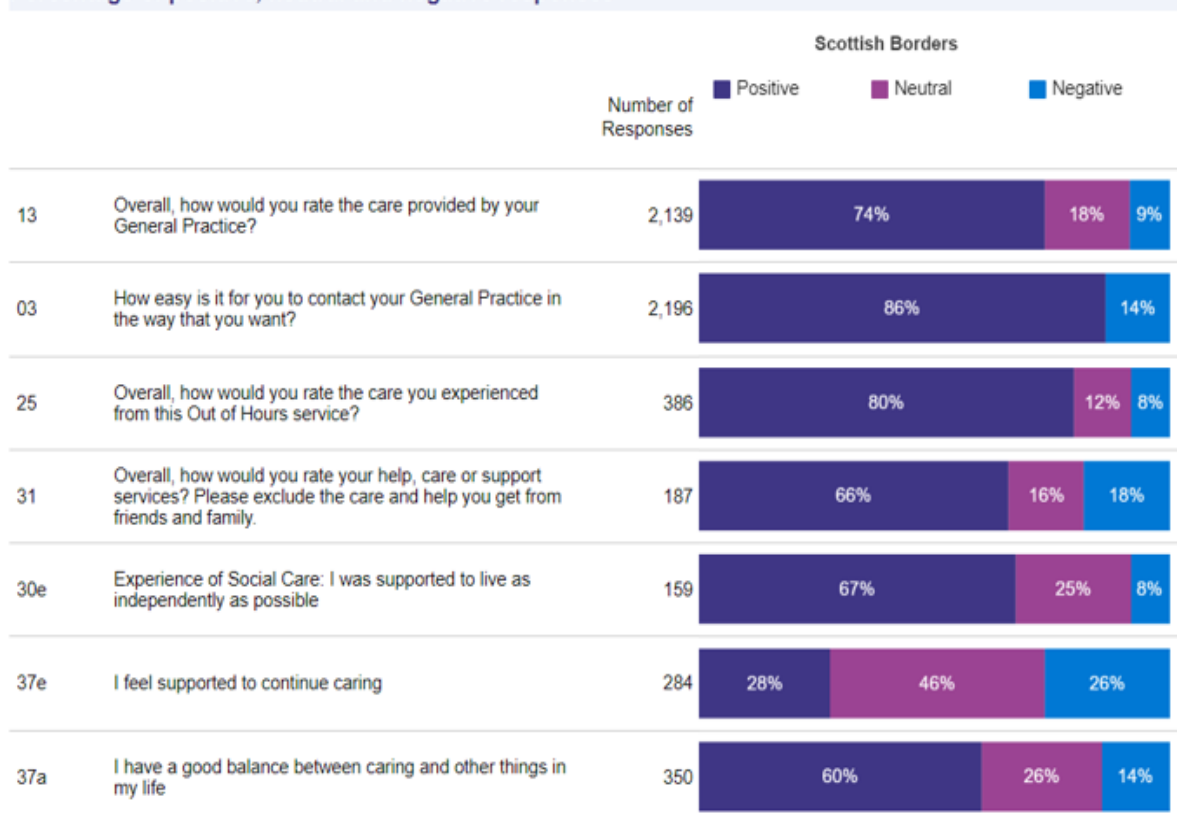
Data presented in relation to Health and Wellbeing Outcomes is based upon results from the biennial Scottish Health and Care Experience (HACE) Survey administered by Public Health Scotland. New data will be available in May 2026. As a result, the analysis here utilises the data published in May 2024. 9,110 surveys were sent out to residents across the Scottish Borders, with 2,634 responses (29%). The results are included in the sections below. Results can be viewed at a national, NHS Board or Health and Social Care Partnership level on the interactive dashboards available at: <https://publichealthscotland.scot/publications/health-and-care-experience-survey/health-and-care-experience-survey-2024/>

All of the health and wellbeing outcomes were reviewed by the HSCP and IJB, and relevant actions were identified to inform the HSCP Delivery Plan from 2024/25 onwards.

The first chart shows the percentage of positive, neutral and negative responses for the headline questions for each section in the Health and Care Experience survey.

This section provides an overview of our 2023/24 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.

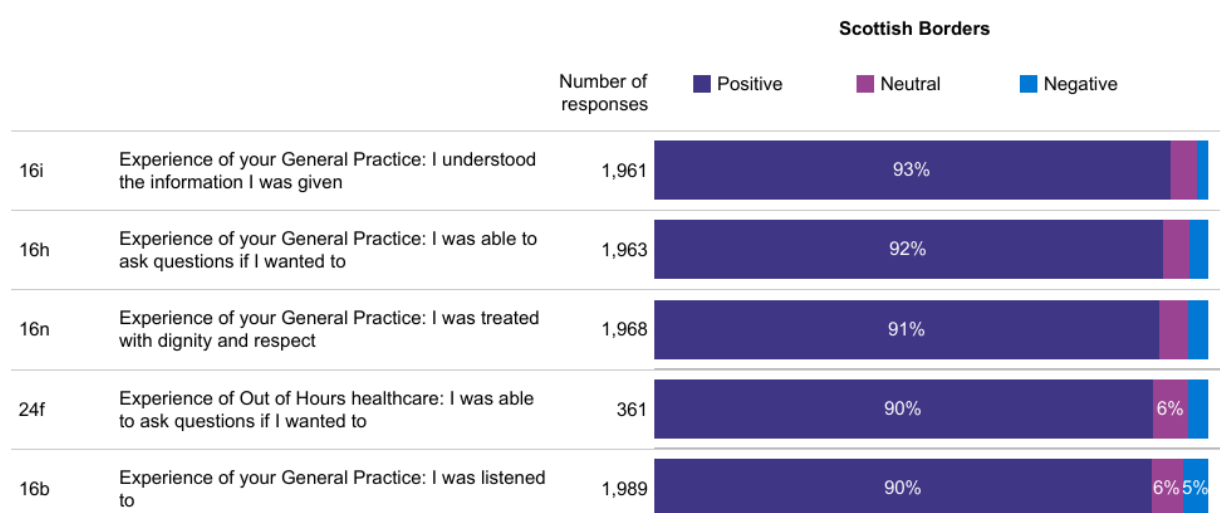
Percentage of positive, neutral and negative responses



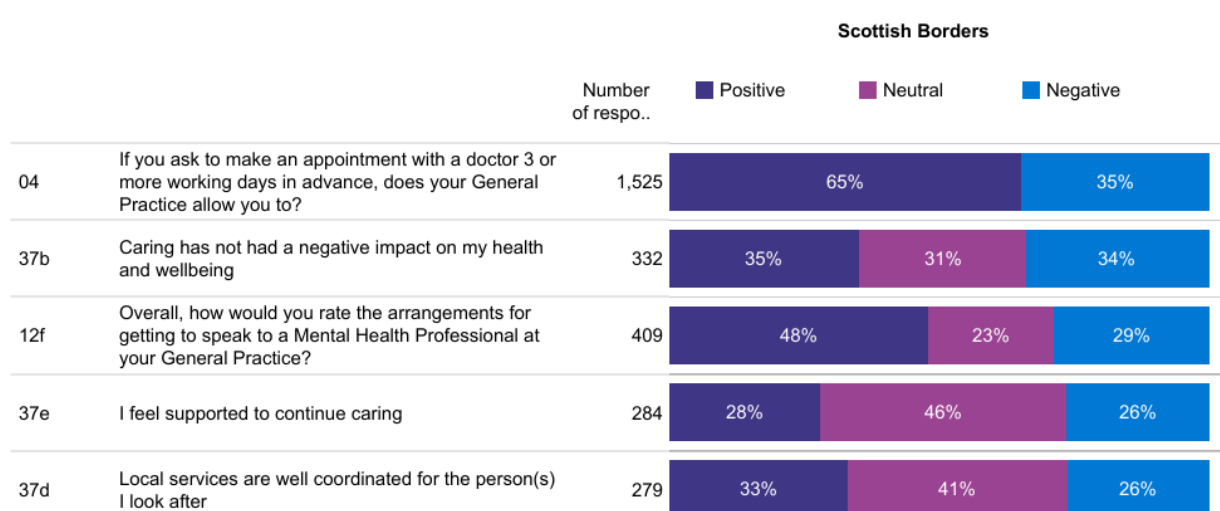
It is important to note that in line with the pressures that we faced, we saw a significant reduction in local Health and Wellbeing Outcomes in 2022/23. This reflects feedback that we have received from our service users, staff, unpaid carers and partners about the significant pressures they face, the challenges of being able to provide or access key services in a timely manner, and the higher levels of risk being experienced across the health and social care system. A number of these outcomes are now improving in line with the work of the IJB and HSCP to focus on improving health and wellbeing outcomes in line with the previous year's Health and Care Experience survey. The 2023/24 Health and Care Experience outcomes, along with local data, inform the actions when setting the following year's HSCP Delivery Plan.

