

# **Cùram is Slàinte nan Eilean Siar**

**DREACH CHUNNTASAN  
BHLIADHNAIL  
2023/24**



## **Western Isles Integration Joint Board**

**DRAFT ANNUAL ACCOUNTS  
2023/24**

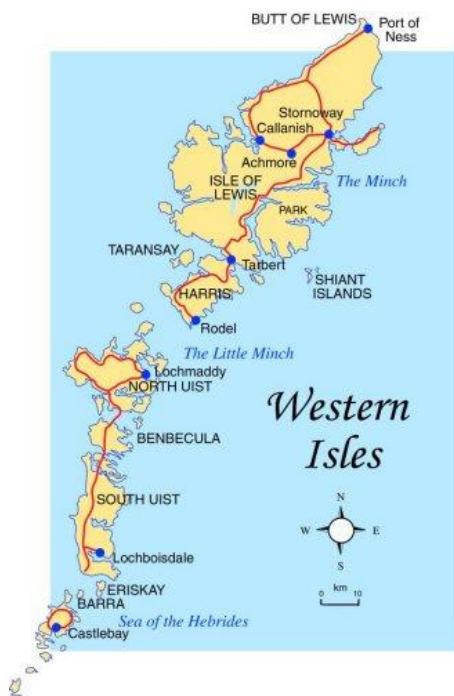
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## MANAGEMENT COMMENTARY

### Introduction

Cùram is Slàinte Nan Eilean Siar is the Western Isles' Integration Joint Board (IJB). Its parent bodies are NHS Eileanan Siar and Comhairle nan Eilean Siar (CnES). This commentary provides a summary of the IJB's financial performance for the year and how this has supported the delivery of its core duties. It also summarises the challenges and risks it faces in future years in delivering its objectives.



The IJB covers the whole of the Outer Hebrides, which are located to the north-west mainland of Scotland with a total population of around 27,000. The main islands are Lewis, Harris, North Uist, Benbecula, South Uist, Eriskay and Barra. The length of the islands measures approximately 130 miles from the Butt of Lewis in the North, to the uninhabited small islands of Berneray, Pabbay and Mingulay to the south of Vatersay. The quality of the natural environment in the Outer Hebrides is special and the people have a strong cultural identity directly related to the Gaelic language, with some 72% of people aged three and over having some Gaelic language ability, significantly more than any other area in Scotland. The traditional industries are crofting, fishing and Harris Tweed and these are now complemented with new and emerging sectors, including tourism.

### Western Isles IJB

Following the Public Bodies (Joint Working) (Scotland) Act 2014, NHS Western Isles and CnES have developed a 'body corporate' integration model. This is where both the Health Board and the Local Authority delegate to a third body called an Integration Joint Board (IJB). Cùram is Slàinte Nan Eilean Siar or Western Isles Integration Joint Board (IJB) became operational from 1 April 2016. NHS Western Isles and CnES set out within their integration scheme the scope of the delegated functions. The scheme was approved by the Scottish Parliament on 24 September 2015 and reviewed (P18).

Delegated functions from CnES include adult social work services (including criminal justice), homecare, adult day care, care homes, and housing support. Delegated functions from NHS Western Isles include Accident and Emergency and General Medical Wards, General Practice, AHPs, Dentistry, Mental Health, Community Nursing, Health Visiting and School Nursing.

The Western Isles Health and Social Care Strategic Framework has been developed to improve outcomes for our communities across the islands. In formulating the Framework, the following set of core principles have been used to guide the development of the Strategic Framework:

- An outcomes-based approach;
- Early engagement to support prevention and early intervention with well-established anticipatory care planning;
- Supporting and caring for a person as far as skills and competences allow, while looking to develop these over time (working at the top of competence/registration);
- Focus on assessment, treatment, care and support at home and in community settings;
- Developing conversations to understand a person's strengths and resources, needs and preferences while adopting an ethos of co-production in jointly exploring options to meet these needs.

The Strategic Framework considers five overarching factors:

1. Considering the social determinants of health;
2. Considering the challenges, we currently face and would expect to face in the Western Isles;
3. Reviewing our performance against the National Health and Wellbeing outcomes in the context of the actions taken in our last Strategic Plan;
4. Understanding our local population public health needs (predicated on the National Scottish Health Survey);
5. Review of locality planning arrangements and data.

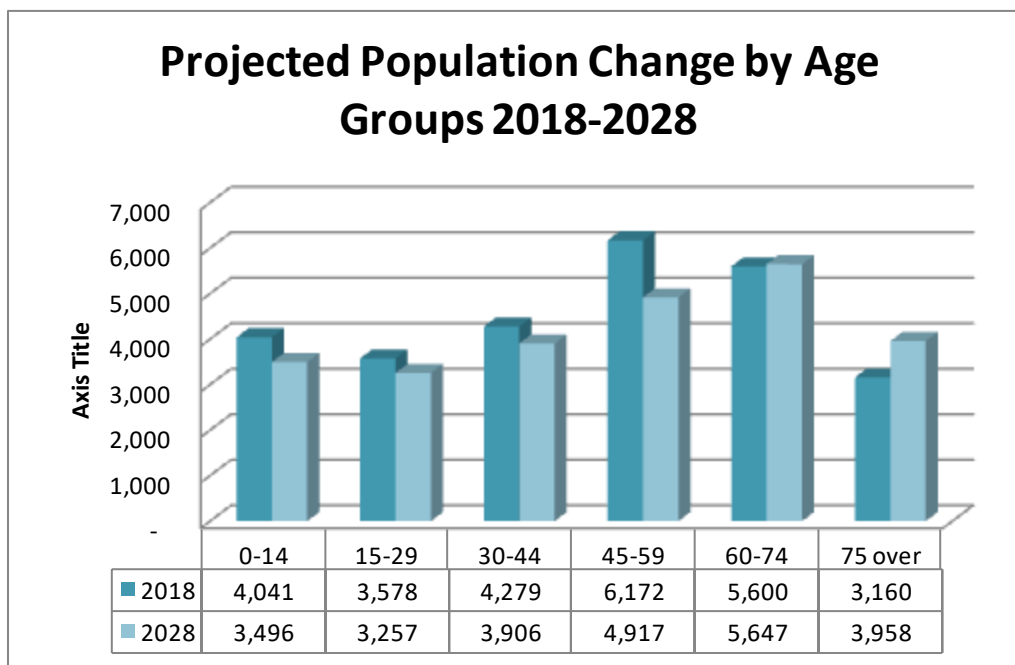
### Key Issues and Risks

The key challenges that the Board faces are:

- Demography;
- Ageing workforce;
- Long Term Conditions;
- Cyber Attack November 2023;
- Reducing Financial Envelope

### Demography

Using updated population prediction, the islands are expecting to see a 6% drop in population by 2028, one of the biggest population decreases in Scotland. Working age population is set to decrease by 6% by 2028 and in contrast the over 75s with the greatest levels of co-morbidity is set to rise by 25%. The population changes will result in a year-on-year reduction in the available workforce to nurse, care and attend to the most vulnerable of people whose numbers are increasing year on year. The Health and Social Care services are already feeling the effect of the changes in demography with high levels of vacancies in social care workforce and domestic and catering workforce.



Current ratio between death and births is very disturbing, for the calendar year 2022 was a ratio of 1: 0.42, which means for every two deaths there is under one birth, compared to a Scottish average for the same period of 1:0.75. This is unsustainable and will lead to faster reduction in the Islands population and a reduction in school rolls in the short term and in the long term less population to work and provide Health and Social Care services. Certain geographical areas of the Western Isles have been hit harder and information from a Health Needs assessment

which will be finished in 2024/25 will aid with planning services across the islands and further confirm where health and social needs requirements will increase.

### **Ageing Workforce**

The workforce population has already decreased by 7% by 2020 and therefore the accumulative effect by 2028 is approx. 12%. The jobs that are overall affected by the reducing workforce on the islands are the semi-skilled jobs, band 2-5 Agenda for Change and grades A to E for single status. These types of jobs for the Health and Social Care Partnership would be for example, Health Care Assistants, Social Care Assistants and Workers, Domestic and Catering staff. Although salary paid plays a part in recruiting, the biggest issue is there is not enough people of workforce age in the Western Isles. To also firm up the point, our semiskilled work force are mostly women (94%) including Health and Social Care, so in fact we are reducing the available workforce to recruit from by half.

