

Unaudited Annual Accounts **2022/23**



SHETLAND ISLANDS
INTEGRATION JOINT BOARD

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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 2022/23 were as follows:

Voting Members:

- Ms E Macdonald (Chairperson - SIC) – Resigned 4 May 2022
- Mr J Fraser (SIC) - (Voting Member to 22 May 2022, appointed Chairperson 23 May 2022
- Ms N Cornick (Vice Chairperson – NHSS)
- Mr L Carroll (NHSS)
- Ms L Peterson (SIC) – Appointed 23 May 2022

- Ms J Haswell (NHSS) – Resigned 26 April 2022
- Mrs K Hubbard (NHSS) – Appointed 26 April 2022
- Mr R McGregor (SIC)

Non-Voting Members:

- Mr B Chittick (Chief Officer)
- Ms J Adamson (Patient/Service User Representative)
- Ms E Campbell (Allied Health Professionals Representative)
- Dr A Einarsson (Senior Consultant: Local Acute Sector) – Resigned 21 September 2022
- Dr C Evans (GP Representative) – In post 1 April 2022 to 9 February 2023
- Ms S Gens (Staff Representative)
- Mr J Guyan (Carers’ Representative)
- Dr S Laidlaw (Public Health Representative)
- Ms M McFarlane (Pharmacy Representative) – In post 1 April 2022 to 9 June 2022
- Mr A McDavitt (Pharmacy Representative) – appointed 9 June 2022
- Ms D Morgan (Chief Social Work Officer)
- Ms J Robinson (Interim Depute Chief Officer)
- Mr I Sandilands (Staff Representative) - In post 1 April 2022 to 9 June 2022
- Mr B McCulloch (Staff Representative) – appointed 9 June 2022
- Mrs L Tulloch (Third Sector Representative)
- Mrs E Watson (Lead Nurse for the Community)
- Mr K Williamson (Chief Financial Officer)

Post Year End Changes to Voting Membership

- Ms N Cornick (Chairperson – NHSS) – appointed 1 May 2023
- Mr J Fraser (Vice Chairperson - SIC) – appointed 1 May 2023

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 2023 and its financial position as at 31 March 2023.

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.

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.

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 focus for the IJB with regard to delivery of the LOIP outcomes will be ‘People’ and ‘Participation’ with specific focus on:

- Tackling alcohol misuse;
- Healthy weight and physical activity;
- Low income/poverty;
- Satisfaction with public services; and
- People's ability to influence and be involved in decisions which affect them.

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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.

Strategic Commissioning Plan

The IJB approved its [Strategic Commissioning Plan 2022-2025](#) (Strategic Plan) on 24 March 2022. The Strategic Plan, developed by the Strategic Planning Group, drawing on stakeholder engagement, sets out changes needed locally for Shetland to meet the National Health and Wellbeing Outcomes. The Strategic Planning Group meet monthly and the Strategic Plan has been designed to be capable of responding to changes in the strategic environment, for example during the formation of the new National Care Service by the Scottish Government.

The success of the Strategic Plan will be measured against a range of key performance indicators which align with the National Health and Wellbeing Outcomes.

In approving its Strategic Plan the IJB recognised the need for further steps to be taken to ensure its intended outcomes are achieved. These included:

- Review of the Housing Contribution Statement; building on the Local Housing Strategy (LHS);
- Development of a Joint Workforce Plan;
- Completion of a Joint Strategic Needs Assessment (JSNA); building on data

gathered from the Population Health Survey; and

- Implementation of the Participation and Engagement Strategy.

These have been progressed through 2022-23:

- LHS was published September 2022, a working group has been setup to review and improve local data around demand to support short term management of need and future service planning;
- A Joint Workforce Plan for Health and Social Care in Shetland for 2022-25 was submitted to Scottish Government in October 2022, Health and Social Care Partnership (HSCP) teams will continue to update and review this as detail around ongoing change programmes becomes clear;
- The Population Health Survey was completed in 2022 and the findings have been shared extensively. A series of “deep-dive” reports will be prepared during 2023-24. The findings will also inform the JSNA to be undertaken in 2023/24; and
- The Participation and Engagement Strategy was approved in June 2022. Community Engagement has continued around key change projects and in areas of pressure to develop solutions together. A linked Communications strategy/approach will be developed in 2023/24 to support wider feedback and information sharing.

Our Vision: The people of Shetland are supported in and by their community to live longer, healthier lives, with increased levels of well-being and with reduced inequalities.

Our approach: Our approach will be strengths based, agile and responsive, ensuring we promote choice and control for our population. We want to listen to and work collaboratively with communities to find realistic and effective ways that enable people to live healthier lives.

Our Strategic Priorities:

To prevent poor health and wellbeing and intervene at an early stage to prevent worsening outcomes.

To prevent and reduce the avoidable and unfair differences in health and wellbeing across social groups and between different population groups.

To demonstrate best value in the services that we commission and the ways in which we work.

To shift the balance of care towards people being supported within and by their communities.

To meaningfully involve communities in how we design and develop services to be accountable to their feedback.

Performance Overview

IJB performance in 2022/23 has seen a shift towards recovery and renewal as Shetland emerged from the COVID-19 pandemic, which began in March 2020, over the course of the year.

The strength of partnership working, both within the IJB itself, and in conjunction with the wider Shetland Partnership, has been crucial to the continued delivery of health and care services to the Shetland public. Health and Social Care staff have stepped up to the challenge, continuing to

work on the front line throughout, adapting to meet ever-changing guidance and legislation.

The IJB continued to monitor specific targets and objectives to make sure that health and social care service in Shetland provide the best possible outcomes for the community within available resources. The measures used align with those monitored by the Scottish Government to check the system is working as whole.

The IJB is provided with Planning and Performance updates on a quarterly basis to provide assurance that this system is working effectively and support improvement. The HSCP underwent a Performance Information and Scrutiny Arrangements audit in February/March 2023, the recommendations from which are currently being implemented. .

