Scottish Borders
Health and Social Care
PARTNERSHIP

Scottish Borders Health and Social Care Integration Joint Board

ANNUAL ACCOUNTS

For the Financial Year
01 April 2025 to 31 March 2026

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A. Management Commentary

Overview

During 2025/26, the Scottish Borders Health and Social Care Integration Joint Board continued to make progress in delivering its Health and Social Care Strategic Framework 2023–26. Officers from NHS Borders and Scottish Borders Council continued to work jointly to support delivery of the Health and Social Care Partnership's aims during the year and through this close partnership, and with staff working across health, social work, social care and the third sector, services continued to adapt in response to local need, with a focus on improving access, supporting people in community settings and making best use of available resources. Although the IJB Chief Officer position was vacant from April 2025 onwards, the statutory duties of the Chief Officer were delegated to and fulfilled by the Chief Executives of Scottish Borders Council and NHS Borders in line with the IJB Scheme of Integration.

There were important improvements over the year, including reductions in delayed discharges, which peaked at over 80 in 2024 and have remained below 50 since August 2025. During the year, additional investment and service redesign supported new ways of delivering care closer to home. The new frailty unit opened within Borders General Hospital, the integrated discharge team was established, and Home First and Hospital at Home were expanded with support from Scottish Government funding. Care at Home services were also redesigned to help ensure care is commissioned and delivered in line with need. Together, these developments are helping more people avoid unnecessary hospital stays and return home as soon as it is safe to do so.

Progress was also made in primary and community care. This included the development of a new GP walk-in clinic in Hawick, alongside developmental work on a whole-system approach to neurodevelopmental disorders in Children, with a Request for Assistance pilot due to launch in 2026/27. The roll out of What Matters hubs has received national recognition and has been shortlisted for an Innovation award. These developments are intended to improve access for local people, strengthen the sustainability of services in rural communities, and help ensure people receive the right care, in the right place, at the right time.

These achievements were delivered in a very challenging environment. Demand for services continues to rise, particularly from an ageing population and from people with more complex and long-term needs. At the same time, the Partnership continues to face significant national funding pressures and wider workforce challenges, which are being experienced across health and social care in Scotland.

Against this backdrop, the Integration Joint Board has continued to focus on financial sustainability as well as service improvement. Recurring savings were delivered during the year, helping to support the financial position while maintaining priority services. However, the accounts also show the scale of the challenge still facing the Partnership as it works to balance increasing demand with the resources available.

Work to improve outcomes for residents of the Scottish Borders will continue in 2026/27, including further progress on the new Tweedbank Care Village, where site works began in spring 2025, and the refurbishment of Deanfield Care Home.

Overall, the progress made during 2025/26 reflects the commitment of staff, partners and communities across the Borders. While there is more to do, the work undertaken during the year has strengthened local services, improved support for people at home and in the community, and laid further foundations for more sustainable health and social care services in the years ahead.

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 2026. 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 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*

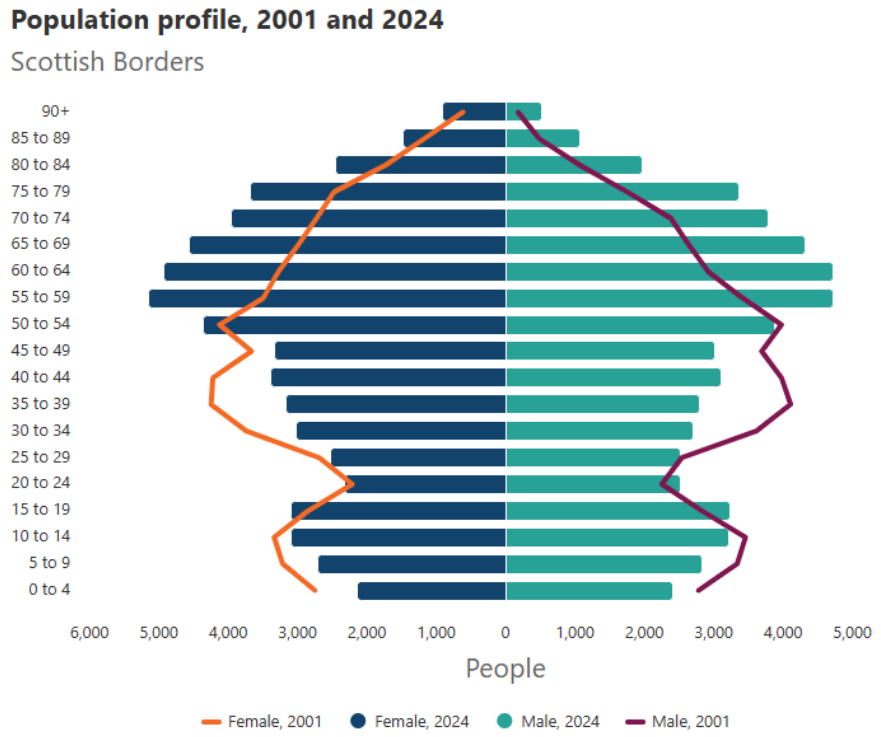
The Scottish Borders covers an area of 473,614 hectares (1,827 square miles) and is located in the Southeast of Scotland. It is situated between Northumberland to the south, Edinburgh and the Lothians to the north, and Dumfries and Galloway to the west. It has a large land area and a sparse population 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 2024, had a population of 116,980. From 2001 to 2024, the population of the region increased by 9.4%, which is broadly in line with Scotland's 9.6% rate of growth. The main reason for the growth in population is inward migration. 43% of the population growth in the period has occurred in those aged 50 years and above, while the net population of those aged below 25 years has reduced by 5.3%.

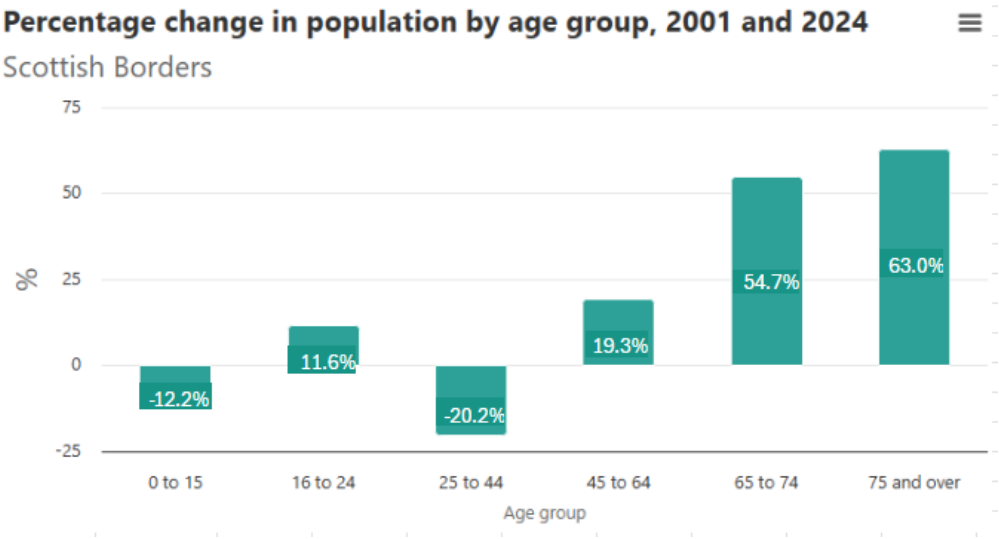
Whilst the size of the Scottish Borders population puts it in the medium sized category it has a large land area and a sparse population density which presents its own challenges in providing health and social care.

The graph below compares the population of the Scottish Borders in 2024 to the distribution in 2001. The dark blue blocks on the left represent the female population per age group in 2024. The orange line shows the outline of each age group using the 2001 population. The 2024 data for the male population is presented on the right-hand side in turquoise with the outline of the 2001 age group data shown in purple. 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.



