

**Clackmannanshire and Stirling Integration Joint Board  
2021/22 Annual Accounts (Unaudited)**



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## **Management Commentary**

### **Introduction & Purpose**

This publication contains the financial statements for the financial year from 1 April 2021 to 31 March 2022.

The Management Commentary outlines the key messages in relation to the IJBs financial planning and performance for the year 2021/22 and how this supports delivery of the IJBs strategic priorities as defined in the 2019-2023 Strategic Commissioning Plan. This commentary also takes a forward look and outlines future plans for the IJB and the challenges and risks we will face as we endeavour to meet the needs of the population of Clackmannanshire and Stirling.

Understandably, the continuing impacts of the Covid 19 pandemic features heavily in the commentary.

The IJB is responsible for the strategic planning and commissioning of Adult Social Care Services, Community and Family Health Services, and strategic plan of large hospital services with NHS Forth Valley and Falkirk Integration Joint Board. These large hospital services continue to be operationally managed by NHS Forth Valley as part of pan Forth Valley arrangements.

The IJB and the Health and Social Care Partnership (HSCP) Senior Management Team would wish to take this opportunity to convey thanks for the tremendous work that staff, both directly employed and commissioned through providers of health and social care services, have done to continue delivery of services to our citizens during what has been another very challenging year.

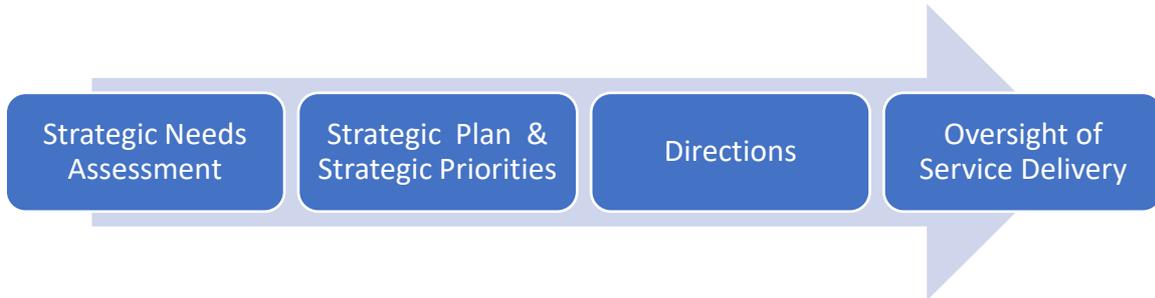
### **Role and Remit of the Clackmannanshire and Stirling Integration Joint Board**

The Clackmannanshire and Stirling Integration Joint Board (IJB) was formally established in October 2016 through the legal partnership agreement between NHS Forth Valley and Clackmannanshire and Stirling Councils known as the Integration Scheme.

The IJB has responsibility for the strategic planning and commissioning of a wide range of health and adult social care services within the Clackmannanshire and Stirling area. The functions delegated to the IJB, under the Public Bodies (Joint Working) (Scotland) Act 2014 (the Act) are detailed within the Integration Scheme <https://clacksandstirlinghscp.org/about-us/integration-scheme/>.

Clackmannanshire and Stirling IJB is unique in Scotland as the only IJB consisting of 2 local authorities and one NHS Board.

## IJB Business Model



Under the requirements of the Act, Local Authorities and NHS Boards are required to review Integration Schemes within five years of the scheme being approved in Parliament. An initial review of the Integration Scheme has been undertaken, however due to ongoing service pressures, and changes to the Board membership post the May 2022 Local Government elections consideration of a revised scheme has not yet been taken forward. This will be revisited during the course of 2022/23.

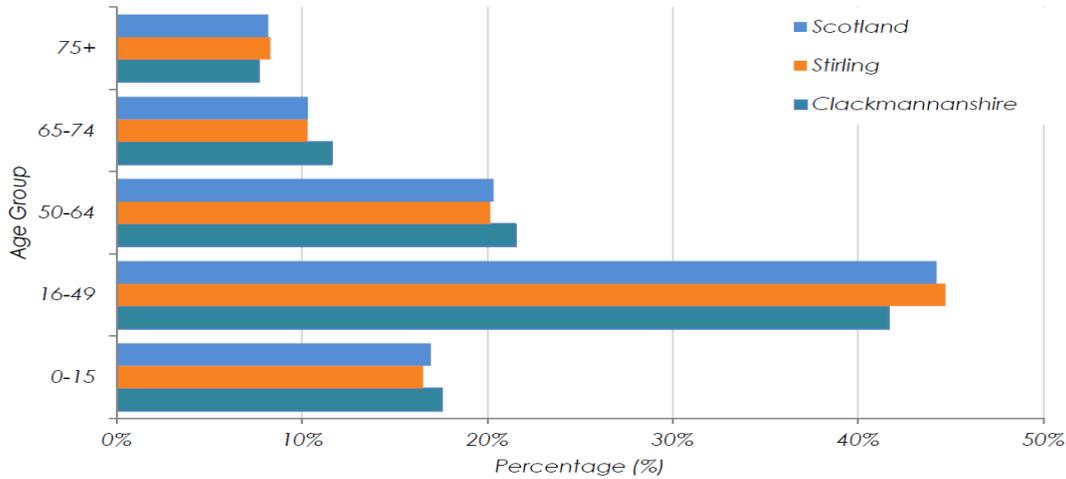
## Clackmannanshire and Stirling Health and Social Care Partnership

The Clackmannanshire and Stirling Health and Social Care Partnership population is approximately 146,000 and the partnership provides services over an area of 1454 square miles with urban centres around Stirling and Alloa and very rural areas to the North and West of Stirling including a significant element of the Loch Lomond and Trossachs National Park.



The age distribution of the population of Clackmannanshire and Stirling compared to Scotland is illustrated below.

**Figure 2.1a: Clackmannanshire & Stirling Age Distribution compared to Scotland**

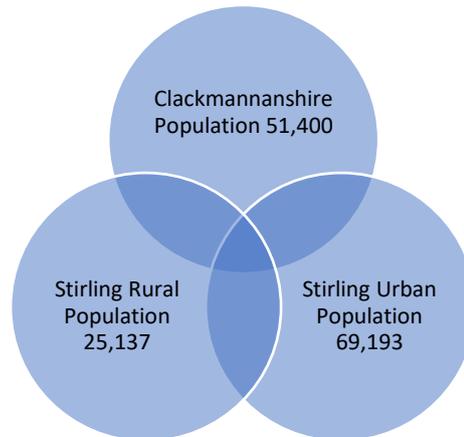


Our Strategic Needs Assessments highlights a number of key messages for the partnership population.

A number of key messages emerged from analysis of our Strategic Needs Assessment

- We have an ageing population
- It is projected that Clackmannanshire and Stirling will have growing numbers of individuals living with long term conditions, multiple conditions and complex needs.
- Supporting unpaid carers is a priority.
- Reducing unplanned, emergency, hospital care will benefit the service as well as the individual
- Reducing behaviours such as smoking, alcohol consumption, drug use and poor diet could have a positive effect on an individual's health.
- There are significant differences in the issues affecting health and social care within each locality including socio-economic issues

There are 3 localities within the partnership:



We have developed locality profiles with key findings for each of our localities to better understand the differing needs and challenges in each and target responses in each.



## Integration Joint Board Vision, Strategic Commissioning Plan and Priorities

The vision of Clackmannanshire and Stirling Health and Social Care Partnership is:

**To enable people to live full and positive lives  
within supportive communities**

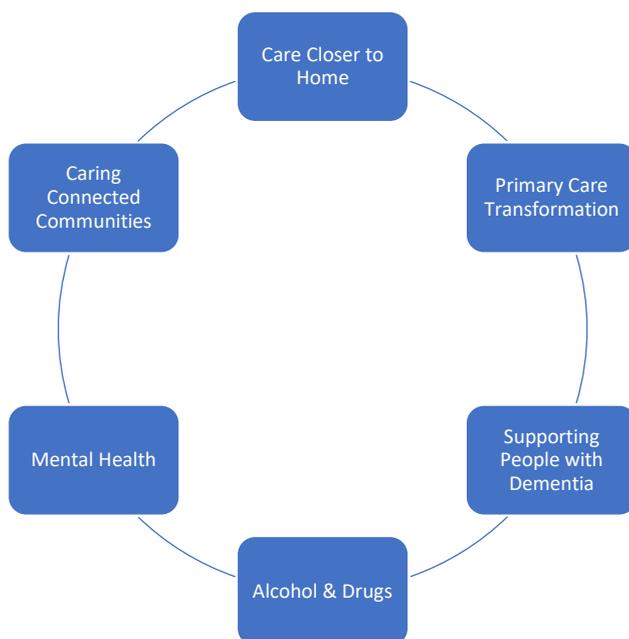
The vision is based on the Partnership Principles, which are to ensure that services are provided in a way which:

- Are integrated from the point of service users
- Take account of the particular needs of different service users
- Respects the rights and takes account of the dignity of service users
- Protects and improves quality and safety
- Are planned and led locally in a way which is engaged with communities
- Anticipates needs and prevents them arising where possible
- Makes best use of available facilities, people and other resources

The Integration Joint Board approved the 2019-2022 Strategic Commissioning Plan in March 2019 and has since agreed to extend the life of the plan to March 2023. Financial year 2020/21 therefore reflects the third year of four of the current plan. The plan built on the priorities within 2016 to 2019 Strategic Plan informed by focused refresh of the Strategic Needs Assessment for the adult population and an extensive consultation and engagement process with the public and stakeholders.

