



INTEGRATED HEALTH AND SOCIAL CARE

WEST LOTHIAN
WORKING FOR WELLBEING

WEST LOTHIAN INTEGRATION JOINT BOARD

UNAUDITED ANNUAL ACCOUNTS 2023/24

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Accounts of West Lothian Integration Joint Board (IJB) for the period to 31 March 2024, 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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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 2023/24 and describes the IJB's financial performance during the same period. The commentary also looks forward, outlining the strategic plan, two-year budget and four-year financial outlook. 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 2023/24 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 31 March 2024 were as follows:

| Member | Role |
|---------------------|--|
| Tom Conn | Voting Member, Chair |
| Martin Connor | Voting Member, Vice Chair |
| Tony Boyle | Voting Member |
| Damian Doran-Timson | Voting Member |
| George Gordon | Voting Member |
| John Innes | Voting Member |
| Amjad Khan | Voting Member |
| Andrew McGuire | Voting Member |
| Lesley Cunningham | Non-Voting Member – Staffing Representative |
| Steven Dunn | Non-Voting Member – Staffing Representative |
| Hamish Hamilton | Non-Voting Member – Chief Finance Officer |
| David Huddleston | Non-Voting Member – Stakeholder Representative |
| Jo MacPherson | Non-Voting Member – Professional Advisor |
| Alan McCloskey | Non-Voting Member – Stakeholder Representative |
| Douglas McGown | Non-Voting Member – Professional Advisor |
| Donald Noble | Non-Voting Member – Professional Advisor |
| Ann Pike | Non-Voting Member – Stakeholder Representative |
| Alison White | Non-Voting Member – Chief Officer |
| Linda Yule | Non-Voting Member – Professional Advisor |

Note on changes during 2023/24:

- NHS Lothian appointed John Innes as a voting member of the board on 6 April 2023, replacing Katharina Kasper.
- Hamish Hamilton was appointed as interim Chief Finance Officer on 1 May 2023 and was approved on a permanent basis by the board on 27 June 2023.
- The Council appointed Tony Boyle as a voting member of the board on 26 September 2023, replacing Anne McMillan who resigned from the board on 16 May 2023.
- William McQueen rotated to Vice Chair of the IJB as of 26 September 2023.
- The Council appointed Tom Conn as Chair of the IJB as of 26 September 2023.
- Donald Noble was appointed as a professional advisor to the board and non-voting member by NHS Lothian on 7 November 2023.
- NHS Lothian appointed Martin Connor as Vice Chair of the IJB as of 1 February 2024, replacing William McQueen whose term on the NHS Lothian board had concluded.
- NHS Lothian appointed Amjad Khan as a voting member of the board on 7 February 2024, replacing William McQueen.

Strategic Plan 2023-2028

The Strategic Plan covers the period 2023-2028 which builds on the achievements of the previous Strategic Plan and sets out the Board's ambition for the continued development and improvement of health and social care services in West Lothian. 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 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 plan. 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 for each of the strategic priorities have been agreed and these are underpinned by an updated 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/IJB-strategic-plan>

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 2023/24 on 21 March 2023.

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. The HSCP includes Core West Lothian Health and Adult Social Care.
- **Pan Lothian Hosted Services** are delegated services that are operationally managed by business units within NHS Lothian on behalf of IJBs, for example inpatient Rehabilitation services provided at the Astley Ainslie Hospital.
- **Acute Set Aside Services** 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 West Lothian IJB Annual Performance Report covering the financial year 2023/24 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 in support of the Strategic Plan have been made within each of the IJB service headings during 2023/24 and these are summarised below:

Core Services (West Lothian HSCP)

Home First

Home First is one of the three priorities within the West Lothian Strategic Plan and is the overarching aim for transforming the way care is delivered for adults and older people. Community health and social care teams are focused on managing people within their own communities, with admission to an acute hospital only where there is a clinical need for this to happen. A key focus this year has been on strengthening the capacity and functions of community teams such as Reablement, Discharge to Assess rehabilitation, Single Point of Contact (SPoC) to rapidly access wider community teams within 2-4 hours where there is an opportunity maintain someone safely at home.

Following extensive planning and engagement a pilot of Multi-Disciplinary Team (MDT) **Locality Working** went live in the Broxburn area for planned and unplanned care and support for adults over 18. The model of care centred on supporting people to stay well and independent for longer through prevention, self-management and early intervention. The pilot was undertaken over 14 weeks and is now being evaluated with consideration given to the potential to scale up locality MDT working across the whole of West Lothian.

Development of an **Integrated Intermediate Care** model is underway and will support a locality approach and promote people to remain independent at home for as long as possible, and potentially reduce the need for longer term care. Intermediate care is the provision of short-term support to prevent admission to hospital, following a hospital admission and to address difficulties with activities of daily living. The integrated model of intermediate care will provide rapid access to short-term support to reduce crisis needs and support independence at home following illness by reducing variability of pathways across the HSCP and improving access, capacity and flow within the service.

SPoC is the 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 is 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 health and social care services and, taking a person-centred approach and develops a plan to meet the holistic needs of the individual within 2-4 hours of receiving a referral. The next phase of SPoC is to consider how it fits within any future locality model.

Community Information Hubs, **Community Connections** provides information and advice to people that enables them to access support at an early stage, promotes self-management and use of alternative community support. The hubs were reviewed during 2023 and the IJB approved the recommendations to close five of the twelve hubs based on the considerably low footfall in these hubs alongside these communities having excellent access to a range of other community resources. The hubs had been supported by time-limited funding but following the agreement of a rationalised model, funding has been identified from existing budgets to support the remaining seven hubs on an ongoing basis.

In December 2023 **Rapid Occupational Therapy Service (ROTAS)** at St John's Hospital was enhanced as a test of change for 4 months. This involves members of other Home First teams integrating with ROTAS to support with decision making on a patient's most optimum

onward pathway and provided more efficient access to urgent unscheduled community support to prevent unnecessary hospital admissions.

Following extensive stakeholder engagement, the **Bed Based Review** was presented to the IJB in June and August 2023. The Board agreed the recommendations to rationalise the number of community based beds across West Lothian. The revised community bed base for West Lothian has been modelled through based on current and projected future demand needs of the population and has been enabled by the significant investment in and success of community home first teams over the last few years. Resources have been realigned to ensure people are cared for in the right bed and wherever possible at home or in a homely setting. The review delivered savings of £1.6m across 2023/24-2025/26 which have been key in supporting financial sustainability of the IJB.

Learning Disabilities

Within Learning Disabilities Services the 16 bespoke houses in Pumpherston have been built for individuals to move into as their own tenancies on a Scottish Secure Tenancy Agreement. The houses have been designed to meet the current and future needs of people. A bespoke service has been commissioned to provide high quality, flexible care and support services that allows individuals to live independently in their local community. The first two residents have moved into their tenancies during 2023/24. The tenancies are designed to enable individuals with complex care needs to avoid unnecessary hospital stays as well as reducing individuals having to leave West Lothian and move to resources out with the local area.

As a result of this development, it is anticipated that during 2024/25 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. Over 90% of services are delivered by the independent sector with the purpose of ensuring quality of life for individuals, while enabling them to retain their independence.

