

Cùram is Slàinte nan Eilean Siar

**CUNNTASAN BHLIADHNAIL
2021/22**



Western Isles Integration Joint Board

**ANNUAL ACCOUNTS
2021/22**

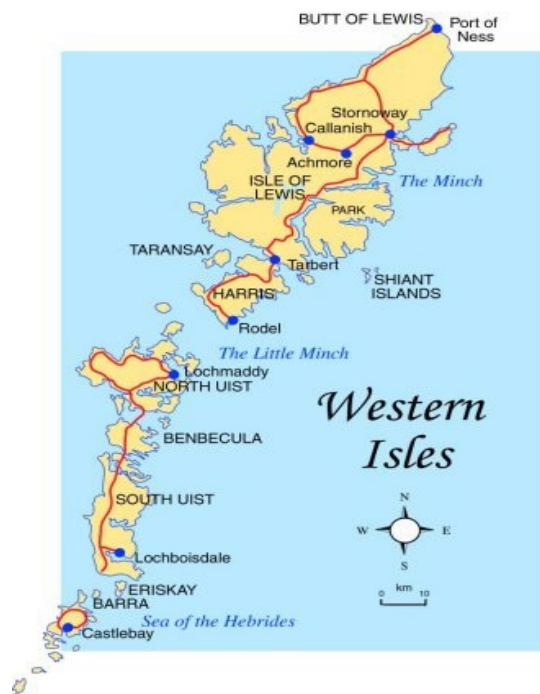
CONTENTS

Management Commentary	1-10
Statement of Responsibilities for the Statement of Accounts.....	11
Annual Governance Statement of Assurance	12-21
Remuneration Report.....	22-23
Movement in Reserves Statement	24
Comprehensive Income and Expenditure Statement.....	24
Balance Sheet	25
Notes to the Accounts	26-30
Note 1 Accounting Policies.....	26-27
Note 2 Critical Judgements and Estimation Uncertainty	27
Note 3 Related Party Transactions	28
Note 4 Expenditure and Income Analysis	29
Note 5 Taxation and Non-Specific Grant Income.....	29
Note 6 Corporate Expenditure.....	29
Note 7 Short Term Debtors	30
Note 8 Usable Reserve	30
Independent Auditor's Report	31-33

MANAGEMENT COMMENTARY

Introduction

Cùram is Slàinte Nan Eilean Siar is the Western Isles' Integration Joint Board (IJB). Its parent bodies are NHS Western Isles and Comhairle nan Eilean Siar (CnES). This commentary provides a summary of the IJB's financial performance for the year and how this has supported the delivery of its core duties. It also summarises the challenges and risks it faces in future years in delivering its objectives.



The IJB covers the whole of the Outer Hebrides which are located to the north-west mainland of Scotland with a total population of around 27,000. The main islands are Lewis, Harris, North Uist, Benbecula, South Uist, Eriskay and Barra. The length of the islands measures approximately 130 miles from the Butt of Lewis in the North, to the uninhabited small islands of Berneray, Pabbay and Mingulay to the south of Vatersay. The quality of the natural environment in the Outer Hebrides is special and the people have a strong cultural identity directly related to the Gaelic language, with some 72% of people aged three and over having some Gaelic language ability, significantly more than any other area in Scotland. Complementing the traditional industries are crofting, fishing and Harris Tweed are new and emerging sectors, including tourism.

Western Isles IJB

Following the Public Bodies (Joint Working) (Scotland) Act 2014, NHS Western Isles and the CnES have developed a 'body corporate' integration model. This is where both the Health Board and the Local Authority delegate to a third body called an Integration Joint Board (IJB). Cùram is Slàinte Nan Eilean Siar or Western Isles Integration Joint Board (IJB) became operational from 1 April 2016. NHS Western Isles and the CnES set out within their integration scheme the scope of the delegated functions. The scheme was approved by the Scottish Parliament on 24 September 2015.

Delegated functions from the CnES include adult social work services (including criminal justice), homecare, adult day care, care homes, and housing support. Delegated functions from NHS Western Isles include Accident and Emergency and general medical wards, General Practice, AHPs, Dentistry, Mental Health, Community Nursing, Health Visiting and School Nursing.

Objectives and Strategy of the IJB

The IJB's Strategic Plan provides the operating context and background to integration, a vision of future service delivery, an assessment of how good services are currently, a focused change plan, and a description of the organisational levers that will deliver that change. The plan was refreshed in 2018, allowing the partnership to respond to national developments, including a new GP contract. Since the inception of the IJB, we have used a variety of mechanisms to report on progress against our strategic objectives the IJB brings all of our strategic work into a single SMART document and use this to monitor progress. The IJB monitors the implementation of that plan on a quarterly basis.

More generally, the IJB has four over-arching objectives:

- developing our locality arrangements, to ensure that our services are responsive and connected to local communities;
- working with staff, stakeholders and service users to develop integrated delivery arrangements which are capable of improving the experience and outcomes of the people we serve;
- deploying our resources transparently, making sound investment decisions and managing a very fragile budget; and
- implementing our strategic plan, to ensure that our services change and adapt in response to population need.

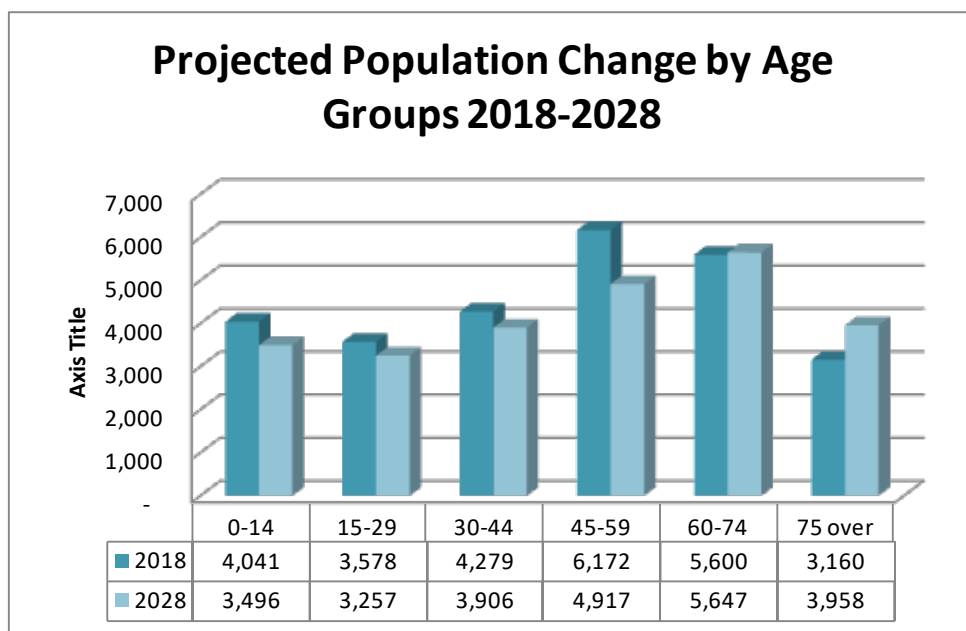
Key Issues and Risks

The key challenges that the Board faces are:

- Demography;
- Ageing workforce;
- Long Term Conditions;
- Covid-19 – short term and medium-term effects; and
- Reducing Financial Envelope

Demography

Using updated population predictions the islands are expecting to see a 6% drop in population by 2028, one of the biggest population decreases in Scotland. Working age population is set to decrease by 6% by 2028 and in contrast the over 75s with the greatest levels of co-morbidity is set to rise by 25%. The population changes will result in a year-on-year reduction in the available workforce to nurse, care and attend to the most vulnerable of people whose numbers are increasing year on year. The IJB is already feeling the effect of the changes in demography with high levels of vacancies in social care workforce and nursing workforce.



Looking at the latest mid population statistics available there was a drop in population of 220 from 2019 to 2020. Although 40 was due to net outward migration the biggest change is negative natural change i.e. there were 375 deaths compared to 203 births. Looking at the table above this trend will continue and in just over 20 years time the Western Isles could be looking at a population of only 22,709.

To note the 1st quarter of the year 2022/23 is showing that for every **two deaths there is only one birth** e.g. a ratio of 1: 0.48 compared to the rest of Scotland, which is 1:0.79.

It is also worth noting that the Western Isles has the highest equal female pensioner population at 27% in comparison to 20% in Scotland. This is against a back drop of 94% of frontline social care workers being female.

The pandemic has brought about changes how people work, this may not be positive for the island as net inward migration may not result in an increase in available workforce as people are able to take their job with them or maybe already at retiral age. Opposite to that there is a potential growth in the existing population to work for off island companies and the public sector but remain on island.

Ageing Workforce and Vacancies

As can be seen from the table below in some areas of the IJB there are significant vacancies, even taking into consideration the low establishment numbers in some services. It is becoming increasingly difficult to recruit not just to specialised posts but to the unskilled and semiskilled posts which are mostly found from within the Islands employment market. Due to the predominance of our female workforce we are in effect halving our available employment pool with which we are competing with many other sectors on the island; tourist industry, catering, supermarkets, fish factories for example.