### **Long Term Conditions**

As we live longer and medicine improves, we see a corresponding increase in the number of people living with a range of long-term conditions. These range from the most common conditions like CHD, stroke and cancer, to a variety of other chronic physical or mental health conditions including diabetes, dementia, asthma and depression. In the Western Isles, around 4 in 10 adults have a long-term condition or disability, with the majority describing these as limiting their quality of life. Most long-term conditions have a strong association with age and as result, there is a significant projected increase in prevalence over the next fifteen years.

Many long-term conditions are mental health related, including depression, dementia and other mental health conditions. The Western Isles tends to have higher levels of such conditions relative to the rest of Scotland, which in part reflects the older population profile. Overall projections are for a 73% increase in dementia cases over the next 20 years.

The increase in the number of people living with long term conditions also has an effect of increasing demand on the IJB with the increased financial costs that treating these conditions bring in a time of austerity.

### **Cyber Attack**

CnES experienced a criminal cyber-attack on Tuesday, 7 November 2023. This resulted in a loss of data on servers, including access to historical data on the financial ledger, payment systems and payroll systems. Work has been ongoing to re-build all financial systems and records. This will result in a qualified opinion on the IJB Accounts in 2023/24 and also likely for 2024/25.

### **Reducing Financial Envelope**

The work undertaken for the Scottish Government, as part of the precursor to the Integrated Joint Boards using 2011 data, calculated a cost per patient, per age group, per area (using GP Practices). This showed that the costs are far higher to provide care for the over 65s than under 65s. The figures calculated have been updated to today's costs using a RPI calculator and recalculated totals are shown for the change in population in under 65s, 65-74 and the 75s and over.

A recalculation shows there is a £7m gap over and above the inflation uplift, which can be attributed to demographic changes over the last 13 years. The original gap in the budget at paragraph 1.7 corresponds directly with NHS Western Isles aging population.

## Performance Management and Reporting

Our achievements for 2023/24 include:

- The Board broke even in year with the transfer of reserves into revenue. The Board has achieved a break-even position since becoming operational from 1 April 2016.
- An Integrated Corporate Management Team continues to oversee the operation of integration, which allows for executive level coordination and agreement of health and social care priorities - 'one system, one budget'.
- July 2023 marked 40 years of Dietetics in NHS Western Isles starting in July 1983 with 1 whole time equivalent Senior 2 Dietitian who covered the Lewis Hospital, County Hospital, Lochmaddy Hospital, Daliburgh Hospital and St Brendan's Hospital. Jump forward to 2023 and there are six full time members of the Dietetics team. They are always keen to develop and work in new ways to enhance the service provided to patients. A recent development in weight management was the introduction of the injectable medication Liraglutide and NHS Western Isles was the first Board in Scotland to develop and implement this pathway.
- In November 2023, the NHS Western Isles Macmillan team was formally recognised for 'extraordinary effort', adaptivity, innovation and compassion when the team was announced as the winner of Macmillan Cancer Support's 'Whatever it Takes Award'. The Macmillan Professionals Excellence Awards are an opportunity to recognise the outstanding contribution Macmillan professionals across the UK make to cancer services.
- The educational experience provided by the General Medicine Department at the Western Isles Hospital has been Highlighted for Excellence by the University of Aberdeen. The programme gained positive feedback in relation to providing relevant knowledge for Foundation Year 1 (FY1) doctors and looking out for students in the Western Isles.
- The Care Inspectorate has published a positive report of the June 2024 inspection of the Lewis Care at Home Service. The report was very positive scoring the service as Very Good and Good in the two measured categories. How well do we support people's wellbeing? 5 – Very Good, How good is our staff team? 4 – Good. The feedback from the inspectors acknowledges the quality of the staff team providing the care. Inspectors observed staff supporting people with warmth, respect and kindness, spoke positively of the skills and knowledge of staff and noted the effective leadership of the management team.
- The opening of the Goathill Project - The Goathill Development Project consists of the 52-bedroom Taigh Shiphoirt Care Home, 50 Unit Bremner Court Housing with Extra Care (HWEC) development and 74 affordable homes. The development has been delivered by CnES and Hebridean Housing Partnership (HHP) in



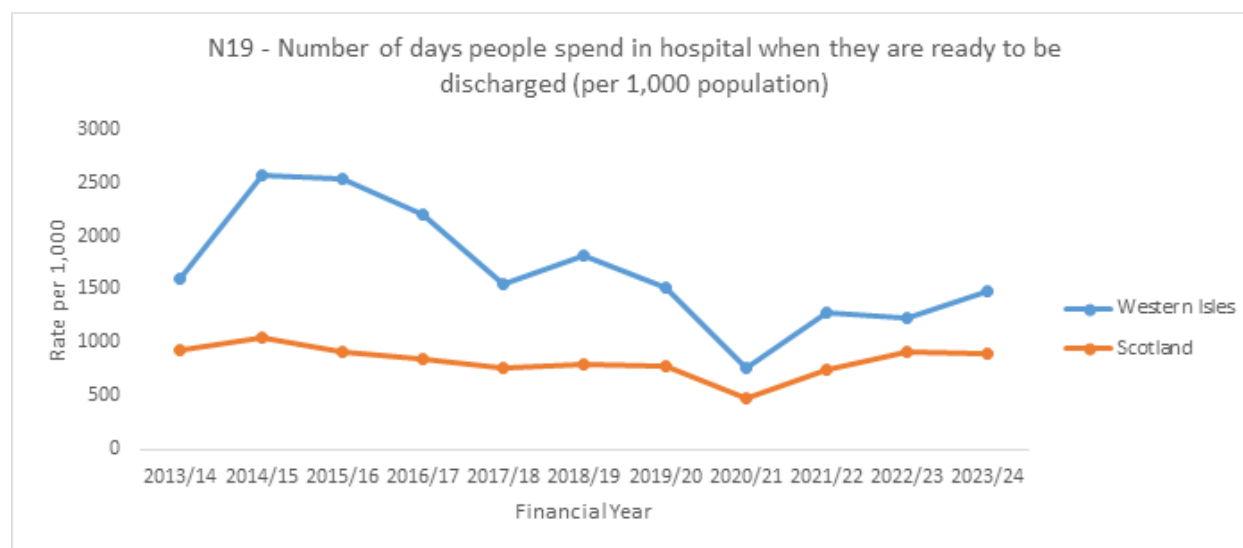
conjunction with the Western Isles Integration Joint Board. The care home and housing with extra care facility was built by construction and civil engineering business McLaughlin & Harvey and the affordable homes were built by local firm O'Mac Construction. The project team worked closely with the Dementia Services Development Centre at the University of Stirling to achieve a dementia-friendly environment. Taigh Shiphoirt (Seaforth House) was designed with four wings for small group living, arranged around

safe courtyard spaces. This design maximises natural daylight and has provided a welcoming, familiar environment for residents. Taigh Shiphoirt also accommodates a daycare facility occupied by SOLAS (Alzheimer Scotland), a corporate training suite and a new location for the Faire community alarm service. Bremner Court provides a 15-bed respite facility on the ground floor with 35 flats on the first and second floors which enable people to live independently in their own home while having support provided to meet the individuals' specific needs.

The IJB has closely monitored system performance against a range of indicators and benchmarked these against the Scottish average and the previous year's performance.

|                 | Indicator No. | Description   | Western Isles |        | Trend (Local) | Scotland |        | Performance vs National |
|-----------------|---------------|---|---------------|--------|---------------|----------|--------|-------------------------|
|                 |               |   | 2022/23       | 2023   |               | 2022/23  | 2023   |                         |
| Data Indicators | NI - 11       | Premature mortality rate per 100,000 persons  | 428.3         | 473    | ↑             | 465.9    | 442    | ↑                       |
|                 | NI - 12       | Emergency admission rate (per 100,000 population)*  | 14277         | 13445  | ↓             | 11273    | 11614  | ↑                       |
|                 | NI - 13       | Emergency bed day rate (per 100,000 population)*  | 133554        | 125510 | ↓             | 119806   | 110257 | ↑                       |
|                 | NI - 14       | Emergency readmissions to hospital within 28 days of discharge (rate per 1,000 discharges)*                   | 108           | 97     | ↓             | 102      | 104    | ↓                       |
|                 | NI - 15       | Proportion of last 6 months of life spent at home or in a community setting*                                  | 90%           | 91%    | ↑             | 88.94%   | 89.18% | ↑                       |
|                 | NI - 16       | Falls rate per 1,000 population aged 65+ *  | 22            | 21     | ↓             | 23       | 23     | ↓                       |
|                 | NI - 17       | Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections                      | 83%           | 90%    | ↑             | 75%      | 77%    | ↑                       |
|                 | NI - 18       | Percentage of adults with intensive care needs receiving care at home   | 60%           | 60%    | ↔             | 65%      | 65%    | ↔                       |
|                 | NI - 19       | Number of days people spend in hospital when they are ready to be discharged (per 1,000 population)           | 1229          | 1478   | ↑             | 919      | 902    | ↑                       |
|                 | NI - 20       | Percentage of health and care resource spent on hospital stays where the patient was admitted in an emergency | N/A           | N/A    |               | N/A      | N/A    |                         |

To note against N11 specifically Western Isles has seen an increase in under 75/Premature Mortality on the previous calendar year. Analysis indicates that the increases were in the 45-50, and the 55-65 age groups with a decrease in the 70+ age group on the previous year. The National trend shows a small decline on the previous year for these age groups. The main causes have been a small increase in Cancer deaths and a greater increase in heart disease related deaths. N19 Since 2020/2021, local and national trends for delayed discharge bed days have continued to rise. Following a slight reduction in 2022/23, a sharp increase has been observed.

