



INTEGRATED HEALTH AND SOCIAL CARE

WEST LOTHIAN
WORKING FOR WELLBEING

WEST LOTHIAN INTEGRATION JOINT BOARD

UNAUDITED ANNUAL ACCOUNTS 2022/23

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Accounts of West Lothian Integration Joint Board (IJB) for the period to 31 March 2023, prepared pursuant to Section 105 of the Local Government (Scotland) Act 1973 and in accordance with the terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

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Audit Arrangements

Under arrangements approved by the Accounts Commission for Local Authority Accounts in Scotland, the auditor with responsibility for the audit of the accounts of West Lothian Integration Joint Board (IJB) for the financial year ended 31 March 2023 is Audit Scotland, 102 West Port, Edinburgh, EH3 9DN.

Statement

The audit of the West Lothian IJBs Accounts for 2022/23 is yet to be undertaken. The unaudited accounts will be presented to the IJB on 27 June 2023. The certified accounts will be presented to the IJB for approval on 19 September 2023 following completion of the audit, and review by the Audit, Risk and Governance Committee on 6 September 2023.

MANAGEMENT COMMENTARY

Introduction

The Management Commentary provides an overview of the activities undertaken by the IJB to advance its strategic priorities during the financial year 2022/23 and describes the IJB's financial performance during the same period. The commentary also looks forward, outlining the three-year budget plan, five-year financial strategy and new strategic plan agreed by the board in March 2023. It also considers the risks and issues which may impact upon delivery of IJB strategic priorities and financial performance in the future.

The Role and Remit of the IJB

The Public Bodies (Joint Working) (Scotland) Act 2014 (the Act) established the legal framework for integrating health and social care in Scotland. Integration of health and social care services aims to improve overall health and wellbeing through effective, efficient and seamless delivery of services.

The West Lothian Integration Joint Board (IJB) was established as a body corporate by order of Scottish Ministers on 21 September 2015 and is a separate and distinct legal entity from West Lothian Council and NHS Lothian. The Act requires Local Authorities and Health Boards to integrate the strategic planning of health and social care. The services that have been delegated to the IJB by West Lothian Council and NHS Lothian are as follows:

- Adult Social Care
- Primary Care Services (GP Practices, Community Dentists, Community Pharmacies and Community Opticians)
- Mental Health Services
- Physical and Learning Disabilities Services
- Community Health Services
- Community Hospital Services
- Unscheduled Care Services (services that are generally delivered from St John's Hospital, the Royal Infirmary of Edinburgh and the Western General Hospital).

The IJB sets the strategic direction for these services through the development of a Strategic Plan. The IJB then gives Directions to the Council and NHS Lothian for the operational delivery of services and the resources available to them for this. The IJB brings together the planning, resources and oversight for most health and social care services for adults in West Lothian into a single system. This ensures that these services are designed around the needs of patient and service users and enables service redesign. One of the truly transformative aspects of the IJB is that NHS and Local Authority budgets are no longer separate, allowing the IJB to focus on new models of care, support and prevention that improve wellbeing and reduce inequalities for the people of West Lothian.

This arrangement recognises that the IJB does not employ any staff directly delivering services or procure services from third parties and does not hold cash resources or operate a bank account of its own.

Membership of West Lothian IJB

The IJB met seven times during the 2022/23 financial year, meetings were held both in person and virtually. The IJB comprises eight voting members, made up of four elected members appointed by West Lothian Council and four NHS Lothian non-executive directors appointed by NHS Lothian. The members of the IJB at March 2023 were as follows:

Member	Role
William McQueen	Voting Member, Chair
Anne McMillan	Voting Member, Vice Chair
Tom Conn	Voting Member
Martin Connor	Voting Member
Damian Doran-Timson	Voting Member
George Gordon	Voting Member
Katharina Kasper	Voting Member
Andrew McGuire	Voting Member
Vacant	Non-Voting Member – Professional Advisor
Lesley Cunningham	Non-Voting Member – Staffing Representative
Elaine Duncan	Non-Voting Member – Professional Advisor
Steven Dunn	Non-Voting Member – Staffing Representative
David Huddleston	Non-Voting Member – Stakeholder Representative
Jo MacPherson	Non-Voting Member – Professional Advisor
Alan McCloskey	Non-Voting Member – Stakeholder Representative
Ann Pike	Non-Voting Member – Stakeholder Representative
Patrick Welsh	Non-Voting Member – Chief Finance Officer
Allison White	Non-Voting Member – Chief Officer
Linda Yule	Non-Voting Member – Professional Advisor

Note on changes during 2022/23:

- Following the outcome of the Local Government election on 5 May 2022, the Council appointed Anne McMillan, Ann Davidson and Tom Conn as voting members of the board, replacing Harry Cartmill, George Paul and Dom McGuire.
- Anne McMillan was confirmed as IJB vice chair at the 29 June 2022 IJB.
- Ann Davidson sadly passed away in September 2022.
- The Council appointed Andrew McGuire as a voting member of the board on 22 November 2022.
- Karen Adamson's membership of the board ceased on 16 March 2023 and a nomination for a replacement non-voting member and professional advisor is awaited from NHS Lothian.

Following the conclusion of the financial year Anne McMillan resigned as IJB vice chair and a voting member of the board on 16 May 2023. The Council have yet to appoint a replacement voting member to the board and the position of vice chair also remains vacant. On 1 May 2023 Hamish Hamilton was appointed as Chief Finance Officer (interim, pending approval by the board) replacing Patrick Welsh. Douglas McGown replaced Elaine Duncan as a non-voting member and professional advisor to the board on 1 April 2023.

Strategic Plan 2019-2023

The Strategic Plan sets out the vision and future course for health and social care services in West Lothian. The current Strategic Plan was approved by the IJB in April 2019, it covers the period up to 2023 and defined four key priorities:



Strategic commissioning is how the IJB assesses current and future needs, measures how well resources have been used, considers options for and plans delivery of services, and works in partnership to put these services in place. To support delivery of the Strategic Plan, strategic commissioning plans were approved for key care groups:



All six commissioning plans described how services would be developed to aid the IJB's strategic priorities and contained specific actions that underpin this. In total the plans contain 188 individual actions, 63% of the actions have been completed and 8 actions have been carried forward to the new Strategic Plan. This has been achieved despite the challenges brought about by the Covid-19 pandemic during the period of the Strategic Plan 2019-2023.

Operational Overview

The IJB delivers its Strategic Plan by issuing directions to the partners - West Lothian Council and NHS Lothian. Directions tell the partners what services are to be delivered and detail the resources available to them to deliver these services. The IJB approved directions to West Lothian Council and NHS Lothian for 2022/23 at the March 2022 meeting.

IJB services fall under three key headings:

- **Core Services** which are local health and social care services within West Lothian. These are operationally managed by West Lothian Health and Social Care Partnership (HSCP) which works across West Lothian Council and NHS Lothian.

- **Hosted Services** are delegated services that are operationally managed by business units within NHS Lothian on behalf of IJBs, for example inpatient Learning Disabilities services provided at the Royal Edinburgh Hospital and in Broxburn.
- **Set Aside Services** are acute, are primarily hospital based and are managed within the Acute business unit within NHS Lothian on behalf of IJBs.

Details of the services that have been delegated to the IJB by NHS Lothian and West Lothian Council are detailed on page 2 under the role and remit of the IJB.

The sixth West Lothian IJB Annual Performance Report will be covers the financial year 2022/23 will be presented to the IJB in June. The Annual Performance Report will assess progress against the IJB Strategic Priorities as well as providing an overview of service delivery and key achievements in the year. Significant developments have been made within each of the IJB service headings during 2022/23 and these are summarised below

Core Services (West Lothian HSCP)

Home First

Home First is a central component of the West Lothian ambition to transform the way care and support is delivered to adults and older people. Central to this is supporting people to remain at home or in a community setting for as long as possible. Home First includes teams such as Reablement, Integrated Discharge Hub, Hospital at Home, Discharge to Assess, and Single Point of Contact (SPoC). The teams work proactively and collaboratively with St John's Hospital, Community Hospitals, Care at Home, Primary Care and District Nursing.

SPoC was established in August 2022 as a single front door for health and social care professionals to urgently access health, social care and wider community teams with the aim of preventing an avoidable hospital presentation or admission. The service has scaled up and is now open to all West Lothian GPs, out of hours GPs, Scottish Ambulance Service and District Nurses. SPoC takes referrals for patients who require urgent access to one or more community services and, taking a person-centred approach, develops a plan to meet the holistic needs of the individual within 2-4 hours of referral.

Community Information Hubs, **Community Connections**, are now in place in 12 locations across West Lothian. Community Connections provides information and advice to people that enables them to access support at an early stage. Online referrals and online hubs are being taken forward as part of plans for 2023/24.

Work is ongoing around the **Bed Based Review** which is assessing the bed base provision for people within West Lothian to ensure that we commission and realign resources to enable people to be cared for in the right bed and, wherever possible, in their home or in a community setting.

The success of the Home First teams in transforming how care and support is delivered has been vital in ensuring that performance is maintained in West Lothian despite the demographic pressures faced by the IJB.

Learning Disabilities

Within Learning Disabilities Services 16 bespoke houses have now been built in Pumpherston for individuals to move into as their own tenancies with a Scottish Secure Tenancy Agreement. The houses have been designed to meet the current and future needs of the clients and a bespoke service has been commissioned to provide high quality, flexible care and support services that allows individual needs to be met. It is anticipated that the first residents will move in early Autumn 2023 with some of the residents transferring from inpatient hospital provision. These plans have been worked up collaboratively with the inpatient Learning Disabilities team at NHS Lothian and focus on the needs of the individual.

As a result of this development, it is anticipated that during 2023/24 the IJB will be able to reduce its commissioned number of inpatient Learning Disabilities beds with NHS Lothian. These resources will then be reallocated to support individuals to live in their own tenancies within their local communities.