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) 2022-23 will be presented to IJB in June 2023 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, emerging from a pandemic, negotiating the Cost of Living Crisis with service users and staff, the impact of local and national workforce challenges and the current financial climate for public services

Operational Review

The Year-Ended 31 March 2023, saw the Health and Social Care Partnership build momentum around the Shifting the Balance of Care

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Programme – the main vehicle for delivery of the Joint Strategic Commissioning Plan 2022-25.

The year was again impacted by COVID in terms of staff sickness absence and evolving restrictions for services while COVID-related funding came to an end for a number of teams.

Further, Shetland experienced a number of significant system challenges including unprecedented pressure through Quarter 2, due to increased demand coupled with staff absence; a major communications outage in October; declaration of a major incident following snowfall which impacted power supplies for a number of days in early December; and further snow impacting travel and service delivery into Quarter 4.

The HSCP has worked with colleagues across Shetland organisations to continue delivery of vital services, ensure safety of the Shetland population, and support welfare and wellbeing checks for vulnerable people throughout these incidents. Staff from all teams have responded to this series of crises with exceptional efforts, and must be commended for the huge part they have played in keeping people safe.

The Shifting the Balance of Care programme is split into three workstreams:

- Developing our ways of working;
- Enhancing the person-centred approach; and
- Strengthening community ethos.

Key pieces of work are summarised below, grouped under the IJB's five key strategic priorities, note many of these contribute to more than one priority but are grouped this way to illustrate accordance with the Strategic Plan:

Prevention and Early Intervention

Health Improvement have continued to deliver programmes supporting behaviour change, developing their approach to offer self-referral across all areas to offer greater choice, support self-management and shift towards community access, in line with this in a move to be more accessible they have been developing their work bases to use community venues as much as possible, moving away from being situated within Health Centres.

Prevention work includes the Quit Your Way smoking cessation programme, and Healthy Shetland lifestyle change programme. While they continue to support families via the HENRY (Health, Exercise and Nutrition for the Really Young) for families approach, delivering workshops and working with Maternity colleagues to incorporate into their parenting programme.

Alongside this the team continues to engage with colleagues and partnerships across the system to support an improved approach to prevention and early intervention, through for example smoking and physical activity brief intervention training, the Alcohol Brief Intervention (ABI) improvement programme, and involvement in the Active Shetland strategic Group.

The Dietetics and Health Improvement Teams have continued work on the Type II Diabetes Reversal programme in collaboration with Primary Care, while Primary Care Teams have also rolled out the House of Care programme to improve outcomes and experience for people with Long Term Conditions by offering more systematic recall and an enhanced review process that looks to support lifestyle change in line with what is most important to the person.

Primary Care services have undertaken House of Care training to support improved management

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of Long Term Conditions (LTCs). This approach is more person centred, ensures systematic follow ups and should reduce complications associated with LTCs. People with LTCs are supported to look at lifestyle and behaviour change to build good health and wellbeing, alongside the medical management of their condition. This has been rolled out following a successful pilot in Scalloway Health Centre.

The Psychological Therapies team have expanded their capacity by adding a Primary Care Team Lead and additional Psychological Therapist, and also by offering a greater variety of treatments, including group support. This has enabled the team to cut the number of long waits, and improve performance against the 18 week referral to treatment target, but with increasing referrals this remains a challenging target – new team members coming into post in Q4 of 2022/23 should begin to have an impact on these targets through 2023/24. The Health Improvement team secured short term funding to deliver the Good Mental Health for All project. This has involved setting up a Mental Health for All steering group with a view to revising the local Mental Health strategy, re-establishing the Mental Health partnership to lead implementation, and exploring needs and assets locally. Stakeholder and community engagement, strategy scoping and development of an accompanying dataset are underway.

Tackling Inequalities

The Alcohol and Drug Partnership (ADP) continued to support development of services at the Recovery Hub, which continues to manage the significant risk of short-term nature of staff contracts in a small team. The Hub have been working with colleagues across various organisations to support their service users to access other services, including Housing, Primary Care and Adult Learning services. The team have also worked with Pharmacy, Primary

Care and Ambulance colleagues to establish pathways to support equitable access to services for people who use alcohol or other drugs.

The Health Improvement Team, with Public Health colleagues, designed, delivered and analysed the Shetland Population Survey in 2022, looking to gain a closer understanding of the population, to support a Joint Strategic Needs Assessment scheduled to take place in 2023.

Justice Social Work colleagues have been working to re-establish work programmes post-COVID and continue to work closely with communities to tackle stigma for people in the justice process. Justice Social Work service-users have been an important part of the system gathering and delivering food to community hubs throughout COVID and into the Cost of Living crisis to support those in food poverty.

Support offered at Community Led Support Hubs in Brae and Scalloway (see Shifting the Balance of Care) seeks to decrease barriers to accessing appropriate services, and connect people to meaningful support in line with what they want to achieve. This has included links with Citizens Advice Bureau, Adult Learning and Library services, among others.

Health Literacy has been a theme for package of projects within the Health Improvement Team, working in partnership with Scottish Government and local partners. The three projects are ongoing, with work to date reported to the Scottish Health Literacy Action Plan Implementation Group:

- Improving access to Primary Care for people who use British Sign Language (BSL);

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- Strengthening communication support for services working with people with Learning Disabilities; and
- Incorporating Health Literacy principles and tools in work with communities (collaborative with Community Learning and Development).

Further to this project work the local Learning Disability Nurse has been undertaking targeted support for services, to support them in making reasonable adjustments for patients with learning disabilities (LD), for example with Dental and Acute Hospital teams. This system improvement work should improve the experience and outcomes of people with LD when accessing universal and specialist (non-LD) health services. These development and support initiatives are in addition to the day-to-day clinical work of the Community LD Nurse, a service which has seen need and demand significantly outweighing capacity for quite a period of time. The current Consultant Nurse is working to develop relationships and infrastructure within the organisation to support sustainability of the service, however extra resource would be required for adequate, sustainable staffing.

In response to the Cost of Living Crisis the Health Improvement Team have expanded provision of Money Worries training which is delivered in collaboration with the local Citizens' Advice Bureau and Anchor early intervention project. This has seen the short course, aimed at improving confidence to ask about financial difficulties and knowledge about support available, being run more often and uptake has increased.

