



Integration Joint Board
Audit, Risk and Governance Committee

8th June 2023

This Report relates to
Item 5 on the Agenda

Draft IJB Annual Report and Accounts 2022/23

Paper presented by Katy Kerr

For Approval

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List of Background Papers:	Not required
Appendices:	Appendix 1 – IJB Annual Report and Accounts 2022/23

1. Introduction

- 1.1 This report presents the Integration Joint Board (IJB) Draft Annual Report and Accounts for the financial year 2022/23.

2. Recommendations

2.1 The IJB Audit, Risk and Governance Committee is asked to:

- **Approve the submission of the unaudited Draft Annual Accounts for the financial year ending 31st March 2023 which will be submitted to the external auditors for review and are subject to public consultation.**

3. Background and Main Report

3.1 Background

- 3.2 The Draft Annual Accounts for the IJB reflect the financial position which will be presented to the IJB at its meeting on the 22nd June 2023 reflecting a breakeven outturn position for the 2022/23 financial year after additional resource of £11.457m from the NHS Board to reflect overspends in the delegated budget.

- 3.3 The Chief Finance Officer, as the section 95 officer, has a requirement to prepare accounts for the IJB.

- 3.4 All figures presented are subject to external audit review during July/August 2023, with audited accounts planned to be presented for approval and sign off at the Integration Joint Board on the 27th September 2023 following the Audit and committee scrutiny.

3.5 Main Report

- 3.6 The Local Authority Accounts (Scotland) Regulations 2014, which state that the Proper Officer (under Section 95 of the Local Government (Scotland) Act 1973) shall ensure that the draft accounts are submitted to the Integration Joint Board by no later than the 30th September following the relevant financial year end. A copy of the accounts is appended to this paper (**Appendix 1**).

- 3.7 The IJB unaudited Annual Accounts for financial year 2022/23 are being presented to this meeting to ensure compliance with the above legislative requirements. The accounts will then be submitted to Grant Thornton for external audit scrutiny and review.

- 3.8 Following the submission of the unaudited accounts, the working papers supporting the accounts will also be provided to the external auditors, who will then undertake the statutory audit of the accounts over the summer.

- 3.9 To comply with the Local Authority Accounts (Scotland) Regulations 2014, the unaudited accounts will be made available for public inspection for a 3 week period from 1st July to 21st July 2023 and will be consulted on virtually through IJB website and various social media outlets.

- 3.10 Further consideration of the contents of the IJB accounts will be undertaken mainly through the Audit and Risk Committee at its meeting on 14th September 2023.

3.11	Collaboration and consultation has taken place with the NHS and Council's finance team to prepare these accounts.
3.12	The accounts have been reviewed in accordance with the latest best practice guidance as issued through Local Authority Scotland Accounts Advisory Committee (LASAAC) who has issued additional guidance on accounting for the Integration of Health and Social Care. LASACC did meet recently to consider the current situation particularly the impact of the current COVID-19 pandemic and the associated implications for delivery of both the accounts and the external audit process. Additional guidance has been recently issued.
3.13	Locally we are able to deliver the accounts to the statutory timetable including the external audit review.

4.	Conclusions
4.1	IJB Audit, Risk and Governance Committee are asked to approve the unaudited Draft Annual Accounts for the financial year ending 31 st March 2023 which will be submitted to the external auditors for review and are subject to public consultation.

5.	Resource Implications
5.1.	The accounts set out the financial position for the IJB for 2022/23.

6.	Impact on Integration Joint Board Outcomes, Priorities and Policy
6.1.	The Financial Plan has a key role in supporting the delivery of the Strategic Plan.

7.	Legal and Risk Implications
7.1.	Compliance with legislation relevant to the accounts is set out in the paper.

8.	Consultation
8.1.	Consultation with Senior Finance Team across NHS and Council.

9.	Equality and Human Rights Impact Assessment
9.1.	As this report does not propose a change in policy/strategy/plan/project, it is not necessary to complete an impact assessment. Individual savings schemes and difficult decisions will be impact assessed.

10.	Glossary
10.1	All acronyms must be set out in full the first time they appear in a paper with the acronym following in brackets.

IJB	Integration Joint Board
LASAAC	Local Authority (Scotland) Accounts Advisory Committee

Annual Report and Financial Statements For the Year Ended 31 March 2023



**UNAUDITED DRAFT ACCOUNTS
FOR CONSULTATION**



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Section 1: Management Commentary

This management commentary provides an overview of the key messages in relation to the objectives and strategy of Dumfries and Galloway Integration Joint Board (the IJB) and its financial performance for the year ended 31st March 2023. It also provides an indication of the risks and challenges which may impact upon the finances of the IJB in the future.

Update from the Chief Officer

Dumfries and Galloway Health and Social Care system continues to experience significant pressures that compete and at times conflict with our ambition to provide the highest possible quality of care whilst aspiring to recover, modernise and transform our services.

Demand that built up during the Covid-19 Pandemic, pre-existing workforce pressures and challenging socio-economic factors are still evident in the waiting lists and waiting times for out-patients, diagnostics and in-patient services; activity levels in many areas below pre-pandemic levels and below planned trajectories for recovery and significant challenge to community and social care services with high levels of un-met need; resulting in adverse impacts on the experience of care, risks to patient safety and quality outcomes and a likely worsening of the populations health and wellbeing.

This, coupled with our changing and challenging demographics and the associated burden of chronic disease, specifically associated with areas of deprivation/inequality, has contributed to the unprecedented levels of urgent and unscheduled care within our system; increased need for support on discharge from hospital; evidenced by higher rates of people experiencing a delay in the transfer of their care during winter 2022/23.

We do, of course, recognise that there are wider, longer-term and multi-faceted issues contributing to the challenges we face. Specifically, there have been fundamental changes in the economic, political and societal forces impacting on health and social care services over the last 15 years. Some of these manifest as increased threats to recruitment and retention of workforce, increasing service pressures, a need to demonstrate a response to climate change and, more recently, inflation and the cost of living crisis, which have further exacerbated challenges to our population, our staff and significantly impacted our historically challenging financial position.

Our commitment to responding to and recovering from these challenges is unwavering. In doing so, we recognise that new opportunities have also arisen and we are committed to pursuing these in a way that is right for our local system and is tailored to local people.

Such opportunities include assistive and inclusive technology to support people at home, virtual technology and Artificial Intelligence (AI) to improve accessibility, efficiency and effectiveness of services, new diagnostics and medications to offer early intervention and reduce the need for complex treatments and interventions, and improved integration of health and social care. There is a commitment to adopt preventative strategies in all parts of our care system; promoting improved general

health in our communities, educating those receiving treatments on the benefits of healthy lifestyles to compliment interventions and adopting specialist interventions to reduce burden of disease.

This commitment sits at the heart of the strategic direction we are setting for transformation over the next 10 years and, building on the successes from 2022/23, we will be laying the foundations for long term improvements in the health of the population through delivery of the Annual delivery Plan for 2023/24 and the associated Medium Term Plan.

I continue to be heartened, humbled, and amazed in equal measure by the dedication, creativity, ingenuity, and resilience demonstrated by our local Health and Social Care workforce and our partners in the Third Sector and Independent Providers. Indeed, this may only have been matched by the real sense of community spirit, collaboration, good will and selflessness demonstrated by local people in how they have cared for and supported themselves and their neighbours.

I am incredibly grateful to you all for everything you have done to support the delivery of Health and Social Care services in the most difficult of circumstances.

Introduction

The IJB was established as a body corporate by order of the Scottish Ministers on 3 October 2015 as part of the establishment of the framework for the integration of Health and Social Care in Scotland under the Public Bodies (Joint Working) (Scotland) Act 2014.

The IJB has responsibility for the strategic planning and delivery of a defined range of Health and Adult Social Care services for the residents of Dumfries and Galloway. Within Dumfries and Galloway, a unique model has been taken forward with all Acute services delegated to the IJB reflecting the co-terminosity of its Council and NHS boundaries. This has allowed a whole system approach to planning and delivery of services for an area of 2,481 square miles and a population of 148,790. Dumfries and Galloway shares a border with South Ayrshire, Lanarkshire, Borders and Cumbria as per the map below.



Both Dumfries and Galloway Council and NHS Dumfries and Galloway, as the parties to the Integration Scheme have nominated 5 voting members for the IJB. The Council

nominated Elected Members and the Health Board Non-Executive Directors. The Chair of the IJB for 2022/23 was a Health Board Non-Executive and the Vice-Chair a Council nominee.