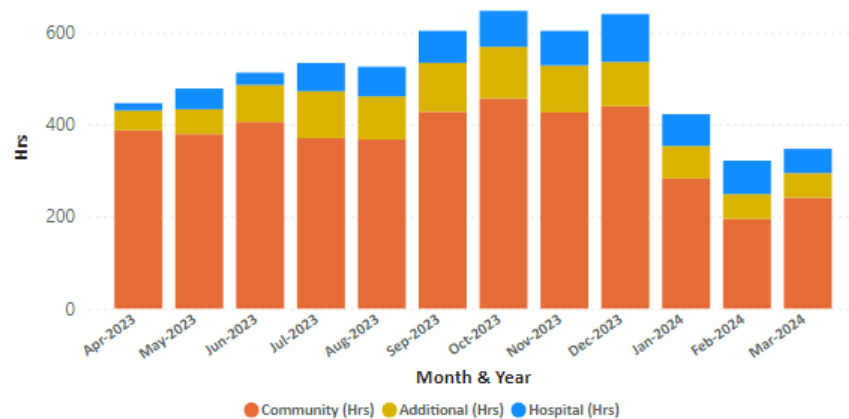


\* The primary source of data for these indicators are Scottish Morbidity Records (SMRs) which are nationally collected discharge-based hospital records. In accordance with the recommendations made by Public Health Scotland (PHS) and communicated to all Health and Social Care Partnerships, the most recent reporting period available with complete and robust data is calendar year 2023. Reporting on 2023 calendar year rather than 2023/24 financial year may not fully reflect local activity, however, this is still recommended due to data completeness levels. For indicator 20, NHS Boards were not able to provide detailed cost information for 2020/21

onward due to changes in service delivery during the pandemic. As a result, PHS have not provided information for indicator 20 beyond 2019/20. PHS previously published information to calendar year 2020 using costs from 2019/20 as a proxy but, given the impact of the COVID-19 pandemic on activity and expenditure, PHS no longer consider this data a measurable comparator.

Since December 2021, information has been gathered locally and nationally to examine Unmet Need for people awaiting Care at Home Services. The graph below shows the unmet need for 2023/24

Unmet Hrs by Place 2023/24 by Month



## Annual Accounts

The Financial Statements for 2023/2024 are set out on pages 23 and 24 and incorporate financial and other information required by the Code of Practice on Local Authority Accounting in the United Kingdom. The statement of Accounting Policies on pages 25 and 26 explains the basis for the recognition, measurement and disclosure of transactions and other events in the Annual Accounts, to ensure that they present a “true and fair view” of the IJB’s financial performance

## Financial Performance 2023/2024

The annual budget and actual expenditure for both partners is shown in the table below:

|                               | Full Year Projection |               |                |
|-------------------------------|----------------------|---------------|----------------|
|                               | Budget               | Projection    | Variance       |
|                               | Under/(over)         |               |                |
|                               | £'000                | £'000         | £'000          |
| NHS                           | 52,499               | 53,424        | (925)          |
| CnES                          | 26,386               | 28,235        | (1,849)        |
| <b>Total Integrated Board</b> | <b>78,885</b>        | <b>81,659</b> | <b>(2,774)</b> |

The IJB had an in-year overspend of £2.774m as shown above, which will be offset by transfer from general, specific and earmarked reserves.

Gross Income presented in the Annual Accounts shows a reduction of £1.177m in 2023/24 compared to 2022/23. This is due to an increase of monies via NHS of £1.4m, a reduction in the deferred grant relating to the Lewis Residential Care development of £1.569m and a reduction in income from CnES Residential and Independent Care Homes of £0.553m.



There is a key theme that runs through most of the variances for the Integrated Joint Board; this is the inability to recruit to both consultant and medical posts and to the semi-skilled market i.e. Social Care Assistants.

- Psychiatric Consultants –There are no substantive consultants in the psychiatrist posts and the cost of just these two posts will contribute to an overspend in the service of £600k before any allocation of reserves. The Board has tried on numerous occasions to recruit Direct Engagement consultants or substantive posts or NHS Locums, including this financial year.
- Out of Hours, GP 2C and unscheduled care – There is an overspend of £398k within services but recruitment was successful for the permanent GPs in Barra which would reduce overspends, when the GPs start, early autumn, although there are still pressures in other geographical areas.
- Acute Nursing - There are continuing pressures on the Acute Nursing budget within the IJB partly due to number of delayed discharges, contingency beds open and Covid outbreaks pressures. There is an overspend of £397k before reserves and contingency are allocated.
- Prescribing – Prescribing was overspent by £921k, partly due to above inflation increase for drugs, high levels of co-morbidity amongst the population and increase in new high-cost drugs. The received increased funding from Scottish Government for the New Medicine Funds and this contingency was put towards the overspend in Prescribing for 2023/24 only.
- The Home Care Service is underspent by £127k. This is mainly due to the level of vacancies within this service. The gross saving has been offset by agency staffing costs required to ensure continuity of care.
- CnES Residential Care is overspent by £835k. A major factor in the overspend is the transfer of £402k to fund the Lewis Residential Care capital project and works at St Brendan's care home, which will be allocated against the amount set aside in IJB Reserves in the year-end movement of balances. Staffing pressures have been partially offset by higher than budgeted income from service users.
- Independent Care Homes – underspent by £235k due to higher than anticipated income from service users/residents.
- Assessment and Care Service is underspent by £215k due to vacancies within the Social Work and Assessment team.
- Commissioning and Partnership Services combine a variety of over and underspends against providers leaving a net underspend of £107k.
- Criminal Justice Services are underspent by £95k largely due to staffing vacancies.
- Management and Administration – overspend of £1.85m due to the balance of budgeted savings required to meet the 2023/24 budget target not being achieved.

## Reserves

The IJB at 31 March 2024 holds reserves of £8.722m as shown below; a reduction from 2022/2023 of £2.774m. Note 8 in the Accounts gives more detail on the Earmarked and Specific Reserves.

| Reserves     | £'000        |
|--------------|--------------|
| Specific     | 4,508        |
| Earmarked    | 2,081        |
| General      | 2,133        |
| <b>Total</b> | <b>8,722</b> |

Much of the earmarked and general funds for the next three years will be to ensure the Goathill Campus is funded within a break-even envelope and help offset underlying IJB deficits.

## Financial Outlook and Risks

The three-year budget plan is based on the core assumption that CnES will be providing a flat cash settlement for the IJB (i.e. budgets not inflated) and NHS Western Isles will provide an uplift to the base budget in line with inflation increase as laid out by the Scottish Government. There is also an assumption the increased resources required for the Goathill Complex will be at substantive post rates only after the initial bedding-in period. There is an assumption that a high level of vacancies not back filled will continue, which may not be sustainable. The cost pressures the IJB is looking to mitigate over the next three years are as follows:

- Goathill Campus costs including increased staffing requirement
- Increases in acute mental health placements;
- Inability to recruit into medical consultant posts including psychiatrist and OOH medics which results in the employment of very high-cost agency staff;
- Inability to recruit into key social care posts e.g. Care at Home and Goathill Campus;
- Continuing risk of emerging care packages;
- Above inflation price rises from prescribed drugs;
- Unfunded pay awards;
- Unachieved savings requiring funding from diminishing IJB Reserves.

This is together with the IJB underlying deficit of £8.7m (for 25/26) due to flat cash settlement, ageing population and with continued increase in inflation on our services e.g. heating and food costs and pay uplifts.

There is also an unknown disease and mental health burden in future years resulting from the pandemic, which is yet unquantifiable. It is imperative that transformational change drives recurring efficiencies, but we recognize that with the workforce and population demographics this will become more increasingly difficult to do.