The IJB has agreed the next Strategic Commissioning Plan will be a 10 year plan covering 2023 to 2033. Work is ongoing in developing the plan, agreeing priorities and wide public engagement during 2022/23 to allow the IJB to approve the plan by March 2023. The 2023 to 2033 Strategic Commissioning Plan will be subject to substantive review at least every 3 years to comply with extant legislation and statutory guidance and progress on delivering the plan will be the focus of annual performance reports (APRs) during the lifecycle of the plan.

As a result of this the approved key priorities for 2019 to 2023 are:



The partnerships 'plan on a page' below illustrates how the partnership vision, priorities, enabling activities and strategies and initiatives to deliver change align with the partnership principles detailed above.

Vision	Priorities	Enabling Activities			Strategies and Initiatives to deliver change	
...to enable people in the Clackmannanshire and Stirling Health & Social Care Partnership area to live full and positive lives within supportive communities	Care Closer to Home	Technology Enabled Care	Workforce Planning and Development	Housing / Adaptations	Infrastructure	Intermediate Care Strategy
	Primary Care Transformation					Primary Care Improvement Plan
	Caring, Connected Communities					Carers (Scotland) Act 2016 Community Empowerment (Scotland) Act 2015 Free Personal Care for under 65's 'A Connected Scotland: our strategy for tackling isolation and loneliness and building stronger social connections' Public Health Priorities for Scotland
	Mental Health					Mental Health Strategy
	Supporting people living with Dementia					Dementia Strategy
	Alcohol and drugs					Forth Valley ADP Strategy

Delivery plans continue to be developed and implemented to deliver against the priorities in a sustainable manner aligned to the Transforming Care Programme. The Strategic Commissioning Plan is supplemented by regular reports to the Integration Joint Board on Transforming Care, Governance, Finance and Performance.

The Strategic Commissioning Plan can be found here:  
<https://clacksandstirlinghscp.org/about-us/strategic-plan/>

## **Covid 19 – Ongoing Responses and Re-mobilisation**

The financial year 2021/22 continued to be dominated by the impacts of the Covid 19 pandemic for the partnership including significant increases in service demand and complexity.

The focus in year was continuing to deliver safe and effective services in line with Public Health Guidance. Over the course of the year staff recruitment and retention both in directly employed workforces of the constituent authorities and of commissioned independent providers become an increasing challenge. We constructively worked with Scottish Government in response to these challenges thus influencing the additional support for pay and capacity contained within the £300m Winter Support Package for Health and Social Care.

Our ongoing approach was presented to the IJB in March 2021 within a cohesive Re-Mobilisation Plan which was further reviewed and updated in November 2021. The re-mobilisation plan reiterated that the continuing responses to the pandemic do not constitute a shift in the strategic direction of the HSCP but a need to be agile, responsive and continue to rapidly redesign aspects of service delivery.

## **Principal Activities & Key Achievements in 2021/22**

During 2021/22 the key activities and achievements of Clackmannanshire and Stirling Integration Joint Board included:

- Continuing our responses to the Covid 19 pandemic to continue to delivery safe high quality services to our citizens. Responding to operational service delivery pressures in the face of significant increases in demand and complexity was our primary focus as a partnership during the year.
- Developing, approving and implementing an updated Covid 19 Remobilisation Plan
- Developing, periodically updating and monitoring the Strategic Improvement Plan (SIP) as a consolidated, cohesive and comprehensive single partnership improvement plan
- Continuing to significantly progress implementation of the Primary Care Improvement Plan (PCIP) incorporating implementation of the General Medical Services Contract Arrangements and Mental Health Action 15 plans.
- Working with Forth Valley Health Board and Falkirk IJB to develop and agree an initial agreement for required improvements to Primary Care Premises to complement the PCIP
- Continuing to develop and progress delivery of Transforming Care Programme overseen by the Transforming Care Board as the key delivery vehicle to modernise and transform integrated service delivery to improve outcomes for citizens. This included agreeing with the IJB key investments including support for improving and modernising our approach to Self Directed Support and Technology Enabled Care
- Agreeing our future approach to Rural Models of Care
- Refreshing our approaches to Locality Planning and Engagement and Participation.
- Further developing strategic relationships including the partnerships role in leading on the Community Wellbeing Agenda in Community Planning Partnerships.

- Developing Integrated Commissioning Arrangements and our approaches to commissioning consortia
- Developing and agreeing a Carers Investment Plan
- Securing sufficient financial support from Scottish Government for the financial implications of Covid 19 to achieve a breakeven position on the Integrated Budget.

### **Forward Look: Policy Landscape Reform**

Further to the Independent Review of Adult Social Care published in September 2020 Scottish Government agreed policy intent to establish a National Care Service (NCS) over the current parliamentary term.

The 2021-22 Programme for Government states that the NCS will be the ***'Biggest reform of health and social care since the founding of the NHS'***.

At the time of writing Scottish Government were preparing to introduce the required primary legislation by Summer 2022.

### **2021/22 Annual Accounts**

The Accounts report the financial performance of the Integration Joint Board. Its main purpose is to demonstrate the use of the public funds available for the delivery of the Integration Joint Board's vision and priorities as set out in the Strategic Commissioning Plan.

The requirements governing the format and content of local authorities' annual accounts are contained in The Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The 2020/21 Annual Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting and the Local Authority Accounts (Scotland) Regulations 2014.

For financial year 2021/22 a surplus of £14.245m has been declared reflecting the net increase in reserves held between 1 April 2021 and 31 March 2022.

At 31 March 2022 the Integration Joint Board holds £28.457m of reserves which are earmarked for use in future years.

The level of reserves held at 31 March 2022 requires to be viewed as exceptional and temporarily high as a result of:

- Further Covid funding from Scottish Government received in February 2022 including a balance to be carried forward to support Covid costs for delegated integration functions in 2022/23. This further Covid funding is anticipated to be exhausted during 2022/23 and it has been confirmed no further Covid consequential funding shall be forthcoming.
- Slippage on expenditure in relation to Scottish Government policy priorities including Primary Care Transformation
- Other Scottish Government allocations received relatively late in the financial year where related expenditure will fall during 2022/23.

The table below summarises the movement in reserves from 2020/21:

	£m
Reserves at 1 April 2021	14.212
Net Increase in Reserves	14,245
Reserves at 31 March 2022	28.457

The reserves held at 31 March 2021 are across 3 broad categories as summarised in the table below:

	£m
General Reserves	3.323
Earmarked Reserves: Further Scottish Government Covid Funding	13.902
Other Earmarked Reserves	11.232
Reserves at 31 March 2021	28.457

A full analysis of reserves and movements therein is provided within the financial statements.

The reserves position at 31 March 2022 is exceptionally high due to the issues detailed above. It is anticipated that reserves will fall significantly and towards target during the course of 2022/23.

It should, however, be viewed as a positive that the IJB continues to hold a degree of general or contingency reserves for future financial risks or unforeseen events with financial consequence. Given the increasing future financial risk profile of the IJB it is particularly important to hold sufficient reserves and maintain a prudential reserves strategy.

## **Performance Reporting**

The Integration Joint Board continues to further develop its performance management culture throughout the Partnership through developing over time ways to demonstrate improved outcomes for citizens, best value for the use of public money and evidence of progress in relation to the agreed Strategic Plan Priorities.

The Integration Joint Board receives a performance report at each meeting which along with financial reports and reporting on the Transforming Care Programme, gives a rounded view of the overall performance, financial sustainability and progress in implementing the Strategic Plan priorities of the Partnership.