The next chart shows the most positive, and most negative experience ratings highlighted by the survey.

Most positive results



Most negative results



5.2. Comparison by Year

This section provides an overview briefly of our local performance against the national integration data indicators. The latest data available currently is the 2023/24 financial year so this has been added to the financial year figures presented. The next data set will be published in July 2025. The data has been colour-coded, with red showing a negative change from the previous year and green showing a positive change from the previous year.

Emergency admission rate (per 100,000 population)	2019/20	2020/21	2021/22	2022/23	2023/24
Scottish Borders rate	12,179	10,255	10,245	9,840	9,928
Scotland rate	12,529	10,964	11,643	11,276	11,857

Emergency bed day rate (per 100,000 population)	2019/20	2020/21	2021/22	2022/23	2023/24
Scottish Borders rate	120,062	105,619	124,535	131,395	133,565
Scotland rate	119,753	102,875	115,308	119,806	119,922

Emergency readmissions to hospital within 28 days of discharge (rate per 1,000 discharges)	2019/20	2020/21	2021/22	2022/23	2023/24
Scottish Borders rate	107	120	97	121	120
Scotland rate	105	120	107	102	104

Proportion of last 6 months of life spent at home or in a community setting	2019/20	2020/21	2021/22	2022/23	2023/24
Scottish Borders rate	86.0%	89.5%	88.2%	87.7%	87.1%
Scotland rate	88.2%	90.2%	89.7%	88.9%	88.9%

Falls rate per 1,000 population aged 65+	2019/20	2020/21	2021/22	2022/23	2023/24
Scottish Borders rate	21.1	18.1	17.9	15.8	17.2
Scotland rate	22.8	21.7	22.6	22.6	22.7

Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections	2019/20	2020/21	2021/22	2022/23	2023/24
Scottish Borders rate	85.7%	90.1%	77.9%	81.1%	70.6%
Scotland rate	81.8%	82.5%	75.8%	75.2%	77.0%

Number of days people spend in hospital when they are ready to be discharged (per 1,000 population)	2020/21	2021/22	2022/23	2023/24	2024/25
Scottish Borders rate	588	982	1,364	1,605	1380
Scotland rate	484	748	919	902	952

Premature mortality rate per 100,000 persons	Rate	Year of latest data
Scottish Borders rate	371	2023
Scotland rate	442	

Percentage of adults with intensive care needs receiving care at home	Rate	Year of latest data
Scottish Borders rate	59.6	2024
Scotland rate	64.7	

Percentage of health and care resource spent on hospital stays where the patient was admitted in an emergency	Rate	Year of latest data
Scottish Borders rate	20.2%	2019/20
Scotland rate	24.0%	

- The emergency admission rate in the Scottish Borders has decreased from 12,179 per 100,000 population in 2019/20 to 9,928 in 2023/24 and is now well below the national average of 11,857.
- The emergency bed day rate in the Scottish Borders has again increased from a low of 105,619 per 100,000 population in 2020/21 to 133,565 in 2023/24.
- The rate of emergency readmissions within 28 days of discharge has dropped slightly since last year but remains above the rate of 97 per 100,000 in 2021/22 and remains above the Scottish average of 104 per 100,000.
- The proportion of the last 6 months of life spent at home or in a community setting has increased since 2019/20 to 87.1% but remains slightly lower than the national average of 88.9%.
- Falls within the Borders remain below the national average of 22.7 at 17.2 per 1,000.
- The proportion of Care Homes graded as 'good' has dropped significantly from 81% in 2022/23 to 70.6% in 2023/24. This is now below the national average of 77% for the first time since 2018/19. This will be reviewed by the Care Home forum to collectively improve the inspection ratings.
- The number of days people aged 75+ spent in hospital when they are ready to be discharged has increased to 1,380 from a low of 588 per 1,000 in 2020/21. However, this is 225 days lower than last year but remains well above the national average (952) and will continue to be an area of focus for the Integration Joint Board moving into 2025/26.
- The premature mortality rate of 371 per 100,000 is well below the national average at 442 per 100,000.

6. *Decisions of the IJB during the 2024/25 year*

6.1. *The IJB agreed the following Directions:*

- To SBC and NHSB to work collaboratively within the budgets and parameters outlined, complying with IJB guidance and to endorse the approach to development of an HSCP Recovery Plan and medium-long term Finance Strategy which will address savings targets and provide alignment with the Strategic Commissioning Framework and the Workforce Strategy.
- To SBC and NHSB to close the Gala Resource Centre and to reinvest £70k to provide improved services to those with an Emotional and Unstable Personality Disorder.
- To SBC to implement the Teviot Day Service business case
- To SBC and NHSB to undertake a pathfinder to determine future model for Locality Working Groups / Community Integration Groups
- To SBC to undertake a pathfinder and associated review of night support service in Duns
- To SBC and NHSB to commence the surge planning process for winter, and reduce delayed discharge, closing surge capacity
- To NHSB to implement the Primary Care Improvement Plan bundle, escalate funding concerns to Scottish Government and approve the financial model
- To NHSB to undertake a 6-month test of change pathfinder for Hospital at Home as a transformation programme, so that a case can be presented to the IJB
- To SBC and NHSB to develop a robust process that works to ensure that an effective sustainable model identified in the short term in the Knoll and Kelso Community Hospitals, and that over the longer term a model fit for the future in line with need is developed
- To SBC to implement the 'Reprovisioning of night support service' report recommendations considered by the Integration Joint Board. This includes review at 6 months in the IJB Audit Committee
- To SBC and NHSB to allocate funding previously allocated to Garden View and Waverley to Tweedbank Care Village and to provide the agreed models of staffing and care
- To NHSB to establish a pharmacy team to support the Integration Joint Board workstreams that operate in primary care.

