



south ayrshire
health & social care
partnership

Integration Joint Board Annual Report and Accounts 2022-23



Contents

Management Commentary	03
Statement of Responsibilities	32
Annual Governance Statement	34
Remuneration Report	40
Financial Statements	43
Comprehensive Income and Expenditure Statement	43
Movement in Reserves Statement.....	43
Balance Sheet	45
Notes to the Financial Statements	46
Note 1 – Significant Accounting Policies	46
Note 2 – Critical Judgements and Estimation Uncertainty	47
Note 3 – Events After the Reporting Period	48
Note 4 – Expenditure and Income Analysis by Nature	49
Note 5 – Taxation and Non-Specific Grant Income	49
Note 6 – Debtors	50
Note 7 – Creditors	50
Note 8 – Usable Reserve: General Fund	50
Note 9 – Agency Income and Expenditure	52
Note 10 – Related Party Transactions.....	53
Note 11 – VAT	55
Note 12 – Accounting Standards issued not yet adopted.....	56
Glossary of Terms.....	57
Independent Auditors Report	60

Management Commentary

Introduction

This publication contains the financial statements of South Ayrshire Integration Joint Board ('the IJB') for the year ended 31 March 2023. The Management Commentary outlines the key messages in relation to the IJB's financial planning and performance for the year 2022-23 and how this has supported delivery of the IJB's strategic priorities. This commentary also looks forward, outlining the IJB's future financial plans and the challenges and risks which we are facing from the cost of living crisis and increase in demand from an ageing population. We will engage further with communities and families to build resilience and a partnership approach to health and wellbeing.

South Ayrshire Health and Social Care Partnership ("SAHSCP/the Partnership") is the name given to the service delivery organisation for functions which have been delegated to the IJB as defined in the Integration Scheme. The IJB is a separate legal entity in its own right and is responsible for planning and overseeing the delivery of a full range of community health and social care services. The IJB is responsible for allocating the integrated revenue budget for health and social care in accordance with the Strategic Plan priorities and oversees the service delivery for functions delegated to both South Ayrshire Council and the Health Board.

Our current [Strategic Plan](#) covers the period 2021-2031, is a ten year vision for integrated health and social care services which sets out our objectives and how we will use our resources to integrate services in pursuit of national and local outcomes.

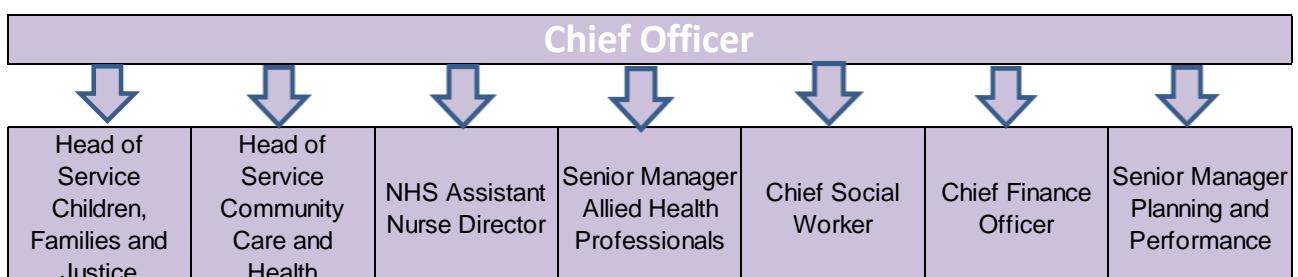
Our Partnership vision is:

"Empowering our communities to start well, live well and age well."

We have developed a 'South Ayrshire's Wellbeing Pledge' reflecting the notion of two parties (public services and the community) contributing to a common goal. The Pledge will look to build on the amazing resilience, spirit and mutual support our communities have displayed throughout the Covid pandemic.

The IJB Strategic Plan is supported by service plans and transformation and improvement plans. These plans provide greater detail on how the services will deliver on the strategic priorities and the resources required to achieve this. The Chief Officer is responsible for the operational and strategic management of the integrated services. The Chief Officer is supported by Heads of Service in specific service areas and the directorate management team.

During the previous financial year both the Chief Social Work Officer and the Senior Manager Planning and Performance left the HSCP, these roles have now been replaced with staff formally appointed to both roles in June 22. The Senior Manager for Allied Health Professionals retired in Jan 23 and the role appointed to in April 23.



Strategic Plan 2021-2031

The strategic planning period sets out strategic objectives with a ten-year outlook and was accompanied by an 18-month Bridging Operational Plan to December 2022. This was reflective of the current uncertainty within health and social care services caused by the global pandemic as well as anticipated changes in the policy landscape, and the introduction of a National Care Service.

The overarching aim of the Partnership is to work together with the citizens of South Ayrshire to improve health and wellbeing and support communities to be resourceful and supportive of family, friends and neighbours. To achieve this aim, we work together with our partner organisations (including the third and independent sectors) to enable citizens to take control and take responsibility of their own health and wellbeing, recognising that ultimately, most people do not want to have to reach our services.

To deliver on our objectives we will build further on the integrated working of our health and social care teams while strengthening our partnership working with South Ayrshire Council, NHS Ayrshire & Arran, wider Community Planning Partners and our vital Third and Independent Sector. We aim to make the best collective use of our resources for the wellbeing of our communities. The Plan sets out our vision for a new partnership with communities and individuals so we can work together to achieve the best possible outcomes for the people of South Ayrshire.

We have identified seven strategic objectives that lead us to improve outcomes over the next ten years. These strategic objectives will drive services provided and commissioned by the partnership and are based on the engagement conversations we have had with our partners and the community, as well as reflecting existing commitments across the Council, the NHS and the Community Planning Partnership.

- **We focus on early intervention and talking inequality;**
- **We nurture and are part of communities that care for each other;**
- **We work together to give you the right care in the right place;**
- **We help to build communities where people are safe;**
- **We are an ambitious and effective partnership;**
- **We are transparent and listen to you; and**
- **We make a positive impact beyond the services we deliver.**

The IJB's focus this year has been on recovering from the pandemic and responding to recruitment and retention challenges, as well as dealing with the cost of living crisis. Progress against the 18-month Bridging Operational Plan includes the creation of the Wellbeing Pledge Board whose main role is to allocate funding to groups in the community focussing on building resilience and supporting wellbeing in local communities.

South Ayrshire Demographics

LOCALITIES

To make informed decisions about our strategic planning and commissioning, we need to fully understand our community which can be done using a range of population data as well as our own local intelligence. From the data, it is clear that South Ayrshire faces particular challenges of inequality and community vulnerability and we are determined to target our services at these challenges using the resources we have at our disposal.

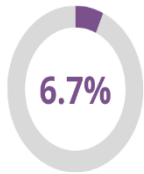
South Ayrshire is split into six localities:

- Ayr North and Former Coalfield Communities
- Ayr South and Coylton
- Girvan and South Carrick Villages
- Maybole and North Carrick Villages
- Prestwick and Villages
- Troon and Villages

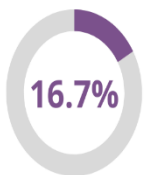
The purpose of planning by locality is to ensure services are delivered in local communities according to their specific need. Locality Planning Partnerships are established in each locality with their own priorities for the local area. To support the assessment of need and decision making on local services, profiles for each locality are produced.



INEQUALITIES



In March 2021, **6.7%** of the over 16 population in Ayr North were unemployed compared to only **1.7%** in Prestwick.



16.7% (18,779 people) of South Ayrshire's population live in the **20%** most overall deprived datazones in 2021.



23% of South Ayrshire's children live in poverty. (after housing costs)



In 2021, the average life expectancy for males in Ayr North is **72.5** years compared to **79.3** for males who live in Troon



23% of South Ayrshire's mothers exclusively breastfeed compared to **32%** in Scotland as a whole.

Each locality has its own unique strengths and assets, as well as its own challenges.

Severe deprivation continues to be concentrated around the Wallacetown, Ayr North, Lochside, Whitletts, Dalmilling areas with Girvan, Barassie, Craigie, Kincaidston, Ayr Town Centre and Maybole also suffering deprivation.

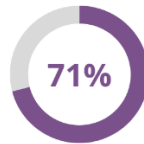
By reducing inequalities, deprivation and the impact of poverty, we can make a long-term improvement to the health and wellbeing of local people.

AGEING POPULATION

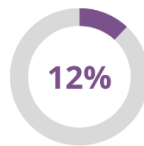
Older people are valued members of our community and contribute so much to the care of our children and families. South Ayrshire has a significantly higher proportion of older people than East and North Ayrshire.

We need to ensure that we are supporting people as they grow older to live as independently and as full a life as they can.

The HSCP needs to consider the population to ensure health and care services are equipped and able to support our ageing citizens to achieve their personal outcomes as well as supporting our unpaid carers.



The dependency ratio in South Ayrshire (the ratio of people aged 0-15 and 65+ compared to those aged 16-65) was **71%** in 2021, which is higher than both East and North Ayrshire (61% and 66%).



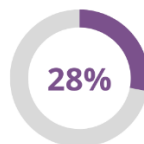
In 2021, **12%** (13,472) of South Ayrshire's population were aged 75 and over. This is a higher proportion than both East and North Ayrshire (9.1% and 10.2% respectively)



Life expectancy is expected to increase from **80.4** years in 2018 to **81.2** years in 2030.



At the Scotland Census 2011, **11,709** people in South Ayrshire identified themselves as a carer. This number includes both adult and young carers.



In the 2016 South Ayrshire 1000 Quality of Life Survey, **28%** of respondents said that they provided unpaid care in the last 12 months.

BALANCE OF CARE

'Shifting the balance of care' is an objective for all of our services and for everyone we support: from childhood to old age.

Time spent in hospital when medically fit is an unnecessary risk to health and welfare, involving risks such as hospital acquired infection and loss of mobility.

In children's services our ambition is to keep South Ayrshire's children in South Ayrshire and with and within families where possible.



In 2021-22, the rate of delayed discharge bed days in South Ayrshire (**72,870** per 100,000 population aged over 65) was greater than that of Scotland (**40,774** per 100,000 population aged over 65)



In 2021-22, the rate of potentially preventable admissions to hospital was higher in South Ayrshire (**2,229** per 100,000) than Scotland (**1,464** per 100,000)



MENTAL HEALTH AND WELLBEING

The Covid pandemic has impacted on people's mental health and wellbeing. Evidence is increasing that the Covid pandemic has affected the mental health of sections of the population differently, depending on their circumstances.

The pandemic has widened mental health inequalities, with the groups that had the poorest mental health pre-crisis also having had the largest deterioration in mental health during lockdown.

A national study published in The Lancet in October 2020 found that being young, a woman, and living with children, especially pre school age children, have had a particularly strong influence on the extent to which mental distress increased under the conditions of the pandemic.

Mental Health and Wellbeing

Mental wellbeing has close ties with people's lifestyles and behaviors.