Taken together information on key performance indicators, measurable progress in delivering the priorities of the Strategic Plan and financial performance collectively aim to demonstrate best value within a culture of continuous improvement.

The published Annual Performance Reports for the Partnership, including those for previous years, can be found here <https://clacksandstirlinghscp.org/performance/>

The 2021/22 report represents the 6<sup>th</sup> Annual Performance Report for the Partnership. It is acknowledged the approach to, and quality of performance reporting will continue to develop over time.

The Annual Performance Report, when published, will detail progress in relation to the partnership priorities along with summary and detailed performance information.

The partnerships 2020/21 Annual Performance Report will be approved by the IJB and published in November 2021. The preparation of the Annual Performance Report was not at a stage which permitted inclusion of key performance information within the draft accounts. This will be incorporated within the final accounts when a draft Annual Performance Report is available.

## Financial Performance and Outlook, Risks and Plans for the Future

### Financial Performance

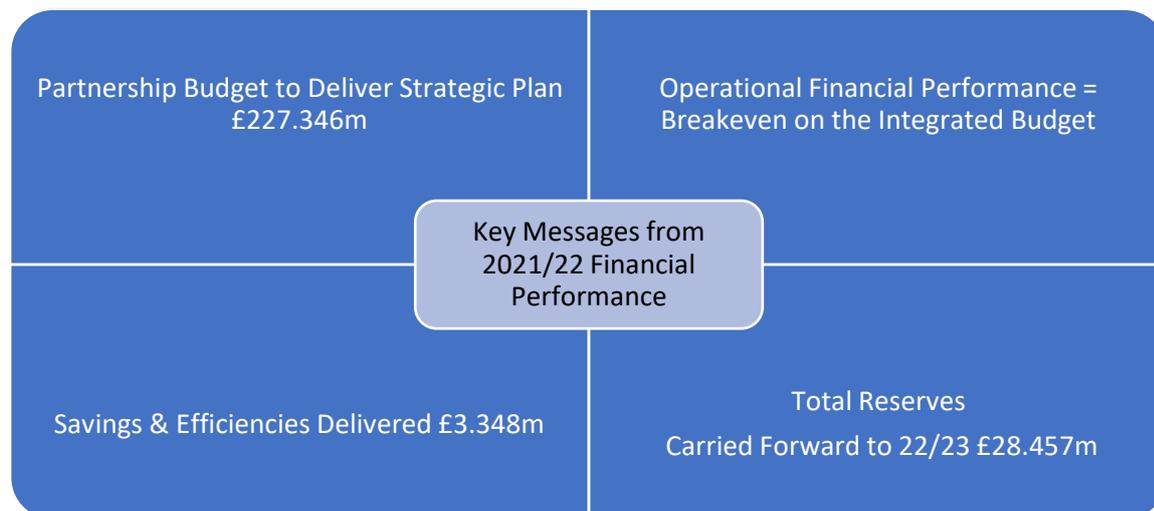
The Partnership has continued to face significant financial challenges in 2021/22 requiring the development and implementation of options for financially sustainable service delivery aligning, as far as possible, to the priorities agreed within the Partnerships Strategic Commissioning Plan 2019-2023.

The 2021/22 Revenue Budget was initially considered by the Integration Joint Board on 24 March 2021 and, after further development approved by the IJB on 11 May 2021. The plan was predicated on a savings requirement of £4.289m with risk assessed plans in place to deliver these. The budget also contained business cases for investments to support acceleration of process in delivering the Transforming Care Programme and modernisation of service delivery totalling £0.957m

Savings achieved during the year are estimated at £3.348m.

The operation financial position on the Integrated Budget (the partnership budget excluding set aside budget for large hospital services) was net breakeven. Sufficient further Covid funding from Scottish Government was utilised to achieve this position consistent with the terms set out by Scottish Government with regard to this funding.

No additional financial contributions from the partners were required in reaching this position.



Key factors Impacting Financial Performance in 2021/22:

- Scottish Government financial support for the financial impacts of Covid including support to achieve a net breakeven position on the Integrated Budget
- Underspends across several areas of Community Health Services including predominantly staffing related underspends in
  - District Nursing
  - Addictions
  - Allied Health Professionals
  - Community Learning Disabilities
  - Community Mental Health Services

- Family Health Services Prescribing remained the most significant cost pressure area within the partnership
- Reductions in costs of residential adult social care
- Levels of staffing underspends across adult social care services

Overall this resulted in a surplus of £14.245m for the Partnership for the 2021/22 financial year.

Whilst this is a positive financial position the Partnership will continue to face significant financial challenges to deliver the current and future Strategic Plan priorities and improved outcomes for service users, unpaid carers and communities in a climate of growing demand, cost and complexity.

#### Set Aside Budget for Large Hospital Services

The Set Aside budget covers the in-scope integration functions of the NHS that are carried out in a large hospital settings providing services to the population of more than one Local Authority and/or Partnership area. For the Clackmannanshire and Stirling Partnership this includes services provided at the Forth Valley Royal Hospital site including the Lochview Learning Disability Inpatient facility and at Bellsdyke hospital in Larbert (Mental Health Inpatients). This covers areas such as emergency department, geriatric and general medicine, palliative care, learning disability and mental health inpatient services.

For financial year 2021/22 NHS Forth Valley met the pressures associated with the set aside budget and therefore the financial risk does not currently lie with the Integration Joint Board. As a result, the figures disclosed in the accounts reflect the budget position for the Set Aside element. However, financial reports to the Integration Joint Board include information on the actual estimated expenditure against the Set Aside budget, noting that NHS Forth Valley currently meets the financial pressure associated. A summary of the position is as follows:

	£m
Set Aside Budget	24.736
Estimated Expenditure	25.212
Overspend Met by NHS Forth Valley	0.476

Arrangements for the Set Aside budget continue to be under review. Work on completing this review has not been concluded during 2021/22 due to the focus on managing the Covid pandemic and significant operational pressures across the whole Health and Social Care system. The further work required to complete the review and agree future arrangements in line with extant legislation and the partnership action plan in response to the Ministerial Strategic Group recommendation on Progress on Integration is planned to be completed by October 2022 with recommendations being made thereafter to the IJB and NHS Board. This, along with the review of the Integration Scheme, may impact how this is financed and accounted for in future years.

## Financial Outlook

The impact of the Covid 19 pandemic, Brexit and world events including the Russia's invasion of Ukraine is having significant impacts on Scottish, UK and the global economy. The longer term impacts of these remain very uncertain and issues such as high general inflation, energy prices and disruption to international supply chains will have ongoing effect on economies, public expenditure and costs.

Changing Scottish Government policy in relation to Health and Social Care and particularly the establishment of a National Care Service will have a significant effect on the finances and accountabilities of the IJB going forward. The IJB awaits the detail of the legislative and policy direction of Scottish Government in this regard.

In March 2020 the partnership considered and approved a Medium Term Financial Plan for the coming 5 year period. This plan was developed on based on:

- The context set out in the Scottish Government 5 Year Financial Strategy and Medium Term Financial Framework for Health and Social Care
- Local and regional intelligence and modelling on the changing demand for services from regional planning work and the refresh of the Strategic Needs Assessment
- The ongoing impact of changes in legislation including the Carers Act and Free Personal Care for <65's
- The estimated impact of the Health and Social Care Partnerships Transforming Care Programme aligned to Strategic Commissioning Plan priorities.

The Medium Term Financial Plan will be refreshed later during 2022 taking account of the Scottish Governments Resource Spending Review (RSR) published in May 2022.

The RSR set out a challenging outlook for public expenditure in Scotland and whilst the Health and Social Care portfolio is relatively protected there will be significant challenges to ensure the financial sustainability of the IJB in the coming years in the face of rising costs, challenges in recruit and retention of the workforce, social care provider sustainability challenges and rising demand and public expectation.

The financial outlook set out in the RSR for Local Government poses a particular risk to the IJB as a key part of the funding environment of the IJB.

The refresh of the Medium Term Financial Plan and the development of the 2023-2033 Strategic Commissioning Plan informed by an updated Strategic Needs Assessment for the population will consider the implications of these challenges in more detail over the course of 2022/23.

## COVID19 and Future Risks

### COVID19:

The short and medium to longer term impacts of the Covid19 pandemic continues to be the greatest single risk facing the Integration Joint Board.

We have seen the Health and Social Care system face considerable levels of increased demand and complexity during the course of 2021/22. Whilst we may have observed an impact of delayed or latent demand from 2020/21 there is also evidence of increased and more complex need presenting. This makes predicting future demand and associated costs increasingly uncertain.