Care at Home

Care at Home services provide personalised care and social support to enable people to continue or resume residing in their own home. 93% of services (13,000 hours per week) are delivered by the independent sector with the purpose of ensuring quality of life for individuals, while enabling them to retain their independence. As part of the 'Home First' transformation programme, a project has been established to review care at home contractual and oversight/assurance arrangements to provide the best possible care at home provision in West Lothian and manage oversight of the care at home provision. The project seeks to:

- Design and implement new contracting arrangement for the delivery of Care at Home Services in West Lothian
- Improve and stabilise the supply and care at home services
- Develop a whole system approach to ensure the delivery of care at home services underpinned by the principles of Home First

The project oversight group meets on a weekly basis and aims to conclude by October 2023 having delivered an improved supply of Care at Home in West Lothian and having established flow within the HSCPs internal teams. Care at Home continues to be a high priority area for the HSCP given the growing elderly population within West Lothian.

Primary Care

The IJB continues to support the delivery of the Primary Care Improvement Plan (PCIP) across General Practice (GP) in West Lothian. The HSCP and the GP Practices continue to work collaboratively to deliver excellent local services and to progress the memorandum of understanding (MoU) between the Scottish Government, the Scottish General Practitioners Committee of the British Medical Association (SGPC), Integration Authorities and NHS Boards. Examples of this are:

Pharmacotherapy, all 20 practices in West Lothian have access to Pharmacy services, a range of Pharmacy services are provided depending on practice need. This includes the Pharmacy Hub which provides a service to cover annual leave and vacancies of GP practice pharmacy staff.

Community Treatment and Care (CTAC), are in place across all 20 practices in West Lothian and provide GP phlebotomy, chronic disease monitoring and CTAC treatment services such as ear syringing.

The CTAC nursing team are also utilising data captured via an e-frailty project to proactively support those people identified as living with mild to moderate frailty. The CTAC nurses offer follow up assessment visits to people and can signpost to relevant services to promote living well in the community, for example Community Connections or Single Point Of Contact (SPOC).

Vaccinations, the transfer of vaccination across all 20 practices has been completed with all vaccinations that used to be delivered by GP now being delivered by the HSCP teams. Key priorities for 2023/24 include catching up on vaccination programmes such for pneumococcal and shingles where significant backlogs have been created as a result of the pandemic.

Other developments within Primary Care include the creation of a **Physiotherapy Primary Care Pain Management Service**. This class is available for patients with persistent pain who want to learn more about pain and self-management strategies. Most patients have self-referred to the classes which have been well received with most patients reporting it increased their understanding of their pain. The Advance Practice **District Nurses** are working with the District Nursing teams to identify people with long term conditions and/or living with frailty and working with the teams to optimise nursing interventions to support people to live well.

Carers

During 2022-2023 extensive partnership working has been undertaken to plan for the new version of the Carers Strategy 2023-2026, to support adult and young carers in their caring role to ensure carers remain in good health and have a life of their own outside their caring role. In developing this strategy, a range of engagement and consultation with partners, carer organisations and unpaid carers was undertaken to ensure that the views of those who have caring responsibilities were involved in the development of the strategy.

Mental Health

During 2022-23 the Liaison Psychiatry service covering physical health wards at St John's Hospital was extended. Two nurses joined the existing Liaison Psychiatry consultants to supplement and enhance the work they do. This service allows much more responsive assessment and care for people with mental health problems in physical health wards. It has supported the overall liaison service throughout a period where the consultant psychiatry vacancy rate has been over 60%, providing much needed resilience to the service.

The West Lothian Community Wellbeing Hubs at Boghall and Livingston have been expanded during the year and now accept referrals/self-referrals from adults over the age of 65. The Hubs are designed to reduce GP workload in relation to patients 18+ years with mental health problems, specifically those with recurrent mild-to-moderate conditions who do not require Psychiatric input. The Hubs are staffed with a skilled team of therapists, who work in partnership with the third sector which provides Community Link Workers. Adopting a holistic approach, the service focuses on prevention, early intervention, and self-management by developing the patient's confidence and coping skills and helping them to set goals and priorities.

The Community Wellbeing Hubs Service offers patients a variety of interventions including:

- 1:1 Assessment and Therapy
- Individual and Group Work
- Stress Relief and Wellbeing sessions/classes
- Planning for the future

Work is also carried out across the West Lothian community and within local GP practices.

Alcohol and Drug Partnership

The Scottish Government Medication Assisted Treatment (MAT) Standards standards aim to ensure safe, effective, acceptable, accessible, and person-centred care by improving access, choice and care for people affected by problematic substance use across Scotland. West Lothian have achieved MAT Standards 1,2 and 4 and Standards 3, 5 and 6-10 should be in place by the conclusion of 2023/24.

Hosted Services

Dietetics

Is a pan Lothian service hosted by Midlothian HSCP, the service provides both inpatient and community support. During the year there have been several developments:

Enteral Feeding – The service explored ways to support the Royal Edinburgh Hospital (REH) wards to manage the dietetic intervention of enteral feeding. The dietetic team have worked with the nursing staff to support training in all aspects of enteral feeding to support the ongoing care of a patient. This has facilitated the right care in the right place for that patient and has meant that an acute hospital admission has been avoided.

Community - Prescribing Support Dietitians have worked on the development of information videos to support patients on the use of Food First advice and appropriate use of Oral Nutritional Supplements (ONS) as part of the Dietetics Malnutrition care pathway. Care Home training has also been delivered to support delivery of nutritional care within the care home setting and on appropriate use of ONS in care homes.

Podiatry

Is a pan Lothian service hosted by West Lothian HSCP and works across community settings within Lothian. The key focus in 2022/23 has been around the Podiatry recovery

plan which seeks to recover the NHS Lothian Podiatry Service, specifically the waiting list which arose in response to the business continuity measures during the Covid-19 pandemic. This involved immediate measures to monitor performance, maximise service efficiency and enable service transformation to address the backlog and the ongoing demands on the service. On 1st April 2022, the service had 6078 patients waiting to be seen. By March 2023, this was 3913, a reduction in the waiting list of over 35%. The service aims to return to the pre-covid waiting list (2000 patients waiting up to 12 weeks) by July 2024.

Learning Disabilities

Inpatient Learning Disabilities services are hosted by the Royal Edinburgh and Associated Services (REAS) on behalf of the four Lothian IJBs. The IJB continues to support phase II of the Royal Edinburgh Hospital (REH) business case which involves a reduction in inpatient Learning Disabilities beds as commissioned by the IJB. This has been enabled by community developments such as the 16 new houses at Pumpherston which allow individuals to move into their own tenancies in their local community. It is anticipated that the IJB will reduce inpatient bed usage at the REH as the service at Pumpherston comes on stream during 2023/24.

Set Aside Services (Acute Services)

Significant pressures remain within St John's Hospital which is the main Acute Hospital for West Lothian patients, with a primary driver being the vacancy gap within nursing of more than 20% of total budgeted staffing levels. The St John's management team are key partners in the Home First programme within West Lothian and work is ongoing to reduce attendances at the Emergency Department, prevent admissions where appropriate and support discharges.

A key part of the improvement work with St John's Hospital is around the **Integrated Discharge Hub (IDH)** where all partner organisations focus on early identification and tracking of people who require assessment/support on discharge. The planned date of discharge is discussed and tracked each day via the flow huddle meeting. Integrated discharge community teams attend all hospital ward rundowns and multi-disciplinary team discussions. The Care at Home Team are also embedded into the IDH Operational Team where the 'Discharge to Assess' approach is taken to discharge and enable the care at home team to assess individuals in their own home. A daily report on admissions for people aged 65+ is reviewed by the discharge hub to ensure early identification of patients. The IDH will continue to play a key role in improving performance in 2023/24.

More detail around the work of the IJB in 2022/23 will be published as part of the IJB's Annual Performance Report which is being considered by the board in June. This will then be published on the IJB's website <https://westlothianhscp.org.uk/>

Financial Overview 2022/23

For the financial year 2022/23 the IJB reported a deficit of £19m. This compares to a surplus in 2021/22 of £21m which was because of the Scottish Government allocating funding in 2021/22 for use in 2022/23. Most of this funding was for Covid-19 related expenditure. The deficit for 2022/23 shown in the Comprehensive Income and Expenditure Statement is because of the IJB incurring expenditure against its ringfenced reserves. IJB financial performance against the “in year” budget (excluding earmarked reserves) is shown below:

	Budget £'000	Expenditure £'000	Variance £'000	Note
Health Functions				
Core West Lothian Health Services	123,422	122,661	(761)	1
Share of Pan Lothian Hosted Services	25,932	25,147	(785)	2
Non-Cash Limited Services	25,035	25,035	0	4
Acute Set Aside Services	42,784	45,989	3,205	3
Health Functions	217,172	218,831	1,659	
Social Care Functions	85,148	85,147	(0)	1
Sub Total IJB	302,320	303,979	1,659	
One-off support from NHS Lothian	1,659	0	(1,659)	
Total IJB	303,979	303,979	(0)	

The overall IJB “in year” position was break even in 2022/23 excluding earmarked reserves. Health budgets were overspent, a break-even position was only achieved following an additional one-off allocation of £1.7m from NHS Lothian to support the set aside position.

Notes

1. Includes funding received in 2021/22 for use in 2022/23. The majority relates to Covid-19 funding received from the Scottish Government and has been drawn down to offset costs within services.
2. Pan Lothian Hosted Services are the budgets for those functions delegated to the IJB which are managed by other business units (excluding Acute Services) within NHSL on behalf of the IJB. These services include Sexual Health, Rehabilitation Medicine, Dietetics, Oral Health Services, Psychology and the Lothian Unscheduled Care Service.
3. Set Aside are the budgets for those functions delegated to the IJB which are managed by the Acute Services management teams within NHS Lothian. These services include Accident and Emergency, General Medicine, Diabetes, Gastroenterology and Geriatric Medicine.
4. Expenditure to support the delivery of community dentistry, community opticians and community pharmacists is termed as ‘non-cash limited’ (NCL) and is part of the delivery of primary care services (which is delegated to the IJB). There is no budget as such, but any expenditure incurred is supported in its entirety by the Scottish Government. The NCL values are not part of the budget setting process, there being no budget, but NHS Lothian has matched the NCL expenditure with budget to cover this expenditure

Covid-19

In 2022/23 the IJB continued to incur costs attributable to the impact of the pandemic, in total £4.7m of costs were incurred, these are detailed below:

	£'000
Social Care Costs	
Staff Costs	2,123
PPE	161
Sustainability Payments	1,282
Loss of Income	150
Sub Total Social Care Costs	3,716
Health Costs	
Staff Costs	69
GP Prescribing	888
Sub Total Health Costs	957
Total Covid-19 Costs	4,673

Funding for Covid-19 related costs was received during 2021/22, £15.3m of which was carried forward in an IJB earmarked reserve. As shown above, Covid-19 costs in 2022/23 incurred by the IJB totalled £4.7m, the remaining unspent funding of £10.6m was returned to the Scottish Government during the 2022/23.