The IJB has appointed a Chief Officer and a Chief Finance Officer to support its purpose and delivery of objectives along with a number of other non-voting Representative Advisory Members. These Representatives are chosen from the Third Sector, the Independent Sector, Carers, Service Users, Council and NHS Board staff.

Four Committees of the IJB have been established and operation through 2022/23. These are:

- Finance, Performance & Quality Committee
- Strategic Planning Delivery and Commissioning Committee
- Transformation and Innovation Futures Committee
- Audit, Risk & Governance Committee

The committee structure and scheme of delegation has been reviewed with this new structure implemented for 2022/23, increasing the number of committees to four and reviewing the role and responsibilities of each Committee.

Purpose and Objectives of the IJB

The main purpose of integration is to help local partners improve quality and outcomes for local populations, particularly those whose needs are complex and involve support from Health and Social Care at the same time.

The Public Bodies Joint Working (Scotland) Act 2014 places a legislative requirement on integration authorities to review their strategic plans at least once in every relevant period (the previous relevant period was 2018-21). The Integration Scheme forms a framework designed to deliver the National Health and Wellbeing Outcomes prescribed by the Scottish Ministers in Regulations under Section 5(1) of the above Act.

Dumfries and Galloway Integration Joint Board approved its new Strategic Commissioning Plan (SCP) in March 2022 and this has been in place from 1st April 2022 - 2025.

During 2022/23 we have ensured a focus on delivering our SCP by mapping the actions from our Annual Delivery Plan to the Strategic Commissioning Intentions (SCIs), Directions and our local Tactical Priorities as set out below. This approach ensures the activities of the operational Directorates within the Health and Social Care Partnership are aligned to the strategic direction agreed by the IJB.

Further, through a facilitated workshop and subsequent targeted development and support, we have worked closely with colleagues from the Third Sector and our Independent Provider Partners to identify, develop and begin to deliver their innovative ideas to help us realise our new agreed model of care.

We will draw learning from both of these approaches as we plan and implement our methods for delivery of the SCP in 2023/24 and beyond.

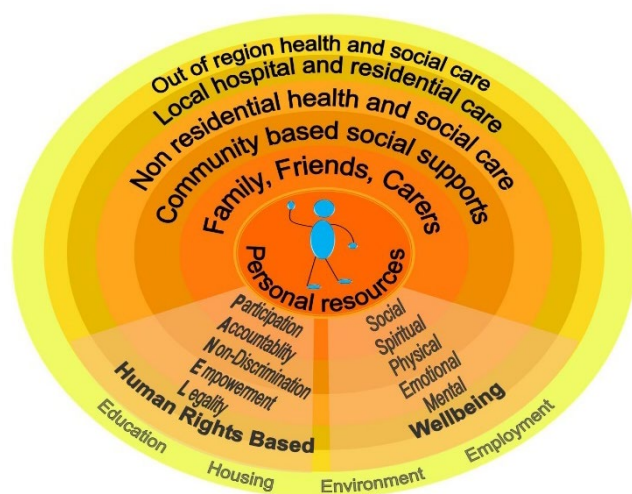
The IJB SCP 2022–2025 sets out the:

- Vision and strategic direction

“People living happier, healthier lives in Dumfries and Galloway”



- Model of Health and Social Care and Support (Model of Care)



- **Personal resources** such as a person’s knowledge and behaviour are central to managing their own health and wellbeing.
- **Family, friends and unpaid Carers** have an important role in supporting people and where appropriate should be involved in each circle of Health and Social Care and support.
- **Community based social supports** such as opportunities to connect with other people can enable someone to be involved in their community, reduce social isolation and loneliness and help them to maintain or improve their health and wellbeing.
Non-residential Health and Social Care can involve diagnosis, treatment or ongoing support from people with specialised Health and Social Care knowledge. This can happen in people’s homes or communities, supporting them to stay safe, well and avoid them drifting into crisis.
- **Local hospitals and residential care** are required when people have more intensive treatment, care and support needs than can be supported at home. This may be as a result of crisis, trauma or deterioration of an existing condition and can be for a short or longer period of time.
- **Out of region Health and Social Care** is sometimes necessary to achieve the best outcomes for people, this can be over a short or longer period of time

- **Education, housing, environment and employment** are wider social factors that can impact on people's health and wellbeing. Working with community planning partners helps to address these

Strategic Commissioning Intentions (SCIs) that set out IJB ambitions for improving Health and Social Care outcomes over the lifetime of the SCP are set out as follows:

1. People are supported to live independently at home and avoid crisis
2. Fewer people experience Health and Social Care inequalities
3. People and communities are enabled to self manage and supported to be more resilient
4. People have access to the care and support they need
5. People's care and support is safe, effective and sustainable
6. People who deliver care and support, including Carers and volunteers, feel valued, are supported to maintain their wellbeing and enabled to achieve their potential
7. People's chosen outcomes are improved through available financial resources being allocated in line with the Model of Care and delivering best value

Tactical Priorities (TPs) that link the vision, Model of Care and SCIs. These will be used as the basis for the development of Directions from the IJB to NHS Dumfries and Galloway and Dumfries and Galloway Council.

Operational Delivery

The operational delivery of the IJB functions is delegated back to Dumfries and Galloway Council and NHS Dumfries and Galloway who in turn delegate the operational delivery to the Health and Social Care Partnership. This is led by the Chief Officer / Deputy Chief Officer, supported by 6 General Managers covering:

- Community Health and Social Care Services
- Acute and Diagnostic Services
- Mental Health Services
- Women Children's and Sexual Health Services
- Facilities and Clinical Support Services
- Information Management and Technology (IM&T/eHealth)

A review of the operational directorates was undertaken during 2022/23 following the retirement of some senior staff, with a revised structure implemented for 1st April 2023. This includes realigning the social work delegated budget across the Mental Health and Community Directorates, also reducing the number of General Manager's to five by combing Facilities and IM&T into one. Other staff reporting directly to the Chief Officer / Deputy Chief Officer provide strategic planning, performance, governance, programme management office and business support services to the Partnership. There has also been a major restructure of the Community Health and Social Care Directorate during 2022/23, including a review of social work, to align organisational structures to support the delivery of services through the Home Teams.

2022/23 Financial Planning

The IJB, like many other public bodies, has faced significant financial challenges for sometime and is required to operate within tight fiscal constraints for the foreseeable future due to the continuing difficult national economic outlook and increasing demand for services. A Financial Plan was developed for 2022/23 with the objective that the IJB operates within the resource available, however given the scale of the deficit on the NHS delegated budget a balanced budget was unable to be developed with a financial recovery plan, alongside the NHS Board, developed to support the longer term return to a breakeven position.

The Financial Plan reflected the agreement with Dumfries and Galloway Council on the level of additional investment by the Scottish Government into Social Care and the funding delegated by NHS Dumfries and Galloway from the Health budget including additional financial support from both bodies to support the pay increases to staff which were awarded later in the financial year. The Partnerships overall Financial Plan has been significantly impacted by the Covid-19 pandemic with over two years where the delivery of savings was impacted. Subsequently the level of inflationary pressures in particular plus the increased levels of activity witnessed across the whole health and care system have materially impacted on the IJB's financial position.

The IJB has approved an ambitious agenda for change aimed at:

- Better integration of care and support to improve people's experience of Health and Social Care.
- Driving innovative change that delivers better outcomes for the people who access Health and Social Care support.
- Changing our primary approach to one of prevention and early intervention, shifting our focus away from 'crisis management'.
- Developing partnership approaches to Health and Care delivery that enable people to retain as high a level of independence as possible, and have greater choice and control over their own lives.
- Reducing inequalities in Health and Social Care.

Financial Statements

The financial statements for 2022/23 are set out on pages 33-34 of the accounts and incorporate financial and other information as required by the Code of Practice on Local Authority Accounting in the United Kingdom (*The Code*). The Statement of Accounting Policies included on pages 35-42 explains the basis for the recognition, measurement and disclosure of transactions and other events in the Financial Statements, to ensure that they present a 'true and fair view' of the IJB's financial performance. An explanation of each of the financial statements which follow and their purpose is shown at the top of each statement.

Financial Performance 2022/23

The IJB delivered a balanced financial position for 2022/23, this was after additional non-repayable, non-recurring resource of £11.457m received from the NHS Board to support the NHS Board in-year deficit position, primarily through the additional resources provided by Scottish Government. The IJB carried forward ringfenced

reserves of £30.8m into 2022/23 relating Covid funding, the balance of the Social Care Fund and Alcohol and Drug Partnership monies and other ringfenced funding. As at the 31st March 2023, these had increased to £15.5m as set out below. The unspent balance of the Covid-19 reserve of £5.064m was returned to Scottish Government during 2022/23 as directed. The IJB has no general reserves.