Within the Hospital Wards, bank staff have been employed where there are vacancies, however the vacancy factor is slightly overstated due to the temporary redeployment of staff and posts across the red and green pandemic pathways. In the two community hospitals in Benbecula and Barra it has been increasingly difficult to recruit trained staff and the Health Board have had to use agency nursing and bank to supplement substantive post holders.

Estab Head	As of 31 Mar 2022 Service Area	Vac. Head	% Vac	Head Over 55+ %	Head Over 65+ %	Female % in Post
76	Allied Health Professionals	4	5%	19.4%	1.4%	88%
71	Dental	7	10%	26.6%	1.6%	81%
132	Hospital (Acute) Nursing	19	14%	27.4%	8.0%	96%
63	Community Hospital Nursing	5	8%	29.3%	6.9%	91%
116	Community Nursing	25	22%	29.7%	1.1%	99%
53	Mental Health	14	26%	30.8%	0.0%	72%
22	Management and PCIP	7	32%	40.0%	6.7%	80%
111	Adult Services	11	10%	28.9%	0.0%	92%
230	Residential Services	12	5%	47.2%	7.3%	92%
206	Home Care & Reablement	39	19%	36.5%	4.8%	96%
54	Management inc Assessment	10	19%	27.9%	2.9%	86%
1,134	Total	153	13%	33.5%	4.4%	91%

These workforce trends are also impacting on sickness absence levels in those service areas which require a level of physical fitness. The aging workforce is having an effect on the retirals due in the short, medium and long term. The sickness of our workforce can directly correlate to the high age of our workforce. There is not normally an increase in sick episodes but staff in the 55 plus age category can be off for long periods of time, some with long term conditions. The table below shows likely retirals in the next 10 years by service. To note although establishment numbers are reasonably stable in the residential services in the last 2 years by end of 22/23 there maybe be 23 retirals with already 16 staff, 65 and over as of 31 March 2022.

Retirals	RAG	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	Total
Allied Health Professionals	L	1	1		1		3	1	1	4	1	13
Dental	L	1		1	1	3			5	1	3	15
Hospital (Acute) Nursing	H	9	2	2	0	1	3	0	1	5	1	24
Community Hospital Nursing	M	3	1	0	2	4	0		2	3	0	15
Community Nursing	M	1		3	2	1	3	4	3	7	2	26
Mental Health	L				1	2	2			3	0	8
Management and PCIP	L	1		1			1	1	1		1	6
Adult Services	M	1	4	0	0	1	1	7	6	1	3	24
Residential Services	H	16	7	4	5	10	8	14	6	7	13	90
Home Care & Reablement	H	8	3	3	5	4	10	6	5	6	8	58
Management inc. Assessment	L	0	0	1	2	1	3	3	1	1	1	13
		41	18	15	19	27	34	36	31	38	33	292

Long Term Conditions

As we live longer and medicine improves, we see a corresponding increase in the number of people living with a range of long term conditions. These range from the most common conditions like CHD, stroke and cancer, to a variety of other chronic physical or mental health conditions including diabetes, dementia, asthma and depression. In the Western Isles, around 4 in 10 adults have a long-term condition or disability, with the majority describing these as limiting their quality of life. Most long-term conditions have a strong association with age and as result there is a significant projected increase in prevalence over the next fifteen years.

Many long-term conditions are mental health related, including depression, dementia and other mental health conditions. The Western Isles tends to have higher levels of such conditions relative to the rest of Scotland, which in part reflects the older population profile. Overall projections are for a 73% increase in dementia cases over the next 20 years.

The increase in the number of people living with long term conditions also has an effect of increasing demand on the IJB with the increased financial costs that treating these conditions bring in a time of austerity.

Covid-19

February 2020 saw the development of Covid-19 worldwide pandemic, which rapidly placed unprecedented challenge on the NHS and Social Care, requiring immediate action, responses, changes and interruption to service configuration and delivery. Thrust into uncharted territory, immediate tactical responses and actions dominated throughout our services and our daily lives.

Now 2 years into the pandemic, waves 1,2 and 3 lockdown restrictions, and acknowledging the wider health consequences from the drastic measures needed, we are rapidly developing the 'new normal' for recovery and renewal of our services, sure in the fact that new ways of working will change the way in which patients, clients and staff experience the provision of Health and Social Care services.

Returning, recovering and renewing the Health and Social Care Services we provide will be a process of evolution acknowledging that this phase is in itself somewhat uncharted territory. The ongoing impact of Covid-19 in terms of future Health and Social Care demand, Health and Safety and Infection Prevention and Control measures remains uncertain. However, for the foreseeable future it is unlikely that many services specifically in Health will be able to recover 100% of their pre Covid-19 capacity.

On an individual basis there have been rapid and traumatic changes to our lives. In personal and health terms, some have experienced this to a far greater extent than others. For all of us activities for everyday living have been severely interrupted or stopped. Our focus has been and remains protecting our population, caring for the health and wellbeing of our staff, preparing and navigating our organisation through and unprecedented scale and complexity associated with the pandemic.

As our attention, turns to recovery and remobilisation, the sustained challenge to mental health and wellbeing and the longer lasting impact of Covid-19 on individuals and our society remain a key focus. Running in parallel is the mass vaccination programme, at a scale not seen before within the NHS. The year 2021/2022 has been an extremely challenging year in the present financial climate and being in a global pandemic, all our staff have worked extremely hard to deliver services efficiently and effectively to individuals and communities.

Reducing Financial Envelope

Continuous Flat cash from Comhairle nan Eilean Siar amid reducing Local Authority settlements together with higher inflationary cost, changes to demographics which results in health and social care having to provide more but with a reducing financial envelope is a great financial risk in the medium term 1-3 years for the Health and Social Care Partnership. There is also the unknown with regards to the National Care Service and how this will effect the settlements and resource allocation going forwards.

Performance Management and Reporting

Our achievements for 2021/22 include:

- the Board achieved a surplus and transferred £8,684k to general, specific and earmarked reserves; to note some of the surplus was due to specific funds being allocated to reserves by the Scottish Government e.g. Covid carry forward reserves
- an Integrated Corporate Management Team continues to oversee the operation of integration, which allows for executive level coordination and agreement of health and social care priorities - 'one system, one budget';
- we are continuing to change as a partnership, working across boundaries. For example, the reform of mental health, while ostensibly focused on NHS services, has allowed us to play-in council and third sector interests to a greater degree than would have been possible under previous arrangements.
- we have implemented an integrated management structure which cuts across the council and the NHS and which brings together leaders from each professional area, this structure has continued throughout the pandemic and as proved to be very effective ;
- The first round of mass vaccination clinics completed in June 2021 saw over 40,000 doses of COVID-19 vaccine administered in the Western Isles. The mass vaccination clinics had been extremely successful in the Western Isles, with the Western Isles being the first area in Scotland to complete the target of inviting all eligible adults for their first dose of vaccine, back in May 2021. NHS Western Isles will continue to deliver vaccinations through smaller clinics in locations across the Western Isles and from the designated vaccination centre based in the Western Isles Hospital.
- although many services have been put on hold or are operating in a different manner, there has been some new initiatives and success. For example:
 - Four NHS Western Isles nursing staff graduated with a Post Graduate Diploma as Advanced Nurse Practitioners from the University of Highlands and Islands on 12th November 2021. They form the Urgent Care Team, previously known as the Community Unscheduled Care Nurses delivers care as Advanced Nurse Practitioners (ANP) with advanced skills in the assessment of patients to formulate a management plan and prescribe. The Urgent Care team also provides a service both during working hours and out-of-hours, receiving referrals from both NHS24 and GPs on Lewis. Advanced Nursing practice is essential for the development of Urgent Care in the Western Isles and the team have risen to the challenge.
 - During Covid-19, limitations were placed on various healthcare professionals being able to attend to clients' needs face to face in care homes. Whilst digital platforms such as Near Me were invaluable in maintaining links and facilitating appointments with GPs and District Nurses, they couldn't replace the skilled visits that necessitated in person attendance, such as those required by podiatry. Trianaid and Sacred Heart House management team took the initiative to create an in-house foot champion from the existing care staff.

The foot champions' responsibilities include regular client foot inspections, documentation of findings and liaising with podiatrist if further treatment is necessary. They also promote foot health and offer peer support to colleagues with regard to any concerns expressed regarding client foot integrity.

- The Integrated Health and Social Care team for Barra is a positive example of a single team working under single leadership to provide both health and social care needs for the residents of the island
- Hospital at Home Service has enhanced its initial capacity from an initial 7 patients to currently 11 patients. The innovative service has been positively profiled more widely in Scotland

As the response to the pandemic evolved in 2020 and 2021, the services across the IJB portfolio adapted to address the various demands and resulting changes to practice required to sustain resilience and responsiveness of the local system. This effort should be acknowledged across all levels of the IJB and the partner organisations as the volume of guidance, information (clinical/professional and financial) and ensuing risk management processes impacted on the workloads of frontline and back office staff. Individuals and teams have worked flexibly and applied diligence to ensure best use was made of resources and compliance with regulations addressed. For some teams this required staff to be trained in new practice to support redeployment within teams and across other areas of service. For many frontline services enhanced working with individuals, families and communities became a constant feature to adapt care plans and services to take account to changing circumstances. The staff across the services, our partner organisations and the communities should be commended for their resilience and commitment to delivering a collective effort to address the challenges of supporting the most vulnerable in our islands. This at a time when all were personally and professionally affected by the changing impacts of the pandemic.