Budget Pressures and Savings Delivery

Whilst the IJB achieved a break-even position against the “in year” funding for the year this was only after receiving an additional one-off allocation of funding from NHS Lothian to support the overspend in set aside budgets. The financial pressures facing the IJB include:

- **GP Prescribing** costs remain extremely volatile and throughout the year there have been increases in the volume of medicines prescribed as well as a significant increase in unit costs driven by short supply of medicines. The prescribing budget is managed within the HSCP and was overspent by £1.7m in 2022/23.
- **Internal Care Homes and Housing with Care** are managed within the HSCP and were overspent by £1.8m in the year because of the ongoing impact of the pandemic and reflects use of agency staffing, locum and overtime costs to cover vacancies and sickness absence.
- **Set Aside** budgets relate to Acute Services within NHS Lothian and are managed on behalf of the four Lothian IJBs. NHS Lothian agreed a one-off allocation to support the overspend within set aside budgets. Ongoing pressures within these areas include:
 - The use of agency staffing at St John’s Hospital to cover nursing vacancies and sickness absence.
 - Increased levels of acuity of patients across all acute hospitals in NHS Lothian resulting in increased staffing requirements.
 - The use of agency and locum medical staff to provide necessary cover to medical rotas because of substantive vacancies.

- Increasing cost of hospital drugs being higher than funding available from the new medicines fund, for example Gastroenterology drug costs are increasing on average at 18% per year.

These pressures have been offset largely by a high level of vacancies within HSCP services. Recruitment of staff, particularly to community roles remains a significant challenge. The IJB also over delivered by £0.5m against planned savings within 2022/23, savings delivery for the year is shown below:

	Planned £'000	Achieved £'000	Under/(Over) Achieved £'000
Core West Lothian Health Services	2,045	2,566	(521)
Share of Pan Lothian Hosted Services	319	266	53
Acute Set Aside Services	254	239	16
Health Functions	2,618	3,070	(452)
Social Care Functions	4,179	4,179	0
Total IJB	6,797	7,249	(452)

It is a significant achievement that the IJB was able to break-even against the “in-year” budget for 2022/23, particularly given the ongoing impact of the Covid-19 pandemic and the difficulty in recruiting to roles across both health and social care. Having to rely on one-off funding to balance the position is a concern and identification and delivery of recurring savings is a priority for the IJB.

Reserves

As has been described throughout the financial overview, a significant proportion of the reserves held by the IJB at the end of 2021/22 related to funding from the Scottish Government that was passed out in 2021/22 for use in 2022/23. The majority of this funding was for Covid-19 related expenditure as well as for Scottish Government policy commitments such as Primary Care and Mental Health. The IJB reserve balance at the end of 2022/23 is £11.3m, of which £9.3m is earmarked and a general contingency reserve has been maintained at the minimum recommended level of £2m per the IJB reserve policy. The movement in the IJB reserve position is summarised below:

	Opening £'000	Movement £'000	Closing £'000
Covid-19 Earmarked	15,285	(15,282)	3
Other Earmarked	11,026	(1,735)	9,291
General Contingency	3,769	(1,769)	2,000
	30,080	(18,786)	11,294

Earmarked reserves are ringfenced for specific projects and the IJB will be encouraging the partners to progress these. More detail on the earmarked reserves is within the notes to the accounts.

Looking Forward

Strategic Plan 2023-28

In March 2023 the IJB approved a new Strategic Plan covering the period 2023-2028 which builds on the achievements of the previous Strategic Plan and sets out the Boards ambition for the continued development and improvement of health and social care services in West Lothian over the next 5 years. The plan describes how the IJB will achieve its vision of

"Working in partnership to improve wellbeing and reduce health inequalities across all communities in West Lothian"

West Lothian faces a growing and ageing population over the lifetime over the period 2023-2028 and beyond. The demographic and population projection data for West Lothian shows a population where older adults are increasing in number and will form a greater proportion of the population over time. The numbers of people in West Lothian aged 65 to 74 is expected to increase by 19% by 2028 with those aged over 75 increasing by 39%. This is significantly higher than the projected Scottish average growth of 14.4% in the 65 to 74 population and 25.4% increase in those aged over 75 during the same time.

Almost 20% of people living in West Lothian report having a limiting long term health condition and the number of people providing unpaid care in the community has increased significantly in recent years. In addition, there are significant differences in health outcomes between some communities with an 8-10-year gap in life expectancy between the most deprived and least deprived communities.

The Strategic Plan recognises that both West Lothian Council and NHS Lothian are required to achieve substantial efficiencies over the life span of the previous plan and will face further significant financial challenges over the next five years. The Strategic Plan is focused on achieving a sustainable health and social care system for West Lothian. This will require transformational change over time to improve health and wellbeing outcomes and support the transition to the future model of care. The seven strategic aims of the plan are to:

1. Take a 'Home First' approach with coordinated care, support and treatment as close to home as it can be
2. Deliver planned care wherever possible
3. Enable access to timely information, advice and support enabling people to make decisions about their own wellbeing
4. Take a rights based approach which places people at the centre
5. Involve citizens, communities, staff, carers and other stakeholders as experts
6. Improve outcomes for people through seamless partnership working
7. Drive improvement in service delivery through transformation

To achieve these aims the IJB agreed three strategic priorities for the duration of the plan:



To achieve these aims and transform the way adult health and social care is provided, it is crucial that resources are shifted from the traditional models of care to new models of care. The Performance Framework and approach to Clinical and Care Governance are set out in the Strategic Plan. These ensure that the IJB continuously measures progress against the strategic priorities. Delivery plans are being progressed by officers and these are underpinned by a medium-term financial plan which was approved by the IJB in March. The full Strategic Plan for 2023-2028 is on the IJB website <https://westlothianhscp.org.uk/>

2023/24 Budget and Five-Year Financial Strategy

Alongside the new Strategic Plan, the IJB also approved a three-year budget plan and a five-year financial strategy in March 2023. The 2023/24 budget offers from NHS Lothian and West Lothian Council were agreed as part of the plan and Directions issued to Partners. Current estimates indicate a balanced budget position compared to initial 2023/24 spend forecast. A balanced budget position was only achieved after earmarking funding from the general reserve to offset the remaining budget gap of £1.4m.

The budget contributions from partners do not take account of additional cost implications as a result of the ongoing impact of Covid-19. The expectation is that ongoing Covid-19 costs are funded via IJB baseline budgets. Ongoing Covid-19 costs have been included in the spend forecasts for 2023/24 and relate to support for social care providers, additional staffing costs and prescribing costs. Spend forecasts also include the costs attributable to:

- Increased pay costs across health and social care
- Increasing number of people requiring care due to the increasing elderly population
- Increased care demands due to increasing complexity of care
- Increasing volumes and higher prices within GP prescribing and Acute medicines
- Increasing costs as a result of inflation within commissioned services and supplies

The Accounts Commission believe that all local government bodies should have a long-term financial strategy covering a minimum of five years, and that these long-term strategies should be supported by financial plans covering a minimum of three years. This is also a requirement of the CIPFA Financial Management Code. The five-year budget outlook was presented to the IJB in March and shows an estimated gap of £28.2m over the five years.

Five Year Outlook	23/24	24/25	25/26	3 Yr	26/27	27/28	Total
	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Health Functions							
Gross Expenditure Increases	10.5	3.9	4.1	18.5	4.2	4.3	27.0
Additional Funding	(4)	(2)	(2)	(7)	(2)	(2)	(11)
Health Estimated Budget Gap	6.5	2.3	2.4	11.2	2.5	2.6	16.3
Social Care Functions							
Gross Expenditure Increases	5.9	4.7	5.0	15.6	5.3	5.5	26.4
Additional Funding	(5)	(3)	(2)	(10)	(3)	(3)	(15)
Social Care Estimated Budget Gap	1.4	2.0	2.7	6.1	2.8	3.0	11.9
Total IJB Estimated Budget Gap	7.9	4.3	5.1	17.3	5.3	5.6	28.2

In addition to the five-year budget outlook, a more detailed revenue budget plan was approved for the three years 2023/24 to 2025/26. This reflects the need to develop more detailed plans for the three-year period and provide sufficient time to implement budget savings required. To ensure the IJB is financially sustainable and can meet growing care demands, significant budget savings are required, including transformative changes to some service delivery models. The IJB launched a public consultation on during 2022, seeking the views of people in West Lothian on high level efficiency measures focused on the following themes:

- Service Redesign, Efficiency and Modernisation
- Community Building Based Supports
- Digitalisation and Technology

The consultation received a total of 176 responses from a range of respondents throughout West Lothian, and several key themes were identified which have been taken account of in the budget saving measures being proposed. The overriding objective in developing saving measures has been to protect and maintain service delivery capacity for those that require health and social care services, and to seek to ensure that growing demands can continue to be met. Agreed budget savings measures for 2023-2026 are shown below:

Savings	23/24	24/25	25/26	3 Yr
	£'m	£'m	£'m	£'m
Service Redesign, Efficiency & Modernisation	3.1	1.5	1.8	6.4
Community Building Based Supports	2.0	0.8	1.3	4.1
Digitalisation and Technology	0.1	0.6	0.6	1.3
Sub Total	5.2	2.9	3.7	11.7
Share of Pan Lothian Hosted Services	0.5	0.0	0.0	0.5
Share of Acute Set Aside Services	1.0	0.0	0.0	1.0
Total	6.6	2.9	3.7	13.1