	31/03/22	31/03/23
Adult Social Care Winter Planning	£2.3m	£1.2m
Alcohol and Drugs Partnership	£1.6m	£1.1m
Community Living Change Fund	£0.5m	£0.4m
Covid-19 Costs	£16.3m	£0m
Mental Health Recovery and Renewal	£2.3m	£1.2m
Mental Health Strategy	£0.5m	£0.3m
Primary Care Improvement Fund	£2.3m	£0.6m
Social Care Fund	£1.7m	£6.6m
Winter Planning Health and Social Care	£3.3m	£4.1m
TOTAL	£30.8m	£15.5m

The IJB can retain these reserves for 2023/24, with the use of these reserves to support management of pressures within Social Care and development and transformation of new services across the Partnership to support the Strategic Commissioning Plan aims, along with the specific initiatives that they were designated for. There are a number of future year commitments against these reserves to support the plans for each of the policy areas and will also be required in 2023/24 to help bridge the in year financial gap as savings plans are developed and implemented.

Additional resources were provided in-year to the IJB from the NHS Board totalling £11.457m to support the overspend in the Health element of the delegated budget primarily through the additional resources provided to the NHS Board from Scottish Government.

The Public Bodies (Joint Working) (Scotland) Act 2014 (the Act) requires Health Boards and Local Authorities to work together to effectively integrate the governance, planning and resourcing of some adult social care and health services, by establishing an 'Integration Authority'.

The original Integration Scheme came into effect on the 3rd October 2015; the date the Parliamentary Order to establish the Integration Joint Board came into force. Any revised Integration Scheme will come into effect on the date of ministerial approval.

The Dumfries and Galloway Integration Scheme describes

- The model of integration in Dumfries and Galloway
- Details the functions delegated from the Parties to the Integration Joint Board and
- Lays out the governance arrangements the Parties have in place to enable

the Integration Joint Board to meet its responsibilities.

In March 2020, the Scottish Government instructed that Health Boards and Local Authorities should ensure that, if your scheme is due for review, you jointly carry out the minimum requirement of a review, and that this is acknowledged jointly and formally. This review can note anything that requires further work between partners and set out plans for the completion of that work at a later date, including the production of a successor scheme. Meanwhile, the current Integration Scheme will remain.

The light touch review undertaken by D&G in 2020 detailed what they wanted to change, but was not a fully consulted-on replacement scheme. That being the case, the review was sufficient to meet the requirements set out above. However the task at that point was to develop those changes, consult on them, and submit the new scheme to SG for approval. In September 2020, a revised Scheme following the light touch review was submitted however, as this review did not include the necessary consultation laid out in legislation, formal approval was not granted.

Therefore, over the last few months for 2022/23, a review of the Integration Scheme has taken place between the Health Board and Local Authority where a revised and refreshed Integration Scheme is in the process of being drafted based on the workshops that have taken place. The current status of progress is outlined below:

- Dumfries and Galloway Integration Scheme – in process of undertaking a full and comprehensive review of this document
- The document belongs to the constituent bodies of NHS Dumfries and Galloway and Dumfries and Galloway Council (the ‘Parties’)
- Decision making with regard to the Integration Scheme is for the Parties
- The Parties are currently seeking the views of stakeholders, including members of the Integration Joint Board, in relation to the Integration Scheme for Dumfries and Galloway
- At the moment we await clarity with regard to timescales for the implementation of the National Care Service and what form it will ultimately take.

Financial Outlook and Key Risks

The IJB faces ongoing service and cost pressure arising from a range of factors. Both of the Parties to the IJB are facing challenges in meeting the demands for services within the finances available; this will have a direct consequence on the funding provided to the IJB. Within the IJB, the major risks to managing the financial position arises from demographic, activity and inflationary cost pressures and the consequent changes to demands for Health and Social Care. The significant growth in the number of older people and their need for suitable services, requires innovative solutions to allow services to be provided within the funding available, and the ability of the Partnership to transform services to help meet this demand. Increasingly, workforce sustainability pressures are becoming more challenging across both Acute and Primary Care services and whilst the increasing medical locum bill reflects the challenges around recruitment of medical staff, this is something which is a risk across all staff groups. In addition to the usual challenges, the Covid-19 pandemic has

created additional financial risk with a number of new services required to support the ongoing challenges associated with the management of Covid-19. During 2022/23 a number of Programme Boards were established to drive forward the Transformation Programme. These cover the following areas Planned Care, Unscheduled Care, Community, Primary Care, Digital and Complex Care. Whilst the longer term strategy in relation to these costs is not entirely certain, it is clear there is a need to continue a number of services into the new financial year with some potentially becoming core services as part of the overall remobilisation plans.

Key Financial Risks and Uncertainties

The Financial Plan for 2023/24, as agreed, reflects a significant deficit of £25.128m projected, with a recurring savings challenge of £9.16m based on the resources allocated from the NHS Board and Local Authority, and a number of significant risks in the position plus further additional non recurring savings required to balance of any potential in year cost pressures. Savings plans over the last two years have been significantly impacted by the Covid-19 pandemic due to the diversion of organisational capacity to develop mobilisation plans to respond to the emergency.

The management of financial risks during 2022/23 will continue to be critical for the IJB and there are already a number of further risks emerging that have not all been reflected in the financial position and as an IJB and so enhanced reporting on assl aspects of the financial position, especially delivery of savings, will be reported through the Health and Social Care Leadership Team and IJB's Finance, Performance and Quality Committee.

A key risk remains delivery of a balanced financial position given the level of unidentified savings and level of pressures and risk within the position alongside the inherent risk which arises from the Covid-19 impact.

A total of £10.542m in additional recurring funding has been received from the NHS and Council through their budget settlements. This includes baseline inflation uplift for NHS of 2% plus additional resource for the New Medicines Fund of £1.4m. Resources were provided to Councils to uplift budgets to Health and Social Care Partnerships (HSCPs) and reflects a total of £3.242m as set out in the table below.

Council Funding Settlement to IJB's 2023/24

	National Total £000s	Share	D&G Position £000s
Scottish Living Wage £10.90	100,000	3.31%	3,307
Free Personal Care	15,000	3.95%	593
Interim care	(20,000)	3.27%	(657)
Settlement 2023/24	95,000		3,242

In addition to the baseline funding noted above, there are a number of recurring and non-recurring allocations which are currently anticipated; at this time these have not been included in the plan on the basis that they will come with conditions on what they must be spent on and will therefore not impact on the overall Financial Plan. We are also anticipating additional resource to support pay uplifts for staff which exceed the level of uplift received within the baseline funding.

Overarching risks which the IJB holds in relation to the delivery of the in-year Financial Plan are noted below:

- Pay award and any impact to Service Level Agreement (SLA) uplift is fully funded by SG through NHS and Local Authority uplifts.
- Anticipated allocations are distributed from SG at the level expected and are not top sliced.
- No worsening of the operational directorate forecasts above planning estimates.
- The recurring and non-recurring savings target can be identified in full for the year.
- The cost pressures and cost containment work can start impacting on reducing expenditure.
- No further significant pressures emerge in relation to inflationary pressures such as uplifts to National Care Home Contract and Care at Home rates which are not supported by additional funding.

Analysis of Non-Financial Performance

Following the pandemic challenges of 2020/21 and 2021/22, the recovery phase continues to bring unprecedented levels of activity.

- The number of people experiencing delays in hospital has reached an all-time high and the proportion of people waiting longer than 18 weeks for in-patient and out-patient treatment has risen.
- Unlike previous years, when 12 hour waits were very rare, people across Scotland are now experiencing very long waits to leave the emergency department.
- The number of people waiting to have their care and support at home has fallen in Nithsdale locality where considerable effort has been dedicated to improvement projects. However, across the region there is consistently over 3,000 hours of care and support waiting to be provided in any given week. At the end of March 2023, there were 12 people considered to be urgent category 1, who had been waiting longer than 30 days.
- Each week approximately 100 people are awaiting a social care assessment
- In the last 6 months, the number of people in receipt of care and support at home awaiting a statutory review has risen from around 650 to 750.
- Since Summer 2021 Dumfries and Galloway has had 2 care home closures, reducing the number of available places by 84. The recent rises in the cost of energy in particular, has had a dramatic impact on the viability of many of our care homes, many of which are vulnerable to closure.