In West Lothian, care at home was historically the most fragile part of the social care market where gaps in service supply contributed to hospital delays and significant unmet care needs in the community. In January 2023, 152 people were awaiting care equating to 1026 hours per week being unmet. HSCP senior managers implemented a range of improvements and innovations:

- Intensify care at home oversight and assurance arrangements and improve the understanding of data.
- Invested in a dedicated Assessment and Review team.
- Benchmark, design and implement new commissioned services to tackle geographical issues and supply shortages.

- Fully utilise Technology Enabled Care to support care needs.
- Established a collaborative group with key stakeholders, commissioned providers, Scottish Care and the third sector.
- Recruit additional staff to efficiently match care, support quality assurance and contract monitoring.

The outcome has resulted in a significant reduction by 70% of unmet care need and no hospital delays related to care at home service availability in March 2024.

Digital

Social care teams continue to use technology to assist transform service delivery. 'Just Checking' technology has continued to be utilised within assessment and review of care and support planning. Sensors are placed throughout a person's home over a two week period to build up a picture of their daily living habits and patterns.

The data gathered gives supported evidence which promotes a strength based, outcome focused discussion with the individual and their loved ones to make informed decision around appropriate and proportional supports which may be required.

The use of Just Checking has highlighted the abilities of many individuals with the data gathered acting as their voice and in many cases avoided or reduced the need for formal care interventions. The technology has also shown where individuals can live independently and remove or delay the need for a Care Home placement.

Primary Care

The IJB continues to support the delivery of the Primary Care Improvement Plan (PCIP) across General Practice (GP) in West Lothian and to ensure the ongoing sustainability of primary care. The HSCP and the GP Practices continue to work collaboratively to deliver excellent local services. Examples of this are:

Vaccinations, a clinical nurse manager to lead the team has been recruited and has focussed on creating a pathway for career progression, increasing resilience and identifying financial savings for 2024/25. During the last year, the updated vaccination model focuses on delivering local clinics within GP practices which are geographically spread out across West Lothian. The team have also been working in partnership with GP practices in areas of low uptake to provide walk-in clinics. Additional vaccination clinics have also been ran at church groups, foodbanks and other meetings as part of an inclusivity approach.

Pharmacotherapy, all 20 practices in West Lothian have access to Pharmacy services, a range of Pharmacy services are provided depending on practice need. All practices have site-embedded support and 55% have access to the Pharmacy Hub which provides a service to cover annual leave and vacancies of GP practice pharmacy staff. Roll-out of access to the Hub for all practices is planned for 2024/25 however recruitment and retention of staff remains challenging.

Mental Health Nurses have increased to 13 WTE during the year and are embedded within all 20 practices and are offering all practices their full allocation of sessions. The mental health nurses are key in reducing GP workload in relation to mental health, patients with

mental health problems can be directly allocated to mental health nurse appointments without seeing the GP first.

The primary care team also commission the **Health and Wellbeing** programme with Xcite Leisure which is designed to help up to 2000 people with long-term physical conditions or requiring support with their mental health use physical activity as a self-management tool. Through engaging in the programme, participants experience a positive impact on their quality of life, manage their condition better, maintain independence for longer and reduce their reliance on statutory services.

The primary care contracting team successfully re-tendered the **General Medical Services (GMS)** contract for Murieston Medical Practice during 2023/24 with GMS services for the local population seamlessly transferring to the new general practice partnership.

Mental Health

During 2023/24 a **Suicide Prevention** lead has been appointed and has led on the creation of the Suicide Prevention Action Plan 2024-2025. The plan has been developed to help reduce the amount of attempted and completed suicides in West Lothian, tackle the inequalities which contribute to suicide and improve the overall wellbeing of the population.

During 2023/24 a **Distress Brief Intervention (DBI)** service has been commissioned as a one-year test of change funded from a Scottish Government grant and Primary Care one-off funding. The service is being provided from the West Lothian Community Wellbeing Hubs by Lanarkshire Association for Mental Health (LAMH). DBI is a non-clinical intervention. The DBI service is provided by commissioned and trained LAMH staff who contact the person within 24-hours of referral and provide community-based problem solving support, wellness and distress management planning, supported connections and signposting.

Alcohol and Drug Partnership

The Scottish Government Medication Assisted Treatment (MAT) 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 now achieved MAT Standards 1- 5 and have provisionally achieved Standards 7 - 9. For 2024/25 a numerical measure for Standards 6 and 10 will be added and performance will be able to be assessed against this.

Pan Lothian Hosted Services

Psychology

Psychology services are hosted by the Royal Edinburgh and Associated Services (REAS) on behalf of the four Lothian IJBs. West Lothian Psychological Therapies team continue to make progress in reducing their wait times for access to psychological therapies. This has been achieved through good leadership within the team, strong team working in a dedicated staff group and initiatives such as developing and adapting the group programme and working with referrers to accurately identify suitability of referrals. In April 2023 there were

104 individuals waiting over 18 weeks to start psychological therapy. In March 2024 this has reduced to 28 individuals.

The team are now focusing on improving working relationships with referrers and fellow mental health services. Early outputs from that project have included a video for fellow professionals describing the role of therapy and who it is most suitable for. Also under development is a user-friendly guide to referral pathways for all mental health services in West Lothian.

Lothian Unscheduled Care Service (LUCS)

LUCS is hosted by the Directorate of Primary Care and provides primary care services to patients when local GP practices are closed (6pm – 8am Monday to Friday and 24 hours a day at weekends and on public holidays). Clinical services provided by LUCS clinicians include patient assessment and treatment by telephone and direct face to face consultations and where necessary on home visits. Throughout 2023/24 LUCS continued to provide a reliable service from St John's Hospital for West Lothian residents and the LUCS patient flow hub was successfully reintegrated with the LUCS clinical service which has improved patient safety and flow.

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 2 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 more community based services come onstream in 2024/25 (including the scale up of the tenancies at Pumpherston).

Set Aside Services (Acute Services)

Significant pressures remain within St John's Hospital which is the main Acute Hospital for West Lothian patients, one of the main drivers being the vacancy gap within unscheduled care nursing which remains at around 20% of budgeted staffing levels. Higher than planned junior medical rota gaps have also put further pressure on the site. The St John's management team lead on the Home First programme and work is ongoing to reduce attendances at the Emergency Department, prevent admissions where appropriate and support discharges.

Implementation of **Discharge without Delay** has been a key focus in 2023/24 with Planned Date of Discharge (PDD) workshops and training sessions taking place. The key feature of PDD is multidisciplinary teams of health and care professionals working together with hospital staff and looking at discharge planning with the patient and family as soon as possible. A PDD – a specific date of discharge from hospital – is identified at the earliest opportunity with plans made to agree a safe and appropriate transition back home. PDD has been implemented across the medical wards and a PDD framework has been embedded to ensure consistency and sustained implementation of the PDD principles.

Work to move towards a reporting model for set aside services that would see costs charged to the Board based on actual usage of services remains indefinitely paused. This decision has been taken due to the impact of the pandemic on activity data and a lack of capacity within the NHS Lothian to support the transition. However, following internal audit recommendations and at the request of Chief Finance Officers, NHS Lothian has reviewed the methodology used to collate the delegated budgets for the 4 IJBs. The consequential share of costs has also therefore been subject to this routine review. The revised methodology was used to determine the IJB budget for 2024/25 and will become operational on 1 April 2024.