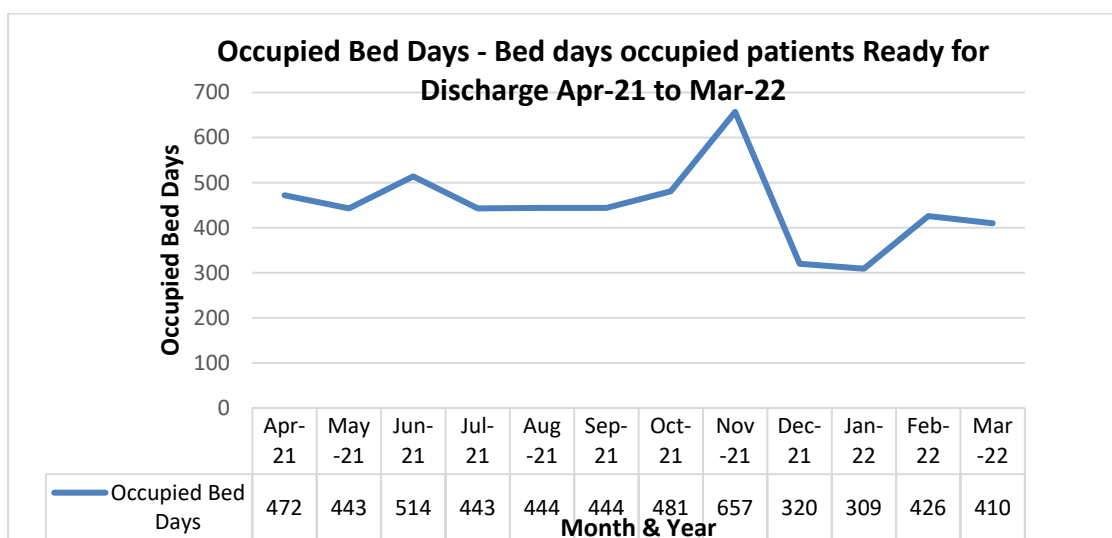
The IJB has performed well against most of the indicators set out by the Scottish Government. Service user survey material indicates that more needs to be done on the degree to which service users have a say in how their help, care or support is provided; and the degree to which service users' health and care services seem to be well coordinated. Work is ongoing on both of these matters.

	Indicator No.	Description	Western Isles		Trend (Local)	Scotland		Performance vs National
			2020/2021	2021/2022		2020/2021	2021/2022	
Data Indicators	NI - 11	Premature mortality rate per 100,000 persons	408	428	↑	457	466	↓
	NI - 12	Emergency admission rate (per 100,000 population)*	13429	14127	↑	11105	11636	↑
	NI - 13	Emergency bed day rate (per 100,000 population)*	105303	127079	↑	103676	111293	↑
	NI - 14	Emergency readmissions to hospital within 28 days of discharge (rate per 1,000 discharges)*	99	107	↑	114	106	↑
	NI - 15	Proportion of last 6 months of life spent at home or in a community setting*	90	91	↑	90	90	↑
	NI - 16	Falls rate per 1,000 population aged 65+ *	29	27	↓	21	23	↑
	NI - 17	Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections	81	79	↓	82	76	↑
	NI - 18	Percentage of adults with intensive care needs receiving care at home	63	63	↔	63	65	↓
	NI - 19	Number of days people spend in hospital when they are ready to be discharged (per 1,000 population)	766	1305	↑	484	761	↑
	NI - 20	Percentage of health and care resource spent on hospital stays where the patient was admitted in an emergency	N/A	N/A		N/A	N/A	

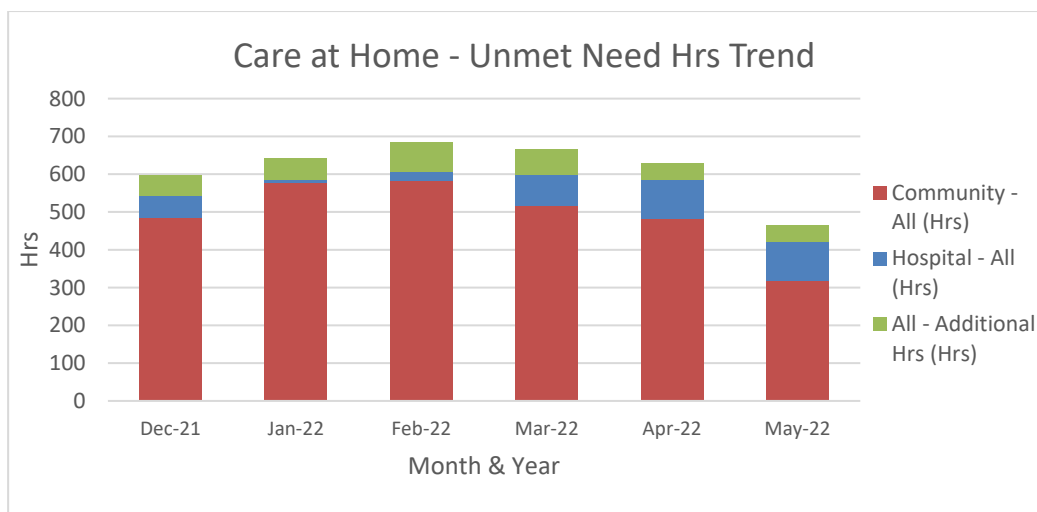
The IJB has closely monitored system performance against a range of indicators and benchmarked these against the Scottish average and the previous year's performance.

National Outcome Indicators	Current Performance 2021/22	2020/21 Performance Baseline	Scotland Rate
Premature mortality rate per 100,000 persons	428	408	466
Emergency admission rate (per 100,000 population)*	14127	13429	11636
Emergency bed day rate (per 100,000 population)*	127079	105303	111293
Emergency readmissions to hospital within 28 days of discharge (rate per 1,000 discharges)*	107	99	106
Proportion of last 6 months of life spent at home or in a community setting*	91	90	90
Falls rate per 1,000 population aged 65+ *	27	29	23
Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections	79	81	76
Percentage of adults with intensive care needs receiving care at home	63	63	65
Number of days people spend in hospital when they are ready to be discharged (per 1,000 population)	1305	766	761
Percentage of total health and care spend on hospital stays where the patient was admitted in an emergency	N/A	N/A	N/A

As indicated above, the IJB performs well against a range of indicators but continues to be troubled by delayed discharges. Occupied Bed Days have continued to remain relatively static in 2021-2022, though the highest and lowest levels were seen in the period Oct-Dec 2021, returning to similar levels in the last quarter of the financial year.



Since December 2021, information has been gathered locally and nationally to examine Unmet Need for people awaiting Care at Home Services. While there are multiple scenarios as to why a patient may be delayed, the trend seen in Unmet Need where a patient is in hospital, mirrors that seen in the Occupied Bed Days chart above.



Annual Accounts

The Financial Statements for 2021/2022 are set out on pages 22 and 23 and incorporate financial and other information required by the Code of Practice on Local Authority Accounting in the United Kingdom. The statement of Accounting Policies on pages 24 and 25 explains the basis for the recognition, measurement and disclosure of transactions and other events in the Annual Accounts, to ensure that they present a “true and fair view” of the IJB’s financial performance.

Financial Performance 2021/2022

The table below shows the annual budget and actual expenditure for both partners:

	Full Year Projection		
	Budget	Actual	Variance
	£'000	£'000	£'000
NHS	49,995	41,836	8,159
CnES	21,769	21,244	525
Total			8,684

The IJB had an in-year underspend of £8.684m, which will be offset by transfer into general, specific and earmarked reserves. A lot of the specific reserves are money allocated by the Scottish Government for Primary Care Improved Fund, Mental Health Transformation, and unspent Social Care winter pressure monies for example. Scottish Government have also put Covid carry forwards into IJB reserves which account for £2.599m of the underspend together with infrastructure money for the dental hub build.

There is a key theme that runs through most of the variances for the Integrated Joint Board, which is the inability to recruit to both consultant, and medical posts and to the semi-skilled market i.e. Social Care Assistants. Within Nursing and Allied Health Professionals areas there are high levels of vacancies, and these have not been replaced by agency staff and therefore are showing a sizable underspend. However, in some areas i.e., psychiatry, OOH GP and General Medicine very high-cost agency staff have had to be employed to enable the service to continue.