Whilst these challenges are considerable for Dumfries & Galloway, they are also being felt across Scotland.

Measure	December 2021	December 2022

	NHS D&G	NHS D&G	Scotland
People aged 18 or older experiencing a delayed discharge at the end of month census (bed days per 1,000 population)	61 (16.2)	113 (28.7)	1,838 (13.1)
Proportion of people waiting for daycase or in-patient treatment longer than 18 weeks	24.9% (2,452 people)	45.1% (3,693)	58.2%
Proportion of people waiting for a new doctor led outpatient appointment longer than 18 weeks	25.3% (701 people)	33.3% (1,727)	42.3%
Proportion of people waiting 12 hours or longer to be treated and discharged from an Emergency Department (people)	0.4% (13)	3.1% (125)	7.1% (8,721)

Developing and delivering strategy

- The Integration Joint Board published the 2022-2025 Dumfries and Galloway Health and Social Care Workforce Plan. [The Health and Social Care National Workforce Strategy](#) was subsequently published, and an exercise to align the plan to the strategy was concluded and signed off at IJB Strategic Planning Delivery and Commissioning Committee 27 October 2022.
- [The Participation and Engagement Strategy, 2022-2025](#) was developed through considerable input from individuals and organisations with roles or experience in participation from both within Dumfries and Galloway Health and Social Care Partnership and from the wider public realm. This was followed by 19 weeks of formal consultation with the public and stakeholders, which led to further development of the Strategy. The Integration Joint Board published the final version on 08 December 2022.
- The [Digital Health and Care Strategy 2020-2024](#) has been developed within the framework of 'Scotland's Digital Health and Care Strategy: Enabling, Connecting and Empowering' (the national digital strategy), published in April 2018. The Health and Social Care Partnership set up a Digital Transformation Programme Board in January 2023, which will have oversight of the delivery of the Digital Strategy locally. The Programme Board is developing a plan to focus on 3 key priority areas :
 - Digital access and developing an overarching EQIA for Digital with associated framework to mitigate risk / issues and tackle inequalities
 - Direction and Leadership
 - Resources and budget – people, time, digital foundations and funding

- An important part of the IJB's role is to understand the needs and wishes of the local community to incorporate into the planning of health and social care services. Here are some highlights from recent engagement activity:
 - Right Care, Right Place – engagement to support the planning of community care and support, at this time with a particular focus on intermediate bed-based care, told us:
 - People strongly value assets close to home, which supports place planning work
 - People are open to a flexible model of intermediate care
 - Modelling work demonstrated that the need for bed-based intermediate care will rise by 33% by 2041.

Delivering the Strategic Commissioning Plan (SCP)

In order to deliver the SCP and the strategic commissioning intention described within, Integration Authorities require a mechanism to action their SCP and this is laid out in sections 26 to 28 of the Act. This mechanism takes the form of binding Directions from the Integration Authority to the Health Board or Local Authority or both.

- There were 31 active directions during 2022/23.
- New guidance in relation to Directions was issued January 2020 ([statutory-guidance-directions](#))
- A housekeeping exercise has been undertaken to enable the IJB to conform to the latest guidance, which has resulted in the development of a protocol for the recording, management and monitoring of extant and new Directions.

In response to IJB directions, and in line with guidance from Scottish Government, the Partnership developed an Annual Delivery Plan (ADP) for 2022/23 which is reported quarterly. Quarter 3 reporting against the ADP shows an increase in both amber and red status deliverables from the previous period, which perhaps reflects the level of system-wide pressures that were experienced in Quarter 3 and the need to focus capacity and resources on the operational response to these. The following table offers an overview of the status of deliverables from Quarter 1 to Quarter 3.

Status	Q1 2022/23	Q2 2022/23	Q3 2022/23	Q4 2022/23
Cancelled	21	21	22	22
Complete	14	18	20	25
Red	15	2	7	4
Amber	51	46	53	52
Green	36	64	48	48
Proposal	14	1	3	1
Suspended	-	-	1	3

We can likely attribute the increase in amber status deliverables (At risk – requires action) to the pressures within the system and the associated challenges presented to delivery. Those deliverables returning a red status (Unlikely to complete on time/ meet target), predominantly relate to capacity and recruitment issues preventing progress.

Our operational colleagues continue to re-prioritise and re-phase these areas as service pressures ease and capacity becomes available again.

Whilst continuing to progress our planned deliverables as far as possible, we have identified key achievements within community transformation and staff wellbeing. These include:

- The collaborative commissioning approach within Care and Support at Home.
- The Community Waiting Times Team.
- Improving hospital flow and the test of change within DGRI to implement PDD (planned date of discharge) within early adopter wards.
- The ongoing commitment to the Psychology Staff Support Service and other resilience programmes to include; pilot partnership project with Dumfries and Galloway Citizens Advice Service and a mental health training programme for staff and managers delivered through the University of West of Scotland.

Inspection of Services

Health and Social Care services delivered by statutory and non statutory providers in Dumfries and Galloway are regularly monitored and inspected in a range of ways to give assurance about the quality of people's care. The Partnership is required to report details of any inspections carried out relating to the functions delegated to the Partnership.

- The Care Inspectorate is a scrutiny body which looks at the quality of care in Scotland to ensure it meets high standards. Their vision is that everyone experiences safe, high quality care that meets their needs, rights and choices.
- Healthcare Improvement Scotland (HIS) provides public assurance about the quality and safety of healthcare through the scrutiny of NHS hospitals and services.

In addition to inspections, the Partnership's commissioning officers also apply contract monitoring processes to services commissioned to deliver health and social care on behalf of the Partnership.

During 2022/23 there were no reports published relating to hospital care. Dumfries and Galloway Royal Infirmary had an unannounced inspection by Healthcare Improvement Scotland in March 2023 however the report has not yet been published.

There were 27 Care Home Inspections in total for the time period 2022/23, with 4 of those being follow up visits. The Care Inspectorate assesses each home on a pre set scale from Grade 1 (unsatisfactory) and Grade 6 (excellent) Within Dumfries and Galloway the ranking of our grades from inspections is as follows:

Grade 5 – we have 4 Care Homes at this grade
Grade 4 – we have 12 Care Homes at this grade
Grade 3 – we have 5 Care Homes at this grade

21 out of 29 Care Homes are sitting with Grade 3 and above. However, not all care homes have had a Care Inspection during 2022/23 time period and some are of these

will be expected imminently and some are awaiting their reports, however, these would now fall into 2023/24. We also have a few Care Homes grades are less than Grade 3 and the Partnership continues to support improvement within these Homes with plans co-ordinated, assessed and reported by our Care Home Tactical Team.

There are currently 1061 registered beds or places in Dumfries & Galloway. We had 1142 beds prior to Singleton Park closing on 20/12/2021 and Dalawoodie closing on 28/10/2022 when a total of 81 beds were lost. These form part of the scope of the Intermediate Care Beds included within the Right Care Right Place review.

Commentary on key measures

Integration Authority National Core Indicators 1 through 9 are based on responses to the Health and Care Experience (HACE) survey undertaken every 2 years. Across Scotland, the results to the HACE survey were more negative in 2021/22 than in previous years. Dumfries and Galloway results, despite also being more negative than previous years, still show significantly more positive results than the Scottish average. No results were in the bottom third of Partnerships HACE results.

The premature mortality rate in Dumfries and Galloway is lower than average and sits mid table amongst the Partnerships.

Emergency admission rates and the bed days attributed to these admissions continue to be high in Dumfries and Galloway compared to Scotland. In particular, children’s emergency admissions rose sharply in the last 6 months; this has been attributed to increased respiratory infections in the community. Unscheduled mental health admissions have accounted for a much higher number of bed days than historic averages. Re-admissions to hospital, which can indicate the quality of discharge and post-admission support, remain consistently lower than Scotland.

Proportion of care services graded good (4) or better in Care Inspectorate inspections is higher than average, but 1 in 5 services do not meet the ambition to be graded good or better. The percentage of adults with intensive care needs receiving care at home rather than in a care home setting is higher than Scotland, which is a reflection of how services are distributed through the rural region.

More people than ever have experienced a delay to their hospital discharge. This is a challenge across Scotland, but is a key focus for improvement work in Dumfries and Galloway. Multiple initiatives are underway to address the pinch points throughout the entire health and social care system which are monitored and managed through our delivery programmes and reported to the relevant committees of the NHS and Council.