This also brings opportunities to modernise and transform service delivery. Increasingly it is key to invest in Early Intervention and Prevention Approaches and embed these fully in future priorities. To achieve this the IJB will face increasingly difficult decisions on priorities and resource allocations in the coming years.

The considerations within the IJBs 2022/23 Revenue Budget approved by the IJB on 23 March 2022 took account of this and incorporated investment proposals supported by detailed business cases.

### Future Risks

Covid19 aside the most significant risks facing the IJB are:

- Continued economic uncertainty, high inflation and wider impacts of world events and political influences.
- Increasing demand for and cost of health and social care services driven by to demographic change including an ageing and increasing population with multiple and complex long term conditions;
- The wider context for public expenditure as set out in the Scottish Governments resource spending review.
- The wider social determinants of health including economic development, employment and inequality of opportunity and outcomes.
- Public sector pay policy, particularly where this deviates from general inflation and/or allocations to the IJB to reflect these costs.
- Price and supply volatility in the markets, at both UK and international levels for prescription drugs and other therapeutic products.
- Inequalities between the affluent and more deprived areas and the challenges of deprivation, housing and employment;
- The wider financial and economic environment, including the impact of Covid on UK and Scottish economic strategies and public expenditure
- Increasing public expectations from health and social care services:
- The changing policy landscape particularly in relation establishment of a National Care Service (NCS) and rising expectations associated with this.
- The need to maintain and improve the quality of services and improve outcomes for service users, unpaid carers and communities; and
- Workforce challenges, staff wellbeing, the ageing workforce and issues around recruitment and retention within the health and social care workforce. This specifically and notably includes challenges in relation to GP Practice Sustainability
- Maintaining performance against key local and national indicators whilst maintaining service delivery within resources available.

All of the above risks may have an impact on the partnerships costs in future years and, therefore, add to the financial pressures over the medium to longer term.

### Plans for the Future

There continues to be opportunities for the Integration Joint Board to use its combined resources in a more effective, efficient and person-centred ways focusing of place based services to make better use of public resources and improve outcomes for our citizens.

The increasing demand on services risks exceeding available resources and approaches to services design and delivery requires to be focused on better outcomes for citizens and co-produced with our communities through meaningful and ongoing engagement. The Partnership continues to adopt a whole-systems approach to improve health and social care outcomes and will work alongside Community Planning partners to address wider issues in relation to congruence with Local Outcome Improvement Plans, driving public value through place based services, community empowerment, public health and health improvement.

These approaches will ensure a joint contribution to encouraging, supporting and maintaining the health and wellbeing of people who live in our communities thus assisting the partnership in addressing the challenges faced.

It is recognised that if there are significant further change to the way that services are planned and delivered with partners across all sectors, current service provision will not be sufficient to meet the future health and social care needs of the population. We must therefore continue to embed new ways of working and seek to focus resources away from bed based models of care into community based services and invest in early intervention and prevention. We need to continue to critically appraise and challenge our current models of service delivery to ensure our combined resources are focused on areas of greatest need delivering the best outcomes to our service users and patients, and that crucially we co-produce these harnessing the capacity of local communities to support the wider preventative, health and wellbeing outcomes.

Moving forward there will increasingly be a requirement to focus investment of available resources on Strategic Commissioning Plan Priorities and ensure we and partners meet statutory requirements in innovative ways including increasing use of assistive technologies and digital solutions. It is paramount these solutions are co-produced with communities through an ongoing commitment to public and service user engagement.



The key elements of this approach are set out in the 'plan on a page' schematic on Page 8 of this document and supplemented the detailed planning within and aligned to our Transforming Care Programme.

## **Conclusion**

In this sixth year of operations the Partnership has focussed heavily on our ongoing responses to the challenges of the Covid 19 pandemic and remobilisation of services in ways that are naturally aligned to our Strategic Priorities.

Progress on this and achieving the vision and outcomes of the Strategic Commissioning Plan will be reported to the Integration Joint Board by November 2022 via the draft Annual Performance Report. Thereafter the Integration Joint Board will continue to receive regular reports on the Transforming Care Programme as the delivery mechanism for the Strategic Commissioning Plan. This will seek to demonstrate the scale of activities and significant level of progress in relation to the agreed Strategic Commissioning Plan priorities.

Going forward, the Clackmannanshire and Stirling Health and Social Care Partnership will continue to face significant financial challenges in delivering better outcomes for its patients and service users, in line with its Strategic Commissioning and Financial Plans, in a climate of growing demand and complexity within increasingly scarce resources.

In order to achieve this we must continue to identify and implement innovative ways of delivering sustainable services to our citizens in ways that are truly co-produced with our communities, that draw on lived experience of our service users and that are human rights based.

We will continue to work with staff, managers, services, partners (including the third and independent sectors) and our localities and communities to lead and support sustainable service design approaches, identify and implement innovative, cost effective and person centred, outcomes focused and place-based service delivery models and pathways, and contribute to the delivery of the Partnership's Strategic Commissioning Plan 2019-2023 priorities within resources available.

## **Where to Find More Information**

If you would like more information please visit our webpage at:

<https://clacksandstirlinghscp.org/>

The papers and minutes from meeting of the Integration Joint Board can be found here:

<https://clacksandstirlinghscp.org/integration-joint-board-meetings/>

Other publications from the partnership, past and present can be found here:

<https://clacksandstirlinghscp.org/publications/>

## **Acknowledgements**

The Integration Joint Board would wish to take this opportunity to thank the staff, volunteers and paid and unpaid carers whose work contributes to the provision of services to the populations of Clackmannanshire and Stirling.

**Alan Rennie**  
Chair  
23 November 2022

**Annemargaret Black**  
Chief Officer  
23 November 2022

**Ewan C. Murray**  
Chief Finance Officer  
23 November 2022

## **Statement of Responsibilities**

### **Responsibilities of the Integration Joint Board**

The Integration Joint Board is required to:

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

I confirm that these Annual Accounts were approved for signature on 23 November 2022

Signed on behalf of the Clackmannanshire and Stirling Integration Joint Board.

**Alan Rennie**  
Chair

23 November 2022

### **Responsibilities of the Chief Finance Officer**

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

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

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with legislation
- complied with the local authority Code (in so far as it is compatible with legislation)

The Chief Finance Officer has also:

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

I certify that the financial statements give a true and fair view of the financial position of the Clackmannanshire & Stirling Integration Joint Board as at 31 March 2022 and the transactions for the year then ended.

**Ewan C. Murray**  
Chief Finance Officer  
23 November 2022

## **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 auditors to ensure it is consistent with the financial statements.

### **Voting Membership of the Integration Joint Board in 2021/22**

Voting members of the Integration Joint Board constitute Councillors nominated as Board members by constituent authorities and NHS representatives nominated by the NHS Forth Valley. The voting members of the Clackmannanshire and Stirling Integration Joint Board were appointed through nomination by Clackmannanshire Council, NHS Forth Valley, and Stirling Council.

Voting Membership of the Integration Joint Board during 2021/22 was as follows:

#### **Clackmannanshire Council**

Councillor Les Sharp (Chair)  
Councillor Dave Clark  
Councillor Martha Benny

#### **NHS Forth Valley**

John Ford, Non-Executive  
Cathie Cowan, Chief Executive  
Julia Swan, Non-Executive (until 23<sup>rd</sup> November 2021)  
Steven McAllister, Non-Executive (from 23<sup>rd</sup> November 2021)  
Graham Foster, Director of Public Health and Strategic Planning  
Alan Rennie, Non-Executive (Vice Chair)  
Gordon Johnston, Non-Executive

#### **Stirling Council**

Councillor Scott Farmer  
Councillor Graham Houston  
Councillor Susan McGill

### **Remuneration: Integration Joint Board Chair and Vice Chair**

The voting members of the Integration Joint Board are appointed through nomination by Clackmannanshire & Stirling Councils and NHS Forth Valley. Nomination of the Integration Joint Board Chair and Vice Chair postholders alternates between a Councillor and a Health Board representative.

The Integration Joint Board does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the Integration Joint Board. The Integration Joint Board does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. The details of the Chair and Vice Chair appointments and any remuneration and taxable expenses paid are shown below.