Demonstrating Best Value

For the HSCP demonstrating Best Value has included work to improve processes and systems to support assurance, and service improvement work to ensure most effective use of resources.

Ongoing development of Performance Reporting was recognised in a recent [Internal Audit Review of Performance Information and Scrutiny Arrangements](#), with establishment of a Performance Monitoring Group supporting improvement management and response to performance data, while also supporting improvement of data quality through links with Information teams in both the Health Board and the Local Authority. Inclusion of an annual Board member self-assessment supported an improved induction process and planning of development sessions throughout the year – this self-assessment will be repeated in 2023/24.

Improvement work to maintain or improve outcomes within existing resource include:

- embedding the Health Care Support Worker (HCSW) Health and Care delivery model in Skerries;
- development of the Mental Health Team redesign business case which has been approved and is in the process of recruitment;
- test of change to trial Advanced Nurse Practitioner cover of GP Out of Hours service, which is currently at evaluation stage after a pilot period of October 2022-January 2023; and
- exploration of an islands approach to on-call Psychiatry services with colleagues in Western Isles, following work with the Mental Welfare Commission around scope of service following changes in accepted delivery during COVID-19 restrictions.

These projects will have a collective impact on finance – with the Psychiatry model having potential to reduce a significant overspend on locum Consultants, this is however in the early stages of exploration.

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Social Care services have sought to protect time for value adding social activities for service-users, boosting Quality of Life, by scheduling personal care activities for clients in Residential Care. Learning from a successful pilot has been shared across services.

Establishment of a Clinical and Professional Oversight Group for Care at Home and Community Health Services, alongside instigation of locality Multi-Disciplinary Team (MDT) meetings, and development of a multi-agency discharge planning group has improved communication across the system supporting improved escalation of risk, optimised flow of people through a system near capacity, and targeted improvement work – for example capital work and repairs to reinstate interim and residential bed space and ease Delayed Discharges.

Shifting the Balance of Care

Shifting the Balance from the acute sector to community, and from being service-led to being community-led has been a major focus of work in 2022-23, though workforce challenges have limited capacity to undertake improvement work while still delivering essential services at a number of points in the year, across all services.

Primary Care have continued to expand their First contact Physiotherapy service with this now available across Lerwick, Scalloway, Levenwick and Brae GP Practices.

The Network Enabled Care programme is in development, looking to make best use of resources, improve consistency of approach, and decrease unfair differences across communities. The programme has been aligned to four workstreams following scoping conversations with staff, Community Councils, Regional Partners, individual GP Practices and service leads:

- Primary Care;
- Social Care;
- Mental Health (Regional); and
- Learning Disabilities (Community of Interest).

Part of the NEC work is in response to locum usage across all 8 NHS Shetland Board GP Practices, and also within Social Care, and in recognition of ongoing recruitment challenges and the need for workforce planning and service models that are cognisant of these challenges and the changing picture of provision going forward. Work to develop alternative roles and expand existing roles, for example with Social Care Assistants, and expanded Nursing Roles is also ongoing.

Evaluation of the Community Led Support (CLS) hub approach in Brae and Scalloway is underway, and this will inform discussions about next steps and critical success factors to maximise a community-led approach in other localities. The CLS work has been presented at national meetings and received great interest, and the use of the space has developed organically over the course of the year. The learning will be shared across the Shetland Partnership to support discussion of next steps.

A pilot project between Primary Care and Health Improvement, embedding a Community Link Worker within a locality was underway by the end of 2022/23, with an active steering group across lead services and including third sector, Social Work, Social Care, and Housing among others shaping the project scope and direction.

A Self-Directed Support Improvement Programme was instigated in the second half of 2022-23 with funding secured through IJB reserves to employ the services of In Control Scotland to facilitate the local review. The

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Improvement programme aims to improve equity and sustainability of Self-Directed Support provision in Shetland.

Meaningful Involvement

Engagement around key pieces of change work has continued in 2022-23. This has been invaluable to the HSCP in progressing thinking around Shifting the Balance of Care and Network Enabled Care in particular. Engagement with Community Councils and wider community members has supported development of projects in Skerries, Yell, Bressay and the Westside.

Expansion of the Strategic Planning Group has further strengthened voices of lived and living experience in planning processes, with representation from the Recovery Hub alongside our active Unpaid Carer representatives.

The Community Ethos strand of work under Shifting the Balance of Care has been a valuable way of building productive relationships across the Shetland Partnership. In conjunction with the HSCP/Third Sector Liaison group, this has served to mature the relationship with third sector colleagues, placing them as equal partners who are shaping the next steps of key improvement work.

There is still work to be done around the wider communications strategy for the HSCP – this will be explored in conjunction with SIC and NHSS Communications teams in 2023-24.

Workforce

Adult Services and Community Care Resources have continued to experience staffing challenges, reflecting a similar local and national picture. This has meant considered use of agency workforce to maintain safe staffing levels. Where agency staffing has been unavoidable teams have worked closely with management and the Care Inspectorate to improve transition

and integration of these staff members to mitigate risks associated with inconsistency and staff turnover – this has included review of induction, use of inclusive language, and a buddy system.

Services have been working closely with HR on more creative recruitment, work with schools and looking to increase Modern Apprentices to support retention and future sustainability.

Review of Urgent and Unscheduled Care to make the model of provision more sustainable is a key priority for 23/24.

Financial Statements

The Financial Statements detail the IJB's transactions for the year and its year-end position as at 31 March 2023. 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 Officer of the Partnership is disclosed in the Remuneration Report.

Financial Review

At its meeting on 24 March 2022 the IJB approved its 2022/23 budget of £58.180m (2021/22: £53.035m). 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 2022/23 being £67.582m (2021/22: £60.609m).

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 2022/23.

For the year-ended 31 March 2023, the IJB generated a deficit of (£2.812m) (2021/22: surplus £2.118m), after adjustment has been made for additional contributions made by SIC and NHSS. This deficit (which includes 'set aside budget') is detailed in Row 7 in the following table.