The savings plans totalling £13.1m compares to a budget gap over the same time of £17.3m. The recurring budget gap of £4.2m at the end of year 3 relates to health functions. The IJB approved balancing the 2023/24 budget by using £1.4m of one-off funding. The overall position is set out below:

3 Year Budget	23/24 £'m	24/25 £'m	25/26 £'m	3 Yr £'m
Social Care Budget Gap	1.39	2.0	2.8	6.1
Social Care Savings	(1.4)	(2.0)	(2.8)	(6.1)
Remaining Budget Gap	0.0	0.0	0.0	0.0
Health Savings	(5.2)	(0.9)	(0.9)	(7)
Health Budget Gap	6.6	2.3	2.4	11.2
Remaining Recurring Budget Gap	1.4	1.4	1.5	4.2
One off Monies Required in 2023/24	(1.4)	0.0	0.0	(1.4)
Revised 2023/24 Budget Gap	0.0			

Although the 3-year budget is not balanced, this reflects the complexity of developing a medium to long term financial strategy in the current financial climate, coupled with developments and ongoing uncertainty around the National Care Service, means it is challenging to forecast with certainty both the funding and expenditure elements of the budget model. To ensure that a balanced budget position is achieved over the whole three-year budget period, officers will review assumptions and look to identify potential additional saving measures. Further consultation with staff, service users and the wider West Lothian public and stakeholders will be undertaken as required.

There are several significant risks over 2023/24 and in the medium term:

- **High inflation** continues in areas such as energy and fuel and more generally across supplies and services. There is a high risk that inflation will continue which could increase costs in excess of budget available.
- **Pay Awards** - there is a risk that pay awards will exceed current budget assumptions and will not be fully funded by the Scottish Government
- Continuing **short supply and increased volumes** within GP Prescribing.
- That ongoing **Covid-19** costs exceed forecast levels for 2023/24. Covid-19 costs are now expected to be funded from baseline IJB budgets which has already contributed to the level of financial savings required to be delivered by the IJB.
- **Demographic growth**, West Lothian has the fastest growing elderly population in Scotland and there is a risk that demand, and cost increases will outstrip the assumptions and resources available. [WL NRS information](#)
- **Insufficient capacity** will be available through external care providers and through internal capacity. Difficulties in recruitment to key roles continues to be a risk at a local and national level.
- **Recruitment** difficulties continue within acute services and gaps are filled via high-cost agency nursing and locum medical staff.
- **Set aside** funding from NHS Lothian remains insufficient for the IJB to provide the level of resources needed to deliver acute services.
- **Acute Hospitals** remain under significant demand pressures as do other social care and health services.
- **Long term conditions**, more people are living with a limiting long term condition and require access to multiple health and care services.

IJB Risk Management

In accordance with the Risk Management Strategy approved by the IJB, all agreed risks are reported to the IJB Senior Management Team every two months, to the IJB Audit, Risk and Governance Committee every 6 months, and to the IJB annually. In addition, an update on all risks categorised as high are reported to each meeting of the Audit, Risk and Governance Committee.

Key aspects used in the reporting of IJB risks are the internal controls in place to reduce the level of risk and updates on risk action measures which are intended to further reduce the level of risk.

Conclusion

Whilst the last twelve months have been challenging for health and social care, key services continue to be sustained and there have been important service developments across the last year such as the creation of the SPoC and the expansion of the Mental Health Hubs. The IJB has recently approved a new Strategic Plan for 2023-28 which is underpinned by a five-year financial strategy covering the same period. Public finances are under more pressure than ever before and are in the medium term the wider economic outlook remains uncertain. The cost of living crisis brings further uncertainty for our staff, carers and the people of West Lothian.

The IJB faces a significant challenge around increasing demand for services during a period of constrained financial resources and when recruitment and retention remains difficult. To deliver on the Strategic Plan and balance its budget it is imperative that the IJB transform the way services are delivered. The central theme of the IJB five-year financial strategy is to protect and maintain service delivery capacity for those that require health and social care services, and to seek to ensure that growing demands can continue to be met.

As the IJB will continue to work in partnership with the local community, staff, carers and other key stakeholders and will strive to improve health outcomes and reduce health inequalities across West Lothian.

The IJB would like to express its appreciation of the continued exceptional efforts of all health and social care staff. The IJB would also like to record its gratitude to the many care providers, third sector organisations, and individuals across West Lothian who have play an essential role in meeting patient and client needs.

West Lothian IJB Chair:

Chief Officer:

Chief Finance Officer:

19 September 2023

STATEMENT OF RESPONSIBILITIES

Responsibilities of the Integration Joint Board

The Integration Joint Board is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the board has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this authority, that officer is the Chief Finance Officer
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- Ensure the Annual 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 are due to be approved for signature at a meeting of the West Lothian Integration Joint Board on 19 September 2023.

Signed on Behalf of West Lothian Integration Joint Board

Chair of West Lothian Integration Board
19 September 2023

Responsibilities of the Chief Finance Officer

The Chief Finance Officer is responsible for the preparation of the Integration Joint 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 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 West Lothian Integration Joint Board as at 31 March 2023 and the transactions for the year then ended.

Chief Finance Officer
27 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 and all other sections of the Remuneration Report will be reviewed by Audit Scotland and any apparent material inconsistencies with the audited financial statements will be considered as part of their audit report.

Remuneration: IJB Chair and Vice Chair

The voting members of the IJB are appointed through nomination by West Lothian Council and NHS Lothian. Nomination of the IJB Chair and Vice Chair post holders alternates between a 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 details of the Chair and Vice Chair appointments are shown below.

Name	Post(s) Held	Nominated by
William McQueen	Chair 01/04/22 to 31/03/23	NHS Lothian
Harry Cartmill	Vice Chair 01/04/22 to 04/05/23	West Lothian Council
Anne McMillan	Vice Chair 29/06/22 to 31/03/23	West Lothian Council

NHS Lothian remunerates its non-executive members on a notional day basis. That is, they are paid a fixed annual amount which is considered to represent payment for one day per week. Those non-executive members of the NHS Lothian Board, who are also Chairs or Vice Chairs of IJBs, are given an additional day's remuneration per week by NHS Lothian in recognition of the additional time required to undertake those roles. William McQueen, as a non-executive member of NHS Lothian Board who has held the position of Chair of West Lothian IJB, has received an additional day's remuneration specifically for his role as Chair of the IJB in 2022/23. This remuneration was £9,030 in 2022/23 (£8,930 for 2021/22). No specific additional remuneration is provided by the council for Councillors holding the IJB Chair or Vice Chair role.

There were no IJB specific expenses recorded for voting members of the IJB during 2022/23 (2021/22 Nil). Any expenses claimed by voting members are paid through the relevant IJB Partner organisation.

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

Remuneration: Officers of the IJB

The IJB does not directly employ any staff, however specific post-holding officers are non-voting members of the board.

The remuneration of the Chief Officer is set by the employing body. In line with the Public Bodies (Joint Working) (Scotland) Act 2014, the Chief Officer and the Chief Finance Officer are regarded as employees of the Integration Joint Board when undertaking duties for the Board in relation to delegated functions. Both the Chief Officer and Chief Finance officer also have operational roles within NHS Lothian and / or West Lothian Council and it is estimated that approximately 50% of their time is associated with IJB duties. For the purposes of the IJB remuneration report and transparency of their salary costs, their full year or full year equivalent remuneration has been shown.

Total 2021/22 £'000	Senior Employee	Salary, Fees & Allowances £'000	Compensation for Loss of Office £'000	Total 2022/23 £'000
89	Alison White, Chief Officer	130	Nil	130
73	Patrick Welsh, Chief Finance Officer	77	Nil	77
162	Total	207	Nil	207

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 has responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the IJB. The following table shows IJB's funding during the year to support officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

Senior Employee	In Year Pension Contributions			Accrued Pension Benefits	
	For Year to 31/03/22 £	For Year to 31/03/23 £		Difference from 31/03/22 £'000	As at 31/03/23 £'000
Alison White, Chief Officer	19,303	28,295	Pension Lump sum	3 0	5 0
Patrick Welsh, Chief Finance Officer	15,966	16,724	Pension Lump sum	4 1	30 28
Total	35,269	45,019	Total	8	63

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 2021/22	Remuneration Band	Number of Employees in Band 2022/23
1	£70,000 - £74,999	0
0	£75,000 - £79,999	1
1	£85,000 - £89,999	0
0	£125,000 - £129,999	1

Exit Packages

The IJB did not support, nor did it direct to be supported by its partners, any exit packages during 2022/23 (2021/22 Nil).

Chief Officer

Chair

19 September 2023

ANNUAL GOVERNANCE STATEMENT

Executive summary

Corporate governance is comprised of the systems, processes, culture and values by which the Board is directed and controlled, and the activities through which it is accountable to, engages with and leads the West Lothian community in relation to its statutory functions. It is the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The Board, Board members and individuals working for and supporting them must try to achieve the Board's objectives while acting in the public interest at all times. Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.

The Board and its members, voting and non-voting, have overall responsibility for good governance arrangements – for establishing the Board's values, principles and culture, for ensuring the existence and review of an effective governance framework, and for putting in place monitoring and reporting arrangements. Corporate governance is an essential back-office corporate service necessary to assist the effectiveness of setting, monitoring, achieving and reporting on priorities and outcomes, both national and local.

Whilst retaining its responsibility and overview of those arrangements, the Board has entrusted the delivery of some of those tasks to committees (principally its Audit, Risk & Governance Committee), to its Chief Officer and to officers employed by West Lothian Council (the council) and NHS Lothian (the health board) who serve and support the Board. That delegation does not remove or negate the responsibility of all the Board's members for governance.