Budgets have been prepared on the assumption that Covid-19 costs will reduce considerably and that the base funds that the IJB have will be enough to counter any Covid-19 costs for example, outbreaks in care homes or wards.

*Nick Fayers  
Chief Officer*

*21 November 2024*

*Debbie Bozkurt  
Chief Financial Officer*

*21 November 2024*

*Prof. Annetta Smith  
Chairperson*

*21 November 2024*

## STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

### The Integration Joint Board's Responsibilities

#### The Board is required:

- to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Board, that officer is the Chief Financial Officer;
- to 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 the Coronavirus (Scotland) Act, 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.

*Prof. Annetta Smith*  
*Chairperson*

21 November 2024

### The Chief Financial Officer's Responsibilities

The Chief Financial Officer is responsible for the preparation of the Integration Joint Board's Annual Accounts, in accordance with 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.

In preparing the Annual Accounts, the Chief Financial Officer has:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the Local Authority Accounting Code (in so far as it is compatible with legislation).

The Chief Financial Officer has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Annual Accounts present a true and fair view of the financial position of the Board at the reporting date and the transactions of the Board for the year ended 31 March 2024.

*Debbie Bozkurt*  
*Chief Financial Officer*

21 November 2024

## ANNUAL GOVERNANCE STATEMENT OF ASSURANCE

### Scope of Responsibility

The Western Isles IJB is a commissioning body that was created in 2015. It works in close partnership with communities and its delivery partners, and commissions within its financial framework against the strategic objectives and underpinning methodology set out in the Strategic Framework

The Western Isles Health and Social Care Partnership is an integration of health and social care services as outlined in the legislative framework of The Public Bodies (Joint Working) (Scotland) Act 2014. It is enhanced and overseen by the Integration Joint Board (IJB).

Health and social care services have been integrated to improve health and wellbeing outcomes for people who use these services, in particular:

- create a single system for health and social care services
- develop more informal community resources and supports
- put the emphasis on prevention and early intervention
- improve the quality and consistency of services
- provide seamless, high quality, health and social care services
- ensure that resources are used effectively and efficiently.

NHS Western Isles and CnES set out within their integration scheme the scope of the delegated functions. The scheme was approved by the Scottish Parliament on 24<sup>th</sup> September 2015.

Section 44 of the Public Bodies (Joint Working) (Scotland) Act 2014 requires a review of the Integration Scheme to be undertaken within 5 years of initial approval.

Following a comprehensive review a revised Scheme was considered by the IJB in April 2024. A draft Scheme is now under review with the main partners.

The following services on the next table have been delegated to the IJB to strategically oversee and commission in line with our local priorities, the core aims of integration and the National Health and Wellbeing Outcomes. The delivery of these services has also been delegated, annually through directions, to Western Isles Health and Social Care Partnership which is provided by NHS Western Isles, Comhairle nan Eilean Siar (local authority), along with non-statutory delivery partners in line with the integration delivery principles.

| Adult Social Care Services  | Community Health Services  | Adult Hospital Health Services  |
|---|--|---|
| <ul style="list-style-type: none"> <li>• Care at Home Services</li> <li>• Extra Care Housing</li> <li>• Social Work Services for Adults and Older People</li> <li>• Services and support for Adults with Physical Disabilities and Learning Disabilities</li> <li>• Mental Health Services</li> <li>• Drug and Alcohol Services</li> <li>• Adult Protection and Domestic Abuse</li> <li>• Carers Support Services</li> <li>• Community Care Assessment Teams</li> <li>• Care Home Services</li> <li>• Adult Placement Services</li> <li>• Reablement Services, Equipment and Telecare</li> <li>• Aspects of Housing Support including Aids and Adaptations</li> <li>• Day Services</li> <li>• Respite Provision</li> <li>• Occupational Therapy Services</li> </ul> | <ul style="list-style-type: none"> <li>• Primary Medical Services (GP Practices)</li> <li>• Out of Hours Primary Medical Services</li> <li>• Community Hospital Services</li> <li>• Public Dental Services</li> <li>• General Dental Services</li> <li>• Ophthalmic Services</li> <li>• Community Pharmacy Services</li> <li>• Allied Health Professional Services</li> <li>• Community and Specialist Nursing</li> <li>• Mental Health Services</li> <li>• Community Learning Disability Services</li> <li>• Community Addiction Services</li> <li>• Public Health Services (vaccination)</li> <li>• Community Palliative Care</li> <li>• Pharmacy Services</li> <li>• Continence Services</li> </ul> | <ul style="list-style-type: none"> <li>• Accident and Emergency</li> <li>• Inpatient Hospital Services in these specialties: <ul style="list-style-type: none"> <li>– General Medicine</li> <li>– Mental Health (APU)</li> <li>– Psychiatry</li> </ul> </li> <li>• Pharmacy Services</li> </ul> |

## The Integration Joint Board Membership

The Public Bodies Joint Working (Scotland) Act 2014 and associated Regulations set out the arrangements for the membership of the IJB. As a minimum this must comprise of voting members nominated from the NHS Board and the Local Authority; non-voting members who are holders of key professional roles within Comhairle nan Eilean Siar and NHS Western Isles; and representatives of groups who have an interest in the IJB. There is also flexibility to appoint additional members in certain circumstances.

Local authorities must nominate Councillors as voting members. The NHS Board should nominate non-executive directors. Where this is not possible, there is scope to appoint “appropriate persons” as agreed by the Scottish Ministers, but at least two non-executive directors must be nominated.

Cllr. Calum MacLean held the position of Chair from June 2022 to June 2024. In June 2022 Mrs. McCannon took on the role as Vice-Chair of the IJB.

The IJB has four voting members and four proxy voting members each from CnES and NHS Western Isles. Members at 31<sup>st</sup> March 2024 are:

| Name                     | Organisation | Position       |
|--------------------------|--------------|----------------|
| Cllr. Calum MacLean      | CnES         | IJB Chair      |
| Gillian McCannon         | NHSWI        | IJB Vice Chair |
| Cllr. Kenneth J. MacLean | CnES         | Member         |
| Cllr. Norman MacDonald   | CnES         | Member         |
| Jocelyn McConnachie      | NHSWI        | Member         |
| Prof. Annetta Smith      | NHSWI        | Member         |
| Cllr. Susan Thomson      | CnES         | Member         |
| Sheena Wright            | NHSWI        | Member         |

The following members left the IJB during the year:

| Name                  | Organisation | Position |
|-----------------------|--------------|----------|
| Cllr. Donald MacSween | CnES         | Member   |

Advisors to the Integration Joint Board during the year were:

- Gordon Jamieson, Chief Executive NHS Western Isles
- Malcolm Burr, Chief Executive Comhairle nan Eilean Siar
- Tim Langley, Head of Law and Governance within Comhairle nan Eilean Siar and holds the position of IJB Standards Officer.

In addition, the Chief Social Work Officer, the Chief Officer of the IJB, the Section 95 Officer of the IJB (Chief Finance Officer), a registered nurse employed by NHS Western Isles, a General Medical Practitioner, a Secondary Care Consultant, one staff side representative from each organisation, two representatives from the Third Sector, a representative from the Scottish Ambulance Service, a representative from the Hebridean Housing Partnership and a Service User will normally attend. The Section 95 Officer of the IJB responsibilities are described at page 10 under Statement of Responsibilities.

The full IJB voting membership across the year was 63% female and 37% male during 2023/2024.

During the financial year 2023/2024, the IJB met virtually through Teams eight times (including development sessions). During that period, the Board:

- approved the Annual Report 2023/2024;
- agreed a balanced budget for 2023/2024;
- held two development sessions on; population demographics, community engagement and Care at Home Services – recruit and retain workforce;
- had a report on the revised integration scheme;

- had a report on consultation on strategic framework;
- had reports on Performance and IJB risk register.

#### Sub Committees

The IJB is required to properly manage its financial and governance affairs. An Audit Committee of the IJB has been established to assist in the delivery of those functions. The IJB Audit Committee has a key role with regard to ensuring the efficient and effective performance of Western Isles' Health and Social Care Partnership in order to deliver the outcomes set out in the Integration Scheme. The Audit function of the IJB was undertaken by external auditors Azets (NHS Western Isles internal auditors) in light of recruitment issues within the CnES Audit Team, which are reported to the Committee detailed under the paragraph Audit and Scrutiny.