The deficit of (£2.812m) 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 2023 for IJB delegated services is an overall deficit against budget of (£1.432m) (2021/22: £2.764m), which represents an overspend in relation to services commissioned from SIC of (£1.435m) (2021/22: (£0.184m) underspend) and an underspend in relation to services commissioned from NHSS of £0.003m (2021/22: (£2.580m)).

In order to achieve the final IJB deficit of the year of (£2.812) (2021/22 surplus of £2.118m), SIC made a one-off additional contribution of £1.435m to the IJB. The additional contribution from SIC is non-recurrent in nature and does not require to be paid back in future years. The NHS received a one-off additional contribution from the IJB of £0.003m

Financial Transactions 2022/23

	2022/23			2021/22		
	SIC £000	NHSS £000	TOTAL £000	SIC £000	NHSS £000	TOTAL £000
Budgets delegated to the Parties from the IJB	29,976	37,606	67,582	27,967	32,642	60,609
Contribution from the Parties to the IJB (against delegated budgets)	(31,411)	(37,603)	(69,014)	(28,151)	(35,222)	(63,373)
Outturn Position	(1,435)	3	(1,432)	(184)	(2,580)	(2,764)
Additional contributions from Parties to meet IJB Direct Costs	(17)	(16)	(33)	(15)	(16)	(31)
IJB Direct Costs (Audit fee, Insurance & Members Expenses)	17	16	33	15	16	31
Additional contributions (to)/from the Parties to/(from) IJB	(243)	(1,137)	(1,380)	(2,871)	7,753	4,882
Final Surplus/(Deficit) of IJB	(1,678)	(1,134)	(2,812)	(3,055)	5,173	2,118

	2022/23			2021/22		
	SIC £000	NHSS £000	TOTAL £000	SIC £000	NHSS £000	TOTAL £000
Additional contributions (to)/from the Parties to/(from) IJB to meet Outturn of IJB delegated services	1,435	(3)	1,432	184	2,580	2,764
Transfer of Scottish Government Additionality funding between the Parties	(1,277)	1,277	0	(3,396)	3,396	0
Draw from Reserves	(401)	(2,606)	(3,007)	(60)	(755)	(815)
Pass back to Reserves	0	195	195	401	2,532	2,933
Additional contributions (to)/from the Parties to/(from) IJB	(243)	(1,137)	(1,380)	(2,871)	7,753	4,882

Significant Budget Variances

The table below provides the details of the significant budget variances for the year. This has been analysed under the themes which make up the overall £1.432m overspend.

Themes	2022/23 Budget Variance £000	2021/22 Budget Variance £000	Variance £000
Locum Costs	(2,584)	(2,482)	(102)
Agency Staffing	(2,778)	(1,070)	(1,708)
Vacancies & Other Staffing underspends	1,785	444	1,341
Increased Service Demand	(395)	(296)	(99)
External Service Provider	182	221	(39)
Pharmacy & Prescribing	(325)	238	(563)
Maintenance Delayed	417	170	247
Vehicles/Mileage savings	74	66	8
Pay award impact	(709)	(439)	(270)
Overachievement of Income	239	0	239
Funding allocation unspent	0	53	(53)
Additional funding	2,998	0	2,998
Other	(336)	331	(667)
Total	(1,432)	(2,764)	1,332

Locum Costs

The IJB continues to experience difficulty in recruiting to specialist posts, necessitating the use of locums to continue delivering services, notably in Mental Health, Primary Care and Unscheduled Care.

Due to difficulty in recruiting to specialist posts it has been necessary to continue to contract

Consultant Mental Health locums in 2022/23, at a cost pressure (including flights and accommodation) of (£0.427m) (2021/22: (£0.513m)).

Efforts continue regarding ways to reduce the requirement for expensive locums in Mental Health including the redesign of urgent care pathways, a move to better use of skill mix in the out of hours period and scoping the potential for remote models for consultant out of hours cover.

Locum cover, including travel and accommodation, was also required in Primary Care for General Practitioners (£1.058 m) (2021/22: (£0.964m)) where it was not possible to fill vacant posts, with notable overspend against budgets at the locations as per table below:

Location	2022/23 £000	2021/22 £000
Yell	(155)	(164)
Whalsay	(42)	(30)
Lerwick	(312)	Nil
Unst	(59)	(62)
Brae	(170)	(217)
Bixter	(35)	(51)
Scalloway	(56)	(178)
Walls	(104)	(89)
Out of Hours	(125)	(173)
Total	(1,058)	(964)

The recruitment of GPs is ongoing, with adverts continuing during summer 2023. A rotational model, at a lower cost than agency staff, is now in place in Unst and Whalsay following successful recruitment during 2022. NHS Shetland has been successful in again attracting a GP fellow to Shetland and GP training continues in the Lerwick practice. Accommodation for both rotational and new staff remains an ongoing issue.

Within Unscheduled Care, Locum use has been required to cover junior doctors and consultants

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(£1.021m) (2021/22: (£0.868m)). Ward 3 and A&E also incurred high bank and overtime cost throughout the year of (£0.078m) (2021/22: (£0.137m)).

Recruitment to consultant and junior doctor posts actively continues, working closely with the Deanery, Universities and NHS Education for Scotland to look at ways in which training can be developed to support remote and rural practice and encourage doctors to take up posts in Shetland. There has been success in the use of a proleptic (anticipatory) appointment and flexible contract models for consultants in order to broaden the appeal of the generalist role.

Agency Staffing Cost

Shetland has low unemployment, but rising demand for health and social care services. Over recent years, this has led to challenges for the IJB in recruiting local people to work in Community Health and Social Care roles and the need to employ agency staffing to ensure service delivery. This has been further exacerbated by the COVID-19 Pandemic, which has placed greater stress on the existing workforce and additional need to cover for absence due to sickness and adherence to COVID-19 isolation rules.

In order to continue to safely deliver services and meet the level of demand, it has therefore been necessary to use agency staff during the year, leading to a total overall spend of (£2.778m) (2020/21: (£1.070m)), to cover various service areas;

Service	2022/23 £000	2021/22 £000
Community Care Resources	(1,676)	(773)
Adult Services	(767)	(125)
Community Nursing	(106)	(172)
Adult Social Work	(206)	0
Occupational Therapy	(23)	0
Total	(2,778)	(1,070)

It is hoped that use of agency staffing can be reduced during 2023/24, as COVID-19 restrictions are lifted and work continues to encourage people to take up roles in social care.