Taxable Expenses 2021/22 £	Salary, Fees and Allowances 2021/22 £	Name	Post(s) Held	Nominated by	Taxable Expenses 2020/21 £	Salary, Fees and Allowances 2020/21 £
Nil	Nil	Councillor Les Sharp	Chair from April 2020	Clackmannanshire Council	Nil	Nil
Nil	Nil	Alan Rennie	Vice Chair from September 2020	NHS Forth Valley	Nil	Nil
<b>Nil</b>	<b>Nil</b>	<b>Total</b>			<b>Nil</b>	<b>Nil</b>

The IJB does not have responsibilities, either in the current year or in future years, for funding any pension entitlements of voting Integration Joint Board members. Therefore, no pension rights disclosures are provided for the Chair or Vice Chair.

### Remuneration: Officers of the Integration Joint Board

The Integration Joint Board 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 Integration Joint Board must be appointed and the employing partner must formally second the officer to the Integration Joint Board. 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 Integration Joint Board.

The Chief Officer took up post on 17 June 2019 and is employed by NHS Forth Valley.

#### Other Officers

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

The Chief Finance Officer is employed by NHS Forth Valley.

2020/21 Total £	Senior Employees	Salary, Fees & Allowances £	Taxable Expenses £	Total 2021/22 £
99,175	<b>Chief Officer</b>	105,183	0	105,183
	A Black			
76,978	<b>Chief Finance Officer</b>	80,513	0	80,513
	E Murray			
<b>176,153</b>	<b>Total</b>	<b>185,696</b>	<b>0</b>	<b>185,696</b>

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 Integration Joint Board balance sheet for the Chief Officer or any other officers.

The Integration Joint Board 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 Integration Joint Board. The following table shows the Integration Joint Board's funding during the year to support officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

Senior Employees	In Year Pension Contributions		Accrued Pension Benefits		
	For Year to 31/03/2021	For Year to 31/03/2022		Movement from 31/03/2021	As at 31/03/2022
	£	£		£000	£000
Chief Officer	20,728	21,983	Pension	3	28
A Black			Lump Sum	3	73
Chief Finance Officer	16,088	16,827	Pension	2	32
E Murray			Lump Sum	2	70
<b>Total</b>	<b>36,816</b>	<b>38,810</b>	<b>Total Pension</b>	<b>5</b>	<b>59</b>
			<b>Total Lump Sum</b>	<b>5</b>	<b>142</b>

### Disclosure by Pay Bands

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

Number of Employees in Band	Remuneration Band	Number of Employees in Band
2020/21		2021/22
1	£75,000 - £79,999	0
0	£80,000 - £84,999	1
1	£95,000 - £99,999	0
0	£105,000 - £109,999	1

### Exit Packages

There were no exit packages in relation to Clackmannanshire and Stirling Integration Joint Board in financial year 2021/22.

#### Alan Rennie

Chair

23 November 2022

#### Annemargaret Black

Chief Officer

23 November 2022

## **Annual Governance Statement**

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 delegated functions and to make arrangements to secure best value.

To meet this responsibility, the IJB has established arrangements for governance which includes a system of internal control. The system is intended to manage risk to support the achievement of the IJB's policies, aims and objectives. Reliance is also placed on the NHS Forth Valley and Clackmannanshire and Stirling Councils systems of internal control which support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the IJB.

Given the IJB utilises the systems of internal control with NHS Forth Valley, Clackmannanshire Council and Stirling Council the system can only provide reasonable and not absolute assurance of effectiveness.

### **Purpose of the Governance Framework**

The governance framework comprises the systems and processes, and culture and values, by which the IJB is directed and controlled. It enables the IJB to monitor the achievement of the objectives set out in the IJB's Strategic Plan. The governance framework will be continually updated to reflect best practice, new legislative requirements and the expectations of stakeholders.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the IJB's objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively.

### **Governance Framework and Internal Control System**

The Board of the IJB comprises the Chair, Vice Chair and 10 other voting members; 6 are Council Elected Members nominated (3 each council) by Clackmannanshire and Stirling Council, and, 6 are Board members of NHS Forth Valley (4 Non Executive Directors and 2 Executive Directors). There are also a number of non-voting professional and stakeholder members on the IJB including the Chief Officer, Chief Finance Officer and professional medical, nursing and social work advisors to the IJB. Stakeholder members currently include representatives from the third sector interfaces, carers and service users.

The main features of the governance framework in existence during 2021/22 were:

- The Integration Scheme
- Standing Orders

- Scheme of Delegation
- Urgent Decision Making Powers to ensure effective and responsive governance during Covid
- Financial Regulations and Reserves Policy and Strategy
- Code of Conduct and Register of Interests
- IJB Committees operating within approved Terms of Reference
- Clinical and Care Governance Framework
- Risk Management Framework and Strategic Risk Register
- Complaints Handling Procedure
- Information Governance Arrangements & Information Security Policy

The governance framework described operates on the foundation of internal controls, including management and financial information, financial regulations, administration, supervision and delegation.

The IJB utilises the internal control systems of NHS Forth Valley, Clackmannanshire Council and Stirling Council in the commissioning and delivery of in-scope functions. The Annual Governance Statements of the constituent authorities will be reviewed for any significant weaknesses which could be a risk to the IJB.

The IJB complies with “The Role of the Head of Internal Audit in Public Organisations” (CIPFA) and operates in accordance with “Public Sector Internal Audit Standards” (CIPFA). The Head of Internal Audit reports directly to the Integration Joint Board Audit Committee with the right of access to the Chief Financial Officer, Chief Officer and Chair of the Integration Joint Board Audit and Risk Committee on any matter. The annual programme of internal audit work is based on a risk assessment drawn from review of the Integration Joint Boards Strategic Risk Register and is approved by the Integration Joint Board Audit and Risk Committee.

From April 2020 the IJBs Chief Internal Auditor has been from FTF Internal Audit Service who are an internal audit consortium covering Fife, Tayside and Forth Valley.

### **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 Senior Management Team, work of the IJBs internal audit service and the Chief Internal Auditor’s annual report, and reports from external auditors and other review agencies and inspectorates.

The review of the IJB’s governance framework is supported by a process of self-assessment and compiled by the Chief Finance Officer.

The Chief Finance Officer completes a “Self-assessment Checklist” and any further supporting evidence requested as evidence of adequacy and review of key areas of the IJB’s internal control framework; this is provided to the IJBs Chief Internal Auditor as part of the evidence base to inform the opinion within the Annual Internal Audit Report.

The Chief Officer also gives assurances as Director of Health and Social Care through the Annual Governance Statement processes of the constituent authorities and the IJB Chief Finance Officer reviews the Annual Governance Statements of the constituent authorities to identify any identified weaknesses in governance which may affect integration functions and/or pose a risk to the IJB.

The Senior Management Team has input to this process through the Chief Finance Officer. In addition, the review of the effectiveness of the governance arrangements and systems of internal control within the Health Board and Local Authority partners places reliance upon the individual bodies' management assurances in relation to the soundness of their systems of internal control.

The appointed IJB Chief Internal Auditor provides an annual report to the Audit and Risk Committee and an independent opinion on the adequacy and effectiveness of the governance framework, risk management and internal control. The IJB Audit and Risk Committee will consider at this at its next meeting in August 2022.

Due to the nature of IJB Board Membership, a conflict of interest can arise between an IJB Board Members' responsibilities to the IJB and other responsibilities that they may have. The IJB has arrangements in place to deal with any conflicts of interest that may arise. It is the responsibility of Board and Committee Members to declare any potential conflicts of interest, and it is the responsibility of the Chair of the relevant Board or Committee to ensure such declarations are appropriately considered and acted upon. There is specific guidance from the Standards Commission for IJB members.

The Management Commentary provides an overview of the key risks and uncertainties facing the IJB.

### **Roles and Responsibilities**

The Chief Officer is the Accountable Officer for the IJB and has day-to-day operational responsibility to monitor delivery of integrated services, with oversight from the IJB.

The IJB complies with the CIPFA Statement on "The Role of the Chief Finance Officer in Local Government 2014". The IJB's Chief Finance Officer has overall responsibility for Clackmannanshire and Stirling Health and Social Care Partnerships financial arrangements.

The IJB 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".

Board 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 and Risk Committee operates in accordance with CIPFA's Audit Committee Principles in Local Authorities in Scotland and Audit Committees: Practical Guidance for Local Authorities. The Committee's core function is to provide the IJB with independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance arrangements.

### **Governance Issues Relating to Ongoing Impacts of COVID-19**

The IJB's approved governance framework has been in place for the year ended 31 March 2022.

However, from March 2020 and during the 2021/22 the governance context in which the IJB operates has been impacted by the need to implement urgent decision making arrangements and take urgent actions where required in response to the significant public health challenge presented by the COVID-19 pandemic.

