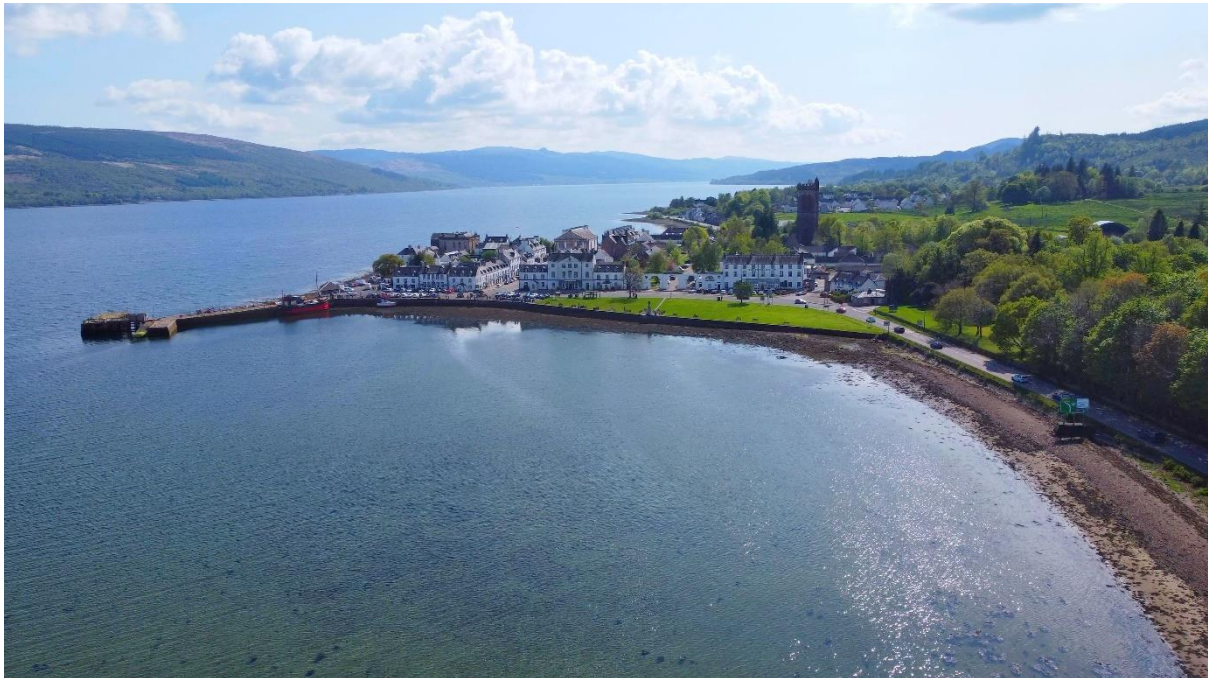


ARGYLL AND BUTE INTEGRATION JOINT BOARD

Commonly known as Argyll and Bute Health & Social Care Partnership



UN-AUDITED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025



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ARGYLL AND BUTE INTEGRATION JOINT BOARD Management Commentary

1. INTRODUCTION

This document provides the Financial Statements of the Argyll and Bute Integration Joint Board (IJB) for the year ended 31 March 2025 and reports on performance. The main purpose is to demonstrate the stewardship of public funds entrusted to the HSCP for the delivery of its Strategic Plan. The requirements governing the format and content of the annual accounts are contained in The Code of Practice on Local Authority Accounting. These Accounts have been prepared in accordance with the Code.

The Management Commentary provides an overview of the IJB's financial position and operational performance for the year. This section also provides a summary of the challenges and risks which may impact in the future.

The IJB has had a mixed year from a financial perspective. It has operated within the resources available to it but has depleted its general reserves during the year. The HSCP has experienced an increase in both costs and demand for older adult services and as a result has overspent against its budget on these services. The overspend has been funded from non-recurring savings and therefore it has not had to rely on additional support from its funding partners that it is required to repay. Health services underspent slightly during the year, due to this, and late receipt of additional funding, a small increase in total reserves is reported. These are mostly earmarked for specific future costs projects and investments but do also provide some degree of financial resilience and mitigate the financial risk to partners in 2025/26. As planned, the HSCP has spent a significant proportion of its general reserves to maintain services as far as is possible in the face of the cost and demand pressures currently challenging the whole of the Health and Social Care sector. Again, like most of the sector, the HSCP recognised that it has only been able to fund existing services through the use of reserves and non-recurring savings, clearly this is not sustainable. Current service provision is configured in a way that is no longer affordable, therefore service change and delivery of further efficiency savings are now immediate priorities.

2. THE INTEGRATION JOINT BOARD (IJB)

The Argyll and Bute Health and Social Care Partnership (HSCP) is responsible for the planning and delivery of all community and acute health and social care services for adults and children. This includes services we deliver directly and a range of services which are purchased from external providers including NHS Greater Glasgow and Clyde. The Partnership is a distinct legal entity with a board of governors, the IJB which has responsibility and accountability for the planning, resourcing and oversight of the delivery of integrated services as described in its Strategic Plan. The IJB was delegated resources and responsibility for Health and Care service delivery from 1 April 2016.

Membership of the IJB includes eight voting members with four Elected Members nominated by Argyll and Bute Council and four Board Members of NHS Highland. In addition there are non-voting appointees representing other sectors and stakeholder groups, such as the Third

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Sector, Independent Sector, Patients and Service Users, Carers, individuals with lived experience and staff.

Argyll and Bute is home to 87,800 people, covers an area of 690,946 hectares and is the second largest local authority by area in Scotland. It has 23 inhabited islands, with 17% of the population living on islands. Argyll and Bute provides a number of unique opportunities for those who live and work here, however we also face a number of challenges. The geography associated with dispersed communities in remote and rural areas and islands presents a challenge in delivering services within the resources available. Of the population, 69% live in “remote” or “very remote” areas and 45% live in areas in the 20% “most deprived for geographic access to services”. Argyll and Bute has a higher proportion of older people than Scotland as a whole, with 12.7% aged 75+ compared to 9% in Scotland. This presents a demographic challenge in the context of a reducing and ageing population. The demographic change is now having an impact on demand for services and our ability to recruit staff to deliver services.