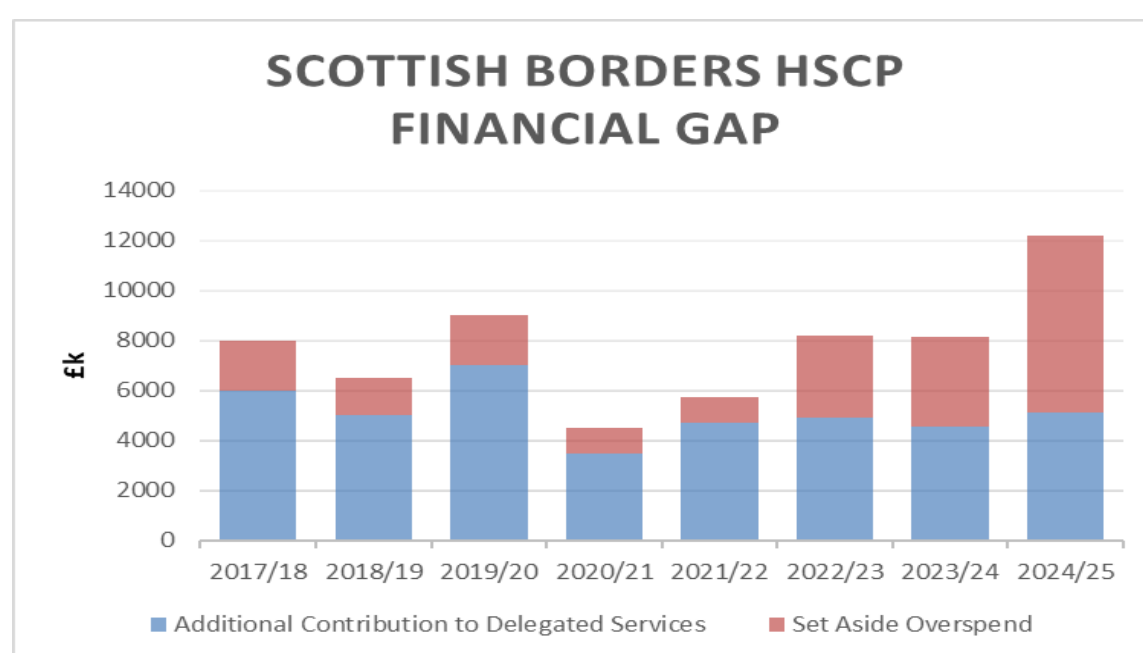
7. Financial Performance

7.1. Introduction

HSCP's across Scotland continue to operate within a challenging financial environment as detailed in the Accounts Commission IJB Financial Bulletin 2023/24 and the Scottish Borders is no different.

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

Chart 1 Scottish Borders IJB - Financial Gap



The Comprehensive Income and Expenditure Statement in Section F shows a year end surplus of income over expenditure of £2.205m (previous year deficit of £2.997m). This is not by itself an indicator of the financial health of the IJB as the position includes the carry forward of reserves into 2025/26 and an additional payment from NHSB of £6.6m. The in year surplus arose as the result of specific funding allocations being taken to reserves for future use. Expenditure on services provided in the year exceeded funding in both delegated and set aside services leading to an overspend on services for the year.

For delegated services, any year end overspends against budget trigger an “additional payment” from our partners, NHSB and SBC. Similarly, any underspend on core activity, unless otherwise agreed, is returned to the delegating partner.

For set aside services, no such payment mechanism is required, and any overspend is funded directly by NHSB.

The budget approved by the Board for 2024/25 recognised that the NHSB payment offer for 2024/25 contained additional support of £8.77m for delegated functions and £6.175m in relation to set aside budgets, to meet the estimated costs of running the services during 2024/25. As detailed below the final figures show an additional payment of £6.602m was

required for delegated services and a £7.121m pressure within set aside services. Whilst this additional funding supported the IJB's financial position during 2024/25 there is a significant risk to the future financial sustainability of the IJB due to the level of current running costs of services compared to the level of funding available from our funding partners.

Scottish Borders Council spend was under budget by £1.436m and this funding has been returned to them.

7.2. Delegated Services

The underlying financial performance of combined delegated services was a net overspend of £5.166m (2.30%) against the revised delegated budget of £224.269m at 31 March 2025 (previous year overspend £4.544m, or 2.21%). An additional payment of £6.602m from NHS Borders was required to meet this additional in year spend whilst an underspend of £1.436m, was returned to Scottish Borders Council at the end of the financial year. Table 1 below compares this with the previous year.

Table 1 Underlying Performance – Delegated services

SCOTTISH BORDERS HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD			
UNDERLYING FINANCIAL PERFORMANCE			
	SBC £'000	NHSB £'000	IJB £'000
Financial Plan Funding for delegated services	(75,134)	(149,135)	(224,269)
Transfer of Social Care funding	(8,207)	8,207	0
Outturn Spending	81,905	147,530	229,435
Current year 2024/25 additional payments (returned)/required	(1,436)	6,602	5,166
% Value of additional payments required	-1.91%	4.43%	2.30%
Last year 2023/24 additional payments (returned) / required	(1,170)	5,714	4,544
% Value of additional payments required	-1.88%	3.98%	2.21%

Table 2 Delegated Services Year-end Outturn 2024-25

<i>Delegated Functions Total</i>	Revised Budget £'000	Actual Outturn £'000	Outturn Variance £'000
Joint Learning Disability Service	27,701	28,779	(1,078)
Joint Mental Health Service	26,267	25,372	895
Joint Alcohol and Drug Service	1,097	1,097	(0)
Older People Service	22,875	21,671	1,204
Physical Disability Service	3,526	3,462	64
Prescribing	25,364	26,848	(1,484)
Generic Services	59,021	57,408	1,613
Adult Statutory & Public Protection Services	1,403	1,394	9
Adult Social Care	20,702	21,470	(768)
Independent Contractors	41,934	41,934	0
Current Year Savings	0	0	0
Future Year Savings	(5,621)	0	(5,621)
NHSB / SBC Net Additional Contribution	5,166	0	5,166
	229,435	229,435	0

Table 2 details the final variances between budget and expenditure across the delegated functions. As forecast throughout the year, some services including Prescribing, Adult Social Care and the Joint Learning Disability Service have overspent compared to their budgets while staff vacancies in Mental Health, Generic Services and Older People have resulted in an underspend against their budget. Significant financial pressures in delegated functions included:

- High-cost individual Learning Disabilities out of area placements;
- Prescribing volumes and price indicators showing an increased spend within primary care;
- Pressures in Adult Social Care related to the required use of agency and overtime staff were offset within SBC by reduced staffing costs in Older People due to vacancies and additional resources received;
- The use of premium rate staffing to cover medical workforce gaps within Mental Health was offset by underspends in other staffing areas primarily nursing and lower than forecast spend on mental health drugs.
- The £1.6m underspend in Generic services was due to unfilled vacancies in the medical and nursing workforce within Community Hospitals, vacancies within dental and Allied Health Professional services, and the release of Scottish Government funding into this service area.
- £5.6m of future savings remain unmet, as planned, at year end

Savings delivered in 2024/25 included £1.5m from service redesign and workforce reviews across all NHS delegated services. In addition, £1.1m of savings were obtained from patent expiration of medications, where generic competition lowered costs for anticoagulant therapies, for example, and from prescription switches to lower-cost alternatives. £0.6m of savings were achieved in SBC delegated services via a strategic commissioning review along with £0.3m of non-recurring savings. £0.6m of savings were achieved through digital transformation and review of services and fees charged.

7.3. Large Hospital Budget (Set Aside)

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

The IJB directed £31.337m to NHSB for the Set Aside budget in 2024/25. During the financial year, NHSB spent £38.458m, resulting in an overspend of £7.121m, (last year £3.602m). The overspend remains the responsibility of NHSB, and as a result, has been absorbed within the NHSB financial outturn.

The 2024/25 set aside overspend is shown in Table 3. Significant pressures have been experienced throughout the year, relating to demand and capacity, and this has resulted in the overspend in set aside services being significantly higher than in the previous five financial years, as described in Chart 1 above.

