



Annual Accounts for Period Ending 31 March 2024



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Management Commentary

This publication contains the Annual Accounts of North Ayrshire Integration Joint Board (IJB) for the period ended 31 March 2024.

The Management Commentary outlines the key messages in relation to the IJB's financial planning and performance for the period 2023-24 and how this has supported delivery of the IJB's strategic priorities.

This commentary also looks forward, outlining the future financial plans for the IJB and the challenges and risks that we will face as we strive to deliver services that continue to meet the needs of the people of North Ayrshire.

North Ayrshire IJB

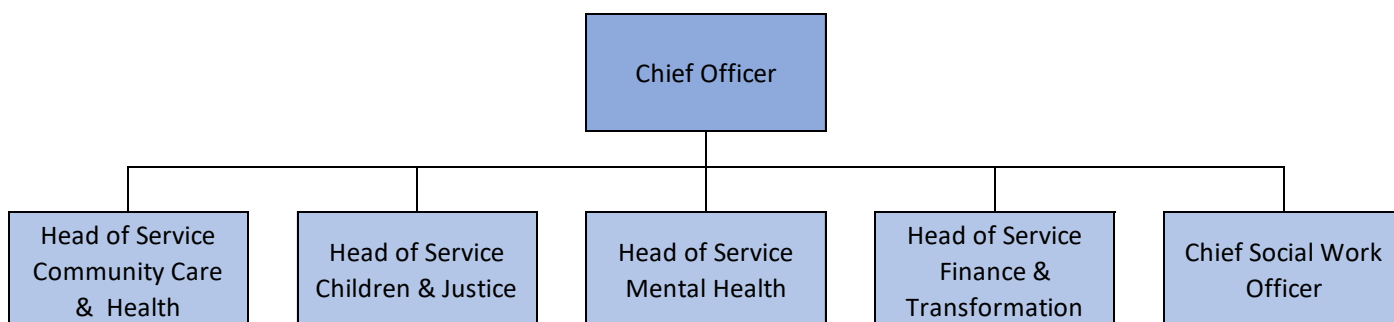
North Ayrshire Council, alongside East and South Ayrshire Councils and NHS Ayrshire and Arran established the 3 Ayrshire Integration Joint Boards on 1 April 2015. The purpose of an IJB is to improve the health and wellbeing of local people, create support within our communities and deliver joined-up care pathways for people who use health and social care services, particularly those who have complex care needs.

North Ayrshire Council and NHS Ayrshire and Arran delegate responsibility for the planning of community health and care services to the IJB. The IJB commissions services and staff from the Council and NHS and is responsible for the operational oversight of integrated services. The Chief Officer of the Health and Social Care Partnership is responsible for the operational management of integrated services.

North Ayrshire Health and Social Care Partnership (NAHSCP/the Partnership) is the service delivery organisation for functions delegated to the IJB, which is comprised of staff from both North Ayrshire Council and NHS Ayrshire and Arran, though sits as its own organisation for carrying out these delegated functions together.

The Chief Officer is supported by heads of service for each service area, including the statutory roles of the Chief Finance Officer and Chief Social Work Officer, and the wider partnership management team.

NAHSCP senior management structure



Strategic Commissioning Plan

Each Health and Social Care Partnership produces a strategic plan for carrying out integration functions over the plan period. In April 2022 the Partnership published 'Caring Together 2022-30', which is the first long-term strategic commissioning plan published by the Partnership.

It was developed using a local health and care needs assessment and a period of public engagement, which took place online due to Covid-19 restrictions at the time. The Strategic Planning Group and other key stakeholders were actively involved in the development of the plan, reinforcing the partnership nature of local health and care services.

The Partnership undertook a review of its vision, values and strategic priorities, and agreed: 'People who live in North Ayrshire are able to have a safe, healthy and active life'.

The values that people accessing Health and Social Care Services across North Ayrshire can expect to experience: **Care, Empathy and Respect.**

In order to embody these values and achieve this vision, the plan sets out five strategic priorities:



These priorities are interlinked, and by achieving them together, the partnership aims to achieve its vision for and with the people of North Ayrshire.

Delivering the Plan

The plan identifies several key ambitions against each of these priorities, underpinning our vision for health and social care services in the future.

Delivery of the plan is underway, facilitated by several key enablers, including the Medium-Term Financial Outlook, Transformation Plan, and Participation and Engagement Strategy.

Although the plan is longer-term and in place until 2030, the partnership will review the progress and effectiveness of the plan periodically to ensure it still matches the needs of the community. The current priorities and actions will be reviewed this year which will result in a refreshed version being produced in March 2025. This will also reflect further work being carried out at a locality level to reflect the differing needs of different communities across North Ayrshire.

Implementation of the strategic plan is key for the Partnership to achieve the nine National Health and Wellbeing Outcomes as set by the Scottish Government, and reviewing the plan will ensure our services are targeting our community needs.

More information about the Strategic Plan 2022-30 can be found at: ['Caring Together' HSCP Strategic Commissioning Plan \(2022-30\)](#)

North Ayrshire Today

North Ayrshire is home to an estimated 133,413 people (Census, 2022). The local area covers approximately 885 square kilometres and has a population density of c.151 persons per square kilometre.

The National Records of Scotland (NRS) provides a population projection estimate using 2018 as a baseline year, and it estimates the population will fall to 129,987 by 2030 and continue falling to reach 122,334 by 2043. Not only is the overall population projected to change, but the demographic spread is also projected to change over time with a steady reduction in the working age population. The 2022 census shows that 60.3% of the current population is aged 16-64, which is projected to decrease (using 2018 data) to 56.8% in 2030 and 54.1% in 2043. Conversely, the 65+ population is currently at 23.7% (census) and expected to rise to 27.8% in 2030 and 30.7% in 2043 (NRS). This demographic change has significant implications for local funding and spending as the number of working aged people paying taxes is decreasing, while the number of dependents is increasing.

Currently, 29.1% of local people are known to have some form of long-term condition. It is recognised that the prevalence of people with a long-term condition increases by age. For example, 1.7 people in every 10 under the age of 65 has a long-term condition, whereas 8.7 people in every 10 over the age of 85 has a condition.

In contrast to the growth in the older population, the life expectancy figures for North Ayrshire have dropped in recent years. To measure life expectancy, averages are taken over a 3-year period, and for 2020-2022, female life expectancy was 79.47 years, compared to its highest point over the previous 10 years of 80.99 in 2012-14. Current male life expectancy is 74.58 compared to its high of 76.47, also in 2012-14. For both females and males, life expectancy is lower when compared to the Scottish Average.

In the latest time-period available (2019-2021), the average healthy life expectancy in North Ayrshire was 56.51 years for men and 52.07 years for women. Healthy life expectancy data is only available from 2015, and the highest for females was 57.13 in 2015-17, and for males was 58.52 in 2017-19. For women, healthy life expectancy has been steadily falling, but for men it was rising to that high point when it began to fall in recent years.

When compared against life expectancy this suggests that, while women in general will live longer than men, they will spend a greater proportion of their life in ill health. Additionally, in North Ayrshire and nationally, over the last 20 years life expectancy for males has increased more than for females, so the gap between life expectancy is gradually reducing over time.

Socio-Economic Profile

The Scottish Index of Multiple Deprivation (SIMD) 2020, reports that 74 of North Ayrshire's 186 data-zone areas are ranked in the 20% most deprived, or 39.8% of datazones in the area. An estimated 55,069 people live within these datazones which is around 41% of North Ayrshire residents.

The last reported employment figures for North Ayrshire cover the period of January 2023 to December 2023, which shows that 72.3% of the population is economically active compared with 77.5% of Scotland's population. Although this gap is quite wide, the unemployment level is currently 3.5% in both North Ayrshire and Scotland. This implies there is more economic inactivity than unemployment in the area, which may be indicative of the older population across North Ayrshire. During that time period, 22.8% of the economically inactive population was retired compared to 14.1% in Scotland, and 43% were long-term sick compared to 31.6% of Scotland.

The dependency ratio indicates the number of working aged people compared to dependents, or those under 16 and over working age. Historically 16-64 has been used as the working aged

population despite recent changes to pension age and, although many people over 65 work, the ratio is worked out based on the population alone which is a ratio recognised internationally to allow for comparisons. Currently, the dependency ratio in North Ayrshire is 65.73. which means that for every 100 working aged people, there are almost 66 dependents, compared to Scotland's ratio of 57.31. This is projected to increase to 66.2 by 2030 and 77.5 by 2043. More rural areas tend to have a higher ratio than other areas, due to the smaller working age population which is an important factor for planning and funding health and social care services that meet the needs of this population.

A snapshot of achievements during 2023-24

Enable Communities

- **North Ayrshire Alcohol and Drug Partnership Grants.** This new grant-funding process will see a total sum of £50,000 awarded to projects that can reduce alcohol and drug-related harms in North Ayrshire, which are run by statutory organisations and third sector/community organisations.
- **Locality Planning** - the HSCP has developed a new approach to our locality planning, replacing the previous Locality Planning Forums which were impacted by the restrictions during the pandemic, so it was felt a refreshed community focussed approach was required. Within each locality on the mainland, there will be a biannual locality conversation to maintain ongoing dialogue with service-users and ensure their voices are continually involved in the strategic planning process within their communities. These will be followed up by a meeting of the Locality Planning Review Group, which will analyse the results of the conversations, local data, community planning priorities and local knowledge of services within the locality. Work to develop this new locality planning process began in spring 2023, since when we have developed a new process to better integrate with community planning processes, involve a wider group of service-users, and make more use of existing data and knowledge about each area. Initial scoping Locality Conversations took place in April 2023, and the start of the new Locality Planning Process is being kicked off by the first set of Locality Conversations in April 2024, and Locality Planning Review Groups in June 2024.
- **Engagement** was conducted over the past year around the topic of transition from children to adult services with a specific focus on learning disability and mental health services. This project explored 4 phases of work. The first 3 included consultation with services, parents and carers, and young people to explore their experience of working or navigating the current systems. Phase 4 is currently underway and involves the development of a parent and carer peer support group for transition supported by the HSCP and Unity Carers Gateway. This work has been essential in capturing the views and opinions of parents, carers and young people who often experience challenges and barriers to accessing services and can at times find participation in projects such as these challenging due to the complex care needs they experience on a day-to-day basis.
- **Learning Disability Strategy** – the service is currently developing a Learning Disability Strategy, and a variety of engagement with service-users and families has been done to enable service user to participate and collect their feedback. Engagement began in late 2023 and was framed around the question of 'What Makes a Good Life', but other engagement with clients has taken place on specific topics such as respite provision, and mental health and wellbeing. Further work will continue in 2024/25 in order to develop the new strategy.



Develop and Support our Workforce

- **North Ayrshire Partnership Awards** - The winners of the 2023 Partnership Awards were announced at our 'Celebration of Care' event on Tuesday 20th June 2023 at the Volunteer Rooms in Irvine. The event was a fantastic celebration of the staff, teams and individuals who support or deliver health and social care in North Ayrshire - and importantly, the crucial work of people in our communities who support others to improve their health or well-being.
- **Purchase of Glenartney House**, the new staff accommodation in Brodick, Isle of Arran opened and welcomed the first guests on 22nd May 2023. The house will support the delivery of health and care services on the island by providing short-term staff accommodation for care workers within Montrose House; Care at Home staff; Medical, Nursing and Clinical staff at Arran War Memorial.
- **iMatter** - HSCP staff, both NHS and NAC employed, were asked to complete the annual iMatter survey. We had our second highest response rate at 65%, and positively the Partnership aggregate level of employee engagement was 81% – the highest it has ever been. iMatter is a key tool for the HSCP to understand and gather feedback from the integrated workforce and teams.
- **What Matters to You?** - the NAHSCP Strategic Planning Team delivered the 'What Matters to You?' conversation for 2023. The focus of engagement was on staff members, with employees being asked 'what matters to them' about working in the Partnership. In addition, staff were asked 'what one thing could they change' to make their day-to-day roles better. The focus on staff (rather than the wider public) provided an insight into the mindset of staff as they have returned to more normalised working following the pandemic. Many staff have been following the new agile working approach for some time and we were keen to learn the impact of this. A report of this engagement work was presented to PSMT in order for each service to address the concerns and feedback of staff. Each service was asked to use the feedback to create a 'make one change' action, which is currently being delivered, and there is further work ongoing to address the more common issues raised by staff.