The statutory relationship amongst the Board, the council and the health board is a complex one. The Integration Scheme contains the agreement reached between the council and the health board in having the Board established. It cannot be changed without going through a formal statutory review process. The Board's governance arrangements provide the additional guidance and control necessary to make that relationship work for the benefit of service users and other stakeholders. The governance framework is made up of corporate documents, policies, procedures and controls which are designed to guide and assist the Board in doing its business in accordance with the law and with proper standards and principles, so ensuring that public money is safeguarded and used economically, efficiently and effectively, and fulfilling the statutory duty to secure best value.

The conclusion and assurance in this statement (11.1) is based on:-

- The Internal Auditor's opinion on the effectiveness of the Board's system of governance, risk management and internal control (6.5)
- The Best Value Assurance Statement by the Chief Financial Officer (8.2)
- The Local Code of Corporate Governance (7.4)
- Progress made on tackling governance areas of concern (9.2, 9.3)
- The conclusions reached in the external auditor's report for 2021/22 (5.3, 8.1)

In recent previous statements separate sections have been included on the impacts of the Covid-19 pandemic on governance and on implementation of the Chartered Institute of

Public Finance and Accountancy (CIPFA) Financial Management Code. CIPFA guidance no longer requires a separate section on Covid-19, and the Financial Management Code was fully implemented last year. Those sections have therefore been omitted. Areas of concern where work is required have been identified (10.1). However, the Board and the West Lothian community can be assured that the Board's corporate governance standards have been substantially met in 2022/23.

Structure and powers

The Board is a statutory body established by the Scottish Parliament. It is responsible for the social work, social care and health care functions delegated to it by the council and the health board. It makes a strategic plan for delivery of the health and social care services which go along with the integrated functions. It receives financial contributions from the council and health board, and, to a far lesser extent and only occasionally, directly from the Scottish Government. It then directs the council and the health board in how they should deliver the integrated functions on its behalf and allocates financial resources to allow them to do so. The Board has responsibility for adult and older people's health, social work and social care services. Those for children and young persons and criminal justice services are delivered directly by the council and the health board through separate voluntary partnership working arrangements under the aegis of the West Lothian Health and Social Care Partnership.

Legislation requires that the Integration Scheme is reviewed by the council and the health board at least every five years. The Board does not share that legal duty and has no control over that process. That review ought to have been concluded by June 2020. The process was started and a timetable was agreed with the Board being a formal consultee. Due to the intervention of the Covid-19 emergency the process could not be progressed and it was formally abandoned in late 2020. The process was resumed in 2021/22 and the statutory consultation and review process was concluded at the start of this reporting year amongst the health board and the four councils in its area. The revised Scheme was approved by the council in April 2022, by the health board in June 2022 and submitted to the Ministers for approval in August 2022. After making some suggested minor adjustments in November 2022 the Scheme was only eventually approved by the Ministers on 15 May 2023. It became binding on the Board, council and health board on that date. Work will be carried out in 2023/24 to ensure the Board complies with it.

The Board has delegated some of its responsibilities to other internal bodies:-

- It established an Appointments Committee to fill the posts of Director, Chief Financial Officer, Internal Auditor and Standards Officer
- It established an Audit Risk & Governance Committee (the committee) with scrutiny powers in relation to risk management, corporate governance and internal and external audit reports. It meets quarterly and the public has access to its meetings and meeting papers. The external auditor attends its meetings
- It established the Strategic Planning Group in accordance with legislation and guidance in relation to development, review and progressing the strategic plan. The Group and its structure were fully reviewed in 2019 and again in April 2021. In March 2022 the Board decided to retain the structure and the framework of strategic commissioning plans as the means to develop a replacement five-year strategic plan, successfully completed in March 2023

- It established a Health and Clinical Care Governance Group, chaired initially by a Board member and latterly by the council's Chief Social Work Officer (a non-voting member of the Board), to provide a focus for clinical and social care issues and concerns and to advise the Board where appropriate

The remits, powers, operating arrangements and reporting structures of all of these internal bodies have continued. They were fully reviewed in January 2022. The next periodic reviews (2025) have been timetabled and included in the Board's work plan, considered at every Board meeting.

All of the Board's activities are carried out within the terms of relevant legislation, guidance and the statutory Integration Scheme. Its decision-making is carried out under Standing Orders and other internal rules and procedures which are reviewed on a three-year cycle. They are principally made up of:-

- Standing Orders, governing the way Board and committee meetings are conducted
- Remits and procedural rules for committees, working groups and Planning & Commissioning Boards
- Scheme of Delegation to Officers setting out the responsibilities and powers allocated to senior officers
- Members' Role Descriptions, reviewed and approved by the Board in April 2021
- Financial Regulations which set the rules and procedures for financial, budget and treasury management
- Strategic Plan and its accompanying Annual Financial Statement

Standing Orders, the Scheme of Delegations and committee remits were all reviewed by the Board in January 2022. Financial Regulations were updated at the Board meeting in January 2022 to ensure the requirements of the CIPFA Financial Management Code (2019), adopted in 2020/21, are properly implemented. Their next scheduled reviews have been timetabled and appear in the work plan considered at every Board meeting.

The Board must publish a statutory performance report within 4 months of the end of any financial year. It requires information from the council and the health board in relation to their performance of the integrated functions which have been specified in Directions issued by the Board. That also means that regular and periodic information is required to allow service performance to be assessed continuously and to inform the annual report. That information is provided with reference to a list of agreed indicators and from that the Board maintains its own performance records against the commitments and outcomes given in its Strategic Plan. Annual and interim performance reports are considered at Board meetings and so all members are aware of performance information and concerns. *Ad hoc* reports are brought for the Board's information and scrutiny. The Board's statutory annual performance reports are available on its website, the last having been reported to the Board in August 2022.

The Board's Financial Regulations call for quarterly budget monitoring reports to be presented to the Board. They also call for regular periodic budget and financial assurance reports to the Board to enable it to proceed with the budgetary process, the publication of its annual financial statement and issuing Directions to the council and health board. These reports have been and will continue to be made as required. Full compliance with the CIPFA Financial Management Code was reported in January 2022.

The Board has adopted a Risk Management Strategy. There is a regular and recurring pattern of reporting to the Board and to the committee. The committee receives reports on high risks and the risk register as a whole at alternate meetings. High risks are considered there twice annually. The risk register as a whole is reported to the Board annually, the most recent in November 2022. The Risk Management Annual Report is considered in June each year by the committee.

The Board

The Board's membership and operating arrangements are controlled by statute. Board decisions are made by eight voting members, four from each of the council and the health board. It also has non-voting members who are senior council or health board professionals, or representatives of the users and providers of health and social care services, or council and health board staff representatives. A full review of membership of the Board was carried out in 2019/20. A further periodic review is overdue. It was started in 2022/23 but will be carried forward as a governance issue for 2023/24.

There have been numerous changes to the Board's voting members during the year, resulting substantially from the fresh councillor appointments made after the local government elections in May 2022. Non-voting membership has been largely unchanged, ensuring continuity and the acquisition of knowledge and expertise. Induction and development sessions have taken place where required. In accordance with the Integration Scheme, the chair has been held by a health board voting member from September 2021 with a councillor voting member taking the position of Vice-Chair. The positions of Chair and Vice-Chair of the committee have been held the opposite way around. Those positions will all rotate again in September 2023, lasting till September 2025.

The Board continues to meet approximately every six weeks. It maintains a Work Plan and a schedule of periodic/cyclical reporting, which are reviewed at every meeting. The Board's work has been assisted by a series of Board development and training sessions outside the constraints of a formal meeting when discussions take place about issues of growing or particular concern and the long-term plans for the Board and its work. The Board deals with significant strategic and financial decisions and monitors and oversees financial and service performance and risk monitoring arrangements. It meets in public except in very strictly defined circumstances. The public had access to all of its meetings in 2022/23, continuing the live webcasts put in place during the pandemic. Meetings are now taking place under a mix of physical and online arrangements.

The Board is a statutory community planning partner and is represented on the Community Planning Partnership Board by the Chief Officer. Periodic reports are made to the Board in the Chief Officer's report to inform Board members of developments within the Partnership. It is contributing through participation at Partnership Board level and in the supporting thematic forums to the development of the Local Outcomes Improvement Plan scheduled for agreement in June 2023.

A refreshed community planning structure is being developed by the council. The Board should ensure that it is represented in the right places in that new structure.

The Board now also participates in the Lothian Strategic Development Framework. The Lothian Strategic Development Framework sets out the approach that will be taken to the delivery of health and care services across the Lothians for the next five years. It is a collaboration between the five organisations which form the Lothian Health and Care System – the health board and the four integration authorities in its area.

Chief Officer reports are now standing items on the agendas for Board meeting. They enable a variety of less significant issues to be reported in a proportionate way, such as reports about numbers of complaints and freedom of information requests received.

Officers

Under the terms of the governing legislation the Board only has one member of staff – its Chief Officer, who heads the joint management team and staff responsible for delivering the integrated services in accordance with Board directions. The Chief Officer is accountable to the Board, and also to the Chief Executives of the council and the health board. The powers and responsibilities of the post are set out in the Board's Scheme of Delegations. The Chief Officer is a non-voting Board member.

The legislation which applies to the Board in relation to accounting and finance matters requires the Board to appoint a Chief Financial Officer. That role is to be performed in accordance with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016). It sets out the requirement for the Chief Financial Officer to be professionally qualified and sets out the criteria for that qualification. The Board has appointed its Chief Financial Officer who fulfils these criteria and operates in accordance with the Board's Financial Regulations, reporting regularly to the Board on budgetary performance and compliance and on financial assurance. The Chief Financial Officer produces the Board's annual financial statement. The Chief Financial Officer is a non-voting Board member. His powers and responsibilities are set out in the Board's Scheme of Delegations. In accordance with its Best Value Framework, the Chief Financial Officer reports each year on the extent of the Board's delivery of its statutory best value duty. That informs both the Internal Auditor's review of the system of internal control and this annual governance statement.