Financial security, employment and location are influences that often have a bearing on these choices. Issues can develop when alcohol, smoking or drug use shape lives.



In 2020-21, 22% of people were prescribed medication for anxiety, depression or psychosis in South Ayrshire which is higher than the Scottish average of 19%.



In 2020-21, 27% of people in Ayr North and Former Coalfield Locality were prescribed medication for anxiety, depression or psychosis compared with 19% of people in the Troon Locality.



In 2020-21, the rate of alcohol related hospital admissions in Ayr North (1,295 per 100,000) was more than double that in Troon Locality (538,1 per 100,000).

Key Messages and Operational Highlights for 2022-23

The health and social care partnership has had another challenging year in recovering from the pandemic and dealing with wider system pressures that have emerged over the course of the last year. Workforce and capacity challenges have been key areas of concern during the year and the most significant risk to providing the best service possible. In particular, during the year our partners in the independent care sector saw increasing challenges in recruiting and retaining staff. As a consequence we saw an increase in our Delayed Transfers of Care which rose steeply during the latter part of 2022. We have worked to increase capacity and embed new models to deal with demand and will continue to do so in 2023-24.

Despite the challenges, we continued to work towards our commitments in the strategic plan, building relationships with key partners, taking time to review current services and implement new models of working. We have also invested in training the workforce to expand our front line workforce, rolled out quality improvement skills training to embed a culture of continuous improvement and provided leadership and management training to relevant staff.

During the year teams have developed and implemented new models of service delivery to meet demand for care in the community and reduce levels of delayed transfers of care. This included opening Racecourse Road Intermediate Care project, utilising the third floor of our existing care home to facilitate hospital discharge by providing a reablement service in a care home setting to reduce the level of care need for care services on returning home. In recognition of people in the community awaiting care at home services, a team was set up called the Re-ablement Unmet Need Assessment Team (RUNAT) to provide targeted care to these people offering reablement support and ultimately reducing the level of care needs. Our care at home team have also stepped up recruitment activity and since Jan 23 we have seen a positive increase in numbers of employees increasing.

The Learning Disability Strategy “Live Your Best Life” was launched in June 2022, the strategy was developed in collaboration with the League of Champions a group of people with learning disabilities, carers and their partners, who champion the rights for people living with a learning disability. Last summer we saw the opening of the Suzie’s Place, a day service for people with a Learning Disability at Arrol Park. We continue to develop supported living projects for people with a Learning Disability and our 3rd core and cluster accommodation will be ready for people to move in during 2023-24. This will provide ten tenancies and one respite flat in Ayr town centre, the care and support will be commissioned from the independent sector.

Following a review of Mental Health Officer (MHO) services during 2022, a new Statutory MHO team was established in June 2022, this was set up to meet demand and also provide capacity, as previously MHO tasks were undertaken on a part time basis within existing roles. The team also included improvements to practice and implemented changes in legislation. To date there has been a significant improvement in time taken to complete reports and minimal hospital delays related to adults with incapacity.

In 2021-22 we undertook a review of Adult Social Work Services. In parallel, a review of Community Nursing Services, led by East Partnership, also took place. Both reports made a number of recommendations for changes in the leadership and organisational structure for these vital community services. Proposals for the development of new locality teams incorporating the recommendations of both reports were approved by the IJB and South Ayrshire Council in 2022. The proposals aim to strengthen professional leadership and service quality while enabling closer working with primary care and much fuller engagement with local communities. The full establishment of the new arrangements will take place during 2023-24.

Children Families and Justice Services have been tremendous achievements across a range of services. The Belmont Family First team, located in the school provides an early and prevention focussed approach to support families and children. The dedication and kindness provided by the team, working closely with their Education colleagues, has made an enormous difference to the experience of young people at the school. From a position where Belmont saw a significant number of young people needing to be accommodated there has been a complete turnaround with reductions in numbers of children accommodated and this is reflected in the financial performance.

A consequence of a reduction in workforce capacity and lower levels of looked after and accommodated children, resulted in financial projections highlighting significant underspends. The Scottish Government announced additional funding allocations for both Local Authorities and Health Boards to meet the additional cost of the agreed pay awards for health and social care staff. Both South Ayrshire Council and NHS Ayrshire and Arran made the decision to not pass through the additional pay uplift on the basis that would exacerbate further our underspends, and would not be the best use of public funds. This decision was accepted by the IJB on the basis that this did not set a precedent in future years, when staffing levels are at their optimum and no underspends are projected.

Over the course of the year we have continued to move forwards in meeting our strategic priorities, as reflected in the sections below.

We focus on prevention and tackling inequality

Due to the demographics in South Ayrshire, there are significant numbers of people living with frailty, this includes reduced mobility and falls, reduced appetite, reduced muscle strength and mental health decline. These symptoms can lead to greater risk of needing health and care services and lead to hospital admission. Investment of £0.143m was made in the occupational therapy led early intervention Frailty Service (Staying Ahead of the Curve) this has allowed the establishment of two teams to focus on preventative interventions with those experiencing frailty. This has enabled the service to cover 12 out of 18 GP practices in South Ayrshire. Early performance indicators highlight that following intervention frailty levels have reduced, supporting people to remain as independent as possible for longer in the community.

Through the year the demand for care at home has been greater than capacity due to a number of factors such as an ageing population and self-isolation leading to people being deconditioned. Capacity in the marketplace has reduced by 23%, or 2,788 hours from March 2022 to March 2023, due to workforce recruitment and retention issues. In May 22 unmet need data highlighted there was 159 South Ayrshire residents assessed as requiring a total of 1,356 hours of care in the community. The Reablement service implemented the Reablement Unmet Need Assessment Team (RUNAT) consisting of 4 Occupational Therapy Assistants at an annual cost of £0.150m. The purpose of the team was to focus on the people currently assessed as needing care but this was unable to be sourced. The purpose of the team was to ensure needs did not deteriorate by providing a reablement approach and reviewing alternatives to support the person at home eg. telecare, third sector and community support.

A short life working group was set up to explore the development of microenterprise providers to provide social care support. Working in collaboration with Ayrshire Independent Living Network (AILN) and Ayrshire Building Enterprising Activity in the Third Sector (BEATS), a proposal was developed to establish a pilot to support local people set up small enterprises that offer care based support services for older and disabled people that provide personal, flexible and responsive support and care and offer an alternative to more traditional services. Investment of £0.053m was made in the pilot and as at February 2023, five microenterprises have been set up offering a range of services

such as holistic therapy to help people living with chronic pain, depression or anxiety, social care support including respite, assistance with meals, light household tasks, social activities, advocacy and companionship.

In recognition of the cost of living crisis, training was provided by the Council's Information and Advice hub on benefits and welfare advice to all HSCP employees, this training was mandatory to ensure all employees had an awareness of benefits available and were able to signpost people who contacted health and social care to the information and advice hub to receive support. Data was reviewed in August 22 and highlighted 208 referrals had been made in three month period from 1st June 22 to 31st Aug 22, compared to 112 referrals for the same period in 2021.

We nurture and are part of communities that care for each other

This financial year the Wellbeing Pledge funding of £0.100m was allocated to each of the six locality planning groups and added to their original small grant allocation. Each of the six localities had an annual budget of £0.021m, this funding was for local groups to apply for grants up to and not exceeding £1,000. The spirit of the funding was to allow smaller grass roots organisations to access modest amounts of money to support local projects. Funding applications were received and assessed on their contribution to the local planning partnership priorities. Each locality has different priorities based on their local needs. This year each locality added a new priority to support groups with cost of living crisis including fuel poverty.

Voluntary Action South Ayrshire (VASA) our third sector partner created a free leaflet "South Ayrshire's Lifeline" providing valuable information to every household on where to get support during the cost of living crisis, as well as fire safety and energy saving tips. VASA also set up "cosy spaces" providing warm, welcoming spaces in local communities where people can go for a cuppa and some company. This was funded from Scottish Government grants distributed via VASA enabling organisations to keep their halls open over the winter months,

The creation of a dedicated Young Carers Officer has provided resource to take forward actions identified in the Young Carers Strategy 2021-2026, with six actions completed, 33 on target and one showing some concerns. Achievements during this year include raising awareness of who a young carer is and support available within South Ayrshire, recognition of a Young Carers Champion in most schools, this ensures each school has a person that young people can approach for support relating to caring responsibilities, development of guidance and young carers statements and delivery of training to Ayrshire college staff. The highlight of the year was the "Night at the Oscars" an event held in Ayr Town Hall, in partnership with HSCP, South Ayrshire Council's Thriving Communities Team and The Iris. A group of young carers wrote, produced and acted in a film called "The Weekend" telling the story of how three young carers are impacted by their caring roles in different ways over one weekend. The film is now being used to raise awareness in secondary schools in South Ayrshire, helping young people to self-identify if they are caring for someone whilst also improving peer understanding.

We work together to give you the right care in the right place

In the 2022-23 budget the IJB invested £0.384m in the acute Hospital at Home service, to provide an alternative to hospital admission, offering short term targeted acute care to individuals in their own home or homely setting. The team of 13 staff includes geriatricians, Advanced Clinical Practitioners and Associate Practitioners. Patients within south and east Ayrshire are cared for in

their own homes receiving a variety of treatments for often complex issues resulting from multiple morbidities and acute illness. The team provide support to 12 virtual beds, with the plan to incrementally increase to 28 by August 2023. During the period Sep 22 to Dec 22, on average 25 patients are supported each month with an estimated 169 bed days saved as a result.

Following a review of Mental Health Services, a statutory Mental Health team was established with £0.220m of investment, the team are based at Ayr Hospital and ensure timely action is taken in assessments reducing the length of time and numbers of delayed transfers of care arising from incapacity.

During 2022-23 development work was progressed to improve smoother pathways for children transitioning to adult services. Investment in a Senior Practitioner was key to lead this development and implement a young people in transition protocol to provide information to young people and their families to support them with transition planning, promoting best practice and ensuring a consistent approach for professionals to achieve the best possible outcomes as children move into adult life.

We help to build communities where people are safe

A settlement hub has been implemented to provide support for Unaccompanied Asylum Seeking Children The Hub provides a practical multi-service approach to welcoming young people arriving in South Ayrshire and to ensure appropriate support and resources are identified to meet their needs. The Settlement Hub is multi-disciplinary led and membership includes representation across South Ayrshire Council Services and the Health and Social Care Partnership. The Children are supported by five inhouse foster carers, our own residential children's house and housing support accommodation in Ayr.

This year a Multi-Agency Risk Assessment Conference (MARAC) has been established, to support those who have experienced domestic abuse. This involves South Ayrshire Council, Ayrshire and Arran National Health Service Ayrshire, Woman's Aid, ASSIST and the police working together to ensure that individuals who are vulnerable to or have experienced domestic abuse are offered the relevant support and safeguard those most vulnerable.