Note that data supporting the indicators defined by the Ministerial Strategic Group (MSG) remain less than 95% at year end. The performance data in relation to the MSG indicators and National Core Indicators are set out in the tables below.

Ministerial Strategic Group (MSG) Indicators	Year 4		Year 5	
	Time period	D&G	Time period	D&G

E1.1	The number of emergency admissions per month for people aged under 18 years (Target)	Dec 2021	214 (216)	Dec 2022	312 (216)
E1.2	The number of emergency admissions per month for people aged 18 years and older (Target)	Dec 2021	1,197 (1,266)	Dec 2022	1,151 (1,266)
E2.1	The number of unscheduled hospital bed days for acute specialties per month for people aged under 18 years (Target)	Dec 2021	381 (312)	Dec 2022	419 (312)
E2.2	The number of unscheduled hospital bed days for acute specialties per month for people aged 18 years and older (Target)	Dec 2021	10,899 (10,706)	Dec 2022	8,322 (10,706)
E2.3	The number of unscheduled hospital bed days for mental health per month for people aged under 18 years (Target)	Oct-Dec 2021	97 (166)	Oct-Dec 2022	92 (166)
E2.4	The number of unscheduled hospital bed days for mental health per month for people aged 18 years and older (Target)	Oct-Dec 2021	9,045 (6,559)	Oct-Dec 2022	11,025 (6,559)
E3	The number of people attending the emergency department per month (Target)	Dec 2021	3,002 (3,953)	Dec 2022	3,983 (3,953)
E4	The number of bed days occupied by all people experiencing a delay in their discharge from hospital, per month, people aged 18 and older (Target)	Dec 2021	1,986 (1,019)	Dec 2022	3,525 (1,019)
E5	The percentage of last six months of life spent in the community	2020/21	90.3% (88.8%)	2021/22	90.2% (88.8%)
E6	The percentage of population aged 65 or older in community settings (supported or unsupported)	2020/21	96.9% (96.4%)	Not available	

Source: Ministerial Strategic Group Indicators Dashboard (via Source level3)

Note: Figures in red are provisional and based on data up to 5% incomplete.

Julie White
 Chief Officer
 Dumfries and Galloway Integration Joint Board

Andy McFarlane
 Chair
 Dumfries and Galloway Integration Joint Board

Section 2: 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 ensure that one of its officers has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In Dumfries and Galloway Integration Joint Board, that officer is the Chief Finance Officer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Ensure that the Financial Statements are prepared in accordance with legislation and so far as compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- Approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature by the Dumfries and Galloway Integration Joint Board at its meeting on 22nd September 2022.

Signed on behalf of Dumfries and Galloway Integration Joint Board.

Andy McFarlane
Chair
Dumfries and Galloway Integration Joint Board

Responsibilities of the Chief Finance Officer

The Chief Finance Officer, as S95 Officer, is responsible for the preparation of the IJB's Financial Statements which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (*The Code*), are required to present a true and fair view of the financial position of the IJB at the accounting date and its transactions for the period.

In preparing these Financial Statements, 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 the Code of Practice and legislation.
- Complied with the local authority Accounting Code (in so far as it is compatible with legislation).
- 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 Dumfries and Galloway Integration Joint Board at the reporting date and the transactions of Dumfries and Galloway Integration Joint Board for the year ended 31st March 2023.

Katy Kerr ACMA
Chief Finance Officer
Dumfries and Galloway Integration Joint Board

Section 3: Remuneration Report

Introduction

This Remuneration Report is provided in accordance with the Local Authority Accounts (Scotland) Regulations 2014. It discloses information relating to the remuneration and pension benefits of specified IJB members and staff.

The information in the tables below is subject to external audit. The explanatory text in the Remuneration Report is reviewed by external auditors to ensure it is consistent with the financial statements.

Integration Joint Board Membership

The voting members of the IJB are nominated by the parent organisations ie. Dumfries and Galloway Council and NHS Dumfries and Galloway. There are 5 voting members from each parent organisation.

For 2022/23 IJB membership was as follows:

Name	Parent Organisation	To/From
Councillor Andy McFarlane	Dumfries and Galloway Council	
Councillor Paula Stevenson	Dumfries and Galloway Council	
Councillor Willie Scobie	Dumfries and Galloway Council	Until March 2023
Councillor Jane Maitland	Dumfries and Galloway Council	Until May 2022
Councillor Elaine Murray	Dumfries and Galloway Council	Until May 2022
Councillor Ian Carruthers	Dumfries and Galloway Council	
Councillor Gail McGregor	Dumfries and Galloway Council	Until March 2023
Councillor Chrissie Hill	Dumfries and Galloway Council	From March 2023
Councillor Denis Male	Dumfries and Galloway Council	From March 2023
Gwilym Gibbons	NHS Dumfries and Galloway	From April 2023
Rhianna Davies McCrorie	NHS Dumfries and Galloway	From April 2023
Vicky Keir	NHS Dumfries and Galloway	
Kim Dams	NHS Dumfries and Galloway	
Greg Black	NHS Dumfries and Galloway	
Marsali Caig	NHS Dumfries and Galloway	Until March 2023
Grace Cardozo	NHS Dumfries and Galloway	Until June 2022
Laura Douglas	NHS Dumfries and Galloway	Until March 2023
Lesley Bryce	NHS Dumfries and Galloway	Until March 2023

There were a number of changes from the start of 2023/24 due to the change in council leadership and a number of NHS Non Executive members coming to the end of their term. The tables below shows the details of the voting members at the start of 2023/2024.

At the IJB meeting on the 23/03/23, the following Voting Members and IJB Chair were approved:

Voting Members	Substitutes for Voting Members
Andy McFarlane (Chair)	
Ian Carruthers	Karen Carruthers
Chrissie Hill	Gail MacGregor
Denis Male	David Slater
Andy McFarlane	Andy Ferguson
Paula Stevenson	Carolyne Wilson

Following the NHS Board meeting on the 17.04.2023, the following NHS Board Voting Members were approved:

Voting Members	Substitutes for Voting Member
Kim Dams (Vice-Chair)	Bill Irving
Greg Black	
Vicky Keir	
Rhianna Davies-McCronie	
Gwilym Gibbons	

NHS Board Members will be asked to appoint the Vice-Chair of the IJB from their voting membership. The position of Vice-Chair is effective from 26th April 2023. These changes are made every 2 years as outlined in the Public Bodies (Integration Joint Board) (Scotland) Order 2014 and the Dumfries and Galloway Integration Scheme.

Remuneration: Officers of the IJB

The IJB does not employ any staff in its own right, however, specific post-holding officers are Advisory members of the Board.

Chief Officer

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014, a Chief Officer for the IJB has to be appointed and the employing partner has to formally second the officer to the IJB. The pay arrangements for the Chief Officer have been determined by the NHS employer, with arrangements for NHS staff determined under national arrangements. The pay arrangements for NHS senior managers whose posts are part of the Executive and Senior Management Cohorts are, subject to Scottish Government Health and Social Care Directorates guidance, determined by the local NHS Remuneration Sub-Committee who ensures the application and implementation of fair and equitable systems for pay and for performance management on behalf of the NHS Board.

Other Officers

No other staff are appointed by the IJB under a similar legal regime. Other Advisory Board members who meet the criteria for disclosure are included in the disclosures below.

Total 2021/22 £	Senior Employees	Salary, Fees and Allowances £	Other Benefits £	Total 2022/23 £
113,487	Mrs J White Chief Officer	113,487	0	116,198
98,484	Mrs K Kerr Chief Finance Officer	98,484	0	100,420

Remuneration for the Chief Officer and Chief Finance Officer reflects their total salary for both their roles within the IJB and also their NHS responsibilities, with remuneration also disclosed in the NHS Board accounts. Due to the integrated model in Dumfries and Galloway, no arbitrary apportionment of the remuneration between the two roles has been made with full remuneration disclosed.

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 are no pensions liability reflected on the IJB balance sheet for the Chief Officer or any other officers.

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

Senior Employee	In-Year Pension Contributions		Accrued Pension Benefits		
	For Year to 31/03/22 £	For Year to 31/03/23 £		Difference From 31/03/22 £000	As at 31/03/23 £000
Mrs J White Chief Officer	15,548	15,919	Pension	5	43
			Lump sum	2	72
Mrs K Kerr Chief Finance Officer	13,492	13,758	Pension	4	45
			Lump sum	2	85
Total	29,040	29,677	Pension	9	88
			Lump Sum	4	157

Note: The figures in the "Difference from 31/03/22" columns represent the difference between the unrounded pension benefits as at 31 March 2023 and the unrounded pension benefits as at 31 March 2022, rounded to the nearest £1,000. In a small number of cases, basing the calculation on the rounded

pension benefits as at 31 March 2023 and as 31 March 2022 results in a marginally higher or lower difference.