#### Partner Governance

NHS Western Isles has a corporate governance framework which includes:

- a Board which meets every month, alternating with formal public sessions with board development and briefing workshops, to consider the plans and strategic direction of the organisation;
- an Annual Operational Plan (formally LDP), which identifies the organisation's strategic development objectives and aspirations for health improvement, wellbeing and health care in conjunction with Better Health Better Care, the Quality Strategy and the National Clinical Strategy;
- a Clinical Governance Committee, Audit and Risk Committee, Finance, Performance and Resources Committee, Clinical Forum, Area Partnership forum, Staff Governance Committee; and Remuneration Committee, all of which meet at least quarterly acting on specific terms of reference to focus on particular aspects of the governance framework.
- a Corporate Management Team which meets monthly to consider and drive effective delivery against overall plans, objectives, targets and guarantees. The team comprises the Chief Executive, Executive Directors and Senior Managers;
- a single comprehensive Code of Corporate Governance, in which clearly defined guidelines and levels of authority are established for all areas of expenditure and capital investment;
- risk registers which are active, maintained and reported regularly to operational management and a corporate risk register identifying key risks which is reported regularly to the Corporate Management Team, Clinical Governance Committee, Audit and Risk Committee, Finance, Performance and Resources Committee, and the Board;
- a system of regular performance management and review led by the Chief Executive and an Anti-fraud, Bribery and Corruption policy.

Social Care is covered by the Comhairle's Corporate Governance Framework which includes:

- a performance management system administered by the Chief Executive's Department;
- a Reporting Concerns at Work (Whistleblowing) Procedure;
- a Duty of Candour Policy Statement and Procedural Guidance;
- a Complaints-Handling Procedure;
- fortnightly Corporate Management Team meetings comprising the Chief Executive, Directors and Senior Managers.

#### Risk Management

The Integration Scheme indicates that a risk management strategy and policy will be adopted by the IJB. The Risk Management Strategy and Policy was agreed by the Shadow IJB in March 2016. It was prepared in line with the international standard for risk management (ISO 31000).

As part of that, the IJB has maintained a risk register, reflecting its strategic activities and taking cognizance of both significant issues from each statutory partner's own risk registers, and also emerging risks.

The Chief Officer has overall accountability for risk management, ensuring that suitable and effective arrangements are in place to manage the risks relating to the functions within the scope of the Integration Joint Board. CnES and NHS Western Isles supported the Chief Officer and the Integration Joint Board with relevant specialist advice.

Over the course of the year, the level of risk changed in light of material circumstances. Actual risk ratings were consistently higher than the target risk rating, with the major risk being around the recruitment and retention challenges within the Partnership.

The following risks were monitored by the IJB over the course of the year, within a 5x5 risk register which gauges impact and likelihood:

| Risk Code | Risk Owner                            | Strategic Risk Event  | Previous | Current     | Target |
|-----------|---------------------------------------|---|----------|-------------|--------|
|           |                                       |   |          | Risk Rating |        |
| IJSR1     | Chief Officer, Health and Social Care | Failure to plan for strategic change  | 16       | 12          | 6      |
| IJSR2     | Chief Officer, Health and Social Care | Workforce. Inability to attract and retain workforce to deliver delegated services  | 16       | 20          | 9      |
| IJSR3     | Chief Officer, Health and Social Care | Increasing demand for delegated services. Demand outstrips capacity   | 12       | 12          | 6      |
| IJSR4     | Chief Finance Officer, IJB            | Insufficient financial resources in order for the partnership to deliver its statutory obligations                                | 20       | 25          | 12     |
| IJSR5     | Chief Officer, Health and Social Care | Organisational, professional and cultural barriers inhibit the ability of the H&SCP and in turn the Board to develop services and | 12       | 12          | 6      |

Mitigating measures were applied to all identified risks – however, some risks relate to systemic challenges within the local health and care system. In particular, challenges around workforce have proved difficult to mitigate, with key vacancies across the system. Vacancies are monitored by the IJB when it meets, with updates given on mitigating actions. However, many of the solutions to this challenge sit outside of the IJB's influence.

#### Audit and Scrutiny

The Public Sector Internal Audit Standards 2013 (PSIAS) sets basic principles for carrying out public sector internal audit in the UK. The PSIASs are applicable to CnES, NHS Western Isles and the IJB.

A Strategic Audit Plan has been prepared based on a robust risk assessment process, following appropriate consultation, challenge and comparison with underlying, national, corporate and professional objectives. The planned internal audit reviews address the main focus of the IJB in terms of establishment, planning, and complying with the need to provide quality service provision in our communities whilst doing so effectively and efficiently in the use of finite resources.

The Chief Internal Auditor for the IJB was appointed in December 2015. The internal audit function is normally provided by CnES, however due to staff vacancies in 22/23 and 23/24 the internal audit function was provided by Azets, NHS internal auditors. Azets audit opinion is as follows: **“In our opinion, Western Isles Integration Joint Board has a framework of governance, risk management and controls that provides reasonable assurance regarding the effective and efficient achievement of objectives”**.

Over the course of the year, a range of issues were highlighted through two audit reviews:

#### Financial Planning

The public sector is facing a challenging financial climate with ongoing budget constraints that are likely to continue for the foreseeable future. It is therefore essential that all public bodies have robust financial planning processes in place to help them to understand and articulate the impact that funding changes will have on their organisation. In 2022/23 the IJB was able to break even once specific reserves were allocated, with no general reserves required to break even.

In accordance with the 2023/24 Internal Audit Plan, we reviewed the financial planning and reporting processes in place to ensure they support organisational and service sustainability, facilitate effective decision making and allow for transparent governance and oversight in a timely manner. This included consideration of the use of reserves.

#### Good practice

- The IJB has a clear process in place for the annual update and review of financial plans. We have reviewed the approval process for the 2023/24 financial plan and confirmed that it was presented to the Board as expected in March 2023, and finalised in June 2023.



- The CFO maintains a spreadsheet of reserves that sets out the reserves available to be used in current and future years. We have reviewed this document, as well as the financial plan, to confirm that the reserves allocated correspond with the available reserves.
- The IJB are currently updating their strategic objectives and workforce strategy. We reviewed the current Strategic Plan 2020/21, as well as the Draft Strategic Framework for 2023-26 and confirmed that the financial plan contains funding which is allocated against the objectives outlined in these documents.
- Financial assumptions have been incorporated into the financial plan regarding inflation and availability of uplifts from the Scottish Government. We have reviewed the three-year budget plan to confirm that the data within each column is scaled up appropriately in line with expectations.
- The financial plan is presented to the IJB Board regularly and scrutinised by Board Members. We confirmed comments are addressed and updated at following meetings, and the finalised budget is reviewed and approved by the Board in June. We have reviewed a sample of meeting minutes to confirm discussions are of sufficient scrutiny and detail.

#### Areas for improvement

- We have identified a number of areas for improvement which, if addressed, would strengthen Western Isles Integration Joint Board's control framework. These include:
- The IJB Board requesting a formal report from the Comhairle detailing the steps being taken to ensure ongoing financial monitoring can be undertaken as soon as possible and throughout 2024/25.
- Clearly documenting each of the resource constraints (both financial and workforce) to the organisation and outlining the actions required to ensure the organisation stays within budget.

#### Corporate Governance

Corporate Governance is concerned with the structures and processes for decision making and accountability, controls and behaviour at the top of organisations. Corporate Governance is the process and structures implemented by the Board to inform, direct, manage and monitor the activities of the organisation towards the achievement of its objectives.

In the UK, best practice on corporate governance is articulated within the UK Corporate Governance Code, which although designed primarily for private companies have relevance to the public sector. Public bodies however have a number of additional areas to consider including:

The higher level of accountability associated with spending public monies.

Greater sensitivity and public interest over conduct, and the handling of any issues; and

The need to ensure alignment with the Scottish Government's policy decisions.

Good governance should be demonstrated through a clear commitment to effective public performance reporting on the quality of the services being delivered and future service delivery.

It is important that structures are robust to ensure strategic and operational activities are subject to appropriate scrutiny and to facilitate effective, timely decision-making across the organisation.

In accordance with 2023/24 Internal Audit Plan we reviewed the corporate governance arrangements in place to ensure information is being presented, reviewed and challenged by the Board and governance committees. Findings were as follows:

### Good practice

- The roles and responsibilities of Board members, both executive and non-executive, are clearly outlined within the Integration Scheme, Code of Conduct and the Scheme of Delegation to Officers.
- We found the reporting framework between the Board and Audit and Risk Committee to be effective, with the Audit and Risk Committee Chair providing an update at each Board meeting of the Committee's activities.
- We confirm the agenda items of both the Audit and Risk Committee and Board are in line with the respective Terms of Reference.

### Areas for improvement

- We have identified a number of areas for improvement which, if addressed, would strengthen the control framework. These include:
- Ensuring that Board members are provided with sufficient time to review reports prior to board meetings.
- Board members completing an annual Board self-assessment which is utilised to identify and address any issues raised.