More detail around the work of the IJB in 2023/24 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 2023/24

For the financial year 2023/24 the IJB reported a deficit of £2m. This compares to a deficit of £19m in 2022/23 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 2023/24 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 ringfenced reserves) is shown below:

| Budget Outturn 2023/24 | Budget £'000 | Expenditure £'000 | Variance £'000 | Note |
|---|-----------------|----------------------|-------------------|------|
| Adult Social Care | 88,022 | 88,607 | 585 | |
| Core West Lothian Health Services | 145,483 | 143,392 | (2,092) | |
| Share of Pan Lothian Hosted Services | 28,900 | 27,877 | (1,023) | 1 |
| Non Cash Limited Services | 25,896 | 25,896 | 0 | 2 |
| Acute Set Aside Services | 45,407 | 48,840 | 3,433 | 3 |
| Sub Total IJB | 333,708 | 334,612 | 903 | |
| One-off support from NHS Lothian | 318 | 0 | (318) | 4 |
| One-off support from West Lothian Council | 585 | 0 | (585) | 5 |
| Total IJB | 334,612 | 334,612 | (0) | |

The overall IJB "in year" position was break even in 2023/24 once spend against earmarked reserves is excluded. Health budgets were once again overspent, a break-even position was only achieved following an additional one-off allocation of £0.3m from NHS Lothian to support the net set aside position (after deducting underspends in core and hosted). Adult Social Care budgets were also overspent, a break-even position was only achieved following an additional one-off allocation of £0.6m from West Lothian Council and drawing down £0.6m from the 2023/24 IJB budget reserve.

Notes

1. 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, Hospices, Psychology and the Lothian Unscheduled Care Service.

2. 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 funded 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.
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, Respiratory Medicine, Gastroenterology and Geriatric Medicine.
4. As in previous years, NHS Lothian was able to break-even in 2023/24 and made an additional payment to the IJB to support the net overspend in acute set aside budgets after the underspends in core and hosted services are accounted for.
5. West Lothian Council made an additional payment to the IJB to the value of 50% of the final overspend within Adult Social Care services. The other 50% of the overspend was funded from the 2023/24 IJB budget reserve.

Budget Pressures and Savings Delivery

Whilst the IJB was able to achieve break-even in 2023/24 this was only after receiving additional one-off allocations from West Lothian Council and NHS Lothian to support overspends within Adult Social Care and Acute Set Aside budgets. IJB financial pressures throughout 2023/24 included:

- **GP Prescribing** budgets remains under pressure due to increase in costs and demand because of population growth and the ageing population. The HSCP prescribing budget overspent by £1.2m, this was significantly less than forecast due to a high-cost high-volume medicine coming off patent in the second part of the year.
- **Learning Disabilities** budgets within the Adult Social Care were overspent by £1.1m due to an increasing number of high-cost care packages and high cost transitions from children's services. A number of remedial action to reduce this overspend in 2024/25 have been put in place by the HSCP senior management team.
- **Internal Care Homes and Housing with Care** are managed within the HSCP and were overspent by £0.5m in the year because of use of sleepover costs, agency staffing and overtime costs to cover vacancies and sickness absence.
- **Community Equipment** budgets within the HSCP overspent by £0.3m due to a significant increase in costs of supplies within the community equipment store, particularly around urology and incontinence products. There has also been an increase in overall issues of equipment which reflects the increased demand seen across health and social care services. Savings measures against the equipment store have been agreed as part of the 2024/25 budget plan.
- **Set Aside** budgets relate to Acute Services within NHS Lothian and are managed on behalf of the four Lothian IJBs. Ongoing pressures within these areas include:
 - General Medicine budgets were £1.2m overspent because of continued high costs associated with bank, agency and locum staff to cover vacancies and staff absence.

- o Emergency Department and Minor Injuries budgets were £0.9m overspent, again the primary driver was high cost agency and locum staff as well as gaps in the junior medical rota resulting in increased locum payments.
- o Gastroenterology budgets were £0.6m overspent due to continued increases in hospital drug costs and the impact of new hospital drugs being approved. This pressure would have been greater had new medicines funding received by Scottish Government not been allocated to Gastroenterology.

These pressures have been offset largely by a high level of vacancies within HSCP and Hosted services. Recruitment of staff, across all sectors remains a significant challenge. The IJB also delivered 97% of planned savings in 2023/24. The main reason for under delivery of savings was due to scheme SJ6a housing benefit review (£0.4m planned savings) being deemed non achievable. Upon completion of detailed scoping, the additional income is already being claimed by providers in support of service user tenancies and running costs. Replacement savings measures for SJ6a have been agreed for 2024/25 as part of the updated two-year budget plan. Savings delivery for 2023/24 is shown below:

| Savings Delivery 2023/24 | Planned £'000 | Achieved £'000 | Under/(Over) Achieved £'000 |
|--------------------------------------|------------------|-------------------|-----------------------------------|
| Adult Social Care | 1,386 | 995 | 391 |
| Core West Lothian Health Services | 3,768 | 3,969 | (201) |
| Share of Pan Lothian Hosted Services | 454 | 501 | (47) |
| Acute Set Aside Services | 981 | 913 | 68 |
| Total IJB | 6,589 | 6,377 | 212 |

It is a significant achievement that the IJB was able to break-even against the “in-year” budget for 2023/24, particularly given the high levels of inflation, ongoing difficulty in recruiting to roles and the increasing demographic pressures within West Lothian. Having to rely on one-off funding from both partners to break-even is a concern. Remedial actions to bring Adult Social Care back into balance for 2024/25 have been agreed. However, the Acute Set Aside budget remains extremely overspent and the ongoing financial sustainability of the IJB is increasingly reliant on being able to deliver underspends in Core and Hosted Health Services.

Reserves

The IJB reserve balance at the end of 2023/24 is £8.8m, of which £6.8m is earmarked and a general contingency reserve has been maintained at the minimum recommended level of £2m per the IJB reserve policy. The drawdown of earmarked reserves during the year primarily relates to expenditure incurred against funding carried forward in relation to Scottish Government policy commitments such as the community living change fund, unscheduled care and primary care. In addition to this £0.6m was drawn down from the 2023/24 budget reserve to achieve a break-even position within Adult Social Care. The movement in the IJB reserve position is summarised below:

| Reserves 2023/24 | Opening £'000 | Movement £'000 | Closing £'000 |
|------------------|------------------|-------------------|------------------|
| Earmarked | 9,294 | (2,486) | 6,808 |
| General | 2,000 | 0 | 2,000 |
| Total IJB | 11,294 | (2,486) | 8,808 |

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: Delivery Plans

There has been significant progress made in implementing the Board's new Strategic Plan during 2023/24. Delivery plans have been developed against each of the three strategic priorities: Improving Health Inequalities in Partnership, A 'Home First Approach', Enabling High Quality Care, Support and Treatment and each plan details:

- Programmes and projects that sit within it.
- Accompanying actions, lead officers and timescales.
- Progress and performance measures.
- Details of relevant National Health and Wellbeing Outcomes.