Vacancies and Staffing Underspend

Community Care Resources underspent employee costs budgets by £0.890m (2021/22: £0.307m) due to difficulty in recruiting and retaining staffing during the year. Shifting the balance of care and workforce availability have also led to reduced bed capacity in some units, with staff redeployed where possible to deliver care at home. This underspend is off-set by use of agency staffing (described above).

There were underspends in Adult Services and Adult Social Work of £0.453 and £0.163 respectively in year (2021/22: £0.081m and Nil) due to difficulties in recruiting to social care worker roles. This underspend is off-set by use of agency staffing (described above).

There was an underspend in Occupational Health of £0.113m (2021/22: Nil) due to difficulty in recruiting to occupational therapist roles. This underspend is off-set by use of agency staffing (described above).

There was an underspend of £0.081m (2021/22: £0.056m) in Mental Health due to a temporary

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staffing arrangement in Dementia Services and vacant hours in Talking Therapies.

Work continues to find ways to attract people to take up jobs within Health and Social Care and retain them, including offering relocation packages in Social Care. Success has been found via Modern Apprenticeships and efforts to “grow our own”.

Pay Award Impact

The underspends in staffing budgets, are off-set by an overspend of (£0.709m) (2021/22: £0.439m) in respect of agreed pay uplifts to SIC staff. In setting the 2022/23 budget, an uplift of 2% had been assumed for all paygrades in year. During the year an equivalent of 3% was released from contingency in relation to this, however the agreed uplift was:

- An increase to the Scottish Local Government Living Wage rate to £10.85 per hour;
- A £2,068 increase in salary for those earning between £19,133 and £20,523; and
- An increase of either £1,978 or 5% of base salary, whichever is larger, for other employees

The impact of this pay award was that in staff working in Social Care received an average pay rise of approximately 8%. Budgets for 2022/23 only allowed for an increase of 5%.

Increased Demand

The overall budget for Self-Directed Support (SDS) provided through Option 1 and 2 packages was overspent by (£0.565m) (2021/22: (£0.479m)). Some of the new packages came about as a result of services being restricted due to COVID-19 with (£0.170m) (2021/22:

(£0.304m)) and these have been funded by Scottish Government Remobilisation Plan Funding and included in overall COVID-19 cost explained below. The remainder of (£0.395m) (2021/22: (£0.175m)) relates to general increased service demand. There is also underlying increased demand for services and a need to uplift packages to reflect public sector pay rises. To this end growth has been built into the 2023/24 budget of £0.648m.

Scottish Government Additionality Funding has been used for a number of years to support increased SDS payments. It was hoped that savings would be seen in areas of traditional service delivery, which would eventually free up this funding for other use. This has not been possible as the majority of the increase relates to demographic pressure, relating predominantly to individuals (and their carers) who would fall within the Adult Services remit. Some of the services in this area are operating at capacity and unable to meet the needs of individuals with increasingly complex conditions. It is also the case that younger people are looking for flexible/creative solutions to achieve their outcomes, which SDS can provide.

External Service Provider

There was an underspend in the contract between the Council and Crossreach for 2022/23 of £0.227m (2021/22: £0.215m). This underspend is the result of lower than anticipated costs to the Council for residential care due to higher number of self funding clients and reduced usage of day care provision at Walter and Joan Gray Home during the year due to disruptions caused by COVID-19 in year and reduced demand for the service in the community.

Pharmacy & Prescribing Savings

There was an overspend of (£0.325m) (2021/22 underspend of £0.238m) due to demographic changes with a greater number of elderly patients requiring medicines. Inflationary pressures on medicines and shortages in supply have resulted in higher costs in year.

Overachievement of Income

There was an overachievement of Board and Accommodation income in the year, £0.239m (2021/22; Nil) within Community Care Resources. Charging income can vary significantly dependent on the financial circumstances of those receiving care and allowance was made in the year for the anticipated level of waived charges as a result of legislation, such as the Carers Act, expected in the year.

Maintenance Delayed

Due to staffing shortages within the Council's Building Maintenance team and limited contractor availability in year, maintenance projects within the service had to be delayed. There was an overall underspend in Maintenance budgets within SIC delegated services of £0.417m (2021/22: £0.170m). The Maintenance Programme has been revised for 2023/24 to take this slippage into account.

Mileage/Vehicle Savings

There was a underspend in year in mileage/vehicle costs budgets of £0.074m (2021/22: £0.066m), due to making best use of Social Care vehicles.

A Council funded Spend to Save Project in 2018/19 facilitated the purchase of 30 vehicles

for use by Social Care staff to deliver care at home services. The provision of these vehicles replaced the use of staff member's own vehicles for this purpose with vehicle costs replacing mileage claims. This investment, allowed for recurring savings of £0.085m per annum to be reinvested into provision of overnight scheduled care.

Additional Funding

NHS Shetland received additional non-recurrent funding from the Scottish Government to support their yearend financial position. This funding was in recognition of the unique financial pressures faced by island Boards such as difficulties in recruitment and retention and the premium paid for temporary workers. Many of these additional costs were in IJB delegated services (Mental Health, Primary Care and Unscheduled Care) so a portion of this funding was used to increase the IJB budget accordingly. It is important to note that this additional funding is non-recurrent and isn't likely to be available in 2023-24. The IJB redesign agenda must therefore be accelerated to reduce expenditure on temporary staffing and to address the 2.6% savings target for 2023-24.

COVID-19

The total cost of COVID-19 to the IJB was £2.134m (2021/22: £2.826m), which is set out in the table below.

The Scottish Government provided funding to cover costs of COVID-19 late in 2021/22 that was carried forward in IJB Reserve. This funding has been utilised in 2022/23 to meet cost impacts of COVID-19. A remaining balance of £0.150m has been carried forward in the IJB Reserve to be utilised in 2023/24.