3. HEALTH AND SOCIAL CARE PARTNERSHIP STRATEGIC PLAN

The HSCP vision and priorities for health and social care are outlined in its Joint Strategic Plan 2022-2025. This is in the process of being refreshed in a way which will better reflect the current operational and financial context. The vision and strategic objectives for the partnership have remained consistent and relevant for our communities, staff, partners and

“People in Argyll and Bute will live longer, healthier, independent lives.”

stakeholders:

The Strategic Plan was produced following extensive consultation with our communities. The illustration below summarises these priorities, the full plan can be accessed at:

<https://www.nhshighland.scot.nhs.uk/OURAREAS/ARGYLLANDBUTE/Pages/JointStrategicPlan2022-25.aspx>

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4. PERFORMANCE MANAGEMENT AND REPORTING

The Integrated Performance Management Framework and Dashboard has been developed to ensure performance and improvement activity is reported in an accessible way to provide a holistic overview of performance against a range of internal performance indicators and the National Health & Wellbeing Outcomes. The performance measures continue to be refined and improved in order to increase their relevance and reliability which in turn helps to enable the process of performance improvement. The monitoring and reporting process ensures the HSCP is able to report performance against strategic priorities and provide nationally reported data on performance under the following headings;

1. Choice, Control and Innovation
2. Early Intervention & Enablement
3. Living Well & Active Citizenship
4. Community Co-production

The Annual Performance Report provides a detailed overview of the progress that has been made in addressing health and care priorities, this is available on the website. The process of managing COVID related backlogs of diagnosis and treatment and returning services to previous levels continues to be challenging. The situation is being exacerbated by the demographic change further driving increasing demand for services. The Scottish

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Government has requested all Health Boards focus upon managing down waiting lists, particularly very long waits. As a consequence of our reliance on NHS Greater Glasgow and Clyde (NHS GG&C) for specialist hospital services, our remobilisation planning has been completed in tandem with them. The following table summarises the key performance measure in respect of waiting times:

	Total on Waiting List @ March 24	Total on Waiting List @ March 25	Length of Wait (weeks)					
			March 2024 % > 12 Weeks	March 2025 % > 12 Weeks	Target %	March 2024 % > 52 Weeks	March 2025 % > 52 Weeks	Target %
Consultant Outpatient Clinics	1884	1932	44%	49%	46%	2.5%	6.9%	2.8%

The HSCP would not wish anyone to be waiting long periods of time to access services, however this remains the situation that many find themselves in and the problem has deteriorated in 2024/25. These waits relate to direct acute care activity and there are additionally other residents awaiting treatment with other Health Boards. This has been driven by increasing demand for services and is an issue throughout the NHS at present. The rural and small scale nature of many services continue to present a challenge to the ability of the HSCP to staff additional activity to clear the backlog of patients. The Annual Performance Report provides a more comprehensive overview of performance and benchmarks. The IJB is prioritising the re-mobilisation of services to reduce long waits and maintain system flow, including the management of delayed discharges from the acute sector.

5. FINANCIAL PERFORMANCE 2024-25

The 2024/25 financial year has been a particularly challenging one for the IJB. It has used a substantial element of its general reserves to fund health and social care activity during the year, this was planned. However, the IJB also overspent on its Social Work / Social Care budget by £2m or 2%. this was as a result of increasing demand for older adult services, unfunded inflationary pressure and increased use of agency staff to provide services due to staffing shortages. The overspend was funded through the utilisation of non-recurring savings relating to a temporary reduction in pension fund contributions due to the Strathclyde Pension Fund.

Overall reserves increased as a result of additional funding, largely to pay for expected future costs relating to NHS pay arrangements. General reserves reduced from £7.8m to £2.6m. The overall financial resilience of the IJB has reduced and reliance upon non-recurring savings is not sustainable beyond the 2025/26 year. As a result of the small overall increase in total reserves the accounts present a positive summary of financial performance despite the overspending on adult social care. Whilst any overspending is of concern, the HSCP has

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been able to fund its activities without reliance on extra support from either partner that it is required to repay. The broader context within which the HSCP is currently operating is extremely challenging with increasing financial pressures being experienced across Scotland. Many HSCPs have depleted their reserves and are spending in excess of resourcing.

Overall the HSCP is managing its financial position and is taking action to bring spend back into alignment with funding. This will have an impact on services and is being planned and delivered in the context of:

- on-going inflationary pressure (pay costs and commissioned service costs);
- increasing demand as a consequence of demographic change and social factors; and
- persistent recruitment and retention (workforce availability) challenges.

These factors are having an impact on financial performance as funding has not kept pace. The HSCP has been able to operate at a level that is in excess of funding due to the financial resilience it had built up in prior years, unfortunately this is no longer possible.

The final outturn for 2024/25 was an overspend against the budget of £1.8m but an underspend of £868k against the allocations of resource made available by both partners. This underspend has been carried forward in earmarked reserves and will be used to fund specific cost pressures in future years. The following table summarises financial performance against budget analysed between Health and Social Work services:

Service	Spend £000	Funding £000	Funds Transfer £000	(Surplus) / Deficit £000
Social Work Services	96,754	80,875	15,879	-
Health Services	284,529	301,276	(15,879)	(868)
GRAND TOTAL	381,283	382,151	-	(868)

Savings Delivery

The budget for 2024/25 included a savings target of £6.6m. During the year £5.1m, 77% of target was delivered. The savings programme is managed rigorously.

Financial Statements

Comprehensive Income and Expenditure Statement

This statement shows the cost of providing services for the year according to accepted accounting practices. There are no statutory or presentational adjustments which affect the application of the funding received from partners, therefore the movement in the General Fund balance is solely due to the transactions summarised in the Comprehensive Income and Expenditure statement.

Reconciliation of Comprehensive Income and Expenditure Statement to Financial Outturn:

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The table below reconciles the surplus on the provision of services of £868k as noted in the Comprehensive Income and Expenditure Statement to the financial outturn:

	£000	£000
Surplus on Provision of Services	868	
Less Statutory Adjustments that don't feature in financial outturn	0	
Movement in General Fund Balance		868
Earmarked Reserves released to services	(7,919)	
New Earmarked Reserves	8,787	
Increase in General Fund Balance		868

Movement in Reserves Statement

This statement shows the movement on the IJB's Reserves. It has one reserve, its General Fund, a resource backed reserve which can be used to fund future expenditure. The balance on the General Fund increased from £19.9m to £20.7m. These resources have been earmarked for specific purposes.

- General reserves decreased by £5.2m to fund infrastructure and project investment and to support budgeted NHS revenue spend (£4.2m); and
- Additional funding was received to cover potential future Agenda for Change terms and conditions (£7.2m).

The IJB spent £7.9m of its reserves during the year. It allocated this resource to fund spend within the NHS budget along with a number of projects detailed in note 6, including the remodelling and refurbishment of the care facility on Tiree and to address key worker housing shortages. The IJB Reserves Policy is that a prudent level of General Fund reserve is 2% of the revenue budget, this equates to around £7.5m. As at 31 March 2025 the IJB general reserves were below this level at £2.6m. Note 6 provides detail on the nature of the reserves held by the IJB and the purposes for which they are earmarked.