The delivery plans outline how the IJB will deliver the nine national health and wellbeing outcomes through its strategic priorities and transformational change programmes against the background of demographic, and financial challenges. The delivery plans are also aligned with the Community Planning Partnerships (CPP) Local Outcome Improvement Plan (LOIP). The plans will build on the existing partnership working to reduce health inequalities and improve health outcomes across all communities in West Lothian. Each delivery plan has a unique set of priority areas:

| Improving Health Inequalities in Partnership | A 'Home First' Approach | Enabling High Quality Care, Support and Treatment |
|---|--|--|
| <ul style="list-style-type: none"> • Prevention and self-management. • Supporting people to make informed choices. • Working with communities in partnership with others to maximise impact. • Local priorities and alignment with Local Outcome Improvement Plan. • Wider determinants. | <ul style="list-style-type: none"> • Early intervention and prevention. • Human-rights based approach. • Supporting self management. • Care and treatment as close to home as possible. • Planned care not crisis care where possible. • Specialist care in the right place. | <ul style="list-style-type: none"> • Supporting the workforce to deliver high quality effective care. • Improvement through transformation including through digital transformation. • Support for unpaid carers. • Managing financial resources effectively. • Sustainable services. |

The delivery plans will inform the Boards strategic commissioning and are focused on ensuring that the IJB fulfils its statutory duty to achieve best value, while delivering, developing, and commissioning services that are person centred, take a human rights-based approach and are outcome focused. Delivery Boards, to monitor and progress each of the three delivery plans have been established during the year.

Updates on progress from the Delivery Boards will be provided every 6 months to the IJB / The Delivery Boards will also annually review the delivery plans throughout the lifespan of the Strategic Plan considering progress against each of the programmes and projects as part of the Annual Performance Report. The delivery plans are underpinned by the updated medium term financial plan for the IJB which covers the period of the Strategic Plan.

The creation of the Delivery Boards underpinned by a robust governance structure and performance management framework will ensure each plan is progressed in support of the IJBs Strategic Plan priorities to deliver the vision and aims of the Strategic Plan.

2024/25 Budget and Four-year Financial Outlook

The IJB approved an updated two-year budget plan and four-year financial outlook in March 2024. The 2024/25 budget offers from NHS Lothian and West Lothian Council were agreed as part of the updated budget plan and Directions were subsequently issued to Partners. The IJB was able to agree a balanced budget position for 2024/25 after agreeing savings of £7.489m for the year ahead. Significant work is also underway towards balancing the budget position for 2025/26 with £3.926m of savings already agreed, leaving £1.160m of savings still to be identified.

The budget contribution from West Lothian Council for 2024/25 includes funding for increased pay costs as well as additional Scottish Government funding for payment of the living wage and free personal and nursing care uplift. NHS Lothian's budget contribution does not include any additional funding for increased pay costs or GMS uplift in 2024/25. Health Boards and IJBs have been instructed to plan on the basis that pay awards for health services will be fully funded. Spend forecasts include costs relating to:

- Assumed pay cost increases for council employed staff.
- No costs are included for NHS employed staff. However, the expectation is that any pay increases will be fully funded by Scottish Government.
- Increased number of people requiring care due to the increasing elderly population.
- Inflationary increases in commissioned services, and supplies and services.
- Cost and volume increases in drugs and prescribing.
- Increased care demands due to increased acuity and complexity of care.

The Accounts Commission believe that all local government bodies should have a long-term financial strategy in place, and that these long-term strategies should be supported by more detailed financial plans. This is also a requirement of the CIPFA Financial Management Code. The updated four-year financial outlook was presented to the IJB in March and shows an estimated gap of £31.0m to the end of 2027/28.

| Four Year Financial Outlook | 24/25 £'m | 25/26 £'m | Two Year Total £'m | 26/27 £'m | 27/28 £'m | Total £'m |
|-------------------------------|--------------|--------------|-----------------------|--------------|--------------|---------------|
| Social Care Services | | | | | | |
| Gross Expenditure Increases | 9.0 | 5.0 | 14.0 | 5.6 | 6.0 | 25.6 |
| Additional Funding & Income | (6.9) | (2.7) | (9.6) | (2.5) | (2.5) | (14.6) |
| Unachieved 2023/24 Savings | 0.4 | | 0.4 | | | 0.4 |
| Social Care Budget Gap | 2.5 | 2.3 | 4.8 | 3.1 | 3.5 | 11.4 |
| Health Services | | | | | | |
| Gross Expenditure Increases | 7.8 | 2.8 | 10.6 | 4.8 | 7.0 | 22.4 |
| Additional Funding | (2.8) | | (2.8) | | | (2.8) |
| Health Budget Gap | 5.0 | 2.8 | 7.7 | 4.8 | 7.0 | 19.6 |
| Total IJB Budget Gap | 7.5 | 5.1 | 12.5 | 7.9 | 10.5 | 31.0 |

An updated budget plan was approved for the two years 2024/25 to 2025/26. This reflects the need to develop more detailed plans for the medium term and allow sufficient time to implement savings plans. As part of developing the three-year budget plan agreed by the Board in March 2023 the IJB completed a public consultation during October and November 2022. The overarching message was that to ensure the IJB remained financially sustainable whilst being able to meet growing demands then service delivery models may need to change. As such, the IJB sought the views of the people of West Lothian on high level efficiency measures focussed themes:

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

A total of 176 responses were received and key feedback was identified which was taken account of in the saving measures that were agreed as part of the 2023/24-2025/26 budget plan. All additional saving measures agreed as part of the updated 2024/25-2025/26 budget plan have also taken account of that key feedback although all additional measures are considered by the HSCP management team to be operational in nature.

| Saving Measures | 2024/25 £'000 | 2025/26 £'000 | Two-year Total £'000 |
|---|------------------|------------------|-------------------------|
| Service Redesign, Efficiency & Modernisation* | 4,446 | 2,120 | 6,566 |
| Community Building Based Supports | 1,310 | 932 | 2,242 |
| Digitalisation and Technology | 624 | 580 | 1,204 |
| Subtotal West Lothian HSCP | 6,380 | 3,632 | 10,012 |
| Pan Lothian Hosted Services | 628 | 263 | 891 |
| Acute Set Aside Services | 481 | 31 | 512 |
| Total Savings | 7,489 | 3,926 | 11,415 |

*Includes £0.391m c/f from 2023/24

Savings totalling £11.4m for the two-year plan compares to a budget gap of £12.5m. The remaining budget gap of £1.160m in 2025/26 relates to health services and work is ongoing to identify additional measures to balance the budget in the final year of the plan. The overall budget position for 2024-2026 is set out below:

| Two-year Budget Plan | 2024/25 £'000 | 2025/26 £'000 | Two-year Total £'000 |
|---|------------------|------------------|----------------------------|
| Social Care Savings* | (2,489) | (2,333) | (4,822) |
| Social Care Budget Gap | 2,489 | 2,333 | 4,822 |
| Remaining Social Care Budget Gap | 0 | 0 | 0 |
| Health Savings | (5,000) | (1,593) | (6,593) |
| Health Budget Gap | 5,000 | 2,753 | 7,753 |
| Remaining Health Budget Gap | 0 | 1,160 | 1,160 |
| Remaining IJB Budget Gap | 0 | 1,160 | 1,160 |

*Includes £0.391m c/f from 2023/24

The IJB set a balanced budget for 2024/25 after factoring in agreed saving measures. There remains a budget gap for 2025/26 on health services and plans to close that gap continue to be refined. In terms of the longer-term outlook to 2027/28, it is challenging to accurately forecast beyond the two-year budget period in the current financial climate. To support financial sustainability in the medium term the HSCP management team continue to identify additional saving measures for 2026/27 and 2027/28. Further consultation with staff, service users and the Wider West Lothian public and stakeholders will be undertaken as required when taking forward new saving measures. There are several financial risks which require close monitoring and reporting to the Board over the period of the two-year budget and in the longer term:

- **Pay awards** - negotiations around pay settlements for 2024/25 are ongoing and there is a risk that the final pay awards agreed will not be fully funded.
- **Agenda for change (AfC) modernisation** – the Scottish Government confirmed several changes to the AfC system which came into effect on 1 April 2024 and include: a consistent approach to protected learning time; a review of band 5 nursing roles; and a reduction of 30 minutes in the working week. Health Boards and IJBs are assuming that the financial implications of these changes will be fully funded however there is a risk they may not be.
- **Vacancies** – the cost estimates for the year ahead reflect high levels of vacancies (particularly in core health services). Should the vacancy position improve significantly then additional savings may be required. This position is regularly monitored, and posts are subject to a vacancy control process.
- **Prescribing** – prescribing costs remain volatile due to economic conditions and demographic pressures within West Lothian.
- **Demographic growth** – the population of West Lothian is ageing and there is a risk that the demand and cost increases will be greater than budgeted levels. As the population ages, residents are more likely to experience complex and interrelated health problems.
- **Service demand** – there is a risk that as demands increase there will be insufficient capacity in externally commissioned services and internal services. Recruitment to key care roles remains challenging.

