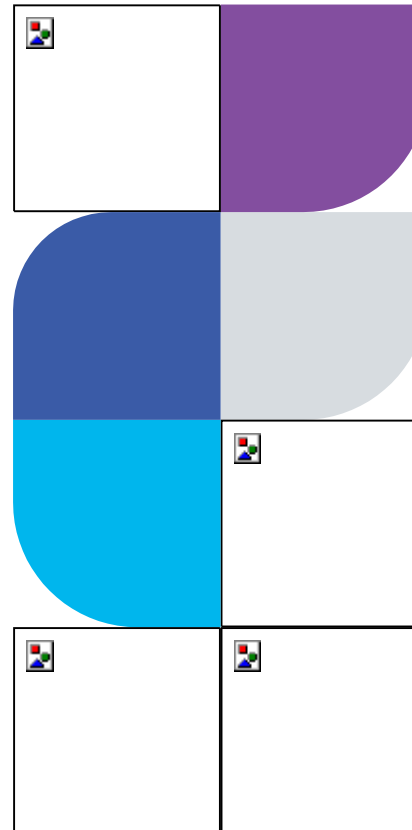


Perth and Kinross
Integration Joint Board
Un-Audited Accounts
2021/22



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INTRODUCTION

Welcome to Perth and Kinross Integration Joint Board's (IJB) Annual Accounts for 2021/22. This publication contains the financial statements for Perth and Kinross Integration Joint Board (IJB) for the year ended 31 March 2022.

The Management Commentary outlines key messages in relation to the strategy, objectives, and the financial performance of the IJB for the year ended 31 March 2022. It also provides an indication of the issues and risks which may impact upon the finances of the IJB in the future and the challenges it faces in meeting the needs of the people of Perth and Kinross.

The Annual Accounts are prepared in accordance with the relevant legislation, regulations and the proper accounting practices which primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) supported by International Financial Reporting Standards (IFRS) and statutory guidance under Section 12 of the Local Government in Scotland Act 2003.

The Management Commentary is intended to provide an effective overview to a complex document allowing the reader to determine the IJB's overall performance for the year. The Management Commentary is structured as follows:

- *Role and Remit*
- *Strategic Objectives*
- *Review of Activities*

■ *Performance Overview*

■ *Financial Overview*

■ *Strategic Risks and Outlook for future years*

ROLE AND REMIT

The IJB is a legal entity responsible for the strategic planning and commissioning of a wide range of services across Perth and Kinross. This includes social care, primary and community healthcare and unscheduled care for adults. In addition, the IJB plans and commissions specific healthcare services across Tayside by means of hosted services arrangements agreed in the Integration Scheme between NHS Tayside and Perth & Kinross Council. Perth & Kinross Council and NHS Tayside (Health Board), as the parties to the Integration Scheme, each nominate four voting members to sit on the IJB. The Council nominates Elected Members and the Health Board Non-Executive Directors.

The policy ambition is to: -

- improve the quality and consistency of services to patients, carers, service users and their families.
- provide seamless, joined-up, quality health and social care services in order to care for people in their own homes or a homely setting where it is safe to do so.
- ensure resources are used effectively and efficiently to deliver services that meet the increasing number of people with longer-term and often complex needs, many of whom are older.

SECTION 1: MANAGEMENT COMMENTARY

The IJB has governing oversight whilst Perth and Kinross Health and Social Care Partnership (PKHSCP) has responsibility for the operational delivery of these services.