Audit Scotland is appointed again (though different team and Director) as the external auditor for the five year period 2022/2023 to 2026/2027.

### External Audit Action Plan 2023/2024

Below are actions/recommendation raised by Audit Scotland within in their Annual Audit Report for 2022/23 and management comments and progress on these:

**Financial Sustainability** - The IJB currently has a funding gap in its 3-year financial plan and existing reserves are unlikely to be able to be used to achieve a balanced position beyond 2023/24 – The IJB have achieved a balanced position for 23/24, subject to External Audit opinion.

**Scheme of Integration** - The IJB should complete a full review of the Scheme of Integration – The scheme was taken for decision to the IJB Board in November 2023.

**Refreshed strategic Plan** – A three-year strategic plan should be published to bring together the Board's financial plans, workforce plans, and service redesign priorities – Development Day to present the Strategic framework has occurred. The Strategic Framework for 2024-27 has been approved by the IJB.

**Publish Board and audit committee meeting papers and minutes on the Website** – All Board meeting papers were on the IJB Website. Since the November 2023 cyber attack the papers are now on the NHS Western Isles Website [Health and Social Care \(Integrated Joint Board\) - NHS Western Isles | Serving the Outer Hebrides of Scotland.](#)

**Risk Management** – A refreshed Risk Management Strategy and Policy should be approved to ensure that the Board's arrangements effectively manage risks to achieving its objectives. This should include unifying the risk register and forming a strategic risk management group – this has been completed.

**Best Value self-assessment** – An annual self-assessment has not been carried out. Self-assessments permit the Board to identify where improvement can be made to its strategic objectives, governance arrangements and use of resources, and to demonstrate areas of good practice – work will be undertaken by the end of the calendar year 2024.

### Performance Management

For the purposes of managing the performance of the IJB, including the delivery of the national health and wellbeing outcomes and the Strategic Plan, a Performance Framework has been produced.

The monitoring arrangements within the Performance Framework are in accordance with statutory requirements for production of an Annual Performance Report under the Public Bodies (Joint Working) (Scotland) Act 2014.

Performance monitoring and reporting arrangements are set out within the Performance Framework. This includes the production of an Annual Performance Report as required under Section 42 of the 2014 Act with the content in accordance with the Public Bodies (Joint Working) (Content of Performance Reports) (Scotland) Regulations 2014. The Framework details a hierarchy of performance indicators that comprise the performance monitoring of activities at various levels across the Partnership which are detailed in a series of appendices to the Framework.

The management commentary describes our performance over 2023/2024 in detail.

### Strategic Plan

To have the greatest impacts for our communities, the Health and Social Care Strategic Framework will be used as the Strategic Commissioning Plan for the IJB. In turn, this will be used to develop annual delivery plans to guide the delivery of delegated services for both the Local Authority and the Health Board. Given the challenging fiscal environment we will not prioritise areas that do not align to the Strategic Framework.

The Framework is intended to:

- provide the conceptual framework as to how the IJB approaches population health challenges, informs the commissioning plan and ensures our focus remains outcome focused for our communities
- guide decisions we make in the short term, such as annual delivery plans • inform the longer-term programme of work
- enable the Board (IJB) and our communities to assess actions against our strategic ambition
- provide a basis for more detailed and engaged conversation with our two parent bodies and wider partners about the challenges ahead, supporting wider achievements of integration of health and social care services

Within the last 12 months the Health and Social Care Partnership has seen a number of notable successes including:

- Good progress with the implementation of the Primary Care Improvement Plan, specifically CTaC (Community Treatment and Care) and VTP (Vaccination Transformation Programme)
- Developing the provision of Housing with Extra Care (HwEC)
- Improving the uptake of Self-Directed Support
- Increased capacity of home-based intermediate care (START/Reablement)
- Expansion of Hospital at Home Service (which received national recognition)
- Formation of Acute Assessment Unit to reduce hospital admissions
- Development of Urgent and Unscheduled Care model for community hospitals
- Successful transition of two GP practices to 2C (Health Board managed GP services)
- Launch of Improving the Cancer Journey programme of care. Western Isles leads this work collaboratively for the communities of Orkney and Shetland

As a result of the challenges that we have faced between 2020/2023, we have learnt that setting out a detailed plan in 2023 for the next three years is unlikely to achieve the impacts that we would want to achieve, in the context of a number of challenges that we are currently aware of now and may not be able to predict. For example, if we think back to early 2020 and the global events in the identification of Novel Coronavirus (COVID-19) disease, the impact of what became a global pandemic could not have been predicted.

Therefore, a Strategic Framework as opposed to a strategic plan. A strategic plan tends toward short-term, actionable tasks. A strategic framework, while focused, allows the flexibility to adapt to changing community dynamics, policy mandates, and population health needs.

The Strategic Framework is not prescriptive in the actions that we will take and is instead designed to be enabling us to best deal with the critical challenges we are aware of now, and to help us decide how to deal with further critical challenges on the next steps of our three-year journey. The Strategic Framework will be used to develop in year commissioning plans that will seek to deliver the outcomes outlined in the Strategic Framework.

#### Review of Effectiveness

During 2023/2024, the IJB continued to put in place appropriate management and reporting arrangements to enable it to be satisfied that its approach to corporate governance is both appropriate and effective in practice.

Specifically, the IJB's governance arrangements have been reviewed and tested against the requirements of the Public Bodies (Joint Working) (Scotland) Act, associated regulations and guidance notes and the CIPFA Good Governance Framework.

Specific measures were introduced to ensure the IJB as a public body in compliant with all of its legislative obligations.

The Chief Finance Officer was responsible for the preparation and oversight of the IJB's accounts for 2023/2024, and for the development, along with the Chief Officer, of the budget for 2024/2025.

#### **Certification**

It is our opinion that reasonable assurance, subject to the matters noted above, can be placed upon the adequacy and effectiveness of the Western Isles IJB's systems of governance.

*Nick Fayers*  
*Chief officer*

21 November 2024

*Prof. Annetta Smith*  
*Chairperson*

21 November 2024

## REMUNERATION REPORT

### Introduction

This report is set out in accordance with the Local Authority Accounts (Scotland) Amendment regulations 2014. These regulations require the disclosure of certain details in respect of the remuneration and pension benefits of senior Voting Board Members and senior employees. 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 Comhairle or NHS Eileanan Siar. Gross salary means the annual salary for a full time employee or member and for presentation purposes the salaries of part-time employees or those who have been employed or served as members for less than a full year are annualised.

The term pension benefits, covers the in-year contributions paid by the Comhairle or NHS Eileanan Siar for the employee or Board Member, and their accrued pension benefits at 31 March 2024.

All information in the tables disclosed below will be audited by external auditors. The other sections will be reviewed by external auditors to ensure that they are consistent with the financial statements.

### Arrangements for Remuneration

#### Board Members

Voting membership consists of 4 Councillors nominated as board members by the Comhairle and 4 NHS representatives nominated by NHS Eileanan Siar. In addition, there are 12 non-voting members which include the Chief Officer, the Comhairle's Chief Social Work Officer, The Chief Financial Officer, registered medical practitioners from both primary and non-primary care and a registered nurse.

The Senior Members on the Board during 2023/24 were:

|                         |                  |                           |
|-------------------------|------------------|---------------------------|
| <b>Chairperson</b>      | Calum Maclean    | Comhairle nan Eilean Siar |
| <b>Vice-Chairperson</b> | Gillian McCannon | NHS Eileanan Siar         |

Members are remunerated by the relevant partner organisation and the Board does not pay allowances or other remuneration directly.

The statutory liability for pension contributions and ongoing commitments lies with the partner organisation and on this basis there is no pension liability reflected on the Board Balance Sheet.

#### Senior Employees

The appointment of a Chief Officer is required by Section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014. However, the Board is not empowered to directly employ the Chief Officer, and the contract of employment must be with one of the partner organisations. In this case the Comhairle is the employer.

Other Officers employed by the partner organisations, including the Chief Financial Officer, who meet the criteria for disclosure are included in the tables below.

The remuneration of the Chief Officer is set by reference to the arrangements for Executive Officers in the NHS.

#### Employees whose remuneration was £50,000 or above

As required by the regulations, the following table shows the number of officers whose remuneration was £50,000 or above.

| Remuneration Band | Number of Employees |         |
|-------------------|---------------------|---------|
|                   | 2023/24             | 2022/23 |
| £95,000 - £99,999 | 1                   | -       |
| £90,000 - £94,999 | -                   | 1       |

## Exit Packages

There were no exit packages paid during this or the previous financial year.