- **Inflation** - The rate of inflation and the effect this has on the ongoing cost of living, creates unprecedented pressures across all services and in particular in commissioned services.
- **Acute Set Aside Services** – comparing the recurring 2023/24 pressures and the 2024/25 budget contribution for these services, there is still a significant shortfall in the level of resources required. Close collaboration with NHS Lothian and the other Lothian IJBs will be needed to manage these pressures.
- **Savings** – once again there is a significant savings requirement for the IJB in 2024/25 to ensure spend can be managed within budget and the delivery of savings will need to be closely scrutinised.

IJB Risk Management

In accordance with the Risk Management Strategy approved by the IJB, all agreed risks are reported to the HSCP Senior Management Team every two months, to the IJB Audit, Risk and Governance Committee every 6 months, and to the IJB annually. In addition, the Audit, Risk and Governance Committee reviews the IJB's risks and high risks at alternate meetings.

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. The IJB has eight risks and there are a further two operational risks owned by West Lothian Council which are also reported to the Board. In total there are ten risks.

Conclusion

Health and social care remain under significant pressure because of the growing and increasingly ageing population in West Lothian. In addition to this, 2023/24 has seen extremely high levels of inflation put pressure on all services and specifically commissioned services. Recruitment and retention to roles across the HSCP and within NHS Lothian remain extremely challenging especially as the cost of living crisis continues. Despite the myriad of challenges faced by the IJB key services continue to be sustained and improved for the people of West Lothian. There have been key service developments across the last year such as the implementation of the new care at home contract which has substantially reduced unmet need for care at home. The new complex care development at Pumpherston has been completed and the first two residents have taken up their tenancies. The Board also approved the bed base review in 2023/24 which released £1.6m of savings and supports people to be cared for in the right bed and wherever possible at home or in a homely setting. Strategic Delivery Plans to drive forward the three priorities of the Strategic Plan have been agreed and a comprehensive monitoring and governance framework will underpin these. Public finances remain under severe pressure than ever before and are in the medium-term public sector financial restraint and reform appears likely. The cost of living crisis persists and creates further uncertainty for our staff, carers and the people of West Lothian.

The IJB faces a significant challenge around increasing demand for services as the population of West Lothian grows and ages and during a period of constrained financial resources and when recruitment and retention remains challenging. 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 updated two-year budget plan remains 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. In these challenging times it is highly

commendable that the IJB is able to set a balanced budget for 2024/25 without needing to rely on reserves.

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:

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 17 September 2024.

Signed on Behalf of West Lothian Integration Joint Board

Chair of West Lothian Integration Board

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 2024 and the transactions for the year then ended.

Chief Finance Officer
25 June 2024

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 CBE | Chair 01/04/23 to 26/09/23 | NHS Lothian |
| Tom Conn | Chair 26/09/23 to 31/03/24 | West Lothian Council |
| William McQueen CBE | Vice Chair 26/09/23 to 31/01/24 | NHS Lothian |
| Martin Connor | Vice Chair 01/02/24 to 31/03/24 | NHS Lothian |

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 serve as voting members of the IJBs, particularly those who undertake the Vice Chair or Chair roles, may receive additional remuneration from NHS Lothian to reflect their additional time commitments. This is a matter for the NHS Lothian Board to determine, based on the range of duties and responsibilities undertaken by its non-executive board members.

William McQueen, as a non-executive member of NHS Lothian Board who has held the position of Chair/Vice Chair of West Lothian IJB until 31 January 2024, has received an additional day's remuneration specifically for his role as Chair/Vice-Chair of the IJB in 2023/24. This remuneration was £7,525 in 2023/24 (£9,030 for 2022/23). Martin Connor, as a non-executive member of NHS Lothian Board who is the Vice Chair of West Lothian IJB as of 1 February 2024 receives no additional remuneration for his role as Vice-Chair.

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 2023/24 (2022/23 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. 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 IJB remuneration report, 50% of their full year or full year equivalent remuneration has been shown.

| Total 2022/23 £'000 | Senior Employees | Salary, Fees & Allowances £'000 | Compensation for Loss of Office £'000 | Total 2023/24 £'000 |
|---------------------------|---|---------------------------------------|--|---------------------------|
| 65 | Alison White, Chief Officer | 71 | Nil | 71 |
| Nil | Hamish Hamilton, Chief Finance Officer | 37 | Nil | 37 |
| 39 | Patrick Welsh, Chief Finance Officer | 3 | Nil | 3 |
| 104 | Total | 111 | Nil | 111 |

Patrick Welsh stood down as Chief Finance Officer on 30 April 2023

Hamish Hamilton took up post as Chief Finance Officer on 1 May 2023

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 50% of 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 31/03/23 | For Year to 31/03/24 | | As at 31/03/24 | Difference from 31/03/23 |
| | £ | £ | | £'000 | £'000 |
| Alison White, Chief Officer | 14,148 | 15,471 | Pension | 39 | 34 |
| | | | Lump sum | 15 | 15 |
| Hamish Hamilton, Chief Finance Officer | NIL | 7,612 | Pension | 15 | 2 |
| | | | Lump sum | 0 | 0 |
| Patrick Welsh, Chief Finance Officer | 8,362 | 739 | Pension | 37 | 7 |
| | | | Lump sum | 37 | 9 |
| Total | 22,510 | 23,822 | Total | 143 | 67 |

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 2022/23 | Remuneration Band | Number of Employees in Band 2023/24 |
|-------------------------------------|-------------------|-------------------------------------|
| 0 | £55,000 - £59,999 | 0 |
| 1 | £60,000 - £64,999 | 0 |
| 0 | £65,000 - £69,999 | 0 |
| 0 | £70,000 - £74,999 | 1 |
| 0 | £75,000 - £79,999 | 0 |

Exit Packages

The IJB did not support, nor did it direct to be supported by its partners, any exit packages during 2023/24 (2022/23 Nil).

Chief Officer

Chair

ANNUAL GOVERNANCE STATEMENT

Executive summary

Corporate governance means 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 ensures that the intended outcomes for stakeholders are defined and achieved. The board, its members and the 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 requires primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders. 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.