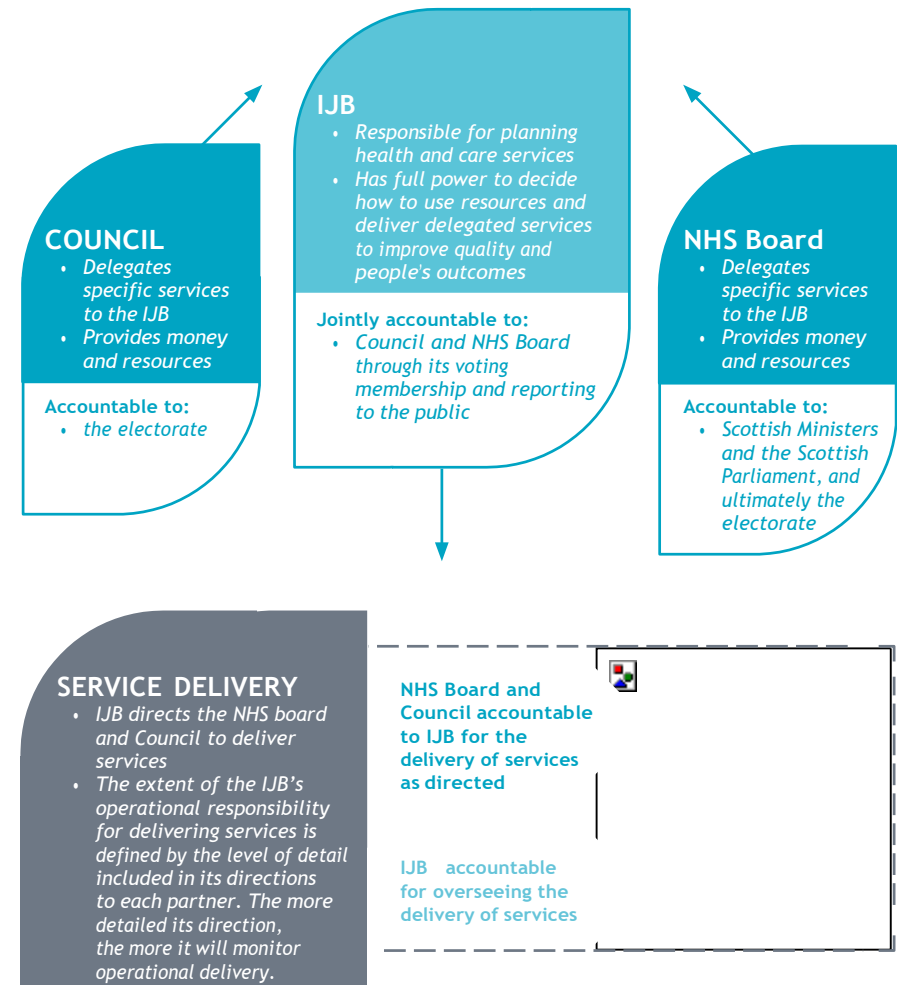
The IJB sets the direction of PKHSCP via the preparation and implementation of the Strategic Commissioning Plan and seeks assurance on the management and delivery of integrated services through appropriate scrutiny and performance monitoring, whilst ensuring the effective use of resources.

Exhibit 1 opposite sets out the governance arrangements that support delivery of Perth and Kinross IJB's strategic priorities. The IJB's strategic ambitions sit alongside operational imperatives across a wide range of services.

Exhibit 1 *Integration Joint Boards*

There are 30 Integration Joint Boards across Scotland.

Source: Audit Scotland



SECTION 1: MANAGEMENT COMMENTARY

The services delegated by NHS Tayside and Perth & Kinross Council to Perth and Kinross IJB for strategic planning and commissioning are set out in Table 1 below.

Table 1

Delegated Partnership Services			Services Hosted by PKHSCP*
Community Care	Health	Hospital	
<i>Services for adults with a physical disability</i> <i>Services for older people</i> <i>Services for adults with a learning disability (including Autism Services)</i> <i>Mental health services</i> <i>Drug and alcohol services</i> <i>Adult protection and domestic abuse services</i> <i>Carers' support services</i> <i>Health improvement services</i> <i>Equipment, adaptations and technology-enabled care</i> <i>Residential and nursing care home placements</i> <i>Care at home</i> <i>Reablement services</i> <i>Respite and day care</i>	<i>District nursing services</i> <i>Substance misuse services</i> <i>Primary medical services</i> <i>General dental services</i> <i>Ophthalmic services</i> <i>Community geriatric medicine</i> <i>Primary medical services to patients out-of-hours</i> <i>Community palliative care services</i> <i>Community learning disability services</i> <i>Community mental health services</i> <i>Community continence services</i> <i>Community kidney dialysis services</i> <i>Public Health promotion</i> <i>Allied health professionals</i> <i>Community hospitals</i>	<i>Accident and Emergency services provided in a hospital</i> <i>Inpatient hospital services: General medicine; Geriatric medicine; Rehabilitation medicine; Respiratory medicine; Psychiatry of Learning Disability.</i> <i>Palliative care services provided in a hospital</i> <i>Inpatient hospital services provided by GPs</i> <i>Services provided in a hospital in relation to an addiction or dependence on any substance</i> <i>Mental health hospital services except secure forensic mental health services</i> <i>Pharmaceutical services</i>	<i>Public Dental Services/ Community Dental Services</i> <i>Prison Healthcare</i> <i>Podiatry</i>

SECTION 1: MANAGEMENT COMMENTARY

**On 12 March 2020, the Minister for Mental Health wrote to the Chief Executive of NHS Tayside and advised that 'the operational management of inpatient general adult psychiatry services must now be led by NHS Tayside. This led to the responsibility for these services transferring from the Chief Officer of Perth and Kinross HSCP to an Interim Director for Mental Health in NHS Tayside. It was therefore agreed that the overspend in relation to IPMH Services would transfer from the 3 Tayside IJBs to NHS Tayside with immediate effect. The full planning and commissioning implications for these services are being considered as part of the review of the IJB Integration Schemes across Tayside.*

STRATEGIC OBJECTIVES

The Strategic Commissioning Plan, approved in December 2019, sets out the vision and priorities for Perth and Kinross IJB. The vision is to work together to support people living in Perth and Kinross to lead healthy and active lives and to live as independently as possible, with choice and control over their care and support. Our aim is to improve the wellbeing and outcomes of people living in Perth and Kinross, to intervene early and to work with the third and independent sectors and communities, to prevent longer-term issues arising.