Disclosure by Pay Bands

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

Number of Employees in Band 2021/22	Remuneration Band	Number of Employees in Band 2022/23
1	£95,000 - £99,999	0
0	£100,000 - £104,999	1
0	£105,000 - £109,999	0
1	£110,000 - £114,999	0
0	£115,000 - £119,999	1

Julie White
Chief Officer
Dumfries and Galloway Integration Joint Board

Andy McFarlane
Chair
Dumfries and Galloway Integration Joint Board

Section 4: Annual Governance Statement

This statement sets out the framework within which the IJB has put in place proper arrangements (known as the governance framework) for the governance of the IJB's affairs. The governance framework facilitates the effective exercise of the IJB's functions, ensuring that appropriate arrangements are in place for the management of risk and that appropriate systems of internal financial control are in place.

Scope of Responsibility

Dumfries and Galloway 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 properly accounted for, and used economically, efficiently and effectively. The IJB also has a duty under the Local Government Act 2003 to make arrangements to secure 'Best Value', through continuous improvement in the way in which its functions are exercised, having regard to economy, efficiency, effectiveness, the need to meet the equal opportunity requirements, and contributing to the achievement of sustainable development.

In discharging this overall responsibility, the IJB is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

The IJB complies with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Statement on "*The Role of the Chief Financial Officer in Local Government 2010*". The IJB's Chief Finance Officer (Section 95 Officer) has overall responsibility for the IJB's financial arrangements, and is professionally qualified and suitably experienced to lead the IJB's finance function and to direct finance staff.

The IJB Internal Audit function complies with the requirements of the United Kingdom Public Sector Internal Audit Standards 2013:

"Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes".

The IJB uses the systems of Dumfries and Galloway Council and NHS Dumfries and Galloway to manage its financial records. The operational delivery of services within the NHS Dumfries and Galloway and Dumfries and Galloway Council, on behalf of the IJB, is covered by their respective internal audit arrangements.

The Audit and Risk Committee performs a scrutiny role in relation to the application of the Public Sector Internal Audit Standards 2013 (PSIAS) and regularly monitors the performance of the IJB's Internal Audit service.

The IJB has appointed a Chief Internal Auditor who has responsibility to review independently and report to the Audit and Risk Committee annually, to provide assurance on the adequacy and effectiveness of risk management, internal control and governance processes within the IJB.

Members and officers of the IJB are committed to the concept and delivery of sound governance and the effective delivery of IJB services.

This statement explains how the IJB has complied with the Framework and also meets the requirements of The Local Authority Accounts (Scotland) Regulations 2014 which requires all relevant bodies to prepare an annual governance statement.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, objectives and outcomes and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the IJB's policies, objectives and outcomes, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The governance framework has been developed within Dumfries and Galloway IJB for the period ended 31 March 2023 and up to the date of approval of this statement of accounts.

The Governance Framework

In relation to the development of its governance arrangements during 2015/16, the IJB established a Strategic Planning Group as required by regulation to shape and influence the development of strategic plans, to provide views on any 'significant decision' being considered by the IJB and to provide support and comment within the Partnership on the development of policies across the full range of delegated functions. This has been reviewed and continues to be an effective mechanism around the review and scrutiny of the Strategic Plan. This group is being further reviewed as we assess the development of the IJB for 2022/23.

The IJB agreed to undertake a review of the Scheme of Delegation to Committees and Officers during this year and a Short Life Working Group was formed to progress this looking at the IJB and Committee Structure. This work was concluded during 2022/23 with the new committees established from October 2022.

The IJB has four Committees supporting the operation of the Board:

1. **Transformation, Innovation and Delivery Committee** - This committee will maintain oversight of those areas of business as specified by the Integration Joint Board:
 - Sustainability and Modernisation
 - Population Health
 - Partnership and Collaboration
 - Health Inequalities Outcome and Inclusion
 - Engagement and Participation

2. **Strategic Planning Delivery and Commissioning Committee** - This committee will maintain oversight of those areas of business as specified by the Integration Joint Board:
 - Strategic Needs Assessment
 - Strategic Planning Group
 - Planning Priorities
 - Commissioning Plan
 - Directions
 - Workforce Planning

3. **Finance, Performance and Quality Committee** - The committee will maintain oversight of those areas of business as specified by the Integration Joint Board:
 - Finance/Delegated Budget
 - Performance and Business Intelligence
 - Quality Assurance

4. **Audit, Risk and Governance Committee** - This committee will maintain oversight of those areas of business as specified by the Integration Joint Board:
 - Corporate Risk
 - Clinical and Care Governance
 - External Audit
 - Annual Report and Accounts
 - Freedom of Information
 - Internal Audit
 - Records Management
 - Regulatory bodies recommendations and requirements

The IJB has developed a range of governance related documents including: Standing Orders, Scheme of Delegation, Complaints Policy, Freedom of Information, and Risk Management Strategy. Through the work of the Audit and Risk Committee, it has been agreed that the Risk Strategy and risk arrangements for the Partnership should

be reviewed as these have evolved since the initial risk strategy was developed at the inception of the IJB. This review is still underway of all governance arrangements.

A Register of Members Interests has been established for IJB Members. IJB Members have also been invited to sign the Code of Conduct for Members of Devolved Public Bodies. The IJB now has its own governance support separate from the NHS and Council through the Chief Officer's Business Support Team.

The four Area Committees have a scrutiny role delegated to them by the Social Work Services Committee with regard to the delivery of services at a locality level. The performance reporting framework reflects this approach, with the Partnership presenting regular reports to the committees every six months, in May and November. No reports were prepared during March 2022 for the May 2022 Area Committees as these were cancelled for the elections. The content of these reports will be reviewed during the development of the social work business plan during 2023/24.

A review of annual performance of the IJB is prepared and published each year by the Partnership. It has been confirmed that the deadline for completing and publishing this report has reverted back to 31 July 2023. It is acknowledged by Public Health Scotland that some performance indicators may be incomplete at this time, and will need to be published in draft. A performance overview is included in this report.

During 2022/23, work progressed on updating and reviewing the IJB's Corporate Risk Register. The current risks are:

1. Sufficiency or stability of resource - to meet needs set out in Strategic Commissioning Plan
2. Failure to make progress against nine National Health and Wellbeing Outcomes
3. Failure to develop an adequate and effective Strategic Commissioning Plan

The Chief Officer has considered whether there are any weaknesses in our internal controls which require highlighting for 2022/23. The challenges associated with the imbalance of demand and capacity in the care at home market have continued to impact of our management of delayed discharges. During 2022/23 we saw a further closure of a care home locally with a loss of 36 care home beds to Dumfries and Galloway and our care home estate remains fragile. The scale of the financial challenge remains a significant concern with additional resource required from the NHS Board during 2022/23 to balance the overall financial position as part of the brokerage which the NHS Board received from Scottish Government.

Internal Financial Control

The IJB's system of internal controls is based on a framework of regular management information, financial regulations, administrative procedures, management supervision and a system of delegation and accountability. The Board uses the systems of Dumfries and Galloway Council and NHS Dumfries and Galloway to manage its financial records.

Development and maintenance of the systems is undertaken by the NHS Dumfries and Galloway and Dumfries and Galloway Council as part of the operational delivery of the Health and Social Care Partnership. In particular the system includes:

- Comprehensive budgeting systems.
- Setting targets to measure financial and other performance.
- Regular reviews of periodic and annual financial reports which indicate financial performance against forecasts and targets.
- Formal project management disciplines, as appropriate.

The Deputy Director of Finance, NHS Dumfries and Galloway and the Head of Finance and Procurement, Dumfries and Galloway Council have provided assurances that the charges for the services commissioned reflect the income and expenditure recorded in their financial systems and that they are complete and accurate reflecting appropriate charges.

Any system of control can only ever provide reasonable and not absolute assurance that control weaknesses or irregularities do not exist or that there is no risk of material errors, losses, fraud, or breaches of laws or regulations. Accordingly, the Partners of the Integration Board are continually seeking to improve the effectiveness of its systems of internal control.