In 2024 (the last published data) 57.4% of the population of the Scottish Borders is aged between 16 and 64 years of age. This is against a national average of 63.3%. The 45-64 years age group made up an above average 29.1% of the Scottish Borders population and 27.4% of its population is over 65 years of age, significantly above the national average of 20.5%. In contrast, the 16 to 24 age group was the smallest, with a population of 9,856 (8.4%).

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.



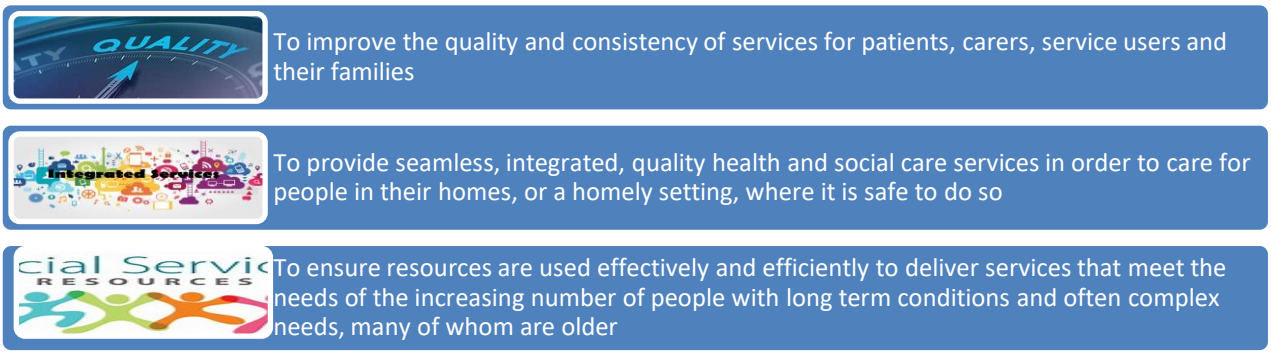
According to the National Records of Scotland's mid-2024 population estimates the Scottish Borders had 32,066 people aged 65 and older which equates to 27.4% compared to 20.5% for Scotland. The Scottish Borders has the 3rd largest proportion of people aged 65 and older compared to the other 32 Scottish 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.



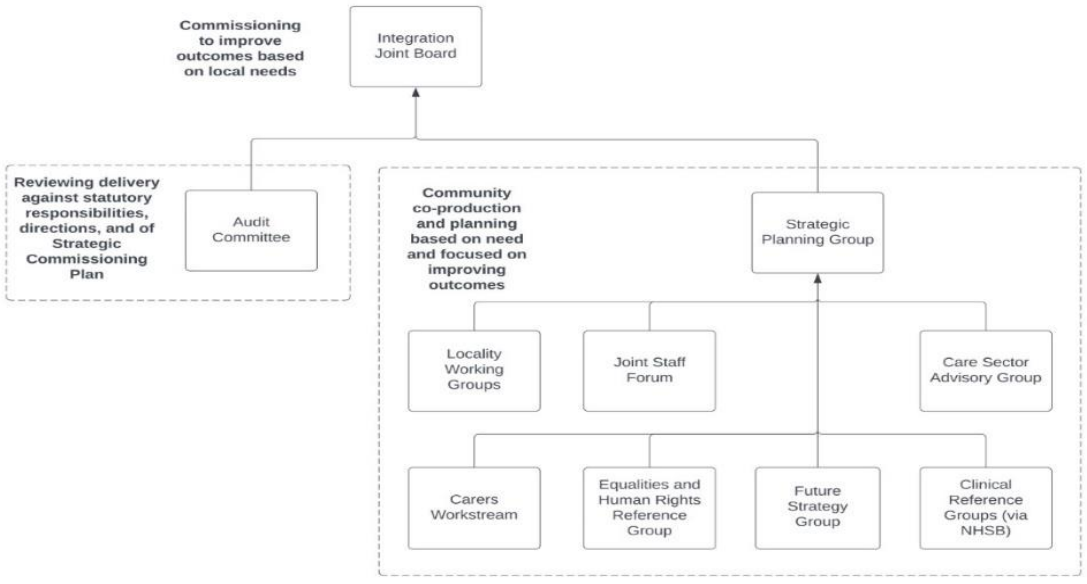
The table below sets out which services have been delegated to the IJB to strategically oversee and commission. The day-to-day delivery of these services is managed through Directions to the partners within the Scottish Borders Health and Social Care Partnership (HSCP) which comprises NHS Borders (NHSB) and 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 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.

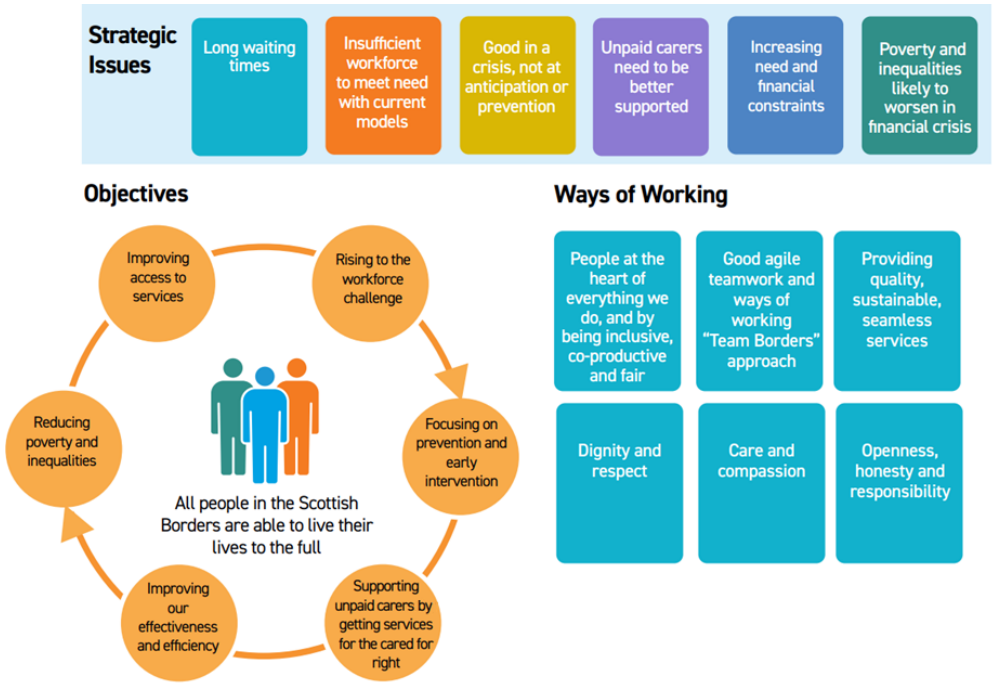
This is fundamentally built on trust between partner bodies, in a shared endeavour, with a willingness to tolerate acceptable risk, learn from experience, and continually adapt together. As a direct result therefore, governance arrangements are significantly stripped down and have a greater reliance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

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', 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 Plan, agreed ways of working, an Integrated Workforce Plan which was approved in October 2022 and our Financial Plan. The Annual Delivery Plan for 2025/26 concluded the last year of the Health and Social Care Partnership's work to deliver its Health and Social Care Strategic Framework 2023-26 and aimed to deliver against our stated strategic objectives and ways of working in the highest priority areas in order to continue to improve outcomes locally, and sustainability

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 5th August 2026.

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.