The services and support we offer people will be developed locally, in partnership with communities, the

third and independent sectors. As a partnership we will be integrated from the point of view of individuals, families and communities and responsive to the particular needs of individuals and families in our different localities. We will make the best use of available facilities, people and resources ensuring we maintain quality and safety standards as the highest priority.

The population of Perth and Kinross live and work across its expansive 5,300 square kilometers. Over the coming decades the area is expected to experience significant demographic change, especially in relation to the projected increase in older people, the majority of whom are increasingly fit and active until much later in life and are an important and significant resource, with a great contribution to make in their local communities.

Table 2 below shows the projected population change for Perth and Kinross by age band. Between 2018 and 2028 the number of those aged over 65 (particularly those aged over 75) is set to increase significantly according to projections. The effects of these changes are already being felt. Between 2018 and 2020 the 60 to 74 age group and the 75+ age group increased by 2.8% and 4.7% respectively. By 2023 this growth is projected to reach 5.5% and 16.5% respectively, driving significant increase in demand for services as we emerge from the pandemic. This is coupled with a projected reduction in the working age population.

SECTION 1: MANAGEMENT COMMENTARY

Table 2

Perth and Kinross adult population by age group

Age Group	2018 Population	2020 Population	2023 Projected Population	2024 Projected Population	2025 Projected Population	2028 Projected Population	% Ch 2018
0-14	22,807	22,652	22,238	21,911	21,654	20,705	
15-29	23,988	23,765	22,642	22,486	22,395	22,132	
30-44	25,396	25,607	26,654	26,812	26,794	26,477	
45-59	33,623	33,052	31,400	30,840	30,249	29,093	
60-74	29,214	30,025	30,816	31,270	31,790	33,094	
75 & over	16,262	17,026	18,942	19,482	19,958	21,278	
Total	151,290	152,127	152,692	152,801	152,840	152,779	

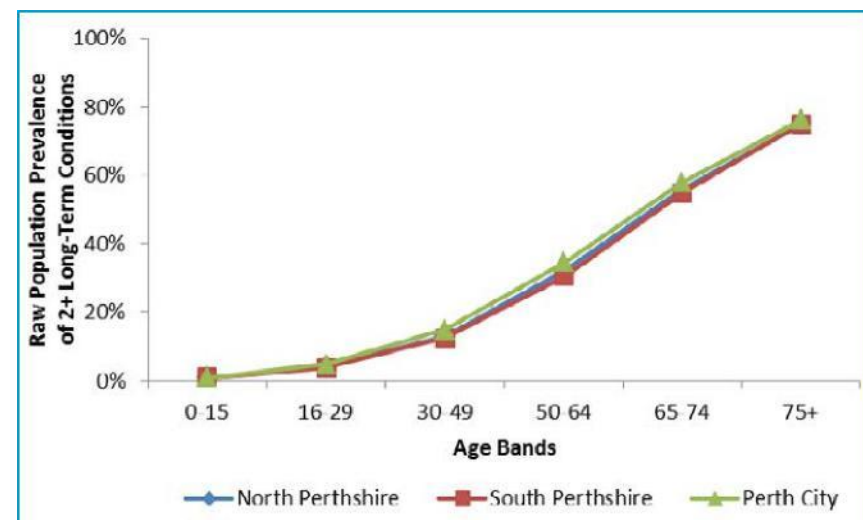
(Source: Mid-Year Estimates (MYE) NRS (National Records of Scotland) 2018-based population pro

We know that the need for support from health and social care services increases with age. The challenge for services and communities will be to ensure that people are supported to be able to lead healthy, fulfilling lives at home for as long as possible.

The following diagram presents the population prevalence of people with two or more long-term conditions for North Perthshire, South Perthshire and Perth City. This shows that in each Perth and Kinross locality, multi-morbidities become more common with age. Indeed, over half of residents age 75+ have two or more long-term conditions, compared with just under 4% of people aged 16-29 years.