- Community Nursing – There has been an underspend of £447k in community nursing partly due to some high-grade posts being vacant awaiting a redesign of services, transfer of staff to vaccination duties and some vacant specialist nurses.
- Allied Health Professionals – overall there was an underspend of £287k, due mostly to the inability to recruit to some specialist post e.g. Podiatrist and Physiotherapists during the year.
- The underspend on acute nursing of £498k is due in part to vacancies within the department and beds held vacant for part of the year within the COVID ward together with increased Covid Funding.
- Mental Health nursing is underspent by £173k this is due to unfilled vacancies for difficult to fill posts.
- The Home Care Service is under spent by £91k. This is mainly due to the level of vacancies within this service. The gross saving has been mostly offset by agency staffing costs required to ensure continuity of care.
- Mental Health Consultants - was overspend by £422k (prior to a contingency payment transferred) relating to the employment of a high-cost psychiatrist working a one in two rota and sickness within the department being covered by a 2nd locum. Psychiatry is a speciality which all Boards are struggling to recruit to substantive post and the overspend is likely to continue into 22/23 although albeit not as high.
- Out of Hours Service - was by £443k (prior to a contingency payment of £200k being transferred) in the Boards Out of Hours service for both managing a community hospital OOH and for the normal GP service. An option paper has been drawn up, but it has proved difficult to recruit substantive post holders and the use of GP locums has caused a overspend. This may continue into 22/23 if the Board is not successful in recruiting.
- Comhairle Residential Care is overspent by £1.261m. Additional staffing costs associated with the pandemic of £537k have been funded by the Scottish Government. Other staffing pressures have been offset by higher than anticipated service user income. However, the transfer of £1.210m to fund the Lewis Residential Care capital project is reflected in the overspend reported and will be allocated against the amount set aside in IJB Reserves in the year-end movement in reserves.
- The Commissioning and Partnership Service have an underspend of £1.477m. This is largely due to the allocation of new monies for Care at Home Capacity, Winter Planning, Interim Care and Living wage, along with a reallocation of historic Social Care monies allocated to the service. These monies will be carried forward into specific IJB Reserves
- Independent Care Homes is under spent by £369k due to higher than anticipated income from service users and Adult Mainland Placements are under spent by £181k arising from less than anticipated placement costs through the year.

Covid-19

The Health and Social Care Partnership received in year Covid-19 funding of £2.082m, which was fully spent on sustainability payments to the private sector, contributed to staff costs during outbreaks, PPE and infection control measures and increased Covid-19 cost of Prescribing.

Reserves

The IJB at 31 March 2022 holds reserves of £16.729m as shown below. Note 8 in the Accounts gives more detail on the Earmarked and Specific Reserves.

Reserves	£'000
Specific	10,928
Earmarked	3,662
General	2,139
Total	16,729

An updated investment strategy will be submitted for approval in 2022, which fully utilises the reserves over a 3-year investment period. Many of the specific Scottish Government funds will be spent in 22/23 as these have been transferred to IJB reserves to offset expenditure due in 22/23 e.g., Covid funds. Much of the general funds for the next 3 years will be to ensure the Goathill Campus is funded within a break-even envelope and help offset underlying IJB deficits.

Financial Outlook and Risks

The 3 year budget plan is based on the core assumption that CnES will be providing a flat cash settlement for the IJB (i.e. budgets not inflated) and NHS Western Isles will provide an uplift to the base budget in line with inflation increase as laid out by the Scottish Government. There is also an assumption the increased resources required for the Goathill Complex will be at substantive post rates only after the initial bedding in period. There is an assumption that a high level of vacancies not back filled will continue, which may not be sustainable. The cost pressures the IJB is looking to mitigate over the next 3 years are as follows:

- Goathill Road £1.1m;
- Increases acute mental health placement
- Inability to recruit into medical consultant posts including psychiatrist and OOH medics which results in the employment of very high-cost agency staff (hourly rates have been increasing steadily over the last 2 years)
- Inability to recruit into key social care posts e.g., care at home and increased staff required for the Goathill Complex
- Increasing risk of emerging care packages £0.5m; and
- Above inflation price rises from prescribed drugs.

This is together with the IJB underlying deficit of £2.1m.

There is also an unknown disease and mental health burden in future years resulting from the pandemic, which is as yet unquantifiable. It is imperative that transformational change drives recurring efficiencies, but we recognize that with the workforce and population demographics this will become more increasingly difficult to do.

Budgets have been prepared on the assumption that Covid-19 costs will reduce considerably and that the funds the IJB have received for COVID will be enough to fund relative expenditure.

Nick Fayers
Chief Officer

Debbie Bozkurt
Chief Financial Officer

Gillian McCannon
Chairperson

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Integration Joint Board's Responsibilities

The Board is required:

- to arrange for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Board, that officer is the Chief Financial Officer;
- to 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 the Coronavirus (Scotland) Act, and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003); and
- approve the Annual Accounts.

Gillian McCannon
Chairperson

The Chief Financial Officer's Responsibilities

The Chief Financial 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.

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

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the Local Authority Accounting Code (in so far as it is compatible with legislation).

The Chief Financial Officer has also:

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

I certify that the Annual Accounts present a true and fair view of the financial position of the Board at the reporting date and the transactions of the Board for the year ended 31 March 2022.

Debbie Bozkurt
Chief Financial Officer

ANNUAL GOVERNANCE STATEMENT OF ASSURANCE

Scope of Responsibility

Cùram is Slàinte Nan Eilean Siar (the Western Isles Integration Joint Board (hereafter the IJB) is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and proper arrangements are in place to account for it.

In meeting the obligations of the Public Bodies (Joint Working) (Scotland) Act 2014, NHS Western Isles and Comhairle nan Eilean Siar are required to put in place proper arrangements for the governance of the functions delegated to an Integration Authority. The legislation provides a choice of ways in which to do this.

NHS Western Isles and the CnES have used a 'body corporate' integration model. This is where both the Health Board and the Local Authority delegate to a third body called an Integration Joint Board.

The IJB is required to agree a strategic plan and will begin to deliver its functions from the date set out in that plan. The IJB will achieve this by giving direction to the Health Board and the Local Authority and will require them to carry out these functions in a particular way.

The main aim of the IJB is to improve the wellbeing of people who use health and social care services. It does this by:

- creating a single system for health and social care services;
- developing more informal community resources and supports;
- putting the emphasis on prevention and early intervention;
- improving the quality and consistency of services; and
- providing seamless, high quality, health and social care services.

NHS Western Isles and the CnES set out within their integration scheme the scope of the delegated functions. The scheme was approved by the Scottish Parliament on 24th September 2015.

Section 44 of the Public Bodies (Joint Working) (Scotland) Act 2014 requires a review of the Integration Scheme to be undertaken within 5 years of initial approval, which in this case would have been June 2020.

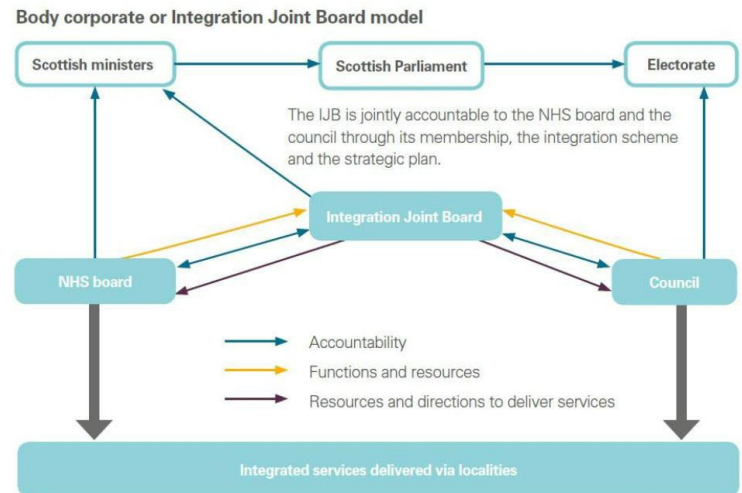
Due to the pressures associated with the Covid-19 Pandemic, the government has not rigidly applied this ruling and has suggested an initial brief review, noting issues for further consideration and setting out a plan for the completion of the work at a later date. This approach also has the advantage of enabling the Board to plan for the review to be completed once the new Chief Officer is in post. The Board has agreed that the review should be completed by mid-year 2022. Review is to be undertaken by the Head of Legal Services, anticipated completion Dec 22.

Delegated functions from the CnES include adult social work services (including criminal justice), homecare, adult day care, care homes, and housing support. Delegated functions from NHS Western Isles include A&E, some elements of inpatient care, General Practice, AHPs, Dentistry, Mental Health, Community Nursing, Health Visiting and School Nursing.

Audit Scotland describes the accountability relationship between the IJB and the two parent bodies as depicted opposite.

Formal establishment of the IJB was 1st April 2016.

This governance statement covers the period from 1st April 2021 to 31st March 2022.



The Integration Joint Board Membership

The Public Bodies Joint Working (Scotland) Act 2014 and associated Regulations set out the arrangements for the membership of the IJB. As a minimum this must comprise of voting members nominated from the NHS Board and the CnES; non-voting members who are holders of key professional roles within the CnES and NHS Western Isles; and representatives of groups who have an interest in the IJB. There is also flexibility to appoint additional members in certain circumstances. Local authorities must nominate Councillors as voting members. The NHS Board should nominate non-executive directors. Where this is not possible, there is scope to appoint “appropriate persons” as agreed by the Scottish Ministers, but at least two non-executive directors must be nominated.

During 2021/2022 the Chair of the IJB was Gillian McCannon. The Vice Chair was Cllr Kenny John MacLeod. The IJB has four voting members each from the CnES and NHS Western Isles.