Provide Early and Effective Support

- **Naloxone** - a new report produced by NHS Ayrshire & Arran's Prevention and Service Support Team has highlighted the positive impact of Naloxone distribution and use in North Ayrshire. This safe and easy-to-administer medication temporarily counteracts the effects of opioids, such as heroin, methadone, codeine, morphine and buprenorphine, and can save lives by reversing an overdose for 20 to 40 minutes until emergency help arrives.
- **The Promise** - there has been positive progress made in relation delivering Phase 1 of The Promise over the past three years. The foundations have been laid for progressing the change required to 2030 which will radically redesign the whole care system. Our data, both



qualitative and quantitative, shows we are making a positive impact and we will continue to drive changes in line with what our needs are at a local level and the 10-year change plan. Local activity has focused on putting strong foundations in place regarding our partnership approaches, hosting the first of our annual conferences and securing multi-agency and multi-disciplinary commitment to key actions and outcomes. A number of service and practice developments are underway and links have been made with other major projects and programmes which are related to care experienced children and young people both locally and nationally.

- The transformation from analogue to digital Community Alarm and Telecare equipment is now well under way.
- **Inspection of Irvine, Garnock Valley & Community Alarm Service** Following an unannounced inspection between 24 October and 3 November 2023 of the North Ayrshire Irvine, Garnock Valley Care at Home and Community Alarm Service, the service received the following grades :- How well do we support people's wellbeing? 5 – Very Good How good is our leadership? 5 – Very Good How good is our staff team? 4 – Good How well is our care and support planned? 4 – Good These are excellent grades for a service which has been and continues to be under extreme pressure. Inspectors in particular highlighted the passion and commitment demonstrated by staff to providing the best care possible and highlighted the excellent partnership working across District Nurses, GPs, Hospital and many others to support and meet the needs of service users.
- **Care at Home** - the IJB were presented with a review of Care at Home Service Delivery and asked to consider how the service should be delivered when the current external provider contracts end in June 2024. The outputs from the review provided an overview of both current service delivery and contractual arrangements, and historical information and data, including reflections on how the service has responded and adapted through the pandemic. The IJB were supportive of the option whereby people who choose Self Directed Support Option 3 (where the choice of support for care is arranged by the local authority) would have Care at Home services delivered entirely by the inhouse Care at Home Team.
- **Adult Support and Protection Inspection** -The quality of North Ayrshire's adult support and protection work has been described as "commendable" in a new report published by the Care Inspectorate. A joint inspection of NAHSCP, which included the roles of NHS Ayrshire & Arran and Police Scotland in the adult protection process, took place from September to December 2023 and focused on whether adults at risk of harm were safe, protected and supported. The report stated that "overall, the quality of North Ayrshire's adult support and protection work across social work and health is commendable. While there is always room for improvement, performance was strong and collaborative in every area of core adult support and protection business, including inquiries, investigations, risk assessments and protection planning.
- **Anam Cara** in Kilbirnie reopened in March 2024 following an extensive refurbishment project. The specialist dementia respite centre, which had been temporarily relocated to the vacant Taigh Mor site in Beith while the works were carried out, has undergone a complete transformation of the main garden area, including new garden furniture, with a ramp installed from the conservatory to allow better access for guests to enjoy the outdoors. A full revamp of the internal areas of the building was also carried out. Externally, the building has undergone repairs to the roof, facias, gutters and roughcast, with new

windows in the dining room area. The transformation was completed with attractive décor, furniture and soft furnishings in each room, with new TVs throughout and improved Wi-Fi across the building. The upgrade has created a welcoming and homely feel and will be a huge boost to the wellbeing of guests with dementia as well as their families and carers, who will benefit from some respite from their caring duties.

Improving Mental and Physical Health and Wellbeing

- **Trindlemoss Day Opportunities** in Irvine has achieved a Gold Award as part of the RSPB's Wild Challenge Awards programme. Some service users been busy taking part in the scheme, which has seen them discovering, learning about, and helping wildlife in its natural habitat. Having already completed the Bronze and Silver levels, the team has worked extremely hard to achieve the highest accolade in the Gold award, with each level of the programme requiring the completion of a total of six activities.
- **A new community grief hub** has launched at Trindlemoss. Cruse Bereavement Support is working in partnership with the Co-op to bring grief resources, drop-in support sessions and compassionate community workshops to the hub, offering free support to those who are grieving and new skills to those who want to understand how to better support someone following a bereavement.
- **Creating Hope Together** - Staff from across North Ayrshire HSCP were joined by colleagues from NHS A&A, East and South HSCPs, the Third Sector and wider stakeholder partners for a suicide prevention event at Saltcoats Town Hall. The theme of the event was 'Creating Hope Together', recognising that suicide prevention is everybody's business and that we can all take action - no matter how big or small - to prevent suicide. The aims of the day were to encourage discussion and generate ideas for taking action to prevent suicide in North Ayrshire; share our knowledge so far about suicide prevention and highlight areas of good practice; inspire a call to action across all sectors to work and learn together to drive change in North Ayrshire and consider what more can be done to prevent suicide and identify the support needed to ensure everyone can play their part.
- **Communities Mental Health and Wellbeing Fund (Year 3)** - an information session was held in October to hear about the priorities and focus in Year 3, as well as to meet many of the groups and organisations who have received funding in Years 1 and 2, and to celebrate some of their successes. This was a great opportunity to network and find out about the wide range of amazing work and services that are being delivered by the Third Sector across North Ayrshire, focussing on improving mental health and wellbeing in our communities.
- **North Ayrshire Libraries were winners at the Scottish Library & Information Council (SLIC) Awards** on 3rd November for their pioneering work in supporting those recovering from problematic alcohol and/or other drug use. The awards recognise the outstanding levels of commitment, creativity and value that libraries can offer the communities they serve. The partnership between North Ayrshire Libraries and North Ayrshire Drug and Alcohol Recovery Service (NADARS) saw the creation of a safe, supported, nonclinical environment in Kilwinning Library on a weekly basis for NADARS staff, service users and their families to attend. Library staff participated in drug/alcohol awareness and Naloxone



training, delivered by the NHS Prevention and Service Support Team, with service users also being able to access a wide range of library services during the sessions.

- North Ayrshire Adult Protection, Child Protection and Alcohol and Drug Partnership teams have a new joint Facebook page, 'North Ayrshire Protecting People Together', sharing information on the work being carried out locally to protect people and what to do if someone is at risk from harm.
- An innovative new group for North Ayrshire's Recovery Development Workers has been established and met for the first time on 8 November. The North Ayrshire Recovery Development Worker Forum offers an opportunity for lived experience support workers from NAHSCP's alcohol and drug recovery service (NADARS), Service Access and Justice Services team, as well as their counterparts from Turning Point and Barnardo's, to come together and share their experiences, learn more about the work of the other services, identify training requirements or shadowing opportunities, and provide support for each other as they move forward in their roles. Staff who attended are all peer support workers with lived experience from a range of backgrounds, including alcohol and/or other drug use, gambling and mental ill health, who have all been on their own individual journeys to recovery and are now using that experience and insight to provide relatable support to others embarking on their own journey.

Tackle Inequalities

- **Financial Inclusion Strategy** - the strategy combines the powers of the Financial Inclusion services across the Council. A third sector provider was commissioned to provide independent debt advice to all North Ayrshire residents. A key outcome of the strategy has been the creation of a Financial Inclusion Partnership in North Ayrshire. The Partnership will be inclusive with representation from a range of key stakeholders such as fuel poverty advice services, employability, education and housing services, housing associations, community link workers, the Food Bank and Alcohol and Drugs Partnership.
- **Community Wealth Building** - A working group was established to take forward the Community Wealth Building agenda within the Partnership, chaired by the Head of Service (Finance and Transformation) and with senior representation from across other service areas. So far the Partnership has focussed on the first two pillars – procurement and employment – as almost all of the Partnership's financial resources are spent either on staffing costs or on purchasing services from other organisations.
- **The Carers Strategy** "Building Caring Communities 2023-25" was formally launched at Ardeer Community Centre, Stevenston in October 2023. The intent is to use the 16-month strategy period to work with Unity Gateway Carer Service, our carers and the broader sector to engage in a medium-term strategy to be ready to cover the period 2025 – 2030.
- **Additional Welfare Advice staff in GP surgeries** – Welfare Advice and Health Partnership funding allowed the continuation of additional welfare rights advisors in GP Practices in areas of multiple deprivation.



Organisational Performance

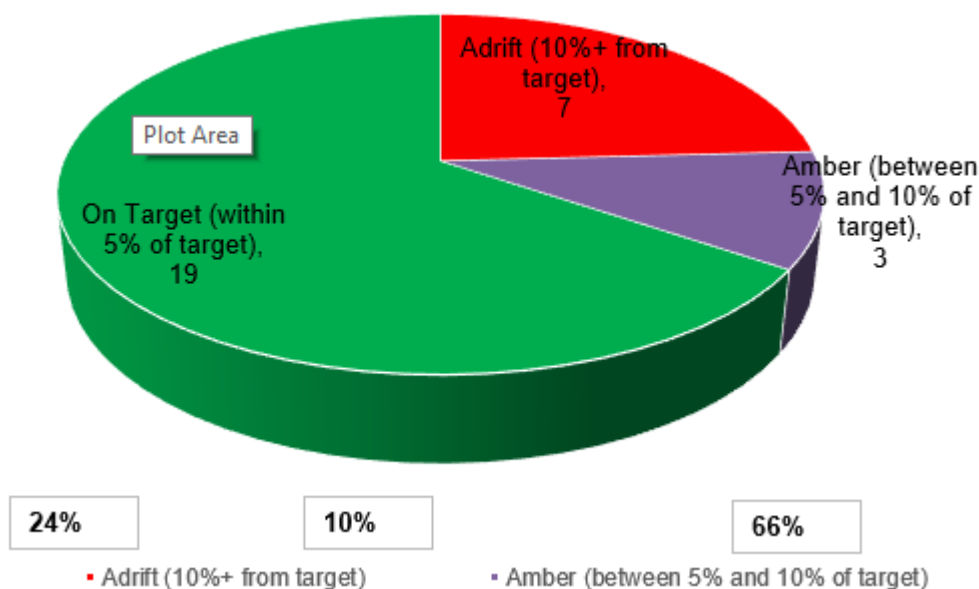
Our 2022-2030 strategic plan set of performance measures reflect the transformation of services to meet continual service improvement and demand. Where an indicator presents as being off track, commentary with proposed resolution and future mitigation is provided on how to improve future performance.

Performance reporting comprises of a series of key performance indicators and key actions, which link directly to our strategic plan. Performance is reported at a number of levels within the organisation including the Integration Joint Board Performance and Audit Committee, the Integration Joint Board (IJB), the Joint Review with North Ayrshire Council and NHS Ayrshire and Arran Chief Executives, and service performance reviews within each service area.