The board and its members, voting and non-voting, have overall responsibility for good governance arrangements. They must establish the board's values, principles and culture, ensure the existence and review of an effective framework for decision-making, control, monitoring and scrutiny. The board has entrusted the delivery of some of those tasks to 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 relationship amongst the board, the council and the health board is complex. The statutory Integration Scheme is the agreement reached between the council and the health board underpinning the establishment of the board. It cannot be changed without going through a formal statutory review process. The board's governance framework provides 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. That helps ensure public money is safeguarded and used economically, efficiently and effectively, and to fulfil the statutory duty to secure best value.

The conclusion drawn from the evidence summarised in this statement is that the board and the West Lothian community can be assured that the board's corporate governance standards have been substantially met in 2023/24.

Structure and powers

The board is a statutory body. 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 through which the integrated functions are delivered. It receives financial contributions from the council and health board. 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, delayed by COVID, was completed in 2022. The Scottish Ministers approved the revised scheme in May 2023. It became effective from that date. Legislation requires that the board, council and health board comply with it. Work is ongoing to ensure the board is doing so.

The board has established committees and other internal groups to assist in its governance arrangements:

- The Appointments Committee to fill the posts of Chief Officer, Chief Finance Officer, Internal Auditor and Standards Officer.
- The 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.
- The Strategic Planning Group (SPG), in accordance with legislation and guidance in relation to development, review and progressing the strategic plan.
- The Health and Clinical Care Governance Group, chaired initially by a board member and latterly by the Chief Nurse. It provides a focus for clinical and social care issues and concerns and to advise the board where appropriate of concerns and problems.

All 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 and members' induction and training support
- 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, were properly implemented. Their next scheduled reviews have been timetabled in the board's workplan for 2024/25. The SPG 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. A further review of the SPG arrangements is underway and will report in 2024/25.

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. 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 when required. The board's statutory annual performance reports are available on its website, the last having been reported to the board in August 2023.

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 again in March 2024.

The board has adopted a Risk Management Strategy. It aims to effectively mitigate risks to the achievement of the board's objectives and enable managers to effectively identify, assess, and mitigate risk. The committee receives reports on high risks and on the whole risk register at alternate quarterly meetings. The risk register as a whole is reported to the board annually, the most recent in November 2023. 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 is incomplete. It will be carried forward as a governance issue for 2024/25.

There have been a typical number of changes to the board's voting members during the year. 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 and the board's Standing Orders, the chair and vice-chair positions of the board and the committee switched in September 2023. The board is presently chaired by a council appointed member and the committee by a health board member. The vice-chair positions are the opposite way around. The next switch will take place in 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 considered at every meeting. 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 meetings in 2023/24. Meetings are now taking place under a mix of physical and online arrangements. The board's work has again been assisted by a series of board development sessions outside the constraints of a formal meeting. Those are used for discussion about issues of growing or particular

concern and the long-term plans for the board and its work. They are also used for delivery of training or briefing sessions. They are not used for decision-making – that happens, as it must, at properly convened and publicly accessible board meetings.

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 contributed through the partnership's thematic forums and locality planning groups to the development of the Local Outcomes Improvement Plan (LOIP), approved in August 2023. Work continues on the partnership's locality plans which support the LOIP.

The board participates in the Lothian Integrated Care Forum (formerly the Lothian Strategic Development Framework). It has representatives from the health board and the four Lothians integration joint boards. It ensures a co-operative and consistent approach to the delivery of health and care services across the Lothians. The Chief Finance Officer also participates in the Chief Finance Officer network. The board is informed of the work of those two groups on an ad hoc basis through the Chief Officer's reports to board meetings.

Chief Officer reports are now standing items on the agendas for board meetings. They enable a variety of issues and updates to be reported to board members and to the public in a proportionate way, such as reports about numbers of complaints and freedom of information requests received, and progress on the COVID vaccination programme.

Officers

Legally, the board only has one member of staff – its Chief Officer. The Chief Officer heads the joint management team and leads the health board and council staff responsible for delivering the integrated services in accordance with board directions. The Chief Officer is accountable to the board, and 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.

Legislation requires the board to appoint a Chief Finance Officer. That role is to be performed in accordance with the governance requirements of the CIPFA Statement on the Role of the Chief Finance Officer in Local Government (2016). It states that the Chief Finance Officer should be professionally qualified and it sets out the criteria for that qualification. The board has appointed its Chief Finance Officer who fulfils these criteria and operates in accordance with the board's Financial Regulations. A new appointment was approved by the board in June 2023. The Chief Finance Officer is a non-voting board member. They report regularly to the board on budgetary performance and compliance and on financial assurance. The Chief Finance Officer produces the board's annual financial statement. His powers and responsibilities are set out in the board's Scheme of Delegations. It includes maintaining the board's Best Value Framework, which includes 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 external audit report for 2022/23 gave an unmodified opinion on the annual accounts. It concluded that the board has appropriate and effective financial management, with financial systems of internal control operating effectively and allowing for effective budget scrutiny.

The board is required to operate a professional and objective internal audit service in accordance with the UK Public Sector Internal Audit Standards (PSIAS). The council's Audit Risk & Counter Fraud Manager is appointed as the board's Internal Auditor and is the "chief audit executive" under PSIAS. Internal audit is an independent appraisal function which examines and evaluates systems of financial and non-financial control. An annual audit plan is prepared based on an assessment of risk and is approved by the committee in March each year. The board's Internal Audit Charter, as required by PSIAS, was refreshed and approved in December 2021. There is annual reporting to the committee of internal audit activities and to give assurance about the independence, effectiveness and soundness of the service. Reports were presented during the year on delayed discharges and the sustainability of primary care. There is a cooperative relationship with the internal audit services for council and health board to help ensure that the board is able to draw assurance from the internal audit work of its partner bodies. The audit of delayed discharges was carried out by the health board's internal audit service. PSIAS requires an independent assessment of the service's compliance with PSIAS at least every five years. That was carried out in 2022/23 by an auditor from Dundee City Council. The annual internal audit report confirmed there was full conformity with 12 out of the 14 assessment areas and general conformity with the remaining two.

Risk management is overseen by the Internal Auditor. The Risk Management Strategy and Policy was reviewed in 2023/24 and approved in August 2023. Risk management is 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. That work feeds into the board's risk register, reported regularly to the committee and to the board. There are co-operation arrangements in place amongst board, council and health board to enable mutual understanding and assurance. An example is the reporting of risks around provision of care at home services and care homes. The report was initially made to the council's Governance & Risk Committee. It was recommended there that the report be considered by the board as well, and that happened in December 2023. The annual report was presented to the committee in June 2024, confirming the continuing suitability of the board's risk management arrangements.

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 Members' 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 preparing and 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. An annual report is presented to the board in November or January each year to ensure board members are aware of developments around the ethical standards regime and their duties. At least one training session is delivered every year. 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 external audit report for 2022/23 concluded that governance arrangements remained appropriate and supported effective scrutiny, challenge and informed decision making.

The council must 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 work and care services and the statutory right to have direct access to the council's senior management and its elected members. The Chief Social Work Officer is a non-voting member of the board. 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. The Chief Social Work Officer's report was presented in January 2024. The Clinical Director's report was not presented in 2023/24 and will be brought forward through work planned on clinical/health and care governance arrangements.

Audit Risk & Governance Committee

The committee monitors the independence and effectiveness of the internal audit service provided under the supervision of the board's Internal Auditor. It is given periodic assurance in relation to both internal audit and non-internal audit functions in its remit (risk management) through the internal audit manager of another council. The committee approves an annual audit plan and receives reports about its completion. It considers reports brought forward in relation to internal audit work, both programmed and reactive. 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 January 2022. The committee undertakes an annual survey of its members to help ensure its effective operation and to identify areas where improvements may be made. The results for 2023/24 was reported to the committee in June 2024.