NHS Voting Members – 2021 - 2022

Rosemary Bugler – Non Executive Director – left July 2021
 Georgina Marczak – Non Executive Director – left June 2021
 Gillian McCannon – NHS Board Chair / Chair of the IJB
 Tim Ingram – Non Executive Director – started September 2021
 Abdul Elghedafi – Non Executive Director – started September 2021
 Jocelyn McConnachie – Non Executive Director – started September 2021

Comhairle Voting Members – 2021 - 2022

Norman A MacDonald – Councillor
 Kenny John MacLeod – Councillor and Vice Chair of IJB
 Angus Morrison – Councillor
 Paul F Steele – Councillor

In addition, six professional advisers were appointed as non-voting members:

- the Chief Social Work Officer – Jack Libby
- the Chief Officer of the IJB – Nick Fayers
- the Section 95 Officer of the IJB (Chief Finance Officer) – Debbie Bozkurt;
- a registered nurse employed by the NHS Board – Cathie Anderson, Community Lead Nurse from July 2021
- a General Medical Practitioner – Dr. Brian Michie; and
- a medical practitioner who is not a GP (currently vacant).

Finally, the IJB is required to appoint stakeholder members who are non-voting members. These include:

- two staff side representatives working within an integrated function – NHS representative is Dana Murray and Angus Murray representing the CnES;
- two representatives of the third sector – Caroline MacPhee, Third Sector Interface and Morag Munro from Western Isles Community Care Forum;
- a service user; an unpaid carer – Anne Moqbel and Karen Taylor;
- a representative from the Scottish Ambulance Service - Dr. Francis Tierney; and
- a representative from the Hebridean Housing Partnership – Dena MacLeod.

The following people are Advisors to the Integration Joint Board:

- Gordon Jamieson, Chief Executive NHS Western Isles
- Malcolm Burr, Chief Executive Comhairle nan Eilean Siar
- Tim Langley, Head of Legal within Comhairle nan Eilean Siar and the IJB Standards Officer.

The full IJB voting membership across the year was 25% female and 75% male during 2021/2022.

During the financial year 2021/2022, the IJB met virtually through Teams six times. During that period, the Board:

- approved the Annual Report 2021/2022;
- agreed a balanced budget for 2021/2022;
- received various reports of the financial and workforce gap pertaining to the Goathill campus;
- received workforce and demographic reports for the IJB;
- received reports on the management of the IJB budget; performance against strategic objectives; and
- the IJB risk register.

There was no change to the formal governance arrangements of the IJB during the Covid-19 Pandemic, however, meetings were conducted virtually using teams and meeting moved to monthly from December 2021.

In addition, IJB officers participated fully in the multi-agency Pandemic Response Group and Care for People Groups established as part of the statutory response to Covid-19.

Sub Committees

The IJB is required to properly manage its financial and governance affairs. An Audit Committee of the IJB has been established to assist in the delivery of those functions. The IJB Audit Committee has a key role with regard to ensuring the efficient and effective performance of Western Isles' Health and Social Care Partnership in order to deliver the outcomes set out in the Integration Scheme. The Head of Internal Audit (LA Head of Internal Audit) is a key member of the IJB Audit Committee. The Head of Internal Audit submits annual and three year work plans and undertakes with the internal audit team two audits per year, which are reported to the Committee detailed under the paragraph Audit and Scrutiny.

Partner Governance

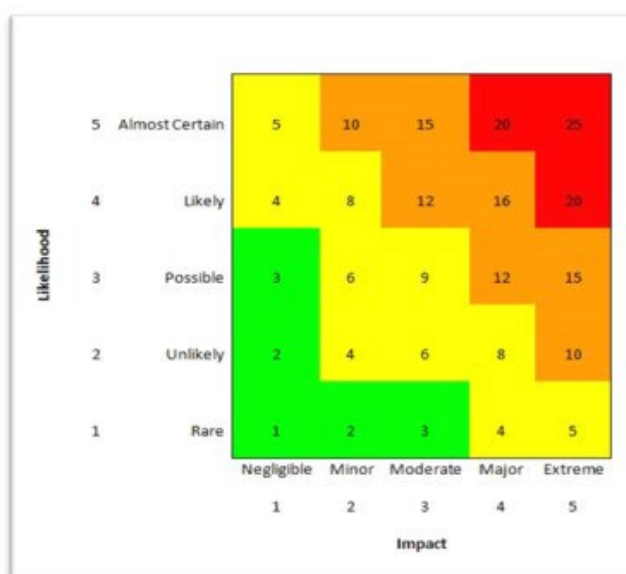
NHS Western Isles has a corporate governance framework which includes:

- a Board which meets every month, alternating with formal public sessions with board development and briefing workshops, to consider the plans and strategic direction of the organisation;
- During 21/22 the NHS Board met for a briefing (informal) weekly from the Chief Executive and Directors in relation to the Pandemic
- an Annual Operational Plan (formally LDP), which identifies the organisation's strategic development objectives and aspirations for health improvement, wellbeing and health care in conjunction with Better Health Better Care, the Quality Strategy and the National Clinical Strategy;
- a Healthcare Governance and Audit Committee (covering risk, audit and clinical governance); Area Clinical Forum, Area Partnership forum, Staff Governance Committee; and Remuneration Committee, all of which meet at least quarterly acting on specific terms of reference to focus on particular aspects of the governance framework;
- a Corporate Management Team which meets monthly to consider and drive effective delivery against overall plans, objectives, targets and guarantees. The team comprises the Chief Executive, Executive Directors and Senior Managers;
- a single comprehensive Code of Corporate Governance, in which clearly defined guidelines and levels of authority are established for all areas of expenditure and capital investment;
- risk registers which are active, maintained and reported regularly to operational management and a corporate risk register identifying key risks which is reported regularly to the Corporate Management Team, Healthcare Governance and Audit Committee and the Board;
- a system of regular performance management and review led by the Chief Executive; and an Anti-fraud, Bribery and Corruption policy.
- Social Care is covered by the Comhairle's Corporate Governance Framework which includes:
 - a performance management system administered by the Chief Executive's Department
 - a Reporting Concerns at Work (Whistleblowing) Procedure
 - a Duty of Candour Policy Statement and Procedural Guidance
 - a Complaints-Handling Procedure
 - fortnightly Corporate Management Team meetings comprising the Chief Executive, Directors and Senior Managers

Risk Management

The Integration Scheme indicates that a risk management strategy and policy will be adopted by the IJB. The Risk Management Strategy and Policy was agreed by the Shadow IJB in March 2016. It was prepared in line with the international standard for risk management (ISO 31000).

As part of that, the IJB has maintained a risk register, reflecting its strategic activities and taking cognizance of both significant issues from each statutory partner's own risk registers, and emerging risks. The risk register uses a matrix as shown below:



The Chief Officer has overall accountability for risk management, ensuring that suitable and effective arrangements are in place to manage the risks relating to the functions within the scope of the Integration Joint Board. The CnES and NHS Western Isles supported the Chief Officer and the Integration Joint Board with relevant specialist advice.

Over the course of the year, the level of risk changed in light of material circumstances. Actual risk ratings were consistently higher than the target risk rating, with the major risk being around the recruitment and retention challenges within the Partnership. The following risks were monitored by the IJB over the course of the year, within a 5x5 risk register which gauges impact and likelihood:

Code	Risk Owner	Strategic Risk Event	Risk Rating		
			20/21	Current	Target
IJBSR1	Chief Officer	The implementation of the strategic plan does not result in improved outcomes for service users	12	9	6
IJBSR2	Chief Officer	Organisational, professional and cultural barriers prevent us from integrating front-line teams	12	9	6
IJBSR3	Chief Officer	Locality Planning structures do not take hold or improve connections between local professionals and communities	16	12	6
IJBSR4	Chief Officer	The increase in demand for health and social care services is greater than anticipated	16	12	6
IJBSR5	Chief Finance Officer	Unanticipated service pressures create an in year overspend	16	12	9
IJBSR6	Chief Officer	Change Management Projects fall or have unintended consequences/service redesign in to implemented	16	12	6
IJBSR7	Chief Officer	Ineffective governance arrangements are in place to provide assurance that the IJBs statutory duties are being met	3	3	3
IJBSR8	Chief Officer	Recruitment and retention challenges within the Partnership create service stress	20	16	9
IJBSR9	Chief Finance Officer	The IJB budget is insufficient to meet its statutory obligations	16	12	9
IJBSR10	Chief Officer	Clinical and care governance arrangements fall during service redesign and service transitions	16	12	8
IJBSR11	Chief Officer	Impact of Covid 19 Pandemic inhibits transformational change	12	12	6

Mitigating measures were applied to all identified risks – however, some risks relate to systemic challenges within the local health and care system. In particular, challenges around workforce have proved difficult to mitigate, with key vacancies across the system. Vacancies are monitored by the IJB when it meets, with updates given on mitigating actions. However, many of the solutions to this challenge sit outside of the IJB's influence.

Audit and Scrutiny

The Public Sector Internal Audit Standards 2013 (PSIAS) sets basic principles for carrying out public sector internal audit in the UK. The PSIAs are applicable to the CnES, NHS Western Isles and the IJB.