For 2023-24 the set of performance measures were agreed and presented to the Performance and Audit Committee highlighting service defined changes. These included:

- Target resetting
- Removal of measures that are no longer reflective of the service improvement
- The inclusion of new measures to meet service improvement and current operational demand

For the year 2023-24 there were 29 agreed performance measures across all service areas. At the time of writing, 27 measures have been collated comprising 93% of all measures reported to the end of 2023-24. Due to the time for collation and verification of the 2 outstanding Quarter 4 updates, we have included the RAG status as 'On Target' based on the annual performance to date which has been Green for all quarters. The latest Performance and Audit Committee Report shows progress against the key measures, and this is represented in the chart below.



As part of our commitment to continuous improvement, we recognise areas where we could do more and by monitoring indicators which present as significantly adrift enables us to identify and target plans to address performance issues. The key areas off target for 2023-24 were:

- Increasing the number of Practice Reflective Learning (PRI) sessions taking place within the Childre, Families, and Justice Service.

- Reducing the number of people waiting for Health and Community Care assessment.
- Reducing the number of people on the waiting list for a Care at Home service in the Community.
- Reducing the number of people on the waiting list for a Care at Home service in Hospital.
- Reducing the average length of stay in hospital for people aged 65 and over (MH).
- Absence levels remain problematic.

In relation to the PRI sessions, there is a group that meets quarterly investigating ways to improve workforce engagement to refer for practice review. The senior management team continue to promote the benefits of PRI sessions with team managers via the supervision process.

Throughout the year our Health and Community Care services continue to experience ongoing and sustained challenges in delivering frontline Care at Home Services although Quarter 4 saw the greatest improvement in performance during 2023-24. There remain ongoing workforce challenges related to sickness absence rates and vacancies within the service with a weekly absence rate of 15%. The Care at Home service continues to prioritise any available capacity to support hospital discharges and for those with the most critical needs in our community.

Annual Accounts

The Annual Accounts set out the financial statements of the IJB for the period ended 31 March 2024. The main purpose is to demonstrate the stewardship of the public funds that have been entrusted to the IJB for the delivery of its vision and strategic priorities as outlined in the Strategic Plan. The requirements governing the format and content of the Annual Accounts are contained in The Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The Annual Accounts for 2023-24 have been prepared in accordance with this Code.

The Financial Plan

Strong financial planning and management is paramount to ensure our limited resources are targeted to maximise the contribution to our objectives. Delivery of services in the same way is not financially sustainable. The updated strategic plan approved for 2022-30 is underpinned by the need to learn from the pandemic and ensure opportunities are maximised to transform care models and find new solutions to ensure the future sustainability of high-quality health and care services.

The ability to plan based on the totality of resources across the health and care system to meet the needs of local people is one of the hallmarks of integrated care. Medium term financial planning is key to supporting this process and identifying the transformation and planned shift in resources to provide sustainable services to the local community over the medium term.

Financial Performance

In 2023-24 the IJB agreed a one-year balanced budget which included an overall savings requirement of £6.215m.

Financial information is part of the performance management framework with regular reporting of financial performance to the IJB. This included an integrated approach to financial monitoring, reporting on progress with savings delivery, financial risks and any variations and changes to the delegated budget. There were significant financial challenges during the period. The main challenges during the year were residential placements for children, care at home, supplementary staff in wards and Unplanned Activities (UnPACs) within the lead partnership for mental health.

From the initial budget monitoring report in month 3 the projected position has been an overspend. The Integration Scheme requires the preparation of a recovery plan if an overspend position is being projected to plan to bring overall service delivery back into line with the available resource. Heads of Service have closely reviewed expenditure and have implemented actions which have reduced some areas of overspend, however these areas of improvement have been countered by adverse movements in Care at Home, Integrated Island Services, Wards 1 and 2 at Woodland View, UNPACS and intervention services.

As a contingency there was provision of £2m non-recurring funding set aside in the reserves contribute towards the 2023-24 position and this has been applied.

The overall financial performance against budget for the financial period 2023-24 (after adjusting for new earmarked reserves) was an overall overspend of £5.464m. This consisted of £4.634m of overspend in social care services and £0.830m overspend in health services.

The table below reconciles the deficit on the provision of services of £11.218m as noted in the Comprehensive Income and Expenditure Statement to the financial outturn deficit position of £5.464m.

Reconciliation Table	22/23	23/24
(Surplus) / Deficit on provision of services	12.504*	11.218
Earmarked reserves released to services during the year	(20.442)*	(8.736)
Sub Total	(7.938)	2.482
NEW Earmarked Reserve Balances	4.219	2.982
Financial Outturn (underspend)	(3.719)	5.464

The table below summarises the financial performance for 2023-24 and 2022-23. This notes the budget outturn on a managed basis (including the full allocation for North HSCP lead partnership services) and adjusts this for the net impact of lead partnership allocations across North, South and East Ayrshire and also for new earmarked balances.

The table includes the financial performance for services managed by the IJB during the period, therefore it excludes the large hospital Set Aside Budget of £35.008m which was allocated at the end of the period to the IJB. The set aside budget is included within the financial statements.

2022-23 Budget £000	2022-23 Actual £000	Variance (Fav) / Adv £000	Service	2023-24 Budget £000	2023-24 Actual £000	Variance (Fav) / Adv £000
85,261	85,286	25	Health and Community Care	91,174	95,625	4,451
96,133	92,731	(3,402)	Mental Health	100,990	98,639	(2,351)
38,076	40,290	2,214	Children, Families and Justice	40,135	43,431	3,296
51,357	51,277	(80)	Primary Care	52,865	52,863	(2)
9,532	9,463	(69)	Allied Health Professionals	10,098	10,098	0
(175)	(6,460)	(6,285)	Management and Support Costs	12,740	11,287	(1,453)
1,194	1,197	3	Change Programme			
2,570	866	(1,704)	Chief Social Work Officer	1,852	1,317	(535)
0	0	0	Financial Inclusion	1,671	1,630	(41)
0	0	0	National Commissioned Service	3	3	0
283,948	274,650	(9,298)	TOTAL EXPENDITURE	311,528	314,893	3,365
(283,948)	(283,948)	0	TOTAL INCOME	(311,528)	(311,528)	0
0	(9,298)	(9,298)	OUTTURN ON A MANAGED BASIS	0	3,365	3,365
0	1,360	1,360	Lead Partnership Allocations	0	1,117	1,117
0	(7,938)	(7,938)	OUTTURN ON AN IJB BASIS	0	4,482	4,482
0	4,219	4,219	New Earmarking	0	2,982	2,982
0	0	0	Draw on Reserves	0	(2,000)	(2,000)
0	(3,719)	(3,719)	FINAL OUTTURN POSITION	0	5,464	5,464

The main areas of variance during 2023-24 are noted below:

Health and Community Care – overspend of £4.451m mainly relates to overspends in care at home, agency costs within integrated Island Services, supplementary staffing in rehab wards and district nursing staffing costs offset by underspends in care home placements, reablement services and care packages for people with a physical disability.

Mental Health – underspend of £2.351m which relates to underspends in community mental health, non-employee costs at Trindlemoss and the Lead Partnership for mental health (psychology, child and adolescent mental health services (CAMHS), Action 15 and psychiatry). These underspends are predominantly related to the level of vacant posts in these areas. There is also an underspend in the Alcohol and Drugs Partnership which will be earmarked for use in 2023-24. These underspends are partially offset by an overspend in learning disability services.

Children, Families and Justice – overspend of £3.296m which is mainly related to overspends in services for care experienced children (residential care, respite care and employee costs) and services for children with a disability (residential care, respite care). These were partially offset by an underspend in the Whole Family Wellbeing Fund which will be earmarked for use in 2024-25.

Management and Support Costs – underspend of £1.453m mainly relates to underspends in transition funding, an over-recovery of payroll turnover due to the level of vacant posts being higher than assumed when setting the budget and an underspend in multi-disciplinary team (MDT) funding. These underspends are partially offset by an overspend in the apprenticeship levy and the unfunded element of the pay award.

Lead Partnership Services

The final outturn is adjusted to reflect the impact of Lead Partnership services. In the absence of detailed service activity information and alternative risk sharing arrangements, it was agreed that the outturn for all Lead Partnership services would be shared across the 3 partnerships on an NRAC (NHS Resource Allocation Committee) basis.

The outturn of the lead partnership services for each IJB is provided below, the adjustment to the North IJB outturn reflects the impact of reallocating a share of the North lead partnership services underspend to the other two areas and receiving an NRAC share of the outturn for the South and East partnerships. In addition, any allocations of ring-fenced funding are returned to each IJB in line with allocations and expenditure to allow each IJB to carry forward for future use.

IJB	£000	Over/Under	Explanation of Outturn
North	(1,691)	Underspend	Mental health services, mainly due to vacancies and recruitment delays and underspend on the MH Recovery and Renewal Funding which is earmarked for use in 2024-25.
South	481	Overspend	Pressures from the community equipment store and continence service offset by underspends in the Family Nurse Partnership
East	(1,203)	Underspend	Underspends in the Primary Care Improvement Fund, Dental Services and AHP services.

Set Aside Budget

The Integration Scheme establishes that pressures in respect of large hospital set aside budgets will be managed in-year by NHS Ayrshire and Arran. Work has been undertaken with

partnerships to progress and develop set aside arrangements to fully implement the legislative requirement. This includes arrangements in relation to the use of Directions, Joint Commissioning Plans and overall progression towards fair share allocations of resources.

Further work has been undertaken through the Ayrshire Finance Leads group to establish baseline resources for each partnership and how this compares to the NRAC “fair share” of resources. Ayrshire Finance Leads have now agreed a baseline methodology for set aside budgets which involves using the average of the four full years prior to the pandemic, 2016/17 – 2019/20 inclusive.

The 2023/24 actual usage information is not known until after the IJB date, so the info used is the baseline at 2022/23 prices.

IJB	Baseline at 2022/23 prices (£)
East	26,215,888
North	35,007,962
South	28,371,789
Total	89,595,639

Climate Change

The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015 came into force in November 2015, as secondary legislation made under the Climate Change (Scotland) Act 2009. The Order requires bodies to prepare reports on compliance with climate change duties. This includes Integration Joint Boards established by order under section 9(2) of the Public Bodies (Joint Working) (Scotland) Act 2014.

Scottish Government guidance was issued to IJBs in May 2017, setting out detail of the new duty to produce an annual climate change report. The report requires to be approved by the IJB, with returns to be submitted on the Sustainable Scotland Network (SSN) online portal by 30 November each year. The report was submitted on 1st November 2023 but the IJB haven’t been asked to approve as the IJB don’t have staff, fleet vehicles or property so the return refers to the North Ayrshire Council and NHS Ayrshire & Arran climate change reports.

Both North Ayrshire Council and NHS Ayrshire & Arran submit separate reports to the SSN and these are published online. As the parent bodies of the IJB, both North Ayrshire Council and NHS Ayrshire & Arran retain responsibility for employees who are managed within the Health and Social Care Partnership. The employees, therefore, contribute to support the implementation of both bodies’ Climate Change Plans. North Ayrshire IJB has no direct responsibility for employees, buildings or vehicles, which are contained within the parent bodies’ reports, however full consideration of climate change implications will form part of future IJB service redesign, as part of the transformational change programme.

Overall position

It is essential that the IJB operates within the delegated budget and commissions services from the Council and Health Board on that basis. The 2023-24 outturn has reduced the general reserves to £0.357m and use of reserves cannot continue. Some areas of current overspend have been invested in as part of the 2024-25 approved budget but many of the underlying overspend areas will continue into 2024-25. Services require to address these or there will

continue to be a reliance on other budgets underspending and a risk of having to seek additional funding from North Ayrshire Council and NHS Ayrshire and Arran.