Balance Sheet

The Balance Sheet shows the value of the IJB's assets and liabilities as at 31 March 2025. It does not hold fixed assets or invest capital resource, these responsibilities sit with the partner bodies. There are explanatory notes which accompany the Balance Sheet. The net worth of the IJB as at 31 March 2025 is £20.7m, this is supported by the General Fund. The balance consists of Short Term Debtors relating to earmarked reserves balances for delegated services and recognises the amounts owed to the IJB by NHS Highland and Argyll and Bute Council.

There are no provisions recognised on the Balance Sheet. NHS Highland made a year-end provision for annual leave of £1.4m (£0.7m in the prior year) for HSCP staff. It also made a provision of £0.3m for potential regrading costs and £1m for IR35 liabilities relating to medical staff. All provisions are reflected in the outturn position.

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There are historic provision balances and contingent liabilities relating to services provided prior to 1 April 2016, these will be recognised as required in the partner Annual Accounts. There would be further consideration of funding requirements for the IJB where the historic funding of these provisions are insufficient and may affect future IJB funding arrangements.

6. FINANCIAL OUTLOOK, RISKS AND PLANS FOR THE FUTURE

Budget 2025-26

The budget for 2025/26 was approved by the IJB in March 2025. The budget relies upon the use of £3m in reserves and non-recurring funding to support social work and social care services and is not balanced in respect of NHS Services. Like much of the sector, the HSCP does not have confirmed funding to support planned NHS spend and is working with NHS Highland to address this. Inflation and increasing service demand has meant that the HSCP was unable to balance its budget. It is relying on its reserves and additional non-recurring funding to support service delivery in 2025/26. There is now an urgent need for cost reduction in addition to the saving plan approved for 2025/26 which totals £5.6m. It does however expect that it will have to make service reductions in advance of the 2026/27 financial year in order to ensure that it can continue to operate within the resources that will be made available to it by the Scottish Government and funding partners.

Service transformation and the delivery of the value for Money Strategy are key to ensuring services are delivered in sustainable way. While the budgeted position is extremely challenging, the HSCP has operated within the resources that have been available to it for the past five years, it has also repaid £5m in debt. It had built up a degree of financial resilience, this is now reducing due to service and cost pressures exceeding funding allocations. Operating on a financially sustainable basis is a strategic priority.

Medium to Longer Term Outlook

Looking to 2026/27 and beyond, it is anticipated the Scottish public sector will continue to face financial challenge. For Health and Social Care, increasing demand driven by demographic change combined with costs driven by pay and general inflation is expected to mean that cost pressures will continue to exceed funding increases. This context has been outlined by Audit Scotland, the Institute for Fiscal Studies and the Scottish Government in its Medium-Term Financial Strategy. The impact of inflation and reducing real terms value of public funding are likely to present a challenge when coupled with increasing demand for services, workforce shortages and an ageing demographic. It is anticipated that the Scottish Government will publish a new three year spending review and this will inform future planning assumptions and enable the HSCP to update its medium term financial planning. It is expected that Health and Social Care will remain a priority. Financial pressures will require to be managed through continuing value for money and efficiency improvement, the implementation of new ways of working and some reductions in service delivery. The HSCP has relied upon the use of its reserves and non-recurring savings to enable it to maintain services through 2024/25 and 2025/26, this is not sustainable and spend reduction is

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required. It is anticipated that cash releasing efficiency savings of 3% or around £10m per year will be required to offset the impact of increasing demand and inflationary pressures.

Financial Risks

The IJB has a robust approach to Risk Management and responsibility for oversight of financial risks and mitigations sit with its Finance & Policy Committee. Financial risks are considered and reported on a regular basis, five key financial risks which have an assessed value of £500k or more have been identified:

Identified Risk	Estimated Value £000	Summary of Mitigations
Sustainability of service providers – providers reduce or close provision resulting in additional costs as the HSCP is required to identify alternative ways of providing services.	£750k (£0.5m-£1.5m range)	On-going dialogue, monitoring and review. Engagement with partners. New Care @ Home contract.
Inflation – macroeconomic conditions, impact of employer NI increase may result in pay and non-pay inflation which exceeds budgeted allowance.	£500k (£0.5m-£1.5m range)	Allowance made for inflation in the budget, performance monitoring, continuous review of contract rates and pricing. Delivery of savings.
Staff recruitment – inability to recruit staff across NHS and social care services results in on-going utilisation of agency staffing.	£500k (£0.5m-£1.5m range)	Workforce strategy, targeted recruitment action, development of improved accommodation options.
Savings – failure to deliver the savings programme in full during the year contributes to a budget overspend and failure to achieve financial objectives.	£500k (£0.5m-£1.5m range)	Project management processes and some limited funds held in reserve.
Service Demand – Older adult service demand continues to increase driving spend above budget on residential care and care @ home	£500k (£0.5m-£1.5m range)	Financial recovery actions, care at home efficiency, monitoring of care home occupancy and potentially restrictions of service.

There are a number of additional risks which have a financial impact. The macroeconomic environment remains of concern, whilst the implications for the HSCP of higher inflation can be modelled and are understood, the impact upon some of the most vulnerable in the communities served by the HSCP is of concern. Increased poverty and impacts on health and well-being can be expected, this in turn may further increase service pressures along with the adverse impact covid lockdowns have had.

The HSCP continuously seeks to consider its longer term operational context and is undertaking specific work to examine how it can manage the service impact of demographic change. Additionally there are a number of government policies and new legislation which will have direct and indirect financial implications for the HSCP. The process of horizon scanning and modelling the financial implications, examples include:

- The Health and Care Reform Act;
- Keeping the Promise; and
- The Health and Care Staffing Act.

ARGYLL AND BUTE INTEGRATION JOINT BOARD Management Commentary

The HSCP has identified the following high grade strategic risks it faces:

- Sustainability of commissioned service providers;
- Workforce recruitment and retention;
- Infrastructure condition and suitability;
- Long term financial sustainability; and
- Socio-economic situation and cost of living crisis.

Covid-19 pandemic

The direct impact of the pandemic has ended and services have returned to normal. The challenge now is dealing with the adverse impacts the lockdowns have had on waiting times and upon the care and support needs of some of the most vulnerable in society and children.

7. CONCLUSION

The Integration Joint Board's final outturn position for 2024/25 was an overspend against its approved budget relating to older adult social care services. This has been funded through utilisation of non-recurring savings, the HSCP increased its general fund balance by £868k. This increase in reserves masks a reduction in the general reserves. Reliance on reserves and non-recurring savings are not sustainable and further action is required to enable the HSCP to operate on a financially sustainable basis going forward. The HSCP has total reserves of £20.7m including its general reserves of £2.6m, these are mostly committed to projects and contributing to the 2025/26 budget gap.