The planning and delivery of health and social care services has had to rapidly adapt to meet this challenge and the IJB has had to adapt its governance arrangements accordingly.

In response to the pandemic and the requirement to move quickly and decisively to manage the subsequent pressures on health and social care services in Clackmannanshire & Stirling, the IJB approved and initiated urgent decision-making arrangements at its March 2020 meeting and have extended them at each IJB meeting to date until they were revoked and replaced with an updated Scheme of Delegation at the March 2022 meeting.

Under the urgent decision making arrangements, authority was delegated, if required, to take decisions to meet urgent operational requirements, to the Chief Officer in consultation with the Chair and Vice Chair of the IJB and Chief Executives and Chief Financial Officers of the Constituent Authorities. Any decisions taken required to be reported to the IJB.

Financial governance arrangements remain in place and have been supplemented by additional controls and reporting arrangements to manage and monitor COVID-19 related expenditure and resultant impact on the IJBs financial position.

The IJB and IJBs committees have continued to meet and function through the year. However, agendas have been reduced from time to time to focus on essential business and statutory requirements without compromising effectiveness of governance arrangements.

Some elements of planned reviews of governance arrangements during 2021/22 have been further deferred from planned timescales due to management capacity being focused on dealing with the COVID-19 pandemic including the consideration of the requirement to prepare a revised Integration Scheme. Given the recent changes in membership of the IJB as a result of the May 2022 Local Government elections further considerations in relation to the Integration Scheme will be revisited post summer 2022 recess.

Progress was made in updating elements of the IJBs Governance Framework during the past year however with updates Directions and Reserves Policies and a revised Scheme of Delegation being approved. Despite some other actions having been deferred effective governance was maintained during the year.

### **Other Governance Issues**

Focus on supporting operational pressures, staffing issues and additional reporting requirements for Scottish Government meant that the IJB did not receive regular quarterly performance reports at the November 2021 and March 2022 meetings and the performance report considered at this January 2022 meeting was later than normal. Whilst there is continuing work to improve performance reporting we do not envisage this situation being repeated.

### **Management of Risk**

The Integration Joint Board monitors and seeks to mitigate significant risk through its Risk Management Framework and Strategic Risk Register. The Strategic Risk Register is regularly reviewed by the partnership Senior Leadership Team. The Audit & Risk Committee provide a scrutiny role for the Integration Joint Board by reviewing, scrutinising and approving the Strategic Risk Register as a standing agenda item at each meeting. High risks on the Strategic Risk Register are reported to the Integration Joint Board through routine Performance Reports.

The IJBs risk management framework is under review. This review will consider any updates required to the risk management framework and improving interfaces with risk management arrangements across the constituent authorities assisting in linking operational and strategic risk identification, management and reporting. As part of this review an HSCP risk management network has been established.

In 2020/21 a specific Covid risk was added to the Strategic Risk Register. However as the pandemic has progressed Covid becomes a factor in mitigating the IJBs other strategic risks rather than in isolation and the Strategic Risk Register has been updated to reflect this.

**Action Plan**

Following consideration of the review of adequacy and effectiveness the following action plan has been agreed to ensure continual improvement of the IJB's governance. Regular updates on progress of the agreed actions will be monitored by the IJB Audit and Risk Committee.

**Update on Action Plan**

<b>Areas for Improvement Identified</b>	<b>Action Undertaken in 2020/221</b>	<b>Responsible Party(s)</b>	<b>Previous Planned Date of Completion</b>	<b>Revised Planned Date of Completion</b>
A comprehensive review of the IJBs Governance Frameworks will be undertaken aligned to changes in operational responsibilities of the Chief Officer	Action partially complete. Reserves Strategy, Directions Strategy & Policy and Scheme of Delegation reviewed, updated and approved. Financial Regulations to be reviewed and updated as required. Consideration of requirement to prepared revised Integration Scheme not yet progressed and will be revisited post summer 2022 recess. Note the Integration Scheme is the legal partnership agreement between the constituent authorities.	Chief Officer and Chief Finance Officer	December 2021	October 2022 Est March 2023
Development of Local Code of Corporate Governance	Action Outstanding. Local Code of Corporate Governance will be developed as part of review of governance frameworks post review of Financial Regulations	Chief Officer and Chief Finance Officer	December 2021	October 2022
Implement Revised Approach to Directions	Partially complete. Revised directions policy approved and full implementation linked to agreement of 2023-2033 Strategic Plan	Chief Officer, Head of Service (SP&HI) & Chief Finance Officer	December 2021	March 2023
Review Form and Fitness for Purpose of Extant Scheme of Delegation	Action Complete. Revised Scheme of Delegation approved March 2022.	Chief Officer & Chief Finance Officer	December 2021	N/A
Produce Annual	Action deferred due to	Chief Finance	November	December 2022

Areas for Improvement Identified	Action Undertaken in 2020/221	Responsible Party(s)	Previous Planned Date of Completion	Revised Planned Date of Completion
Assurance Reports for IJB Committees	operational pressures during 2021/22	Officer & HSCP Business Manager	2021	
Review of relationship between IJB and Community Planning Partnerships (CPPs)	<p>Action being progressed.</p> <p>As part of developing good governance arrangements the IJBs has taken on the CPP leadership role for the Alcohol and Drug Partnership across Clackmannanshire and Stirling areas. This includes regular reporting into CPP for both Council areas.</p> <p>The delegation of Health Improvement Service is underway and will be completed end September 2022, including key areas of work aligned to both CPP areas. This work has been delayed due to COVID pressures as a result of staff being seconded into other areas.</p>	Head of Service (Strategic Planning & Health Improvement)	March 2022	October 2022
Further Develop Best Value Arrangements	Action partially complete.	Chief Finance Officer	March 2022	October 2022
Further Develop Strategic Improvement Plan	Action complete. Format of plan reviewed to ensure SMART whilst acknowledging plan will continue to evolve particularly in relation to preparedness for establishment of National Care Service (NCS). Plan also includes ambitious programme of modernisation and transformation of services to meet legislative requirements.	Chief Officer, Chief Finance Officer and Head of Service Strategic Planning & Health Improvement	December 2021	Ongoing

<b>Areas for Improvement Identified</b>	<b>Action Undertaken in 2020/221</b>	<b>Responsible Party(s)</b>	<b>Previous Planned Date of Completion</b>	<b>Revised Planned Date of Completion</b>
Undertake Review of Strategic Plan / Strategic Commissioning Plan	Action in progress. Plan in place for development of 2023/2033 Strategic Plan. Internal Audit review will provide assurance on process.	Chief Officer & Head of Service, Strategic Planning & Health Improvement	March 2022	March 2023
Ensure Information Governance Assurance Report presented to IJB.	Action complete. Assurance Report presented to September 2021 IJB.	Head of Information Governance, NHS Forth Valley	November 2021	Ongoing on Annual Basis

### **Additional Actions for 22/23**

The 22/23 Action Plan will focus on completion of deferred and incomplete actions already reflected above but focussing on priorities of:

- Development of 2023/33 Strategic Commissioning Plan
- Preparedness for implementation of National Care Service
- Facilitating consideration of requirement to prepare a revised integration scheme

### **Conclusion and Opinion on Assurance**

Whilst recognising that further improvements are required, as detailed above, it is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the IJB's governance arrangements.

We consider that the internal control environment provides reasonable and objective assurance that any significant risks impacting on the IJB's principal objectives will be identified and actions taken to avoid or mitigate their impact.

Systems are in place to regularly review and improve the internal control environment and the implementation of the action plan will be monitored by the HSCP Senior Management Team and reported and scrutinised by IJB and the IJB Audit and Risk Committee.

**Alan Rennie**

Chair

23 November 2022

**Annemargaret Black**

Chief Officer

23 November 2022

**Comprehensive Income and Expenditure Statement**

This statement shows the cost of providing services for the year according to accepted accounting practices. Where the impact on the General Fund is amended by statutory adjustments this is shown in the Movement in Reserves Statement.