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. Concerns regarding completion of agreed actions are reported back to the committee.

The committee also considers 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 2022/23 concluded that the annual accounts were provided within the agreed timescale and were of a good standard. It found that financial systems of internal control operated effectively and that arrangements for the prevention and detection of fraud and error were appropriate.

The committee also considers external reports in relation to finance and governance matters, principally reports issued by the Accounts Commission or Audit Scotland in relation to finance and funding of integration joint boards, councils and health boards. The committee considers annual reports on corporate governance, including the annual governance statement for approval. 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, following on from a report to the 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 delayed discharges was carried out by an internal auditor from the health board and reported to the committee in March 2024.

The Internal Audit Annual Report for 2023/24 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 report summarises the findings of the audits carried out.

System of Internal Control

A significant part of the board's governance framework is its system of internal control. It is 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 control 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. 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. The external audit report for 2022/23 found that financial systems of internal control operated effectively with financial management and reporting arrangements being effective and allowing members and officers to scrutinise the budget effectively. It stated that arrangements for the prevention and detection of fraud were appropriate. It found that the board's governance arrangements remained appropriate and supported effective scrutiny, challenge and informed decision making.

Following the review for 2023/24, the Internal Auditor's conclusion, reported to the committee in June 2024, is that the board has a sound framework of governance, risk management and control.

Best Value Framework

The board approved a Best Value Framework in September 2018. It was reviewed and updated in March 2021 and again in April 2024. It is the responsibility of the Chief Finance Officer. It enables it to gain the assurance it requires on the extent of its compliance with its statutory best value duty (economy, effectiveness, efficiency, sustainability, continuous improvement, equality of opportunity). It includes an assessment of compliance with seven elements of best value and best practice (vision and leadership, governance and accountability, effective use of resources, partnership and collaborative working, working with communities, sustainable development, and fairness and equality). The board should have effective processes for scrutinising performance, monitoring progress towards their strategic objectives, and holding partners to account. The external auditor noted in its annual report for 202/23 that the board had effective arrangements for managing and reporting performance, and that appropriate arrangements were in place to secure Best Value.

The Chief Finance Officer's assessment and assurance was reported in his statement to the committee in June 2024. Along with the Internal Auditor's review of the system of internal control and the Local Code of Corporate Governance it informs and underpins this annual governance statement. The Chief Finance Officer has concluded and certified that the board has demonstrated substantial compliance with its best value duties in 2023/24.

Local Code of Corporate Governance

The board's governance arrangements are assessed each year 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. The board has a Local Code of Corporate Governance, developed and adopted under that Framework and Guidance. The annual governance statement is produced under that Framework. The Code 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 are assessed to determine where it exceeds, meets or fails to meet the required standards. Areas of concern are identified and reported 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 fully-populated Code was reported to committee in June 2024. The Code had been populated in accordance with well-established arrangements. No additions to or deletions from the standards listed in the Code were made this year. Officers considered that the Code and the way it operates remain compliant and fit for purpose. Substantial compliance with the Code's standards has been maintained. 94% of the standards are rated as "green". There are only 6 red 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 2024.

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 are amalgamated 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.

That meets a recommendation in the 2016 Framework that annual governance statements should show continuous improvement as well as providing a snapshot at the end of each year. As required by the Framework it also demonstrates a commitment to improvement and the resolution of concerns identified in the past. The resulting list of issues were reported to the Chief Officer's senior management team for monitoring. A report against progress was made to the committee in December 2023. Some of those have been pursued and concluded, 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 2024 as part of the end of year reporting in the governance cycle.

There was again 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 2023 there were 9 issues to take forward in 2023/24. When the interim progress report was made to the committee in December 2023 that reduced to 7. Reporting in June 2024 will show that 5 issues remained to be completed. Those will be carried forward to 2024/25. A full report was made to the committee in June 2024 setting out the current position on those issues and plans in place to pursue them.

The most significant issue is again securing 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. Discussions had been progressing with the council about the council supporting the board. Those were delayed due to the council undertaking a full review of its own arrangements. That has been concluded after its adoption of substantially revised Information Governance policies and the designation of a new Data Protection Officer. 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. However, this has been an area of concern for several years.

Issues to be addressed in 2023/24

These are the issues of concern that the board is recommended to address in 2024/25:

- Ensure full compliance with data protection legislation (see 9.3, above). A full report on legal requirements, risks and governance arrangements should be made to ensure the issue is fully understood and actions taken to address it.
- Ensuring the board operates in accordance with the new Integration Scheme, including a review of support services provided to it by council and health board, and consideration of health and care governance arrangements, including reporting to the board.
- Implement appropriate procedures for compliance with statutory duties arising from the incorporation the UN Convention on the Rights of the Child into Scots law, from the Armed Forces Act 2021, and from the Consumer (Scotland) Act 2020.
- Complete the outstanding reviews of board and other membership, and strategic planning group structures.
- Strengthen the board's awareness of participation in partnership arrangements with the health board and other Lothians integration joint boards and in the Community Planning Partnership and consider if improvements can be made.
- The board's Financial Regulations, Standing Orders, Scheme of Delegations and committee remits are due for review in the coming year.

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

The conclusion and assurance, accepted at committee in June 2024, is based on:

- The Internal Auditor's opinion on the effectiveness of the board's system of governance, risk management and internal control.
- The Best Value Assurance Statement by the Chief Finance Officer.
- The Local Code of Corporate Governance.
- Progress made on tackling governance areas of concern.
- The conclusions reached in the external auditor's report for 2022/23 and reported to the board in September 2023.

There are inevitably issues to be addressed and improvements that can be made. However, based on the 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 2023/24.

Chief Officer

Chair

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

The comprehensive income and expenditure statement below takes 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 2023/24.

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 | 2022/23 Gross Income £'000 | Net Position £'000 | | Gross Expenditure £'000 | 2023/24 Gross Income £'000 | Net Position £'000 |
|------------------------------------|---|-------------------------------|--|------------------------------------|---|-------------------------------|
| 227,808 | 0 | 227,808 | Health Functions | 247,615 | 0 | 247,615 |
| 94,922 | 0 | 94,922 | Social Care Functions | 89,447 | 0 | 89,447 |
| 34 | 0 | 34 | Corporate Expenditure | 36 | 0 | 36 |
| 322,765 | 0 | 322,765 | Cost of Services | 337,098 | 0 | 337,098 |
| 0 | (303,979) | (303,979) | Taxation and Non-Specific Grant Income | 0 | (334,612) | (334,612) |
| 322,765 | (303,979) | 18,786 | (Surplus) or Deficit on Provision of Services | 337,098 | (334,612) | 2,486 |

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 2023/24

| | General Fund Balance £'000 |
|---|---------------------------------------|
| Opening Reserve Balance at 1 April 2023 | 11,294 |
| Drawdown of Reserve Balance During Year | (4,074) |
| Addition to Reserves During Year | 1,587 |
| (Decrease) or Increase in Reserves in 2023/24 | (2,486) |
| Closing Reserve Balance at 31 March 2024 | 8,808 |

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 |

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 2023 £'000 | | Notes | 31 March 2024 £'000 |
|---------------------------|----------------------------------|-------|---------------------------|
| 11,294 | Short term Debtors | 6 | 8,808 |
| 11,294 | Current Assets | | 8,808 |
| 0 | Short term Creditors | 7 | 0 |
| 0 | Current Liabilities | | 0 |
| 0 | Provisions | 3 | 0 |
| 0 | Long-term Liabilities | | 0 |
| 11,294 | Net Assets | | 8,808 |
| 9,294 | Earmarked Reserves: General Fund | 4 | 6,808 |
| 2,000 | General Reserves | 4 | 2,000 |
| 11,294 | Total Reserves | | 8,808 |

The unaudited accounts were issued on 25 June 2024 and the audited accounts \re due to be authorised for issue on 17 September 2024.