Table 3

Crude population prevalence of people with 2+ long-term conditions by age band for each locality



Source: Perth and Kinross IJB 2019-2024 Strategic Commissioning Plan

SECTION 1: MANAGEMENT COMMENTARY

REVIEW OF ACTIVITIES

Initial priorities for 2021/22 were set out in the PKHSCP 2021/22 Remobilisation Plan. This plan has been updated throughout the year to take account of changing Covid-19 infection levels and in turn changing Scottish Government priorities. Areas where we have been able to make significant progress in developing services in line with our strategic objectives are as follows: -

- *Provided enhanced care in partnership with Care Homes across Perth & Kinross which provides pro-active clinical care centred around individual residents.*
- *Redesigned Care at Home provision including increased pay rates and the development of an alliance models in rural areas centred on use of community assets and enabling support across providers.*
- *Expanded our Locality Integrated Care Service to provide 7 day support to Older People who have had a deterioration to remain at home.*
- *Commenced planning to deliver a new Hospital at Home Service which will provide a level of acute care in a person's home that is equivalent to that provided in hospital.*
- *Created a Specialist Adult Respiratory Service which assess and proactively manage frail adults with respiratory needs and provide support post discharge and during an acute exacerbation of their condition in their own home.*
- *Established a 'Discharge without Delay' Transformation Programme which will significantly streamline the journey from being an inpatient to going home reducing unnecessary delay at across the care pathways.*
- *Established Community Care and Treatment Services throughout Perth & Kinross providing a range of services including blood tests, monitoring of chronic conditions and treatment of minor injuries. This is enabling our GPs to focus on more complex cases.*
- *Established a new approach to urgent care in the community with Advanced Nurse Practitioners now playing a role in responding to urgent house call visits, enabling our GPs to focus on more complex cases.*
- *Working with the Third Sector, we have significantly enhanced mental health crisis and distress services in Perth & Kinross. This now includes a new Distress Brief Interventions Service and Mental Health nursing support. Community Mental Health Services have been further enhanced by establishment of dedicated posts for suicide prevention in both children's and adult's services. We have also recruited a lead GP for Mental Health who is playing a key role in creating a single point of contact for all mental health referrals.*
- *To support increased alcohol related referrals the Alcohol Drugs Partnership has overseen the provision of increased capacity for counselling and the development of a community detoxification service. Increased support is being provided for people suffering from non-fatal drug overdoses and a process for accessing residential rehabilitation has been reviewed and improved.*
- *To enhance non-statutory support to people across our communities, we have enhanced both volunteer co-ordination and community activity co-ordination activity.*

SECTION 1: MANAGEMENT COMMENTARY

- We made significant progress in the transformation of services for those with complex care needs. This includes the creation of a multi- disciplinary specialist team for those with Autism and Learning Disabilities. Our core and cluster developments have also progressed with accommodation now due to open imminently.*
- We have enhanced services to support people in HMP Perth and HMP Caste Huntly through the introduction of telephone access booking and telephone appointments. In parallel, we have introduced a multidisciplinary 'Person of Concern' approach that is enhancing our ability to intervene early to achieve best possible outcomes.*
- We have worked hard to address the needs of those who have not been able to access Public Dental Services over a period due to Covid-19 restrictions. Investment has been made in additional staffing and equipment whilst work to improve ventilation remains a key priority.*
- For Podiatry Services across Tayside, throughout the year the service has continued ensure those with the most complex needs were supported in the face of significant staffing pressures.*
- We have invested across our localities in further services to support carers during Covid-19 response and beyond. This has included support around hospital discharge, palliative care, respite, young carers, and befriending.*
- We have worked with our statutory partners to ensure staff working in community settings have effective access to digital technological tools and support needed to increase resilience and enable new and more effective ways of working*

During 2021/22, we have also considered the longer term sustained change required, engaging widely with stakeholders to set out the following: -

- Community Mental Health & Wellbeing Strategy 2022:2025*
- Learning Disability/Autism Strategic Delivery Plan 2022:2025*
- Older Peoples Strategic Delivery Plan 2022:2025*

These were approved by the IJB during 2021/22. Each included a 3 Year Financial Framework that fed directly into the 2022/23 Budget Process. The IJB Strategic Planning Group and Strategy Group have played a key role in overseeing their development.

Further we have developed the PKHSCP 3 Year Workforce Plan which sets out the significant challenges we face and the local, regional, and national action necessary to ensure sufficient, sustainable future services that can respond to continually increased demand.

The IJB's 3 Year Financial Plan approved by the IJB on 30 March 2022 contains proposals to balance the 2022/23 budget which are fully aligned to the programme of transformation. The IJB continues to work to deliver financial balance over the medium term.

SECTION 1: MANAGEMENT COMMENTARY

PERFORMANCE OVERVIEW

Throughout 2021/22, despite ongoing challenges of Covid-19 response, we have worked to maximise positive outcomes for the people we support. Table 4 below summarises our performance against the nationally agreed indicators compared to the rest of Scotland. The comparison against last year reflects the significant impact of Covid on patterns of activity in 2020/21 and a subsequent move back to more regular activity patterns. However, performance is broadly good when compared to Scotland overall. Only one indicator NI14 Emergency Readmissions sits below the performance achieved across Scotland. Due to significant variances in recording practices for this indicator it is not possible to make direct comparisons to Scotland in respect to actual numbers/rates of readmission. Consequently, comparing year on year performance is more helpful.