South Ayrshire HSCP Children's, Health, Care and Justice received training from the Safe & Together Institute this included training for social workers and health visitors, Women's Aid, Police and Education. The Safe and Together training developed professional skills to work holistically and in collaboration in the realm of domestic abuse that keep children safe and together with their non-offending parent. The model includes a suite of tools and interventions to ensure the safety and well-being of children where domestic abuse is a child protection concern and looks to keep the child with the non-offending parent and work with the perpetrator to reduce risk and harm to the child.

We are an ambitious and effective partnership

Following a number of service reviews including Adult Social Work Learning Review and Community Nursing review a new structure was approved for implementation within adult services. Investment of £1.2m was made in the staffing structure the main source of funding was from Scottish Government winter planning investment and additional social work capacity. The structure is focussed mainly in additional management and leadership resources, identified through the reviews as critical to drive quality and efficiency and based on a locality model. Integrated teams are based around three localities covering South Ayrshire. These are North covering Troon and Prestwick Central covering Ayr and South covering Maybole and Girvan.

The HSCP Practice Development team are now established in a fit for purpose base in Ayr town centre, providing training facilities for the partnership along with a fully equipped moving and handling facility. The base is now used on a full time basis providing a range of training and development opportunities to HSCP staff, third sector and private sector. During the year 60 staff completed a 4 day Leadership and Management Training and a further 80 staff undertook a half day introduction to leadership session.

The Practice Development team rolled out a “Grow Your Own” programme with investment of £0.250m over a four year period. The programme will offer existing staff the opportunity to become qualified social workers, either through a post graduate scheme or undergraduate scheme. This will increase social work capacity by 16 full time equivalents by 2026. At present we have four post graduates on the programme and six undergraduates due to commence.

Improvement skills are critical to meet the challenging demands of health and care services, and learning to improve ways of working, streamline processes and develop new systems will be key to meeting demand within the resources available both human and financial. Ayrshire and Arran have developed Quality Improvement training over the last few years with assistance from National Education Service. The HSCP has secured 60 places on the practitioner level course, where staff are trained in improvement techniques and assessment and measurement tools with a project undertaken to apply the learning.

We are transparent and listen to you

Care opinion is a portal where people can share their experiences of health or care services. This information is used by the HSCP to provide evidence about the quality of service provision, and reports are collated for managers to review opinions of their services. Feedback is largely positive and any areas for development are included within service improvement plans to support ongoing quality improvement.

We continue to support Locality Planning Partnerships (LPP) where there are opportunities to engage with local people and other stakeholders to consider local priority areas. This is also supported by local grants that LPPs expedite following these local priorities. LPPs have supported a range of organisations to address current local priorities such as the cost of living crisis, social isolation, promoting good health and wellbeing. LPPs have also been a significant context for consulting on local and national strategic work. In the future LPPs will be re-launched within a wider context with support from Community Planning Partners and Thriving Communities to provide more influence and become integral to the working of the new locality based leadership arrangements.

The new Learning Disability strategy led to the creation of the League of Champions a group of people who have come together from across South Ayrshire to champion the rights of people living with a learning disability. The group was established to support the development of the strategy and will continue to review the outcomes and seek evidence that it is working for the people it was written for.

We make a positive impact beyond the services we deliver

The Champions Board continues to offer flexible employment opportunities for seven employees including six team members with care experience aged between the ages of 20 and 35 who use

their lived experience to influence positive change in a range of diverse ways. The team also supports modern apprenticeship, undergraduate and post graduate social work students.

South Ayrshire’s Parenting Promise was launched in March 2022 and replaced the previous corporate parenting plan and aligns with The Promise to deliver long term improvements across a range of services, seeking to improve equalities for children and young people. Eight Promise actions have been completed this year, the include delivering Promise information sessions and bespoke workshops to 1,000 participants, Promise resources and briefing notes available on the website. The Promise branding has been adopted across South Ayrshire and inclusion of “quality of relationships” into local commissioning and monitoring frameworks as standard, to ensure those with lived experience are involved in review of services.







Within Justice Social Work, we have been trying to return to full capacity after the restrictions within the Court service during Covid. Since 2020 work has been ongoing to develop a workshop which will allow unpaid work to be undertaken in a workshop fit for purpose. During the year we have been able to conclude the work on the new workshop, which has space for teams to work on projects for our charitable organisations. We have been building benches and Christmas decorations which Ayrshire Hospice and Whiteleys can sell as part of their fundraising. The workshop also has office accommodation, which means that staff are on hand to intervene as required with service users.

2022-23 Performance Achievements





















Performance reports are presented to the Performance and Audit Committee twice a year and an Annual Performance report presented to the IJB. The annual performance report for 2021-22 was presented to the IJB on 15th February 2023. The Annual Performance report for 2022-23 will be submitted to Scottish Government on 31st July following agreement from the IJB.

This year focus has shifted as we move away from the effects of the pandemic. Currently daily reporting continues on Delayed Transfers of Care, these are presented and reviewed by the HSCP Directorate Management Team, this ensures that managers could plan actions and direct resources to areas of concern in a timely basis in order to minimise risk.







A six-monthly Children’s Health Care and Justice Performance report was presented to the Performance and Audit Committee on 30th May 2023 for the period to 31st March 2023. The RAG and Trend status for the following performance tables is defined below.

RAG Status		Trend Status	
	No concerns		Improving
	Some concerns		Declining
	Major concerns		No change







1. Children's Health

Performance Measure	Rag Status	Trend Status
1.1 Percentage of Children reaching developmental milestones at the time of their 27 – 30 month health review.		
1.2 Percentage of new born babies exclusively breastfed at 6-8 weeks.		
1.3 Percentage of women smoking during pregnancy.		
1.4 Percentage of Children in Primary 1 with no obvious dental caries.		
1.5 Percentage of Children in Primary 7 with no obvious dental caries.		
1.6 Percentage of Children with a healthy weight at P1.		
1.7 Teenage Pregnancy		
1.8 Percentage of Safeguarding Midwifery Risk Assessments completed against no. of pre-birth referrals This was previously Percentage of High Risk Pregnancy initial risk assessments completed by week 24 of pregnancy this is no longer routinely captured. The data set and indicator has been adjusted to take account of new information captured.		
Number of measures against each service area by RAG status		
 5 out of 8	 3 out of 8	 0 out of 8
Overall RAG status for Children's Health measures.		

2. Looked After Children

Performance Measure	Rag Status	Trend Status
2.1 Number of Children Looked after at end of quarter		
Number of measures against each service area by RAG status		
 0 out of 1	 1 out of 1	 0 out of 1
Overall RAG status for Looked after Children measures.		

3. Children's Hearing System

Performance Measure	Rag Status	Trend Status
3.1 No. of children referred on offence or non-offence grounds		
Number of measures against each service area by RAG status		
 1 out of 1	 0 out of 1	 0 out of 1
Overall RAG status for Children's Hearing Report measures.		

4. Child Protection

Performance Measure	Rag Status	Trend Status
4.1 Number of children on the Child Protection Register as at 31 st July each year		
4.2 Percentage of CP1's received within target timescale of 10 working days from point of referral		
4.3 Number of children who are re-registered on the child protection register within 12 months		
4.4 Children on the Child Protection Register – Percentage Primary concern identified at registration	N/A	N/A
4.5 Percentage of core groups convened within 15 days.		
4.6 Percentage of Planning Meetings convened within target timescale		
Number of measures against each service area by RAG status		
 3 out of 5	 1 out of 5	 1 out of 5
Overall RAG status for Child Protection measures.		

5. Justice

Performance Measure	Rag Status	Trend Status
5.1 Percentage of individuals subject to Throughcare Licence conditions seen by a Supervising Officer within 24 working hours.		
5.2 Percentage of Criminal Justice Social Work Reports submitted to court by due date.		
5.3 Percentage of Home Background/Home Leave Reports submitted within timescales.		
5.4 Percentage of individuals placed on Community Payback Orders with Offender Supervision seen within 5 days of court appearance.		
5.5 Percentage of individuals placed on Community Payback Orders (unpaid work/other activity) undertaking Health & Safety induction within 5 days of court appearance.		
5.6 Percentage of individuals placed on Community Payback Order (unpaid work/other activity) who attend 1st work appointment within 7 days of court appearance.		
5.7 Percentage of case reviews held within timescales.		
5.8 Percentage of Unpaid Work Level 1 Community Payback Orders completed within 3 months timescale (Target End Date)		
5.9 Percentage of Unpaid Work Level 2 Community Payback Orders completed within 6 months timescale (Target end Date).		
Number of measures against each service area by RAG status		
 5 out of 9	 4 out of 9	 0 out of 9
Overall RAG status for Criminal Justice measures.		

Since the previous report of March 2022 two indicators previously showing as having major concerns have now showed an improvement due to the remedial action taken. This includes performance measure 4.6 The percentage of Planning Meetings (previously known as Case Conferences) convened within target timescale and 5.8 Percentage of Unpaid Work Level 1 Community Payback Orders completed within 3 months Timescale.





During Q2 of 2022-23 75% of Planning Meetings were convened within target timescales, compared to 20% at end of 2021-22, this was due to lack of staffing capacity available to chair the meetings, mitigations have now been put in place to increase the number of staff who can chair conferences.

In Quarter 3 of 2022-23, 79% unpaid work requirements at Level 1 were completed within timescales, compared to prior year where 55% were completed within timescales this was due to impact of covid restrictions.

There is one indicator highlighted as major concern and remedial action has been taken to address these, as noted below:

Performance information drives improvement with an outcomes focus on improving how services are provided, as well as the difference that integrated health and social care services should make to individuals. In our performance monitoring and reporting we show trends over time, where we are against target and where available, how we compare nationally. We monitor against all agreed national indicators, including Ministerial Steering Group Indicators (MSG) and HSCP National Health and Wellbeing Indicators, as well as a range of locally defined measures. The latest performance against the National Health and Wellbeing Indicators are shown on the following page. Please note indicators NI1-NI9 are only updated every two years with the Health and Care Experience Survey. The updated data for indicators NI11 and NI17 is not available until later this year.