## Remuneration

| Name and Responsibility                              | 2023/24                   |                  |                        | 2022/23                |
|--|---------------------------|------------------|------------------------|------------------------|
|  | Salary, Fees & Allowances | Taxable Expenses | Total Remuneration     | Total Remuneration     |
|  | £                         | £                | £                      | £                      |
| Nick Fayers, Chief Officer                           | 96,563                    | -                | 96,563                 | 91,788                 |
| Debbie Bozkurt, Chief Financial Officer <sup>1</sup> | 26,220<br>(87,399 FTE)    | -                | 26,220<br>(87,399 FTE) | 24,788<br>(82,627 FTE) |

<sup>1</sup> Portion of salary attributable to role as Chief Financial Officer – equivalent to 0.3 FTE

## Pension Benefits

With regard to 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 Board's Balance Sheet.

The Board does however have responsibility for funding the employer contributions for the current year and the table below shows the expenditure incurred in respect of pension benefits during the year. The table also shows the total value of accrued pension, some of which may relate to previous employment.

| Name and Responsibility                              | In-year pension contributions |                  | Accrued Pension Benefits |                |                            |
|--|-------------------------------|------------------|--------------------------|----------------|----------------------------|
|  | Year to 31/03/24              | Year to 31/03/23 |                          | As at 31/03/24 | Difference from March 2023 |
|  | £                             | £                |                          | £              | £                          |
| Nick Fayers, Chief Officer                           | 19,718                        | 18,933           | Pension Lump Sum         | 17,430         | 13,251                     |
| Debbie Bozkurt, Chief Financial Officer <sup>1</sup> | -                             | -                | Pension Lump Sum         | -              | -                          |

<sup>1</sup> The Chief Financial Officer is not a member of the Pension Fund.

Nick Fayers  
Chief Officer

Calum Maclean  
Chairperson

## MOVEMENT IN RESERVES STATEMENT

This Statement shows the movement in the year on the IJB's reserves.

| Movement in Reserves 2023/24             | General Reserves | Earmarked and Specific Reserves | Total Reserves |
|--|------------------|---------------------------------|----------------|
|  | £'000            | £'000                           | £'000          |
| <b>Opening Balance at 1 April 2023</b>   | 3,054            | 8,442                           | 11,496         |
| Total Comprehensive (Income)/Expenditure | 923              | 1,851                           | 2,774          |
| <b>Closing Balance at 31 March 2024</b>  | <b>2,131</b>     | <b>6,591</b>                    | <b>8,722</b>   |

| Movement in Reserves 2022/23             | General Reserves | Earmarked and Specific Reserves | Total Reserves |
|--|------------------|---------------------------------|----------------|
|  | £'000            | £'000                           | £'000          |
| <b>Opening Balance at 1 April 2022</b>   | 2,138            | 14,591                          | 16,729         |
| Total Comprehensive (Income)/Expenditure | (916)            | 6,149                           | 5,233          |
| <b>Closing Balance at 31 March 2023</b>  | <b>3,054</b>     | <b>8,442</b>                    | <b>11,496</b>  |

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This Statement shows the cost of providing services for the year.

| 2022/23       |                 |               | Service   | 2023/24       |                 |               |
|---------------|-----------------|---------------|---|---------------|-----------------|---------------|
| Gross Expend  | Gross Income    | Net Expend    |   | Gross Expend  | Gross Income    | Net Expend    |
| £'000         | £'000           | £'000         |   | £'000         | £'000           | £'000         |
| 2,529         | (1,112)         | 1,417         | Management and Administration                       | 4,246         | (1,347)         | 2,900         |
| 782           | (95)            | 687           | Alcohol and Drugs Partnership                       | 872           | (199)           | 673           |
| 31,302        | (7,009)         | 24,293        | Community Services                                  | 33,886        | (5,021)         | 28,865        |
| 18,834        | (4,263)         | 14,570        | Partnership Services                                | 17,538        | (4,021)         | 13,516        |
| 5,448         | (1,620)         | 3,828         | Dental Services                                     | 4,435         | (564)           | 3,871         |
| 5,017         | (189)           | 4,828         | Mental Health Services                              | 4,032         | (311)           | 3,721         |
| 18,956        | (1,028)         | 17,928        | Medical   | 19,669        | (1,197)         | 18,472        |
| 10,585        | (332)           | 10,253        | Acute Set Aside Budget                              | 9,336         | (1)             | 9,335         |
| 306           | -               | 306           | Housing Services                                    | 306           | -               | 306           |
| <b>93,758</b> | <b>(15,648)</b> | <b>78,110</b> | <b>Cost of Services</b>                             | <b>94,319</b> | <b>(12,660)</b> | <b>81,659</b> |
|               | (72,878)        | (72,878)      | Taxation and Non-Specific Grant Income              |               | (78,885)        | (78,885)      |
| <b>93,758</b> | <b>(88,525)</b> | <b>5,233</b>  | <b>(Surplus)/Deficit on Provision of Services</b>   | <b>94,319</b> | <b>(91,545)</b> | <b>2,774</b>  |
| <b>93,758</b> | <b>(88,525)</b> | <b>5,233</b>  | <b>Total Comprehensive (Income) and Expenditure</b> | <b>94,319</b> | <b>(91,545)</b> | <b>2,774</b>  |

There are no statutory or presentational adjustments which affect the IJB's application of the funding received from partners. The movement in the General Fund balance is therefore solely due to the transactions shown in the Comprehensive Income and Expenditure Statement. Consequently, an Expenditure and Funding Analysis is not provided in these accounts.

## BALANCE SHEET

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

| 2022/23 |        |                       | 2023/24 |       |
|---------|--------|-----------------------|---------|-------|
| £'000   | £'000  |                       | £'000   | £'000 |
| 11,496  |        | Short Term Debtors    | 8,722   |       |
|         | 11496  | <b>Current Assets</b> |         | 8,722 |
|         | 11,496 | <b>Net Assets</b>     |         | 8,722 |
| 11,496  |        | Usable Reserves       | 8,722   |       |
|         | 11,496 | <b>Total Reserves</b> |         | 8,722 |

The unaudited accounts were issued on 21 November 2024.

*Debbie Bozkurt*  
Chief Financial Officer



## NOTE 1 ACCOUNTING POLICIES

### 1. General Principles

The IJB was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Section 106 body as defined by the Local Government (Scotland) Act 2014. The Annual Accounts have therefore been prepared on an Income and Expenditure basis in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom. The Annual Accounts have been prepared on a going concern basis, which assumes that the IJB will continue in operational existence for the foreseeable future. The historic cost convention has been adopted.

### 2. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Expenditure is recognised when goods or services are received, and their benefits are recognised 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 debts may not be received, the balance of debtors is written down; and
- Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the corresponding amount is recorded in the Balance Sheet.

### 3. Funding

The IJB is primarily funded through funding contributions from the statutory funding partners, namely NHS Eileanan Siar and Comhairle nan Eilean Siar. Expenditure is incurred as the IJB commission specified health and social care services from the funding partners for the benefit of service recipients.

### 4. Cash and Cash Equivalents

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partners. Consequently, the IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet. The funding balance due, to or from each funding partner as at 31 March, is represented as a debtor or creditor in the IJB Balance Sheet. A Cash Flow Statement is therefore not required to be presented in the Annual Accounts.

### 5. Employee Benefits

The IJB does not directly employ staff. Staff are formally employed by the funding partners who retain the liability for pension benefits payable in the future. The IJB therefore does not present a Pensions Liability on its Balance Sheet.

The IJB has a legal responsibility to appoint a Chief Officer. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs. Where material the Chief Officer's absence entitlement as at 31 March is accrued, for example in relation to annual leave earned but not yet taken.

### 6. Support Services Costs

Costs relating to the overheads (e.g. human resources support, financial services, information technology) required by the Comhairle and the NHS Board to provide the services commissioned by the Integration Joint Board are not regarded as IJB running costs. These costs were not included in the partner contributions agreed as part of the establishment of the IJB and will be retained by the partner organisations.

### 7. Provisions

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. Provisions for specific purposes, such as non-payment of debt, will have been provided by the partner organisations.

**8. Reserves**

IJB's are not currently anticipated to hold cash or to have bank accounts. However, where the IJB underspends on the partner funding contributions, this would result in a General Fund Reserve.

Property, Plant and Equipment used for the delivery of commissioned services have not transferred to the IJB Balance Sheet and the related Capital Adjustment and Revaluation Reserves are therefore not required.

