

Unaudited Annual Accounts **2024/25**



SHETLAND ISLANDS
INTEGRATION JOINT BOARD

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Management Commentary

The purpose of the Management Commentary is to inform all users of these Accounts and help them to understand the most significant aspects of Shetland Islands Health and Social Care Partnership's financial performance for the year to 31 March 2025 and its financial position as at 31 March 2025.

The Management Commentary has been prepared in accordance with the requirements of the Local Authority Accounts (Scotland) Regulations 2014 (SSI 2014/20) and the statutory guidance in Finance Circular 5/2015 which is based on Companies Act legislation and Financial Reporting Council guidance.

Introduction

The Shetland Islands Health and Social Care Partnership (Integration Joint Board) is a Body Corporate, established by Parliamentary Order under section 9 of the Public Bodies (Joint Working) (Scotland) Act 2014, on 27 June 2015.

The Parties:

Shetland Islands Council ("the Council" or "SIC"), established under the Local Government etc. (Scotland) Act 1994.

Shetland Health Board ("the Health Board" or "NHS Shetland" or "NHSS"), established under section 2(1) of the National Health Service (Scotland) Act 1978 (operating as Shetland NHS Board).

The Parties agreed the Integration Scheme of Shetland Islands Health and Social Care Partnership, which sets out the delegation of functions by the Parties to the Integration Joint Board (IJB). The Integration Scheme was reviewed during 2020/21 and the IJB considered and recommended the revised Integration Scheme to be approved by NHSS & SIC for submission to Scottish Government Ministers for final endorsement. Both Parties approved the Revised Integration Scheme in April 2021.

The Shetland IJB Members for 2024/25 were as follows:

Voting Members:

- Ms N Cornick (NHSS - Chairperson)
- Mr J Fraser (SIC Vice Chairperson)
- Mr L Carroll (NHSS)
- Ms L Peterson (SIC)
- Mrs K Hubbard (NHSS)
- Mr R McGregor (SIC)

Non-Voting Members:

- Ms J Robinson (Interim Chief Officer to 22 April 2024, Chief Officer from 23 April 2024)
- Mr K Williamson (Chief Financial Officer)
- Ms D Morgan (Chief Social Work Officer)
- Dr K Brightwell (Senior Clinician – GP)
- Ms K Anderson (Senior Clinician – Senior Nurse)
- Mr B McCulloch (Staff Representative)
- Ms S Gens (Staff Representative)
- Mrs L Tulloch (Third Sector Representative)
- Ms J Adamson (Patient/Service User Representative – Resigned 25 June 2024)
- Mrs Laura Whittall (Patient/Service User Representative – Appointed 20 November 2024)
- Mr J Guyan (Carers' Representative)
- Ms E Campbell (Allied Health Professionals Representative – Resigned 16 May 2024)
- Ms G Ironside (Allied Health Professionals Representative – Appointed 19 July 2024)
- Mr A McDavitt (Pharmacy Representative)
- Dr S Laidlaw (Public Health Representative)

Background

The Public Bodies (Joint Working) (Scotland) Act was granted royal assent on 1 April 2014. SIC and NHSS took the decision that the model of integration of health and social care services in Shetland would be the Body Corporate known as an Integrated Joint Board (IJB).

Under the Body Corporate model, NHSS and SIC delegate the responsibility for planning and resourcing

service provision of adult health and social care services to the IJB.

As a separate legal entity, the IJB has full autonomy and capacity to act on its own behalf and can make decisions about the exercise of its functions and responsibilities within its allocated funding, as it sees fit.

The IJB is responsible for the strategic planning of the functions delegated to it by SIC and NHSS and for the preparation of the Strategic Commissioning Plan. The SIC delegate responsibility for all adult social care services to the IJB. NHSS delegate responsibility for all community based health services plus an element of acute services including unscheduled care. The Strategic Commissioning Plan specifies the services to be delivered by the Parties and binding Directions issued by the IJB to SIC and NHSS act as the mechanism to action the Strategic Commissioning Plan. The IJB is also responsible for ensuring the delivery of its functions through the locally agreed operational arrangements set out within its [Integration Scheme](#).

The practical application of the Integration Scheme is managed and administered in accordance with the Financial Regulations, Standing Orders and Scheme of Administration of the Parties, as amended to meet the requirements of the Act

Purpose and Objectives

Integration of health and social care is the Scottish Government's ambitious programme of reform to improve services for people who use health and social care services. Integration will ensure that health and social care provision across Scotland is joined-up and seamless, especially for people with long-term conditions and disabilities, many of whom are older people. The Integration Scheme is intended to achieve the National Health and Wellbeing Outcomes prescribed by the Scottish Ministers in Regulations under section 5(1) of the Act; as follows:

National Health and Wellbeing Outcomes

1. People are able to look after and improve their own health and wellbeing and live in good health for longer.
2. People, including those with disabilities or long-term conditions or who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.
3. People who use health and social care services have positive experiences of those services, and have their dignity respected.
4. Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.
5. Health and social care services contribute to reducing health inequalities.
6. People who provide unpaid care are supported to look after their own health and wellbeing, including reducing any negative impact of their caring role on their own health and wellbeing.
7. People using health and social care services are safe from harm.
8. People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.
9. Resources are used effectively and efficiently in the provision of health and social care.

The difference these make are helpfully summarised by the Coalition of Care and Support Providers in Scotland as:

- Improved or sustained health
- Increased or sustained independence
- Improved quality of life

(Commissioning for Outcomes, 2023)

Shetland's Partnership Plan

The Shetland Partnership is a wide range of partners and community bodies who collectively make up the Community Planning Partnership (CPP) for Shetland. A CPP should have a clear and ambitious vision for its local area.

The Partnership and the key partners within it, including the IJB, SIC & NHSS, have a statutory duty to produce Shetland’s Partnership Plan and ensure it is delivered and resourced.

Extracts from Shetland’s Partnership Plan 2018-2028:

Our shared vision

“Shetland is a place where everyone is able to thrive; living well in strong, resilient communities; and where people and communities are able to help plan and deliver solutions to future challenges”

Our shared priorities

	Participation People participate and influence decisions on services and use of resources
	People Individuals and families thrive and reach their full potential
	Place Shetland is an attractive place to live, work, study and invest
	Money All households can afford to have a good standard of living

The IJB approved [Shetland's Partnership Plan 2018-2028](#) – the Local Outcomes Improvement Plan (LOIP)

on 20 June 2018, agreeing to prioritise resources in the annual budgeting process to improve local outcomes. The current [Delivery Plan](#) for the Shetland Partnership, from April 2023 has the following priority for the next 5 years:

“Increase our Working Age Population across our Islands and Reduce Inequalities”

This will be delivered by 5 improvement programs and projects:

- Inclusive Growth
- Compassionate Communities – reducing stigma
- Person-centred delivery
- Climate Change Strategy
- Place-based Program of Change

The IJB, SIC and NHSS jointly developed the Performance Management Framework 2019-24 (PMF). The PMF was approved for implementation by the three bodies in June/July 2019. The intention of the PMF is to provide a consistent “Once for Shetland” approach and a clear focus on improving outcomes. This is in line with the principles of Shetland’s Partnership Plan and allows the IJB to monitor and report on improvement against the LOIP outcomes as part of its overall performance reporting. The Health and Social Care Partnership (HSCP) consists of the operational delivery teams across the SIC and NHSS and is an important partner in all of these programmes. The HSCP will lead on Person-centred delivery through the Shifting the Balance of Care Programme. .

Shetland HSCP Strategic Priorities:

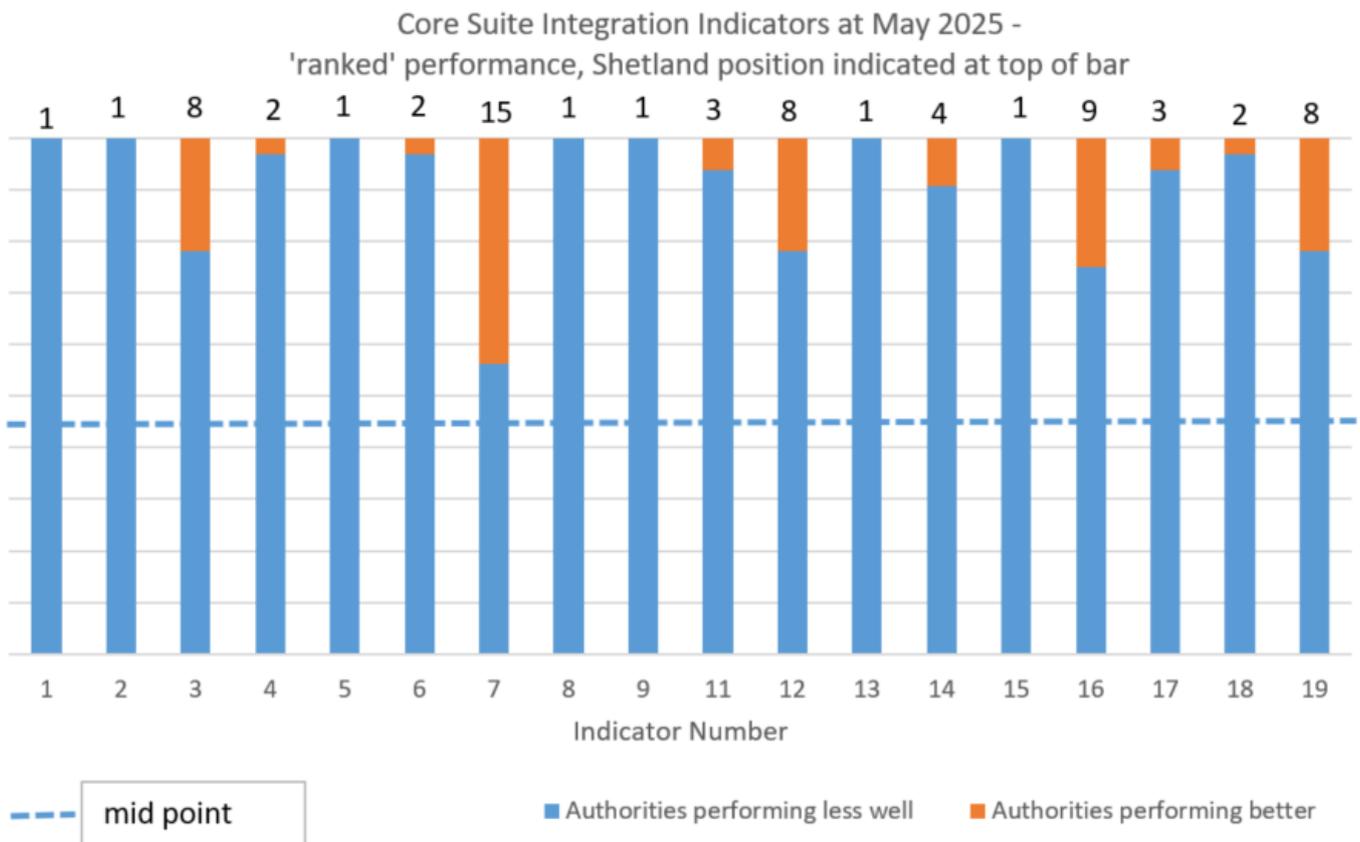
1. To prevent poor health and wellbeing and intervene at an early stage to prevent worsening outcomes.
2. To prevent and reduce the avoidable and unfair differences in health and wellbeing across social groups and between different population groups.
3. To demonstrate best value in the services that we commission and the ways in which we work.
4. To shift the balance of care towards people being supported within and by their communities
5. To meaningfully involve communities in how we design and develop services and to be accountable to their feedback.