The Board is required to operate a professional and objective internal audit service. The council's Audit Risk & Counter Fraud Manager is appointed as the Board's Internal Auditor. Internal audit is an independent appraisal function which examines and evaluates systems of financial and non-financial control. Internal audit operates in accordance with the "Public Sector Internal Audit Standards: Applying the IIA International Standards to the UK Public Sector" (PSIAS). An annual audit plan is prepared based on an assessment of risk and is approved by the committee. The Board's Internal Audit Charter, as required by PSIAS, was refreshed and approved in December 2021. Internal audit reports are issued to the committee in relation to the outcome of all work. There is annual reporting to the committee of internal audit activities and to give assurance about the independence, effectiveness and soundness of the service. The relationship with the internal audit services for council and health board was further developed in the reporting year to help ensure that the Board is able to draw assurance from the internal audit work of its partner bodies. As required by PSIAS, the extent of compliance with PSIAS was assessed during the year by an auditor from Dundee City Council. The Annual Internal Audit Report confirms there was full conformity with 12 out of

the 14 assessment areas and general conformity with the remaining two. The outcome was reported to the committee in December 2022.

Risk management is supervised on the officer side of the Board by the Internal Auditor. Risk management is also embedded at a service level in the senior management team which is responsible for the delivery of the Board's integrated functions. The management team monitors, assesses and mitigates risk at service level as a matter of routine at their management team meetings. That process continues at lower levels in the integrated management structure. That work feeds into the Board's risk register, reported regularly to the committee and to the Board.

The Board must appoint a Standards Officer. The Standards Officer is responsible for ensuring the Board and its members meet their obligations under ethical standards legislation and the Board's Code of Conduct. The Board has appointed the council's Governance Manager as its Standards Officer. He is responsible for maintaining the Board members' Register of Interests and advising on Code of Conduct issues and concerns. His appointment was approved by the Scottish Ministers in 2016. He assisted the Board in adopting a new Members' Code of Conduct in 2022/23. The Members' Code was approved by the Ministers in June 2022 and became effective in July 2022. The repopulation of members' registers of interests was managed successfully. The new Code was reported to the Board in August 2022. Training was delivered in September 2022. The Standards Officer plays a wider role in supporting the Board in meeting its expected and adopted standards of good corporate governance. He prepares this annual governance statement and reports to the Board when required on governance matters, including compliance with the Board's adopted Local Code of Corporate Governance. An internal audit investigation of corporate governance arrangements was reported to the committee in December 2022. It concluded that arrangements were effective.

The council has to appoint a senior officer with social work qualifications and experience to the statutory role of Chief Social Work Officer. The post carries the significant responsibility for statutory delivery of social care services and the statutory right to have direct access to the council and its elected members. The Chief Social Work Officer is a non-voting member of the Board and the Board's Standing Orders ensure a similar right of access to the Board and Board members in relation to areas of professional concern. The health board has appointed a Clinical Director, a similar post in relation to health care. The holder of that post is also a non-voting member of the Board. The Board's Standing Orders give the same right of access to the Board and Board members as the Chief Social Work Officer has. Each delivers a formal annual report to the Board in connection with the discharge of their duties in relation to health and social care governance and statutory compliance.

Audit Risk & Governance Committee

The committee monitors the independence and effectiveness of the Internal Audit service provided by the council and its Audit, Risk and Counter Fraud Manager. To ensure the required degree of independence it is given periodic assurance in relation to non-internal audit functions (risk management) through the internal audit manager of another council. That was done in 2022/23 and the positive outcome was reported to and accepted by the committee in December 2022. The committee approves an annual audit plan and receives reports about its completion. It considers reports brought forward in relation to the work, both programmed and reactive work. It approves the annual governance statement on behalf of

the Board before the Board considers it as part of its unaudited accounts and financial and other statements. Its remit and powers were reviewed in 2021/22.

Internal Audit reports are presented to committee for information and scrutiny. They contain a finding as to the soundness of control based on the audit carried out and whether controls are satisfactory or require improvements. They set out improvement actions which have been agreed with officers. Implementation of actions and any other committee recommendations are the responsibility of the Chief Officer.

The committee also receives the external auditor's Annual Plan. Its remit enables it to consider the external audit annual report and audited accounts prior to their consideration and approval by the Board itself. The external auditor's report for 2021/22 gave a "green" assessment on the wider-scope aspects of governance and transparency. It concluded that the key features of good governance were in place and operating effectively. It observed that the Board had made material progress in addressing outstanding areas for improvement.

The committee also receives reports in relation to governance matters, principally reports issued by the Accounts Commission or Audit Scotland in relation to integration joint boards, local government or the health and care sector as a whole. The committee also receives the annual report on corporate governance and the annual governance statement. It also receives reports on progress on the governance issues identified for attention in annual governance statements and from other sources during the year.

Arrangements have been in place for liaison and information sharing with the Internal Auditors for the health board, the council and the other IJBs in the health board area. Work is ongoing in relation to a refreshed approach to that cooperation and support, following on from a report to Audit Risk & Governance Committee on 17 June 2021. That led to the adoption of Audit and Risk Committee Principles at committee on 1 December 2021. As an example, an internal audit investigation of the sustainability of primary care was carried out by an internal auditor from the health board, reported to the committee and then referred on to the health board's Audit & Risk Committee for its consideration.

The Internal Audit Annual Report for 2023/23 provides details of the risk based audits undertaken for the Board, and the conclusions arising from that work. The Internal Audit plan was fully completed. Reports with recommendations and agreed actions had both been submitted to the committee in the course of the year. The committee has also considered external reports from bodies such as Audit Scotland, for example, the annual overview reports on the health service and of local government.

System of internal control

A significant part of the Board's governance framework is its system of internal control. It is an ongoing process designed to identify risks to the achievement of the Board's objectives; to evaluate the likelihood of those risks occurring; to consider the potential impact of the risks; and to manage them effectively. Those controls can never eliminate risk or failure to achieve objectives entirely – they can only provide reasonable and not absolute assurance. The design, development and management of the system of internal control are undertaken by officers who support the Board and approved where required by the Board or the committee.

The system of internal financial control is designed to provide assurance on the effectiveness and efficiency of operations and the reliability of financial reporting. It is based on a

framework, which includes financial regulations and a system of management supervision, delegation and accountability, supported by regular management information, administrative procedures and segregation of duties. Its key elements include a documented internal control framework relating to financial processes, procedures and regulations; a comprehensive budgeting and monitoring framework; scrutiny of periodic and annual financial and operational performance reports; performance management information; risk management; and project management disciplines.

The Board must, by law, conduct a periodic review of its system of internal control. It does that annually, through the committee, as part of its consideration of the Internal Audit Annual Report each June. The Internal Auditor provides an assessment and an opinion to the committee on the system's adequacy and effectiveness for its consideration. That review precedes and informs this statutory annual governance statement which requires approval by or for the Board and incorporation into the annual accounts and financial statements.

Based on internal audit work and reports throughout the year the Internal Auditor identifies areas where improvements are required and confirms that recommendations will be followed up and reported. The Audit, Risk & Governance Committee is informed of agreed actions and deadlines for completion. It seeks assurances from responsible officers on progress through follow-up reports where so advised.

Following the review for 2022/23, the Internal Auditor's conclusion, reported to and accepted by committee in June 2023, is that the Board has a sound framework of governance, risk management and control.

Local Code of Corporate Governance

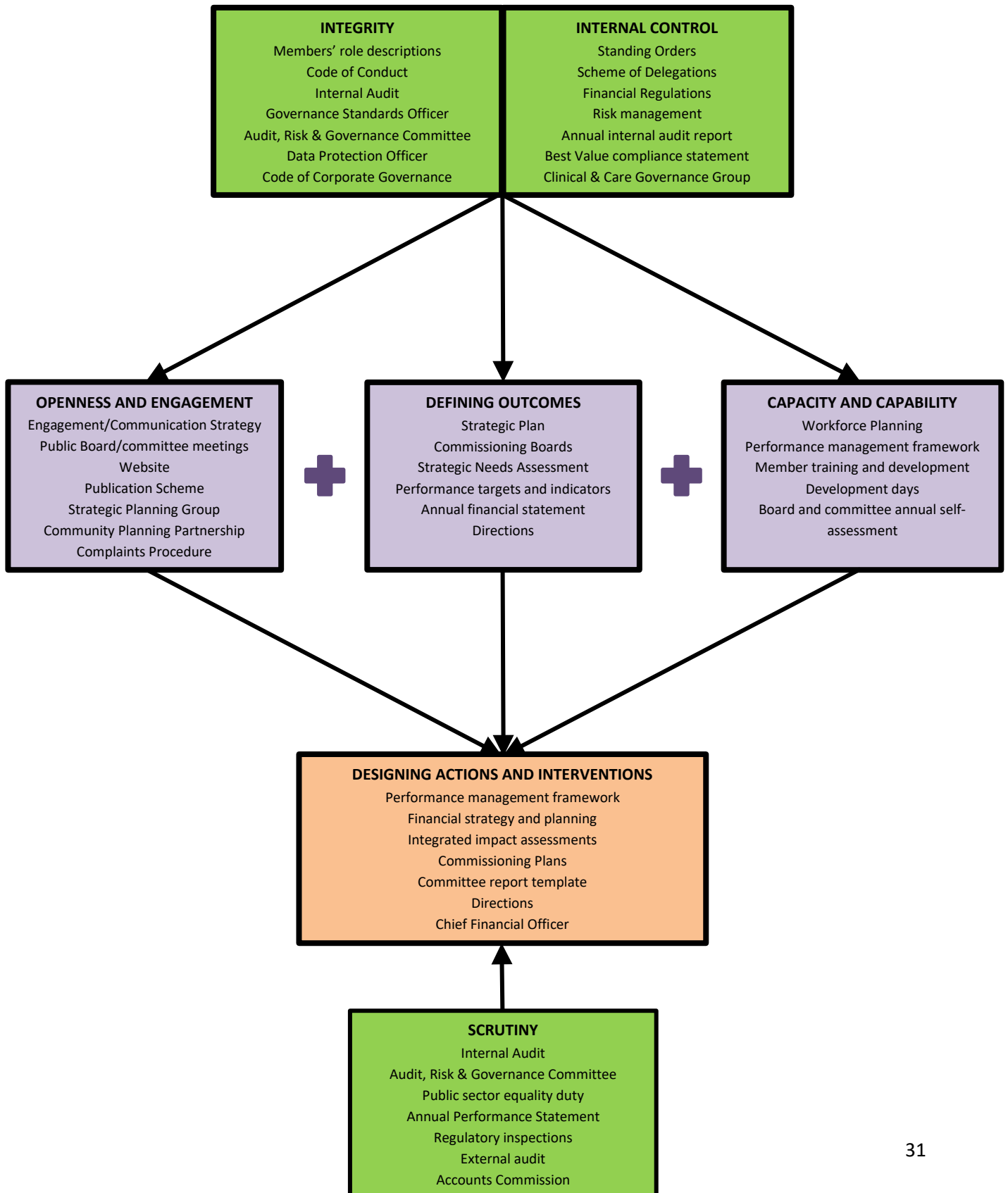
The Board's governance arrangements are assessed and reported in accordance with statutory requirements and under a Framework and accompanying Guidance for Scotland called "Delivering Good Governance in Local Government", produced by CIPFA/SOLACE in 2016. In 2017/18 a new Local Code of Corporate Governance was developed and adopted under that Framework and Guidance. The annual governance statement was produced under that Framework for 2017/18 and has been since. It was subject to a full review on 2021/22, reported to the Board in September 2021. It is now kept under review annually through corporate governance reports to the committee each June. An internal audit report on governance arrangements in 2022/23 found arrangements to be satisfactory.