GP In Hours Activity



May 25: **90,378**
January 26: **82,241**

Social Work waits for assessment



April 25: **79**
April 26: **180**

Homecare waits



People waiting April 25: **104**
People waiting April 26: **120**

Hours yet to be provided April 25: **862**
Hours yet to be provided April 26: **827**

Unpaid Carers: Carer Support Plans



Offered Quarter 3 2024/25: **207**
Offered Quarter 3 2025/26: **212**

Completed Quarter 3 2024/25: **118**
Completed Quarter 3 2025/26: **107**

Child and Adolescent Mental Health



People starting treatment within 18 weeks
March 2025 – 100%

People starting treatment within 18 weeks
March 2026 – 100.0%

Psychological Therapies



People starting treatment within 18 weeks
March 2025 – 89.6%

People starting treatment within 18 weeks
March 2026 – 79.5%

Flu Vaccination



63.0% Eligible population vaccinated by 1 February 26 in Scottish Borders compared to **55.4%** Scotland

Covid Vaccination



17.9% Eligible population vaccinated by 26 April 26 in Scottish Borders compared to **13.8%** Scotland

Accident and Emergency



22.79 per 1000 A&E attendances in Borders compared to **22.12** in Scotland in December 2025

29.33 people over 75 per 1000 population for A&E admissions in Borders compared to **29.76** in Scotland in December 2025

507 Occupied Bed Days for emergency admissions people over 75 in Borders compared to 414 Scotland in December 2025

Delayed Discharges



48 people delayed on 25 January 26 compared to **69** on 6 April 25

WhatMatters Hub Information?



Referrals November 25: **521**
Referrals March 26: **584**

Footfall November 25: **184**
Footfall March 26: **209**

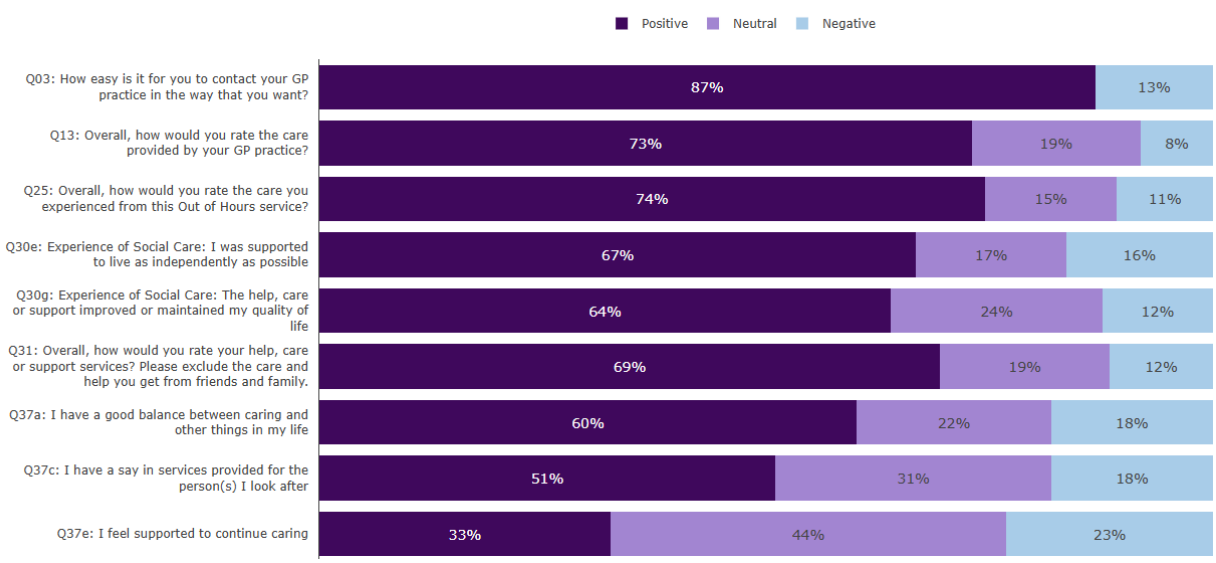
5.1. Health and Wellbeing Outcomes

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 became available in May 2026. 8,781 surveys were sent out to residents across the Scottish Borders, with 2,516 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://www.gov.scot/collections/health-and-care-experience-survey/#2025to2026

All of the health and wellbeing outcomes will be reviewed by the HSCP and IJB, and relevant actions will inform future HSCP Delivery Plans.

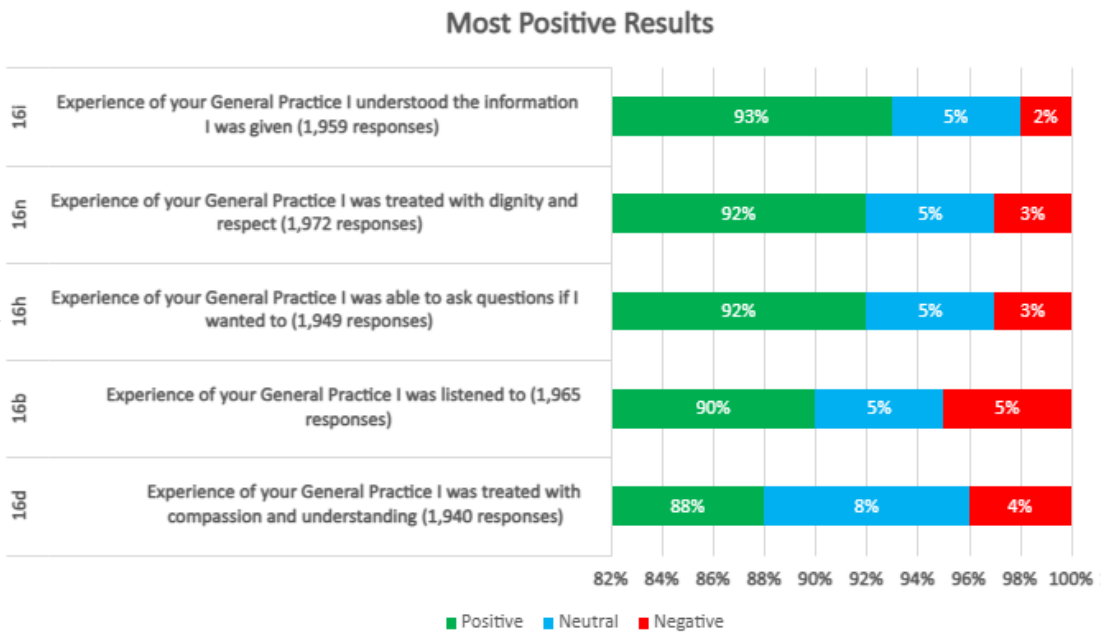
The first chart shows the percentage of positive, neutral and negative responses for the headline questions for each section in the Health and Care Experience survey.

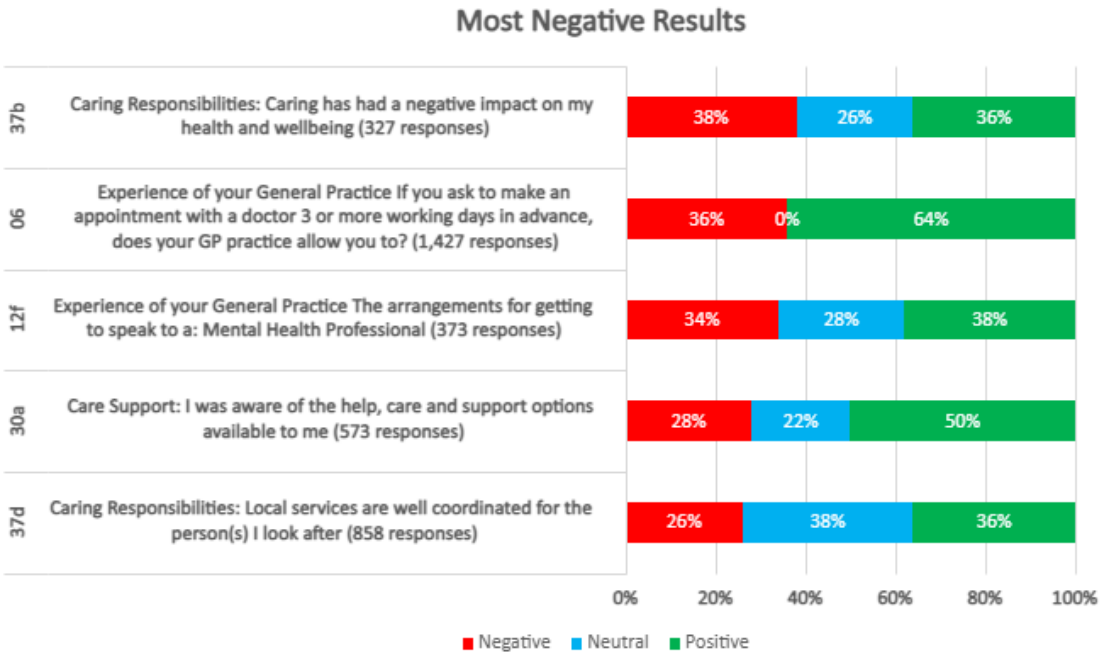
Percentage of positive, neutral and negative responses for Scottish Borders HSCP



Whilst the Borders outperforms the Scottish average in almost all outcomes it's important to note that most of the HACE indicators have declined. This could be expected due to the ongoing increases in need and the funding challenges facing both NHS Borders and the Council and the higher levels of risk being experienced across the health and social care system.