Set aside services have required significant supplementary staffing to be deployed throughout the year to cope with demand. Unfunded surge beds remained open throughout the year and overspends on drugs related to neurology and respiratory illness along with further costs in relation to diabetic instruments were experienced during 2024/25.

Table 3 Set Aside Services Year-end Outturn 2024-25

<i>Set Aside Healthcare Functions</i>	Revised Budget £'000	Actual Outturn £'000	Outturn Variance £'000
Accident & Emergency	5,268	5,706	(438)
Medicine of the Elderly	8,631	9,125	(494)
Medicine & Long-Term Conditions	21,277	23,627	(2,350)
Current Year Savings	(137)	0	(137)
Future Year Savings	(3,702)	0	(3,702)
	31,337	38,458	(7,121)

£0.95m of savings were delivered within set aside functions within the year. The majority of the savings were achieved via prescribing switches, with additional savings from service reviews.

7.4. Reserves

The balances shown in Table 4 below relate to earmarked reserves. These reserves are largely created from ring-fenced allocations the IJB received from Scottish Government but did not fully spend in year. Expenditure often occurs over more than one financial year, and reserves are released to reflect in year spending. In order to ensure greater transparency of additional Scottish Government allocations, during 2024/25 all additional allocations from Scottish Government have gone through reserves to ensure funds are only released into in-year budgets once spend plans are agreed. This has resulted in greater in year activity in Reserves than in previous years.

The total movement in reserves is summarised below:

- Brought forward reserves of £6.8m including £6.2m within delegated services and £0.6m in set aside.
- Additional funding of £50.1m was earmarked to specific reserves portfolios as per table 4, including Primary Care £26.3m, the Social Care Fund £8.2m, Mental Health £4.9m and Primary Care Improvement Fund £4.5m.
- £47.9m was utilised in year including £25.8m within Primary care (which includes expenditure for the GP contract), the £8.2m Social Care Fund which is transferred to SBC, £5.1m in Mental Health and £3.9m in the Primary Care Improvement Fund.
- This gives an in year net increase in reserves of £2.2m, the largest increase of £3.2m is within Health Board Support where funding is held to support Health services in the delivery of IJB strategic objectives related to Hospital at Home, Vaccine delivery, Alcohol and Drugs and Primary Care Improvement in future years. This is offset by a number of smaller reserves being utilised during the year including urgent and unscheduled care funds of £0.6m, the Alcohol and Drugs Partnership £0.4m, the transformation fund £0.25m and East region diabetes £0.2m
- Remaining reserves of £9.051m carried forward into 2025/26 include Health Board Support of £4.4m, Mental Health reserves of £1.2m and Primary Care of £1.2m.

Table 4 Movement in different funds held in IJB Reserves during 2024/25

Portfolio	Opening Balance April 2024 £000s	2024/25 Additional Funding £000s	2024/25 Utilised in Year £000s	2024/25 in year movement £000s	Closing Balance Mar 2025 £000s
Alcohol and Drugs Partnership	574	1,382	(1,820)	(438)	136
BBV	18	0	(18)	(18)	0
Mental Health & Wellbeing	1,403	4,880	(5,087)	(207)	1,196
Primary Care Improvement Fund	0	4,468	(3,897)	571	571
Primary Care	596	26,347	(25,760)	587	1,183
Primary Care Digital	160	0	0	0	160
Primary Care Premises	738	(219)	19	(200)	538
Primary Care Other	144	25	(114)	(89)	55
East Region Diabetes	188	0	(188)	(188)	0
Workforce & Wellbeing	72	0	(29)	(29)	43
Community Living Change Fund	314	0	(20)	(20)	294
Health Board Support	1,239	3,480	(295)	3,185	4,424
Multi-Disciplinary Teams	0	1,010	(746)	264	264
Other	432	212	(457)	(245)	187
Pharmacy Rebate (NES & NSS)	135	0	(135)	(135)	0
Transformation Fund	251	0	(251)	(251)	0
Social Care Fund	0	8,207	(8,207)	0	0
Other fund	0	350	(350)	0	0
Delegated Total	6,264	50,142	(47,355)	2,787	9,051
Urgent & Unscheduled Care	582	0	(582)	(582)	0
Winter	0	0	0	0	0
Set Aside Total	582	0	(582)	(582)	0
Grand Total	6,846	50,142	(47,937)	2,205	9,051

7.5. Financial Outlook Future Years

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

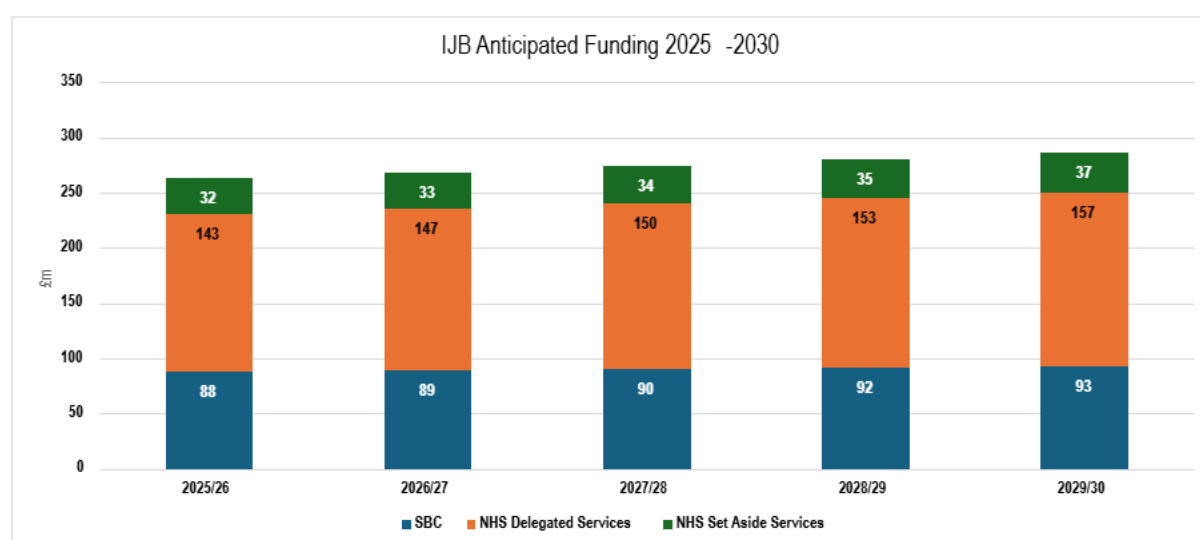
Although Strategic Plans cover multiple years, both NHSB and SBC receive only a 1-year financial settlement from Scottish Government. This, as well as the uncertain economic climate, means that long term planning is challenging. Capacity to plan and deliver required levels of transformation and efficiency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

A medium-term financial plan covering 2025/26 to 2029/30 was approved by the IJB in March 2025. This provides, at a high level, the anticipated funding for the IJB over the next 5 years based on the current financial plans of SBC and NHS Borders to enable the organisation to compare the potential future funding and demands of the IJB in order to determine an operating model to match.

Given the ongoing financial challenges facing the public sector and anticipated rising need of the Borders population it will become increasingly difficult to reduce spend without significant impact on service users. The forward view of the financial position provided by the Medium-Term Plan should be used to shape the HSCP delivery plan of the future allowing the Board to implement change in a planned and strategic way with sufficient time to consider, consult and implement change required avoiding the need for reactive, short term savings.

Anticipated funding over the next 5 years is detailed in the Chart below. In line with the indicative payment offer from the Health Board the budget is currently not balanced with pressures of between £6m -£10m identified each year.