The operating environment remains challenging, there is a backlog of people awaiting diagnosis and treatment and increasing demand for a range of services continuing to increase. The longer term financial environment is also expected to worsen as the impact of inflation and restricted funding settlements make it increasingly challenging to operate on a financially sustainable basis. The on-going identification and delivery of efficiency savings are crucial, this will inevitably result in some reductions in the service offer. The demographic changes now being experienced are likely to result in an incremental increase in demand for service each year, financial and staffing constraints mean that this cannot be managed without service change. Making best use of the resources available is now critical to ensure that the HSCP can continue to deliver services in the best possible way for the communities it serves.

8. ACKNOWLEDGEMENTS

We would take this opportunity to acknowledge the effort in producing the Annual Accounts and to record our thanks to members of the Integration Joint Board and staff for their continued hard work and support.

ARGYLL AND BUTE INTEGRATION JOINT BOARD
Management Commentary

Graham Bell	Evan Beswick	James Gow
Chair	Chief Officer	Head of Finance and Transformation
Date TBC	Date TBC	Date TBC

ARGYLL AND BUTE INTEGRATION JOINT BOARD Statement of Responsibilities

THE INTEGRATION JOINT BOARD'S RESPONSIBILITIES:

The Integration Joint Board is required:

- to ensure the Annual Accounts are prepared in accordance with the legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government Act 2003);
- to make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the board had responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this organisation, that officer is the Head of Finance and Transformation;
- to manage its affairs to secure economic, efficient and effective use of its resources and safeguard its assets; and
- to approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature by the Argyll and Bute Integration Joint Board at its meeting on Date TBC.

Signed on behalf of the Integration Joint Board:

Graham Bell
Chair
Date TBC

ARGYLL AND BUTE INTEGRATION JOINT BOARD

Statement of Responsibilities

THE CHIEF FINANCIAL OFFICER'S RESPONSIBILITIES:

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

In preparing the annual accounts the Chief Financial Officer is responsible for:

- selecting suitable accounting policies and applying them consistently;
- making judgements and estimates on a reasonable basis;
- complying with legislation;
- complying with the Local Authority Code of Practice (in so far as it is compatible with legislation).

The Chief Financial Officer is also required to:

- keep proper accounting records which are up to date; and
- take reasonable steps to ensure the propriety and regularity of the finances of the Integration Joint Board.

I certify that the financial statements give a true and fair view of the financial position of the Argyll and Bute Integration Joint Board as at 31 March 2025, and its income and expenditure for the year then ended.



James Gow
Head of Finance and Transformation
27 June 2025

ARGYLL AND BUTE INTEGRATION JOINT BOARD Annual Governance Statement

INTRODUCTION

The Annual Governance Statement explains Argyll and Bute Integration Joint Board's (IJB) governance arrangements and reports on the effectiveness of its system of internal control.

SCOPE OF RESPONSIBILITY

The IJB is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

In discharging these responsibilities, the IJB has put in place arrangements for governance of its affairs which includes a system of internal control. This is based on an ongoing process designed to identify, prioritise and manage risk. The system aims to manage risks effectively and proportionately to deliver the IJB's aims and objectives. The IJB places reliance on the NHS Highland and Argyll and Bute Council systems of internal control. These support compliance with both organisations' policies and promote achievement of each organisation's aims and objectives, as well as those of the IJB. The system can only provide reasonable and not absolute assurance of effectiveness.

GOVERNANCE FRAMEWORK

The IJB is an independent legal entity from both Argyll and Bute Council and NHS Highland, with a separate governance framework. The IJB comprises eight voting members with four Elected Members nominated by Argyll and Bute Council and four Board members of NHS Highland. In addition there are a number of non-voting appointees representing other sectors and stakeholder groups, such as the Third Sector, Independent Sector, Patients and Service Users, Carers and Staff.

The arrangements for the operation, remit and governance of the IJB are set out in the Integration Scheme which has been prepared and approved by Argyll and Bute Council and NHS Highland. The IJB, via a process of delegation from the Health Board and Local Authority has responsibility for the planning, resourcing and operational delivery of all integrated health and social care services within Argyll and Bute. The scheme of integration was revised, as required by legislation, and was approved by Scottish Government on 23 March 2021. It is published on the Council and NHS Highland websites.

The funding available to the IJB is dependent on the funding made available to and by Argyll and Bute Council and NHS Highland and the corporate priorities of both. The IJB is therefore reliant on both partners for the resources to deliver health and social care services. The main features of the governance framework in place during 2024-25 were:

- The Integration Scheme outlines the scope and functions of services that are delegated, the clinical and care governance, strategic planning, financial and operational management arrangements.

ARGYLL AND BUTE INTEGRATION JOINT BOARD Annual Governance Statement

- The IJB operates within an established procedural framework. The roles and responsibilities of Board members and officers are defined within Standing Orders, the Integration Scheme, Financial Regulations and Standing Financial Instructions; all subject to regular review. The Standing Orders and Committee Terms of Reference were reviewed and approved during 2024/25.
- The strategic vision, mission and values of the IJB are set out in the Strategic Plan and are aligned to deliver on the National Outcomes for Adults, Older People and Children.
- Effective partnership working with the Council and NHS Highland ensures delivery of the Strategic Objectives, through information sharing and clear lines of responsibility.
- Members of the IJB subscribe to, and comply with, the Standing Orders and Code of Conduct. The Standards Officer is responsible for advising and guiding members of the Board on issues of conduct and propriety. A register of interests is held for Board members and senior officers.
- Appropriate training, development and induction is provided for all new IJB members. Performance Development and Review schemes are in place for all staff through each partner agency, the aim of which is to focus on their individual performance and development and contribution to meeting service objectives.
- Four Locality Planning Groups have been established and meet quarterly, they aim to provide an effective mechanism for local leadership of service planning and a way for localities to influence how resources are allocated in their area and allow them to contribute to the development and delivery of the Strategic Plan. This function was reviewed during 2024-25 to further develop and improve engagement mechanisms.
- Effective scrutiny and decision making is supported by the formal submission of reports, findings and recommendations by Audit Scotland, Inspectorates and the Internal Audit service.
- The decision making structure whereby the committees of the IJB have agreed Terms of Reference. These include the Clinical and Care Governance Committee, Audit and Risk Committee, Finance & Policy Committee, Strategic Planning Group and Locality Planning Groups. Terms of reference and the annual reporting framework are formally approved by the IJB and are reviewed regularly.
- The outputs from committees is publicly available and reported through minutes being considered by the IJB. All committees self-assess their performance and provide an annual report to the IJB.
- The Integrated Performance Management Framework focusses on embedding a performance management culture throughout the organisation with regular reporting to the IJB. The IJB prepares an Annual Performance Report, this is submitted to Scottish Government and is publicly available.
- Reliance on the procedures, processes, policies and operational systems of Argyll and Bute Council and NHS Highland where these are not operationally delegated. The IJB key governance documents are subject to periodic review.
- The legislative framework requires the Chief Officer to be a single point of overall strategic and operational advice to the IJB and to be a member of the Senior Management Teams of Argyll and Bute Council and NHS Highland.