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





Further information can be found in the IJB Annual Performance Report.

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 2024/25 financial year so this has been added to the financial year figures presented. 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)	2020/21	2021/22	2022/23	2023/24	2024/25
Scottish Borders rate	10,266	10,273	9,835	9,949	9,025
Scotland rate	10,965	11,648	11,326	11,889	11,514

Emergency bed day rate (per 100,000 population)	2020/21	2021/22	2022/23	2023/24	2024/25
Scottish Borders rate	105,734	124,454	131,706	132,662	123,653
Scotland rate	103,433	117,046	124,183	122,632	118,078

Emergency readmissions to hospital within 28 days of discharge (rate per 1,000 discharges)	2020/21	2021/22	2022/23	2023/24	2024/25
Scottish Borders rate	119	97	122	120	127
Scotland rate	120	107	102	105	103

Proportion of last 6 months of life spent at home or in a community setting	2020/21	2021/22	2022/23	2023/24	2024/25
Scottish Borders rate	89.5%	88.2%	87.4%	87.1%	89.2%
Scotland rate	90.2%	89.7%	88.8%	88.8%	89.1%

Falls rate per 1,000 population aged 65+	2020/21	2021/22	2022/23	2023/24	2024/25
Scottish Borders rate	18.1	18.0	15.7	17.2	17.3
Scotland rate	21.7	22.7	22.1	22.9	22.8

Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections	2020/21	2021/22	2022/23	2023/24	2024/25
Scottish Borders rate	90.1%	77.9%	81.1%	70.6%	80.6%
Scotland rate	82.5%	75.8%	75.2%	77.0%	81.9%

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	334	2024
Scotland rate	426	

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 10,266 per 100,000 population in 2020/21 to 9,025 in 2024/25 and is now well below the national average of 11,514.
- The emergency bed day rate in the Scottish Borders has again increased from a low of 105,734 per 100,000 population in 2020/21 to 123,653 in 2024/25, though this represents a reduction from the peak of 132,662 in 2023/24.
- The rate of emergency readmissions within 28 days of discharge has increased to 127 per 1,000 discharges in 2024/25, rising from 120 in 2023/24 and remaining above both the 2021/22 level (97) and the national average of 103.
- The proportion of the last 6 months of life spent at home or in a community setting has increased to 89.2% in 2024/25, up from 87.1% in 2023/24, and is now slightly higher than the national average of 89.1%.
- Falls in the Borders remain consistently below the national average, at 17.3 per 1,000 population aged 65+ compared to 22.8 nationally.
- The proportion of care services graded ‘good’ or better has improved from 70.6% in 2023/24 to 80.6% in 2024/25; however, this remains slightly below the national average of 81.9% and will continue to be a focus for improvement through the Care Home Forum.
- The number of days people spend in hospital when ready to be discharged has reduced to 1,380 per 1,000 population in 2024/25, down from 1,605 in 2023/24, but remains significantly higher than both the 2020/21 baseline (588) and the national average (952). This will continue to be a key focus area for the Integration Joint Board.
- The premature mortality rate in the Scottish Borders is 334 per 100,000 population (2024), which remains well below the national average of 426.

6. *Decisions of the IJB during the 2025/26 year*

6.1. The IJB agreed 1 Direction during the year.:

- To SBC to implement the recommendations of the Eildon Day Supports paper considered by the IJB.

7. *Financial Performance*

7.1. Introduction

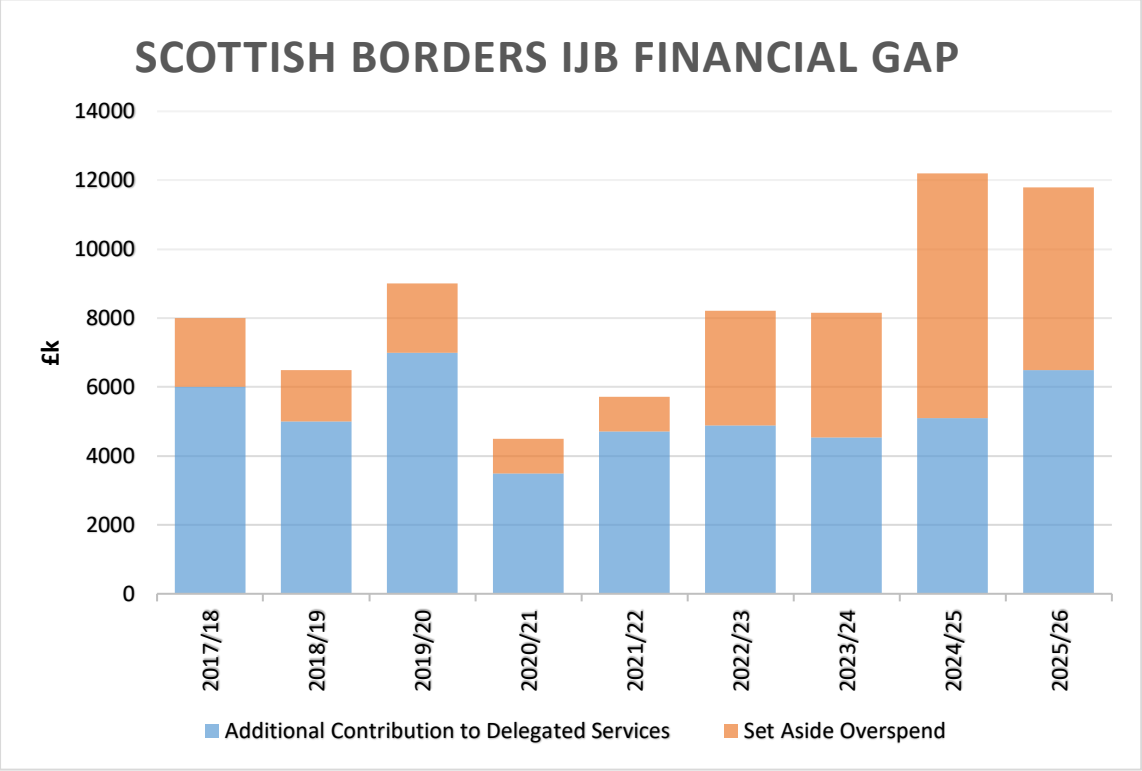
IJB's across Scotland continue to operate within a challenging financial environment as detailed in the Integration Joint Boards: Financial bulletin 2024/25 and the Scottish Borders is no different.

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.

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.

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 £7.5m (previous year surplus of £2.2m). This is not by itself an indicator of the financial health of the IJB as the position includes the carry forward of reserves into 2026/27. 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 and additional payment were required from both partner organisations (NHSB £3.9m, SBC £2.6m).