A Strategic Audit Plan has been prepared based on a robust risk assessment process, following appropriate consultation, challenge and comparison with underlying, national, corporate and professional objectives. The planned internal audit reviews address the main focus of the IJB in terms of establishment, planning, and complying with the need to provide quality service provision in our communities whilst doing so effectively and efficiently in the use of finite resources.

The Chief Internal Auditor for the IJB was appointed in December 2015. The internal audit function is provided by the CnES.

Over the course of the year, a range of issues were highlighted through the audit process:

The IJB approved a Communications Strategy along with a Participation and Engagement Strategy in 2016, both covering the period up to 2019. A previous audit indicated that these were now out of date and required to be revised. We understand that, whilst the pandemic has affected progress, the relevant officers are in the process of updating and combining these documents, to incorporate various national guidance documents and frameworks spanning Health and Social Care. This matter has also already been the subject of a concurrent follow up audit report and an update will be provided in due course. The National Standards for Community Engagement (NSfCE) are discussed within the current strategy. These are a set of best practice principles that promote effective community engagement, helping organisations to benchmark their own performance against each standard. A revised guide to the NSfCE was published in September 2020 in light of the Covid-19 pandemic. The guide is aimed at helping organisations engage communities during and after the pandemic in order to support recovery and renewal. The current strategy documents recognise the importance of the National Standards. However, it is important that this new guide is considered throughout the refresh of the Participation Strategy and when planning and conducting engagement exercises. There is also a self-review form which accompanies the NSfCE. This tool helps organisations review their own performance against each standard and encourages users to reflect on key lessons that have been learned in concluding the engagement exercise and next steps to be taken. Consideration should be given to promoting its use in order to promote a consistent approach to logging lessons learned.

Up-date Work is planned to review the current strategy in line with new guidance. Throughout the pandemic the H&SCP has continued to engage with communities across the Western Isles through Community Partnership Forum – December 2022

We recognise that given the current pressures faced by the IJB, updating the website may not be a priority task. However, this is something that should be progressed as resources allow in order to provide a further platform where regular updates on developments within Health and Social Care can be communicated to the public. We take cognisance, however, that not all members of the public will have access to the website and other methods may be more appropriate depending on the target group. As discussed above, a number of methods are currently used to engage with the public, however, given the 'virtual' nature of the current climate, the website should still be a key consideration for development.

Up-date The H&SCP plans to redevelop its website to deliver on the recommendations of the audit. This work will commence at the point the system moves out of emergency footing.

The integration scheme is required to be reviewed within 5 years of implementation with the original deadline being 16 June 2020. In March 2020 the Scottish Government stated that they would not require a full review to be carried out at that time due to the onset of the coronavirus pandemic and that, as a minimum, an initial review should be fulfilled. It also noted that the current integration scheme would remain in place until such time when a successor scheme be produced, if required. A report submitted to the IJB in September 2020 reiterated the need for an initial review, suggesting that dispute resolution be one area covered, and further recommended that a complete review be carried out by 1 April 2021 once a Chief Officer was in post. The board subsequently agreed that a full review be carried out as above. A letter issued to all IJB's in August 2021 reiterated that scheme reviews were still outstanding in some areas and that this was still required, notwithstanding the NCS Consultation, as it was envisaged that the NCS would likely be in place by the end of the parliamentary term. It went on to request a timeline when reviews and related consultations would be undertaken and stated that, given the timescales for the NCS to be in place, scheme reviews must now be done at pace.

We understand that due to the pressure on Health and Social Care at this time, it has not been possible to undertake a full review of the scheme. We were also informed that once more information was known regarding the outcome of the NCS consultation, this would be provided, however, this would likely be into April 2022. Furthermore, we understand that it had been agreed with the Scottish Government that a "light touch" review could be undertaken. We were later informed that an informal, "light touch" review, has been undertaken focusing specifically on dispute resolution. However, the board should consider whether a full review of the scheme is still required in line with its original request as outlined above.

The Chief Officer will need to provide the IJB with an update of any progress on this matter. An update should also be provided to the Scottish Government as appropriate as to the status of the scheme review and with an indication of timelines when this will be complete including any consultation processes that may be required.

Up-date In line with the requirement laid out a light touch review has been undertaken. It focused on the area of dispute resolution.

The IJB website currently contains the original integration scheme which as stated above, remains in place until the time that a review is carried out with any potential successor scheme implemented. The Chief Officer will need to make the necessary arrangements for any future amended version of the scheme to be placed on the website as appropriate.

Up-date Once completed documents will hosted on the IJB website

The financial regulations of the Integration Joint Board are available on the website. The document states that it is required to be reviewed at least annually. During our audit, we were informed that the document has not been officially reviewed, however, it is envisaged that this will be undertaken by June 2022, to allow for the current pressures being faced by staff as a result of the pandemic.

Up-date The review was completed within the advised timescales of June 2022

No matters of concern were raised by either of the parent bodies' internal auditors.

Audit Scotland was appointed as the external auditor for the six year period 2016/17 to 2021/22.

External Audit Action Plan 2020/21

There are no new actions for 2020/21 below is the follow up of 19/20

Member's Register of Interest - The IJB's register of members' interest is incomplete – This has now been completed as of July 2021

Board Vacancies – There are several vacancies on the IJB Board – an update Membership was sent to the Board for information June 2021. Three new members were appointed to NHS Western Isles and have been appointed to the IJB where relevant. All new Council members will be appointed to the IJB for June 2022.

Refreshed strategic Plan – Strategic Planning will be critical to ensuring that the Boards' financial and workforce plans are aligned with strategic objectives and support transformational change. – It is likely that this work will not start until July 22 due to Health and Social Care being on emergency footing until spring 2022 and the extreme winter surge pressure that occurred in 21/22

Integrated Workforce Plan – The IJB faces significant challenges in filling existing vacancies and has an ageing workforce. – As previously indicated a 3 year integrated workforce is required to be delivered the due date to the Scottish Government is now 31 July 2022

Publish Board and audit committee meeting papers and minutes on the Website – All Board meeting papers are on the IJB Website

Risk Management – The Risk Management Strategy and Policy is overdue for update The Risk register has been updated and Chief Officer had hoped to refresh the risk management strategy and policy by June 2022 when a report is expected to go to ICMT prior to Board

Best Value self assessment – An annual self-assessment has not been carried out for 19/20 Self-assessments permit the Board to identify where improvement can be made to its strategic objectives, governance arrangements and use of resources, and to demonstrate areas of good practice. Chief Officer and Business manager hoped to undertake the Best Value self-assessment by September 2022.

Performance Management

For the purposes of managing the performance of the IJB, including the delivery of the national health and wellbeing outcomes and the Strategic Plan, a Performance Framework has been produced.

The monitoring arrangements within the Performance Framework are in accordance with statutory requirements for production of an Annual Performance Report under the Public Bodies (Joint Working) (Scotland) Act 2014.

Performance monitoring and reporting arrangements are set out within the Performance Framework. This includes the production of an Annual Performance Report as required under Section 42 of the 2014 Act with the content in accordance with the Public Bodies (Joint Working) (Content of Performance Reports) (Scotland) Regulations 2014. The Framework details a hierarchy of performance indicators that comprise the performance monitoring of activities at various levels across the Partnership which are detailed in a series of appendices to the Framework.

The management commentary describes our performance over 2021/22 in detail.

Strategic Plan

The IJB's Strategic Plan provides the operating context and background to integration, a vision of future service delivery, an assessment of how good services are currently, a focused change plan, and a description of the organisational levers that will deliver that change.

The Strategic Plan was developed through a process of engagement with local communities and the people who work in health and social care. Strategic priorities are expressed as 25 'deliverables' which will improve personal outcomes and deliver a more sustainable health and social care system against a backdrop of increasing demand for services and budgetary constraints. At each meeting, the IJB was apprised of progress in respect of the implementation of the 25 deliverables.

In addition, the IJB agreed a Strategic Plan Refresh in February 2018. Since the inception of the IJB, we have used a variety of mechanisms to report on progress against our strategic objectives but in its audit report last year, Audit Scotland recommended that we should bring all of our strategic work into a single SMART document and use this to monitor progress.

Although the majority of the content is already mapped out in the strategic plan and its refresh, our SMART plan does contain some new areas of work. It has also allowed us to build on our wider system analysis and our developing narrative about how to transform our local system:

- that we can better manage demand by embedding asset-based assessment processes;
- that we should diversify support at home by building reablement capacity, to maximise people's independence;
- that we should reform discharge processes to focus on home first (as per national best practice) and by ensuring that no-one is discharged directly from hospital to long-term care;
- that we have a significant gap in our local system in the form of a multi-disciplinary team that is focused in delivering complex and urgent care in the community, thus preventing hospital admission;
- that we should diversify our residential options, bolstering short term care like respite and intermediate care;
- that we should utilise the new GP contract and other levers to deliver a system of primary care that supports self-management and prevention;
- that we continue to focus on improving mental health and well-being, build community capacity and reduce off-island placements;
- that we develop and embed an ethos of community empowerment in support of improved health and well-being; and
- that we ensure that multi-agency arrangements deliver effective public protection and facilitate the sharing of information and intelligence.