Our new Transformation Plan 2024-2027, agreed by the IJB in March, sets out a number of service redesign projects which will deliver financial efficiencies to support the future budget position.

Financial outlook, risks and plans for the future 2024-25 and beyond

The Scottish Government published an updated Medium-Term Financial Strategy (MTFS) in May 2023 which covers the period to 2027-28. It compares the funding and spending scenarios to assess the scale of the challenge. The role of the MTFS is to set out Scotland's fiscal outlook over the coming years, including financial opportunities and risks that may impact on the fiscal position. In line with the recommendations of the Budget Process Review Group, the document does not set out new spending plans or explain how prioritisation decisions will be made to meet policy objectives. These decisions are made in the Scottish Government budget.

The Scottish Government's funding is comprised of five high level categories:

1. The Block Grant – this is the single largest source of funding for the Scottish Government. The Barnett Formula determines the Block Grant and annual growth is dependent on the UK Government's overall fiscal plans and its spending priorities.
2. Devolved taxes – the Scottish Government receives the revenue from these taxes, the largest of which is Scottish Income Tax. The Scottish Budget is then reduced based on how quickly revenues of the corresponding tax have grown in the rest of the UK (rUK) on a per head basis.
3. Non-domestic rates (NDR) – this revenue is raised by Local Authorities on non-domestic properties. All revenue raised is ultimately returned to Local Government via the Local Government Settlement.
4. Social Security Block Grant Adjustments – this is funding provided by the UK Government for devolved social security payments, based on the growth in expenditure on the corresponding payment in UK on a per head basis.
5. Other income and expenses – other revenue and costs including resource borrowing and associated costs as well as revenues from the Scottish Crown Estate

The MTFS notes that the funding available to Scottish Government is expected to grow steadily from £45,260 million in 2023-24 to £50,971 million by 2027-28, an overall cash increase of 12.6% and real terms increase of 6.8%. This is due to increases in the Block Grant and significant growth in the net tax position over this period. However, these increases will vary significantly between years. Pressures on funding will be most severe in 2024-25 when overall resource funding (including NDR) is forecast to grow by only 1.2% in real terms.

The Scottish Government MTFS models three scenarios (a central resource funding outlook and an upside and downside scenario, indicating plausible alternative funding paths) and outlines the immediate and longer-term pressures on public spending which need to be considered when developing spending plans to ensure that they meet the needs of a changing population and build resilience for the future.

The Scottish Government intends to publish an updated Medium-Term Financial Strategy during 2024, alongside a refreshed Medium-Term Financial Framework for Health and Social Care. These documents were scheduled for publication in June but have been delayed due to the

General Election in July. These will form the basis of the funding assumptions in the next update of our Medium-Term Financial Outlook which will cover the period 2025-2028.

Medium Term Financial Outlook

A Medium-Term Financial Outlook (MTFO) is a critical part of the strategic planning process. The financial context for public services remains very challenging and so it is vital that the IJB's strategic ambitions are set against the financial resources which are anticipated to be available.

The MTFO provides key information on the possible financial position of the IJB over future years. It identifies the financial challenges which will be faced by the IJB enabling the IJB to see the impact of current and future decisions on its medium-term financial health.

The MTFO will also be used to identify pressure points and inform decisions which are required to ensure the Partnership remains financially sustainable.

There are a range of factors which influence the financial planning of the IJB. These are considered through the MTFO and include the following:

- Demographic changes.
- Local priorities.
- Workforce challenges.
- The UK and Scottish Economy.
- Policy and Legislation.
- Cost and demand pressures.
- Available funding.

As in previous years, a Medium-Term Financial Outlook has been prepared to identify what the financial position may look like moving into 2025-26 and 2026-27.

2024-25 Budget

As part of the Scottish Government budget and finance settlement funding letters were issued to NHS Boards and Councils, these detailed the requirements in relation to the level of funding to be delegated to IJBs in 2024-25.

The specific requirements are as follows:

- Compared to 2023-24 budgets, territorial NHS Boards will receive a total increase of 4.3% for 2024-25 to cover costs related to the 2023-24 pay deals, as well as the baselining of £100 million sustainability and NRAC funding provided in 2023-24.
- The Partnership receives an appropriate share of the pay award funding, and this is already included in our base budget calculation; the sustainability and NRAC funding is not shared with the IJB.
- The funding letter also notes that additional funding is expected to be provided when the 2024-25 pay award is settled and the expectation is that the IJB will receive an appropriate share of any pay award funding.
- The Health and Social Care Portfolio will transfer net additional funding of £241.5 million to Local Government to support social care and integration. The overall transfer to Local Government includes additional funding of £230 million to deliver a £12 per hour minimum pay settlement for adult social care workers in private and third sectors, in line with the Real Living Wage Foundation rate. In addition, an inflationary uplift on Free Personal Nursing Care rates (£11.5 million) is provided. These amounts are reflected in the North Ayrshire Council figures.

- The funding allocated to Integration Authorities for Free Personal and Nursing Care and adult social care pay in third and private sectors should be additional and not substitutional to each Council's 2023-24 recurring budgets for adult social care services that are delegated. Where there is evidence funding is not passed across to be used for the policy intent, the Scottish Government reserves the right to look at reclaiming funding allocated.
- In previous years territorial health boards have received a baseline uplift on core budgets, for example in 2023-24 this was 2%, and on that basis, there was a specific directive from Scottish Government that payments to IJBs for delegated functions delivered the same uplift. As noted, for 2024-25 the Scottish Government has committed the £100 million sustainability funding for non-pay costs, but beyond this and the NRAC funding provided in 2023-24, Boards will be expected to manage pressures within existing envelopes and there will be no new baseline funding uplift. On this basis, there is no funding uplift from NHS Ayrshire and Arran for 2024-25.

Based on the 2024-25 Finance Settlement, the Council confirmed a net contribution to the Partnership of £5.292m through its agreed budget. Some elements of this were already included in the HSCP base budget and other amounts have been assumed by the HSCP but are yet to be received. As a condition of the settlement, funding allocated to the IJB should be in addition to the 2023-24 recurring baseline position.

The NHS AA financial position for 2024-25 is very challenging and the Board remains on level 3 of the NHS Scotland Support and Intervention Framework and in formal escalation for finance, with enhanced monitoring and support.

Moving into 2024-25 the Partnership is proactively working to provide safe and effective services for the residents of North Ayrshire within the financial envelope, this is supported by approving a balanced budget and a refreshed transformation plan.

The IJB approved a one-year balanced budget for 2024-25 on 14 March 2024. More information about the [2024-25 Budget](#).

This budget included new budget pressures for health and social care services totalling £16.131m. These were developed in partnership, with Finance supporting front line services to identify current and emerging financial pressures considering historic demand and costs and potential future variations. The provision of funding for pressures has the impact of increasing the budget gap to be addressed through savings, therefore the pressures are only included in budget plans where these are absolutely unavoidable.

The new cost and demand pressures resulted in a requirement to identify and approve additional savings of £10.290m, as noted in the summary below:

Description	Social Care (NAC) £m	Health (NHS A&A) £m	Total £m
Funding Increase	(5.841)	-	(5.841)
Service Pressures	15.532	0.599	16.131
Budget Gap	9.691	0.599	10.290
Approved Savings	9.255	1.035	10.290
Net balanced budget	0.436	(0.436)	-

The Integration Joint Board, in common with most Public Sector bodies, is facing a period of significant financial challenge with cost and demand pressures. The most significant financial pressures continue to be pay awards for staff, inflationary cost increases for contracted services and demographic changes driving increased demand for services - funding these unavoidable pressures year-on-year drives our savings requirement.

There are a number of highlighted financial risk areas that may impact on the 2024-25 budget during the year, these include:

- Care at Home overspend.
- Current overspend areas, especially in low volume / high-cost services e.g. Children's residential placements, UNPACs, and supplementary staffing across community, mental health and learning disability wards.
- High levels of inflation over several years which have impacted on costs incurred directly by the Partnership and on our partner providers.
- Growing demand for services.
- Staff recruitment and retention challenges across a number of service areas.
- The provider market and the ongoing ability to source packages of care for service users.
- The expectation that performance will continue to be maintained or improved despite the significant resource challenges.
- Ongoing delivery costs of Scottish Government policy directives, particularly where these are not fully funded or inflation proofed.
- The Local Government and NHS pay awards are not settled for 2024-25; as outlined in the report, a 3% increase has been assumed for the social care workforce and for NHS it is anticipated that additional funding will be allocated once the pay award has been settled. If the pay awards are not fully funded then this will present an in-year cost pressure.
- Unearmarked reserve balances do not meet the recommended threshold of 2% of annual spend and this reduces the ability to absorb in-year variances.
- The ongoing review of the Integration Scheme.
- Progress with the work to develop set aside arrangements and the risk sharing arrangements agreed as part of this.
- The wider system financial challenges and impact across the whole system, for example the financial position of NHS AA and the decisions taken to reduce the Board's deficit may have impacts on other parts of the health and care system.

These risks will be monitored during 2024-25 and the financial impact reported to the IJB through the regular financial monitoring report.

Set Aside

The Partnership has a responsibility, with our local hospital services at University Hospital Crosshouse and University Hospital Ayr, for planning services that are mostly used in an unscheduled way. The aim is to ensure that we work across the health and care system to deliver the best, most effective care and support. Service areas most commonly associated with unplanned use are included in the Set Aside budget. Set Aside budgets relate to the strategic planning role of the Partnership. Key areas within this budget are:

- Accident and emergency.
- Inpatient services for general medicine.
- Geriatric medicine.
- Rehabilitation.
- Respiratory.

- Learning disability, psychiatry and palliative care services provided in hospital.

The annual budget for Acute Services is £424.2m. The directorate overspent by £36.1 million at year end. This was caused by overspend on agency medical and nursing staff, together with drug expenditure, equipment and supplies. These have been required due to the level of operational pressure being experienced, in common with many other areas in Scotland. Around 160 additional unfunded beds remained open across both main hospital sites during March.

There is a material underlying deficit caused by:

- Unachieved efficiency savings.
- Length of Stay (LoS) in NHS Ayrshire and Arran acute hospitals is above the Scottish average.
- High expenditure on medical and nursing agency staff, high rates of absence and vacancies causing service pressure.
- Delayed transfers of care and high acuity of patients.

The IJBs and the Health Board work closely in partnership to maintain service and improve performance. The ability to plan with the overall resource for defined populations and user groups and to use budgets flexibly is one of the hallmarks of integrated care.

Each Health Board, in partnership with the Local Authority and IJB, must fully implement the delegated hospital budget and set aside budget requirements of the legislation, in line with the statutory guidance published.

The full implementation of the set aside arrangements is key to delivering a commitment to planning across the whole unplanned care pathway and partnerships must ensure that set aside arrangements are fit for purpose and enable this approach.

Ayrshire Finance Leads have developed and agreed on a new model for costing the set aside arrangements, based on actual bed usage and average costs. A baseline level of usage has been agreed based on the average actual use across years 2016/17 to 2019/20, the last four years prior to the pandemic. A pan-Ayrshire Joint Commissioning Plan is currently under development; this will outline the level of acute unscheduled care provision that each of the IJBs want to commission from the Health Board.