The budget approved by the Board for 2025/26 recognised that the NHSB payment offer for 2025/26 contained a funding gap of £5.7m for delegated functions and £4.4m in relation to set aside budgets due to the estimated costs of running the services during 2025/26. The final figures show an additional payment of £3.9m was required for delegated services and a £5.3m pressure arose within set aside services. Whilst this additional funding supported the IJB's financial position during 2025/26 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 over budget by £2.598m and additional funding was made available by them to mitigate the financial impact of this.

7.2. Delegated Services

The underlying financial performance of combined delegated services was a net overspend of £6.5m (2.7%) against the revised delegated budget of £236.9m at 31 March 2026 (previous year overspend £5.2m, or 2.3%). An additional payment of £3.9m from NHS Borders was required to meet this additional in year spend along with an additional payment of £2.6m, was required from 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	(77,378)	(159,517)	(236,895)
Transfer of Social Care funding	(8,288)	8,288	0
Outturn Spending	88,264	155,120	243,384
Current year 2025/26 additional payments (returned)/required	2,598	3,891	6,489
% Value of additional payments required	**3.36%**	**2.44%**	**2.74%**
Last year 2024/25 additional payments (returned) / required	(1,436)	6,602	5,166
% Value of additional payments required	**-1.91%**	**4.43%**	**2.30%**

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

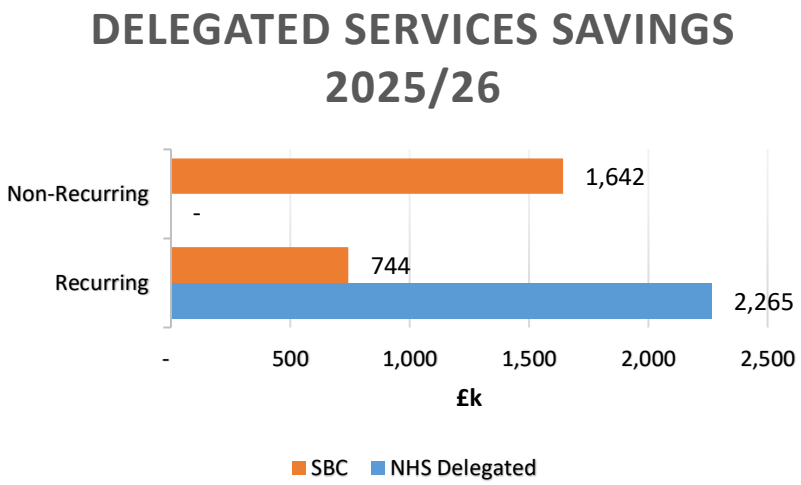
- High-cost individual out of area placements within the Learning Disability service;
- Prescribing volumes continued to increase through 2025/26 and resulted in an overspend against budget;
- Pressures in Adult Social Care related to the required use of agency and overtime staff mainly within care homes
- The use of premium rate staffing to cover medical workforce gaps within Mental Health drove a significant overspend but was mostly 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.
- £2.987m of future savings remain unmet, as planned, at year end

Table 2 Delegated Services Year-end Outturn 2025-26

Delegated Functions Total	**Revised Budget £'000**	**Actual Outturn £'000**	**Outturn Variance £'000**
Joint Learning Disability Service	29,901	31,992	(2,091)
Joint Mental Health Service	27,504	27,811	(307)
Joint Alcohol and Drug Service	1,071	1,071	(0)
Older People Service	23,493	23,300	193
Physical Disability Service	3,846	3,815	31
Prescribing	25,577	26,366	(789)
Generic Services	61,211	59,583	1,628
Adult Statutory & Public Protection Services	1,488	1,441	47
Adult Social Care	20,388	22,347	(1,959)
Independent Contractors	45,403	45,658	(255)
Current Year Savings	0	0	0
Future Year Savings	(2,987)	0	(2,987)
NHSB / SBC Net Additional Contribution	6,489	0	6,489
	243,384	**243,384**	**0**

Savings Delivery

Savings delivered in 2025/26 included £0.7m Adult Social Work Pathfinder savings, £0.8m from productivity and digital infrastructure savings, £0.8m from product switches, patent expiries and removing medicines of low clinical value, £0.2m income generation from rehabilitation and acute inpatient beds, £0.4m from removing vacant staff positions, and £0.25m from the increased use of Self Directed Support Direct Payments in conjunction with the use of personal assistants to provide care at home. £3.0m of these savings were recurring, with the balance of £1.6m being non-recurring savings as shown in the chart below:



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 £37.1m to NHSB for the Set Aside budget in 2025/26. During the financial year, NHSB spent £42.5m, resulting in an overspend of £5.3m, (last year overspend £7.1m). The overspend remains the responsibility of NHSB, and as a result, has been absorbed within the NHSB financial outturn.

The 2025/26 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.

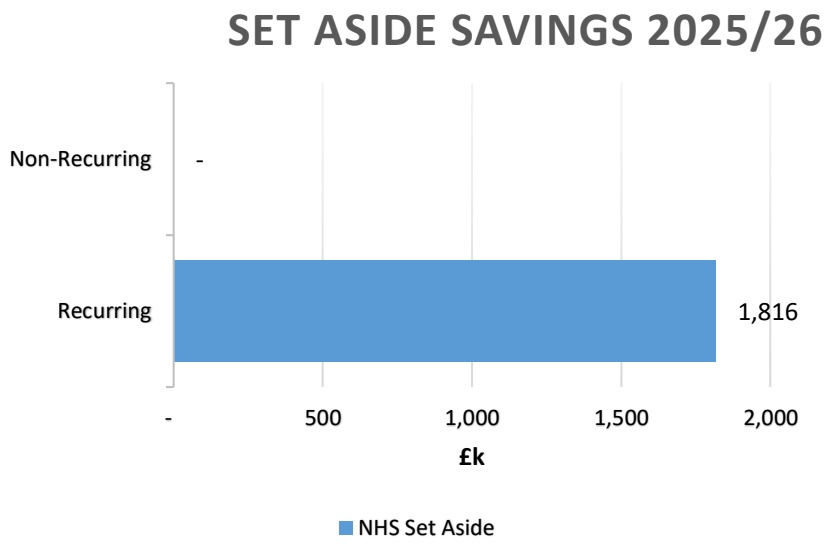
Set aside services have required significant supplementary staffing to be deployed throughout the year to cope with demand. Unfunded surge beds remained open throughout the year and overspends on drugs related to neurology and respiratory illness along with further costs in relation to diabetic instruments were experienced during 2025/26.

Table 3 Set Aside Services Year-end Outturn 2025-26

Set Aside Healthcare Functions	**Revised Budget £'000**	**Actual Outturn £'000**	**Outturn Variance £'000**
Accident & Emergency	6,268	6,810	(542)
Medicine of the Elderly	8,640	9,612	(972)
Medicine & Long-Term Conditions	24,250	26,061	(1,811)
Current Year Savings	(138)	0	(138)
Future Year Savings	(1,871)	0	(1,871)
	37,149	**42,483**	**(5,334)**

Savings Delivery

£1.8m of recurring savings were delivered within set aside functions within the year. The majority of the savings were achieved from the closure of Borders View (£1.1m) and redesign of beds capacity (£0.6m) with savings from various product switches making up the balance. The split between recurring and non-recurring savings is shown in the chart below:



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. To ensure transparency all additional allocations from the 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 £9.05m within delegated services.
- Additional funding of £47.97m was earmarked to specific reserves portfolios as per table 4, including Primary Care £24.5m, the Social Care Fund £8.3m, Primary Care Improvement Programme (PCIP) £5.9m, Urgent and Unscheduled Care Transformation funding of £3.0m, further Primary Care funding of £1.98m and Discharge Support funding of £1.0m.
- £40.45m was utilised in year including £24.2m within Primary care (which includes expenditure for the GP contract) with an additional £5.9m for the Primary Care Improvement Programme (PCIP), and the £8.3m Social Care Fund which is transferred to SBC.