Performance Key used throughout this report




	We are within 3%, or are meeting or exceeding the number we compare against		We are between 3% and 6% away from meeting the number we compare against		We are more than 6% away from meeting the number we compare against
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Table 4

ID	Indicator	2020/21 Perth and Kinross	2021/22 Perth and Kinross	Reporting Period Year up to	How we compared to 2020/21	Latest Scotland 2021/22	How we compared to Scotland overall
NI 12	Rate of emergency admissions per 100,000 population for adults (18+)	10,385	11,132	Feb 2022	8.50%	11,403	-1.20%
NI 13	Rate of emergency bed day per 100,000 population for adults (18+)	93,336	103,008	Jan 2021	11.34%	107,508	-3.45%
NI 14	Emergency readmissions to hospital for adults (18+) within 28 days of discharge (rate per 1,000 discharges)	129	118	Jan 2021	-8.04%	102	14.18%
NI 15	Proportion of last 6 months of life spent at home or in a community setting	90.32%	90.67%	Feb 2022	0.57%	89.98%	0.90%
NI 16	Rate per 1,000 population of falls that occur in the population (aged 65+) who were admitted as an emergency to hospital	23.74	23.07	Feb 2022	-1.74%	22.00	5.69%

ID	Indicator	2020/21 Perth and Kinross	2021/22 Perth and Kinross	Reporting Period Year up to	How we compared to 2020/21	Latest Scotland 2021/22	How we compared to Scotland overall
NI 19	Number of days people aged 75+ spend in hospital when they are ready to be discharged, per 1,000 population	197	544	Mar 2022	209.28%	761	-24.93%
MSG 3	A&E Attendances per 100,000 population	14,268	16,793	Feb 2022	20.40%	25,394	-47.83%

Please note that all indicators are based on a 12-month rolling rate

Please note data is provisional and subject to validation.

INDICATOR PERFORMANCE COMMENTARY

Emergency Admissions Rate per 100,000 18+ population (NI 12)

Many people who attend hospital on an emergency basis could potentially have been supported earlier in their healthcare journey.

The rate of emergency admissions provides an indication of the extent to which the health and wellbeing needs of the population are being well managed. A reduction in the rate of emergency admissions may indicate improvements in partnership working, as fewer people require emergency treatment in hospital when their health and wellbeing needs are being met and managed in a planned, rather than reactive, manner.

Across Perth and Kinross, the rate of emergency admissions increased 8.50%, from 10,385 to 11,267 in the year to February 2022. This decline in performance is in line with the performance trend reported nationally. Despite this increase however performance in Perth and Kinross against this indicator is better than across Scotland overall.

This performance should be understood within the context of COVID-19, with the pandemic directly reducing population and service activity and this corresponded with a reduction in emergency admissions during 2020/21. These variances make benchmarking to the previous year problematic.

Emergency Bed Days Rate per 100,000 18+ population (NI 13)

Following any admission to hospital it is important that people are supported to return home as quickly as possible once they are fit to be discharged.

During the COVID-19 pandemic our rate of emergency bed days was considerably below previous years. Similar to NI 12 above, the effects of the pandemic significantly reduced emergency bed days. The easing of pandemic restrictions and the remobilisation of services had a substantial impact on reversing this position and accordingly, in Perth and Kinross the rate of emergency bed days increased from 93,336 per 100k population to 103,924 per 100k population, in the year to January 2022.

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This increase of 11.34% is greater than the 6.02% increase reported across Scotland in the same period. However, the rate of emergency bed days across Perth and Kinross in 2021/22 remains 3.45% lower (better) than Scotland overall (107,508).

Emergency Readmissions to Hospital Within 28 Days of Discharge (NI 14)

The rate of readmission to hospital after discharge is underpinned by good interagency communication, with performance reflecting the effectiveness of a range of integrated health and care services, including discharge arrangements and the co-ordination of follow-up care provision.

Performance against this indicator has improved when compared to previous years, with the rate of readmissions declining by 8.04% in the year to January 2022. This improvement in performance is in line with the trend seen across Scotland (9.65%).

Although it is helpful to compare rates on a year on year basis and to consider these movements in respect to comparable movements across Scotland, it is not possible to make direct comparisons to Scotland in respect to actual numbers/rates of readmission. This is due to significant variances in recording practices.

Proportion of Last 6 Months of Life Spent at Home or in a Community Setting (NI 15)

This indicator provides an insight into the extent to which palliative and end of life care is being provided in a planned way, reflecting best practice, and taking account of the

wishes of patients and their family, as far as is practicable. In interpreting this indicator, it is important to acknowledge that the suitability and the appropriateness of the location of the care provided may alter throughout the period of care, as may the wishes of patients and families.