The Code adopts the seven over-arching principles from the Framework which are: behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law; ensuring openness and comprehensive stakeholder engagement; defining outcomes in terms of sustainable economic, social, and environmental benefits; determining the interventions necessary to optimise the achievement of the intended outcomes; developing the Board's capacity, including the capability of its leadership and the individuals within it; managing risks and performance through robust internal control and strong public financial management; and implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Each of those principles is broken down into sub-principles and then separate elements to allow a more focused approach to the components of each. A list of sources of evidence is included and the Board's actions and performance over the year are assessed to determine

where it exceeds, meets or fails to meet the required standards. Areas of concern are picked out and reported on through the annual reporting process. Actions are identified and allocated and progress monitored through reporting to Board and committee. The Code is used to inform the drafting and approval of the annual governance statement. The seven principles and their interaction and some of the key evidence for each are shown below.

GOVERNANCE PRINCIPLES



The fully-populated Code was reported to committee in June 2023. The Code has been populated and produced this year in accordance with well-established arrangements. No additions to or deletions from the standards listed in the Code were made this year. Substantial compliance with the Code's standards has been maintained. 95% of the standards are rated as "green". There are only 6 standards which are of significant concern and where the evidence indicates that work is required to secure improvement. They are all related to the still outstanding work on ensuring full compliance with the GDPR and Data Protection Act 2018 and the appointment of a permanent suitable Data Protection Officer. Overall however, substantial compliance has been achieved. The committee accepted that assurance in June 2023.

Best Value Framework

The Chief Financial Officer has again prepared a Best Value Framework annual statement. It is required by the framework approved by the Board in September 2018 and revised and approved in March 2021. It enables it to gain the assurance it requires on the extent of its compliance with its statutory best value duty. It includes an assessment of compliance with seven elements of best value (vision and leadership, governance and accountability, effective use of resources, partnership and collaborative working, working with communities, sustainable development, and fairness and equality). The external auditor noted in its annual report for 2021/22 that the Board had a number of the key characteristics of Best Value in place and that the Board's Best Value Framework allowed it to demonstrate that Best Value was being achieved.

That statement was reported to Audit Risk & Governance Committee in June 2023. Along with the Internal Auditor's review of the system of internal control and the Board's Code of Corporate Governance it informs and underpins this annual governance statement. The Chief Financial Officer has concluded and has certified that the Board has demonstrated substantial compliance with its best value duties in 2022/23. The committee accepted that conclusion.

Past and present governance issues

Governance reporting in previous years has identified areas of concern and issues to be addressed by officers and members. Issues carried forward from previous years have been amalgamated together and with new issues arising with a view to monitoring progress and demonstrating the continuous improvement in governance terms and showing how issues have been dealt with where they cross the ends of the reporting years. Those issues were reported to the Chief Officer's senior management team for monitoring. A report against progress was made to the committee in December 2022. Progress made since then has been noted and considered at management team meetings. Issues have been added as they have arisen during this reporting year. Some of those have been pursued and addressed already, some are longer-term issues for future monitoring and reporting. These past and present matters of concern were reported in detail to the committee in June 2023 as part of the end of year reporting in the governance cycle.

There was substantial progress made in tackling the governance issues identified in last year's statement. After reporting on governance issues to the committee and the Board in June 2022 there were 17 issues to take forward in 2022/23. When the interim progress report was made to the committee in December 2022 that reduced to 10. Reporting in June 2023

shows that nine issues remained to be completed. Those will be carried forward to 2023/24. Progress on three of those had not been possible because work depended on the Scottish Government (National Care Service, approval of the revised Integration Scheme and the adoption of the United Nations Convention on the Rights of the Child). One was a new issue added during the year (compliance with a new duty under the Armed Forces Act 2021). The issues not completed before the year-end will be carried forward to 2023/24. A full report was made to the committee in June 2023 setting out the current position on those issues and plans in place to pursue them. That position was accepted by the committee.

The most significant issue remains that of securing full compliance with the statutory requirements around the post of Data Protection Officer and, in turn, ensuring appropriate procedures and safeguards are in place in relation to information management and governance. Work continued during the year to ensure compliance and the council had indicated that it would provide the support necessary to complete these tasks. That support has been delayed due to the council's own review of its own arrangements. The Board holds little personal data at all and no personal data in relation to service users or carers: that is held by council and health board. An interim Data Protection Officer appointment remains. In those circumstances the risk presented by any non-compliance is not considered to threaten or materially affect the operations or finances of the Board while this issue is fully addressed.

Issues to be addressed in 2023/24

Arising from the sources described in this statement and other areas of knowledge and operation, these are the issues of concern that the Board is recommended to address in 2023/24:-

- Ensure full compliance with data protection legislation
- Consider any issues around the IJB's duties in counter-terrorism legislation
- Make sure the Board operates in accordance with the new Integration Scheme, including a review of support services provided to it by council and health board
- Monitor developments in relation to the National Care Service and take any actions necessary
- Take steps that may be necessary for compliance with amended legislation incorporating the UN Convention on the Rights of the Child, if and when that legislation is passed by the Scottish Parliament
- Complete the outstanding review of Board and other memberships
- Finalise the Board's Engagement and Consultation Strategy, including lessons learned from the process of consultation leading to the budget savings measures approved in March 2023
- Finish the work started on refining and streamlining the programme of reviews of significant corporate policies and procedures
- Take steps required to meet new statutory duties under the Armed Forces Act 2021
- Review its approach to designing directions to ensure continued compliance with statutory guidance, to include benchmarking work and periodic reporting on the log of directions which has lapsed in recent years
- Building on the liaison with internal auditors in council and health board and the relationship amongst the audit committees in all three bodies

- Consolidate its place in the refreshed community planning structure and strengthen reporting to the Board on the partnership's work
- Consider strengthening reporting to the Board on the activities of the Lothian Strategic Development Framework

Progress will be tracked through senior management team meetings and interim reports to committee. The committee has the power to call for stand-alone reports on individual issues causing particular concern.

Conclusion and assurance

Based on the Board's governance framework described in this statement the Board and the West Lothian community can be assured that the Board's corporate governance standards have been substantially met in 2022/23.

Chief Officer

Chair

19 September 2023

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the cost of providing services for the year according to accepted accounting practices.

The figures within the income and expenditure account above take account of all relevant accounting entries to reflect the year end income and expenditure recorded in the ledgers for NHS Lothian and West Lothian Council in respect of West Lothian IJB functions for 2022/23.

The figures have been prepared in line with appropriate accounting policies required to provide a true and fair view in accordance with annual accounts requirements.

Gross Expenditure £'000	2021/22 Gross Income £'000	Net Position £'000		Gross Expenditure £'000	2022/23 Gross Income £'000	Net Position £'000
231,508	0	231,508	Health Functions	227,808	0	227,808
72,324	0	72,324	Social Care Functions	94,922	0	94,922
31	0	31	Corporate Expenditure	34	0	34
303,863	0	303,863	Cost of Services	322,765	0	322,765
0	(324,635)	(324,635)	Taxation and Non-Specific Grant Income	0	(303,979)	(303,979)
303,863	(324,635)	(20,772)	(Surplus) or Deficit on Provision of Services	322,765	(303,979)	18,786

MOVEMENT IN RESERVES STATEMENT

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

Movement in Reserves During 2022/23

	General Fund Balance £'000
Opening Reserve Balance at 1 April 2022	30,080
Drawdown of Reserve Balance During Year	(23,208)
Addition to Reserves During Year	4,422
(Decrease) or Increase in Reserves in 2022/23	(18,786)
Closing Reserve Balance at 31 March 2023	11,294

Movement in Reserves During 2021/22

	General Fund Balance £'000
Opening Reserve Balance at 1 April 2021	9,308
Drawdown of Reserve Balance During Year	(8,224)
Addition to Reserves During Year	28,996
(Decrease) or Increase in Reserves in 2021/22	20,772
Closing Reserve Balance at 31 March 2022	30,080

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.

31 March 2022 £'000		Notes	31 March 2023 £'000
30,080	Short term Debtors	6	11,294
30,080	Current Assets		11,294
0	Short term Creditors	7	0
0	Current Liabilities		0
0	Provisions	3	0
0	Long-term Liabilities		0
30,080	Net Assets		11,294
26,311	Earmarked Reserves: General Fund	4	9,294
3,769	General Reserves	4	2,000
30,080	Total Reserves		11,294

The unaudited accounts were issued on 27 June 2023 and the audited accounts will be authorised for issue on 19 September 2023.