NATIONAL INDICATORS		South Ayrshire Health and Social Care Partnership Data						Scotland Latest Data	RAG STATUS
		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23		
NI-1	Percentage of adults able to look after their health very well or quite well	94%	N/A	94%	N/A	91.7%	N/A	<u>2021-22</u> 90.9%	✓
NI-2	Percentage of adults supported at home who agreed that they are supported to live as independently as possible	82%		82.3%	N/A	76.5%	N/A	<u>2021-22</u> 78.8%	⚠
NI-3	Percentage of adults supported at home who agreed that they had a say in how their help, care or support was provided	77%	N/A	74.9%	N/A	75.8%	N/A	<u>2021-22</u> 70.6%	✓
NI-4	Percentage of adults supported at home who agreed that their health and social care services seemed to be well coordinated	85%	N/A	72.4%	N/A	63.1%	N/A	<u>2021-22</u> 66.4%	⚠
NI-5	Total percentage of adults receiving any care or support who rated it as excellent or good	85%	N/A	80.8%	N/A	76.5%	N/A	<u>2021-22</u> 75.30%	✓
NI-6	Percentage of people with positive experience of the care provided by their GP practice	88%	N/A	86.4%	N/A	77.9%	N/A	<u>2021-22</u> 66.50%	✓
NI-7	Percentage of adults supported at home who agreed that their services and support had an impact on improving or maintaining their quality of life	87%	N/A	81.2%	N/A	71.9%	N/A	<u>2021-22</u> 78.1%	✗
NI-8	Total combined percentage of carers who feel supported to continue in their caring role	36%		37.4%	N/A	33.8%	N/A	<u>2021-22</u> 29.70%	✓
NI-9	Percentage of adults supported at home who agreed they felt safe	85%	N/A	86.5%	N/A	76.1%	N/A	<u>2021-22</u> 79.7%	⚠
NI-11	Premature mortality rate per 100,000 persons	380 (2017)	419 (2018)	428 (2019)	435 (2020)	451 (2021)	Data for 2022 not available	466 (2021)	✓
NI-12	Emergency admission rate (per 100,000 population)	17,498	17,904	16,829	14,852	15,809	14,345 (2022)	11,120 (2022)	✗
NI-13	Emergency bed day rate (per 100,000 population)	179,753	166,658	166,627	139,251	153,725	159,863 (2022)	111,371 (2022)	✗
NI-14	Readmission to hospital within 28 days (per 1,000 population)	120	127	118	128	114	101 (2022)	101 (2022)	✗
NI-15	Proportion of last 6 months of life spent at home or in a community setting	86%	86%	87%	89%	88%	88% (2022)	89% (2022)	⚠
NI-16	Falls rate per 1,000 population aged 65+	24.8	24.1	22.6	22.1	21.5	18.9 (2022)	22.1 (2022)	✓

NI-17	Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections	87%	80.0%	80.0%	79.0%	73.5%	Data Not Available for 2022-23 yet	2021-22 75.8%	
NI-18	Percentage of adults with intensive care needs receiving care at home	63% (2017)	61% (2018)	64% (2019)	64% (2020)	73.3% (2021)	63.0% (2022)	64.0% (2022)	
NI-19	Number of days people spend in hospital when they are ready to be discharged (per 1,000 population)	967	1,354	1,699	892	1,365	2,216	2022-23 919	
NI-20	Percentage of health and care resource spent on hospital stays where the patient was admitted in an emergency	29%	29%	28%	25%	28.8%	N/A	2019-20 24.2%	

There are a number of national indicators that have been challenging as a result of the demographics of the population and demand pressures. We have invested in specific areas to improve performance, however due to the recruitment challenges capacity has not increased to the levels anticipated.

The key areas for improvement are:

- The level of resource spent on hospital stays when a patient was admitted in an emergency;
- The number of emergency admissions and readmissions to hospital within 28 days;
- The length of stay when an emergency admission; and
- The number of delayed discharges when a patient is fit for discharge into the community.

Ministerial Strategic Group Performance Indicators

The Ministerial Strategic Group for Health and Community Care carried out a review of progress of integration within health and social care, this involved the Health and Social Care Partnership completing a self-evaluation template. The template considered local progress on the key features of integration below.



The local evaluation, highlighted areas for improvements, an action plan was created, with 31 actions to improve performance in Collaborative Leadership and Building Relationships and Integrated

Finances and Financial Planning. An Action Plan was developed, with progress being reported to the IJB Performance and Audit Committee in April 23. Due to the priority in responding to the pandemic progress against actions had been slower than anticipated.

The PAC agreed that the two actions remaining namely MSG20 – Establish a training programme for IJB members, including induction training based on a completed training needs analysis and MSG21 – Identify the specific skills held by some board members and seek to use these to further the aims of the IJB as appropriate, be noted as completed. These actions are now superseded under specific development work lead by the Improvement Service this included a self-assessment of the operations and effectiveness of the IJB and a workshop held in March where actions were agreed to improve effectiveness of the IJB.

Annual Accounts

The Annual Accounts set out the financial statements of the IJB for the year ended 31 March 2023. 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 2022-23 have been prepared in accordance with this Code.

Financial Performance

This year's financial performance reflects issues in health and social care recruitment with underspends in both internal and purchased frontline care services. The performance is also reflective of transformation projects within children services focussing on early intervention approaches keeping children with their families or community based services.

Financial information is part of the performance management framework with regular reporting of financial performance to the IJB. This year's financial reporting included regular updates on the financial impact and use of reserves to create additional capacity to meet demand, and steps taken to mitigate against the staffing crisis impacting both health and social care posts. During the year regular financial monitoring reports including progress on savings targets, financial risks and any changes to the delegated budget were presented to the IJB.

Within community care and health there was significant underspends in relation to the ability to recruit to front line posts from budget investments and additional Scottish Government investment to increase capacity in the community care workforce. South Ayrshire has a high dependency ratio meaning there is less of a working age population available to support the ageing population. Due to the high level of staff turnover and the projected underspends the Council and the NHS did not pass through the Scottish Government allocation for the increase in pay award for both social care and health staff. Whilst this was affordable this year due to the level of turnover, both parties passed over the additional pay uplift in the base budget for 2023-24.

The lack of workforce has become a significant concern and a risk to the ability to provide services at the right time in the right place. The HSCP has worked during this year to mitigate the risk by creating new models of care delivery focussing on early intervention within the community to reduce the level of need. This includes frailty team and reablement unmet need team, both teams focussing on supporting people to reduce level of need and maintain independence for longer.

There continues to be an underspend in looked after children placements, an anticipated demand in need for foster carers has not materialised and we have been supporting children in our neighbouring authorities. This can be attributed to the Whole Family, Whole System approach including the Signs of Safety training and Functional Family Therapy.

The overall financial performance against budget for the financial year 2022-23 was an underspend of £14.767m, (£10.997m underspend in social care services and £3.770m in health services). The underspends are partially due to reserves carried forward not fully utilised, these will be earmarked for future use, as detailed in Note 8 Earmarked Funds – General Fund.

On the 14th of June 2023, the IJB approved £4m to create an Improvement and Innovation Fund, replacing the previous change fund of which £0.456m was already committed. The Improvement

and Innovation Fund will be used over the next three years to provide investment in specific projects or services to embed future financial sustainability.

The balance of £2.235m will be allocated to unallocated general fund. In the first instance the unallocated reserve will be utilised to meet any financial challenges in 2023-24

It is essential that the IJB operates within the delegated budget and commissions services from the Council and Health Board on that basis. Significant progress has been made during 2022-23 to ensure the ongoing financial sustainability of the IJB. This work will continue and be built upon moving into 2023-24.

Key successes for 2022-23 include:

- Debt repayment of £0.802m, being the final instalment of outstanding debt to the Council;
- Overall reported surplus allows for the earmarking and protection of ring-fenced funding for Scottish Government priorities;
- Surplus has allowed for creation of an Improvement and Innovation Fund to be utilised to ensure future financial sustainability;
- Progress with reducing the number of children placed in out with authority placements in 2022-23 has been achieved through transformation in Children Services;
- Investment in training and development to create capacity by providing opportunities for existing employees to become qualified social workers;
- Increasing capacity in our own care homes to support delayed transfers of care;
- Investment in occupational therapy focussing on early intervention and prevention, in the short term this has reduced the level of unmet need in the community, longer term benefits will be realised from prevention of hospital admissions.

Strong financial leadership will continue to be required to ensure that future spend is contained within the budget resources available, and the IJB moved into 2023-24 with an approved balanced budget.

2021-22 Budget £000	2021-22 Actual £000	Variance (Adv) /Fav £000	Service	2022-23 Budget £000	2022-23 Actual £000	Variance (Adv) /Fav £000
72,347	69,151	3,196	Community Care and Health	79,807	76,624	3,183
43,693	43,672	21	Primary Care	44,881	44,814	67
31,195	29,665	1,530	Mental Health Services	35,965	33,972	1,993
25,891	24,607	1,284	Children and Justice	27,086	25,163	1,923
3,274	3,334	(60)	Hosted Services	3,317	3,456	(139)
1,024	1,052	(28)	Integrated Care Fund/Delayed Discharges	787	845	(58)
11,808	8,689	3,119	Support Services	12,601	7,043	5,558
17,256	5,549	11,707	Covid-19 Expenditure	2,476	1,771	705
206,488	185,719	20,769	TOTAL EXPENDITURE MANAGED BASIS	206,920	193,688	13,232
28,311	28,311	0	Acute Hospitals	30,626	30,626	0
46,145	41,889	4,256	Lead Partnership Allocations	47,437	45,902	1,535
1,092	1,092	0	Prior Years Additional Funding	802	802	0
282,036	257,011	25,025	TOTAL EXPENDITURE IJB	285,785	271,018	14,767
0	25,025	(25,025)	Allocate to Reserves	285,785	300,552	(14,767)
282,036	282,036	0	TOTAL EXPENDITURE IJB	571,570	571,570	0
(282,036)	(282,036)	0	TOTAL INCOME	(285,785)	(285,785)	0
0	0	0	OUTTURN ON AN IJB BASIS	285,785	285,785	0

The table above summaries the financial performance for 2021-22 and 2022-23. This highlights the budgeted outturn on a managed basis and IJB as a total including the acute hospitals, set aside budget. Adjustments have been made for the net impact of the lead partnership allocations across North, South and East Ayrshire and the Earmarked balances to be carried forward into 2023-24.

The main variances during 2022-23 are noted below:

Community Care and Health – underspend of £3.183m mainly due to underspends in care at home and allied health professionals, this is due to recruitment challenges within the sector and South Ayrshire's high dependency ratio. Additional funding allocated to increase care at home

capacity will continue to be carried forward for use in 2023-24 along with earmarking underspends to provide additional capacity in Biggart Hospital and in care homes.

Mental Health Services – underspend of £1.993m mainly due to underspends in funding allocations received for Alcohol and Drugs Partnership, the Community Living Fund and less than expected spend within Learning Disability community care packages.

Children and Justice Services – underspend of £1.923m mainly due to less than budgeted internal foster care placements and out with authority placements, adoption fees and orders were also underspent.

Hosted Services – overspend of £0.139m as a result of an increase in volume and costs to meet demand and supply issues of specific items of equipment.

Support Services – underspend of £5.558m included in this underspend is specific funding set aside for the restructure of adult services and Carers Act funding allocations were delayed during year, all funding has been allocated in budget for 2023-24. Also underspends in winter planning, hospital at home and unscheduled care programme to be earmarked for use in 2023-24. Delays in recruitment and staff turnover also resulted in an underspend.