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COVID-19 Cost Heading	NHSS £000	SIC £000	TOTAL HSCP £000
Additional PPE	0	27	27
COVID-19 Vaccination	511	0	511
Additional Capacity in Community	0	170	170
Community Hubs	42	0	42
Additional Infection Prevention and Control Costs	0	17	17
Additional Equipment and Maintenance	0	12	12
Additional Staff Costs	1,077	155	1,232
Additional FHS Prescribing	103	0	103
Social Care Provider Sustainability Payments	0	17	17
Other	0	3	3
TOTAL COVID-19 COSTS 2022/23	1,733	401	2,134

Funding was as follows:

COVID-19 Funding	NHSS £000	SIC £000	TOTAL HSCP £000
Earmarked Funding c/f In IJB Reserve at 1 April 2022	1,883	401	2,284
Funding received 2022/23	0	0	0
Total Funding available in year	1,883	401	2,284
Less: COVID-19 Costs 2022/23	(1,733)	(401)	(2,134)
Earmarked Funding c/f In IJB Reserve at 31 March 2023	150	0	150

The IJB will carry-forward £0.150m (2021/22: £2.284m) funding within the IJB Reserve as Earmarked Reserves.

The Balance Sheet as at 31 March 2023

The IJB carried a General Reserve of £4.316m as at 1 April 2022. This Reserve was created from previous years underspending in the Scottish Government Additionality Funding £0.559m and underspend in specific NHSS Funding which were carried forward as an earmarked element of the Reserve £3.757m.

During the year there has been a draw on the IJB Reserve of £3,007m, £2.952m of earmarked reserve and further spend against a number of projects which the IJB have agreed to fund from its Reserve, £0.055m.

Underspend in Scottish Additionality Funding and specific NHSS Funding in 2022/23 of £0.083m and £0.112m, respectively have been added to the Reserve.

As at 31 March 2023, the General Reserve has a balance of £1.504m, of which £0.939m is earmarked, leaving £0.565m uncommitted Reserve available to be spent in line with the IJB Strategic objectives.

2023/24 Budget and Medium Term Financial Outlook

The IJB Board approved the proposed [budget for 2023/24](#) of £60.389m, on 27 April 2023, subject to NHSS Board approval of their delegated budget which was given at its meeting on 22 June 2023.

The 2023-24 budget contains a savings target of £1.610m (2.6%) with outline schemes on how

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this will be delivered. These schemes, aligned to the work streams detailed in the Operational Review, have been categorised into high, medium and low risk with the high risk category accounting for £1.091m.

General Reserve is also available to support the strategic objectives of the IJB, as detailed in Note 6 to the Accounts (page 34). 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.

Additional funding for Health and Social Care Partnerships has been made available from the

Scottish Government. Despite this additional funding, pressure continues on public sector expenditure at a UK and Scottish level with further reductions in government funding predicted in future years.

The IJB approved its current [Medium-Term Financial Plan 2022-2027](#) (MTFP) on 17 February 2022. This plan will be updated during 2023 and will include an annual savings target in the region of 3%. This target is in addition to the ongoing cost pressures associated with temporary staffing and together will represent a significant financial challenge over the medium term.

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 02 February 2023. The Risk Register and associated report can be found [here](#).

The main risks and uncertainties are listed below:

Risks and Uncertainties	Actions to Mitigate
<p>The global/UK strategic environment including accepted Brexit deal, the war in Ukraine and the cost of living crisis has the potential to severely disrupt the operational delivery for the NHS and SAIC which will adversely impact on the ability of the IJB to deliver its strategic aims and objectives.</p> <p>Transformational change does not happen because:</p> <ul style="list-style-type: none"> -it is not effectively understood communicated to all stakeholders; -the pace of change is not matching Key's strategic sustainability enablers like MTFP -lack of leadership 	<p>The establishment of a workforce task force to look at the workforce problem an immediate and longer term basis. To review cost increase of service provision and undertake appropriate business justification cases for additional budget. Active service and risk planning by both SAIC and NHS that is coordinated in the health and social care partnership.</p> <p>Delivery of the strategic plan via the Shifting the Balance of Care programme. Use of both NHS and SIC programme management offices to support change work. Alignment of service planning on an annual basis with the strategic plan and the Shifting the Balance of Care programme via Directions.</p>

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<p>Failure to direct service delivery because directions are not: -well articulated; -properly understood; -realistic; -KPIs are not SMART</p>	<p>Quarterly reporting arrangements are in place for performance risk and finance and presented IJB. Implementation of an annual planning cycle involving all key enabling services that culminates in the production of costed directions. PMG activity in monitoring the progress of the strategic plan and development of improvement plans in directions.</p>
<p>Disconnect between strategic planning and finance available.</p>	<p>Better annual planning cycles including service wraparound meetings which allow better partner budgeting. Improvement plans in directions to ensure sustainability of services. Development of a financial recovery and sustainability plan which will be presented IJB via the quarterly performance report</p>
<p>Digital connectivity to take advantage of technological solutions to support service delivery. OpenReach are working on a programme of switching off all analogue telephony services which will impact on IJB infrastructure.</p>	<p>Digital Project Officer is embedded in the HSCP to oversee digital switchover. Telecare project manager is post to oversee the digital switchover of telecare. Ongoing scoping and procurement projects for digital telecare hardware and service.</p>
<p>Failure of governance arrangements. The complexity of the governance arrangements may detract from rather than support a journey toward single system working across health and social care services</p>	<p>IJB reviewed its governance structures March 2022. Ongoing development work with NHS Clinical Governance Committee regarding clinical governance for health services in the HSCP.</p>
<p>Establishment the National Care Service</p>	<p>Establishment of a joint programme board to plan and implement and oversee the change process. Remaining engaged with progression of the work streams for the establishment of the NCS. Local consultation day is planned for August to allow the local voice to be heard.</p>

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 2023.



.....
 Brian Chittick
 Chief Officer
 29 June 2023

.....
 Natasha Cornick
 Chair
 29 June 2023

.....
 Karl Williamson
 Chief Financial Officer
 29 June 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.

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 2023 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 was held by SIC up to 31 March 2023 and now will be taken by the NHSS appointee for the next three years.