ARGYLL AND BUTE INTEGRATION JOINT BOARD Annual Governance Statement

- Robust Risk Management processes are in place and the IJB have set their risk appetite to ensure management actions align risk management priorities.

Most IJB and committee meetings took place by remote conferencing, the IJB has introduced hybrid meetings which enable attendance in-person and remotely. This continues to be an efficient way of conducting business considering the geography of Argyll & Bute. Members of press and public were enabled to attend IJB meetings, and the recording of each meeting was subsequently published alongside the minutes.

THE SYSTEM OF INTERNAL FINANCIAL CONTROL

The governance arrangements described operate on the basis of a system of internal controls. This is based on a framework of regular management and financial information, financial regulations, administrative procedures, management supervision and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the IJB. During 2024-25 this included the following:

- Financial Regulations and guidance relating to financial processes and procedures, these were updated in May 2024.
- Formalised budget setting process, a three-year budget outlook and identification of new savings projects.
- Regular review of detailed financial performance reports.
- Formal programme and project management discipline.
- Regular Finance and Policy Committee meetings to provide scrutiny of the financial position and progress with savings and service transformation.
- An effective and independent Internal Audit function.
- Integrated financial reporting and financial risk management.

The system of internal financial control can provide reasonable and not absolute assurance and is designed to manage risk to a reasonable level. Responsibility for maintaining and operating an effective system of internal financial control rests with the Head of Finance and Transformation. The IJB's financial management arrangements conform to the governance requirements of the CIPFA statement: 'The Role of the Chief Financial Officer in Local Government (2016)'.

In relation to managing the risk of fraud and corruption the IJB relies upon the financial regulations, processes and procedures put in place and operated by both partners. Its Audit & Risk committee review arrangements for managing fraud risk, including through the work of its internal and external auditors. These arrangements are considered to provide adequate assurance on the management of fraud risk and are considered to be compliant with CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption.

UPDATE ON GOVERNANCE IMPROVEMENT ACTIONS

ARGYLL AND BUTE INTEGRATION JOINT BOARD Annual Governance Statement

A number of areas for development in respect of governance have been progressed and this has resulted in a marked improvement in the way in which the IJB operates and is governed. The action plan is now fully implemented, highlights included the development of the Workforce plan, the roll out and on-going development of the Integrated Performance Management System, the development of the engagement strategy and training and development for IJB members.

DATA PROTECTION

The HSCP is committed to the highest standards of Data Protection and has put in place arrangements to ensure compliance with the General Data Protection Regulations in partnership with NHS Highland and Argyll & Bute Council. There was one instance of a potential data breach that was reported to the ICO, this was later resolved and no personal data had been disclosed. There were no significant or notifiable data breaches during 2023/24.

INTERNAL AUDIT

The IJB is required to put in place adequate and proportionate internal audit arrangements to provide independent assurance on risk management, corporate governance and system of internal control. Following a competitive tendering process, Argyll and Bute Council Internal Audit Service were contracted as internal auditors for the IJB from 1 April 2021. This contract was extended for a further period of three years from 1 April 2024.

The IJB complies with “The Role of the Head of Internal Audit in Public Organisations” (CIPFA) and operates in accordance with “Public Sector Internal Audit Standards” (CIPFA). The Chief Internal Auditor reports directly to the IJB Audit and Risk Committee with the right of access to the Head of Finance and Transformation, Chief Officer and Chair of the IJB Audit and Risk Committee on any matter. The annual programme of internal audit work is based on a strategic risk assessment, and is approved by the IJB Audit and Risk Committee.

The role of the Audit and Risk Committee is to provide the IJB with independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. Membership of the Audit and Risk Committee includes six members of the IJB. Professional advisors, the internal auditor and external auditor support the committee and attend where appropriate. The Audit Plan was agreed in April 2023 and internal audit activity during the year included reviews of:

- Information Governance
- Delivery of the Strategic Plan
- Culture

In addition, the Committee considered a wide range of reports including several published by Audit Scotland. It also reviews performance in implementing audit recommendations. The Committee annual report confirms that 3 of the 11 recommendations outstanding or made during the year were implemented by management. Of the remaining 8, 2 relate to the audits

ARGYLL AND BUTE INTEGRATION JOINT BOARD Annual Governance Statement

completed during 2023/24 and 9 relate to recommendations made in 2024/25 and are in the process of being implemented.

The Chief Internal Auditor provides the Audit Committee with an annual report on audit activity for the Integration Joint Board. The annual report includes an independent opinion on the adequacy and effectiveness of the systems of governance and internal control. For financial year 2024/25 the overall conclusion of the Internal Auditor is to provide a reasonable level of assurance on the adequacy of internal controls and governance arrangements within the IJB.

The Chief Internal Auditor outlined the concerns about the financial challenges affecting the HSCP which will require both savings to be identified and effective delivery of these savings in order to maintain financial sustainability and minimise the financial risk to both parent bodies.

BEST VALUE

The IJB has a statutory duty to provide best value as a designated body under section 106 of the Local Government (Scotland) Act 1973. The Annual Performance Report sets out how the IJB fulfilled its obligations for best value in that year. The Annual Performance Report is publicly available. A short summary against the 8 best value themes is given below:

Vision and Leadership

The IJB and Senior Leadership team set clear direction and strategy as expressed in the Strategic Plan and Commissioning Strategy. There are strong mechanisms for contributions from the Locality Planning Groups and the Strategic Planning Group into these documents. The IJB has approved its budget and Savings Plan for the 2025/26 financial year.

Governance and Accountability

The IJB has an open and transparent governance system in place. It seeks to continually develop and improve in response to emerging good practice and independent audit review. Support for the system of governance is provided by Argyll and Bute Council, this ensures that it is properly administered. Comprehensive and clear Board minutes and papers continue to be published and meetings are open to the public.

Effective use of resources

The Finance & Policy Committee meet regularly to scrutinise performance against budget, the delivery of savings and the Transformation Programme. Improving financial management and governance has been a priority for a number of years, steps taken have contributed to the improved financial performance and resilience of the HSCP. It continues to seek to identify ways of improving efficiency and has been able to invest in longer term service transformation. The financial and demographic challenges facing the health and social care sector are resulting in increasing financial pressure and renewed focus on efficiency, savings and service reductions.