Performance Overview

The HSCP continued to experience considerable operational pressure throughout 2024–25, largely due to persistent demographic changes including a growing older population and increasing complexity of health and care needs. This year also brought sustained demand on services and workforce capacity, further highlighting the unsustainability of current delivery models.

The IJB continued to monitor its key indicators aligned with the National Health and Wellbeing Outcomes, with quarterly reporting to support assurance and improvement. These include local management data and selected national indicators where available. The measures used align with the National Health and Wellbeing Outcomes monitored by the Scottish Government to check the system is working as a whole.

The most recent release of the Core Suite of Integration Indicators is reflected in the chart below, showing Shetland’s performance compared to all other integration authorities. The data compared with Scotland is shared overleaf – note due to publication schedules this early release of data is provided for the purposes of Annual Accounts and Annual Reporting but is incomplete and must be interpreted with caution, the dataset will be updated in July.



	Indicator	Title	Partnership rate	Change (pp = percentage points)	Scotland rate	Year of latest data
Outcome indicators	NI - 1	Percentage of adults able to look after their health very well or quite well	94.6%	Improved <5pp	90.7%	2023/24
	NI - 2	Percentage of adults supported at home who agreed that they are supported to live as independently as possible	95.4%	Improved >5pp	72.4%	
	NI - 3	Percentage of adults supported at home who agreed that they had a say in how their help, care, or support was provided	66.5%	Worsened >5pp	59.6%	
	NI - 4	Percentage of adults supported at home who agreed that their health and social care services seemed to be well co-ordinated	72.8%	Improved <5pp	61.4%	
	NI - 5	Percentage of adults receiving any care or support who rate it as excellent or good	88.2%	Improved <5pp	70.0%	
	NI - 6	Percentage of people with positive experience of care at their GP practice	87.4%	Improved <5pp	68.5%	
	NI - 7	Percentage of adults supported at home who agree that their services and support had an impact on improving or maintaining their quality of life	70.7%	Worsened >5pp	69.8%	
	NI - 8	Percentage of carers who feel supported to continue in their caring role	46.3%	Improved <5pp	31.2%	
	NI - 9	Percentage of adults supported at home who agreed they felt safe	87.5%	Improved >5pp	72.7%	

Data indicators	NI - 11	Premature mortality rate per 100,000 persons	327	Worsened	442	2023
	NI - 12	Emergency admission rate (per 100,000 population)	9,711	INCOMPLETE	11,857	2023/24
	NI - 13	Emergency bed day rate (per 100,000 population)	63,614	INCOMPLETE	119,922	2023/24
	NI - 14	Emergency readmissions to hospital within 28 days of discharge (rate per 1,000 discharges)	79	INCOMPLETE	104	2023/24
	NI - 15	Proportion of last 6 months of life spent at home or in a community setting	95.1%	INCOMPLETE	88.9%	2023/24
	NI - 16	Falls rate per 1,000 population aged 65+	20.1	INCOMPLETE	22.7	2023/24
	NI - 17	Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections	88.9%	Improved	77.0%	2023/24
	NI - 18	Percentage of adults with intensive care needs receiving care at home	76.4%	Same	64.7%	2024
	NI - 19	Number of days people spend in hospital when they are ready to be discharged (per 1,000 population)	1,126	Worsened	952	2024/25
	NI - 20	Percentage of health and care resource spent on hospital stays where the patient was admitted in an emergency	13.2%	Not updated	24.0%	2019/20

Locally performance is reported quarterly to the IJB using a suite of indicators focussing on performance of services, and on case studies of particular interest to add context and understanding. Operationally performance is reviewed fortnightly at a Clinical and Professional Oversight Group.

The IJB is obliged by the Public Bodies (Joint Working) (Scotland) Act 2014 to publish an Annual Performance Report by July each year. The Annual Performance Report (APR) 2024/25 will be presented to the IJB on 27 June 2025 in keeping with this deadline.

The purpose of the APR is to provide an open account of the IJB’s performance in relation to planning and delivering delegated health and social care services.

The APR acknowledges the various challenges the IJB has faced this year, including significant workforce challenges, aligning resource to need, appropriately prioritising those in greatest need while also trying to shift towards a model of preventing ill health and crisis.

Operational Review

In the year ending 31 March 2025, the Shetland Health and Social Care Partnership (HSCP) continued to drive forward delivery of the Strategic Commissioning Plan 2022–2025, primarily through the Shifting the Balance of Care programme. This programme remains central to the transformation of health and care services, supporting a system focused on early intervention, person-centred care, and sustainable service models.

This plan aligns with areas the IJB feels need to improve to support Shetland towards the National Health and Wellbeing (NHWB) outcomes. The Core Suite of Integration Indicators, designed to approximate HSCPs contribution to the NHWB outcomes, shows Shetland performing comparatively well against other HSCPs in Scotland, and compared to the national average.

The most recent full Health and Care Experience survey is published in a dashboard online:

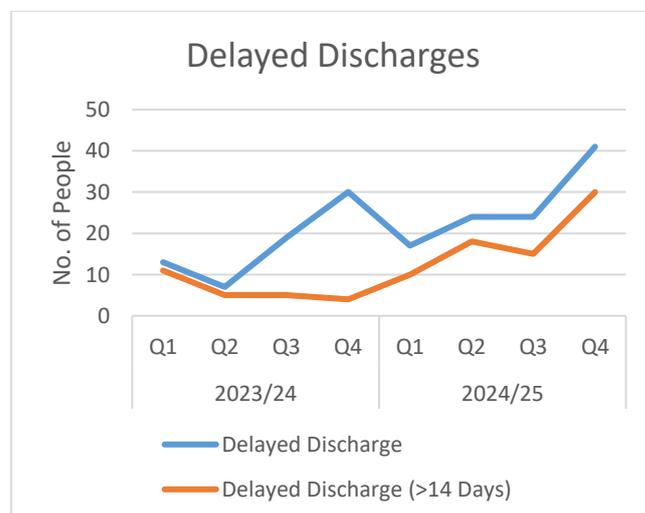
<https://publichealthscotland.scot/publications/health-and-care-experience-survey/health-and-care-experience-survey-2024/detailed-experience-ratings-results/>.

The 2024–25 operational landscape was again marked by intense pressures related to demographic change, increasing service demand, and persistent workforce challenges. These trends continued to reinforce the need and value for integrated, community-based services to ensure the system remains both safe and sustainable.

Challenges

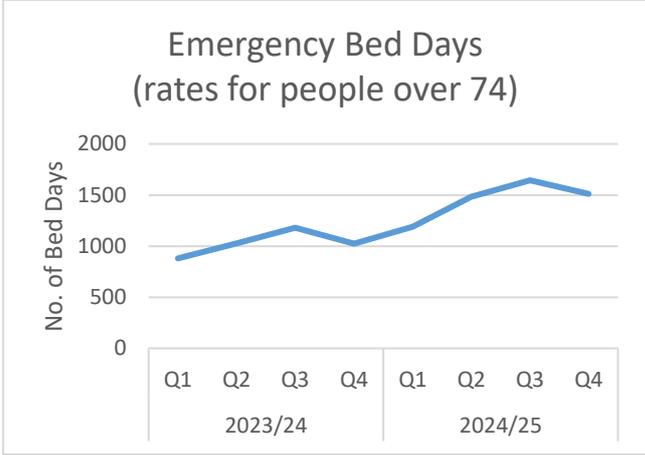
While Shetland HSCP continues to perform well compared to Scotland there are a number of areas of performance that have remained challenging over the financial year. These are largely linked to staffing shortages, where overspends on supplementary staffing have been a feature.

Delayed Discharges: There has been a rise in both the number and duration of delays in hospital for health and social care reasons. This continues to put pressure on hospital capacity, with an average of 9 beds occupied by people who were delayed, across the year, compared to around 5 in 2023/24. Note this data relates to a census point each week and should be considered in context with other measures. In the whole year for 2024/25 there were 2448 days spent in hospital when they were ready to be discharged, for all people aged 75+, compared to 857 days delayed in 2023/24.