Remaining reserves of £16.57m carried forward into 2026/27 include

- £4.2m of IJB Flexibility which includes £1m for Hospital at Home, £0.3m Mental Health Workforce, £0.25 Flu and COVID vaccine delivery, £0.2m BCE commitment, £0.13m for MDT (Multidisciplinary Teams) with the balance to be used to support future transformational change and efficiency programmes,

- £1.7m is held for Primary Care including Premises, GP Walk-in Services and Primary Care Out of Hours services. A further £2.0m has been retained in relation to 2025/26 funding for PCPIP demonstrator, with in year (2025/26) costs being covered by NHS Borders through additional budget release. This is in recognition of expected requirement for exit costs in place against PCPIP following decision by SG to cease programme from April 2026.
- Mental Health Reserves of £1.6m including £0.6m for Borders Addiction Services,
- £4m transformation and discharge support to support shift in balance of care and improvement in hospital flow sits within the IJB Reserve line. This funding was held by Health Board within its operational plan for 2025/26 and issued to IJB in March 2026 as variation to initial budget offer. It is earmarked to support implementation of NHSB clinical strategy and actions identified within the Whole System Capacity Model.

Table 4 Movement in different funds held in IJB Reserves during 2025/26

Portfolio	Opening Balance April 2025 £000s	2025/26 Additional Funding £000s	2025/26 Utilised in Year £000s	2025/26 in year movement £000s	Closing Balance Mar 2026 £000s
IJB Workforce + Wellbeing	619	350	(403)	(53)	566
IJB Transformation Fund	47	0	0	0	47
Alcohol + Drugs	136	729	(583)	146	282
Health Improvement Fund	88	89	0	89	177
Mental Health + Wellbeing	1,196	535	(115)	420	1,616
IJB Financial Plan	300	500	(500)	0	300
IJB Flexibility	3,533	697	(21)	676	4,209
IJB Reserves	746	5,915	(28)	5,887	6,633
Primary Care	1,418	24,534	(24,214)	320	1,738
PCIP Reserve	571	5,924	(5,902)	22	593
IJB RRL Retention	397	412	(397)	15	412
Social Care Fund	0	8,288	(8,288)	0	0
Other fund	0	0	0	0	0
Grand Total	**9,051**	**47,973**	**(40,451)**	**7,522**	**16,573**

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 providing, 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. A one-year indicative budget for 2026/27 was approved by the Board on 20 May.

Given the ongoing financial challenges facing the public sector and anticipated rising need of the Borders population it will become increasing 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.

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,
- The loss of Primary Care Improvement Fund demonstrator site funding which will increase financial pressures on NHS Delegated services and require prioritisation of existing services
- Workforce sustainability for health, social and independent/third sector partners.
- The potential loss of service provision as a result of market failure.
- Ongoing inflationary pressures in key areas e.g. transport and fuel costs
- 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
- Increasing need associated with a higher than average number of older people in the region
- 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. Partners are also working together on several opportunities which plan to improve outcomes for residents and increase efficiencies.

- The planned opening of the Tweedbank Care village in 2027 and the Hawick Care village in 2028
- Ongoing development of the Frailty unit and the Integrated discharge team
- The expansion of Home First and Hospital at Home
- New model of Care at Home to match care to demand
- Ongoing implementation of recommendations from the Buchan Report to match the bed types with forecast demand
- Scottish Government initiative to increase the numbers of GP appointments
- Roll out of the Request for Assistance pilot, a whole system approach to support children with neurodevelopmental disorders.
- developing a business case for expanding the emergency department workforce.
- Community Services Review, with locality engagement to shape the future NHS community model and alignment with Buchan & Associates' recommendations.

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.

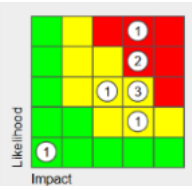
The approved Risk Management Policy and Risk Management Strategy 2024-2026 respectively set out the roles and responsibilities and the approach to the systematic identification, evaluation, management and review of its risks. The vision within the Risk Management Policy states that: "*Appropriate and 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 outgoing IJB Chief Officer undertook the activity to review and manage the risks held on the IJB Strategic Risk Register between 24 February and 4 April 2025, facilitated by the SBC Corporate Risk Officer. Due to the vacant IJB Chief Officer post since April 2025 this is the latest risk review that was undertaken during 2025/26.

The 'IJB Strategic Risk Register Update – May 2025' report was presented to the IJB at its meeting on 16 July 2025 (deferred from the IJB 28 May 2025 meeting which was cancelled). Due to the vacant IJB Chief Officer post since April 2025 this is the only Strategic Risk Register Update report that was presented to the IJB during 2025/26 i.e. not in compliance with IJB Risk Management Policy and Strategy 2024-2026 which states that six-monthly Strategic Risk Register Update reports should be presented to the IJB each year.

Reliance is placed on the risk management arrangements within the Partner organisations in respect of the operational delivery of commissioned services. As stated in the IJB Risk Management Strategy, any of these risks that significantly impact on the delivery of the Objectives within the H&SC Strategic Framework will be escalated to the IJB Chief Officer for consideration. This activity has not been undertaken during 2025/26 due to the vacant IJB Chief Officer post since April 2025.

An annual risk management update was provided to the IJB Audit Committee on 30 March 2026 to fulfil their oversight role re the IJB's risk management arrangements. The Risk Heat Map and the Summary IJB Strategic Risk Register (which were contained in the annual risk management update) are set out below:



Risk No & Title	Risk Description	Current Risk Score	Last Review Date
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.	20 (Almost Certain – Major)	24 February 2025
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.	9 (Possible – Moderate)	24 February 2025
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)	27 February 2025
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.	1 (Remote – Negligible)	27 February 2025
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)	27 February 2025
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)	18 March 2025
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 deteriorate, resulting in poorer outcomes for the population, increased resources in terms of service delivery and reputational damage.	12 (Possible – Major)	18 March 2025
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)	04 April 2025
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)	04 April 2025

9. *The Integration Joint Board*

Voting members

During 2025/26 the IJB was chaired by Cllr. David Parker, SBC. During the same period the Vice–Chair was Lucy O'Leary, Vice Chair of NHSB. Cllr. 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).

Name	Designation	Membership Status
Lucy O'Leary	Non-Executive Director, NHS Borders	Voting member *(Vice Chair from 01/04/2025)*
Fiona Sandford	Non-Executive Director, NHS Borders	Voting member
Karen Hamilton	Non-Executive Director, NHS Borders	Voting member *Resigned 31/12/2025*
Jacquie Pepper	Non-Executive Director, NHS Borders	Voting member *Appointed 20/05/2026*
John McLaren	Non-Executive Director, NHS Borders	Voting member
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 is a non-voting member. The Chief Officer of the IJB until 25th April, 2025, was Chris Myers and the post was vacant until a new Chief Officer, Gill Main was appointed and took up this role on 3rd August 2026.

The Chief Finance Officer (CFO) is also a non-voting member. The role has been fulfilled on an interim basis by Lizzie Turner, Chief Officer Finance and Procurement within SBC, since 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

David Parker
Chair of the IJB

29 September 2026

Gill Main
Chief Officer IJB

30 September 2026

Lizzie Turner

Lizzie Turner ACCA
Chief Finance Officer
(Section 95 Officer)

30 September 2026

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 Renumeration 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 2024/25 £	Name	Post held	From / to	Nominated by	Expenses 2025/26 £
2,805.22	Ms Lucy O'Leary	Vice-Chair	From 01.04.2025	NHS Borders	590.62
0.00	Ms Fiona Sandford	Member		NHS Borders	2,956.26
0.00	Cllr David Parker	Chair	From 01.04.2025	Scottish Borders Council	0.00
2,805.22					**3,546.88**

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.