This should be read as a companion document to the original plan and highlights a range of new areas of work for the IJB. Now the Chief Officer is in post, the Strategic Plan will be reviewed and will take on board any changes and Government priorities as part of the remobilisation of services and any health and well-being challenges caused by the pandemic.

Review of Effectiveness

During 2021/2022, the IJB continued to put in place appropriate management and reporting arrangements to enable it to be satisfied that its approach to corporate governance is both appropriate and effective in practice.

Specifically, the IJB's governance arrangements have been reviewed and tested against the requirements of the Public Bodies (Joint Working) (Scotland) Act, associated regulations and guidance notes and the CIPFA Good Governance Framework.

Specific measures were introduced to ensure the IJB as a public body in compliant with all of its legislative obligations.

The Chief Finance Officer was responsible for the preparation and oversight of the IJB's accounts for 2021/2022, and for the development, along with the Chief Officer, of the budget for 2022/2023.

Certification

It is our opinion that reasonable assurance, subject to the matters noted above, can be placed upon the adequacy and effectiveness of the Western Isles IJB's systems of governance.

Nick Fayers
Chief officer

Gillian McCannon
Chairperson

REMUNERATION REPORT

Introduction

This report is set out in accordance with the Local Authority Accounts (Scotland) Amendment regulations 2014. These regulations require the disclosure of certain details in respect of the remuneration and pension benefits of senior Voting Board Members and senior employees. The term remuneration means gross salary, fees and bonuses, allowances and expenses, and compensation for loss of employment. It excludes pension contributions paid by the Comhairle or NHS Eileanan Siar. Gross salary means the annual salary for a full time employee or member and for presentation purposes the salaries of part-time employees or those who have been employed or served as members for less than a full year are annualised.

The term pension benefits, covers the in-year contributions paid by the Comhairle or NHS Eileanan Siar for the employee or Board Member, and their accrued pension benefits at 31 March 2022.

All information disclosed below will be audited by external auditors. The other sections will be reviewed by external auditors to ensure that they are consistent with the financial statements.

Arrangements for Remuneration

Board Members

Voting membership consists of 4 Councillors nominated as board members by the Comhairle and 4 NHS representatives nominated by NHS Eileanan Siar. In addition, there are 12 non-voting members which include the Chief Officer, the Comhairle's Chief Social Work Officer, The Chief Financial Officer, registered medical practitioners from both primary and non-primary care and a registered nurse.

The Senior Members on the Board during 2021/22 were:

Chairperson	Gillian McCannon	NHS Eileanan Siar
Vice-Chairperson	Kenny John Macleod	Comhairle nan Eilean Siar

Members are remunerated by the relevant partner organisation and the Board does not pay allowances or other remuneration directly.

The statutory liability for pension contributions and ongoing commitments lies with the partner organisation and on this basis there is no pension liability reflected on the Board Balance Sheet.

Senior Employees

The appointment of a Chief Officer is required by Section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014. However, the Board is not empowered to directly employ the Chief Officer and the contract of employment must be with one of the partner organisations. In this case the Comhairle is the employer.

Other Officers employed by the partner organisations, including the Chief Financial Officer, who meet the criteria for disclosure are included in the tables below.

The remuneration of the Chief Officer is set by reference to the arrangements for Service Directors in the Comhairle.

Employees whose remuneration was £50,000 or above

As required by the regulations, the following table shows the number of officers whose remuneration was £50,000 or above.

Remuneration Band	Number of Employees	
	2021/22	2020/21
£95,000 – £99,999	1	-

Exit Packages

There were no exit packages paid during this or the previous financial year.

Remuneration

Name and Responsibility	2021/22			2020/21
	Salary, fees & Allowances	Taxable Expenses	Total Remuneration	Total Remuneration
	£	£	£	£
Nick Fayers, Chief Officer ¹	96,677	-	96,677	17,817 (90,322 full year equivalent)
Debbie Bozkurt, Chief Financial Officer ²	26,057	-	26,057	22,733
Ron Culley, Chief Officer ³	-	-	-	1,255 (90,400 full year equivalent)

1. Commenced employment on 18/01/21.
2. Portion of salary attributable to role as Chief Financial Officer – equivalent to 0.3 FTE
3. Left employment on 04/04/20.

Pension Benefits

With regard to 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 pension liability reflected on the Board's Balance Sheet.

The Board does however have responsibility for funding the employer contributions for the current year and the table below shows the expenditure incurred in respect of pension benefits during the year. The table also shows the total value of accrued pension, some of which may relate to previous employment.

Name and Responsibility	In-year pension contributions		Accrued Pension Benefits		
	Year to 31/03/22	Year to 31/03/21		As at 31/03/22	Difference from March 2021
	£	£		£	£
Nick Fayers, Chief Officer	18,478	3,678	Pension Lump Sum	2,000 -	1,000 -
Debbie Bozkurt, Chief Financial Officer ¹	-	-	Pension Lump Sum	- -	- -
Ron Culley, Chief Officer	-	245	Pension Lump Sum	- -	21,000 9,000

1. The Chief Financial Officer is not a member of the Pension Fund.

Nick Fayers
Chief Officer

Gillian McCannon
Chairperson

MOVEMENT IN RESERVES STATEMENT

This Statement shows the movement in the year on the IJB's reserves.

Movement in Reserves 2021/22	General Reserves	Earmarked Reserves	Total Reserves
	£'000	£'000	£'000
Opening Balance at 1 April 2021	1,469	6,576	8,045
Total Comprehensive Income and Expenditure	669	8,015	8,684
Increase/(Decrease) in 2021/22	669	8,015	8,684
Closing Balance at 31 March 2022	2,138	14,591	16,729

Movement in Reserves 2020/21	General Reserves	Earmarked Reserves	Total Reserves
	£'000	£'000	£'000
Opening Balance at 1 April 2020	554	3,615	4,169
Total Comprehensive Income and Expenditure	915	2,961	3,876
Increase/(Decrease) in 2020/21	915	2,961	3,876
Closing Balance at 31 March 2021	1,469	6,576	8,045

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This Statement shows the cost of providing services for the year.

2020/21			Service	2021/22		
Gross Expend	Gross Income	Net Expend		Gross Expend	Gross Income	Net Expend
£'000	£'000	£'000		£'000	£'000	£'000
2,929	(2,624)	306	Management and Administration	3,342	(1,882)	1,460
787	(3)	784	Alcohol and Drugs Partnership	841	(331)	510
30,243*	(10,227)*	20,015	Community Services	33,659	(12,564)	21,095
19,406	(4,419)	14,986	Partnership Services	18,122	(8,955)	9,167
3,181	(347)	2,834	Dental Services	5,014	(2,388)	2,626
3,064	(87)	2,977	Mental Health Services	3,763	(606)	3,157
16,962	(90)	16,872	Medical	17,690	(187)	17,503
7,101	-	7,101	Acute Set Aside Budget	7,760	(503)	7,257
274	-	274	Housing Services	306	-	306
83,944	(17,796)	66,148	Cost of Services	90,496	(27,416)	63,080
	(70,024)	(70,024)	Taxation and Non-Specific Grant Income		(71,764)	(71,764)
83,944	(87,820)	(3,876)	(Surplus)/Deficit on Provision of Services	90,496	(99,180)	(8,684)
83,944	(87,820)	(3,876)	Total Comprehensive Income and Expenditure	90,496	(99,180)	(8,684)

* Prior Year Adjustment. The 2020/21 Gross Expenditure and Gross Income on Community Services have both been increased by £4.931m to reflect a late correction relating to the accounting for capital expenditure and funding transferred to revenue. The net effect is zero and the reported 2020/21 Surplus and IJB Reserves are both unaffected.

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

BALANCE SHEET

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

2020/21			2021/22	
£'000	£'000		£'000	£'000
8,045		Short Term Debtors	16,729	
	8045	Current Assets		16,729
	8,045	Net Assets		16,729
8,045		Usable Reserves	16,729	
	8,045	Total Reserves		16,729

The unaudited accounts were issued on 30 June 2022 and the audited Accounts were authorised for issue on 8 December 2022.

Debbie Bozkurt
Chief Financial Officer

NOTE 1 ACCOUNTING POLICIES

1. General Principles

The IJB was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Section 106 body as defined by the Local Government (Scotland) Act 2014. The Annual Accounts have therefore been prepared on an Income and Expenditure basis in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom. The accounts have been prepared on a going concern basis, which assumes that the IJB will continue in operational existence for the foreseeable future. The historic cost convention has been adopted.

2. Accruals of Income and Expenditure

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

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

3. Funding

The IJB is primarily funded through funding contributions from the statutory funding partners, namely NHS Eileanan Siar and Comhairle nan Eilean Siar. Expenditure is incurred as the IJB commission specified health and social care services from the funding partners for the benefit of service recipients.

4. Cash and Cash Equivalents

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partners. Consequently, the IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet. The funding balance due, to or from each funding partner as at 31 March, is represented as a debtor or creditor in the IJB Balance Sheet. A Cash Flow Statement is therefore not required to be presented in the Annual Accounts.

5. Employee Benefits

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

The IJB has a legal responsibility to appoint a Chief Officer. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs. Where material the Chief Officer's absence entitlement as at 31 March is accrued, for example in relation to annual leave earned but not yet taken.