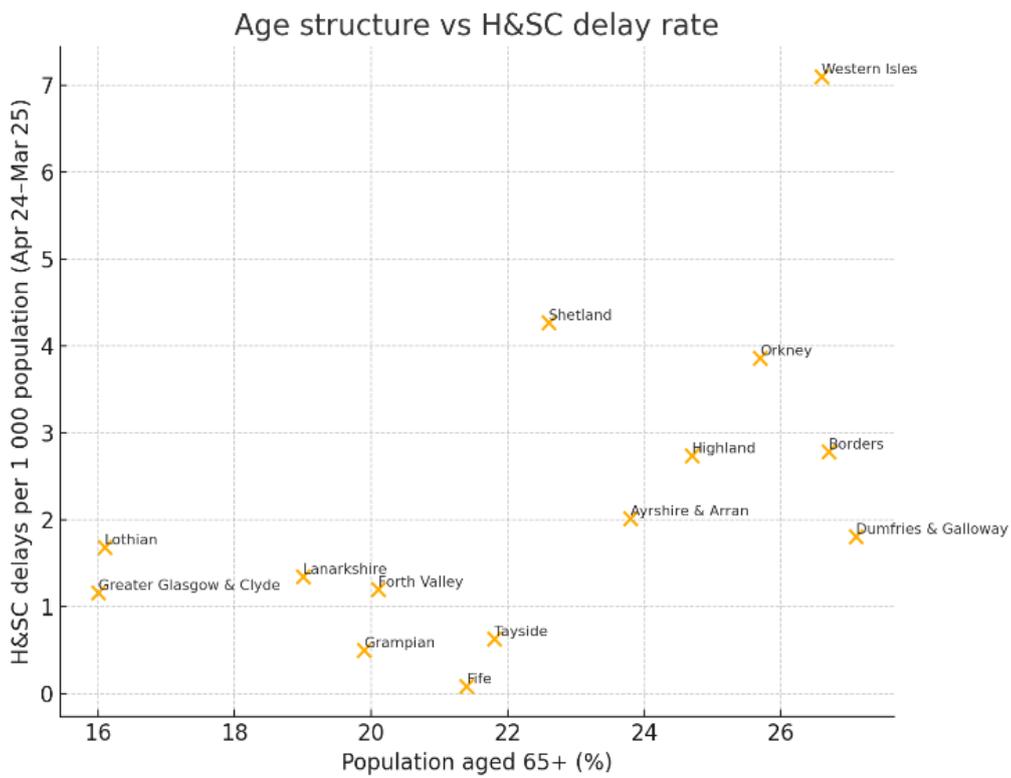


In total this contributed to 2,448 bed days occupied due to delay, compared to 857 the previous financial year, which related to the 75 and over population delayed through health and social care reasons.

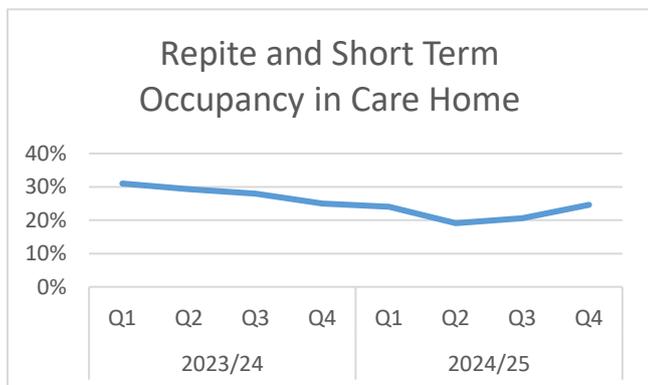
This reflects system-wide challenges in social care capacity and availability, increasing assessment workloads and growing complexity of need in our increasingly older population. It also reflects that Shetland has a higher than elsewhere utilisation of care resources in the 65+ population.



These effects are mirrored in other island areas, as well as in other remote and rural boards, with delays associated with an increase in population 65+.

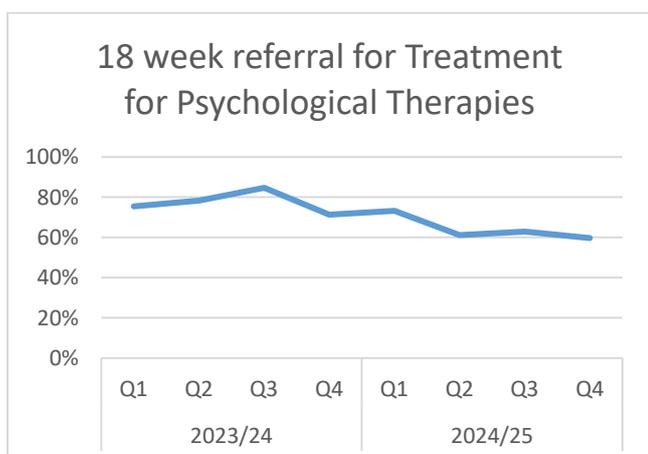


Respite and Short-Term Occupancy: The challenges facing Social Care, noted above, resulted in a reduction in the number of beds available to use for Respite and Short Term Occupancy during the financial year. At year-end the percentage of beds used for Respite and Short Term Occupancy had risen back to 26%

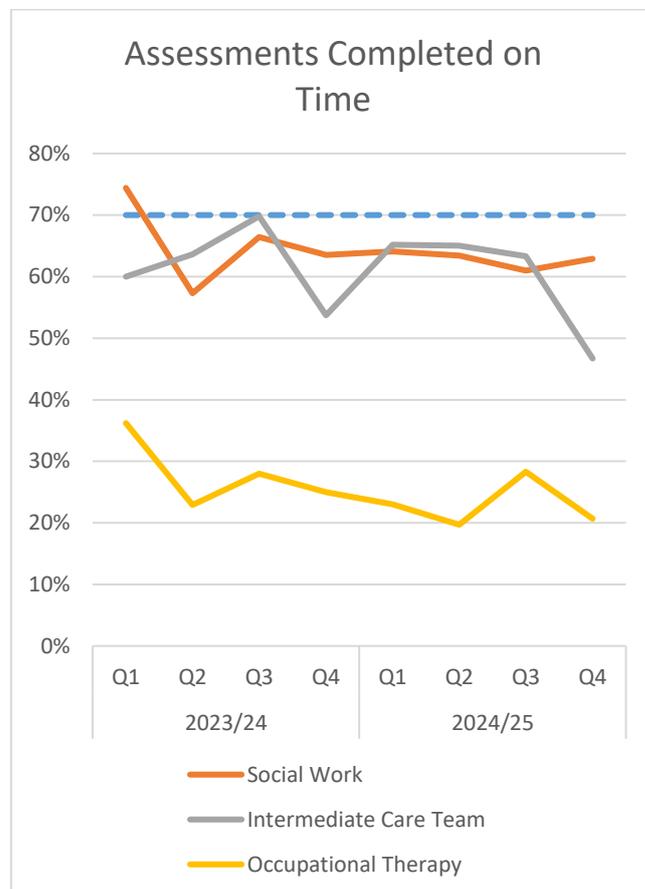


Care Home Moratorium: The above challenges were compounded in year when the Council was unable to make new placements into Residential Care due to the existence of a moratorium recommended by Care Inspectorate Scotland. During the year works to improve the service were undertaken and by March 2025 all restrictions had been lifted.

Psychological Therapies Access: The percentage of patients seen within 18 weeks fell to 60% during the final quarter of the year. While demand remains high and activity has been consistent, capacity constraints and team vacancies have prevented improvement in waiting times despite sustained effort.



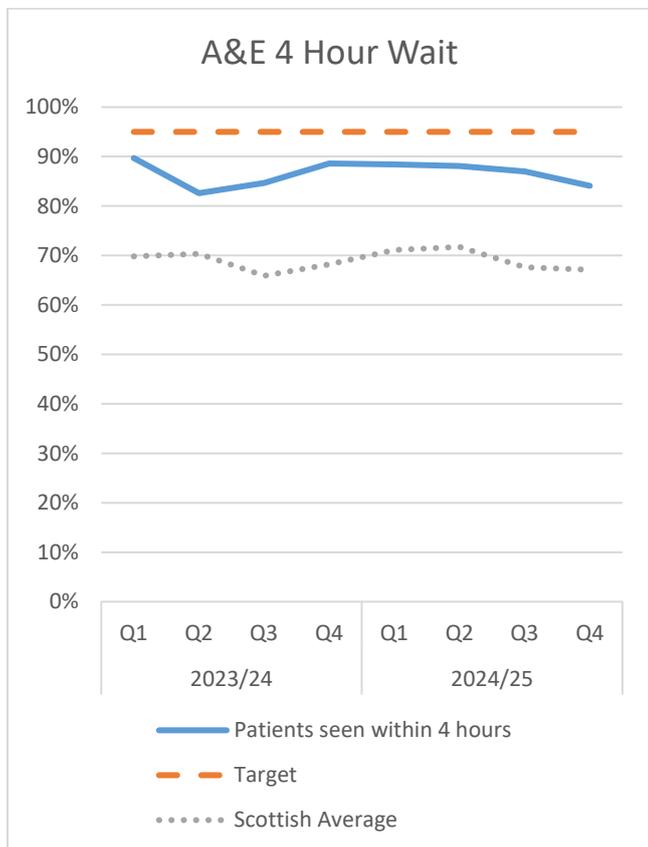
Assessment Times: Timeliness of access to assessment has been challenging across the year. Social Work, Intermediate Care Team and Occupational Therapy have each failed to achieve their target rate of 70%, achieving average rates of 65%, 62% and 28% respectively in year.



These delays have primarily been due staffing difficulties, and have also been impacted by increasing complexity and demand. Teams work to see the most critical cases first and will provide support while the full assessment is completed so waiting times are not indicative of service users not having access to required support.