**9. Events after the Reporting Period**

These are events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts is authorised for issue. An adjustment is made to the statements where there is evidence that the event relates to the reporting period, otherwise the statements are not adjusted, and where the amount is material, a disclosure is made in the notes.

**10. VAT**

The IJB is a non-taxable body and does not charge or recover VAT on its activities. VAT is settled/recovered by the parent bodies.

**NOTE 2 CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY**

The Annual Accounts contain estimated figures that are based on assumptions made by the partner organisations, taking account of historical experience, current trends or other relevant factors. Management consider that for areas of estimation in the Annual Accounts, actual results are unlikely to differ materially from the estimates.

### NOTE 3 RELATED PARTY TRANSACTIONS

The IJB is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Board or to be controlled or influenced by the Board. Disclosure of these transactions allows readers to assess the extent to which the Board might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Board. As a partnership between the Comhairle and the NHS Board, these two organisations are the main related parties to the Board and the following transactions were made during 2023/24.

| 2022/23 |   | 2023/24 |
|---------|---|---------|
| £'000   |   | £'000   |
|         | <b>Transactions with NHS Eileanan Siar</b>                      |         |
| 47,743  | Funding contributions received                                  | 52,499  |
| -       | - Services Income received                                      | -       |
| 52,747  | Expenditure on Services provided                                | 53,309  |
| 89      | Key Management Personnel: Non-Voting Board Members <sup>1</sup> | 94      |
| 24      | Support Services  | 21      |
|         |   |         |
|         | <b>Transactions with Comhairle nan Eilean Siar</b>              |         |
| 25,135  | Funding contributions received                                  | 26,386  |
| -       | - Services Income received                                      | -       |
| 25,164  | Expenditure on Services provided                                | 28,150  |
| 61      | Key Management Personnel: Non-Voting Board Members              | 64      |
| 24      | Support Services <sup>2</sup>                                   | 21      |
|         |   |         |

<sup>1</sup> **Key Management Personnel:** The Chief Officer is employed by NHS Eileanan Siar but Comhairle nan Eilean Siar make a contribution of 50% of the costs. The Chief Financial Officer is employed by the NHS Board and 30% of her time is charged to the IJB. These payments are included in Corporate Costs in the Comprehensive Income and Expenditure Statement and the remuneration details in the Remuneration Report.

<sup>2</sup> **Support Services:** Both partner organisation provide a range of support services to the IJB, e.g. Financial Services, Human Resources, Legal. There are no charges included in the IJB accounts for these services. The Support Service costs included in the table above represent costs such as travel and subsistence, incidental administration and equipment etc.

| 2022/23 |   | 2023/24      |
|---------|---|--------------|
| £'000   |   | £'000        |
|         | <b>Balances with Comhairle nan Eilean Siar</b>  |              |
| 11,496  | Debtor balances: Amounts due from the Comhairle | 8,722        |
| 11,496  | <b>Net Balance with the Comhairle</b>           | <b>8,722</b> |

**NOTE 4 EXPENDITURE AND INCOME ANALYSIS**

| 2022/23  |  | 2023/24  |
|----------|--|----------|
| £'000    |  | £'000    |
| 24,911   | Services Commissioned from the NHS         | 27,767   |
| 15,740   | Employee Benefits                          | 16,566   |
| 12,370   | Family Health Services                     | 11,292   |
| (4,413)  | Other Operating Expenditure                | (5,813)  |
|          | Services Income                            |          |
| 19,266   | Services Commissioned from the Comhairle   | 20,500   |
| 21,271   | Employee Benefits                          | 19,805   |
| (11,235) | Other Operating Expenditure                | (8,658)  |
| 169      | Services Income                            | 167      |
| 30       | Corporate Expenditure                      | 33       |
| (72,878) | Auditor Fee: External Audit Work           | (78,885) |
|          | Partners Funding                           |          |
| 5,233    | (Surplus)/Deficit on Provision of Services | 2,774    |

**NOTE 5 TAXATION AND NON-SPECIFIC GRANT INCOME**

| 2022/23 |   | 2023/24 |
|---------|---|---------|
| £'000   |   | £'000   |
| 47,743  | Funding Contribution from the NHS       | 52,499  |
| 25,135  | Funding Contribution from the Comhairle | 26,386  |
| 72,878  | Total                                   | 78,885  |

The funding contribution from the NHS Eileanan Siar shown above includes £9,335k in respect of "set aside" resources relating to acute hospital and other resources. These are provided by the NHS, which retains responsibility for managing the costs of providing the services. The IJB however has responsibility for the consumption of, and level of demand placed on, these resources.

The funding contributions from partners shown above would exclude any funding which is ringfenced for the provision of specific services. Such income is presented as service income in the Cost of Services within the Comprehensive Income and Expenditure Statement.

**NOTE 6 CORPORATE EXPENDITURE**

| 2022/23 |                | 2023/24 |
|---------|----------------|---------|
| £'000   |                | £'000   |
| 18      | Staff Costs    | 158     |
| 30      | Administration | 9       |
|         | Audit Fee      | 33      |
| 199     | Total          | 200     |

## NOTE 7 SHORT TERM DEBTORS

| 2022/23       |                           | 2023/24      |
|---------------|---------------------------|--------------|
| £'000         |                           | £'000        |
| 11,496        | IJB Reserves held by CnES | 8,722        |
| <b>11,496</b> | <b>Total</b>              | <b>8,722</b> |

## NOTE 8 USABLE RESERVE

The IJB holds a balance on the General Fund for two main purposes:

- 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.
- to provide a contingency fund to cushion the impact of unexpected events or emergencies. This is part of the IJB's risk management framework.

| 2022/23                     |                 |                             | Project / Investment Area             | 2023/24             |                    |                             |
|-----------------------------|-----------------|-----------------------------|---------------------------------------|---------------------|--------------------|-----------------------------|
| Balance at 01/04/2022 £'000 | Transfers £'000 | Balance at 31/03/2023 £'000 |                                       | Transfers Out £'000 | Transfers In £'000 | Balance at 31/03/2024 £'000 |
|                             |                 |                             | <b>Earmarked Reserves</b>             |                     |                    |                             |
| 1,229                       | (743)           | 486                         | Digital Innovation and Infrastructure | (402)               |                    | 84                          |
| 370                         | (325)           | 45                          | Workforce Sustainability              |                     |                    | 45                          |
| 2,063                       |                 | 2,063                       | Transformational Change               | (110)               |                    | 1,953                       |
| <b>3,662</b>                | <b>(1,068)</b>  | <b>2,594</b>                | <b>Total Earmarked Reserves</b>       | <b>(512)</b>        | <b>-</b>           | <b>2,082</b>                |
|                             |                 |                             | <b>Specific Reserves</b>              |                     |                    |                             |
| 321                         | (18)            | 303                         | Social Care Specific Reserves         | (11)                | 111                | 403                         |
| 702                         | 1,545           | 2,247                       | SC and NHS Winter Pressures Fund C/F  | (1,217)             | 180                | 1,210                       |
| 3,388                       | (3,388)         | -                           | SC and NHS Covid Fund Carried Forward |                     |                    | -                           |
| 938                         | (476)           | 462                         | Primary Care Funds                    |                     | 236                | 698                         |
| 1,963                       | (953)           | 1,010                       | Dental Infrastructure Funds           | (500)               |                    | 510                         |
| 115                         | 68              | 183                         | Dental Other                          | (68)                |                    | 115                         |
| 218                         | 120             | 338                         | Nurse Director Support Funds          | (138)               | 120                | 320                         |
| 27                          |                 | 27                          | Workforce Wellbeing PC&SC             |                     |                    | 27                          |
| 1,539                       | (1,232)         | 307                         | Mental Health Funds                   | (172)               | 157                | 292                         |
| 103                         | 56              | 159                         | Hospital at Home                      | (159)               | 231                | 231                         |
| 227                         | (227)           | -                           | Allied Health Professionals           |                     |                    | -                           |
| 859                         | (481)           | 378                         | Other NHS Specific Funds              | (293)               | 170                | 255                         |
| 529                         | (95)            | 434                         | Alcohol and Drug Partnership          | (199)               | 213                | 448                         |
| <b>10,929</b>               | <b>(5,081)</b>  | <b>5,848</b>                | <b>Total Specific Reserves</b>        | <b>(2,757)</b>      | <b>1,418</b>       | <b>4,509</b>                |
| 2,138                       | 916             | 3,054                       | General Reserves                      | (1,426)             | 503                | 2,131                       |
| <b>16,729</b>               | <b>(5,233)</b>  | <b>11,496</b>               | <b>General Fund</b>                   | <b>(4,695)</b>      | <b>1,921</b>       | <b>8,722</b>                |