The NHS AA Chief Executive has requested the below support from the 3 IJBs:

The development of a joint strategic commissioning plan to enable the setting of directions to provide to NHS Ayrshire and Arran for Unscheduled Care, aligned with the Set Aside resources. Seeking the support from the 3 IJBs in the review, and onward approving and monitoring of the delivery of a Strategic Commissioning Plan in line with the provisions laid out in the Integration Schemes, as outlined below:

- The NHS Board will consult with the Ayrshire Integration Joint Boards to ensure that any overarching Strategic Plan for Acute Services and any plan setting out the capacity and resource levels required for the Set Aside budget for such Acute Services is appropriately coordinated with the delivery of Services across the Ayrshire and Arran area. The parties shall ensure that a group including the Director for Acute Services and Chief Officers of the three Ayrshire Integration Joint Boards will meet regularly to discuss such issues.
- The initial Set Aside base budget for each Integration Joint Board will be based on their historic use of Acute Services. The actual unit cost which would apply as part of any change to activity or service redesign is dependent on the scale of change planned and

requires agreement in advance by all Parties. Any redesign of service requires to be agreed across the three Integration Joint Boards and be reflected in the Strategic Plans.

- In year pressures in respect of Set Aside budgets will be managed in year by the Health Board, with any recurring over or underspend being considered as part of the annual budget setting process.

In this joint strategic commissioning plan each IJB will consider and outline a clear framework for commissioning, at a strategic level, the urgent and unscheduled care service funded from the 'set aside' budget.

There is an ambition that the commissioning plan will indicate an expectation of service delivery that will see sustained and affordable improvement in relation to performance outcomes for the citizens of Ayrshire and assure best value to support the financial balance of urgent and unscheduled care provision through a review and system wide redesign of the preferred models of care.

Following approval by the 3 IJBs, the Plan will be enacted operationally through the mechanism of Directions by the Local Authorities and NHS Ayrshire and Arran. Given the critical performance and financial challenges, NHS Ayrshire and Arran would request the plan to be considered and approved during 2024-25. As set out in Integration Schemes the in-year pressures in respect of Set Aside budgets will be managed in-year by the Health Board.

Directions

The Scottish Government issued Statutory Guidance in January 2020 outlining the requirements for the use of Directions from Integration Authorities to Health Boards and Local Authorities. The guidance sets out how to improve practice in the issuing (by IJBs) and implementation (by Health Boards and Local Authorities) of directions issued under the Public Bodies (Joint Working) (Scotland) Act 2014. It supersedes the Good Practice Note on Directions issued in March 2016.

The Scottish Government worked closely with IJB Chief Officers to better understand the diversity of practice across Scotland surrounding directions and to identify good practice. They also discussed the use of directions with a range of local systems at regular partnership engagement meetings, including with Health Board and Local Authority Chief Executives.

The three Ayrshire HSCPs worked together to develop a template for the issuing of Directions and this was implemented across the system from April 2023.

National Care Service

The legislation, which will see the introduction of a National Care Service for Scotland (NCS), has passed Stage 1 in Parliament. MSPs have voted for the general principles of the National Care Service (Scotland) Bill. A response from the Scottish Government on the Health, Social Care and Sport Committee's Stage 1 report is published online, this includes the publication of a summary Target Operating Model.

[Interim response from the Scottish Government on HSCS Committees Stage 1 report on the National Care Service \(Scotland\) Bill](#)

The Scottish Government intend to make a change at Stage 2 of the Bill to establish a new National Care Service Board (NCS Board), which will include as a minimum the Scottish Government, local government, the NHS, and people with lived experience. The NCS Board will provide oversight and governance of social work, social care support and community health services, with the full scope to be determined as part of the co-design process.

The intention will be for services to be planned and delivered at local level by reformed Integration Joint Boards (IJBs), which will be accountable to the NCS Board. Local authorities and the NHS will be represented at both national and local level, and will retain their existing responsibilities, staff and assets to deliver those services. Reformed IJBs are expected to be in place by 2029-2030 which is three years later than the original timescale for the NCS.

Risks

The most significant risks faced by the IJB over the medium to longer term, alongside mitigation, are summarised below. All of these risks are rated as 'high'.

Ref	Title	Mitigation
SRR01	Financial Sustainability	<ul style="list-style-type: none"> * Medium-Term Financial Outlook for 2024-2027 * Transformation Board overseeing the programme of service re-design. * Integrated approach to managing totality of NHS and LA resources delegated to the IJB. * Regular budget monitoring and reporting to the IJB. * The Partnership has developed a new 3-year Transformation Plan 2024-2027 which was approved by the IJB in March 2024. There is £2.2m of earmarked reserves set aside to support service change and re-design. The delivery of the plan is overseen by the Transformation Board.
SRR07	Demography and Inequality Pressures	<ul style="list-style-type: none"> * HSCP services work to address inequalities, for example our Money Matters service. * The Partnership will continue to work closely with partners to deliver the Fair for All pledges and progress the Fairer Food agenda. * Demography increases are factored into budget planning. * Equalities Impact Assessments considered as part of IJB decision making processes * Refresh of Mental Health Ayrshire conversation priorities, locality forum/engagement sessions and Learning Disability strategy refresh * Workforce plan * Strategic plan has key focus on providing early and effective support to help people remain as healthy as possible for as long as possible.
SRR09	Local Impact of Scottish Government Policies	<ul style="list-style-type: none"> * Horizon scanning for policy developments through partners, professional networks including links with Scottish Government policy teams * Regular liaison with Scottish Government and COSLA senior officers * Attendance at the national Chief Officer and Chief Finance Officer networks. * Responses to consultations on potential implementation of new policy areas * Early impact assessments locally for national policies, including operational and financial service impact

These risks emphasise the importance of effective planning and management of resources. It is therefore crucial that we focus on early intervention, prevention and recovery if we are to work within the total delegated partnership budget.

Going forward, we will continue to ensure local people are supported to get the right care in the right place, developing clear health and care pathways for the people of North Ayrshire. To achieve its vision, the Partnership recognises it cannot work in isolation. The Partnership will continue to strengthen relationships with colleagues within the Community Planning Partnership to ensure a joint approach to improving the lives of local people.

Most importantly, the Partnership must work closer with local people and maximise the use of existing assets within communities to improve the overall health and wellbeing of people in North Ayrshire. 2024-25 will see the progression of the implementation of the longer-term Strategic Plan and Transformation Plan. We will also continue the development of self-directed support, instilling an enablement ethos promoted by our professionals, collaborating with the third and independent sector to design and commission appropriate models of service.

Conclusion

2023-24 has been an extremely challenging year for the partnership financially, driven by the cost of delivering services to meet demand across the system. There has been a requirement to make a significant draw on reserves and this is not a sustainable approach.

Our health and social care services should reflect and respond to the needs of local people. To support this, we will help to build greater capacity in our communities and provide more ways for service users and local people to share their views with us to help shape services. We are fully committed to planning and designing services together with local people, our staff and our key partners including acute health services, housing, community planning and the third and independent sectors.

The IJB, through the Strategic Plan, outlines the belief that together we can transform health and social care services to achieve the joint vision for the future “all people who live in North Ayrshire are able to have a safe, healthy and active life.” A new Transformation Plan 2024-2027 was agreed by the IJB in March to support the redesign of services and to assist with meeting the financial challenges ahead.

Moving into 2024-25, we are working proactively to address the financial challenges, while at the same time, providing high-quality and sustainable health and social care services for the communities in North Ayrshire.

Where to find more information

If you would like more information on IJB strategies, plans and policies and our performance and spending, please refer to the [North Ayrshire Health and Social Care Partnership website](#).

Statement of responsibilities

Responsibilities of the IJB

The IJB is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the board has responsibility for the administration of those affairs (Section 95 of the Local Government (Scotland) Act 1973). In this authority, 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 financial statements 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)
- Approve the Annual Accounts for signature.

Responsibilities of the Chief Finance Officer

The Chief Finance Officer is responsible for the preparation of the IJB'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 (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 Code (in so far as it is compatible with legislation).

The Chief Finance Officer is also required to:

- Keep proper accounting records which are up to date.
- Take reasonable steps to ensure the propriety and regularity of the finances of the Integration Joint Board.

I certify that the financial statements give a true and fair view of the financial position of the North Ayrshire Integration Joint Board as at 31 March 2024, and its income and expenditure for the period then ended.



Paul Doak CPFA
Chief Finance Officer

24 June 2024

Annual Governance Statement

The Annual Governance Statement explains how North Ayrshire IJB complies with the Code of Corporate Governance and meets the requirements of the CIPFA / SOLACE Framework 'Delivering Good Governance in Local Government 2016' and the 'Code of Practice for Local Authority Accounting in the UK: A Statement of Recommended Practice', in relation to the Statement on the System of Internal Financial Control.

Scope of responsibility

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

The IJB is also responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

In discharging this responsibility, the Chief Officer has put in place arrangements for governance which includes the system of internal control. Reliance is placed on these controls which are designed to manage risk to a reasonable level but cannot eliminate the risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable but not absolute assurance of effectiveness.

Purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values by which the IJB is directed and controlled and the activities through which it accounts to and engages with the community. It enables the IJB to monitor the achievement of its strategic priorities and to consider whether those priorities have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of North Ayrshire IJB's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Governance framework

The main features of the governance framework that was in place during 2023/24 are summarised below:

- The IJB, comprising all IJB Board members, was the key decision-making body. The Performance and Audit Committee considered all matters in relation to Internal and External Audit, Risk Management and Performance and fulfilled the requirements of the CIPFA document 'Audit Committees: Practical Guidance for Local Authorities and Police.'
- Strategic decision-making is governed by the IJB's key constitutional documents including the Integration Scheme, standing orders, scheme of administration, scheme of delegation to officers and financial regulations.

- The Integration Scheme sets out the process to determine financial contributions by partners to Integration Joint Boards. This has been supplemented by directives from the Scottish Government in relation to the level of resources for delegation by the Council and NHS Board for Health and Social Care Integration.
- The IJB's purpose and vision are outlined in the IJB Strategic Commissioning Plan 2022-30 which links closely to the vision of the North Ayrshire Community Planning Partnership and the Local Outcome Improvement Plan (LOIP) 2022-30 and is underpinned by an annual action plan and performance indicators. Quarterly performance reports are provided to the Performance and Audit Committee on the delivery of the values and strategic priorities set out in the strategic plan, with a formal Annual Performance Report published each year.
- The performance management framework focuses firmly on embedding a performance management culture throughout the IJB. Regular reporting to Board Members takes place.
- A risk management strategy, strategic risk register and risk appetite statement is in place for the IJB. The second version of the risk appetite statement was approved by the IJB in November 2023. The strategic risk register is updated annually, with the operational risk registers updated in line with the IJB's risk strategy.
- The Health and Care Governance Framework covers governance arrangements in relation to complaints and customer feedback, risk management, health and safety, Internal Audit, workforce planning and public protection. Regular updates are provided to the IJB by the Clinical and Care Governance Group.
- The IJB has adopted a 'Code of Conduct' for all its Board Members and employees, a register of interests is in place for all Board members and senior officers.
- The IJB has in place an informal development programme for all Board Members, the Partnership Senior Management Team and senior managers across the Partnership. Performance and Personal Development schemes are in place for all staff, the aim of which is to focus all staff on their performance and development that contributes towards achieving service objectives.
- The IJB has established six locality planning forums, reflecting the previously agreed local planning areas. These provide Board Members, health and social care staff and local community representatives with the opportunity to be involved in considering and influencing priorities for each area.
- A Transformation Board is in place, which recognises the significant change programme which is required to support delivery of the priorities within the new 2022-30 strategic plan. Terms of Reference are in place which detail the Board's membership, duties, authority, reporting and governance. The Board meets monthly.

The governance framework was in place during the period ended 31 March 2024.

Review of effectiveness

North Ayrshire IJB has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of the effectiveness of the framework is informed by the work of the Partnership Senior Management Team who have responsibility for development and maintenance of the governance environment,

the annual report by the Chief Internal Auditor and reports from Audit Scotland and other review agencies.