Smoking Quit Targets: The 12-week smoking quit rate for people in the most deprived areas remains low, consistent with historic and national trends. Local work continues to explore more effective, community-based behaviour change models, and this performance is in the context of Shetland having a lower smoking rate than the national average.

Emergency Care: The Accident and Emergency access target has been challenging again this year, with an average of 84% of patients seen within 4 hrs, compared to 86% last year, against a target of 95%, while this remains significantly above the Scottish average it represents a prolonged dip in performance for Shetland.



Achievements

Despite ongoing workforce and financial pressures, Shetland HSCP continued to deliver positive outcomes in several areas of service. These achievements reflect the commitment and resilience of frontline teams and the effectiveness of targeted improvement initiatives.

Drug and Alcohol Treatment Access: The HSCP maintained strong performance, with over 92% of clients accessing treatment within 3 weeks. The Recovery Hub continues to offer holistic support to individuals and their families who experience issues relating to their substance and alcohol use.

National Dental Inspection Programme: Shetland again demonstrated excellent coverage of the Childsmile programme, and strong outcomes in the

National Dental Inspection Programme for Primary 7 pupils.

Improvement Work

Throughout 2024/25, the IJB and HSCP progressed key improvement initiatives aligned with the five strategic priorities outlined in the Strategic Commissioning Plan. These projects reflect the commitment to shift towards more sustainable, person-centred services and to address Shetland’s unique challenges.

Prevention and Early Intervention.

Shetland Health Intelligence Platform (SHIP):

Following successful business case during late 2023, the SHIP project was initiated to enhance Primary Care’s ability to proactively deliver effective long-term condition care, and prevent or delay poor long term health outcomes. This approach to managing and analysing Primary Care patient data enables targeting of support to those most likely to benefit and will help teams to intervene early to minimise complications and worsening of health problems related to long term conditions. This piece of work will also support best use of resources and sustainable approaches in Primary Care, ensuring people get the right care, at the right time, from the right person.

So far, the SHIP platform has supported teams and practices to have delivered a significant improvement in performance for long term conditions (LTC), and other focuses including medication review.

Winter and Spring Vaccination Programmes: High uptake among over-75s and healthcare workers contributed to system resilience during peak demand periods.

Get Started and Health Shetland: Lifestyle intervention programme successfully piloted and rolled out across Shetland, in partnership with Shetland Recreational Trust.

Community Link Worker: This role was piloted and evaluated in two health centre areas, to improve the early intervention and “community first” approach

within Primary Care. Positive evaluation has prompted service review and redesign to incorporate this role long term.

Alcohol Brief Intervention (ABI): Delivery increased to 118, despite the pause in national reporting, with local training developed and delivered by the Health Improvement Team.

Tackling Inequalities

Joint Strategic Needs Assessment (JSNA): Nearing publication, the JSNA has informed development of the strategic plan and will underpin locality planning and future strategy.

Data-Sharing Improvements for Complex Needs: Enhanced coordination supported better transitions and planning for people with complex needs.

Outreach to Vulnerable Groups: Advanced Nurse Practitioner outreach with the Recovery Hub supported people back into mainstream services.

Development of new HSCP Strategic Plan: Work undertaken to develop a new Strategic Plan which includes a stronger focus on inequalities.

Improving communication: Funding through the IJB Reserve has allowed development of an Easy Read Strategic Plan, and a means for developing Easy Read documents locally.

Equalities Outcomes evidence gathering: A series of focus group and survey work was progressed by the HSCP in collaboration with Community Planning and Public Health colleagues, to improve local understanding of the experiences of people in Shetland with Protected Characteristics.

Best Value

With ongoing financial and workforce challenges, paired with increasing demand and complexity from an ageing population, Shetland HSCP continues to

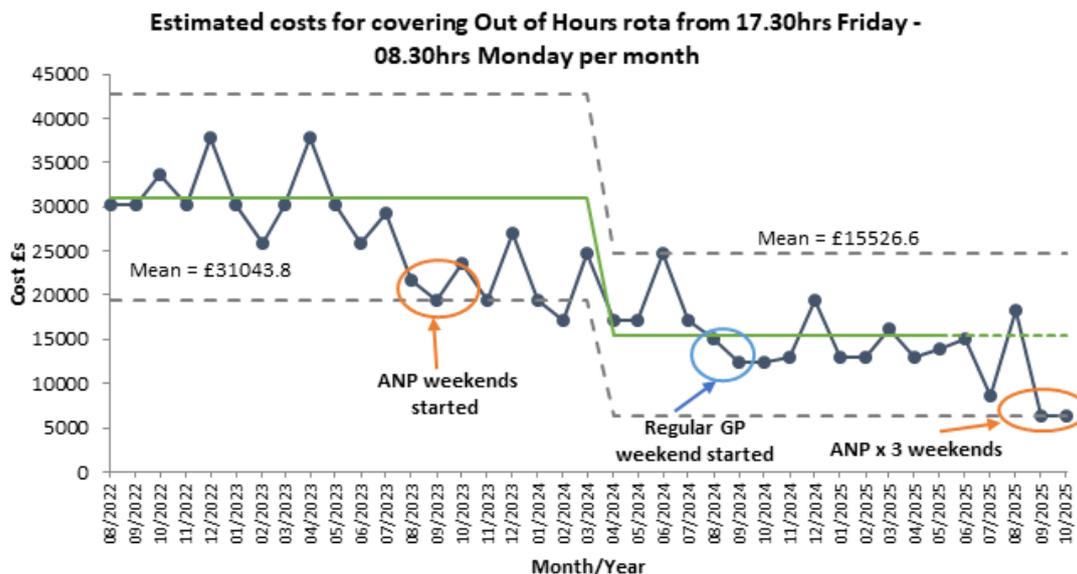
work hard to review ways of working and models of delivery to ensure best use of resources and build sustainable approaches to service delivery.

Supplementary Staffing Reduction: Recruitment improvements and team stability cut agency spend by over £2 million.

Physiotherapy service redesign: skill mix and recruitment drive in 2024 has significantly reduced vacancy factor and led to a reduction in waiting times across all specialities. In addition to this, a current test of change using a Physiotherapy Musculoskeletal (MSK) digital tool "PHIO" is in the initial few weeks since launch showing very positive user engagement allowing patients access into MSK Physiotherapy within 24 hours.

Dietetics Services Redesign: A skill mix shift enabled more preventative outreach and more efficient use of specialist time.

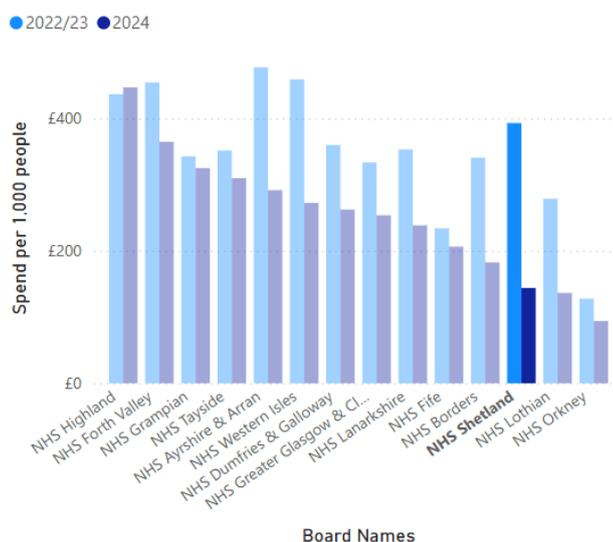
Out-of-Hours ANP Cover: Continued implementation improved resilience and reduced locum costs. So far the results have demonstrated effective implementation and improved model cost-effectiveness significantly



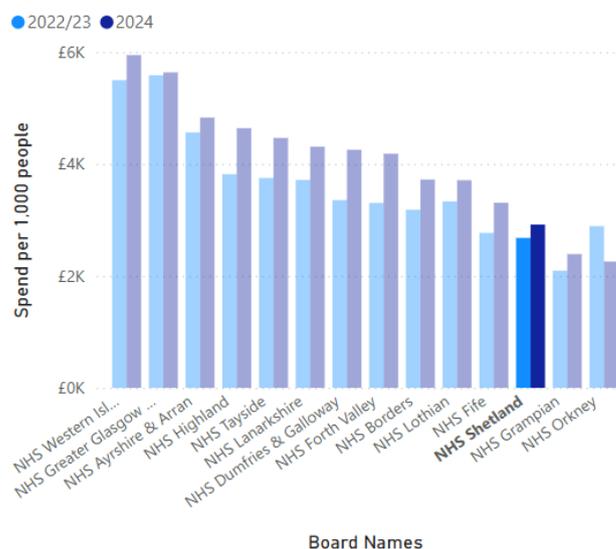
Pharmacy and Medicines initiatives: There has been continued engagement with local national initiatives around medicine usage, optimisation and waste. NHS Shetland has achieved the largest shift in Medicines of **LOW** clinical value (avoid using at all), and has the second lowest rate in Scotland for data from last financial year.

absolutely necessary), ranked by use in the last year. Note that only 1 board reduced usage of these agents, NHS Orkney, with Shetland having the smallest increase year vs year.

Spend per 1,000 people (MLCV)



Spend per 1,000 people (MLCV)



NHS Shetland also has the 3rd best performance in use of medicines of **LIMITED** clinical value (use only where

Oversight of Supplementary Staffing: Work by Finance, HR and management teams has facilitated improved consistency and oversight of supplementary staffing in social care which has been used alongside service demand and capacity data to better understand system pressures.

Shifting the Balance of Care

Primary Care Redesign continues to occur through the Primary Care Redesign group, working within the Shifting the Balance of Care overarching programme, providing the essential functional programme space within NHS Shetland to deliver on successful change projects. It currently provides coordination between Workflow Optimisation in General Practice (IJB Commission), Network Enabled Care – Westside practices, Primary Care Mental Health Nursing project (IJB Commission), Out of Hours redesign, Shetland Health Intelligence Platform and the Primary Care Phased Investment Programme work across Pharmacotherapy and Community Treatment and Care (CTAC) services.