Chart 2 – IJB anticipated funding per the Medium-Term Plan 2025/26-2029/30



Significant financial risks facing the IJB which require management and mitigation include:

- Underlying savings targets within delegated budgets which become harder to deliver as projects become more complex and resources to deliver projects become scarcer.

- Service pressures and new policy decisions which are not fully funded by the Scottish Government e.g. the Coming Home Project and elements of pay deals.
- Workforce sustainability for health, social and independent/third sector partners.
- The potential loss of service provision as a result of market failure, this has been heightened due to the lack of additional funding for third party care providers in response to the increased cost of Employers NI contributions.
- Ongoing inflationary pressures in key areas e.g. pay and passenger transport.
- Reductions to partner funding and Scottish Government allocations.
- Prescribing - due to the volatility of price and volume of prescriptions which is forecast to increase in areas such as weight loss drugs
- The increasing number and cost of supporting adults with Learning Disabilities which, already under pressure, is expected to increase significantly in the next few years.

IJB Partners continue to work closely to address the financial challenges faced and find pragmatic solutions to the ongoing issues.

8. **Risk Management**

Effective Risk Management is one of the foundations of effective governance and is recognised in the IJB Local Code of Corporate Governance. Compliance with the principles of good governance requires the IJB to adopt a coherent approach to the management of risks that it faces in the achievement of its strategic objectives. Better and more assured risk management will bring benefits to the IJB, its Partners and the people it serves.

As an integral part of good governance and system of internal controls it is crucial that risks to the achievement of outcomes are identified and managed and must be considered in all aspects of decision making. It is important that the IJB has its own robust risk management arrangements in place because if objectives are defined without taking the risks into consideration, the chances are that direction will be lost should any of these risks materialise.

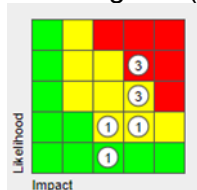
The approved Risk Management Policy and Risk Management Strategy 2024-2026 respectively set out the roles and responsibilities and the approach to the systematic identification, evaluation, management and review of its risks. The vision within the Risk Management Policy states that: *“Appropriate and effective risk management practice will be embraced throughout the Integration Joint Board as an enabler of success, whether delivering better outcomes for the people of the Scottish Borders, protecting the health, safety and well-being of everyone who engages with the IJB or for maximising opportunity, delivering innovation and best value, and increasing performance.”* Knowledge of the strategic risks faced by the IJB and associated mitigations will enable the Board members to be more informed when making business decisions.

The IJB Chief Officer carried out a review of the IJB Strategic Risk Register on a quarterly basis, supported by SBC’s Corporate Risk Officer, in accordance with the Risk Management Policy and Strategy.

The presentation of Bi-annual risk update reports and the IJB Strategic Risk Register, as set out in the Policy and Strategy, are intended to provide the Board with assurance that the strategic risks associated with the achievement of objectives and priorities within the Strategic Framework 2023-26 are being effectively managed and monitored. IJB Strategic Risk Register Updates were presented to the Board on 15 May 2024 (reflective of risk review activity between February and April 2024) and on 22 January 2025 (reflective of risk review activity that took place in November 2024, which was circulated to Members of the Board following their meeting on 20 November 2024).

An annual risk management update was provided to the IJB Audit Committee on 10 March

2025, outlining the risk management arrangements that have been applied in practice during 2024/25, for their scrutiny and oversight. The Risk Map (which was contained in the bi-annual risk update report presented to the IJB on 22 January 2025) and the Summary IJB Strategic Risk Register (which was contained in the annual risk management update) are set out below:



Risk No & Title	Risk Description	Current Risk Score
002 - Increasing Demand & Financial Constraints	If we fail to ensure the effective and efficient delivery of delegated services within available budgets, in the context of increasing demand and resource constraints, then it could lead to poorer Health & Wellbeing Outcomes for the population and result in an inability to support the achievement of the Objectives contained within the Strategic Framework.	 16 (Likely – Major)
004 - Operating as a Separate Entity & Close Partnership Working	If the IJB does not operate effectively as a separate entity in partnership with Communities, the Council and the Health Board then there could be a failure in the delivery of the principles of integration and we may not achieve our objectives or deliver positive outcomes.	 6 (Unlikely – Moderate)
007 - Legislative & Regulatory Compliance	If the IJB fails to comply with legislative and regulatory requirements it could lead to legal breaches and result in fines and/or prosecution.	 8 (Unlikely – Major)
008 - National Care Service Bill	SG's National Care Service Bill (ultimately disbanding Scottish IJBs) could result in partners ceasing to engage with the IJB, subsequently leading to negative impacts on the achievement of IJB objectives and the communities it serves.	 3 (Remote – Moderate)
009 - Improving Access to Services	If we do not resolve long waiting times for services (incl. preventative services) then this will adversely impact upon the health and wellbeing of our communities and could result in inequalities, loss of confidence in the Health & Social Care Partnership. As a result population need could become more acute and we could see a deterioration in outcomes and an increase in resource use.	 16 (Likely – Major)
010 - Rising to the Workforce Challenge	If the market and workforce conditions in the Scottish Borders are not conducive to attract and sustain External Providers, sufficient salaried workforce and NHS & SBC staff then there is a risk that H&SC provision will be challenging to sustain, resulting in an inability to provide appropriate H&SC services for our population and increased Health Board & Council service provision. This will result in associated increased resource use and negatively impact on people's health and wellbeing, leading to increased failure demand.	 16 (Likely – Major)
011 - Prevention & Early Intervention	If we fail to evolve from a focus on crisis management to having a strong focus on prevention and early intervention then there is a risk that the health and wellbeing of the population deteriorates resulting in poorer outcomes for the population, increased resources in terms of service delivery and reputational damage.	 12 (Possible – Major)
012 - Supporting Unpaid Carers by getting Services for the Cared For Right	If we do not appropriately support the 'cared for' then there is a risk that the health and wellbeing of unpaid carers is negatively affected leading to poorer outcomes, increased demand for care & health support services and increased partnership resource requirements to support this.	 12 (Possible – Major)

013 - Poverty & Inequalities	A rise in poverty and inequalities, linked to the current economic climate, could lead to an increase in inequality and worsening health and wellbeing amongst our population with poorer outcomes, greater need and higher resources requirements to address this need. This could be compounded if we fail to make best use of community assets and improve the social determinants of health.	 12 (Possible – Major)
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9. *The Integration Joint Board*

Voting members

During 2024/25 the IJB was chaired by Mrs Lucy O'Leary, Vice Chair of NHSB. During the same period the Vice-Chair was Cllr. David Parker, SBC. In addition to the Chair and Vice-Chair, the IJB comprised four additional voting members from NHSB (Non-Executive Directors) and from SBC (Elected Members).

On 1st April, 2025, in line with the Scheme of Integration, both the IJB Chair and Vice-Chair roles rotated for the next three years. Cllr. David Parker became the IJB Chair and Lucy O'Leary became the IJB Vice-Chair.

Name	Designation	Membership Status
Mrs. Lucy O'Leary	Non-Executive Director, NHS Borders	Voting member (Chair until 31.03.25)
Mrs Fiona Sandford	Non-Executive Director, NHS Borders	Voting member
Ms. Karen Hamilton	Non-Executive Director, NHS Borders	Voting member
Mr. John McLaren	Non-Executive Director, NHS Borders	Voting member
Mr. James Ayling	Non-Executive Director, NHS Borders	Voting Member
Cllr. David Parker	Elected Member, Scottish Borders Council	Voting member (Chair from 01.04.2025)
Cllr. Neil Richards	Elected Member, Scottish Borders Council	Voting member
Cllr. Robin Tatler	Elected Member, Scottish Borders Council	Voting member
Cllr. Elaine Thornton-Nicol	Elected Member, Scottish Borders Council	Voting member
Cllr. Tom Weatherston	Elected Member, Scottish Borders Council	Voting member

Non-Voting members

The Chief Officer of the IJB until 25th April, 2025, was Mr Chris Myers. The Chief Officer is a non-voting member.