The main objectives of the IJBs internal control systems are:

- To ensure adherence to policies and directives in order to achieve the organisation's objectives.
- To safeguard assets.
- To ensure the relevance, reliability and integrity of information, so ensuring as far as possible the completeness and accuracy of records.
- To ensure compliance with statutory requirements.

The system of financial control is reviewed to ensure continued effectiveness by the work of managers in the IJB and by the work of internal and external audit in their annual report and other reports.

Review of Effectiveness

The review of effectiveness of the governance framework including the system of internal controls is informed by the work of the Health and Social Care Governance and Performance Group (H&SCG&P) within the IJB who have responsibility for the development and maintenance of the governance environment, the annual report by the Chief Internal Auditor, and also by reports/comments made by external audit and other review agencies and inspectorates.

The Chief Internal Auditor reports directly to the IJB Audit, Risk and Governance Committee on all audit matters with the right of access to the Chief Officer, Chief Finance Officer and the Chair of the Audit, Risk and Governance Committee.

In addition to regular reports to the IJB Audit and Risk Committee, the Chief Internal Auditor prepares an annual report for the Audit and Risk Committee. Internal Audit

aims to give reasonable assurance on the IJB's systems of internal control using a risk based programme of work.

Assurance

Subject to the above, and on the basis of the assurance provided, we consider that the governance and internal control environment operating during 2022/23 provides reasonable and objective assurance that any significant risk impacting on our principal objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the governance and internal control environment and action plans are in place to address identified areas for improvement.

Julie White
Chief Officer
Dumfries and Galloway Integration Joint Board

Andy McFarlane
Chair
Dumfries and Galloway Integration Joint Board

Section 5: Independent auditor's report to the members of Dumfries and Galloway Integration Joint Board and the Accounts Commission

Reporting on the audit of the financial statements

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Section 6: Comprehensive Income and Expenditure Statement

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

2021/22 £000		Note	2022/23 £000
	Expenditure		
461,099	Health and Social Care	8	466,560
139	Operational Costs	5	144
461,238	Cost of services		466,704
(475,599)	Partners Funding Contributions	6	(451,446)
(14,361)	(Surplus)/deficit on provision of services and total comprehensive income and expenditure		15,258

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

The in-year overspend was a planned overspend with agreement of the use of reserves confirmed with the partner organisations.

Section 7: Movement in Reserves Statement

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

Movement in Reserves during 2022/23

	General Fund £000	Unusable Reserves £000	Total Reserves £000
Total Comprehensive Income and Expenditure Opening Balance at 31 March 2022	30,772	0	30,772
Increase or (Decrease) in 2022/23	(15,258)	0	(15,258)
Closing Balance at 31 March 2023	15,514		15,514

Movement in Reserves during 2021/22

	General Fund £000	Unusable Reserves £000	Total Reserves £000
Total Comprehensive Income and Expenditure Opening Balance at 31 March 2021	16,411	0	16,411
Increase or (Decrease) in 2022/23	14,361	0	14,361
Closing Balance at 31 March 2022	30,772	0	30,772

Section 8: Balance Sheet as at 31 March 2023

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.

2021/22 £000		Note	2022/23 £000
30,772	Current Assets Short Term Debtors	7	15,514
0	Current Liabilities Short Term Creditors		0
30,772	Net Assets		15,514
30,772	Usable Reserves – General Fund	9	15,514
0	Unusable Reserves		0
30,772	Total Reserves		15,514

Katy Kerr ACMA
 Chief Finance Officer
 Dumfries and Galloway Integration Joint Board

Section 9: Notes to the Financial Statements

Note 1: Accounting policies

i. General principles

The Financial Statements summarise the IJB's transactions for the 2022/23 financial year and its position at the year end of 31 March 2022.

The Dumfries and Galloway 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 Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

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

ii. Accruals of expenditure and income

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

- Expenditure is recognised when goods or services are received, and their benefits are used by the 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 income and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the Balance Sheet.
- Where debts may not be received, the balance of debtors is written down.

iii. Funding

The IJB is funded through funding contributions from the statutory funding partners, Dumfries and Galloway Council and NHS Dumfries and Galloway. Expenditure is incurred as the IJB commissions' specified Health and Social Care services from the funding partners for the benefit of service recipients in Dumfries and Galloway.

iv. Cash and cash equivalents

The IJB does not operate a bank account or hold cash. Instead, the funding partners utilise, as directed by the IJB, the amount of funding due to the IJB to pay for services. Consequently, the IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet. The balance of funding due to or from each funding partner as at 31st March is represented as a debtor or creditor on the IJB's Balance Sheet.

v. Offsetting of Debtors and Creditors

The IJB and the funding partners have confirmed that there is a 'right of offset', and that there is an intention to allow settlement of balances to be undertaken on a net basis. On this basis the IJB's financial statements present the balances due to and from the funding partners on a net basis rather than as separate creditors and debtors. The offsetting of debtors and creditors by the IJB primarily relates to the funding contributions due from the funding partners and the commissioning expenditure that the IJB is committed to paying the funding partners for. Details of the net balances due to or from the funding partners are disclosed in Note 10: Related Parties.

vi. 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 Board 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 for the Chief Officer and Chief Finance Officer from the employing partner are treated as employee costs.

vii. Reserves

The IJB's reserves are classified as either Usable or Unusable Reserves. The IJB's only Usable Reserve is the General Fund. The balance of the General Fund as at 31st March shows the extent of resources which the IJB can use in later years to support service provision.

viii. Indemnity Insurance

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Dumfries and Galloway and Dumfries and Galloway Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide.

Unlike NHS Boards, the IJB does not have any 'shared risk' exposure from participation in CNORIS (The Clinical Negligence and Other Risks Indemnity Scheme). The IJB participation in the CNORIS scheme is therefore analogous to normal insurance arrangements.

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

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

ix. Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the IJB.

x. VAT

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

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 HM Revenues & Customs (HMRC) and all VAT paid is recoverable from it. 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.

Note 2: Accounting Standards issued not adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted.

IFRS 16 Leases supersedes IAS 17 Leases and is being applied by HM Treasury in the Government Financial Reporting Manual (FReM) from 1 April 2022. IFRS 16 introduces a single lessee accounting model that results in a more faithful representation of a lessee's assets and liabilities, and provides enhanced disclosures to improve transparency of reporting on capital employed. No impact is anticipated, of IFRS 16, on the IJB.

Note 3: Critical Judgements and Estimation uncertainty

Financial Statements can include some estimated figures and critical judgements. Estimates are made taking into account the best available information, however, actual results could differ from the assumptions and estimates used. There are no estimates and judgements in the IJB accounts.

Note 4: Events after the Reporting Period

The Annual Accounts were authorised for issue by the Chief Finance Officer on 30th June 2022 and will be signed after the Board meeting on the 22nd September 2022. There were no events after the reporting period which require disclosure in these annual report and accounts.

Note 5: Expenditure and Income Analysis

2021/22 £000		2022/23 £000
77,023	Services Commissioned from Dumfries and Galloway Council	90,415
384,075	Services Commissioned from NHS Dumfries and Galloway	376,145
109	Operational Expenditure - Employee Benefits	111
3	- Insurance and Related	3
28	- Auditor Fee: External Audit Work	30
(475,599)	Partners Funding Contributions	(451,446)
(14,361)	(Surplus)/deficit on the provision of services	15,258

Note 6: Partners Funding Contributions

2021/22 £000		2022/23 £000
74,901	Funding Contribution from Dumfries and Galloway Council	94,333
400,698	Funding Contribution from NHS Dumfries and Galloway	357,113
0	Other Non-ringfenced grants and contributions	0
475,599	Partners Funding Contributions	451,446

The funding contribution from the NHS Board shown above includes no funding for 'set aside' resources relating to Acute hospital and other resources as the NHS has delegated all strategic and operational responsibility to the IJB for all Acute hospital budgets which are included in the funding contributions agreed. The Council contributions shown include Resource Transfer but are net of Social Care Fund spend which transfers from the NHS.

The funding contributions from the partners shown above include all funding provided to partners from the Social Care Fund and Integrated Care Fund and any specific funding provided to the partner agencies for service provision.

Note 7: Short Term Debtors

2021/22 £000	Debtor	2022/23 £000
25,084	NHS Dumfries and Galloway	5,908
5,688	Dumfries and Galloway Council	9,606
30,772	Total Short Term Debtors	15,514

Note 8: Segmental Analysis

Segmental analysis, as required under IFRS has been reported for each service group commissioned by the IJB.