SDS Improvement Programme: Significant work has been undertaken in relation to the SDS Improvement Plan in order to enhance transparency, choice and control for those who access services while ensuring equitable and sustainable service provision. This included working with In Control Scotland to create a new Resource Allocation System (RAS) tool to replace the previous equivalency model, engagement with those who access services as well as key stakeholders including staff and the development and approval of a new SDS policy. The new policy and RAS are now in the implementation stage with benefits from this change in model already being noted.

Unpaid Carers Strategy review: The Unpaid Carers Strategy review is currently in its very early stages however is on target for completion within 25/26. Lead officers have been appointed to take forward this work alongside key stakeholders.

Models of care – Accommodation/Housing: This is a key project taking place across CHSC and Development in order to explore sustainable accommodation models across both Adult Services and Community Care Resources. A recent bid to IJB reserves resulted in finance being allocated to this project for the recruitment of a Programme Manager as well as external consultants to support with the Business Justification Case.

Hospital at home: An additional test of change of Physiotherapy support is facilitating Multidisciplinary Team (MDT) working to achieve early discharge and admission avoidance.

Integrated Care Models for Islands: Healthcare Support Worker models provided continuity in remote areas.

Distress Brief Intervention (DBI): New service launched in partnership with third sector to support mental health crises.

ReSPECT Future Care Planning Pilot: This new, systematic approach to Future Care Planning, and discussing treatment options and end of life with people is now being rolled out across Shetland with a focus on residential care settings. This will support people to have informed discussions and make positive decisions about their care and support.

Meaningful Involvement

Locality Profiles and Engagement: Local data shaped community dialogue and planning.

Mental Health Engagement: The “Good Mental Health for All” work fed directly into new strategy development and has informed Suicide Prevention work progressed by the Health Improvement Team.

Network Enabled Care: Digital and workforce transformation progressed across Primary Care sites.

Patient surveys: across Primary Care, AHP and Community Nursing patient surveys provided valuable feedback for teams to drive improvement, with one survey attracting over 80 responses for primary care service users.

Teams across the IJB services took part in Reserve Applications for funding processes, supporting development of new ideas and collaboration on change initiatives, most of which are in a delivery phase through the health and social care partnership team.

Workforce

Workforce challenges remained a significant issue through out 2024/25, consistent with the national picture. However, a number of key improvements and strategic shifts contributed to progress in recruitment, retention and the development of more sustainable staffing models across health and social care.

Supplementary Staffing Costs: Spend decreased from £7.7m in 2023/24 to £5.5m in 2024/25-within the NHS on supplementary staff. This has been achieved in part due to successful international recruitment and the introduction of flexible GP contracting models.

In contrast the SIC has seen spend on supplementary staffing remain consistent at £3.7m in 2024/25. While the Council has also been successful with International Recruitment and has had some success in recruiting to Social Care posts in year, increased service demand, particularly in Adult Services, and high levels of staff sickness has made it challenging to reduce the use of supplementary staff.

Primary Care Transformation Funding: National support enabled progress on CTAC and Pharmacotherapy services under the Primary Care Phased Investment Programme. The work is focused on these, and is due to report during October - December 2025.

Improved Oversight and Planning: Enhanced visibility of staffing data and demand patterns through effective implementation of the Allocate software across teams in the NHS partnership side, as well as improved use of rostering platforms in the SIC.

Departmental Business Continuity Planning: Achieved 100% departmental compliance

Financial Statements

The Financial Statements detail the IJB's transactions for the year and its year-end position as at 31 March 2025. The Financial Statements are prepared in accordance with the International Accounting

Standards Board (IASB) Framework for the Preparation and Presentation of Financial Statements (IASB Framework) as interpreted by the Code of Practice on Local Authority Accounting in the United Kingdom.

A description of the purpose of the primary statements has been included immediately prior to each of the Financial Statements: The Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement and the Balance Sheet. These Statements are accompanied by Notes to the Accounts which set out the Accounting Policies adopted by the Partnership and provide more detailed analysis of the figures disclosed on the face of the Primary Financial Statements.

No Cashflow Statement is required as the IJB does not operate a bank account or hold cash. The Primary Financial Statements and notes to the accounts, including the accounting policies, form the relevant Financial Statements for the purpose of the auditor's certificate and opinion. The remuneration of the Chief Officer and Interim Depute Chief Officers of the Partnership is disclosed in the Remuneration Report.

Financial Review

At its meeting on 23 April 2024 the IJB approved its 2024/25 budget of £68.032m (2023/24: £60.289m). Subsequently budget revisions have been made during the year for additional funding allocations and application of contingency and cost pressure budgets with the total budget delegated from the IJB to the Parties for 2024/25 being £75.088m (2023/24: £66.812m).

The purpose of the Financial Statements is to present a public statement on the stewardship of funds for the benefit of both Members of the IJB and the public. The IJB is funded by SIC and NHSS in line with the Integration Scheme.

The Comprehensive Income and Expenditure Statement presents the full economic cost of providing the Board's service in 2024/25.

For the year-ended 31 March 2025, the IJB generated a deficit of (£0.061m) (2023/24: (£0.556m)), after adjustment has been made for additional contributions made by SIC and NHSS.

The deficit of (£0.061m) represents expenditure incurred during the year that the IJB agreed would be met from its Reserve off-set by underspend of Scottish Government Additionality Funding and other specific funding allocations.

The outturn position at 31 March 2025 for IJB delegated services is an overall deficit against budget of (£2.524m) (2023/24: (£7.432m)), which represents an overspend in relation to services commissioned from SIC of £0 (2023/24: (£4.995m)) and an overspend in relation to services commissioned from NHSS of (£2.524m) (2023/24: (£2.437m)).

In order to achieve the final IJB deficit of the year of (£0.061m) (2023/24 deficit of £0.556m), NHSS made a one-off additional contribution of £2.524m to the IJB. The additional contribution from NHSS is non-recurrent in nature and does not require to be paid back in future years.

Financial Transactions 2024/25

	2024/25			2023/24		
	SIC £000	NHSS £000	TOTAL £000	SIC £000	NHSS £000	TOTAL £000
Original Budgets delegated to the Parties from the IJB	34,890	33,106	67,996	29,987	32,928	62,915
Additional Budget delegated to the Parties in year from the IJB	3,333	3,757	7,090	2,583	1,314	3,987
Revised Budgets delegated to the Parties from the IJB	38,223	36,863	75,086	32,570	34,242	66,812
Cost of Services of the IJB (Contribution from the Parties)	(38,223)	(39,387)	(77,610)	(37,565)	(36,679)	(74,244)
Budget Variance	0	(2,524)	(2,524)	(4,995)	(2,437)	(7,432)
IJB Direct Costs (Audit fee, Insurance & Members Expenses)	19	19	38	19	18	37
Contributions from Parties to meet IJB Direct Costs	(19)	(19)	(38)	(19)	(18)	(37)
Additional contributions (to)/from the Parties to/(from) IJB	(1,281)	3,744	2,463	3,718	3,158	6,876
Final Surplus/(Deficit) of IJB	(1,281)	1,220	(61)	(1,277)	721	(556)

	2024/25			2023/24		
	SIC £000	NHSS £000	TOTAL £000	SIC £000	NHSS £000	TOTAL £000
Additional contributions (to)/from the Parties to/(from) IJB to meet budget variance	0	2,524	2,524	4,995	2,437	7,432
Transfer of Scottish Government Additionality funding between the Parties	(1,277)	1,277	0	(1,277)	1,277	0
Draw from Reserves	(4)	(158)	(162)	0	(584)	(584)
Pass back to Reserves	0	101	101	0	28	28
Additional contributions (to)/from the Parties to/(from) IJB	(1,281)	3,744	2,463	3,718	3,158	6,876

The Balance Sheet as at 31 March 2025

The IJB carried a General Fund of £0.948m as at 1 April 2024. This Reserve was created from previous years underspending in the Scottish Government Additionality Funding £0.578m and underspend in specific NHSS Funding which were carried forward as an earmarked element of the Reserve £0.370m.

During the year there has been a draw on the IJB Reserve of £0.162m.

Underspend in Specific NHA Funding in 2024/25 of £0.101m, has been added to the Reserve.

As at 31 March 2025, the General Fund has a balance of £0.887m, of which £0.362m is earmarked, leaving £0.525m uncommitted Reserve available to be spent in line with the IJB Strategic objectives.

2025/26 Budget and Medium Term Financial Outlook

The IJB Board approved its [budget for 2025/26](#) of £76.512m, on 19 March 2025.

The 2025-26 budget contains a savings target of £0.107m (0.1%) and anticipates additional significant cost pressures related to temporary workers. The budget contains outline savings and cost reduction schemes on how this challenge will be addressed. Progress on these schemes, along with the ongoing development of further schemes, will be regularly reported in the IJB's quarterly Financial Monitoring Reports.

General Fund is also available to support the strategic objectives of the IJB, as detailed in Note 6 to the Accounts (page 32). Since the inception of the Shetland IJB, like other health and social care partnerships, it has faced significant financial challenges and has anticipated that it will be required to operate within tight fiscal constraints into the

future, due to the continuing difficult national economic outlook and increasing demand for services.

The IJB approved its current [Medium-Term Financial Plan 2025-2030](#) (MTFP) on 19 March 2025. This plan presents an extremely challenging financial outlook for the IJB over the next five years. If services remain in the current model, the IJB will face a cumulative financial deficit of £4.964m (5.7%) by 2029-30. Addressing this deficit will require strategic financial planning and decisive action to ensure the long-term financial sustainability of IJB delegated services.