In the year to February 2022 the proportion of the last 6 months of life spent at home or in a community setting has increased in Perth and Kinross by 0.57%, from 90.32% to 90.88%. Performance against this indicator remains above Scotland overall (89.98%) in the year to date.

Rate of Falls that result in an emergency admission 65+ Population (NI 16)

Falls can lead to reductions in confidence and mobility, causing a significant and lasting impact on an older person's independence and quality of life. This indicator is designed to measure the effectiveness of organised community-based health and social care services to support older people and reduce the likelihood of falls occurring.

Performance against this indicator has improved by 1.74% when compared to 2020/21 however the rate of falls per 1,000 (65+) remains 5.69% above that for Scotland overall.

Number of Days People Aged 75+ Spend in Hospital When They Are Ready to be Discharged (Delayed Discharges) (NI 19)

If people have to wait in hospital once they are fit to be discharged it can result in poor outcomes and is an ineffective use of limited resources. Reductions in this measure indicate improvements in the effectiveness of Health and Social Care services to mobilise quickly to meet people's needs as they transition from hospital to

SECTION 1: MANAGEMENT COMMENTARY

community-based services.

Whereas in recent years we have reported year on year declines in the rate of delayed discharge per 1,000 population, there was a 209.28% increase in the year March 2022. This increase should be interpreted in the context of an exceptionally low comparator period, 2020/21, during which time service demand and delivery was significantly impacted by the COVID-19 pandemic. Across Scotland overall there has also been a significant drop in performance against this indicator (36.40% increases in delayed discharges) albeit not to the extent seen in Perth and Kinross. Despite this significant variance in the rate of change, Perth and Kinross continues to perform better than Scotland overall in the year to date.

A&E Attendances (Ministerial Strategic Group Indicator, MSG 3)

Intervening early with preventative care assists in reducing the need for attendance at accident and emergency. The number of A&E attendances therefore provides further indication of the effectiveness integrated services to plan and provide care earlier and in the most appropriate setting.

The number of A&E attendances has increased 20.40%, in the year to February 2022 and this compares to an increase of 19.64% seen across Scotland overall. These increases indicate links to the extraordinary effects of the pandemic on the service demand and delivery. When compared to Scotland on an in-year basis Perth and Kinross performance is still very good, 47.83% lower than that reported for Scotland overall.

SECTION 1: MANAGEMENT COMMENTARY

FINANCIAL OVERVIEW

Financial Performance

The Financial Plan, approved by the IJB in March 2021, supported break-even across Health and Social Care after application of reserves. Our financial performance compared to the Financial Plan for 2021/22 is summarised in the table below.

	2021/22 Financial Plan Position Over/(Under)	2021/22 Year-End Out-Turn Over/(Under)	Movement from Plan Over/(Under)
	£m	£m	£m
Health	1.749	(0.829)	(2.578)
Social Care	1.738	(0.740)	(2.478)
Sub-Total	3.487	(1.569)	(5.056)
PKIJB Reserve	(3.487)	1.569	5.056
Total	0	0	0

Finance update reports have been presented to the Audit & Performance Committee throughout 2021/22, reporting on the projected in year position and the impact of Covid-19. Expenditure incurred as a direct result of Covid-19 was fully funded by additional Scottish Government income, with no impact on year-end out-turn.

In Social Care the £2.478m movement from plan relates to the following:

- *Additional Scottish Government Living Wage funding of £0.9m, Living Wage costs had already been fully anticipated in the budget prior to the funding being announced in March 2021.*
- *Savings plans attributed to the Health and Social Care transformation programme continued to be affected in 2021/22. The Financial Plan had anticipated this and prepared to fund from the use of reserves (£1.0m for Social Care). However, in line with Scottish Government guidance, these unachieved savings were met by the additional funding allocation made by the Scottish Government and were therefore removed from the out-turn position.*
- *Reduced activity and usage for some adult services continued until the latter part of the financial year, leading to an unanticipated level of underspend (£0.4m).*
- *The effect of Covid-19 on planned investment led to an underspend (£0.2m).*

In Health, the £2.578m movement relates to the following:

- *As with Social Care, unachieved savings were met by Covid-19 funding. The financial plan had anticipated a level of unachieved savings (£1.4m), however in January 2022 the Scottish Government confirmed this could be met by Covid-19 funding.*
- *An unanticipated level of rebates and underspend within Prescribing of £0.8m.*

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- The effect of Covid-19 on planned recruitment and investment continued, leading to underspending against staff costs £0.5m.*
- In March 2022, it was agreed that the PKHSCP would fund a share of 2021/22 Inpatient Mental Health Community Investment related costs (£0.2m). Therefore, partially offsetting the increased underspends detailed above.*

Reserves

Throughout 2021/22 there has been a significant increase in reserves. In March 2022, £16.728m was passed to the IJB to be earmarked for additional Covid-19 costs. Of this, £15.366m remains within an earmarked Covid-19 reserve.