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Partnership and Collaborative Working

Effective partnership working is a core element of the way in which the IJB has been established. The IJB works closely with NHS Highland and Argyll and Bute Council. The Chief Officer is a member of both Strategic Management Teams. In addition the HSCP works closely with third sector partners and its commissioned service providers by holding regular meetings with strategic partners and stakeholders. This has continued throughout 2024/25 and illustrates an ethos of partnership working. Further examples of effective partnership working during include the purchase of the Kintyre Care Centre, the remodelling of care services and the care home on Tiree, the outcomes from the Coll Collaborative Group, the establishment of the Prevention Programme, participation in several place based programmes and the effectiveness of the locality planning groups.

Community Responsiveness

The Locality Planning Groups ensure that local concerns are considered and feed into the Strategic Plan. The Engagement Strategy ensures that consultation and engagement is carried out before policy changes are agreed. Most recently this has been demonstrated in the high levels of engagement in the development of the Carer's Strategy, the Coll Collaborative work and the Strategic Plan. A commitment to co-production is an underlying theme and work is now underway to develop new models of service delivery with community based partners.

Fairness and Equality

A commitment to fairness and equality is at the core of the IJBs purpose, strategy and vision. The HSCP provides a wide range of essential and critical services to the most vulnerable in society. Equality Impact Assessments on new projects plans and strategies include an assessment of socio-economic impacts and islands impacts.

Sustainability & Carbon Reduction

Carbon reduction is an important objective for all public bodies. There are a number of strands to the IJB approach including:

- The development of opportunities for remote provision of services and remote working to reduce travel for staff and service users. There has been extensive use of Near Me for remote consultations where appropriate, and continued utilisation of Microsoft Teams;
- Piloting the use of drones for transporting items such as laboratory samples from islands and remote areas;
- The installation of electric vehicle charging infrastructure and investment in the electrification of the fleet;
- Investing in management capacity to develop a strategic approach to the HSCP estate to develop capital schemes to reduce carbon emissions;
- The commissioning of consultancy services to identify opportunities for carbon reduction across the estate;

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- Identification of property backlog maintenance and improvement issues; and
- The rationalisation of the estate through improved co-location arrangements.

Performance, Outcomes & Improvement

The HSCP reports performance in a holistic way and it has implemented its Integrated Performance Management Framework. It continues to work to increase activity levels and address the backlog of treatment and diagnosis. Addressing the backlog and long waits are a priority for NHS services across Scotland. A further priority remains the management of delayed discharges from the acute sector, within Argyll & Bute and from Greater Glasgow & Clyde. The HSCP continues to perform well by this measure despite the service challenges it has faced throughout the year.

REVIEW OF EFFECTIVENESS

The IJB has responsibility for conducting, at least annually, a review of the effectiveness of the governance arrangements including the system of internal financial control. This is informed by:

- The work of officers within the IJB
- The work of Internal Audit
- The work of External Audit
- External review and inspection reports
- The compliance with statutory guidance issued for the integration of services
- Recommendations from the Audit Committee.

CONCLUSION AND OPINION ON ASSURANCE

Appropriate governance arrangements are in place and have operated effectively throughout 2024/25. Continuous improvement and development is ongoing to ensure that the Partnership is able to deliver on its strategic objectives and operate on a financially sustainable basis in the longer term. The annual report and accounts outline the financial challenges facing the HSCP which are common to the sector at present. The HSCP has been able to fund its activity and has managed the financial challenges facing it relatively well whilst acknowledging a significant overspend on adult social care services. It is currently seeking to address the longer-term sustainability of the HSCP.

The Annual Governance Statement outlines a number of key evidence sources which support the view that reasonable assurance can be placed upon the adequacy and effectiveness of the IJB's systems of governance.

ARGYLL AND BUTE INTEGRATION JOINT BOARD
Annual Governance Statement

Graham Bell
Chair
Date TBC

Evan Beswick
Chief Officer
Date TBC

ARGYLL AND BUTE INTEGRATION JOINT BOARD Remuneration Report

1. INTRODUCTION

The Local Authority Accounts (Scotland) Amendment Regulations 2014 (SSI No.2014/200) require local authorities and IJBs to prepare a Remuneration Report within the annual accounts. The information disclosed in the Remuneration Report is subject to external audit and the text is reviewed by external audit to ensure its consistency with the Financial Statements.

2. INTEGRATION JOINT BOARD

The IJB comprises eight voting members appointed in equal numbers by the Health Board and Council. The partners appoint a Chair and Vice Chair in accordance with the Integration Scheme and the Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014. Article 4 of the Order provides for the Chair to be appointed by NHS Highland or Argyll and Bute Council from among the voting members nominated by NHS Highland and the Council. The Vice Chair is appointed by the constituent authority who did not appoint the Chair.

The NHS Board and the Council have responsibility for these appointments on an alternating basis and the NHS Board and the Council may change the person appointed by them as Chair or Vice Chair during an appointing period. Argyll and Bute Council appointed Councillor Amanda Hampsey as Chair from 19 May 2022 to 4 April 2024 and Cllr Dougie McFadzean from 25th April 2024 until 31 March 2025. NHS Highland appointed Mr Graham Bell as Vice Chair from 1 April 2023. Mr Bell assumed leadership of the IJB in his role as Vice Chair between 4 April 2024 and 25th April 2024 in line with the Standing Orders. Mr Bell was appointed as Chair by NHS Highland from 1 April 2025. In addition there are professional advisors and stakeholder members who are non-voting members of the Integration Joint Board.

The IJB does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role. The IJB does not reimburse the relevant partner organisations for any voting board members costs. Travel and subsistence costs for all Board Members are re-imbursed in line with the policies of the Council and Health Board. The IJB does not have responsibilities, either in the current or future years, for funding any pension entitlements of voting IJB members. Therefore no pension rights or disclosures are provided for the Chair or Vice Chair.

3. OFFICERS OF THE IJB

The IJB does not employ staff in its own right, however specific post-holding officers are non-voting members of the Board. 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 Chief Officer is regarded as an employee of the IJB although the contract of employment is with NHS Highland.