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

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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 ([which replaced the former IJB Clinical, Care and Professional 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;

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- 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 accordance with CIPFA's Audit Committee Principles in Local Authorities in Scotland and Audit Committees: Practical Guidance for Local Authorities.

The Audit Committee performs a scrutiny role in relation to the application of CIPFA's Public Sector Internal Audit Standards 2017 (PSIAS) and reviews the performance of the IJB's Internal Audit Service. The appointed Chief Internal Auditor has responsibility to review independently and report to the Audit Committee annually, to

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provide assurance on the adequacy and effectiveness of the IJB's system of internal control.

The internal audit service undertakes an annual programme of work, approved by the Audit Committee, based on a strategic risk assessment. The appointed Chief Internal Auditor provides an independent opinion on the adequacy and effectiveness of internal control. During 2022/23 the strategic internal audit management continued to be provided by Audit Glasgow (part of Glasgow City Council's internal audit function).

The internal audit plan for 2022/23 included one specific IJB related review – IJB Performance Information and Scrutiny Arrangements. Internal Audit also used their flexible capacity in their audit plan to undertake work in relation to delayed discharge which will feed into the 2023/24 work on shifting the balance of care. . Based on the audit fieldwork undertaken to date there are no unsatisfactory audit opinions. The findings of all audits are reported to the IJB Audit Committee. Internal Audit will undertake follow up work during 2023/24 to confirm implementation of the agreed recommendations and the results of the follow up audit work will be formally reported back to the Committee during 2023/24. The Chief Internal Auditor also reviews matters arising from NHSS Internal Audit reports issued in the financial year by Azets, and those issued for SIC that may have an impact upon the IJB. Internal Auditors of NHSS also confirmed that audits of Management of Board Performance and Mental Health Services identified a number of issues relating to the current arrangements. The quality of management reporting was impaired due to a lack of explicit links to corporate objectives and updates not providing sufficient information on addressing any negative performance. Mental Health governance and operational structures had not fully been reflected within Terms of Reference. This impacts the level of oversight

and assurance afforded to the Board. A management action plan is in place and will be progressed during 2023-24.

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 2022/23.

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 2022/23.

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 2017*".

Introduction of 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	NHSS has continued to build on previous investment in the local Mental Health Service, although progress remains challenging. There are still ongoing difficulties in recruiting to all the substantive clinical staff posts within the service.	Ongoing Progress will be monitored by Internal Audit with further updates to be provided to the Audit Committee.
Compliance with Financial Regulations	Chief Officer	An action plan was developed to address the serious control deficiencies identified in the internal audit review. To date none of these recommendations have been fully implemented.	Ongoing Progress will be monitored by Internal Audit with further updates to be provided to the Audit Committee.
Business Continuity (BC) Arrangements in NHSS	Resilience and Business Continuity Officer	Development of a new BC template, which has been circulated to managers. A suite of BC exercises has been created and will be shared with managers to help test their plans.	Ongoing Progress will be monitored by Internal Audit with further updates to be provided to the Audit Committee.
Statutory and Mandatory Training Arrangements in NHSS	Learning & Development Manager NHSS	Work undertaken to review internal processes in place for staff development, a statutory and mandatory training review group has been formed to complete review and establish training requirements.	Ongoing Progress will be monitored by Internal Audit with further updates to be provided to the Audit Committee.

Significant Governance Issues

During the year the Audit Committee received a range of reports produced by Internal Audit that enabled scrutiny and questioning of officer, 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 2022/23.

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.

.....
Brian Chittick
Chief Officer
29 June 2023

.....
Natasha Cornick
Chair
29 June 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 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, 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. The Chair and Vice Chair did not receive any taxable expenses paid by the IJB in 2022/23 or 2021/22.

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 NHSS but this is a joint post with SIC, with 50% of their cost being recharged to the SIC. Performance appraisal and terms and conditions of service are in line with NHS Scotland circulars and continuity of service applies. Formal line management is provided through the Chief Executive, NHSS, but the Director of Community Health and Social Care is accountable to both the Chief Executive of NHSS and the Chief Executive of SIC.

Interim Depute Chief Officer

The Interim Depute Chief Officer is employed by SIC. The cost of the Interim Depute Chief Officer was paid by SIC and reclaimed via the IJB Mobilisation Plan from the Scottish Government. 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. Formal line management is provided through the Chief Executive, SIC, but the Director of Community Health and Social Care/Interim Depute Director of Community Health and Social Care is

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accountable to both the Chief Executive of NHSS and the Chief Executive of SIC.

Jo Robinson was Interim Depute Chief Officer during the period from 1 April 2022 to 31 March 2023, which continued to allow additional support to the Chief Officer which was crucial in responding to the COVID-19 Pandemic.

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, Interim Depute Chief Officer received the following remuneration during 2022/23:

Senior Employees	Designation	2022/23	2021/22
		*Total Remuneration £	*Total Remuneration £
Brian Chittick	Chief Officer	113,910	103,810
Jo Robinson	Interim Depute Chief Officer	67,661	66,826

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

The full time equivalent value of total remuneration for the Interim Depute Chief Officer is £73,945.

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

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which may include benefits earned in other employment positions and from each officer's own contributions.

The 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.

The Interim Depute 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.

Pension entitlements for the Chief Officer and the Interim Depute Chief Officer for the year to 31 March 2023 are shown in the table below, together with the contribution made to this pension by the employing body.

It is not possible to separate out the pension attributable to individual posts held by the officers during 2021/22, so their respective full entitlements are disclosed in the following table.

Name of Senior Official	Designation	In-Year Employer Pension Contributions		Accrued Pension Benefits			
		2022/23 £	2021/22 £	As at 31 March 2023		Increase from 31 March 2022	
				Pension £	Lump Sum £	Pension £	Lump Sum £
Brian Chittick	Chief Officer	23,390	20,924	17,916	0	3,878	0
Jo Robinson	Interim Depute Chief Officer	14,885	13,804	26,406	27,168	1,981	1,025

.....
 Brian Chittick
 Chief Officer
 29 June 2023

.....
 Natasha Cornick
 Chair
 29 June 2023

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 Unaudited Annual Accounts were approved for signature by the Integration Joint Board on 29 June 2023.