The Chief Internal Auditor reports directly to the IJB Performance and Audit Committee on all audit matters, with the right of access to the Chief Officer, Chief Finance Officer and Chair of the Performance and Audit Committee on any matter. In accordance with the principles of the code of corporate governance, regular reports were made to the IJB's Performance and Audit Committee during 2023/24.

The Internal Audit function has independent responsibility for examining, evaluating and reporting on the adequacy of internal control. During 2023/24, the Internal Audit team operated in accordance with the Public Sector Internal Audit Standards.

The Chief Internal Auditor is responsible for forming an annual opinion on the adequacy and effectiveness of the systems of internal control.

The approved IJB internal audit plan for 2023/24 focussed on a review of the IJB's arrangements towards workforce planning, with the assignment concluding with substantial assurance.

It is the opinion of the Chief Internal Auditor that the systems of internal control relied upon by the IJB continue to provide reasonable assurance against loss.

System of internal financial control

The governance framework described operates on the foundation of internal controls. The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability.

Development and maintenance of these systems is supported by NHS Ayrshire and Arran and North Ayrshire Council in relation to the operational delivery of health and social care services.

These systems include:

- Financial regulations and codes of financial practice
- Comprehensive budgeting systems
- Regular reviews of periodic and annual financial reports that indicate financial performance against the forecasts
- Setting targets to measure financial and other performance
- Formal project management disciplines
- A Transformation Board to provide further scrutiny of service re-design and financial delivery
- An effective Internal Audit function

The IJB's financial management arrangements conform to the governance requirements of the CIPFA statement: 'The Role of the Chief Finance Officer in Local Government (2016)'.

The IJB complies with the CIPFA Financial Management Code.

Through the counter fraud arrangements that are in place within NHS Ayrshire and Arran and North Ayrshire Council, the IJB conforms with the CIPFA 'Code of Practice on Managing the Risks of Fraud and Corruption.'

During 2023/24, the Head of Service (Finance and Transformation) led on improvement work to review and tighten controls across a number of areas in the HSCP.

Developments during 2023/24

The elements noted below incorporate progress with the further actions or developments identified in the 2023/24 Annual Accounts.

Medium-Term Financial Outlook (MTFO)

As in previous years, a medium-term financial outlook was prepared covering the period 2025/26 – 2026/27 and presented to the IJB in March 2024. Full publication of the MTFO has not been provided at this time, as the Scottish Government has indicated in the Scottish Budget that its medium-term financial strategy will be updated and published in May 2024. A full update report will therefore be presented to the IJB in September 2024, covering the period 2025/26 – 2027/28.

Review of IJB key governance documents

The IJB continues to review its key governance documents on a rolling basis.

Clinical and Care Governance Group (CCGG)

Clinical and Care Governance is the system in which the HSCP is accountable for continuously improving quality and safeguarding high standards of care. The Partnership has developed Clinical and Care Governance arrangements in line with the commitments and requirements contained in the Integration Scheme.

The CCGG meets on a monthly to discuss and review a number of topics, with an annual update report provided to the IJB in August 2023.

Care Home and Care at Home Oversight Arrangements

The HSCP stepped up oversight arrangements for Care Homes and Care at Home Services in North Ayrshire as part of the accountability and assurances sought by Scottish Government during the Covid pandemic; these forums have been invaluable to oversee the quality and sustainability of provision in North Ayrshire and as such both groups now remain part of the core governance structure.

These multi-disciplinary groups are made up of key clinical and care professionals who have a lead role in the oversight of care and support services based in the North Ayrshire area.

Carer's Strategy 2023-25

One of the responsibilities of the Carer's (Scotland) Act 2016 is a duty for a local carer strategy and the establishment and maintenance of an information and advice service for carers resident or caring for someone in the local authority area.

The Carer's Strategy 2023-25 "Building Caring Communities" was approved by the IJB in August 2023, with the priorities being taken forward with the new strategic partner, Unity Enterprise.

Children's Services Plan 2023-26

The Children's Services Plan 2023-26 was approved by the IJB in June 2023, and builds on the progress made since the previous Children's Services Plan 2020-23.

The Children's Services Plan is aligned to the Children's Poverty Strategy and Action Plan and Children's Rights Report, together forming the suite of children's services planning documents.

The plan identifies five priorities in order to achieve the vision “For all our children and young people to have the best start in life and for North Ayrshire to be the best place in Scotland to grow up”. These priorities are:

- The rights of children and young people are promoted and protected
- Acting early to improve what happens next
- Making Things Fairer
- Promoting good mental health and wellbeing
- Inspiring children and young people to be active.

A range of actions aligned to the Children’s Services Plan priorities are in place, with progress reporting against these actions provided in line with agreed timescales. The Scottish Government recently undertook a review of the Plan against the statutory guidance and an individual feedback report received which provides assurance of the alignment of the plan with national statutory guidance, noting areas of strength and improvement.

Equality Outcomes Plan 2022-25 / Equality Mainstreaming and Outcomes Reporting

Following the approval of the Equality Outcomes Plan 2022-25 by the IJB in March 2023, there is a specific duty within the Equality Act that the HSCP must publish a mainstreaming and outcomes report detailing how the HSCP has progressed against its Equality Outcomes.

Reporting of Equality Mainstreaming and Outcomes commenced in May 2023 with the purpose of demonstrating how, as a public sector organisation, the HSCP will mainstream equality work into day-to-day practice. This reporting demonstrates positive progress towards the mainstreaming of the Public Sector Equality Duty (PSED) and the identified Equality Outcomes. A further Equality Mainstreaming and Outcomes report was presented to the IJB in May 2024.

Transformation Plan 2024-2027

The HSCP Transformation Plan for 2024-27 was approved by the IJB in March 2024. This is an ambitious programme of change which consists of a range of improvement and reform projects across all service areas, each aiming to improve the quality of service and contribute to the long-term sustainability of health and care in North Ayrshire. The Transformation Plan links closely to the high-level aspirations which are set out in the Strategic Plan and is mapped to one or more key drivers (savings/overspend reduction, investment, improving quality and safety, and national or local policy).

The Transformation Plan will be overseen by the HSCP Transformation Board who will provide assurance on progress and effectiveness to the IJB.

Membership of IJB

Following the resignation of Bob Martin as the IJB Chair, Councillor Margaret Johnston was appointed as Chair from 1 April 2023. As a result of this, the Chair and Vice Chair positions for the Performance and Audit Committee were rotated with Marc Mazzucco being appointed Chair and Councillor Timothy Billings appointed as Vice Chair of Performance and Audit Committee.

Following the appointment of Joyce White as a member of the NHS Ayrshire & Arran Board, Joyce was appointed as the new non-Executive NHS Ayrshire and Arran member of the IJB and joined

the IJB as Vice Chair on 1 May 2023. Joyce was also appointed as Chair of the Strategic Planning Group.

In February 2024, North Ayrshire Council approved the appointment of Councillor Nairn McDonald to the IJB, replacing Councillor Robert Foster. Councillor McDonald also replaces Councillor Foster on the Performance and Audit Committee.

Chief Officers

Following successful recruitment processes during 2023, Kerry Logan was appointed Head of Service (Health and Community Care), and Elizabeth Stewart was appointed Head of Service (Children, Families and Justice).

Annual Performance Report

The IJB endorsed the Annual Performance Report for 2022/23 at the meeting in August 2023. This report outlined the performance of the Health and Social Care Partnership and how it delivered against the strategic priorities and the national outcomes.

Quarterly performance reports are published on the Partnership's website once they have been reviewed by the Performance and Audit Committee. This supports a commitment to make more performance information accessible and available for public scrutiny.

Workforce Planning and Engagement

The HSCP published its current Workforce Plan (2022-25) in October 2022, in line with Scottish Government timescales.

The Workforce Plan focusses on the five pillars of workforce planning identified by the Scottish Government. From these, the HSCP identified our own local workforce priorities that map directly to the five pillars. They are:

- Understanding our workforce (PLAN).
- Promoting our organisation (ATTRACT).
- Investing in our people (TRAIN).
- Building our Workforce (EMPLOY).
- Growing our people (NURTURE).

The first-year progress report was presented to Performance and Audit Committee in November 2023, where positive progress against the 31 actions within the plan were noted.

The annual iMatter Staff Experience survey took place in June 2023, providing all staff the opportunity to provide feedback on their experiences of working in the Health and Social Care Partnership. Overall iMatter seeks to measure how engaged staff are in the workplace. The response rate for the 2023 survey was 65% which is the highest rate in the last 5 years, in addition the HSCP reported the highest ever employee engagement index score of 81, overall the responses demonstrated a more engaged workforce than in previous years.

Pan Ayrshire Integration Work

The Head of Service (Finance and Transformation) of the North Ayrshire IJB chaired a working group which was re-established with a view to addressing some of the more significant work

required by the proposals made in the Scottish Government Ministerial Steering Group (MSG) review of progress with integration.

The working group includes representatives from NHS Ayrshire and Arran and the three Ayrshire IJBs:

- Directions – directions have been implemented since the beginning of 2023/24 for decisions made by the IJB which impact on the service delivery of the Health Board and/or the Council.
- Joint commissioning plan and set aside budgets – work is being taken forward around the development of a joint commissioning plan by colleagues from NHS Ayrshire and Arran and the three Ayrshire HSCPs. Alongside this, Finance Leads have developed a set aside model to determine the cost of large hospital services which are being used by each of the HSCPs.

In addition, work has commenced locally to review the Integration Scheme, in close liaison with the other Ayrshire HSCPs in order to remain consistent and support the Health Board in working with all IJBs. A number of workstreams have been established, overseen by a programme board which is co-chaired by the chief executives of NHS Ayrshire and Arran and East Ayrshire Council.

Further actions for 2024/25

The IJB has identified the following actions for 2024/25 that will assist with the further strengthening of corporate governance arrangements:

- Develop commissioning plans and associated directions in relation to the acute set-aside resources.
- Support the Local Authorities and NHS Board with the requirement for a Pan Ayrshire Review of the Integration Scheme(s).
- Implement and embed a new approach to Locality engagement through the introduction of 'locality conversations', which will offer local people another way to engage with the Partnership around health and social care services.
- Following the development of the MTFP for 25-26 onwards and the financial challenges anticipated, develop a robust approach to developing service plans and the transformation plan to ensure future financial and service sustainability.
- Given the scale of the financial challenges and volatility of capacity and demand across services, further refine financial monitoring arrangements and ensure robust governance, reporting and development of financial recovery plans where required.
- Embed health and care governance arrangements, ensuring robust arrangements in place across all areas of service with appropriate escalations through formal governance forums, ensuring these reflect the new Health and Care Staffing Act requirements.

Assurance

Subject to the above, and on the basis of the assurances provided, we consider the governance and internal control environment operating during 2023/24 to provide reasonable and objective assurance that any significant risks impacting on the achievement of our actions will be identified and actions taken to avoid or mitigate their impact.

Systems are in place to continually review and improve the governance and internal control environment and action plans are in place to address identified areas for improvement.

The Annual Governance Statement explains how North Ayrshire IJB complies with the Code of Corporate Governance and meets the requirements of the CIPFA / SOLACE Framework 'Delivering Good Governance in Local Government 2016' and the 'Code of Practice for Local Authority Accounting in the UK: A Statement of Recommended Practice', in relation to the Statement on the System of Internal Financial Control. The Annual Governance Statement was approved by the IJB Performance and Audit Committee on 24 June 2024.

Remuneration report

This remuneration report is provided in accordance with the Local Authority Accounts (Scotland) Regulations 2014. It discloses information relating to the remuneration and pension benefits of specified IJB members and staff.