Covid 19 Expenditure – underspend of £0.705m mainly balance of funding to be returned to the Scottish Government, of this £0.003m to be earmarked for unpaid carers PPE in 2023-24.

Lead Partnership – underspend of £1.535m mainly due to funding for Primary Care services and Children and Adolescent Mental Health Services to be earmarked into 2023-24.

Lead Partnership Services

The final outturn is adjusted to reflect the impact of Lead Partnership Services. During 2022-23 agreement was reached with the other Ayrshire partnerships that in the absence of detailed service activity information and alternative risk sharing arrangements that the outturn for all Lead Partnership services, with the exception of Primary Care Improvement Fund and Action 15, would be shared across the 3 partnerships on an NRAC (NHS Resources Allocation Committee) basis most suitable for the services they lead on. For North, lead partner for Mental Health Services, allocation based on Mental Health NRAC, East lead partner for Primary Care services, allocation based on Prescribing NRAC and for South lead partner for community store, family nurse partnership and continence team allocation based on Community NRAC.

The allocation for Primary Care Improvement Fund (PCIF) and Action 15 was based on actual activity information. The outturn of the lead partnership services for each IJB, prior to recharging other partnerships is provided below, this includes funds to be earmarked for Action 15 and Primary Care Improvement Fund (PCIF).

IJB	£'000	Lead Partnership Year End Position
South	(139)	Overspend
North	2,840	Underspend
East	2,187	Underspend

The following table is a summary of the Lead Partnership/ hosted services recharges for 2022-23. The recharges out are NRAC allocations of budget and actuals charged to East Ayrshire and North Ayrshire for services lead by South Ayrshire. The variance represents their share of the £0.139m hosted services overspend. The recharges in are NRAC allocations of budget and actuals charged to South Ayrshire for services lead by East Ayrshire and North Ayrshire. The variance is represented in the Lead Partnership underspend.

IJB	Annual Budget 2022/23 £'000	Actual Expenditure 2022/23 £'000	Variance 2022/23 £'000
South Ayrshire Hosted - income North Ayrshire	(1,058)	(1,102)	44
South Ayrshire Hosted - income East Ayrshire	(1,226)	(1,278)	52
Recharges out	(2,284)	(2,380)	96
East Ayrshire Lead - Contribution South Ayrshire	33,206	32,576	630
North Ayrshire Lead - Contribution South Ayrshire	16,515	15,706	809
Recharges in	49,721	48,282	1,439
Lead Partnership/hosted services	47,437	45,902	1,535

Set Aside

The Integration Scheme establishes that pressures in respect of large hospital set aside budgets will be managed in-year by NHS Ayrshire and Arran. The set aside allocation for this financial year is based on actual activity in respect of 2022-23 bed days, discharges and admissions at historic costs

with inflation applied. Previous year used activity from 2019-20 based on statistical information from Information Services Division (ISD) as this was the last full year available dataset reflecting actual activity not affected by the pandemic. The table below highlights South Ayrshire's use of resources was above the NRAC "fair share" by £2.629m based on 2022-23 activity data.

IJB	Set Aside 2022-23 £m	NRAC %	NRAC Budget Share 2022-23 £m	Over / (Under) NRAC Fair Share £m
East Ayrshire	26.555	31.9%	28.534	(1.979)
North Ayrshire	32.267	36.8%	32.917	(0.650)
South Ayrshire	30.626	31.3%	27.997	2.629
Total	89.448	100%	89.448	0.000

Financial Outlook, risks and plans for the future

The financial outlook remains uncertain due to the following:

- Scottish Government settlement is on an annual basis;
- High levels of non-recurring funding for specific priorities;
- Rising inflation and cost of living crisis;
- Future financial impact of the long-term effects of the pandemic are not fully understood; and
- Financial consequences associated with implementation of National Care Service.

The Scottish Government published their first Resource Spending Review since 2011 on 31st May 2022 highlighting continuing rising inflation and a need for greater investment to aid Covid recovery and to shield people from the impact of the cost of living crisis. The review stated the need for the public sector to reform to become more efficient, focussing on:

- Digitalisation;
- Maximising revenue through public sector innovation;
- Reform of the public sector estate;
- Reform of the public body landscape; and
- Improving public procurement.

The review confirmed the priorities remain reducing child poverty, addressing the climate crisis, building a strong and resilient economy and helping our public services recover strongly from the pandemic. The current fiscal and economic environment is now more challenging in being able to achieve these priorities. The spending review is not a budget, but does provide information to enable planning over the course of the next five years.

The review clarifies the commitment to increase social care investment by 25% or £840m over the next 5 years as well as establishment of the National Care Service.

The Scottish Government Budget for 2022-23 made specific commitments to IJB's via Health and Local Authority allocations. There was no funding for demographic and demand growth or contract increased within children services.

The IJB's Medium-Term Financial Forecast for the period 2024-2028 details the estimated funding allocations and financial pressures over the period and what the potential gap may be. The budget for 2024-25 plans to create a three year savings plan to help mitigate some of the financial challenges anticipated.

The creation of an Improvement and Innovation fund was approved by the IJB on the 14th of June, this fund will be used over the next three years to investment in specific areas of need to alleviate financial pressures in future years, focussing on early intervention and prevention and tackling the recruitment challenges.

It is imperative that to manage the risks effective planning and managing of resources is prioritised. The uncommitted reserves balances this year will provide a cushion for any financial uncertainties that arise during 2023-24 and onwards.

The IJB does not have direct responsibility for assets including buildings and vehicles. South Ayrshire Council's net zero policy is aligned to the Scottish Government, aiming to achieve a 75% decrease in emissions by 2030. In the development of the new supported accommodation and enhancement of Cunninghame Place Children's house sustainable energy was used. This will feature in future planning of buildings and also in the procurement of greener vehicles for use in the health and social care partnership.

This year our new locality based teams will provide valuable insight into local needs, and we plan to use this to identify where investment can be made to meet pressures. This will involve commissioning different types of service in relation to local needs.

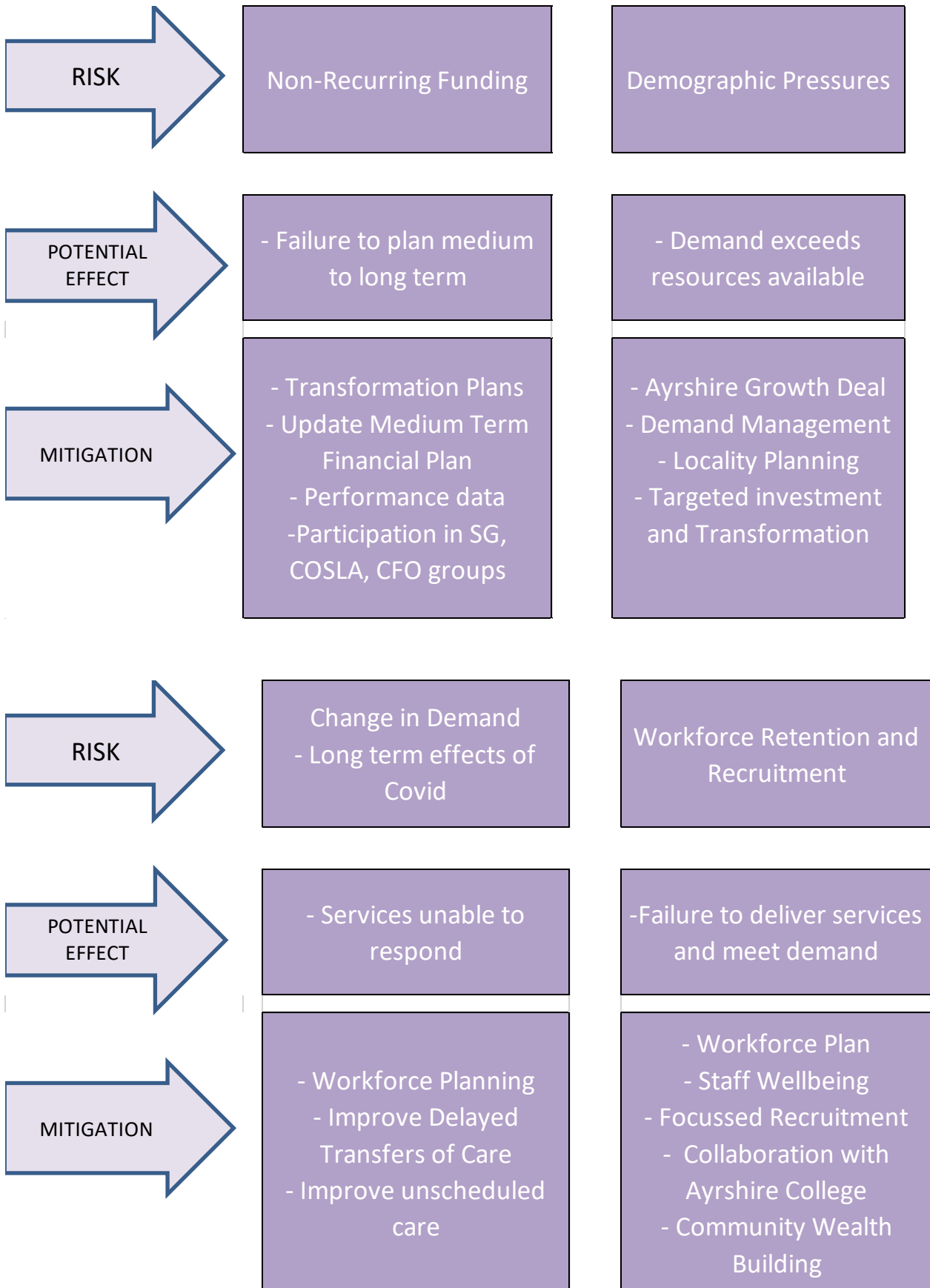
Workforce retention and recruitment is a significant risk at present, resulting in underspends where we have been unable to recruit. This year we hope to see the benefits in our engagement with the local colleges and outcomes of the new courses developed to support students to gain employment within the health and social care. Reserves have been earmarked for training purposes to retain current staff and attract new staff who are seeking a career in health and social care.

We plan to continue to build on our partnerships with Community Planning, VASA, Pan-Ayrshire HSCP's, Ayrshire College as well as Housing and Education to shape health and social care services specific to local needs.

Caring for Ayrshire a programme of transformation lead by NHS Ayrshire and Arran and the three Ayrshire IJB's to meet the vision of providing care as close to home as possible provides opportunities in development of new ways of working learning from the pandemic and delivering services that meet the needs in the localities within South Ayrshire.

The Ayrshire Growth Deal and benefits in Community Wealth Building are critical to supporting the local economy in the recovery and renewal phase of the pandemic. The focus on community strength and resilience can deliver improved outcomes in our localities.

The tables below summaries the risk and effect of the risks along with how we plan to mitigate these risks.