Savings and cost reduction schemes will continue to be progressed and developed during future years with continued IJB scrutiny in this area.

Principal Risks and Uncertainties

The Integration Scheme requires a Risk Management Strategy is developed and that a Risk Register is maintained by the Chief Officer. An updated [IJB Risk Management Strategy](#) was approved by the IJB on 9 November 2021. The Risk Register was updated and considered by the IJB Audit Committee on 14 May 2025. For full details on the current risks and associated mitigating actions, the latest Risk Register and associated report can be found [here](#).

The main risks continue to be around the sustainability of IJB commissioned services in regards to both finance and workforce. The significant financial challenge is amplified by difficulty in recruitment and retention across services. The extra cost of temporary workers is even higher in remote locations such as Shetland due to the associated travel and accommodation implications.

A Finance and Sustainability Group has recently been established to oversee a wide range of remedial actions. This group will continue to support service managers to lead sustainable change initiatives that will maintain safe, effective health and social care services in Shetland.

Acknowledgement

We would like to acknowledge the significant effort of all the staff across the IJB who contributed to the preparation of the Annual Accounts and to the budget managers and support staff who have ensured delivery of the outcomes of the Strategic Commissioning Plan within the adjusted financial resources available to the IJB for the year ended 31 March 2025.

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Jo Robinson
Chief Officer

.....
Natasha Cornick
Chair

.....
Karl Williamson
Chief Financial Officer

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.

Scope of Responsibility

The IJB is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The IJB also aims to foster a culture of continuous improvement in the performance of the IJB's functions and to make arrangements to secure Best Value.

In discharging these responsibilities, the Chief Officer has a reliance on the systems of internal control of both NHSS and SIC that support compliance with both organisations' policies and promote achievement of each organisation's aims and objectives, as well as those of the IJB.

Purpose of Internal Control

The system of internal control is based on an ongoing process designed to identify, prioritise and manage the risks facing the organisation. The system aims to evaluate the nature and extent of failure to achieve the organisation's policies, aims and objectives and to manage risks efficiently, effectively and economically. As such it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control has been in place at the IJB for the financial year ended 31 March 2025 and up to the date of the approval of the Annual Accounts.

The Governance Framework and Internal Control System

The Board of the IJB comprises the Chair and five Members with voting rights; three are SIC Members appointed by the Council and three are Non-Executive Directors appointed by the Scottish Government to the NHSS Board. The position of Chair and Vice-Chair to the Board are based on an appointment made by the SIC and NHSS respectively and the positions revolve on the basis of a three year term. The position of Chair is held by the NHSS appointee until 31 March 2026.

The main features of the IJB's system of internal control are summarised below:

- The overarching strategic vision and objectives of the IJB are detailed in the IJB's Integration Scheme which sets out the key outcomes the IJB is committed to delivering through SIC and NHSS as set out in the IJB's Joint Strategic Commissioning Plan and Annual Accounts;
- The outcomes and deliverables are achieved by the IJB issuing Directions specifying the necessary services and granting associated budgets to the SIC or NHSS or to both.
- Services are able to demonstrate how their own activities link to the IJB's vision and priorities through their Improvement Plans and Service Plans;
- Performance management, monitoring of service delivery and financial governance is provided through quarterly reports to the IJB as part of the Planning and Performance Management Framework. Quarterly reports include financial monitoring of the integrated budget and the "set aside" budget, the IJB Risk Registers, performance against national outcome measures, local outcome measures and service development projects. Discussions and outcomes from the NHSS Clinical Governance Committee and the IJB Audit Committee inform reports presented to the IJB;
- The Participation and Engagement Strategy sets out the IJB's approach to engaging with stakeholders. Consultation on the future

vision and activities of the IJB is undertaken collaboratively with SIC and NHSS and through existing community planning networks. The IJB publishes information about its performance regularly as part of its public performance reporting;

- The IJB operates within an established procedural framework. The roles and responsibilities of Board Members and officers are defined within Standing Orders, Scheme of Administration and Financial Regulations; these are subject to regular review;
- Effective scrutiny and service improvement activities are supported by the formal submission of reports, findings and recommendations by Audit Scotland, the external auditor, national inspection agencies and the appointed Internal Audit service to the IJB's Senior Management Team, to the IJB and the main Board and Audit Committee;
- The IJB follows the principles set out in COSLA's *Code of Guidance on Funding External Bodies and Following the Public Pound* for both resources delegated to the Partnership by NHSS and SIC and resources paid to its SIC and NHSS Partners;
- Responsibility for maintaining and operating an effective system of internal financial control rests with the Chief Financial Officer. The system of internal financial control is based on a framework of regular management information, Financial Regulations and Standing Financial Instructions, administrative procedures (including segregation of duties), management and supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the IJB;
- The IJB's approach to risk management is set out in the Integration Scheme and IJB Risk Management Strategy. Reports on risk management are considered regularly by the

Health and Social Care Management Team with quarterly reporting on the IJB Risk Registers to the IJB Board and an annual report to the IJB Audit Committee;

- The IJB relies on NHSS and SIC counter fraud and anti-corruption arrangements as it is these Bodies who deliver IJB delegated services and manage all associated staff and financial transactions. The arrangement in place, across NHSS and SIC, are in accordance with Code of Practice on Managing the Risk of Fraud and Corruption;
- IJB Board Members observe and comply with the Nolan Seven Principles of Public Life. These are articulated through the latest version of the Board's Code of Conduct as a devolved public body. The Code was approved on 24 March 2022. Comprehensive arrangements are in place to ensure IJB Board Members and officers are supported by appropriate training and development including compliance with their Code of Conduct; and
- Staff of both NHSS and SIC are made aware of their obligations to protect client, patient and staff data. The NHS Scotland *Code of Practice on Protecting Patient Confidentiality* has been issued to all NHSS staff working in IJB directed services and all staff employed by SIC working in IJB directed services have been issued with the SSSC Codes of Practice.

Review of Adequacy and Effectiveness

The IJB has responsibility for conducting at least annually, a review of effectiveness of the system of internal control and the quality of data used throughout the organisation. The review is informed by the work of the Service Managers within SIC and NHSS (who have responsibility for the development and maintenance of the internal control framework environment), the work of the internal auditor, and

reports from external auditor and other review agencies and inspectorates.

The review of the IJB's governance framework is supported by a process of self-assessment and assurance certification by Directors within SIC and NHSS. The IJB directs SIC and NHSS to provide services on its behalf and does not provide services directly. Therefore, the review of the effectiveness of the governance arrangements and systems of internal control within the IJB places reliance upon the individual bodies' management assurances in relation to the soundness of their systems of internal control.

Governance – IJB Meetings

The Board continues to permit the practice of remote attendance at its meetings, by voting and non-voting members and by officers of SIC and NHSS.

As part of its commitment to Openness and Transparency the Board agreed, on 17 November 2022, to the commencement of live broadcasting and archive recordings of its public meetings, using the shared meeting equipment in the SIC Council Chamber. The first live broadcast commenced on 9 March 2023. At that meeting, the Board also agreed to commence the live broadcasting and archive recordings of its IJB Audit Committee, and this commenced on 23 March 2023. This enables greater levels of oversight and enhances the capacity of the public of Shetland to observe the business of the IJB and IJB Audit Committee being transacted.

Roles and Responsibilities of the Audit Committee and Chief Internal Auditor

IJB Members and officers of the IJB are committed to the concept of sound internal control and the effective delivery of IJB services. The IJB's Audit Committee operates in the main in accordance with CIPFA's Audit Committee Principles in Local Authorities in Scotland and Audit Committees: Practical Guidance for Local Authorities.

The IJB Audit Committee performs a scrutiny role in relation to the application of CIPFA's Public Sector Internal Audit Standards 2025 (PSIAS) and reviews the performance of the IJB's Internal Audit Service. From 1 April 2025, internal audit are working to new professional standards. These are a combination of the Global Internal Audit Standards (GIAS) and the Application Note 'Global Internal Audit Standards in the UK Public Sector'

The internal audit function followed the approved internal audit plan through the year and their work revealed a range of findings. Management are working to implement agreed recommendations. The Internal Audit Annual Report contains further detail.

The Internal Audit plan for 2024/25 included one specific IJB-related review - Financial Governance. This review resulted in four recommendations for improvement, relating to the preparation and monitoring of the savings and recovery plan, updating the IJB Reserves Policy, and enhancing transparency in the reporting of budget amendments and virements. These were all assessed as minor findings and do not pose a significant risk to the overall control environment. The Chief Internal Auditor also considers any matters arising from NHS Shetland Internal Audit reports issued during the year by Azets, and those issued for Shetland Islands Council that may have an impact on the IJB. The Azets report highlights an opinion that NHS Shetland has a framework of governance, risk management, and controls that provides reasonable assurance regarding the effective and efficient achievement of objectives. The review of overtime at SIC identified a number of areas for improvement in current arrangements.

On the basis of the audit work undertaken during the reporting period, the Chief Internal Auditor is able to conclude that reasonable assurance can be placed upon the adequacy and effectiveness of the governance and control environment which operated during 2024/25.

Compliance and Best Practice

The IJB complies with the CIPFA Statement on *“The Role of the Chief Financial Officer in Local Government 2016”*. The IJB’s Chief Finance Officer has overall responsibility for the IJB’s financial arrangements and is professionally qualified and suitably experienced to lead the IJB’s finance function and to direct finance staff in both partner organisations to ensure the effective financial management of the IJB. The Chief Financial Officer has direct access to the Director of Finance for NHSS and the Executive Manager – Finance for SIC to address financial issues and is a member of the Local Partnership Finance Team.

The Partnership complies with the requirements of the CIPFA Statement on *“The Role of the Head of Internal Audit in Public Organisations 2019”*. The IJB’s appointed Chief Internal Auditor has responsibility for the IJB’s internal audit function and is professionally qualified and suitably experienced to lead and direct internal audit staff. The Internal Audit service operates in accordance with the CIPFA *“Public Sector Internal Audit Standards 2025”*.