Chief Finance Officer

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 2024 and its income and expenditure for the year then ended.

The Annual Accounts summarise the Integration Joint Boards transactions for the 2023/24 financial year and its position at the year end of 31 March 2024.

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 2023/24 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 (2023/24), 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 2024/25, 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 2023/24, no financial impact on the 31 March 2024 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 2024 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.

A review of potential provisions has been undertaken for the IJB and none have been identified at 31 March 2024.

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 2024.

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.

| | 2023/24 £'000 | 2022/23 £'000 |
|-------------------------------------|------------------|------------------|
| Earmarked Reserves | | |
| Covid-19 Ongoing Costs | 0 | 3 |
| Unscheduled Care Fund | 44 | 1,782 |
| Primary Care Improvement Fund | 208 | 579 |
| Primary Care Transformation | 363 | 513 |
| Mental Health | 0 | 514 |
| Alcohol & Drugs Partnership | 46 | 244 |
| Community Living Fund | 353 | 645 |
| GP Premises Improvement WL | 157 | 157 |
| Workforce Wellbeing | 45 | 61 |
| Dementia Post Diagnostic Support | 115 | 102 |
| Expansion of Primary Care Estate | 63 | 63 |
| Band 3&4 Roles | 0 | 439 |
| Sexual Health | 126 | 0 |
| Learning Disabilities Health Checks | 78 | 0 |
| Inflation & Risk Fund | 2,107 | 1,338 |
| Transformation Fund | 1,500 | 1,500 |
| 2023/24 Budget | 0 | 1,353 |
| Infrastructure Fund | 1,604 | 0 |
| | | |
| Uncommitted Reserves | | |
| General Reserve | 2,000 | 2,000 |
| Total | 8,808 | 11,294 |

5. CORPORATE EXPENDITURE

| | 2023/24 £'000 | 2022/23 £'000 |
|--------------|------------------|------------------|
| Audit Fee | 33 | 31 |
| CNORIS Fee | 3 | 3 |
| Total | 36 | 34 |

Corporate expenditure is shown in the segmental reporting expenditure and funding table.

6. SHORT TERM DEBTORS

| | 2023/24 £'000 | 2022/23 £'000 |
|----------------------|------------------|------------------|
| West Lothian Council | 1,757 | 2,632 |
| NHS Lothian | 7,051 | 8,662 |
| Total | 8,808 | 11,294 |

7. SHORT TERM CREDITORS

| | 2023/24 £'000 | 2022/23 £'000 |
|---------------------------|------------------|------------------|
| Central Government Bodies | 0 | 0 |
| Other Local Authorities | 0 | 0 |
| Total | 0 | 0 |

8. RELATED PARTY TRANSACTIONS

In the 2023/24 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 | 2023/24 £'000 | 2022/23 £'000 |
|--|------------------|------------------|
| NHS Lothian | (246,005) | (218,832) |
| West Lothian Council | (88,607) | (85,147) |
| Total | (334,612) | (303,979) |

| Expenditure – payments for delivery of integrated functions | 2023/24 £'000 | 2022/23 £'000 |
|---|------------------|------------------|
| NHS Lothian | 247,615 | 227,809 |
| West Lothian Council | 89,483 | 94,956 |
| Total | 337,098 | 322,765 |

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

9. PARTNER EXPENDITURE ANALYSIS

The following analysis sets out the 2023/24 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 Services | 2023/24 Expenditure £'000 | 2022/23 Expenditure £'000 |
|---|---------------------------------|---------------------------------|
| <i>Core West Lothian Health Services</i> | | |
| Community Hospitals | 2,034 | 1,892 |
| District Nursing | 4,363 | 4,382 |
| General Medical Services (GMS) | 34,810 | 33,871 |
| Mental Health | 20,870 | 19,845 |
| Other | 15,531 | 7,343 |
| Prescribing | 41,520 | 39,412 |
| Resource Transfer | 18,742 | 18,741 |
| Therapy Services | 7,133 | 6,152 |
| Sub Total Core West Lothian Health Services | 145,002 | 131,638 |
| | | |
| <i>Share of Pan Lothian Hosted Services</i> | | |
| General Medical Services (GMS) | 3,196 | 2,048 |
| Learning Disabilities | 3,045 | 2,934 |
| Lothian Unscheduled Care Services | 2,853 | 2,933 |
| Oral Health Services | 1,810 | 2,739 |
| Other | 4,775 | 3,200 |
| Psychology Service | 2,835 | 2,753 |
| Rehabilitation Medicine | 1,846 | 1,644 |
| Sexual Health | 1,712 | 1,625 |
| Substance Misuse | 1,150 | 989 |
| Therapy Services | 3,510 | 3,015 |
| UNPAC | 1,146 | 1,267 |
| Sub Total Share of Pan Lothian Hosted Services | 27,877 | 25,147 |
| | | |
| <i>Non-Cash Limited Services</i> | | |
| Dental | 13,016 | 13,330 |
| Ophthalmic | 4,124 | 3,662 |
| Pharmacy | 8,755 | 8,043 |
| Sub Total Non-Cash Limited Services | 25,896 | 25,035 |

| Health Services (cont.) | 2023/24 Expenditure £'000 | 2022/23 Expenditure £'000 |
|---|---------------------------------|---------------------------------|
| Acute Set Aside Services | | |
| Cardiology | 1,674 | 1,523 |
| ED & Minor Injuries | 8,780 | 8,107 |
| Gastroenterology | 4,358 | 3,843 |
| General Medicine | 13,587 | 12,863 |
| Geriatric Medicine | 7,354 | 6,904 |
| Infectious Disease | 2,294 | 2,587 |
| Junior Medical | 1,865 | 2,090 |
| Other | 5,278 | 4,882 |
| Respiratory Medicine | 3,650 | 3,190 |
| Sub Total Acute Set Aside Services | 48,840 | 45,989 |
| | | |
| Total Health Services | 247,615 | 227,809 |
| | | |
| Social Care Services | | |
| Adult Social Care Services | | |
| Learning Disabilities | 28,410 | 25,653 |
| Physical Disabilities | 7,478 | 7,055 |
| Mental Health | 5,934 | 6,097 |
| Older People Assess & Care | 44,606 | 44,767 |
| Care Homes & Housing with Care | 9,688 | 11,805 |
| Contracts & Commissioning Support | 2,942 | 3,457 |
| Other Social Care Services | (9,575) | (13,687) |
| Scottish Gov / NHS Lothian Additional Funding | 0 | 9,809 |
| Sub Total Adult Social Care Services | 89,483 | 94,956 |
| | | |
| Total Social Care Services | 89,483 | 94,956 |
| | | |
| Total IJB Expenditure | 337,098 | 322,765 |