2023-24 Budget

The approved budget included funding increases delegated from both partners based on a number of commitments set out in the Scottish Government finance settlement. The outcome of the settlement is shown below, with pressures to be funded in adult social care wage uplifts to commissioned services and free personal care.

	SAC	NHS A & A	Total
	£m	£m	£m
Funding Increase Delegated from Partners	(3.164)	(1.019)	(4.183)
Pressures to be Funded	6.058	1.897	7.955
Use of Reserves	(0.610)	(0.834)	(1.444)
Savings to be achieved	(1.828)	(0.500)	(2.328)
Budget Transfer	0.456	(0.456)	0.000

The budget balanced this year with use of reserves allocated to support the continuation of the additional beds at Biggart Hospital and use of interim care beds, this is to provide capacity this year to support delayed transfers of care. Savings of £2.328m were also approved in order to achieve a balanced budget, these will be monitored throughout the year as part of the budget monitoring process.

As noted in the table above there is a budget transfer required of £0.456m from the NHS side to the Council budget to meet the cost of the services the IJB will commission from the NHS.

Conclusion

The IJB has successfully overseen the delivery of all core services in responding to the pandemic as well as achieving savings and transforming services. The engagement with communities during the year has been invaluable in shaping the services for the future. Learnings from this year's engagement, transformation and collaborative working puts us in a good place to develop future financially sustainable services.

Moving into 2022-23, financial planning is essential in managing the use of the Covid reserves in line with Scottish Government expectations and any policy changes in use of PPE and Provider Sustainability Payments.

The refresh of the Medium-Term Financial Plan is key to understanding availability of financial resources alongside expected demand and service redesign, this will be developed in conjunction with the workforce plan. This will enable the IJB to prioritise transformation and invest in areas of greater need tackling inequalities and focussing on prevention and intervention. Performance data

combined with financial impact will be essential to understanding demand trends and capacity within our own or commissioned services.

As outlined in the risks above, the levels of non-recurring funding and lack of flexibility in funding allocations require planning to optimise the use of the funding provided and take a longer-term view on workforce planning to tackle the recruitment and retention issues. The workforce plan is key in planning how we will deliver services to meet the demands of health and care needs in South Ayrshire.

General reserves are available for investment and clear parameters have been set for use of these reserves to ensure investment is prioritised based on delivering services which are financially sustainable over the longer term and align with the IJB's strategic priorities.

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 <https://www.south-ayrshire.gov.uk/health-social-care-partnership>

Linda Semple
Chair of the IJB
11 October 2023

Tim Eltringham
Chief Officer
11 October 2023

Lisa Duncan
Chief Finance Officer
11 October 2023

Statement of Responsibilities

Responsibilities of the Integration Joint Board

The Integration Joint Board is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the board has responsibility for the administration of those affairs of (section 95 of the Local Government (Scotland) Act 1973). In this IJB, that officer is the Chief Finance Officer.
- Manage its affairs to secure economic, efficient and effective user of resources and safeguard its assets.
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far, as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- Approve the Annual Accounts.

I confirm that these Annual Accounts were approved at a meeting of South Ayrshire Integration Joint Board on 11 October 2022.

Signed on behalf of the South Ayrshire Integration Joint Board

Linda Semple
Chair of the IJB
11 October 2023

Statement of Responsibilities

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 Code).

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

- Selected suitable accounting policies that were reasonable and prudent;
- Made judgements and estimates that were reasonable and prudent;
- Complied with legislation; and
- Complied with the local authority code (in so far it is compatible with legislation).

The Chief Finance Officer has also:

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

I certify that the financial statements give a true and fair view of the financial position of the South Ayrshire Integration Joint Board as at 31 March 2023 and the transaction for the period covering 1 April 2022 to 31 March 2023.

Lisa Duncan

Chief Finance Officer

11 October 2023

Annual Governance Statement

Introduction

The Annual Governance Statement explains the IJB's governance arrangements and reports on the effectiveness of the IJB's system of internal control. This is in line with the Code of Corporate Governance and meets the requirements of 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.

This Annual Governance Statement has also been informed by the CIPFA Guidance Bulletin 06 – 'Application of the Good Governance Framework 2020-21'. This guidance concerns the impact of the continuing Covid pandemic on governance in local government bodies and the requirements of the Delivering Good Governance in Local Government Framework 2016 CIPFA and Solace (the Framework). It also takes account the introduction of the CIPFA Financial Management Code 2019 during 2020-21.

Scope of Responsibility

South 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 also placed on NHS Ayrshire and Arran Health Board and South Ayrshire systems of internal control that support compliance with both organisations' policies and practices as well those of the IJB. Such systems 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 South 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.

The Governance Framework

The Board of the IJB comprises voting members, nominated by either South Ayrshire Council or NHS Ayrshire and Arran Health Board, as well as a non-voting members including a Chief Officer appointed by the Board.

The main features of the governance framework in place during 2022-23 are summarised below:

- **The IJB**, comprising all IJB Board members, is the key decision-making body. The IJB have continued to meet during the year online, with members of the public invited via social media with contact information provided and then a link to the online meeting sent to enable attendance.
- **The Performance and Audit Committee** considered all matters in relation to Internal and External Audit, Risk Management and Performance and operates in accordance with "Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA 2nd edition 2018).
- Strategic decision-making is governed by the IJB's key constitutional documents including the Integration Scheme, standing orders, scheme of delegation to officers and financial regulations.
- The Integration Scheme established between South Ayrshire Council and NHS Ayrshire and Arran Health Board to integrate Health and Social Care services is the constitutional basis of the South Ayrshire IJB. The scheme sets out the process to determine financial contributions by partners to the IJB. This has been supplemented by directives from the Scottish Government for Health and Social Care Integration.
- **The Strategic Planning and Advisory Group (SPAG)** has a role in linking locality planning groups to the strategic planning cycle of the IJB. The group advise on content of Strategic Plan and review and comment on the development of policies across the full range of delegated functions.
- **Locality Planning Partnerships** have been established in six localities within South Ayrshire, and allow for more direct, locality-focused liaison with the community in relation to the planning of health and care services and feed into the work of the Strategic Planning Advisory Group. The Partnerships aim towards changing balance of care by growing capacity in local communities and developing local assets to help deliver the National Outcomes for Health and Social Care.
- **The Health and Care Governance Group** chaired by the Director of Health and Social Care, continued to meet online during the year. The group is supported by a Social Work Governance Group and NHS sub-structures.
- **The Social Work Governance Group (SWGB)** chaired by the Chief Social Work Officer and was established this year contributing to the overall Health and Care Governance Framework which shows the way in which accountability for the quality of health and social care services is monitored and assured and how professional accountability is organised in South Ayrshire. The SWGB comprises Social Work Professional Leads and supports the discharge of the function of the Chief Social Work Officer by fulfilling a governance function for all social work and social care services.

- **The South Ayrshire Chief Officers Group (COG)** offers the primary governance for public protection matters in South Ayrshire. The group consists of the Chief Executives of SAC and NHS Ayrshire & Arran as well as the Divisional Commander from Police Scotland. The COG is supported by a range of officers including the Chief Officer, Chief Social Work Officer and the Nurse Director as well as independent chairs from APC and CPC. The COG meet monthly during the peak of the pandemic. The COG meets four times annually. In addition to its business COG established a range of public protection Covid related sub groups – Child Protection, Adult Protection, Violence against Women & Justice, Alcohol and Drugs – these groups brought together key agencies, worked to address emerging issues and coordinate responses, they also provided a direct route into COG to escalate any issues requiring immediate executive support.
- **South Ayrshire Health and Social Care Directorate Management Team (DMT)** meets on a regular basis and did increased its frequency over the course of the pandemic, this has continued as three times a week to discuss operational and strategic matters.
- The IJB has adopted a “Code of Conduct for Members of Devolved Public Bodies” for all its board members and a register of members’ interests has been established. There have been regular briefing sessions this year keeping members up to date and informed of specific pieces of work. This year this included presentations on the Primary Care, Frailty Ahead of the Curve, Data workshop and input from the Improvement Service on self-assessment of IJB performance and effectiveness.

The System of Internal 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 & Arran and South Ayrshire Council in relation to the operational delivery of health and social care services. In particular, 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; and
- 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 (CIPFA 2016) and the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption.

Review of Adequacy and effectiveness

The Chief Internal Auditor of the IJB is also the Chief Internal Auditor of South Ayrshire Council and 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.

Internal Audit operates in accordance with the Public Sector Internal Auditor Standards (PSIAS) requirements and is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

PSIAS requires that a Quality Assurance and Improvement Programme (QAIP) is developed and maintained to provide assurance that internal activity is conducted in accordance with an Internal Audit Charter, that it operates in an efficient and effective manner and that it is perceived to be adding value and improving operations. Internal Audit operates within the Internal Audit Charter, most recently approved by South Ayrshire Council's Audit and Governance Panel on 22 March 2023.

The Quality Assurance and Improvement Programme (QAIP) covers all aspects of Audit Services, including periodic internal self-assessments and five-yearly External Quality Assessments (EQA). Since the PSIAS came into effect in April 2013, annual self-assessments have been performed by the Chief Internal Auditor, and one EQA (2018), has been completed and reported to the Council's Audit and Governance Panel. The service was externally assessed as 'generally conforms' with PSIAS in 2018 and an action plan prepared. The actions were fully implemented and self-assessments since then confirm the service 'fully conforms'. A second EQA is currently ongoing and the results of this assessment will be included in the next IJB annual report together with the results of the most recent self-assessment.

It is the responsibility of the Chief Internal Auditor to provide an annual internal audit opinion on the overall adequacy and effectiveness of the framework of governance, risk management and control. The Chief Internal Auditor presented her opinion to the Performance and Audit Committee on 26th June 2023.

The IJB uses the systems of the Council and NHS Ayrshire & Arran to manage its financial records. The main objectives of the IJB's framework of internal control systems are:

- to ensure adherence to management policies and directives in order to achieve the organisation's objectives;
- to safeguard assets;
- to ensure the relevance, reliability and integrity of information, so ensuring as far as possible the completeness and accuracy of records; and
- to ensure compliance with statutory requirements.

Any system of control can only ever provide reasonable and not absolute assurance that control weaknesses or irregularities do not exist or that there is no risk of material errors, losses, fraud, or breaches of laws or regulations. Accordingly, the partners of the IJB are continually seeking to improve the effectiveness of its governance arrangements and systems of risk management and internal control.

The Chief Auditors Opinion on the overall adequacy and effectiveness of South Ayrshire Integration Joint Boards framework of governance, risk management and control was informed from the following sources:

- The audit work undertaken by South Ayrshire Council's Internal Audit and Corporate Fraud team in previous years, during the year to 31 March 2023 and in the period after the year-end to date;
- The NHS Ayrshire & Arran Health Board's assurance taken from audit work undertaken to date by the appointed internal auditors, Grant Thornton LLP. Grant Thornton's internal audit methodology is aligned to PSIAS;
- Work undertaken by the partners' external auditors; and
- Chief Internal Auditor's knowledge of the Board's activities for the year 2022-23.