Financial Management Code (FM Code)

A high level assessment of the IJB’s compliance with the 17 standards set out in the FM code has been completed by management and It has been determined that the IJB is compliant with all standards through existing governance arrangements.

Issues and Actions

Update on Significant Governance Issues previously reported

The following table details the actions taken to address the significant governance issues that have been previously reported in a prior year’s Annual Governance Statement.

Significant Governance Issue	Responsible Officer	Action Taken	Current status and further action required
Waiting Times Performance in Psychological Therapies	Head of Mental Health Services NHSS	<p>In April 2025, 70% of patients were seen within 18 weeks, this is subject to monthly variation and PT continues to experience high demand, the past 3 years have all seen increase in referral</p> <p>SLA with NHS Orkney to provide cover for maternity leave of Consultant has had positive impact, staff team now at full compliment</p> <p>Group work programmes have been developed and now rolled out which has impacted waiting times positively</p> <p>CBT trainee from CPN team established in 2023 which is also supporting positive impact and will provide future resilience</p> <p>Improvement plan in place, submitted to SG and will be focus on Consultant Psychologist over next 6 - 12 months.</p> <p>Waiting list management about to be implemented which will support better wait list management and patient experience</p>	<p>Ongoing</p> <p>Progress will be monitored by NHSS Internal Audit with further updates to be provided to the NHSS Audit Committee.</p> <p>Progress is monitored through PTWT Scottish Government return</p> <p>Information will provide Head of Service and Consultant Psychologist monthly return of waiting times for greater oversight</p>

Business Continuity (BC) Arrangements in NHSS	Resilience and Business Continuity Officer	Aim for 100% departmental compliance	<p>Ongoing</p> <p>From June 2025, a Business Continuity Management System will 'go-live' and be visible to all within NHS Shetland. It will include information regarding the performance of in-date plans by department and directorate. There will also be an element of automation whereby managers will receive standard emails when the plan is due for review (within 3 months) and when it is out-of-date.</p>
Financial Sustainability	Chief Financial Officer	Savings and cost reduction schemes continue to be developed and implemented.	<p>Ongoing</p> <p>Savings schemes are continuously developed and are then monitored by the NHS Finance & Sustainability Group. All new schemes once they are at the appropriate stage in consultation are then added to the IJB Recovery Plan.</p> <p>Work is ongoing across the partnership to redesign services that can be delivered in a financially sustainable manner. This will help address required savings. However, this is likely to take more than one year to achieve so it is unlikely that a balanced Recovery Plan will be available during the period of the current MTFP.</p>

Significant Governance Issues

During the year the Audit Committee received a range of reports produced by Internal Audit that enabled scrutiny and questioning of officers, such that the Committee gained assurance about any weaknesses identified as well as the actions being taken to address them.

Other than the minor issues reported in the 'Roles and Responsibilities of the Audit Committee and Chief Internal Auditor' above, there were no significant governance issues during 2024/25.

Assurance

Subject to the above, and on the basis of assurances provided, we consider that the internal control environment operating during the reporting period provides reasonable and objective assurance that any significant risks impacting upon the achievement of our principal objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the internal control environment and action plans are in place to identify areas for improvement.

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Jo Robinson
Chief Officer

.....
Natasha Cornick
Chair

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 voting Members of the Integration Joint Board comprise three persons appointed by NHSS, and three persons appointed by the SIC. Nomination of the IJB Chair and Vice Chair post holders alternates between a SIC Councillor and a Health Board representative.

The IJB does not provide any additional remuneration to the Chair (NHSS), Vice Chair (SIC) 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. The Chair and Vice Chair did not receive any taxable expenses paid by the IJB in 2024/25 or 2023/24.

The IJB does not have responsibilities, in either 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: 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 Board.

Chief Officer

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

The Chief Officer is employed by SIC but this is a joint post with NHSS, with 50% of their cost being recharged to NHSS. The salary of senior employees of the SIC is set by reference to national arrangements and agreements. Performance appraisal and terms and conditions of service are in line with SIC policies and procedures.

Until 30 June 2023 Brian Chittick (NHSS) was Chief Officer. Jo Robinson (SIC) became Interim Chief Officer on 1 July 2023 and was formally appointed Chief Officer at an IJB meeting on 23 April 2024.

Depute Chief Officer

The Depute Chief Officer position is currently split between the SIC and NHSS, with a Senior Manager from each organisation taking on responsibilities of the role on an interim basis. Ruth McMillan (SIC) and Anthony McDavitt (NHSS) have been acting in this role since December 2023.

The salary of senior employees of the SIC is set by reference to national arrangements and agreements. Performance appraisal and terms and conditions of service are in line with SIC policies and procedures.

The salary of senior employees of the NHS is set by reference to national arrangements and agreements. Performance appraisal and terms and conditions of service are in line with NHS Scotland circulars and continuity of service applies.

Other Officers

No other staff are appointed by the IJB under a similar legal regime and no other non-voting board Members of the IJB meet the criteria for disclosure. All Partnership officers are employed by either NHSS or

SIC, and remuneration to senior staff is reported through the employing organisation.

The IJB approved the appointment of the Chief Financial Officer at its meeting on 20 July 2015. The role of Chief Financial Officer for the IJB is carried out by the NHSS Head of Finance & Procurement, Karl Williamson, with NHSS meeting his full cost.

Disclosure by Pay Bands

Pay band information is not separately provided as all staff pay information has been disclosed in the information that follows below.

Remuneration

The Chief Officer, Depute Chief Officer received the following remuneration during 2024/25:

Senior Employees	Designation	2024/25	2023/24
		*Total Remuneration £	*Total Remuneration £
Jo Robinson	Interim Depute Chief Officer / Depute Chief Officer / Chief Officer [a]	100,462	89,896
Brian Chittick	Chief Officer [a]	0	30,200
Anthony McDavitt	Interim Depute Chief Officer	41,901	11,408
Ruth MacMillan	Interim Depute Chief Officer	41,670	11,392

*consists of salary, fees and allowances, with no expenses/benefits in kind/other payments.

[a] Brian Chittick (NHS) held the post of Chief Officer until 30 June 2023, the Full Time equivalent remuneration for this post in 2023/24 was £113,852. Jo Robinson (SIC) replaced Brian initially on an interim basis before being formally appointed Chief Officer on 23 April 2024. The Full Time equivalent for this post in 2024/25 is £109,934.

The Interim Depute Chief Officer position has been covered by Anthony McDavitt and Ruth MacMillan on an interim basis from 18 December 2023. The Full Time Equivalent remuneration for this post in 2023/24 was £80,796.

Pension benefits

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 table below 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.

The current Chief Officer and one Deputy Chief Officer participates in the Local Government Pension Scheme (LGPS) which is a funded pension scheme that receives contribution payments from both Scheme members and participating employers. From 1 April 2015, the Pension Scheme moved to a career average related earnings scheme for all scheme members.

The previous Chief Officer and one Deputy Chief Officer participates in the National Health Service Superannuation Scheme (Scotland). The scheme is an

unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations.

Pension entitlements for the Chief Officer and the Deputy Chief Officer positions for the year to 31 March 2025 are shown in the table below, together with the contribution made to this pension by the employing body

Name of Senior Official	Designation	In-Year Employer Pension Contributions		Accrued Pension Benefits			
		2024/25 £	2023/24 £	As at 31 March 2025		Increase from 31 March 2024	
				Pension £	Lump Sum £	Pension £	Lump Sum £
Jo Robinson	Depute Chief Officer / Chief Officer	19,088	19,777	41,687	43,278	5,683	11,411
Brian Chittick	Chief Officer	0	24,720	21,755	0	0	0
Anthony McDavitt [a]	Interim Depute Chief Officer	14,363	13,308	15,806	0	2,419	0
Ruth MacMillan [b]	Interim Depute Chief Officer	7,917	2,506	1,080	0	847	0

[a] It is not possible to separate out the pension attributable to individual posts held by Anthony McDavitt during 2024/25, so his full entitlement is disclosed in the above table.

[b] a separate post has been established for Ruth MacMillan while she is acting as Interim Depute Chief Officer so it is possible to separate out the pension attributable to this post.

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Jo Robinson
Chief Officer

.....
Natasha Cornick
Chair

Statement of Responsibilities for the Annual Accounts

The Integration Joint Board's Responsibility

The Integration Joint Board is required to:

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

I can confirm that these Annual Accounts were approved for signature by the Integration Joint Board on 27 June 2025.

Signed on behalf of Shetland Integration Joint Board.

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Natasha Cornick
Chair

The Chief Financial Officer's Responsibilities

The Chief Financial Officer is responsible for the preparation of the Board's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code).

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

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with legislation; and
- Complied with the local authority Accounting Code (in so far as it is compatible with legislation).
- Kept adequate accounting records which were up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Annual Accounts give a true and fair view of the financial position of the Integration Joint Board at the reporting date and the transactions of the Integration Joint Board for the year ended 31 March 2025



Karl Williamson
Chief Financial Officer
27 June 2025

Comprehensive Income and Expenditure Statement for year ended 31 March 2025

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

2023/24 Gross Expenditure Restated £000	2023/24 Gross Income Restated £000	2023/24 Net Expenditure Restated £000	Notes	2024/25 Gross Expenditure £000	2024/25 Gross Income £000	2024/25 Net Expenditure £000
36,679		36,679	Health Services	39,387	0	39,387
37,565		37,565	Social Care Services	38,223	0	38,223
37		37	Corporate Services	38	0	38
74,281		74,281	Cost of Services	77,648	0	77,648
0	(73,725)	(73,725)	Taxation and Non-Specific Grant income		(77,587)	(77,587)
74,281	(73,725)	556	Deficit / (Surplus) on Provision of Services	77,648	(77,587)	61
		556	Total Comprehensive Income and Expenditure			61

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 (CIES). Consequently, an Expenditure and Funding Analysis is not provided in these Annual Accounts

Movement in Reserves Statement

This statement shows the movement in the year on the reserves held by the IJB.