The Chief Finance Officer (CFO) is also a non-voting member. Mrs Hazel Robertson was the responsible officer under Section 95 of the Local Government (Scotland) Act 1973. However, Mrs Robertson resigned on 14th November 2024 after a period of absence. The role has been fulfilled on an interim basis by Lizzie Turner, Chief Officer Finance and Procurement within SBC, from the 6th March 2024.

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



David Parker
Chair of the IJB
24 September 2025

 Lizzie Turner

David Robertson
Chief Executive
Scottish Borders Council
24 September 2025

Lizzie Turner ACCA
Chief Finance Officer
IJB (Section 95 Officer)
24 September 2025

B. Remuneration Report

10. *Introduction*

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

10.1. *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 Remuneration Tables contained in the report are 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.

10.2. *Remuneration of Integration Joint Board Members*

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

The IJB does not provide any additional remuneration to the Chair, Vice-Chair, or any other Board member. All IJB Board members are nominated to the IJB by their respective organisations at no cost. Expenses paid to the IJB members are disclosed below. IJB does not re-imburse any expenses paid to Board members. These are paid directly by each partner organisation.

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 Table 1: IJB Members Expenses

Expenses 2023/24 £	Name	Post held	From / to	Nominated by	Expenses 2024/25 £
2,592.02	Ms Lucy O'Leary	Chair		NHS Borders	2,805.22
0.00	Cllr David Parker	Vice- Chair		Scottish Borders Council	0.00
2,592.02					2,805.22

Remuneration of Senior Employees

The term 'Senior Employee' means:

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

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

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

The Chief Finance 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. There are no other non-voting board members who meet the criteria for disclosure.

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

Remuneration Table 2: Senior Employees of the IJB

Total 2023/24 £	Name	Employing Organisation	Salary 2024/25 £	Fees and allowance £	Total 2024/25 £
98,724	Chris Myers	NHS Borders	101,407	3,042	104,449
61,124	Hazel Robertson	NHS Borders	31,744	0	31,744
0	Lizzie Turner	Scottish Borders Council	9,915	0	9,915
159,848	Total		143,066	3,042	146,108

Hazel Robertson commenced the role of Chief Finance Officer on 1 August 2022. She was absent during 2024/25 and resigned from the role on 14 November 2024. The annual full time equivalent salary for the Chief Finance Officer role in 2024/25 was £89,866.

Lizzie Turner commenced the role of Interim Chief Finance Officer in March 2024. The IJB was only charged for the acting up element of her salary.

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.

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.

Remuneration Table 3: Pension Benefits

Name	Employing Organisation	In year pension contributions for year to		Accrued pension benefits		
		31-Mar-24	31-Mar-25	Type	As at 31/3/25	Difference from 31/3/2024
		£	£		£'000	£'000
Chris Myers	NHS Borders	20,437	23,501	Pension	29	3
				Lump Sum	61	0
Hazel Robertson	NHS Borders	12,579	13,971	Pension	34	9
				Lump Sum	95	28
Lizzie Turner	Scottish Borders Council		1,692	Pension	2	2
				Lump Sum	1	1

Disclosure by Pay Bands

Pay band information is not separately disclosed as all staff pay information has been disclosed in the information above.

David Parker

David Parker
Chair of the IJB
 24 September 2025

David Robertson

David Robertson
Chief Executive
Scottish Borders Council
 24 September 2025

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

C. Statement of Responsibilities

11. Responsibilities of the Scottish Borders Health and Social Care 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 Finance 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 for signature.

I confirm that these Annual Accounts were approved for signature by the Integration Joint Board at its meeting on 24th September, 2025.

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

David Parker

David Parker

Chair of the IJB

24 September 2025

12. Responsibilities of the Chief Finance Officer

The Chief Finance Officer (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 Chief Finance Officer has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with legislation.
- Complied with the Local Authority Accounting Code (in so far as it is compatible with legislation).

The CFO has also:

- Kept adequate accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the financial statements give a true and fair view of the financial position of Scottish Borders IJB at the reporting date and the transactions of Scottish Borders IJB for the year ended 31 March 2025.

Lizzie Turner

**Lizzie Turner ACCA
Chief Finance Officer
(Section 95 Officer)
IJB**

24 September 2025

D. Annual Governance Statement

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 as a separate legal entity 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 Framework of Good Governance

The overall aim of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (2016), which is deemed relevant for integration authorities, 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 CIPFA/SOLACE Framework defines the seven core principles of good governance, namely:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- B. Ensuring openness and comprehensive stakeholder engagement.
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes.
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it,
- F. Managing risks and performance through robust internal control and strong public financial management.
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

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, and is consistent with the principles and recommendations of the CIPFA/SOLACE Framework and the supporting guidance notes for Scottish authorities. It was recognised that the IJB Local Code needed to be reviewed and updated, and submitted for approval, to ensure it continues to be relevant in the changing context of integration and reflects the framework of governance and control for the conduct of the IJB's business. This activity began in 2024/25, and the IJB approved the updated Local Code at its meeting on 16th July 2025.

The Governance Framework and Internal Control System

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 2024/25 included:

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

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

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

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

The IJB is dependent upon and places significant reliance on arrangements within the partner organisations (NHS Borders and Scottish Borders Council) 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 including IT/Cyber Security arrangements.
- Procurement of goods and services which are sustainable, represent value of money and which reinforce ethical values.
- Management of the operational risks and business continuity and resilience risks associated with the delivery of services under the Direction of the IJB.

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

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 Board are documented in the public domain.

The key principles of stakeholder consultation and engagement, including the integration planning principles were applied during the development of the Health & Social Care Strategic Framework 2023-26. The Equalities and Human Rights Framework (March 2023) includes a new Equalities and Human Rights Impact Assessment that promotes consultation with people with protected characteristics and harder-to-reach groups. All reports

considered by the IJB are required to evidence whether an impact assessment is required, and if this is the case then this has to be included in the accompanying papers.

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

The vision, strategic objectives, ways of working and outcomes are reflected in the Health & Social Care Strategic Framework 2023-26, informed by the comprehensive Joint Needs Assessment.

Implications and Consultation are considered during the decision-making process by way of the report template (March 2023) covering Community Health and Wellbeing Outcomes; Financial impacts; Equality, Human Rights and Fairer Scotland Duty; Legislative considerations; Climate Change and Sustainability; Risk and Mitigations.

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 Framework 2023-26 applies to the IJB as its Strategic Commissioning Plan and supports the IJB in its oversight of all delegated and set aside services and the integration agenda. It sets out how the IJB will transform, commission, and provide health and social care services over the years 2023-2026 to improve and support the health and wellbeing of the people of the Scottish Borders.

An Integrated Financial Framework is being developed to support the Strategic Framework and ensure that the strategic objectives and ways of working are prioritised from a financial perspective in line with the principles of Programme Budgeting and Marginal Analysis and Best Value. An Annual Delivery Plan for 2025/26 will outline the priorities of the IJB and its partners for the year ahead.

Directions are routinely used by the IJB in line with the Directions Policy and Procedure. Monitoring of progress on Directions is reported to the Audit Committee on an exception basis.