Based on the above, reasonable assurance can be placed on the adequacy and effectiveness of the IJB's framework of governance, risk management and control arrangements for the year ending 31 March 2023.

Review of Governance Arrangements

The internal audit function activity during the year was undertaken in accordance with the approved annual internal audit plan. The plan included a follow up review of the IJBs Risk Management

The objective of the follow up review was to obtain assurances that all actions from the 2021-22 IJB Risk Management audit review had been implemented. This review has been completed and concluded that all actions had been sufficiently implemented. A copy of this report has been shared with IJB Members.

The objective of the Performance Monitoring audit review was to obtain assurance that there are strong controls in place around performance monitoring arrangements, with particular focus on measures which assess the improvements from integration and redesign of services. Testing has concluded and the draft report is currently being agreed with management. The internal control assessment can therefore be included in the overall annual audit opinion. Findings conclude that a reasonable assurance opinion can be given on the system of control

Progress on Actions

This year has resulted in steady progression to some of the actions identified in last year's annual accounts.

- The Pan-Ayrshire directions work commenced during this financial year, with high level directions produced as part of the budget process for 2023-24;
- Financial modelling of fair shares has been completed and based on 2022-23 data and more actual costs. During 2022-23 the plan was to use this data modelling and update for 2023-24 commissioning plans for set aside resource;
- Work has commenced on developing commissioning plans in relation to the acute set-aside resources;

- Revision of current Integration Scheme is ongoing and expectation is this will be concluded during the financial year 2023-24;
- The above actions will be reviewed alongside any recommendations relating to the implementation of the National Care Service;
- The Medium Term Financial Forecast was approved by the IJB on the 17th May 2023, reflecting financial challenges based on scenario modelling;
- Directions have been implemented and process will be monitored during the year, other key governance documents ie. Standing Orders, Scheme of Delegation and Financial Regulations, require to be reviewed this financial year.
- During the year the IJB took part in a self-evaluation to assess the effectiveness of the current arrangements for the IJB and how it intended to meet its outcomes, capture learnings from Covid-19 response and identify areas for improvement to maximise impact.
- An IJB workshop was ran in March 23 all members were invited and presentations were delivered by staff explaining data and actions being taken to address delayed transfers of care,
- The Improvement Service also attended the workshop to present feedback on self-assessment exercise to develop an action plan

Further Actions

The IJB has identified the following actions for 2023–24 that will assist with the further strengthening of corporate governance arrangements:

- Put in place a plan to review, on a rolling basis, IJB key governance documents, including for example Directions, Standing Orders, Scheme of Delegation and Financial Regulations;
- Continue to monitor actions to improve performance with particular attention to areas highlighted as concerning in the 2021-22 Performance Achievements section of this report;
- Undertake an assessment of the extent to which financial management arrangements comply with the requirements of the CIPFA Financial Management Code 2019; and
- Improvement Service actions from the Self-assessment exercise

Conclusion and Opinion on Assurance

Subject to the above actions, and on the basis of the assurances provided, we consider the governance and internal control environment operating during 2022–23 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 South 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 Performance and Audit Committee on the 26th June 2023.

Tim Eltringham

Chief Officer

11 October 2023

Linda Semple

Chair of the IJB

11 October 2023

Remuneration Report

Introduction

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 voting members appointed through nomination in equal numbers by NHS Ayrshire & Arran and South 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 who did not appoint the Chair. Under the terms of the scheme the posts were required to rotate between Council and NHS Board this year.

In May 2021 the IJB agreed to extend the council's term of office in holding the IJB Chair by one year. This was agreed by all members of the Board and allows for continuity of membership as well as bringing IJB membership in line with the 2022 local government elections. The extension is in keeping with the IJB's standing orders and in line with the legislation (which allows for either the Council or NHS to hold the position of chair for a maximum of three years).

The integration scheme Section 2.4.2. states "The appointment to Chairperson and Vice Chairperson is time limited to a period not exceeding three years and carried out on a rotational basis. The term of office of the first Chairperson and Vice Chairperson will be for the period to the local government elections in 2017, thereafter the term of office of the Chairperson and Vice Chairperson will be for a period of two years."

The most recent Chairperson was nominated by South Ayrshire Council and served a period of 3 years which is the maximum allowed. On the 15th of June 2022, the IJB nominated a Chairperson drawn from NHSAA nominees to the IJB and the View Chairperson was drawn from the SAC nominees to the IJB. Linda Semple was appointed the new IJB Chairperson and Lee Lyons the new IJB View Chairperson. It was agreed the term of office for the Chairperson and Vice Chairperson be 3 years.

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

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.

Other Officers

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

Total remuneration 2021–22 £	Name and post title	Salary, fees and allowances * £	Taxable expenses £	Total remuneration 2022–23 £
119,711	Tim Eltringham Chief Officer	121,232	0	121,232
61,852	Lisa Duncan Chief Finance Officer	63,746	0	63,746
181,563	Total	184,978	0	184,978

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 year in respect of the officer time spent on fulfilling the responsibilities of their role on the IJB. The following table shows the IJB’s funding during the year to support officers’ pension benefits. 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 Year pension contributions			Accrued pension benefits		
	Year to 31/03/2022 £	Year to 31/03/2023 £		As at 31/03/2022	As at 31/03/2023	Difference from 31/03/2022
Tim Eltringham	23,155	24,273	Pension	65,358	68,328	2,970
Chief Officer			Lump Sum	109,287	109,287	0
Lisa Duncan	12,005	12,578	Pension	2,645	4,049	1,404
Chief Finance Officer			Lump Sum	0	0	0
Total	35,160	36,851	Pension	68,003	72,377	4,374
			Lump Sum	109,287	109,287	0

Disclosure by pay bands

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

Number of employees in 2021–22	Remuneration band	Number of employees in 2022–23
0	£120,000 - £124,999	1
1	£115,000 - £119,999	0
1	£60,000 - £64,999	1

Exit Packages

There have been no exit packages in 2021-22 or 2022-23.

Tim Eltringham
Chief Officer
11 October 2023

Linda Semple
Chair of the IJB
11 October 2023

Financial Statements

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

2021-22			Service	2022-23		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000		£000	£000	£000
72,760	-	72,760	Community Care and Health (incl Covid Costs)	79,115	-	79,115
72,192	-	72,192	Primary Care	77,952	-	77,952
44,989	-	44,989	Mental Health Services (incl Covid Costs)	51,522	-	51,522
25,834	-	25,834	Children and Justice Services (inc Covid Costs)	25,993	-	25,993
1,052	-	1,052	Integrated Care Fund/Delayed Discharges	845	-	845
11,689	-	11,689	Support Services (incl Covid Costs)	8,070	-	8,070
28,311	-	28,311	Acute Hospitals	30,626	-	30,626
28	-	28	IJB Operational Costs	31	-	31
256,855	0	256,855	Cost of Services	274,154	0	274,154
-	(86,919)	(86,919)	South Ayrshire Council Funding	-	(98,261)	(98,261)
-	(188,434)	(188,434)	NHS Ayrshire & Arran Funding	-	(169,931)	(169,931)
0	(275,353)	(275,353)	Total Taxation And Non-Specific Grant Income (note 5)	-	(268,192)	(268,192)
256,855	(275,353)	(18,498)	(Surplus) or Deficit on Provision of Services	274,154	(268,192)	5,963

The Financial Performance section of the Management Commentary highlights the outturn is £14.767m less than the budget delegated to the IJB. The Comprehensive Income and Expenditure Statement has taken account of £11.181m expenditure incurred this year from funding allocated in 2021-22 and held in reserves, and £9.548m reduction in funding relating to Covid reserve returned, resulting in a deficit of provision of services of £5.963m

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 year on the IJB's reserves. The movements which arise due to statutory adjustments which affect the General Fund balance are separately identified from the movements due to accounting practices.

Movement in Reserves	General Fund Balance 2022–23	Earmarked Reserves 2022–23	Total Reserves 2022–23
	£000	£000	£000
Opening balance as at 1 April 2022	7,024	21,680	28,704
Total Comprehensive Income and Expenditure	4,819	(13,695)	(8,876)
Adjustments between accounting basis and funding basis under regulations	0	0	0
Increase or (decrease) in year	4,819	(13,695)	(8,876)
Closing Balance as at 31 March 2023	11,843	7,986	19,829

Movement in Reserves	General Fund Balance 2021–22	Earmarked Reserves 2021–22	Total Reserves 2021–22
	£000	£000	£000
Opening balance as at 1 April 2021	3,851	6,355	10,206
Total Comprehensive Income and Expenditure	3,173	15,325	18,498
Adjustments between accounting basis and funding basis under regulations	0	0	0
Increase or (decrease) in year	3,173	15,325	18,498
Closing Balance as at 31 March 2022	7,024	21,680	28,704

The **Balance Sheet** shows the value of the IJB's asset 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 2022 £000		Notes	31 March 2023 £000
28,704	Short Term Debtors	6	19,829
0	Short Term Creditors	7	0
28,704	Net Assets		19,829
28,704	Usable Reserve: General Fund	8	19,829
28,704	Total Reserves		19,829

The Statement of Accounts present a true and fair view of the financial position of the Integration Joint Boards as at 31 March 2023 and its income and expenditure for the year then ended.

The draft annual accounts were authorised for issue on 1 July 2023 and the audited annual accounts will be authorised for issue on 11 October 2023.

Lisa Duncan
Chief Finance Officer
11 October 2023

Notes to the Financial Statements

Note 1 – Significant Accounting Policies

General principles

The Financial Statements summarise the authority's transactions for the 2022-23 financial year and its position at the year-end as at 31 March 2023.

The South 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 2022–23, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

The annual accounts are prepared on a going concern basis, which assumes that the IJB will continue in operational existence for the foreseeable future. The historical cost convention has been adopted.

Accruals of expenditure and income

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

- Expenditure is recognised when goods or services are received and their benefits are 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 year, 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, South Ayrshire Council and NHS Ayrshire & 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 South 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. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs. Where material the Chief Officer's absence entitlement at 31 March is accrued, for example in relation to annual leave earned but not yet taken.

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 & Arran and South Ayrshire Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide.

Unlike NHS Ayrshire & 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 made in the Financial Statements relating to complex transactions are:

- 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 Financial Statements in 2022-23 is based upon work undertaken by the Ayrshire Finance Leads group to establish the baseline resource for each Partnership and how this compares to the NRAC 'fair share' of resources. A model has been created to update Set Aside activity and values on a quarterly basis, to map activity data (bed days, admissions, discharges) against costs across the six specialties at the various Acute services locations. The Set Aside values included in the 2022-23 Annual Accounts are

based on 2022-23 activity levels at historic prices with inflation applied, the Set Aside figure included in the accounts does not reflect the true cost of actual activity for 2022-23.