No other staff are appointed by the IJB under a similar legal regime. Other non-voting board members who meet the criteria for disclosure are included below. The following table sets out the remuneration disclosures for 2024-25 for senior officers:

ARGYLL AND BUTE INTEGRATION JOINT BOARD Remuneration Report

Total 2023-24 £	Senior Officer	Salary (Inc Fees and Allowances) £	Taxable Expenses £	Total 2024-25 £
111,984	Chief Officer – Fiona Davies until 31 March 2024.	-	-	-
-	Chief Officer – Evan Beswick from 1 April	100,151		100,151
90,278	Head of Finance and Transformation – James Gow	94,032	822	94,854
202,262	Total	194,183	822	195,005

4. PENSION BENEFITS

In respect of officers' pension benefits the statutory responsibility for any future contributions rests with the employing partner organisation. Therefore there is no pension liability reflected on the IJB balance sheet for its officers. The IJB has a responsibility for funding the employer cash contributions each year. The Chief Officer is a member of the NHS Pension Scheme, costs for the pension scheme contributions and accrued pension entitlements are shown in the table below:

2023-24			2024-25	
In-year Pension Contributions £	Accrued Pension Benefits £		In-year Pension Contributions £	Accrued Pension Benefits £
22,840	Pension 32,000 Lump Sum 84,000	Chief Officer – Fiona Davies (until 31 March 2024)	-	-
-	-	Chief Officer – Evan Beswick (from 1 April 2024)	21,821	Pension 22,390 Lump Sum 0
17,265	Pension 5,000 Lump Sum 0	Head of Finance and Transformation – James Gow	6,486	Pension TBC Lump Sum TBC

ARGYLL AND BUTE INTEGRATION JOINT BOARD
Remuneration Report

5. DISCLOSURE BY PAY BANDS

Pay band information is not separately provided as all staff pay information is disclosed above.

6. EXIT PACKAGES

There were no exit packages agreed senior officers during 2024/25 and none in the prior year.

Graham Bell
Chair
Date TBC

Evan Beswick
Chief Officer
Date

TBC

ARGYLL AND BUTE INTEGRATION JOINT BOARD Financial Statements

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

2023-24		2024-25		
Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
265,718	Services Provided by NHS Highland	294,530	(10,001)	284,529
93,677	Services Provided by Argyll & Bute Council	108,261	(11,507)	96,754
359,395	Cost of Services	402,791	(21,508)	381,283
(362,284)	Taxation and Non-Specific Grant Income (note 3)			(382,151)
(2,889)	(Surplus) or Deficit on Provision of Services			(868)
(2,889)	Total Comprehensive (Income) and Expenditure			(868)

The movement in the General Fund balance is 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.

ARGYLL AND BUTE INTEGRATION JOINT BOARD Financial Statements

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the IJB 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.

Movements in Reserves During 2024-25:	General Fund Balance £000	Total Reserves £000
Opening Balance at 31 March 2024	(19,879)	(19,879)
(Surplus) / Deficit on Provision of Services	(868)	(868)
(Increase) / Decrease in Year 2024-25	(868)	(868)
Closing Balance at 31 March 2024	(20,747)	(20,747)

Movements in Reserves During 2023-24:	General Fund Balance £000	Total Reserves £000
Opening Balance at 31 March 2023	(16,990)	(16,990)
(Surplus) / Deficit on Provision of Services	(2,889)	(2,889)
(Increase) / Decrease in Year 2023-24	(2,889)	(2,889)
Closing Balance at 31 March 2024	(19,879)	(19,879)

ARGYLL AND BUTE INTEGRATION JOINT BOARD
Financial Statements

BALANCE SHEET

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

31 March 2024 £'000		Note	31 March 2025 £'000
	Current Assets:		
19,879	Short Term Debtors	4	20,747
19,879	Net Assets		20,747
19,879	Usable Reserve: General Fund	6	20,747
19,879	Total Reserves		20,747

The unaudited accounts were authorised by the Audit & Risk Committee for issue on 20 June 2025.



James Gow
Head of Finance and Transformation
27

June

2025

ARGYLL AND BUTE INTEGRATION JOINT BOARD Financial Statements

1. MATERIAL ACCOUNTING POLICIES

1.1 General Principles

The Financial Statements summarise the transactions of the Integration Joint Board for the 2024/25 financial year and its position as at 31 March 2025.

The Integration Joint Board was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Section 106 body as defined in the Local Government (Scotland) Act 1973. The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authorities Accounting in the United Kingdom 2023-24, 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 the Integration Joint Board will continue in operational existence for the foreseeable future. The historical cost convention has been adopted.

1.2 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 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 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.

For the IJB annual accounts a debtor and/or creditor will be recorded where the partner contributions differ from the actual net expenditure in year, this allows any surplus or deficit on the provision of services to be transferred to the reserves held by the IJB. Where any in-year overspend exceeds reserves available the partners will make additional in-year payments, in this instance a creditor will not be recognised as future funding would be adjusted to reflect any future repayment.

1.3 Offsetting of Debtors and Creditors

The IJB does not hold cash and cash equivalents. Instead the funding partners utilise, as directed by the Integration Joint Board, the amount of funding due to the Integration Joint Board to pay for services. The Integration Joint Board 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 Integration Joint Board's financial statements

ARGYLL AND BUTE INTEGRATION JOINT BOARD Financial Statements

present the balances due to and from the funding partners on a net basis rather than as separate creditors and debtors.

1.4 Funding

The Integration Joint Board is primarily funded by funding contributions from the statutory partners, Argyll and Bute Council and NHS Highland. Expenditure is incurred as the Integration Joint Board commissions specified health and social care services from the funding partners for the benefit of service recipients in Argyll and Bute.

1.5 Cash and Cash Equivalents

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

1.6 Employee Benefits

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

The Integration Joint Board has a legal responsibility to appoint a Chief Officer. 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 at 31 March is accrued, for example in relation to annual leave earned but not taken.

1.7 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. Where NHS Highland or Argyll and Bute Council recognise provisions in relation to services included in the Integration Scheme these are disclosed in the IJB's Annual Accounts.

1.8 Reserves

The Integration Joint Board has a Reserves Policy in place which details the nature and use of reserves. The Integration Joint Board's only Usable Reserve is the General Fund. The balance of the General Fund as at 31 March shows the extent of resources which the Integration Joint Board can use in future years.

ARGYLL AND BUTE INTEGRATION JOINT BOARD Financial Statements

1.9 Indemnity Insurance

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

Unlike NHS Boards, the Integration Joint Board does not have any 'shared risk' exposure from participation in the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS). The Integration Joint Board's 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 Integration Joint Board's Balance Sheet. The likelihood of receipt of an insurance settlement to cover any claims is separately assessed and, where material, presented as either a debtor or disclosed as a contingent asset.

1.10 VAT Status

The IJB is a non-taxable person and does not charge or recover VAT on its functions.

2. EVENTS AFTER THE REPORTING PERIOD

The unaudited Annual Accounts were authorised for issue on 20 June 2025. Events taking place after this date are not reflected in the financial statements or notes. Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period, the Annual Accounts are adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – The Annual Accounts are not adjusted to reflect such events, but where a category of events would have a material impact disclosure is made in the notes of the nature of the events and their estimated financial effect.