		2020/21			2021/22	
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
23,588	0	23,588	Large Hospital Services	24,736	0	24,736
124,556	(7,186)	117,370	Community Health and Social Care Services	127,064	(8,462)	118,602
82,090	0	82,090	Primary Care	83,691	0	83,691
301	0	301	IJB Running Costs	317	0	317
<b>230,535</b>	<b>(7,186)</b>	<b>223,349</b>	<b>IJB Operational Costs</b>	<b>235,808</b>	<b>(8,462)</b>	<b>227,346</b>
	<b>(235,866)</b>	<b>(235,866)</b>	<b>Taxation and Non-Specific Grant Income Surplus or Deficit on Provision of Services and Total Comprehensive Income and Expenditure</b>	<b>(241,590)</b>		<b>(241,590)</b>
		<b>(12,516)</b>				<b>(14,245)</b>

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

**Movement in Reserves Statement**

This statement shows the movement in the year on the Integration Joint Board's reserves. The movements which arise due to statutory adjustments which affect the General Fund balance are separately identified from the movements due to accounting practices.

<b>Movements in Reserves 2021/22</b>	<b>General Fund Balance £000</b>	<b>Unusable Reserves £000</b>	<b>Total Reserves £000</b>
<b>Opening Balance at 31 March 2021</b>	<b>(14,212)</b>	<b>0</b>	<b>(14,212)</b>
Total Comprehensive Income and Expenditure	(14,245)	0	(14,245)
Increase in 2021/22	(14,245)	0	(14,245)
<b>Closing Balance at 31 March 2022</b>	<b>(28,457)</b>	<b>0</b>	<b>(28,457)</b>
<b>Movements in Reserves 2020/21</b>	<b>General Fund Balance £000</b>	<b>Unusable Reserves £000</b>	<b>Total Reserves £000</b>
<b>Opening Balance at 31 March 2020</b>	<b>(1,696)</b>	<b>0</b>	<b>(1,696)</b>
Total Comprehensive Income and Expenditure	(12,516)	0	(12,516)
Increase in 2020/21	(12,516)	0	(12,516)
<b>Closing Balance at 31 March 2021</b>	<b>(14,212)</b>	<b>0</b>	<b>(14,212)</b>

**Balance Sheet**

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

<b>31 March 2021 £000</b>		Notes	<b>31 March 2022 £000</b>
14,212	Short Term Debtors		28,457
<u>14,212</u>	<b>Current Assets</b>		<u>28,457</u>
0	Short Term Creditors		0
<u>0</u>	<b>Current Liabilities</b>		<u>0</u>
0	Provisions		0
<u>0</u>	<b>Long-Term Liabilities</b>		<u>0</u>
<u><b>14,212</b></u>	<b>Net Assets</b>		<u><b>28,457</b></u>
(14,212)	Useable Reserves: General Fund	Note 10	(28,457)
<u>0</u>	Un-useable Reserves		<u>0</u>
<u><b>(14,212)</b></u>	<b>Total Reserves</b>		<u><b>(28,457)</b></u>

**Ewan C. Murray**  
Chief Finance Officer

*The unaudited accounts were issued on 29 June 2022.*

## **Notes to the Financial Statements**

### **1. Significant Account Policies**

#### General Principles

The Financial Statements summarises the authority's transactions for the 2021/2022 financial year and its position at the year ended 31 March 2022.

The Integration Joint Board was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Section 106 body as defined in the Local Government (Scotland) Act 1973.

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

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

#### Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when settlement in cash occurs. In particular:

- Expenditure is recognised when goods or services are received and their benefits are used by the Integration Joint Board.
- Income is recognised when the IJB has a right to the income, for instance by meeting any terms and conditions required to earn the income, and receipt of the income is probable.
- Where income and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the Balance Sheet.
- Where debts may not be received, the balance of debtors is written down.

#### Funding

The Integration Joint Board is primarily funded through funding contributions from the statutory funding partners, Clackmannanshire and Stirling Councils and NHS Forth Valley. Expenditure is incurred as the Integration Joint Board commissions specified health and social care services from the funding partners for the benefit of service recipients in Clackmannanshire and Stirling.

#### Cash and Cash Equivalents

The Integration Joint Board does not operate a bank account or hold cash. Transactions are settled on behalf of the Integration Joint Board by the funding partners. Consequently, the Integration Joint Board does not present a 'Cash and Cash Equivalent' figure on the balance sheet. The funding balance due to or from each funding partner as at 31 March is represented as a debtor or creditor on the Integration Joint Board's Balance Sheet.

### Employee Benefits

The Integration Joint Board 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 Integration Joint Board has a legal responsibility to appoint a Chief Officer. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs.

Charges from funding partners for other staff are treated as administration costs.

### Provisions, Contingent Liabilities and Contingent Assets

Provisions are liabilities of uncertain timing or amount. A provision is recognised as a liability on the balance sheet when there is an obligation as at 31 March due to a past event; settlement of the obligation is probable; and a reliable estimate of the amount can be made. Recognition of a provision will result in expenditure being charged to the Comprehensive Income and Expenditure Statement and will normally be a charge to the General Fund.

A contingent liability is a possible liability arising from events on or before 31 March, whose existence will only be confirmed by later events. A provision that cannot be reasonably estimated, or where settlement is not probable, is treated as a contingent liability. A contingent liability is not recognised in the Integration Joint Board's Balance Sheet but is disclosed in a note where it is material.

A contingent asset is a possible asset arising from events on or before 31 March, whose existence will only be confirmed by later events. A contingent asset is not recognised in the Integration Joint Board's Balance Sheet but is disclosed in a note only if it is probable to arise and can be reliably measured.

### Reserves

The Integration Joint Board's reserves are classified as either Usable or Unusable Reserves.

The Integration Joint Board'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 Integration Joint Board can use in later years to support service provision.

The Integration Joint Board has no unusable reserves.

### Indemnity Insurance

The Integration Joint Board has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Forth Valley, Clackmannanshire and Stirling Councils have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide.

Unlike NHS Boards, the Integration Joint Board does not have any ‘shared risk’ exposure from participation in CNORIS. The Integration Joint Boards participation in the CNORIS scheme is therefore supplementary to normal insurance arrangements for clinical and care services.

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

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

### VAT

The Integration Joint Board is not registered for VAT and as such VAT is settled or recovered by the partner agencies.

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

## **2. Accounting Standards That Have Been Issued But Have Not Yet Been Adopted**

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. The IJB considers that there are no such standards which would have significant impact on its annual accounts.

## **3. Critical Judgements in Applying Accounting Policies**

### Set Aside Budget for Large Hospital Services

For financial year 2021/22 the sum included within the accounts in relation to the Set-Aside budget for Large Hospital services reflects the budget allocated rather than the actual cost of hospital activity. Systems are continuing to be developed to be able to accurately provide this information within the accounts in future financial years. Development of these arrangements continues to be impacted by the pandemic but is ongoing.

In terms of risk of misstatement; a 10% shift in activity would equate to an estimated £2.474m in costs which would, in turn, be matched by additional income from NHS Forth Valley.

The approach to developing arrangements was detailed in a report to the Integration Joint Board meeting in June 2018 and within the partnerships consolidated response to the Ministerial Strategic Groups proposals on Progress on Integration. The Integration Joint Board, and its committees, will continue to receive reports on progress of this work with the next substantive progress report due in September 2022.

**4. Events After the Reporting Period**

The Annual Accounts were authorised for issue by the Chief Finance Officer on 22 June 2022. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2022, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

**5. Expenditure and Income Analysis by Nature**

<b>31 March 2021 £000</b>		<b>31 March 2022 £000</b>
21,428	Services Commissioned from Clackmannanshire Council	25,329
39,829	Services Commissioned from Stirling Council	46,482
168,978	Services Commissioned from NHS Forth Valley	138,944
271	Other IJB Operating Expenditure	286
3	Insurance and Related Expenditure	3
27	Auditor Fee: External Audit Work	28
<b>(4,162)</b>	Service Income: Clackmannanshire Council	<b>(4,427)</b>
<b>(3,024)</b>	Service Income: Stirling Council	<b>(4,035)</b>
<b>(235,866)</b>	Partners Funding Contribution and Non-Specific Grant Income	<b>(216,855)</b>
<hr/>		
<b>(12,516)</b>	<b>(Surplus) or Deficit on the Provision of Services</b>	<b>(14,245)</b>

**6. Taxation and Non-Specific Grant Income**

<b>31 March 2021 £000</b>		<b>31 March 2022 £000</b>
20,358	Funding Contribution from Clackmannanshire Council	20,330
42,854	Funding Contribution from Stirling Council	41,122
172,654	Funding Contribution from NHS Forth Valley	180,138
<b>235,866</b>	<b>Taxation and Non-Specific Grant Income</b>	<b>241,590</b>

The funding contribution from the NHS Board shown above includes £24.736m in respect of 'set aside' resources relating to acute hospital and other resources. These are provided by the NHS which currently retains responsibility for managing the costs of providing the services. The Integration Joint Board, however, has strategic responsibility for the consumption of, and level of demand placed on, these resources.