The Carers Strategy Living Well in the Scottish Borders, based upon extensive consultation with carers, sets out the vision to improve identification of carers and the advice, support and access available for carers. There is an associated highly detailed Implementation Plan.

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

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

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

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

The Integrated Workforce Plan 2022-2025 is interlinked with the Strategic Framework to support transformation, change and redesign to meet the current and emerging needs of the communities.

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

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

The IJB has approved a revised Risk Management Policy Statement and Risk Management Strategy 2023-2026 (January 2024) to refine its approach to managing its strategic risks and embed these key aspects into the management practices of the IJB and its Partners. An improved cycle of strategic risks review and reporting to the Board has been established to embed risk management into the IJB's culture.

The IJB Chief Financial Officer (IJB CFO) is responsible for the proper administration of all aspects of the IJB's financial affairs. The permanent post-holder resigned in November 2024 after a period of long-term absence. The role has been fulfilled on an interim basis by the Chief Officer of Finance and Procurement within SBC.

The IJB's system of internal financial control is dependent upon on the framework of appropriate Financial Regulations (updated version approved in July 2023), codes of financial practice, and reporting standards.

Financial Monitoring reports presented to the Board for monitoring and control purposes reduced in frequency and format in 2023/24 due to IJB CFO absence, but were restored to a quarterly frequency throughout 2024/25.

The process of recruiting a new IJB Chief Officer is underway and it is expected that the recruitment of an IJB Chief Financial Officer will follow once the new Chief Officer is in post.

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

Performance and Delivery Reports were presented to the Board for the purposes of monitoring from both a non-financial and financial perspective. An Annual Performance Report for 2024/25 will be presented to the Board to outline progress against strategic objectives during the year.

The independent and objective audit opinion of the IJB Chief Internal Auditor is that there are generally sound governance arrangements, risk management and systems of internal control in place for Scottish Borders Health and Social Care Integration Joint Board to support the achievement of its objectives. Provision of Internal Audit services for the IJB by Scottish Borders Council's Internal Audit team is carried out in conformance with Public Sector Internal Audit Standards to fulfil statutory Internal Audit provision.

The IJB responds to the findings and recommendations of Internal Audit, External Audit, and other bodies via the Audit Committee, which is integral to overseeing assurance and monitoring improvements in internal control, risk and governance. The Audit Committee undertakes its functions in compliance with the CIPFA Audit Committees Guidance, including the production of an Annual Report to the IJB on the performance of the Audit Committee against its remit.

The draft unaudited Annual Accounts and Report for 2024/25 which sets out the financial position in accordance with relevant accounting regulations was presented for review by the Audit Committee in June 2025. Post completion of the statutory audit process, the final audited version will be presented for review by the Audit Committee prior to submission to the Board for approval.

Review of Adequacy and Effectiveness of the Governance Framework

The IJB is required to conduct an annual review of the effectiveness of its governance framework. The output is this Annual Governance Statement presented to Audit Committee.

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 seven improvement areas of governance identified by the IJB in 2023/24, there has been some progress made with their implementation, as reported to and monitored by the Audit Committee. Two associated with Internal Audit recommendations were completed via business considered at March 2025 IJB meeting (Develop Medium Term Financial Plans to support the achievement of priorities and outcomes associated with the HSCP Annual Delivery Plans and Strategic Framework, and help support make challenging decisions; Annual financial plans and delivery plans will be based on reasonable assumptions, supported by scenario planning, to better deal well with uncertainty over funding i.e. the payment offers from the Partners, and other financial risks). The former was also raised by External Audit. The MSG Self-Evaluation March 2023 Action Plan was implemented and progress monitored by IJB Audit Committee at March 2025 meeting. The third Internal Audit recommendation is not yet fully implemented and therefore continues to be noted below, no.4, along with further related improvements raised by External Audit in the Annual Audit Report 2023/24 nos.1-3 that will be followed-up during the 2024/25 statutory audit process.

Improvement Areas of Governance

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

- 1 Develop financial reporting to ensure compliance with guidance in relation to the set aside hospital functions and associated resources, in collaboration with NHS Borders.
- 2 Formalise engagement of the IJB Chief Financial Officer in the scrutiny and monitoring arrangements for the NHS Borders Financial Improvement Plan.
- 3 Enhance budget monitoring reports for 2024/25 to ensure sufficient information is included on savings, use of reserves to support expenditure in year, and recovery plans for member scrutiny.
- 4 Quarterly updates will be presented to the Board on the progress made in relation to the implementation of the Integrated Workforce Plan.

The implementation of the associated improvement actions to enhance the governance arrangements will be monitored by the IJB Audit Committee to inform the next annual review. Internal Audit work planned in 2025/26 will follow-up on progress with implementation of the associated improvement actions.

Conclusion and Opinion on Assurance

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

 David Parker

David Robertson
Chief Executive
Scottish Borders Council

24 September 2025

David Parker
Chair of the IJB

24 September 2025

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

E. Independent Auditor's Report

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 2025 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves, Balance Sheet, and notes to the financial statements, including material accounting policy information. 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 2024/25 (the 2024/25 Code).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the body as at 31 March 2025 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 2024/25 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 by the Accounts Commission on 2 December 2022. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the body 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 body. 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 body'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 body's current or future financial sustainability. However, I report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Chief Finance Officer and Scottish Borders Integration Joint Board for the financial statements

As explained more fully in the Statement of Responsibilities, the Chief Finance 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 Finance 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 Finance Officer is responsible for assessing the body'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 body's operations.

Scottish Borders Integration Joint Board 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:

- using my understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of the body;
- inquiring of the Chief Finance Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Chief Finance Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on 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 body'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 skilfulness 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. This description forms part of my auditor's report.

Reporting on other requirements

Opinion prescribed by the Accounts Commission on the audited parts of the Remuneration Report

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

Other information

The Chief Finance Officer is responsible for the 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 the 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 108 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.



John Boyd FCPFA

Audit Scotland

8 Nelson Mandela Place

Glasgow

G2 1BT

24 September 2025

F. Statement of Accounts

Comprehensive Income and Expenditure Statement (CIES) for the Year Ended 31 March 2025

This statement presents the expenditure incurred during 2024/25 on the cost of services, along with the funding provided, and details the surplus/deficit on provision of services

COMPREHENSIVE INCOME & EXPENDITURE STATEMENT							
Gross Expenditure 2023/24 £'000	Income 2023/24 £'000	Net Expenditure 2023/24 £'000		Gross Expenditure 2024/25 £'000	Income 2024/25 £'000	Net Expenditure 2024/25 £'000	Note
141,411	0	141,411	Health Services Delegated	147,530	0	147,530	(3,4,7)
69,201	0	69,201	Social Care Services Delegated	81,905	0	81,905	
32,530	0	32,530	Health Services Retained and Set Aside by NHS				
269	0	269	Borders	31,337	0	31,337	
			Corporate Services	266	0	266	
243,411	0	243,411	Cost of Services	261,038	0	261,038	
0	(240,414)	(240,414)	Taxation and Non-Specific Grant Income	0	(263,243)	(263,243)	5
243,411	(240,414)	2,997	(Surplus) or Deficit on Provision of Services	261,038	(263,243)	(2,205)	
		2,997	Total Comprehensive (Income) and Expenditure			(2,205)	

Movement in Reserves

The IJB approved its Reserves Policy initially in 2016/17 and updated it during 2023/24.

The policy was applied to ring-fenced funding allocations received by NHSB.