The IJB reserves balance as at 31 March 2022 is £33.249m, of this £28.843m is earmarked. The funding has been earmarked to meet Scottish Government objectives, local priorities and to balance the 2022/23 financial plan. The balance of un-earmarked reserves remaining is £4.406m. This reserves balance equates to 2% and allows the IJB to meet its Reserves Policy that sets a level of contingency general reserve at 2% of the IJB net expenditure.

FINANCIAL STATEMENTS

Background

The IJB's finances are overseen by the IJB's Chief Financial Officer who is supported by an integrated finance team including staff employed by both Perth & Kinross Council and NHS Tayside.

Analysis of Financial Statements

The main objective of the Annual Accounts is to provide information about the financial position of the IJB that is useful to a wide range of users in making and evaluating decisions about the allocation of resources.

The 2021/22 Annual Accounts comprise:

(a) Comprehensive Income and Expenditure Statement -

This shows a surplus of £19.349m. The underlying operational out-turn is a £1.569m underspend of which Health Services are £0.829m and Social Care £0.740m. In line with the Integration Scheme, this surplus has been added to the IJB reserve to carry forward into 2022/23. The remaining surplus of £17.780m relates to the net increase in reserves. Further detail is provided in section (b) and (c) below and in Note 6.

(b) **Movement in Reserves** - In 2021/22, earmarked reserves had an opening balance of £13.900m, this has increased by £19.349m, providing a closing balance of £33.249m. During 2021/22, a significant level of funding has been provided by the Scottish Government to the IJB via NHS Tayside and Perth & Kinross Council. In addition to the underlying operational underspends, the most significant balances held are for Covid-19, Winter Resilience and Primary Care Improvement Funding.

(c) **Balance Sheet** - In terms of routine business the IJB does not hold assets, however the balance of £33.249m reserves is reflected in the year-end balance sheet.

(d) **Notes** - comprising a summary of significant accounting policies, analysis of significant figures within the

SECTION 1: MANAGEMENT COMMENTARY

Annual Accounts and other explanatory information.

The Annual Accounts for 2021/22 do not include a Cash Flow Statement as the IJB does not hold any cash or cash equivalents.

FINANCIAL PLAN

In March 2022, the IJB approved the 2022/23 budget and indicative budgets for years 2023/24 and 2024/25. In setting the 3 year budget, work was undertaken to develop financial frameworks underpinned by strategic delivery plans and this included taking account of additional Scottish Government funding. In addition to strategic delivery planning, the financial plan has quantified and included pay and price pressures, essential investment requirements, and savings opportunities across all areas of the budget, including those not within scope of current strategic delivery plans.

SECTION 1: MANAGEMENT COMMENTARY

STRATEGIC RISKS AND OUTLOOK FOR FUTURE YEARS

The IJB's key strategic risks are contained in the Strategic Risk Register combined with an assessment of the level of risk facing the IJB. The Strategic Risk Register and associated improvement action plan is monitored and updated frequently by the PKHSCP Executive Management Team and reported to the IJB Audit & Performance Committee and the IJB to provide assurance on the adequacy and effectiveness of the systems and processes in place to manage the risks.

The IJB's strategic risks and risk maturity have continued to evolve over the year. During 2021-22 one new strategic risk was added to the register in relation to Partnership Premises and two strategic risks were archived concerning COVID-19 preparedness and EU Withdrawal.

The planned development of a refreshed risk appetite statement during 2021-22 has not been possible however this will be a key stage of our work with IJB Members in the development of a refreshed IJB risk management framework during 2022-23.

A summary of the Strategic Risk Register is set out in the following table:

Risk	Priority
1 Financial Resources There are insufficient financial resources to deliver the objectives of the Strategic Plan.	Very High
2 Workforce As a result of our ageing workforce, difficulties in recruiting suitably skilled and experienced staff in some areas, and the impact of COVID-19, there is a risk that the Partnership will be unable to maintain its workforce appropriately leading to unsustainable services.	Very High
3 Sustainable Capacity and Flow As a result of the demographics of the people who use our services in Perth and Kinross and the impact of COVID-19 on our population there is a risk of ' <i>capacity and flow</i> ' within our services being unsustainable.	Very High
4 Sustainable Digital Solutions As a result of being insufficiently digitally enabled or integrated there is a risk that the Partnership will not to be able to adapt effectively and efficiently to deliver new models of working.	High