Chief Finance Officer
27 June 2023

NOTES TO THE ANNUAL ACCOUNTS

1. ACCOUNTING POLICIES

1.1 General Principles

The West Lothian Integration Joint Board is formed under the terms of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a joint venture between West Lothian Council and NHS Lothian.

Integration Joint Boards (IJBs) are specified as section 106 bodies under the Local Government (Scotland) Act 1973 and as such are required to prepare their Annual Accounts in compliance with the Code of Practice on Accounting for Local Authorities in the United Kingdom. The Statement of Accounts present 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.

The Annual Accounts summarise the Integration Joint Boards transactions for the 2022/23 financial year and its position at the year end of 31 March 2023.

1.2 Accruals of expenditure and income

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

- All known specific and material sums payable to the IJB have been brought into account.
- Suppliers are recorded as expenditure when they are consumed. Expenses in relation to services received are recorded as expenditure when the service is received rather than when payments are made.
- 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 it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

1.3. Going Concern

The IJB financial statements for 2022/23 have been prepared on a going concern basis. 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 (Scotland) Act 1973. The concept of a going concern assumes that an authority's functions and services will continue in operational existence for the foreseeable future. In accordance with the CIPFA Code of Local Government Accounting (2022/23), the IJB is required to prepare its financial statements on a going concern basis unless informed by the relevant national body of the intention for dissolution without transfer of services or function to another entity. The accounts are prepared on the assumption that the IJB will continue in operational existence for the foreseeable future.

The IJB's funding from and commissioning of services to partners has been confirmed for 2023/24, and a medium-term financial plan covers up until 2027/28.

1.4 Accounting Convention

The accounts are prepared on a historical cost basis.

1.5 Funding

The Integration Joint Board receives contributions from its funding Partners namely West Lothian Council and NHS Lothian to fund its services. Expenditure is incurred in the form of charges for services provided to the IJB by these Partners.

1.6 Post Balance Sheet Events

In accordance with the requirements of International Accounting Standards 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date that the accounts were certified by the Chief Finance Officer following approval by the Board.

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.

- Adjusting events: Those that provide evidence of conditions that existed at the end of the reporting period. The Annual Accounts is adjusted to reflect such events.
- Non-adjusting events: Those that are indicative of conditions that arose after the reporting period and the Statements 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.

In terms of 2022/23, no financial impact on the 31 March 2023 financial position has been identified.

1.7 Material Items of Income and Expense

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Income and Expenditure Statement or in the notes to the Accounts, depending on how significant the items are to an understanding of the IJB's financial performance.

1.8 Related Party Transactions

Related parties are organisations the IJB can control or influence or who can control or influence the IJB. As Partners in the Joint Venture of West Lothian IJB, both West Lothian Council and NHS Lothian are related parties and material transactions with those bodies are shown in line with the requirements of IAS 24 Related Party Disclosures.

1.9 Support Services

Support services were not delegated to the IJB and are provided by the Council and the Health Board free of charge as a 'service in kind'. This is consistent with VAT advice and means that support services to the IJB are outside the scope of VAT. This arrangement was set out in a report to the IJB on 16 February 2016. The list of support services provided to the IJB by West Lothian Council and NHS Lothian is summarised as follows:

- Human Resources
- Internal Audit and Risk Management
- Information Technology
- Buildings Accommodation
- Property / Facilities Management
- Learning and Development
- Health and Safety
- Committee Services
- Procurement Services
- Financial Services
- Corporate Communications
- Legal Services

1.10 VAT

The IJB is not VAT registered. The VAT treatment of expenditure in the IJB's accounts depends on which of the Partner agencies is providing the service as these agencies are treated differently for VAT purposes.

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

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

2. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

The critical judgements made in the Financial Statements relating to complex transactions are:

- The partner organisations have considered their exposure to possible losses and made adequate provision where it is probable that an outflow of resources will be required and the amount of the obligation can be measured reliably. Where it has not been possible to measure the obligation, or it is not probable in the partner organisations' options that a transfer of economic benefits will be required, material contingent liabilities have been disclosed (there are none)
- The Annual Accounts contain estimated figures that are based on assumptions made by the IJB about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.
- There are no items in the IJB's Balance Sheet at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming year.

3. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

3.1 Provisions

Provisions are made where an event has taken place that gives the IJB a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of obligation.

Provisions are charged as an expense to the appropriate service line in the Income and Expenditure Statement in the year that the IJB becomes aware of the obligation and measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision held in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.3.2

3.2 Contingent assets and liabilities

A contingent asset or liability arises where an event has taken place that gives the IJB a possible obligation or benefit whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the IJB. Contingent liabilities or assets also arise in circumstances where a provision would otherwise be made but, either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent assets and liabilities are not recognised in the Balance Sheet but disclosed in a note to the Accounts where they are deemed material.

A review of potential contingent assets and liabilities has been undertaken for the IJB and none have been identified at 31 March 2023.

4. RESERVES

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

- To earmark, or build up funds which are to be used for specific purposes in the future, to meet known or predicted liabilities or commitments. This supports strategic financial management
- To create an uncommitted reserve contingency to cushion the impact of unexpected events or emergencies. The IJB's approved reserves policy has set a target minimum level of uncommitted general reserves of £2 million.

The table below shows the movements on the General Fund balance, analysed between those elements earmarked for specific purposes and the amount of uncommitted reserves.

	2022/23 £'000	2021/22 £'000
Earmarked Reserves		
Covid-19 Ongoing Costs	3	15,285
Unscheduled Care Fund	1,782	2,647
Primary Care	1,093	2,466
Care at Home Capacity	0	1,249

Mental Health	514	977
Interim Care	0	739
Alcohol & Drugs Partnership	244	718
Community Living Fund	645	645
Multi-Disciplinary Teams	0	570
Action 15 Mental Health	0	307
GP Premises Improvement WL	157	157
Oral Health	0	148
Workforce Wellbeing	61	126
Dementia Post Diagnostic Support	102	110
LUCS	0	76
Expansion of Primary Care Estate	63	62
Telecare	0	29
Band 2-4 Roles	438	
Inflation & Risk Fund	1,338	0
Transformation Fund	1,500	0
2023/24 Budget	1,353	0
Uncommitted Reserves		
General Reserve	2,000	3,769
Total	11,294	30,080

5. CORPORATE EXPENDITURE

	2022/23 £'000	2021/22 £'000
Audit Fee	31	28
CNORIS Fee	3	3
Total	34	31

Note – the corporate expenditure is shown within the segmental reporting expenditure and funding table.

6. SHORT TERM DEBTORS

	2022/23 £'000	2021/22 £'000
West Lothian Council	2,633	12,442
NHS Lothian	8,662	17,638
Total	11,294	30,080

7. SHORT TERM CREDITORS

	2022/23 £'000	2021/22 £'000
Central Government Bodies	0	0
Other Local Authorities	0	0
Total	0	0

8. RELATED PARTY TRANSACTIONS

In the 2022/23 financial year the following transactions were made with NHS Lothian and West Lothian Council relating to integrated health and social care functions.

Income – payments for integrated functions	2022/23 £'000	2021/22 £'000
NHS Lothian	(218,832)	(246,779)
West Lothian Council	(85,147)	(77,856)
Total	(303,979)	(324,635)

Expenditure – payments for delivery of integrated functions	2022/23 £'000	2021/22 £'000
NHS Lothian	227,808	231,508
West Lothian Council	94,956	72,355
Total	322,765	303,863

Details of debtor balances with partner bodies are set out in Note 6 to the accounts.

PARTNER EXPENDITURE ANALYSIS (UNAUDITED)

The following analysis sets out the 2022/23 expenditure incurred across IJB delegated functions. Information is provided to the Board throughout the year to enable them to review the financial performance of delegated functions.

Health Functions	2022/23 Expenditure £'000	2021/22 Expenditure £'000
<i>Core West Lothian Health Services</i>		
Community Hospitals	1,892	1,215
Corporate	0	0
District Nursing	4,382	3,941
General Medical Services (GMS)	33,871	33,128
Mental Health	19,845	18,638
Other	7,343	23,385
Prescribing	39,412	37,388
Resource Transfer	18,742	16,472
Therapy Services	6,153	7,140
Sub Total Core West Lothian Health Services	131,639	141,307
<i>Share of Pan Lothian Hosted Services</i>		
General Medical Services (GMS)	2,048	6,059
Learning Disabilities	2,934	2,998
Lothian Unscheduled Care Services	2,933	2,751
Oral Health Services	2,740	3,827
Other	3,200	1,798
Psychology Service	2,753	2,857
Rehabilitation Medicine	1,644	1,661
Sexual Health	1,625	1,420
Substance Misuse	989	710
Therapy Services	3,015	2,728
UNPAC	1,267	1,197
Sub Total Share of Pan Lothian Hosted Services	25,147	28,006
<i>Non-Cash Limited Services</i>		
Dental	13,330	12,296
Ophthalmic	3,662	3,659
Pharmacy	8,042	7,971
Sub Total Non-Cash Limited Services	25,035	23,926

Health Functions (cont.)	2022/23 Expenditure £'000	2021/22 Expenditure £'000
Acute Set Aside Services		
Cardiology	1,523	1,469
ED & Minor Injuries	8,107	6,840
Gastroenterology	3,843	3,492
General Medicine	12,863	7,912
Geriatric Medicine	6,904	6,158
Infectious Disease	2,587	2,955
Junior Medical	2,090	1,966
Other	4,882	4,811
Respiratory Medicine	3,190	2,666
Sub Total Acute Set Aside Services	45,989	38,269
Total Health Functions	227,809	231,508
Social Care Functions		
Adult Social Care Services		
Learning Disabilities	25,653	21,627
Physical Disabilities	7,055	7,189
Mental Health	6,097	5,170
Older People Assess & Care	44,767	38,928
Care Homes & Housing with Care	11,805	11,041
Contracts & Commissioning Support	3,457	3,509
Other Social Care Services	(13,687)	(9,608)
Scottish Gov / NHS Lothian Additional Funding	9,809	(5,501)
Sub Total Adult Social Care Services	94,956	72,355
Total Social Care Functions	94,956	72,355
Total IJB Expenditure	322,765	303,863