	General Fund Balance £'000	Total Reserves £'000
Opening Balance as at 1st April 2023	9,843	9,843
Total comprehensive (Expenditure)	(2,997)	(2,997)
Closing Balance as at 31st March 2024	6,846	6,846
Increase or (Decrease) during Previous year	(2,997)	(2,997)
Opening Balance as at 1st April 2024	6,846	6,846
Total comprehensive Income	2,205	2,205
Closing Balance as at 31st March 2025	9,051	9,051
Increase or (Decrease) during Current year	2,205	2,205

Balance Sheet at 31 March 2025

The Balance Sheet shows the value of the IJB's assets and liabilities as at 31 March 2025. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

BALANCE SHEET AS AT 31 MARCH 2025					
31st March 2024 £'000			31st March 2025 £'000		Note
8,683	8,683	Current Assets			
		Short-Term Debtors	10,397	10,397	6
(1,837)	(1,837)	Current Liabilities			
		Short-Term Creditors	(1,346)	(1,346)	6
	6,846	Net Assets		9,051	
	6,846	Usable Reserve: General Fund		9,051	
	6,846	Total Reserves		9,051	

Notes 1 to 12 under the notes to the accounts form part of these financial statements.

The unaudited accounts were issued for public consultation on 1 July 2025 and the audited accounts were authorised for issue on 24 September 2025.

Lizzie Turner

Lizzie Turner ACCA
Chief Finance Officer IJB
(Section 95 Officer)

24 September 2025

G. Notes to the Annual Accounts

1. Material Accounting Policies

(i) General Accounting Principles

The Annual Accounts summarise the Integration Joint Board's transactions for 2024/25 and its position at the year-end of 31 March 2025.

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 2024/25 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.

(ii) 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.

(iii) Funding

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

(iv) 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 2025, is represented as a debtor or creditor on the IJB's Balance Sheet.

(v) 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. The IJB has also appointed a Chief Finance Officer. Details on the arrangement are provided in the Remuneration Report. The charges for the employing partners are treated as employee costs. Where material, the absence entitlement at 31 March will be accrued, for example in relation to annual leave earned but not yet taken

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 2025.

(vi) 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 2025.

(vii) 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 2025 shows the extent of resources which the IJB can use in later years to support service provision.

The Employee Statutory Adjustment Account is one of the Unusable reserves of IJB. This is required by legislation. It defers the charge to the General Fund for the Chief Officer's absence entitlement as at 31 March 2025, 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.

(viii) VAT

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

2. Events after the Reporting Period / Balance Sheet Date

The unaudited Annual Accounts were authorised for issue by the IJB Audit Committee on 30 June 2025. 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 2025, 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 2025.

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.

NOTE 3 - EXPENDITURE & FUNDING ANALYSIS

2023/24		2024/25
Net Expenditure in the CIES £'000		Net Expenditure in the CIES £'000
27,734	Joint Learning Disability Service	28,779
25,215	Joint Mental Health Service	25,372
1,027	Joint Alcohol and Drug Service	1,097
33,482	Older People Service	44,535
3,113	Physical Disability Service	3,462
27,342	Prescribing	26,848
92,696	Generic Services	99,342
32,530	Health Services Retained and Set Aside by NHS Borders	31,337
2	Scottish and UK Government-Funded Testing Kits	0
269	Corporate Services	266
243,411	Cost of Services	261,038
(240,414)	Other Income	(263,243)
2,997	(Surplus) or Deficit on Provision of Services	(2,205)
(9,843)	Opening General Fund Balance	(6,846)
2,997	(Surplus) or Deficit in the Year	(2,205)
(6,846)	Closing General Fund Balance	(9,051)

4. Expenditure and Income Analysis by Nature

2023/24 £'000		2024/25 £'000
173,940	Services commissioned from NHS Borders	178,867
69,201	Services commissioned from Scottish Borders Council	81,905
188	Employee Benefits Expenditure	232
33	Auditor Fee: External Audit	34
49	NDTi Expense	0
(240,414)	Partners' Funding Contributions	(263,243)
2,997	(Surplus)/Deficit on provision of Services	(2,205)

The fee charged by the Independent Auditor for 2024/25 was £34,000, an increase of 1.9% from last year. There were no non-audit services provided by External Audit.

5. Taxation and Non-Specific Grant Income

2023/24 £'000		2024/25 £'000
(179,125)	Funding Contribution from NHS Borders	(189,500)
(61,289)	Funding Contribution from Scottish Borders Council	(73,743)
(240,414)	Taxation and Non-Specific Grant Income	(263,243)

The funding contribution from NHSB shown above includes £31.337m in respect of Set Aside resources relating to acute hospital and healthcare unscheduled care services. The NHS retains responsibility for managing the costs of providing the services. The IJB however is responsible for managing the consumption of these resources, through managing the demand.

6. Debtors and Creditors

The IJB's debtors include money owed to the partnership at 31 March 2025 and any payments made in respect of delegated functions in advance of the financial year 2025/26.

The IJB's Creditors include payments due by the partnership not yet made by the 31 March 2025 and any income it has received in advance of the financial year 2025/26.

DEBTORS incl. PAYMENTS IN ADVANCE

31st March 2024 £'000		31st March 2025 £'000
6,862	Funding NHS Borders	9,068
1,821	Funding Scottish Borders Council	1,329
8,683	Debtors	10,397

CREDITORS incl. INCOME IN ADVANCE

31st March 2024 £'000		31st March 2025 £'000
0	Funding NHS Borders	0
(1,837)	Funding Scottish Borders Council	(1,346)
(1,837)	Creditors	(1,346)

7. Related Party Transactions

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

NHS BORDERS

2023/24 £'000		2024/25 £'000
(179,125)	Funding Contributions	(189,500)
173,940	Expenditure on Services Provided	178,867
135	Key Management Personnel	182
0	Support Services	39
(5,049)	Net Transactions with NHS Borders	(10,412)

31st March 2024 £'000		31st March 2025 £'000
6,862	Debtors: Amounts Due from NHS Borders	9,068
0	Creditors: Amounts Due to NHS Borders	0
6,862	Net Balance with NHS Borders	9,068

SCOTTISH BORDERS COUNCIL

2023/24 £'000		2024/25 £'000
(61,289)	Funding Contributions	(73,743)
69,201	Expenditure on Services Provided	81,905
0	Key Management Personnel	6
134	Support Services	39
8,047	Net Transactions with Scottish Borders Council	8,207

31st March 2024 £'000		31st March 2025 £'000
1,821	Debtors: Amounts Due from Scottish Borders Council	1,329
(1,837)	Creditors: Amounts Due to Scottish Borders Council	(1,346)
(16)	Net Balance with Scottish Borders Council	(17)

2,997	Net Transactions Overall	(2,205)
6,846	Net Balances	9,051

The senior officers employed by SBC (interim Chief Finance Officer) and NHSB (Chief Officer and Chief Finance Officer) are recharged to the IJB. Details of the remuneration for specific post-holders are provided in the Remuneration Report.

8. Provisions:

There were no provisions brought forward from 2023/24, nor made at 31 March 2025.

9. Usable Reserve: General Fund:

The IJB holds a balance on its General Fund Reserve at 31 March 2025. This balance is earmarked in that it relates to funding received from the Scottish Government ring-fenced for specific purposes such as Mental Health Service, Primary Care or Alcohol and Drugs Partnership.

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

10. Unusable Reserve: Employee Statutory Adjustment Account:

Both the Chief Officer and Chief Finance Officer require to be considered in relation to absence entitlement earned but not yet taken at 31 March 2025. 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.

11. Agency Income and Expenditure:

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

12. Contingent Assets and Contingent Liabilities:

No Contingent Liabilities or Contingent Assets were recognised at 31 March 2025 nor have any been identified during the year or at the year end, relating to any item not recognised on the IJB's Balance Sheet.