The information in the tables below is subject to external audit. The explanatory text in the Remuneration Report is reviewed by the external auditor to ensure it is consistent with the financial statements.

Remuneration: IJB Chair and Vice Chair

The IJB comprises eight voting members appointed through nomination in equal numbers by NHS Ayrshire and Arran and North Ayrshire Council. A Chair and Vice Chair are appointed in accordance with the Integration Scheme and the Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014. As required in Article 4 of the Order the nomination of the IJB Chair and Vice Chair post holders alternates between a Council and Health Board representative, with the Vice Chair appointment by the constituent authority which did not appoint the Chair.



The IJB does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. There were no taxable expenses paid by the IJB. Therefore, no remuneration disclosures are provided for the Chair or Vice Chair.

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 or Vice Chair.

Remuneration: Senior Officers of the IJB

The IJB does not directly employ any staff in its own right, however specific post-holding officers are non-voting members of the Integration Joint Board.

Chief Officer and Chief Finance Officer

The appointment of an Integration Joint Board Chief Officer is required by section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 which includes the statement “an Integration Joint Board is to appoint, as a member of staff, a chief officer”.

The 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 adheres 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.

As the IJB is constituted as a Local Government body as set out by Section 106 of the Local Government (Scotland) Act 1973, it also requires to appoint an officer responsible for the proper administration of its financial affairs, the Chief Finance Officer (Section 95 Officer).

Other Officers

No other staff are appointed by the IJB under a similar legal regime. Non-voting board members who meet the criteria for disclosure are included in the tables below.

2022-23 Total Remuneration £	Name and Post Title	2023-24 Salary, fees and allowances £	2023-24 Taxable Expenses £	2023-24 Total Remuneration £
121,710	Caroline Cameron, Chief Officer 1/4/23 – 31/3/24 Employing organisation: North Ayrshire Council	129,076	0	129,076
93,413	Paul Doak Chief Finance Officer 1/4/23 – 31/3/24 Employing organisation: North Ayrshire Council	99,067	0	99,067

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 pensions 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 period 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 period to support officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

In Period pension contributions

Officer	2022-23 (£)	2023-24 (£)
Caroline Cameron, Chief Officer and Chief Finance Officer	23,490	24,493
Paul Doak, Chief Finance Officer	18,029	19,120

Accrued pension benefits

Officer	Type of benefit	2022-23 (£)	2023-24 (£)
Caroline Cameron, Chief Officer and Chief Finance Officer	Pension	9,987	13,727
	Lump Sum	0	0
Paul Doak, Chief Finance Officer	Pension	40,865	47,661
	Lump Sum	65,778	69,717

Disclosure by pay bands

As required by the regulations, the following table shows the number of persons whose remuneration for the period was £50,000 or above, in bands of £5,000.

Number of employees in band 2022-23	Remuneration band	Number of employees in band 2023-24
0	£125,000 - £129,999	1
1	£120,000 - £124,999	0
0	£95,000-£99,999	1
1	£90,000 - £94,999	0

Exit packages

There were no exit packages during 2022-23 or 2023-24.

Financial statements

The **Comprehensive Income and Expenditure Statement** shows the cost of providing services for the period according to accepted accounting practices.

2022-23 Restated Exp £000	2022-23 Restated Gross Income £000	2022-23 Restated Net Exp £000	Area of Service	2023-24 Gross Exp £000	2023-24 Gross Income £000	2023-24 Net Exp £000
85,950	0	85,950	Community Care and Health	97,275	0	97,275
33,259	0	33,259	Mental Health	35,764	0	35,764
40,604	0	40,604	Children's Services and Criminal Justice	44,318	0	44,318
51,277	0	51,277	Primary Care	52,863	0	52,863
6,610*	0	6,610*	Management and Support Costs	12,849	0	12,849
1,197	0	1,197	Change Programme	1,236	0	1,236
9,514	0	9,514	Allied Health Professionals	10,098	0	10,098
104,724*	0	104,724*	Lead Partnership and Set Aside	108,607	0	108,607
867	0	867	Chief Social Work Officer	1,317	0	1,317
334,002*	0	334,002*	Cost of Services	364,327	0	364,327
0	(120,549)	(120,549)	North Ayrshire Council Funding	0	(124,933)	(124,933)
0	(200,949)	(200,949)	NHS Ayrshire and Arran Funding	0	(228,176)	(228,176)
0	(321,498)	(321,498)	Total Taxation And Non-Specific Grant Income (note 5)	0	(353,109)	(353,109)
334,002*	(321,498)	12,504*	(Surplus) or Deficit on Provision of Services	364,327	(353,109)	11,218

There are no statutory or presentation 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 annual financial statements.

The **Movement in Reserves Statement** shows the movement in the period on the reserves held by the IJB. The movements which arise due to statutory adjustments which affect the General

Fund balance are separately identified from the movements due to accounting practices. In 2023-24 there were no statutory adjustments. Note 8 to the accounts provides more detail on the movement in reserves.

The 2022-23 audit identified a variance of £0.936 million between total IJB reserves (£17.664 million) and debtor balances due from partners' audited accounts (£16.728 million). This was not corrected in the 2022-23 accounts as further work was required to explore the reasons behind the difference. This has been corrected during 2023-24 and all 2022-23 figures impacted by this are restated and marked with an asterisk* in the Comprehensive Income and Expenditure Statement and the relevant note to the accounts.

Total Reserves 2022-23	Movement in reserves	General Fund – Debt to NAC 2023-24	General Fund 2023-24	Earmarked Reserves 2023-24	Total Reserves 2023-24
29,232	Opening balance as at 1 April	0	5,821	10,907	16,728
(12,504)*	Total Comprehensive Income and Expenditure	0	(5,464)	(5,754)	(11,218)
0	Adjustments between accounting basis and funding basis under regulations	0	0	0	0
(12,504)*	Increase\ (Decrease) in period	0	(5,464)	(5,754)	(11,218)
16,728*	Closing Balance as at 31 March	0	357	5,153	5,510

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

31 March 2023 £000	Balance Sheet Description	Notes	31 March 2024 £000
16,728	Short Term Debtors	6	5,510
0	Long Term Creditors	7	0
16,728	Net Assets		5,510
16,728	Usable Reserve: General Fund	8	5,510
16,728	Total Reserves		5,510

The Statement of Accounts present a true and fair view of the financial position of the Integration Joint Board as at 31 March 2024 and its income and expenditure for the period then ended.

The unaudited financial statements were authorised for issue on 24 June 2024.

A handwritten signature in black ink that reads "Paul K. Doak". The signature is written in a cursive style with a long horizontal stroke at the end.

Paul Doak CPFA, Chief Finance Officer, 24 June 2024.

Notes to the financial statements

Note 1 – Significant Accounting Policies

General principles

The Financial Statements summarise the authority's transactions for the 2023-24 financial period and its position at the period-end as at 31 March 2024.

The North Ayrshire 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.

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023-24, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

The accounts are prepared on the going concern basis, which provides that the entity will continue in operational existence for a minimum of 12 months from the date of these accounts. In accordance with the Code, the going concern concept will apply as there is the assumed continuation of service provision into the future.

The historical cost convention has been adopted.

Accruals of expenditure and income

Activity is accounted for in the period 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 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.

For the Integration Joint Board financial statements, a debtor and/or creditor will be recorded where the partner contributions differ from the actual net expenditure in period, this allows any surplus or deficit on the provision of services to be transferred to the reserves held by the Integration Joint Board.

Funding

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

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 on the IJB's Balance Sheet.

Employee benefits

The IJB does not directly employ staff. Staff 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 and a Chief Finance 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 and Chief Finance Officer's absence entitlement at 31 March is accrued, for example in relation to annual leave earned but not yet taken.

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 is disclosed in a note where it is material.

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.

Reserves

The Integration Joint Board'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 shows the extent of resources which the IJB can use in later years to support service provision.

Indemnity insurance

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Ayrshire and Arran and North Ayrshire Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide.

Unlike NHS Ayrshire and Arran, the IJB does not have any 'shared risk' exposure from participation in CNORIS (Clinical Negligence and Other Risks Indemnity Scheme). The IJB participation in the CNORIS scheme is therefore equivalent to normal insurance arrangements.

Known claims are assessed as to the value and probability of settlement. Where it is material the overall expected value of known claims taking probability of settlement into consideration, is provided for in the IJB's Balance Sheet.

The likelihood of receipt of an insurance settlement to cover any claims is separately assessed and, where material, presented as either a debtor or disclosed as a contingent asset.

VAT Status

The IJB is a non-taxable body and does not charge or recover VAT on its functions.

Note 2 – Critical Judgements and Estimation Uncertainty

The critical judgements include:

- On behalf of all IJBs within the NHS Ayrshire and Arran area, the IJB acts as the lead partner for Mental Health Services. It commissions services on behalf of the three Ayrshire IJBs and reclaims the costs involved. This arrangement is treated as an agency arrangement. In the absence of an alternative agreement or approach being outlined in the Integration Scheme, the recharges across the partnerships for lead services are based on an NRAC share of costs, this may not reflect the actual cost of delivering services to the population in the three areas.
- In applying the accounting policies, the IJB has had to make a critical judgement relating to the values included for Set Aside services. The Set Aside figure included in the IJB accounts is the baseline at 2022-23 prices as the 2023-24 actual usage is not known until after the IJB date. As such, the Set Aside sum included in the accounts will not reflect the true cost of actual hospital usage in 2023-24.

There are no material estimation uncertainties included within the Financial Statements.

Note 3 – Events after the Reporting Period

The audited annual financial statements will be authorised for issue by the Chief Finance Officer on 10 October 2024. Events taking place after this date are not reflected in the financial statements or notes.

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period - the financial statements are adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the financial statements are not adjusted to reflect for such events, but where a category of events would have a material impact disclosure is made in the notes of the nature of the events and their estimated financial effect.

There are no such events to report for 2023-24.

Note 4 – Expenditure and Income Analysis by Nature

2022-23 £000s	Description	2023-24 £000s
144,407*	Services commissioned from North Ayrshire Council	158,982
189,564*	Services commissioned from NHS Ayrshire and Arran	205,312
31	Auditor Fee: External Audit Work	33
(321,498)	Partners Funding Contributions and Non-Specific Grant Income	(353,109)
12,504*	(Surplus) / deficit on the Provision of Services	11,218

Note 5 - Taxation and Non-Specific Grant Income

2022-23 £000's	Description	2023-24 £000's
(120,549)	Funding Contribution from North Ayrshire Council	(124,933)
(200,949)	Funding Contribution from NHS Ayrshire and Arran	(228,176)
(321,498)	Taxation and Non-specific Grant Income	(353,109)

The funding contributions from the partners shown above exclude any funding which is ring-fenced for the provision of specific services. Such ring-fenced funding is presented as income in the Cost of Services in the Comprehensive Income and Expenditure Statement. There was no ring-fenced funding in 2022-23 or 2023-24.

The funding contribution from NHS Ayrshire and Arran shown above includes £35.008m (2022-23 £32.237m) 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.

Note 6 – Debtors

31 March 2023 £000's	Description	31 March 2024 £000's
13,855*	North Ayrshire Council	5,363
2,873	NHS Ayrshire and Arran	147
16,728*	Total Debtors	5,510

Amounts due from to the funding partners are stated on a net basis. Debtor and Creditor balances recognised by the funding partners but not yet settled in cash terms are offset against the funds they are holding on behalf of the Integration Joint Board.

Note 7 – Creditors

31 March 2023 £000's	Description	31 March 2024 £000's
0	North Ayrshire Council	0
0	NHS Ayrshire and Arran	0
0	Total Creditors	0

Amounts owed to the funding partners are stated on a net basis. Debtor and Creditor balances recognised by the funding partners but not yet settled in cash terms are offset against the funds they are holding on behalf of the Integration Joint Board.