Chris Myers vacated the role of Chief Officer in April 2025. As a result of the prolonged absence of a Chief Officer, the responsibilities of the Chief Officer were delegated to the Chief Executives of Scottish Borders Council and NHS Borders in line with the IJB Scheme of Integration. No additional remuneration was received by either Chief Executive for assuming these delegated responsibilities.

Remuneration Table 2: Senior Employees of the IJB

Total 2024/25 £	Name	Employing Organisation	Salary 2025/26 £	Fees and allowance £	Total 2025/26 £
104,449	Chris Myers	NHS Borders	7,433	223	7,656
31,744	Hazel Robertson	NHS Borders	0	0	0
9,915	Lizzie Turner	Scottish Borders Council	10,452	0	10,452
146,108	**Total**		**17,885**	**233**	**18,108**

Hazel Robertson commenced the role of Chief Finance Officer on 1 August 2022 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.
Chris Myers left the role of Chief Officer on 25 April 2025. The annual full-time equivalent salary for the Chief Officer role in 2025/26 was £105,717.

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-25	31-Mar-26	Type	As at 31/3/26	Difference from 31/3/2025
		£	£		£'000	£'000
Chris Myers	NHS Borders	23,501	1,723	Pension	10	(18)
				Lump Sum	5	(56)
Hazel Robertson	NHS Borders	13,971	-	Pension	-	-
				Lump Sum	-	-
Lizzie Turner	Scottish Borders Council	1,692	1,777	Pension	2	-
				Lump Sum	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

29 September 2026

Gill Main
Chief Officer IJB

30 September 2026

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 30th September, 2026.

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

David Parker

David Parker
Chair of the IJB

29 September 2026

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 2026.

Lizzie Turner

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

30 September 2026

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 on 16th July 2025 following its review and update during 2024/25 by the SBC Internal Audit function, 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. This ensures it continues to be relevant in the ever-changing operating environment and sets out the framework of governance and control for the conduct of the IJB's business to be a value-added tool for members and officers of the IJB.

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 2025/26 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 IJB Chief Officer post was vacant since April 2025 with a new appointment commencing in post on 3 August 2026. As a result of the prolonged absence of a Chief Officer during this period, the responsibilities of the Chief Officer were delegated to the Chief Executives of Scottish Borders Council and NHS Borders in line with the IJB Scheme of Integration. The IJB Chief Financial Officer post-holder has been appointed on an interim basis since March 2024.

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. This is scheduled for review and update with stakeholder engagement.

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 Best Value. An Annual Delivery Plan for 2026/27 will outline the priorities of the IJB and its partners for the year ahead.

Directions are used by the IJB as the mechanism for delivering the Strategic Framework, for conveying and enacting the decisions of the IJB, clarifying responsibilities between partners, and improving accountability in line with the Directions Policy and Procedure. Due to the vacant IJB Chief Officer post since April 2025 there has been a lack of monitoring against expected milestones of each Direction (i.e. the Directions Tracker has not been recently presented to the IJB Board) and a lack of scrutiny of progress on their implementation.

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, though there has been a lack of scrutiny during 2025/26 of progress on its implementation.

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.

The vacant IJB Chief Officer post since April 2025 has meant the regular meetings between the Chief Officer and the Chair and Vice Chair of the IJB and the Chief Officer with the Chief Executives of the partner organisations were paused.

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, though there has been a lack of scrutiny during 2025/26 of progress on its implementation.

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. The Strategic Risks directly relate to the strategic issues identified in the Health and Social Care Strategic Framework 2023-26 and ensure an ongoing focus on risk management in delivering the strategic objectives which work to address these issues. Risk management practices were reduced during 2025/26 for the IJB, due to the Chief Officer vacancy. The governance arrangements to ensure operational business continuity and ongoing risk management put in place through the Chief Executive of SBC were considered to be proportionate and effective on a temporary basis.

The IJB Chief Financial Officer (IJB CFO) is responsible for the proper administration of all aspects of the IJB's financial affairs. The post-holder has been appointed on an interim basis since March 2024.

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.

Quarterly Financial Monitoring reports 2025/26 were presented to the Board for monitoring and control purposes including a commentary from the IJB Interim Chief Financial Officer though the timeliness of Q2 2025/26 presentation to the IJB was delayed due to a meeting cancellation.

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 though these have been for noting only and not subject to scrutiny and challenge. An Annual Performance Report for 2025/26 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 has been a departure from the generally sound governance and risk management arrangements and internal controls of the IJB arising from the vacant IJB Chief Officer post throughout 2025/26, and reduced leadership capacity in the short term, with the medium term impact not yet known on the achievement of its objectives set out in the Strategic Framework 2023-2026. Provision of Internal Audit services for the IJB by Scottish Borders Council's Internal Audit team

is carried out in conformance with Global Internal Audit Standards in the UK Public Sector (GIAS) to fulfil statutory Internal Audit provision.

The IJB responds to the findings and recommendations of Internal Audit, External Audit, and other bodies via its Audit Committee, which is integral to overseeing assurance and monitoring improvements in internal control, risk management and governance. The Audit Committee undertakes its functions in compliance with audit committee principles in the CIPFA Position Statement 2022 and the new CIPFA 'Code of Practice for the Governance of Internal Audit', specifically to address the 'essential conditions' set out in GIAS Domain III: Governing the Internal Audit Function. The former includes the production of an Annual Report to the IJB on the performance of the Audit Committee against its remit. The IJB Audit Committee has fulfilled its main Purpose and raised governance concerns with the IJB Board during the year.

The draft unaudited Annual Accounts and Report for 2025/26 which sets out the financial position in accordance with relevant accounting regulations were presented for review by the Audit Committee in June 2026. 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 improvement areas of governance identified through the above, the Internal Audit recommendation raised in Annual Assurance Report 2024/25 has not been progressed and therefore continues to be noted below, no.4, along with further related improvements raised by External Audit in the Annual Audit Report 2024/25 nos.1-3 that will be followed-up during the 2025/26 statutory audit process and further related improvements raised by Internal Audit in the Annual Assurance Report 2025/26 nos.5-9.

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:

Develop a long-term financial strategy underpinned by a medium-term financial plan, including scenario planning, to support delivery of the Strategic Framework and help support make challenging decisions.

Introduce an approach on how Best Value will be achieved for Scottish Borders IJB, and carry out an annual assessment on how Scottish Borders IJB delivers Best Value.

Develop financial reporting to ensure compliance with guidance in relation to the set aside hospital functions and associated resources, in collaboration with NHS Borders.

Present biannual updates to the IJB Board on the progress made in relation to the implementation of the Integrated Workforce Plan as critical to integration objectives.

Recommence the IJB Strategic Risk Reviews and present risk update reports on the strategic risks faced by the IJB and associated mitigations to the IJB Board to enable Board members to be more informed when making business decisions.

Reinstate improvements to the forward planning process, ensuring that Annual Financial Plans, and the rolling 5-year Medium-Term Financial Plan, and Annual Delivery Plan are approved prior to the commencement of the year to which they relate.

Review Performance Management information and reporting to enable more effective scrutiny and challenge of the performance by the IJB Board.

Enhance transparency of the Directions Tracker to enable effective monitoring and oversight by the IJB Board in alignment with performance and financial reporting.

Present biannual updates to the Board on the progress made in relation to the implementation of the Carers' Strategy 'Living Well in the Scottish Borders'.

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 2026/27 will follow-up on progress with implementation of the associated improvement actions.