2024/25	General Fund Balance £000	Total Usable Reserves £000
Balance at 1 April 2024	(948)	(948)
Total Comprehensive Income and Expenditure	61	61
Decrease in 2024/25	61	61
Balance at 31 March 2025	(887)	(887)

Comparative movements in 2023/24	General Fund Balance £000	Total Usable Reserves £000
Balance at 1 April 2023	(1,504)	(1,504)
Total Comprehensive Income and Expenditure	556	556
Decrease in 2023/24	556	556
Balance at 31 March 2024	(948)	(948)

Balance Sheet as at 31 March 2025

This shows the value as at the Balance Sheet date of the assets and liabilities recognised by the IJB. The net assets of the IJB (asset less liabilities) are matched by the reserves held.

As at 31 March 2024		Notes	As at 31 March 2025
£000			£000
948	Debtors	5	887
948	Current Assets		887
948	Net Assets		887
	Represented by:		
948	Usable Reserves: General Fund	6	887
948	Total Reserves		887

The Annual Accounts present a true and fair view of the financial position of the Integration Joint Board as at 31 March 2025 and its income and expenditure for the year then ended.



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Karl Williamson
Chief Financial Officer
27 June 2025

Notes to the Primary Financial Statements

Note 1: Critical Judgements and Estimation Uncertainty

There are no significant judgements and estimates impacting figures.

Note 2: Events after the Reporting Period

The annual accounts were authorised for issue on 27 June 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes to the accounts have been adjusted in all material respects to reflect the impact of this information.

There were no events which took place after the 31 March 2025 which would materially affect the 2024/25 Annual Accounts.

Note 3: External Audit Costs

The authority has incurred the following costs in relation to the audit of the statement of accounts:

2023/24 £000		2024/25 £000
34	Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year.	34
(1)	Audit Fees Rebate	0
33	Total	34

Note 6: Usable Reserve: General Fund

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

Note 4: Taxation and Non-Specific Grant Income

2023/24 £000		2024/25 £000
36,306	Funding contribution from Shetland Islands Council	36,961
37,419	Funding contribution from NHS Shetland	40,626
73,725	Total	77,587

The funding contribution from NHSS shown above includes £8.774m (2023/24: £8.267m) in respect of 'set aside' resources. These are provided by NHSS which retains responsibility for managing the costs of providing the services. The IJB has responsibility for the consumption of, and level of demand placed on these resources.

Note 5: Debtors

As at 31 March 2024 £000		As at 31 March 2025 £000
110	Balances due from Shetland Islands Council	107
838	Balances due from NHS Shetland	780
948	Total	887

Amounts owed by the funding Partners are stated on a net basis. Creditor balances relating to expenditure obligations incurred by the funding Partners but not yet settled in cash terms are offset against the funds they are holding on behalf of the IJB.

The IJB does not have a bank account. Underspends recorded by SIC and NHSS that are carried forward are therefore held in their own bank accounts and reflected as Other Current Assets by the IJB.

- to earmark, or build up, funds which are to be used for specific purposes in the future, such as known or predicted future expenditure needs. This supports strategic financial management; and
- to provide a contingency fund to cushion the impact of unexpected events or emergencies.

2023/24 Total Usable Reserve £000	General Fund	2024/25 Earmarked Reserve £000	2024/25 Non-Earmarked Reserve £000	2024/25 Total Usable Reserve £000
(1,504)	Balance at 1 April 2024	(370)	(578)	(948)
(28)	Transfers in: Underspend in Scottish Government Additionality Funding	0	0	0
0	Underspend in Specific NHSS Funding	(101)	0)	(101)
(1,532)	Sub-total	(370)	(641)	(1,049)
584	Transfers out: Draw on Reserve in year	109	53	162
(948)	Balance at 31 March 2025	(362)	(525)	(887)

Note 7: Related Party Transactions

The IJB has related party relationships with the SIC and NHSS. 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 accounts are presented to provide additional information on the relationships.

The funding contributions made by the SIC and NHSS are detailed in Note 4. The debtor balances of the SIC and NHSS with the IJB as at 31 March 2025 are detailed in Note 5.

Full expenditure detailed in the CIES on Health Services and Social Care Services was provided by NHSS and SIC, respectively.

SIC and NHSS provide support services such as Human Resources, ICT and Finance to the IJB. These Service overhead costs of £2,235m (2023/24: £1.978m) which support the provision of services commissioned by the IJB are included within the IJB commissioning expenditure.

Key management personnel including the Chief Officer, Depute Chief Officers are included with the IJB commissioning expenditure. Their remuneration is disclosed within the Remuneration Report on page 25.

Note 8: Accounting Standards Issued but not yet Adopted

Standards, amendments and interpretations issued but not adopted this year

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 IAS21 (The Effects of Changes in Foreign Exchange Rate – Lack of Exchangeability). Applicable for periods

beginning on or after 1 April 2024. The amendments:

- clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking; and
- require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

This amendment is not expected to have an impact on the IJB's financial statements.

- Amendments to IFRS 17 (Insurance Contracts). Applicable for periods beginning on or after 1 April 2024. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

This amendment is not expected to have an impact on the IJB's financial statements.

- Changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach.

This change is not expected to have an impact on the IJB's financial statements.

Note 9: Summary of Significant Accounting Policies

A General Principles

The accounts summarise the IJB's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The IJB is required to prepare an annual Statement of Accounts by the Local Authority Accounts (Scotland) Regulations 2014, which Section 12 of the Local Government in Scotland Act 2003 requires

to be prepared in accordance with proper accounting practices.

The IJB was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Section 106 body as defined in the Local Government Act 1973 and as such is required to prepare its annual accounts in compliance with the Code of Practice on Accounting for Local Authorities in the United Kingdom, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the 2003 Act.

The accounting convention adopted in the Financial Statements is historical cost. The accounts have been prepared on a going concern basis, on the premise that its functions and services will continue in existence for the foreseeable future.

The Chief Financial Officer undertook an assessment of going concern in April 2025 seeking assurance from Shetland Islands Council and NHS Shetland with regard to future financial contributions. It was concluded that there is no material uncertainty regarding going concern and continued service presumption.

The IJB will disclose material accounting policy information to aid reader's understanding and interpretation of the information presented in the financial statements. Information is considered to be material if it might influence the decisions users make based on financial information about the IJB. If immaterial items are included, they can interfere with decision making, because excessive detail may obscure the relevant information. Some items may qualify as material by nature or context regardless of their size.

B Accruals of income and expenditure

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

- Supplies are recorded as expenditure when they are consumed, but where there is a gap between the date supplies are received and their consumption they are carried as inventories on the Balance Sheet;

- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made; and
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a change made to the CIES for the income that might not be collected.

C Funding

The IJB is primarily funded through funding contributions from the statutory funding Partners, SIC and NHSS. Expenditure is incurred as the IJB commissions specified health and social care services from the funding Partners for the benefit of service recipients in Shetland.

D 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 2025 is represented as a debtor or creditor on the IJB's Balance Sheet.

E Employee Benefits

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

The IJB has a legal responsibility to appoint a Chief Officer. More details on the arrangement are provided in the Remuneration Report. Charges from the employing partner are treated as employee costs.

F 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.

The IJB Reserve includes an earmarked element which is set aside for a specific purpose in line with the IJB's Reserves Policy.

G Indemnity Insurance

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

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

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

H Events after the Balance Sheet Date

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, whereby the annual accounts are adjusted to reflect such events; and

- Those that are indicative of conditions that arose after the reporting period, whereby the annual accounts are not adjusted to reflect such events; where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

I VAT

The IJB is not VAT registered and does not charge VAT on income or recover VAT on payments. Any VAT incurred in the course of activities is included within service expenditure in the accounts.

J Support Services

To the extent that delegated services include an element of overheads and support service costs, these will be included within the appropriate line within the Income and Expenditure statement.

Glossary

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

ABIs

Alcohol Brief Interventions

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 overpaid.

ANP

Advance Nurse Practitioner

Asset

An item having value to the IJB in monetary terms. Assets are categorised as either current or non-current. A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock). A noncurrent asset provides benefits to the IJB and to the services it provides for a period of more than one year.

Audit of Accounts

An independent examination of the IJB's financial affairs.

CIES

Comprehensive Income and Expenditure Statement

CIPFA

The Chartered Institute of Public Finance and Accountancy.

CNORIS

The Clinical Negligence and Other Risks Indemnity Scheme.

COSLA

Convention of Scottish Local Authorities.

CPP

Community Planning Partnership

Consistency

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

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.

CTAC

Community Treatment and Care

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.

GIAS

Global Internal Audit Standards

Government Grants

Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the IJB. These grants may be specific to a particular scheme or may support the revenue spend of the IJB in general.

HSCP

Health and Social Care Partnership

IAS

International Accounting Standards.

IASB

International Accounting Standards Board.

IFRS

International Financial Reporting Standards.

JSNA

Joint Strategic Needs Assessment

LASAAC

Local Authority (Scotland) Accounts Advisory Committee.

LGPS

Local Government Pension Scheme

LHS

Local Housing Strategy

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.

LOIP

Local Outcomes Improvement Plan.

MTFP

Medium Term Financial Plan.

NHWB

National Health and Wellbeing.

OOHS

Out of Hours

PMF

Performance Management Framework.

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.

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, the Chief Finance Officer, the Heads of Service 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 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.

SCAS

Shetland Care Attendant Scheme

SHIP

Shetland Health Intelligence Platform

SSSC

Scottish Social Service Council.

The Code

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