This position is summarised below:

Funding Partner	(Surplus) or Deficit on provision of services £000's	Movement in Reserves £000's	Uncommitted Surplus (funds which are not earmarked for specific purposes) £000's
North Ayrshire Council	9,036	(9,509)	(473)
NHS Ayrshire and Arran	2,182	(1,352)	830
Total	11,218	(10,861)	357

Note 8 – Usable Reserve: General Fund

The IJB holds a balance on the General Fund which will normally comprise one of three elements:

- As a working balance to help cushion the impact of uneven cash flows.
- As a contingency to manage the impact of unexpected events or emergencies.
- As a means of building up funds, often referred to as earmarked reserve, to meet known or predicted liabilities.

The table below shows the movements on the General Fund balance, analysed between those elements earmarked for specific planned expenditure and the amount held in unallocated reserves.

The 'free' general fund balance of £0.357m is proposed to be held as a contingency balance, this equates to around 0.1% of the IJB budget for 2024-25 which is below the target level of a contingency reserve of between 2% and 4%.

Transfers Out 2022-23	Transfers In 2022-23	Balance at 31 March 2023	Area of Reserves	Transfers Out 2023-24	Transfers In 2023-24	Balance at 31 March 2024
Earmarked Funds						
(890)	715	715	: Alcohol & Drug Partnership	(715)	641	641
(511)	125	125	: Mental Health Action 15	(125)	57	57
(1,856)	(157)*	(157)*	: Primary Care Improvement Fund	157	0	0
0	1,719	2,219	: Service Redesign / Challenge Fund	(445)	0	1,774
0	0	513	: Community Living Change Fund	(136)	0	377
(13,321)	76	76	: Covid19 Funding	(76)	0	0
(145)	0	0	: Neighbourhood Networks	0	0	0
(41)	0	0	: Mental Health Officer Development Grant	0	0	0
0	0	71	: NAC Recovery and Renewal – Mental Health Element	(71)	0	0
(5)	0	0	: Joint Equipment	0	0	0
(40)	0	0	: Nethermains Adaptations	0	0	0
(50)	0	0	: Supported Accommodation	0	0	0
0	300	300	: West Road	(300)	0	0

Transfers Out 2022-23	Transfers In 2022-23	Balance at 31 March 2023	Area of Reserves	Transfers Out 2023-24	Transfers In 2023-24	Balance at 31 March 2024
(127)	0	1,065	: Care at Home Capacity	(1,065)	0	0
(310)	(152)*	584*	: Interim Care	(584)	0	0
0	0	50	: Trauma Training	(50)	0	0
(48)	0	0	: Trauma Trainer	0	0	0
(106)	804	804	: Family Wellbeing Fund	(804)	1,313	1,313
(31)	0	34	: Perinatal MH Nurse	(34)	0	0
(11)	0	0	: Unaccompanied Asylum-Seeking Children	0	0	0
0	0	0	: Wellbeing Fund	0	50	50
(644)	644	644	: Multi-Disciplinary Teams	(644)	0	0
0	0	0	: Breast Feeding Network	0	26	26
(144)	0	0	: Health Care Support Workers	0	0	0
(2,057)	1,170	1,170	: MH Recovery and Renewal	(1,170)	546	546
(4)	0	0	: Medical photography	0	0	0
(28)	0	0	: Data Sims	0	0	0
(56)	0	0	: School Nursing	0	0	0
(109)	168	168	: Buvidal	(168)	23	23
(51)	0	0	: AHP Winter Funding	0	0	0
(86)	0	0	: Perinatal and Infant Mental Health	0	0	0
0	0	0	: Brooksby	0	5	5
(18)	18	18	: Cossette Funding	(18)	4	4
(78)	0	0	: Replacement Mattress Programme	0	0	0
(55)*	55*	55	: Expansion of Primary Care Estates	(55)	55	55
(81)*	71*	71	: GP Premises Improvements - tranches 1 and 2	(71)	63	63
(40)*	80*	80	: Mental Health Wellbeing in Primary Care	(80)	81	81
(265)*	101*	101	: Dental Practice Improvement	(101)	29	29
0	13	13	: Childsmile	(13)	0	0
0	0	0	: Appropriate Adult Scheme	0	2	2
0	0	0	: Adult Tier 3 Weight Management Service	0	19	19
0	0	0	: Phlebotomy	0	22	22
(128)*	42*	42	: Dental Winter Preparedness	(42)	0	0
0	146	146	: LD Health Checks	(126)	46	66
0	2,000	2,000	: 23-24 Budget Support	(2,000)	0	0
(21,336)*	7,938	10,907*	Total Earmarked	(8,736)	2,982	5,153
2,321	0	0	Outstanding Debt	0	0	0
(1,427)*	0	5,821*	Unallocated General Fund	(5,464)	-	357
(20,442)*	7,938	16,728*	General Fund	(14,200)	2,982	5,510

Note 9 – Agency Income and Expenditure

On behalf of all IJBs within the NHS Ayrshire and Arran area, the IJB acts as the lead manager for Mental Health Services. It commissions services on behalf of the other IJBs and reclaims the costs

involved. The payments that are made on behalf of the other IJBs, and the consequential reimbursement, are not included in the Comprehensive Income and Expenditure Statement (CIES) since the IJB is not acting as principal in these transactions.

The amount of expenditure and income relating to the agency arrangement is shown below.

2022-23 £000	Description	2023-24 £000
33,462	Expenditure on Agency Service – Lead Partnership	39,490
880	Expenditure on PPE and Test Kits from National Services Scotland	0
34,342	TOTAL AGENCY EXPENDITURE	39,490
(33,462)	Reimbursement for Agency Service – Lead Partnership	(39,490)
(880)	Reimbursement for PPE from National Services Scotland	0
(34,342)	TOTAL AGENCY INCOME	(39,490)
0	Net Agency Expenditure Excluded from the CIES	0

Note 10 – Related Party Transactions

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

2022-23 £000	Transactions with NHS Ayrshire and Arran	2023-24 £000
(200,949)	Funding Contributions received from NHS Board	(228,176)
0	Service Income received from NHS Board	0
189,519*	Expenditure on Services Provided by NHS Board	205,264
61	Key Management Personnel: Non-Voting Board Members	65
0	Support Services	0
(11,369)*	Net Transactions with NHS Board	(22,847)

31 March 2023 £000	Balances with NHS Ayrshire and Arran	31 March 2024 £000
2,873	Debtor Balances: Amounts due from NHS Board	147
0	Creditor Balances: Amounts due to NHS Board	0
2,873	Net Balances with NHS Board	147

2022-23 £000	Transactions with North Ayrshire Council	2023-24 £000
(120,549)	Funding Contributions received from the Council	(124,933)

2022-23 £000	Transactions with North Ayrshire Council	2023-24 £000
0	Service Income received from the Council	0
144,361*	Expenditure on Services Provided by the Council	158,934
61	Key Management Personnel: Non-Voting Board Members	64
0	Support Services	0
23,873*	Net Transactions with the Council	34,065

31 March 2023 £000	Balances with North Ayrshire Council	31 March 2024 £000
13,855*	Debtor Balances: Amounts due from the Council	5,363
0	Creditor Balances: Amounts due to the Council	0
13,855*	Net Balances with the Council	5,363

There are key management personnel employed by NHS Ayrshire and Arran and North Ayrshire Council; these costs are included in the expenditure on services provided. The non-voting Board members employed by the Council and Health Board include the Chief Officer, Chief Finance Officer, Chief Social Work Officer, representatives of primary care, nursing and non-primary care services; and a staff representative. Details of the remuneration for some specific post-holders is provided in the Remuneration Report.

Support services were not delegated to the Integration Joint Board through the Integration Scheme and are instead provided by NHS Ayrshire and Arran and North Ayrshire Council free of charge as 'services in kind.' These include services such as financial management, human resources, legal services, committee services, ICT, payroll, internal audit and accommodation.

Note 11 – VAT

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

The VAT treatment of expenditure in the IJB's financial statements depends on which of the partner agencies is providing the service as these agencies are treated differently for VAT purposes.

Where the Council is the provider, income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to H.M. Revenue and Customs and all VAT paid is recoverable from it. The Council is not entitled to fully recover VAT paid on a very limited number of items of expenditure and for these items the cost of VAT paid is included within service expenditure to the extent that it is irrecoverable from H.M. Revenue and Customs.

Where the NHS is the provider, expenditure incurred will include irrecoverable VAT as generally the NHS cannot recover VAT paid as input tax and will seek to recover its full cost as income from the Commissioning IJB.

Note 12 – Accounting Standards Issued Not Yet Adopted

The Code requires the disclosure of information about accounting changes that will be required by new accounting standards that have been issued, but not yet adopted. At the date of

authorisation of these financial statements, the IJB has not applied the following new and revised IFRS Standards that have been issued, but are not yet effective:

: IFRS 16 Leases

: IAS 1 Presentation of Financial Statements

: IAS 12 Income Taxes

: IAS 7 Statement of Cash Flows & IFRS 7 Financial Instruments Disclosures

Adoption of the Standards listed above will not impact on the 2023/24 Annual Accounts and it is not anticipated that the adoption of the Standards will have a material impact on the financial statements in future periods.

Independent auditor's report

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Glossary of Terms

While the terminology used in this report is intended to be self-explanatory, it may be useful to provide additional definition and interpretation of the terms used.

Accounting Period

The period of time covered by the Accounts normally a period of twelve months commencing on 1 April each year. The end of the accounting period is the Balance Sheet date.

Accruals

The concept that income and expenditure are recognised as they are earned or incurred not as money is received or paid.

Balance Sheet

A statement of the recorded assets, liabilities and other balances at the end of the accounting period.

CIPFA

The Chartered Institute of Public Finance and Accountancy.

Consistency

The concept that the accounting treatment of like terms within an accounting period and from one period to the next is the same.

CNORIS

The Clinical Negligence and Other Risks Indemnity Scheme

COSLA

Convention of Scottish Local Authorities

Creditor

Amounts owed by the IJB for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

Debtor

Amount owed to the IJB for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

Entity

A body corporate, partnership, trust, unincorporated association or statutory body that is delivering a service or carrying on a trade or business with or without a view to profit. It should have a separate legal personality and is legally required to prepare its own single entity accounts.

IFRS

International Financial Reporting Standards.

ISA

International Standard on Auditing

ISD

Information Services Division Scotland

LASAAC

Local Authority (Scotland) Accounts Advisory Committee

Liability

A liability is where the IJB owes payment to an individual or another organisation. A current liability is an amount which will become payable or could be called in within the next accounting period e.g. creditors or cash overdrawn. A non-current liability is an amount which by arrangement is payable beyond the next year at some point in the future or will be paid off by an annual sum over a period of time.

NRAC

NHS Scotland Resource Allocation Committee (Scottish NHS resource allocation formula)

Post Balance Sheet Events

Post Balance Sheet events are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Annual Accounts are authorised for issue.

Provisions

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

Related Parties

Bodies or individuals that have the potential to control or influence the IJB or to be controlled or influenced by the IJB. For the IJB's purposes, related parties are deemed to include voting members, the Chief Officer and their close family and household members.

Remuneration

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as these sums are chargeable to UK income tax) and the monetary value of any other benefits received other than in cash.

Reserves

The accumulation of surpluses, deficits and appropriation over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the IJB.

Revenue Expenditure

The day-to-day expenses of providing services.

Significant Interest

The reporting authority is actively involved and is influential in the direction of an entity through its participation in policy decisions.

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