2021/22 £000	Service	2022/23 £000
17,009	Adult Social Work, Children & Families, Addictions	21,015
224	Adults with Addiction/Substance Misuse	224
92	Children & Families	98
19,487	Older People	23,769
6,691	People with Physical Disability	7,725
28,392	People with a Learning Disability	31,055
2,709	People with Mental Health Need	3,471
2,419	Strategic Planning	3,058
77,023	Services Commissioned from Dumfries and Galloway Council	90,415
145,211	Acute & Diagnostics Directorate	148,852
6,960	E Health	6,804
18,526	Facilities & Clinical Support	21,792
26,740	Mental Health Directorate	28,990
64,566	Community Health & Social Care (NHS)	69,718
52,817	Primary Care Services	53,076
43,711	Resource Transfer/Social Care Fund/Strategic Planning	19,168
25,544	Women & Children's Directorate	27,745
384,075	Services Commissioned from NHS Dumfries and Galloway	376,145
461,098	Health and Social Care	466,560

Note 9: Movement in reserves

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

- To earmark 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. This reflects the timing of ringfenced allocations which needs to be matched to specific expenditure and release of reserves depends on timing and nature of expenditure which spans financial years.
- To provide a contingency fund to cushion the impact of unexpected events or emergencies. This is regarded as a key part of the IJB's risk management framework.

The tables below shows the movements on the General Fund balance, analysed between those elements earmarked for specific planned future expenditure and the amount held as a general contingency.

Current Year	Balance at 31 March 2022	Transfers Out	Transfers In	Balance at 31 March 2023
	£000	2022/23 £000	2022/23 £000	£000
Adult Social Care Winter Planning	2,203	1,019	0	1,184
Alcohol and Drug Partnerships	1,604	533	0	1,071
Community Living Change Fund	497	60	0	437
Covid-19 Funding	16,346	16,346	0	0
Mental Health Recovery & Renewal	2,352	1,142	0	1,210
Mental Health Strategy – Action 15	461	156	0	305
Primary Care Improvement Fund	2,262	1,687	0	575
Social Care Fund	1,704	137	5,075	6,642
Winter Planning Health & Social Care	3,343	0	747	4,090
Total Earmarked	30,772	21,080	5,822	15,514
Contingency	0	0	0	0
General Fund	30,772	21,080	5,822	15,514

Prior Year	Balance at 31 March 2021	Transfers Out	Transfers In	Balance at 31 March 2022
	£000	2021/22 £000	2021/22 £000	£000
Adult Social Care Winter Planning	3,815	1,612		2,203
Alcohol and Drug Partnerships	771		833	1,604
Community Living Change Fund	497		0	497
Covid-19 Costs	7,824		8,522	16,346
Integrated Care Fund	288	288	0	0
Mental Health Recovery and Renewal	0		2,352	2,352
Mental Health Strategy – Action 15	253		208	461
Primary Care Improvement Fund	380		1,882	2,262
Social Care Fund	2,583	879		1,704
Winter Planning Health and Social Care	0		3,343	3,343
Total Earmarked	0		17,140	30,772
Contingency	0		0	0
General Fund	16,411	2,779	17,140	30,772

Note 10: Related parties

The IJB has related party relationships with NHS Dumfries and Galloway and Dumfries and Galloway Council. In particular, the nature of the Partnership means that the IJB may influence, and be influenced by, its partners.

Both the NHS and Local Authority provide a range of services to the IJB for corporate support, including finance, human resources, admin and corporate services. These services are provided free of charge as services in kind. The following tables provide additional information on the related party transactions.

2021/22 £000	Transactions with NHS Dumfries and Galloway	2022/23 £000
(400,698)	Funding Contributions received from the NHS Board	(357,113)
384,075	Expenditure on Services Provided by the NHS Board	376,145
109	Key Management Personnel: Advisory Board members	111
31	Support Services	33
(16,483)	Net Transactions with NHS Dumfries and Galloway	19,176
Notes		
Key Management Personnel: The Advisory Board members employed by the NHS Board and recharged to the IJB include the Chief Officer and the Chief Finance Officer.		
As at 31/03/22 £000	Balances with NHS Dumfries and Galloway	As at 31/03/23 £000
25,084	Debtor balances: Amounts due from the NHS Board	5,908
0	Creditor balances: Amounts due to the NHS Board	0

25,084	Net Balance with NHS Dumfries and Galloway	5,908
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2021/22 £000	Transactions with Dumfries and Galloway Council	2022/23 £000
(74,901)	Funding Contributions received from the Council	(94,333)
77,023	Expenditure on Services Provided by the Council	90,415
2,122	Net Transactions with Dumfries and Galloway Council	(3,918)
As at 31/03/22 £000	Balances with Dumfries and Galloway Council	As at 31/03/23 £000
5,688	Debtor balances: Amounts due from the Council	9,606
0	Creditor balances: Amounts due to the Council	0
5,688	Net Balance with Dumfries and Galloway Council	9,606

Note 11: Contingent Liabilities

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

Section 10: Glossary of Terms

While the terminology used in this report is intended to be self-explanatory, it may be useful to provide additional definition and interpretation of the terms used.

A&E

Accident & Emergency

Accounting Period

The period of time covered by the Financial Statements, normally a period of twelve months commencing on 1 April. The end of the accounting period is the Balance Sheet date.

Accruals

The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

ACMA

Associate of the Chartered Institute of Management Accountants.

AHP

Allied Health Professional

Asset

An item having value to the IJB in monetary terms. Assets are categorised as either current or non-current. A current asset will be consumed or cease to have material value within the next financial year (eg. cash and stock). A non-current asset provides benefits to the IJB and to the services it provides for a period of more than one year.

Audit of Financial Statements

An independent examination of the IJB's financial affairs.

Balance Sheet

A statement of the recorded assets, liabilities and other balances at the end of the accounting period.

CAMHS

Child and Adolescent Mental Health Services

CCGC

Clinical and Care Governance Committee

CIPFA

The Chartered Institute of Public Finance and Accountancy

CNORIS

The Clinical Negligence and Other Risks Indemnity Scheme

Creditor

Amounts owed by the IJB for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

DATIX

Board's Risk Management System

Debtor

Amount owed to the IJB for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

Depreciation

The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the IJB's non-current assets during the accounting period, whether from use, the passage of time or obsolescence through technical or other changes.

ED

Emergency Department

Entity

A body corporate, Partnership, trust, unincorporated association or statutory body that is delivering a service or carrying on a trade or business with or without a view to profit. It should have a separate legal personality and is legally required to prepare its own single entity financial statements.

Events after the Balance Sheet Date

Events after the Balance Sheet date are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Financial Statements are authorised for issue.

Exceptional Items

Material items which derive from events or transactions that fall within the ordinary activities of the IJB and which need to be disclosed separately by virtue of their size or incidence to give a fair presentation of the financial statements.

GP

General Practice

HAI

Health Associated Infections

Health and Social Care Partnership (H&SCP)

Is the name given to the Parties' service delivery organisation for functions which have been delegated to the IJB.

HMRC

HM Revenue and Customs

IAS

International Accounting Standards

IFRS

International Financial Reporting Standards

IJB

Integration Joint Board

IM&T

Information, Management and Technology

LASAAC

The Local Authority (Scotland) Accounts Advisory Committee

Liability

A liability is where the IJB owes payment to an individual or another organisation. A current liability is an amount which will become payable or could be called in within the next accounting period eg. creditors or cash overdrawn. A non-current liability is an amount which by arrangement is payable beyond the next year at some point in the future or will be paid off by an annual sum over a period of time.

MSK

Musculoskeletal

Provisions

An amount put aside in the financial statements for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

PSIAS

Public Sector Internal Audit Standards 2013

Related Parties

Bodies or individuals that have the potential to control or influence the IJB or to be controlled or influenced by the IJB. For the IJB's purposes, related parties are deemed to include Elected Members, the Chief Executive, the Executive Directors and their close family and household members.

Remuneration

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as these sums are chargeable to UK income tax) and the monetary value of any other benefits received other than in cash.

Reserves

The accumulation of surpluses, deficits and appropriation over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the IJB. Some capital reserves such as Fixed Asset Restatement Account cannot be used to meet current expenditure.

S95 Officer

The Integration Joint Board is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In Dumfries and Galloway Integration Joint Board that officer is the Chief Finance Officer.

SCIs

Strategic Commissioning Intentions

SPG

Strategic Planning Group

SCP

Strategic Commissioning Plan

The Code

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

TTG

Treatment Time Guarantee

Useful Economic Life

The period over which the local authority will derive benefits from the use of a non-current asset.