Signed on behalf of Shetland Integration Joint Board.

.....
Natasha Cornick
Chair
29 June 2023

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 2023



.....
Karl Williamson
Chief Financial Officer
29 June 2023

Comprehensive Income and Expenditure Statement for year ended 31 March 2023

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

2021/22 Gross Expenditure £000	2021/22 Gross Income £000	2021/22 Net Expenditure £000	Notes	2022/23 Gross Expenditure £000	2022/23 Gross Income £000	2022/23 Net Expenditure £000
35,222	-	35,222	Health Services	37,603	-	37,603
28,151	-	28,151	Social Care Services	31,411	-	31,411
31	-	31	Corporate Services	33	-	33
63,404	-	63,404	Cost of Services	69,047	-	69,047
-	(65,522)	(65,522)	Taxation and Non-Specific Grant income 4	-	(66,235)	(66,235)
63,404	(65,522)	(2,118)	Deficit / (Surplus) on Provision of Services	69,047	(66,235)	2,812
		(2,118)	Total Comprehensive Income and Expenditure			2,812

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.

2022/23	General Fund Balance £000
Balance at 1 April 2022	(4,316)
Total Comprehensive Income and Expenditure	2,812
Decrease in 2022/23	2,812
Balance at 31 March 2023	(1,504)

Comparative movements in 2021/22	General Fund Balance £000
Balance at 1 April 2021	(2,198)
Total Comprehensive Income and Expenditure	(2,118)
Increase in 2021/22	(2,118)
Balance at 31 March 2022	(4,316)

Balance Sheet as at 31 March 2023

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.

Increase from 31 March 2022 £000		Notes	As at 31 March 2023 £000
4,316	Other Current Assets	5	1,504
4,316	Current Assets		1,504
4,316	Net Assets		1,504
	Represented by:		
4,316	Usable Reserves: General Fund	6	1,504
4,316	Total Reserves		1,504

The Unaudited Financial Statements were issued on 29 June 2023.

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



.....
Karl Williamson
Chief Financial Officer
29 June 2023

Notes to the Primary Financial Statements

Note 1: Critical Judgements and Estimation Uncertainty

There are no material critical judgements or sources of estimation uncertainty included in the Financial Statements.

Note 2: Events After the Reporting Period

The Unaudited Annual Accounts were authorised for issue by the Chief Financial Officer on 29 June 2023. Where events taking place before this date provided information about conditions existing at 31 March 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. Events taking place after this date are not reflected in the financial statements or notes.

Note 3: External Audit Costs

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

2021/22 £000		2022/23 £000
28	Fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor for the year.	30
28		30

Note 4: Taxation and Non-Specific Grant Income

2021/22 £000		2022/23 £000
25,112	Funding contribution from Shetland Islands Council	29,750
33,187	Funding contribution from NHS Shetland	34,631
7,223	Other Non-ringfenced grants and contributions	1,854
65,522	Total	66,235

The funding contribution from NHSS shown above includes £8.757m (2021/22: £8.577m) 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.

Other non-ring fenced grants and contributions represents Scottish Government funding provided for the IJB. As the IJB does not have its own bank account, this funding was paid to NHSS as part of their annual funding settlement and transferred to the IJB by NHSS, together with their funding contribution.

Note 5: Other Current Assets

As at 31 March 2022 £000		As at 31 March 2023 £000
510	Shetland Islands Council	110
3,806	NHS Shetland	1,394
4,316	Total	1,504

Amounts owed by the funding Partners are stated on a net basis. Creditor balances relating to

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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

Note 6: Usable Reserve: General Fund

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

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

2021/22 Total Usable Reserve £000	General Fund	2022/23 Earmarked Reserve £000	2022/23 Non-Earmarked Reserve £000	2022/23 Total Usable Reserve £000
(2,198)	Balance at 1 April 2022	(3,757)	(559)	(4,316)
(53)	Transfers in: Underspend in Scottish Government Additionality Funding	0	0	0
(2,879)	Underspend in Specific NHSS Funding (including Covid-19 Funding)	(112)	(83)	(195)
(5,130)	Sub-total	(3,869)	(642)	(4,511)
814	Transfers out: Draw on Reserve in year	2,952	55	3,007
(4,316)	Balance at 31 March 2023	(917)	(587)	(1,504)

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 2023 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 to the IJB. These costs are not recharged to the IJB.

Note 8: Accounting Standards Issued and Adopted in Year

Adoption of new and revised Standards

a) Standards, amendments and interpretations effective in the current year

In the current year, the IJB has applied a number of amendments to IFRS Standards and Interpretations that are effective for an annual reporting period that begins on 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

- Annual Improvements to IFRS Standards 2018 – 2020;
- Amendments to IAS 16 (Property Plant and Equipment) – amendments to Proceeds before Intended Use.

b) Standards, amendments and interpretations early adopted this year

There are no new standards, amendments or interpretations early adopted this year.

Note 9: 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 IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) – definition of Accounting Estimates – applicable for periods beginning on or after 1 April 2023;
- Amendments to IAS 1 (Presentation of Financial Statements) and IFRS Practice Statement 2 – disclosure of Accounting Policies – applicable for periods beginning on or after 1 April 2023.

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.

Note 10: Summary of Significant Accounting Policies

A General Principles

The Annual Accounts summarise the IJB's transactions for the 2022/23 financial year and its position as at 31 March 2023.

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

Shetland Islands Integration Joint Board

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 2023 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.

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 2023 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

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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

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.

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.

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.

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.

CIPFA

The Chartered Institute of Public Finance and Accountancy.

CLS

Community Led Support

CNORIS

The Clinical Negligence and Other Risks Indemnity Scheme.

COLSA

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.

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.

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.

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.

IFRS

International Financial Reporting Standards.

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.

LOIP

Local Outcomes Improvement Plan.

MTFP

Medium Term Financial Plan.

PMF

Performance Management Framework.

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, 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.

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.

SSSC

Scottish Social Service Council.

The Code

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

VTP

Vaccination Transformation Programme