There are no events to report after the reporting period end.

ARGYLL AND BUTE INTEGRATION JOINT BOARD

Financial Statements

3. TAXATION AND NON-SPECIFIC GRANT INCOME

The following taxation and non-specific grant income was recognised in the Comprehensive Income and Expenditure Statement:

31 March 2024 £'000		31 March 2025 £'000
77,605	Funding Contribution from Argyll and Bute Council	80,875
284,679	Funding Contribution from NHS Highland	301,276
362,284	Taxation and Non-specific Grant Income	382,151

The funding contributions from the partners above excludes any funding which is ring-fenced for the provision of specific services. Such funding is presented as income in the Cost of Services in the Comprehensive Income and Expenditure Statement.

4. DEBTORS

31 March 2024 £'000		31 March 2025 £'000
16,490	NHS Highland	18,500
3,389	Argyll and Bute Council	2,247
19,879	Total Debtors	20,747

Amounts owed by the partners are stated on a net basis. Debtor and Creditor balances recognised by the funding partners but not yet settled in cash terms are offset against the funds they are holding on behalf of the IJB.

5. RELATED PARTY TRANSACTIONS

The Integration Joint Board has related party relationships with NHS Highland and Argyll and Bute Council. In particular, the nature of the partnership means that the IJB may influence, and be influenced by, its partners. The following transactions and balances included in the Integration Joint Board's accounts provide additional information on the relationships.

Transactions with NHS Highland:

2023-24 £000		2024-25 £000
(284,679)	Funding Contributions received from NHS Highland	(301,276)
265,718	Expenditure on Services Provided by NHS Highland	284,529
(18,961)	Net Transactions with NHS Highland	(16,747)

ARGYLL AND BUTE INTEGRATION JOINT BOARD

Financial Statements

There are key management personnel employed by NHS Highland, these costs are included in the expenditure on services provided. The non-voting Board members employed by NHS Highland include the Lead Nurse, Clinical Director for Argyll and Bute, Public Health Specialist, Lead Allied Health Professional, Lead Pharmacist, Staff Representative and representatives from primary care and medical services. Details of remuneration, where required, is provided in the Remuneration Report.

Transactions with Argyll and Bute Council

2023-24 £000		2024-25 £000
(77,605)	Funding Contributions received from Argyll and Bute Council	(80,875)
93,677	Expenditure on Services Provided by Argyll and Bute Council	96,754
16,072	Net Transactions with Argyll and Bute Council	15,879

There are key management personnel employed by Argyll and Bute Council, these costs are included in the expenditure on services provided. The non-voting Board members employed by Argyll and Bute Council include the Chief Financial Officer (Head of Finance and Transformation), Chief Social Work Officer and a Staff Representative. Details of remuneration, where required, is provided in the Remuneration Report.

Support services, such as human resources, financial services, information technology and accommodation are not included in the delegations from Argyll and Bute Council. These are provided free of charge as 'services in kind' and not included in the expenditure of the IJB.

6. USABLE RESERVE: GENERAL FUND

The IJB holds a balance on the General Fund which will normally comprise of three elements:

1. Funds that are earmarked or set aside for specific purposes. In Scotland, under Local Government rules, earmarked reserves are accounted for separately but remain legally part of the General Fund. The identification of earmarked reserves may include:
 - future use of funds for a specific purpose, as agreed by the Integration Joint Board; or
 - reserves for unspent revenue grants or contributions which were allocated for a defined purpose.
2. Funds which are not earmarked for specific purposes, but are set aside to deal with unexpected events; and
3. Funds held in excess of the target level of reserves and identified earmarked sums. Such reserves can be spent or earmarked at the discretion of the Integration Joint Board.

ARGYLL AND BUTE INTEGRATION JOINT BOARD Financial Statements

The following table details the movements on the General Fund:

2023-24 Balance at 31 March 2024 £000		2024-25		
		Transfers Out £000	Transfers In £000	Balance at 31 March 2025 £000
31	Technology Enabled Care	13	0	18
495	Alcohol & Drugs Partnership	347	259	407
110	Best start maternity services	5	0	105
178	Supporting improvements to GP premises	0	0	178
21	Scotgem funding	0	9	30
41	Mental Health after COVID/Long COVID	41	0	0
88	Community Living Change Fund	88	0	0
332	Primary Care Improvement Funding	106	265	491
13	ASC Nurse Director Support IPC	13	0	0
37	Trauma Network	0	0	37
167	PFG School Nursing	0	0	167
127	District Nurse Posts	37	0	90
280	E-health Strategy Funding	57	206	429
20	Perinatal MH Funding	6	0	14
29	Mental Health Officer Training	1	0	28
45	Type 2 Diabetes Framework	8	0	37
86	Trauma Training Programme	57	50	79
39	Staff Wellbeing Funding	39	0	0
145	Oban Accommodation Funding	0	0	145
250	Primary Care Education Fund	0	0	250
87	Vehicle Fleet Decarbonisation	87	0	0
718	Additional Band 2-4 Staffing	250	0	468
213	Nursing Support for Care Homes Funding	3	19	229
90	Remobilisation of Dental Services	90	0	0
285	Mental Health Facilities Funding	120	0	165
37	Diabetic Technologies Funding	37	0	0
160	Waiting Times Funding	160	190	190
133	Interface Care Programme	133	0	0
55	Medical Assisted Treatment Standards	0	0	55
56	Psychological Therapies	0	0	56
131	Dementia Post Diagnostic Support	38	66	159

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84	Dental Equipment	84	0	0
29	Ventilation Improvement	29	0	0
39	Mental Health Recovery Services	20	0	19
438	Whole Family Wellbeing Fund	0	57	495
0	SARCS Programme	0	50	50
44	Multi Disciplinary Teams Funding	0	0	44
111	Interim Care Funding	111	0	0
645	Children's Mental Health Services (CAHMS)	23	0	622
11	Children's Oral and Dental Health	0	0	11
0	Criminal Justice Fund	0	21	21
76	Health Checks – Learning Disability	0	0	76
39	Social Work Workforce	0	0	39
415	Hospital at Home Project	415	414	414
279	Public Dental Service	87	0	192
58	Digital Therapies	19	0	39
0	Agenda for change reserve	0	7,181	7,181
4,697	Sustainability & Value	0	0	4,697
7,815	General Reserves – Earmarked for Service Transformation & Budget Gap	5,239	0	2,576
600	General Reserves – Earmarked for Prevention Programme	156	0	444
19,879	General Fund	7,919	8,787	20,747

7. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

In preparing the 2024/25 Annual Accounts, the IJB has had to make certain judgements about complex transactions or those involving uncertainty about future events. There are no critical judgements or material estimation uncertainties included within the Annual Accounts.