6. Support Services Costs

Costs relating to the overheads (e.g. human resources support, financial services, information technology) required by the Comhairle and the NHS Board to provide the services commissioned by the Integration Joint Board are not regarded as IJB running costs. These costs were not included in the partner contributions agreed as part of the establishment of the IJB and will be retained by the partner organisations.

7. Provisions

Provisions are liabilities of uncertain timing or amount. A provision is recognised as a liability on the balance sheet when there is an obligation as at 31 March due to a past event; settlement of the obligation is probable; and a reliable estimate of the amount can be made. Recognition of a provision will result in expenditure being charged to the Comprehensive Income and Expenditure Statement and will normally be a charge to the General Fund. Provisions for specific purposes, such as non-payment of debt, will have been provided by the partner organisations.

8. Reserves

IJB's are not currently anticipated to hold cash or to have bank accounts. However, where the IJB underspends on the partner funding contributions, this would result in a General Fund Reserve.

Property, Plant and Equipment used for the delivery of commissioned services have not transferred to the IJB Balance Sheet and the related Capital Adjustment and Revaluation Reserves are therefore not required.

9. Events after the Reporting Period

These are events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. An adjustment is made to the statements where there is evidence that the event relates to the reporting period, otherwise the statements are not adjusted, and where the amount is material, a disclosure is made in the notes.

10. VAT

The IJB is a non-taxable body and does not charge or recover VAT on its activities. VAT is settled/recovered by the parent bodies.

11. Treatment of COVID Payment to Staff

During 2020/21, the government announced a £500 pro rata payment to health and social care staff, by way of a thank you for efforts during the Covid pandemic. The accounting treatment of these payments differs between the parent bodies. The Health Board is deemed to be acting as principal in these transactions (i.e. making these payments on their own behalf) and therefore the costs and corresponding income are included in the accounts. The Comhairle is acting as an agent of the government (i.e. making the payments on behalf of the government). The Comhairle payments and reimbursement claims were made in 2021/22.

NOTE 2 CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

The Annual Accounts contain estimated figures that are based on assumptions made by the partner organisations, taking account of historical experience, current trends or other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from these estimates.

The Comhairle has previously had a backlog on invoicing for residential care charges due to delays in completion of financial assessment of clients, although the position has improved significantly in recent years. A provision, based on the aged debt profile and specific client financial information, has been made for non-payment of this debt. This provision and the associated risks remain with the Comhairle. Given the amount of the debt which is secured on property and the extent of the provision, a significant portion of the debt is covered.

NOTE 3 RELATED PARTY TRANSACTIONS

The IJB is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Board or to be controlled or influenced by the Board. Disclosure of these transactions allows readers to assess the extent to which the Board might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Board. As a partnership between the Comhairle and the NHS Board, these two organisations are the main related parties to the Board and the following transactions were made during 2021/22.

2020/21		2021/22
£'000		£'000
	Transactions with NHS Eileanan Siar	
48,758	Funding contributions received	49,995
-	Services Income received	-
47,450	Expenditure on Services provided	41,735
42	Key Management Personnel: Non-Voting Board Members ¹	81
24	Support Services	19
	Transactions with Comhairle nan Eilean Siar	
21,266	Funding contributions received	21,769
-	Services Income received	-
18,606	Expenditure on Services provided	21,173
2	Key Management Personnel: Non-Voting Board Members	52
24	Support Services ²	19

¹ **Key Management Personnel:** The Chief Officer is employed by NHS Eileanan Siar but Comhairle nan Eilean Siar make a contribution of 50% of the costs. The Chief Financial Officer is employed by the NHS Board and 30% of her time is charged to the IJB. These payments are included in Corporate Costs in the Comprehensive Income and Expenditure Statement and the remuneration details in the Remuneration Report.

² **Support Services:** Both partner organisation provide a range of support services to the IJB, e.g. Financial Services, Human Resources, Legal. There are no charges included in the IJB accounts for these services. The Support Service costs included in the table above represent costs such as travel and subsistence, incidental administration and equipment etc.

2020/21		2021/22
£'000		£'000
	Balances with Comhairle nan Eilean Siar	
8,045	Debtor balances: Amounts due from the Comhairle	16,729
8,045	Net Balance with the Comhairle	16,729

NOTE 4 EXPENDITURE AND INCOME ANALYSIS

2020/21		2021/22
£'000		£'000
	Services Commissioned from the NHS	
20,629	Employee Benefits	22,337
14,843	Family Health Services	15,431
6,789	Other Operating Expenditure	9,410
(1,151)	Services Income	(9,489)
	Services Commissioned from the Comhairle	
17,860	Employee Benefits	18,464
23,729	Other Operating Expenditure	24,682
(16,645)	Services Income	(17,926)
67	Corporate Expenditure	144
27	Auditor Fee: External Audit Work	28
(70,024)	Partners Funding	(71,764)
(3,876)	(Surplus)/Deficit on Provision of Services	(8,684)

NOTE 5 TAXATION AND NON-SPECIFIC GRANT INCOME

2020/21		2021/22
£'000		£'000
48,758	Funding Contribution from the NHS	49,995
21,266	Funding Contribution from the Comhairle	21,769
70,024	Total	71,764

The funding contribution from the NHS Eileanan Siar shown above includes £7,256k in respect of "set aside" resources relating to acute hospital and other resources. These are provided by the NHS, which retains responsibility for managing the costs of providing the services. The IJB however has responsibility for the consumption of, and level of demand placed on, these resources.

The funding contributions from partners shown above would exclude any funding which is ringfenced for the provision of specific services. Such income is presented as service income in the Cost of Services within the Comprehensive Income and Expenditure Statement.

NOTE 6 CORPORATE EXPENDITURE

2020/21		2021/22
£'000		£'000
44	Staff Costs	133
21	Administration	11
27	Audit Fee	28
92	Total	172

NOTE 7 SHORT TERM DEBTORS

2020/21		2021/22
£'000		£'000
8,045	Local Authorities	16,729
8,045	Total	16,729

NOTE 8 USABLE RESERVE

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

- to earmark or build up funds which are to be used for specific purposes in the future, such as known or predicted future expenditure needs. This supports strategic financial management.

- to provide a contingency fund to cushion the impact of unexpected events or emergencies. This is part of the IJB's risk management framework.

2020/21			Project / Investment Area	2021/22		
Balance at 01/04/2020 £'000	Transfers £'000	Balance at 31/03/2021 £'000		Transfers Out £'000	Transfers In £'000	Balance at 31/03/2022 £'000
2,309	-	2,309	Digital Innovation and Infrastructure	(1,210)	130	1,229
465	1,063	1,528	Workforce Sustainability	(1,542)	384	370
104	500	604	Transformational Change	(489)	1,948	2,063
			Funding Streams			
143	125	268	Social Care Specific Reserves	(26)	79	321
-	-	-	SC and NHS Winter Pressures Fund C/F	-	702	702
12	-	12	SC and NHS Covid Fund Carried Forward	-	3,376	3,388
303	587	890	Primary Care Funds	(111)	159	938
-	-	-	Dental Infrastructure Funds	-	1,963	1,963
-	-	-	Dental Other	-	115	115
45	60	105	Nurse Director Support Funds	(7)	120	218
-	-	-	Workforce Wellbeing PC&SC	-	27	27
46	174	220	Mental Health Funds	-	1,319	1,539
-	-	-	Hospital at Home	-	103	103
-	99	99	Allied Health Professionals	-	128	227
123	220	343	Other NHS Specific Funds	(242)	758	859
65	133	198	Alcohol and Drug Partnership	-	331	529
3,615	2,961	6,576	Total Earmarked	(3,627)	11,642	14,591
554	915	1,469	General Reserves	-	669	2,138
4,169	3,876	8,045	General Fund	(3,627)	12,311	16,729

Independent auditor's report to the members of Cùram is Slàinte nan Eilean Siar and the Accounts Commission

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Cùram is Slàinte nan Eilean Siar for the year ended 31 March 2022 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the 2021/22 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2021/22 Code of the state of affairs of Cùram is Slàinte nan Eilean Siar as at 31 March 2022 and of the income and expenditure of the body for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2021/21 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 10 April 2017. The period of total uninterrupted appointment is six years. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, I report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the Audit Scotland website.

Risks of material misstatement

I report in a separate Annual Audit Report, available from the Audit Scotland website, the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Chief Financial Officer and Cùram is Slàinte nan Eilean Siar audit committee for the financial statements

As explained more fully in the Statement of Responsibilities for the statement of accounts, the Chief Financial Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Financial Officer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

The bodies' audit committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how the body is complying with that framework;
- identifying which laws and regulations are significant in the context of the body;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Reporting on other requirements

Opinion prescribed by the Accounts Commission on the audited part of the Remuneration Report

I have audited the part of the Remuneration Report described as audited. In my opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

Other information

The Chief Financial Officer is responsible for other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement of Assurance, Statement of Responsibilities for the statement of accounts and the unaudited part of the Remuneration Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement of Assurance to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on the Management Commentary and Annual Governance Statement of Assurance

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement of Assurance for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matter on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit;
- there has been a failure to achieve a prescribed financial objective

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Brian Howarth ACMA CGMA, Audit Director

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