- On behalf of all IJBs within the NHS Ayrshire and Arran area, the IJB acts as the lead partner for the Community Equipment Services, Continence Services, Family Nurse Partnership and Technology Enabled Care 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.

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 11th October 2023. 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; and
- 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.

NOTE 4 – Expenditure and Income Analysis by Nature

2021–22 £000's		2022–23 £000's
109,963	Services commissioned from South Ayrshire Council	115,871
146,705	Services commissioned from NHS Ayrshire & Arran	158,086
159	Other IJB Operating Expenditure	167
28	Auditor Fee: External Audit Work	31
(275,353)	Partners Funding Contributions and Non-Specific Grant Income	(268,192)
(18,498)	(Surplus)/Deficit on the Provision of Services	5,963

NOTE 5 – Taxation and Non-Specific Grant Income

2021–22 £000's		2022–23 £000's
(86,919)	Funding Contribution from South Ayrshire Council	(98,261)
(188,434)	Funding Contribution from NHS Ayrshire & Arran	(169,931)
(275,353)	Taxation and Non-specific Grant Income	(268,192)

The funding contributions from the partners shown above include 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.

The funding contribution from NHS Ayrshire & Arran shown above includes £30.626m (2021–22 £28.311m) 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 2022 £000's		31 March 2023 £000's
21,132	South Ayrshire Council	16,057
7,572	NHS Ayrshire & Arran	3,772
28,704	Total Debtors	19,829

Amounts owed from 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 2022 £000's		31 March 2023 £000's
0	South Ayrshire Council	0
0	NHS Ayrshire & Arran	0
0	Total Creditors	0

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 Scottish Government Emergency Budget Review published 2 November 2022 outlined cuts totalling £615m from its budget to fund wage settlements with trade unions and to support people through the cost of living crises (including doubling both the Fuel Insecurity Fund and the Scottish Child Bridging Payment). The cuts outlined were in addition to £560m of cuts announced in September, which were used in part to finance an improved wage offer to local government. The majority of savings were found through reprioritisation in the Health portfolio, including funding allocations in 2022-23 for the Primary Care Improvement Fund (PCIF), Alcohol and Drugs Partnership (ADP) and Multi-Disciplinary Teams (MDT) where funds were reduced by up to the sums earmarked within IJB Reserve balances at 31 March 2022.

ADP (Alcohol and Drugs Partnership), Primary Care and Mental Health Recovery and Renewal are Scottish Government allocations which require to be carried forward for use in future years.

On the 12 September 2022 a letter was received from Scottish Government's Director of Health Finance, Corporate Governance and Value Directorate providing an update on Covid Reserves. The letter stated that due to a number of significant changes to Public Health policies in relation to Covid resulting in a reduced profile of spending compared to when funding was provided to IJB's for Covid purposes in 2021-22 accounts. The £11.713m in reserves had been allocated for use in 2022-23, of this £9.548m was passed back to Scottish Government via a negative allocation to the NHS Ayrshire and Arran, at the end of the year £0.700m Covid underspend has been earmarked, following a reconciliation process any amounts remaining will be returned to Scottish Government in 2023-24.

The IJB held £7.985m in reserves at 31st March 2023, earmarked for specific planned expenditure as detailed. Change Fund allocations of £0.546m were approved by the IJB during the financial year this was added to an Improvement and Innovation Fund of £4m approved by the IJB on 14 June 23, to be used over three year period to invest in specific projects aimed to support future financial sustainability. At the end of the year there was balance of £7.297m remaining unallocated in the General Fund.

2020-21				2022-23			
Balance at 1 April 2021	Transfers Out 2020-21	Transfers In 2020-21	Balance at 31 March 2022		Transfers Out 2022-23	Transfers In 2022-23	Balance at 31 March 2023
£000's	£000's	£000's	£000's		£000's	£000's	£000's
Earmarked Funds							
42	(42)	502	502	ADP	(502)	423	423
732	(732)	1,543	1,543	PCIF	(1,543)	0	0
0	0	477	477	Primary Care Other	(477)	370	370
204	(204)	182	182	Action 15	(182)	0	0
0	0	1,735	1,735	Mental Health Recovery and Renewal	(1,735)	809	809
4,073	(4,073)	11,713	11,713	Covid 19	(11,713)	700	700
410	(410)	410	410	Community Living Fund	(410)	371	371
894	(894)	5,118	5,118	Approved Earmarked	(5,118)	5,313	5,313
6,355	(6,355)	21,680	21,680	Total Earmarked	(21,680)	7,986	7,986
0	1,062	456	1,518	Improvement and Innovation Fund Committed	(1,518)	4,546	4,546
3,851	(1,234)	2,889	5,506	Unallocated General Fund	(444)	2,235	7,297
3,851	(172)	3,345	7,024	Total General Fund Reserves	(1,962)	6,781	11,843
10,206	(6,527)	25,025	28,704	Total Reserves	(23,642)	14,767	19,829

NOTE 9 – Agency Income and Expenditure

On behalf of all IJBs within the NHS Ayrshire & Arran area, the IJB acts as the lead manager for Community Equipment Services, Continence Services, Family Nurse Partnership and Technology Enabled Care 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 HSCP operated a PPE hub which distributed stock to South Ayrshire Council staff, external providers and carers. This stock was issued to the hub at no charge by NHS National Services Scotland. This was done under an agency arrangement and the estimate stock issued was £0.005m. As the IJB was acting as an agent regarding PPE transactions it does not recognise any income, expenditure or closing stock of PPE in the annual accounts.

Testing Kits were used during the year to test frontline workers, these were supplied by UK Government with distribution managed by NHS National Services Scotland. This was done under an agency arrangement with the amount of stock issued at a cost of £0.257m.

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

2021-22 £000's		2022-23 £000's
3,274	Expenditure on Agency Service - Lead Partnership	3,317
76	Expenditure on PPE received from National Services Scotland	5
4,019	Expenditure on Testing Kits received from National Services Scotland	257
1,828	Expenditure on £500 "Thank You" Payment to social care workers	0
(3,274)	Reimbursement for Agency Services - Lead Partnership	(3,317)
(76)	Reimbursement on PPE received from National Services Scotland	(5)
(4,019)	Reimbursement on Testing Kits received from Scottish Government and Uk Government	(257)
(1,828)	Reimbursement on £500 "Thank You" Payment to social care workers from Scottish Government	0
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 South 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.

2021-22	Transactions with NHS Ayrshire & Arran	2022-23 £000's
(188,434)	Funding Contributions received from NHS Board	(169,931)
146,705	Expenditure on Services Provided by NHS Board	158,086
14	Auditor Fee: External Work	15
79	Key Management Personnel: Non-Voting Board Members	84
(41,636)	Net Transactions with NHS Board	(11,746)

There are key management personnel employed by NHS Ayrshire & Arran and South 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 & Arran and South 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.

31-Mar-22 £000's	Balances with NHS Ayrshire & Arran	31-Mar-23 £000's
7,572	Debtor Balances: Amounts due from NHS Board	3,772
0	Creditor Balances: Amounts due to NHS Board	0
7,572	Net Balances with NHS Board	3,772

2021-22 £000's	Transactions with South Ayrshire Council	2022-23 £000's
(86,919)	Funding Contributions received from South Ayrshire Council	(98,261)
109,963	Expenditure on Services Provided by South Ayrshire Council	115,871
14	Auditor Fee: External Work	15
79	Key Management Personnel: Non-Voting Board Members	84
23,137	Net Transactions with South Ayrshire Council	17,709

31-Mar-22 £000's	Balances with South Ayrshire Council	31-Mar-23 £000's
21,132	Debtor Balances: Amounts due from South Ayrshire Council	16,057
0	Creditor Balances: Amounts due to South Ayrshire Council	0
21,132	Net Balances with South Ayrshire Council	16,057

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 has 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:

- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to IAS 1 Presentation of Financial Statements
- Amendments to IAS 12 Income Taxes
- Amendments to IFRS 3 Business Combinations

The IJB does not expect that the adoption of the Standards listed above will have a material impact on the financial statements in future periods. In relation to IFRS16: Leases has been deferred to be effective from 1 April 2024. These arrangements are held in either NHS Ayrshire and Arran or South Ayrshire Council and will be included in their financial statements in future periods.

Glossary of Terms

Although the terminology used in the Annual Accounts is intended to be self-explanatory, it may be helpful to readers 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.

IAS

International Accounting Standards

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.

PSIAS

Public Sector Internal Audit Standards.

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.

SOLACE

Society of Local Authority Chief Executives.

The Code

The Code of Practice on Local Authority Accounting in the United Kingdom

This information can be made available, on request, in braille, large print or audio formats and can be translated into a range of languages. Contact details are provided below.

درخواست کرنے پر یہ معلومات ناپینا افراد کے لئے ابھرے حروف، بڑے حروف یا آڈیو میں مہیا کی جاسکتی ہے اور اسکا مختلف زبانوں میں ترجمہ بھی کیا جاسکتا ہے۔ رابطہ کی تفصیلات نیچے فراہم کی گئی ہیں۔

本信息可应要求提供盲文，大字印刷或音频格式，以及可翻译成多种语言。以下是详细联系方式。

本信息可慮應要求提供盲文，大字印刷或音频格式，以及可翻譯成多种語言。以下是詳細聯系方式。

ਇਹ ਜਾਣਕਾਰੀ ਮੰਗ ਕੇ ਬੋਲ, ਵੱਡੇ ਅੱਖਰਾਂ ਅਤੇ ਸਣਨ ਵਾਲੇ ਰਪ ਵਿਚ ਵੀ ਲਈ ਜਾ ਸਕਦੀ ਹੈ, ਅਤੇ ਇਹਦਾ ਤਰਜਮਾ ਹੋਰ ਬੋਲੀਆਂ ਵਿਚ ਵੀ ਕਰਵਾਇਆ ਜਾ ਸਕਦਾ ਹੈ। ਸੰਪਰਕ ਕਰਨ ਲਈ ਜਾਣਕਾਰੀ ਹੇਠਾਂ ਦਿੱਤੀ ਗਈ ਹੈ।

Niniejsze informacje mogą zostać udostępnione na życzenie, w alfabecie Braille'a, w druku powiększonym lub w formacie audio oraz mogą zostać przetłumaczone na wiele języków obcych. Dane kontaktowe znajdują się poniżej.

Faodar am fiosrachadh seo fhaighinn, le iarrtas, ann am braille, clò mòr no clàr fuaim agus tha e comasach eadar-theangachadh gu grunn chànanan. Tha fiosrachadh gu h-ìosal mu bhith a' cur fios a-steach.

South Ayrshire Health and Social Care Partnership

Tel: 01292 612419

Email: sahscp@south-ayrshire.gov.uk