**7. Debtors**

<b>31 March 2021 £000</b>		<b>31 March 2022 £000</b>
6,652	Stirling Council	5,232
3,031	Clackmannanshire Council	2,396
4,529	NHS Forth Valley	20,829
<b>14,212</b>	<b>Total Debtors</b>	<b>28,457</b>

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

**8. Creditors**

There are no creditor's balances in the Integration Joint Board accounts.

**9. Provisions**

No provisions have been made in the Integration Joint Board accounts.

## **10. Usable Reserve: General Fund**

The Integration Joint Board 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 pursuance of best value from available resources.
- To provide a contingency fund to cushion the impact of unexpected events or emergencies. This is regarded as an element of the Integration Joint Board's financial resilience framework. The IJB held contingency funding totalling £3.323m at 31 March 2022.

The table below shows the movements on the General Fund balance:

Balance at 31 March 2021 £000	Reserve	Transfers Out £000	Transfers In £000	Balance at 31 March 2022 £000
(1,183)	Transformation Funding (ICF/ Delayed Discharge)	0	(732)	(1,914)
0	Service Pressures (from Winter Funding)	1,086	(4,382)	(3,296)
(512)	Community Living Fund	0	0	(512)
(5,325)	COVID Funding	7,933	(15,817)	(13,209)
(1,698)	Other Earmarked Reserves	462	(3,350)	(4,586)
(529)	Primary Care Improvement Plans	3,328	(4,045)	(1,246)
0	Action 15 - Mental Health	737	(827)	(90)
(181)	Alcohol and Drug Partnerships	139	(239)	(282)
<b>(9,428)</b>	<b>Total Earmarked</b>	<b>13,686</b>	<b>(29,392)</b>	<b>(25,134)</b>
(3,323)	Contingency	0	0	(3,323)
<b>(12,751)</b>	<b>General Fund</b>	<b>13,686</b>	<b>(29,392)</b>	<b>(28,457)</b>

## 11. Related Party Transactions

The IJB has related party relationships with the NHS Forth Valley and the Clackmannanshire & Stirling Councils. In particular, the nature of the partnership means that the Integration Joint Board may influence, and be influenced by, its partners. The following transactions and balances included in the Integration Joint Board's accounts are presented to provide additional information on the relationships.

There are no material transactions with Clackmannanshire and Stirling Integration Joint Board officers or with organisations they have an interest in. The remuneration and any other taxable payments to senior officers, the Chair and Vice Chair are disclosed in the remuneration statement. Each Board member's registered interests will be published on the Integration Joint Board webpage in due course.

Support services were not delegated to the Integration Joint Board through the Integration Scheme and are instead provided by the constituent authorities free of charge as a 'service in kind'. The support services provided by the constituent authorities mainly consist of performance management, human resources, financial management, information services, information technology and payroll.

### Transactions with NHS Forth Valley

31 March 2021 £000		31 March 2022 £000
(172,654)	Funding Contributions received from the NHS Board	(155,403)
0	Service Income Received from the NHS Board	0
168,978	Expenditure on Services provided by the NHS Board	138,944
118	Key Management Personnel: Non-Voting Members	159
<b>(3,558)</b>	<b>Net Transactions with NHS Forth Valley</b>	<b>(16,300)</b>

Key Management Personnel: The Chief Officer and Chief Finance Officer are employed by NHS Forth Valley and recharged to the Integration Joint Board via contributions from the constituent authorities based on voting shares. Details of the remuneration for the Chief Officer and Chief Finance Officer is provided in the Remuneration Report.

Balances with NHS Forth Valley

<b>31 March 2021 £000</b>		<b>31 March 2022 £000</b>
4,529	Debtors Balances: Amounts due from Council	20,829
0	Creditors Balances: Amounts due to Council	0
<u><b>4,529</b></u>		<u><b>20,829</b></u>

Transactions with Clackmannanshire Council

<b>31 March 2021 £000</b>		<b>31 March 2022 £000</b>
(20,357)	Funding Contributions received from the Council	(20,330)
(4,162)	Service Income Received from the Council	(4,427)
21,428	Expenditure on Services provided by the Council	25,329
59	Key Management Personnel: Non-Voting Members	63
<u><b>(3,032)</b></u>	<b>Net Transactions with Clackmannanshire Council</b>	<u><b>635</b></u>

Balances with Clackmannanshire Council

<b>31 March 2021 £000</b>		<b>31 March 2022 £000</b>
3,031	Debtors Balances: Amounts due from Council	2,396
0	Creditors Balances: Amounts due to Council	0
<u><b>3,031</b></u>		<u><b>2,396</b></u>

Transactions with Stirling Council

31 March 2021 £000		31 March 2022 £000
(42,854)	Funding Contributions received from the Council	(41,122)
(3,024)	Service Income Received from the Council	(4,035)
39,829	Expenditure on Services provided by the Council	46,482
59	Key Management Personnel: Non-Voting Members	95
<u>(5,991)</u>	<b>Net Transactions with Stirling Council</b>	<u>1,420</u>

Balances with Stirling Council

31 March 2021 £000		31 March 2022 £000
6,652	Debtors Balances: Amounts due from Council	5,232
0	Creditors Balances: Amounts due to Council	0
<u>6,652</u>		<u>5,232</u>

**12. Expenditure Analysis**

Expenditure on services commissioned by the Clackmannanshire and Stirling Integration Joint Board from its constituent authorities is analysed below:

	<b>Year Ended 31 March 2021 £000</b>	<b>Year Ended 31 March 2022 £000</b>
<b>NHS Forth Valley - Health Services</b>		
<u>Set Aside</u>		
Accident and Emergency Services	6,446	6,793
Inpatient Hospital Services Relating to:		
General Medicine	3,294	3,265
Geriatric Medicine	4,304	3,937
Rehabilitation Medicine	1,616	1,706
Respiratory Medicine	1,167	1,264
Psychiatry of Learning Disability	1,084	1,115
Palliative Care (Hospital Based)	965	1,149
Mental Health Inpatient Services	5,819	5,984
<b>Set Aside Subtotal</b>	<b>24,695</b>	<b>25,212</b>
Adjustment to budget	<b>(1,107)</b>	<b>(476)</b>
<b>Adjusted Set Aside Subtotal</b>	<b>23,588</b>	<b>24,736</b>
<u>Operational</u>		
Nursing Services	4,207	4,550
Community Addiction Services	2,685	3,212
Community Based AHP Services	6,397	6,663
Community Mental Health	712	761
Community Learning Disabilities	4,274	4,672
Community Hospitals	5,814	5,629
Other Health Care Services	5,109	5,582
Integration Fund & Resource Transfer	34,102	24,184
Partnership Costs	150	159
<b>Operational Subtotal</b>	<b>63,450</b>	<b>55,411</b>
<u>Universal</u>		
Primary Medical Services (GMS Contract)	29,565	29,843
Primary Dental Services (GDS Contract)	9,440	9,281
Community Ophthalmic Services	2,770	2,801
Community Pharmaceutical Services	38,289	39,961
GP Out of Hours Services	2,025	1,805
<b>Universal Subtotal</b>	<b>82,090</b>	<b>83,691</b>
<b>Total Health Services</b>	<b>169,128</b>	<b>163,838</b>

**Clackmannanshire Council - Adult Social Care Services**

Long Term Care	12,062	10,496
Care at Home	9,326	8,971
Staffing	7,649	8,177
Direct Payments	789	890
Third Party Payments	993	919
Other Adult Social Care Services	908	1,103
Partnership Costs	60	63
Income	(4,162)	(4,427)
Resource Transfer	(10,298)	(5,227)
<b>Total Adult Social Care Services - Clackmannanshire</b>	<b>17,326</b>	<b>20,965</b>

**Stirling Council - Adult Social Care Services**

Long Term Care	15,615	15,389
Care at Home	17,010	18,614
Staffing	4,839	6,329
Bellfield Centre	3,937	3,703
Reablement	1,836	2,358
Direct Payments	1,080	1,290
Third Party Payments	984	903
Respite	1,057	960
MECS / Telecare / Telehealth	608	661
Other Adult Social Care Services	2,815	3,360
Partnership Costs	90	95
Integration Fund & Resource Transfer	(12,523)	(11,120)
<b>Total Adult Social Care Services - Stirling</b>	<b>37,349</b>	<b>42,543</b>

<b>Partnership Total</b>	<b>223,804</b>	<b>227,346</b>
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**Independent Auditor's Report**

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