Conclusion and Opinion on Assurance

In terms of overall corporate governance, it is the interim IJB Chief Financial Officer's opinion (in the absence of a IJB Chief Officer) that, whilst the IJB generally operates under good public sector practice governance arrangements including the Scheme of Integration, Local Code of Corporate Governance, and Standing Orders, the vacant IJB Chief Officer post throughout 2025/26 has reduced leadership capacity and disrupted the business of the IJB Board meetings in the short term. For example: the cessation of strategic risk register review activity and risk updates to the Board; less scrutiny and challenge of the performance information submitted to the Board; a lack of monitoring and scrutiny of Directions to ensure progress on their implementation against expected milestones; and improvements not sustained in the financial planning process. The IJB Audit Committee has fulfilled its main Purpose and raised governance concerns with the IJB during the year. The medium-term impact is not yet known on the achievement of the IJB's objectives set out in the Strategic Framework 2023-2026. The new appointment to the post of IJB Chief Officer commenced in role on 3 August 2026, with prioritisation of activity to address these governance issues in due course.

David Parker

David Parker
Chair of the IJB
29 September 2026

Gill Main
Chief Officer IJB
30 September 2026

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 2026 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, and notes to the 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 2025/26 (the 2025/26 Code).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of Scottish Borders Integration Joint Board as at 31 March 2026 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 2025/26 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 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.

The Scottish Borders Integration Joint Board 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

30 September 2026

F. Statement of Accounts

Comprehensive Income and Expenditure Statement (CIES) for the Year Ended 31 March 2026

This statement presents the expenditure incurred during 2025/26 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 2024/25 £'000	Income 2024/25 £'000	Net Expenditure 2024/25 £'000		Gross Expenditure 2025/26 £'000	Income 2025/26 £'000	Net Expenditure 2025/26 £'000	Note
147,530	0	147,530	Health Services Delegated	155,120	0	155,120	(3,4,7)
81,905	0	81,905	Social Care Services Delegated	88,264	0	88,264	
31,337	0	31,337	Health Services Retained and Set Aside by NHS Borders	37,149	0	37,149	
266	0	266	Corporate Services	145	0	145	
261,038	**0**	**261,038**	**Cost of Services**	**280,678**	**0**	**280,678**	
0	(263,243)	(263,243)	Taxation and Non-Specific Grant Income	0	(288,200)	(288,200)	5
261,038	**(263,243)**	**(2,205)**	**(Surplus) or Deficit on Provision of Services**	**280,678**	**(288,200)**	**(7,522)**	
		(2,205)	**Total Comprehensive (Income) and Expenditure**			**(7,522)**	

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 2024	**6,846**	**6,846**
Total comprehensive (Expenditure)	2,205	2,205
Closing Balance as at 31st March 2025	**9,051**	**9,051**
Increase or (Decrease) during Previous year	2,205	2,205
Opening Balance as at 1st April 2025	**9,051**	**9,051**
Total comprehensive Income	7,522	7,522
Closing Balance as at 31st March 2026	**16,573**	**16,573**
Increase or (Decrease) during Current year	**7,522**	**7,522**

Balance Sheet at 31 March 2026

The Balance Sheet shows the value of the IJB's assets and liabilities as at 31 March 2026. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

BALANCE SHEET AS AT 31 MARCH 2026					
31st March 2025 £'000			31st March 2026 £'000		Note
		Current Assets			
10,397	**10,397**	Short-Term Debtors	18,397	**18,397**	6
		Current Liabilities			
(1,346)	**(1,346)**	Short-Term Creditors	(1,824)	**(1,824)**	6
	9,051	**Net Assets**		**16,573**	
	9,051	Usable Reserve: General Fund		16,573	
	9,051	**Total Reserves**		**16,573**	

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 1st July 2026 and the audited accounts were authorised for issue on 30 September 2026.

Lizzie Turner

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

30 September 2026

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 2025/26 and its position at the year-end of 31 March 2026.

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 2025/26 supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment. Standards issued but not yet effective (including IFRS 18 Presentation and Disclosure in Financial Statements, effective from 1 January 2027) have been reviewed and are not anticipated to have a material impact on the IJB.

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 2026, 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 2026.

(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 2026.

(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 2026 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 2026, 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 15 June 2026. 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 2026, 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 2026.

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

2024/25 Net Expenditure in the CIES £'000		2025/26 Net Expenditure in the CIES £'000
28,779	Joint Learning Disability Service	31,992
25,372	Joint Mental Health Service	27,811
1,097	Joint Alcohol and Drug Service	1,071
44,535	Older People Service	47,088
3,462	Physical Disability Service	3,815
26,848	Prescribing	26,366
99,342	Generic Services	105,241
31,337	Health Services Retained and Set Aside by NHS Borders	37,149
266	Corporate Services	145
261,038	**Cost of Services**	**280,678**
(263,243)	Other Income	(288,200)
(2,205)	**(Surplus) or Deficit on Provision of Services**	**(7,522)**
(6,846)	Opening General Fund Balance	(9,051)
(2,205)	(Surplus) or Deficit in the Year	(7,522)
(9,051)	**Closing General Fund Balance**	**(16,573)**

4. Expenditure and Income Analysis by Nature

2024/25 £'000		2025/26 £'000
178,867	Services commissioned from NHS Borders	192,270
81,905	Services commissioned from Scottish Borders Council	88,264
232	Employee Benefits Expenditure	109
34	Auditor Fee: External Audit	35
(263,243)	Partners' Funding Contributions	(288,200)
(2,205)	**(Surplus)/Deficit on provision of Services**	**(7,522)**

The fee charged by the Independent Auditor for 2025/26 was £35,480, an increase of 4.4% from last year. There were no non-audit services provided by External Audit.

5. Taxation and Non-Specific Grant Income

2024/25 £'000		2025/26 £'000
(189,500)	Funding Contribution from NHS Borders	(208,157)
(73,743)	Funding Contribution from Scottish Borders Council	(80,043)
(263,243)	**Taxation and Non-Specific Grant Income**	**(288,200)**

The funding contribution from NHSB shown above includes £37.149m 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 2026 and any payments made in respect of delegated functions in advance of the financial year 2026/27.

The IJB's Creditors include payments due by the partnership not yet made by the 31 March 2026 and any income it has received in advance of the financial year 2026/27.

DEBTORS incl. PAYMENTS IN ADVANCE

31st March 2025 £'000		31st March 2026 £'000
9,068	Funding NHS Borders	16,591
1,329	Funding Scottish Borders Council	1,806
10,397	**Debtors**	**18,397**

CREDITORS incl. INCOME IN ADVANCE

31st March 2025 £'000		31st March 2026 £'000
0	Funding NHS Borders	0
(1,346)	Funding Scottish Borders Council	(1,824)
(1,346)	**Creditors**	**(1,824)**

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

2024/25 £'000		2025/26 £'000
(189,500)	Funding Contributions	(208,157)
178,867	Expenditure on Services Provided	192,269
182	Key Management Personnel	18
39	Support Services	60
(10,412)	**Net Transactions with NHS Borders**	**(15,810)**

31st March 2025 £'000		31st March 2026 £'000
9,068	Debtors: Amounts Due from NHS Borders	16,591
0	Creditors: Amounts Due to NHS Borders	0
9,068	**Net Balance with NHS Borders**	**16,591**

SCOTTISH BORDERS COUNCIL

2024/25 £'000		2025/26 £'000
(73,743)	Funding Contributions	(80,043)
81,905	Expenditure on Services Provided	88,264
6	Key Management Personnel	7
39	Support Services	60
8,207	**Net Transactions with Scottish Borders Council**	**8,288**

31st March 2025 £'000		31st March 2026 £'000
1,329	Debtors: Amounts Due from Scottish Borders Council	1,806
(1,346)	Creditors: Amounts Due to Scottish Borders Council	(1,824)
(17)	**Net Balance with Scottish Borders Council**	**(18)**

(2,205)	Net Transactions Overall	**(7,522)**
9,051	Net Balances	**16,573**

The senior officers employed by SBC (interim Chief Finance Officer) and NHSB (Chief 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 2024/25, nor made at 31 March 2026.

9. Usable Reserve: General Fund:

The IJB holds a balance on its General Fund Reserve at 31 March 2026. 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 2026. 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 2026 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.