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Risk	Priority
5 Viability of External Providers As a result of social care market conditions, availability of services, and COVID-19, there is a risk that external providers of care will not be able to meet people's assessed needs in the most appropriate way.	Very High
6 Widening Health Inequalities As a consequence of COVID-19 there is a risk that health inequalities widen significantly.	High
7 Leadership Team Capacity As a result of insufficient capacity in the Leadership Team there is a risk that the clear direction and leadership required to achieve the vision for integration is not achieved.	High
8 Corporate Support As a result of insufficient Corporate staff resource there is a risk that functions (such as improvement and project support, robust administration as well as core corporate duties such as performance, risk management, strategic planning, governance and audit) will be unable to deliver as required to achieve strategic objectives.	High
9 Primary Care As a result of insufficient suitable and sustainable premises, and a lack of available national and cross-system flow of financial support, there is a risk that we will not be able to provide, within the legislative timeframe, the necessary services as defined within the 2018 General Medical Services Contract.	Very High
10 Inpatient Mental Health Services There is a risk that due to the complexity of the governance arrangements for Inpatient Mental Health Services Perth and Kinross IJB will not be able to meet its Strategic Planning responsibilities.	High
11 Partnership Premises As a result of a lack of sustainable and suitable premises within which Health and Social Care Services can be delivered, there is a risk that safe, consistent and effective care to patients will not be able to be delivered which could result in a reduction in service capacity, reduced outcomes for people and a reduction in staff wellbeing.	Very High

SECTION 2: STATEMENT OF RESPONSIBILITIES

This statement sets out the respective responsibilities of the IJB and the Head of Finance & Corporate Services, as the IJB's Section 95 Officer, for the Annual Accounts.

RESPONSIBILITIES OF THE INTEGRATION JOINT BOARD

The Integration Joint Board is required to:

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

I confirm that these Annual Accounts were approved for signature at a meeting of the Integration Joint Board's Audit & Performance Committee on 26 September 2022.

Signed on behalf of the Perth and Kinross IJB

Bob Benson
IJB Chair

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 following is subject to external audit. The explanatory text in the Remuneration Report is reviewed by the external auditor to ensure it is consistent with the financial statements.

BOARD MEMBERS

The Perth and Kinross Integrated Joint Board comprises of 8 voting and 13 non-voting members. This has increased from 11 non-voting members in 2020-21 due to proxy members Maureen Summers and Ian McCartney being transferred to stakeholder (non-voting) membership on 1st December 2021.

At 31 March 2022, Perth and Kinross IJB had 6 voting members and 13 non-voting members. Two Non-Executive, voting member positions were vacant as at 31st March 2022. The position as at 31st March 2022 is as follows:

Voting Members:

Bob Benson (Chair)
Councillor Eric Drysdale (Vice-Chair)
Councillor Callum Purves

Councillor John Duff
Councillor Xander McDade
Beth Hamilton (Non-Executive Member)
Vacant (Non-Executive Member) (Previously Ronnie Erskine left 30th March 2022)
Pat Kilpatrick (Non-Executive Member) (left 31st March 2022)

Non-voting Members:

Gordon Paterson (Chief Officer) until 6th March 2022
Jacqueline Pepper (Chief Officer)
Jane Smith (Head of Finance and Corporate Services)
Dr Lee Robertson (Secondary Practitioner Representative)
Dr Sarah Peterson (GP Representative)
Sarah Dickie (Associate Nurse Director)
Bernie Campbell (Carer Public Partner)
Maureen Summers (Carer Public Partner)
Sandra Auld (Service User Public Partner)
Ian McCartney (Service User Public Partner)
Lyndsay Glover (Staff Representative)
Stuart Hope (Staff Representative)
Sandy Watts (Third Sector Representative)
Lynn Blair (Independent Sector Representative)
During 2020/21, the position of Chair was held by Councillor Eric Drysdale and the position of Vice-Chair was held by Bob Benson, Non-Executive.

SECTION 3 REMUNERATION REPORT

IJB CHAIR AND VICE-CHAIR

The voting members of the IJB are appointed through nomination by Perth & Kinross Council and NHS Tayside. Nomination of the IJB Chair and Vice-Chair postholders alternates between a Councillor and a Health Board representative.

The IJB does not provide any additional remuneration to the Chair, Vice-Chair or any other board members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. There were no taxable expenses paid by the IJB to either the Chair or the Vice-Chair in 2021/22.

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

OFFICERS OF THE IJB

The IJB does not directly employ any staff in its own right; however specific post-holding officers are non-voting members of the Board.

OTHER OFFICERS

The IJB requires to appoint a proper officer who has responsibility for the administration of its financial affairs in

terms of Section 95 of the 1973 Local Government (Scotland) Act. The employing contract for the Head of Finance & Corporate Services adheres to the legislative and regulatory governance of the employing partner organisation. The Head of Finance & Corporate Services is included in the disclosures below.

Total 2020/21 £	Senior Employees	Salary, Fees & Allowances £	Total 2021/22 £
120,426	Gordon Paterson Chief Officer	113,523	113,523
-	Jacqueline Pepper Chief Officer	8,378	8,378
87,487	Jane Smith Head of Finance & Corporate Services	83,585	83,585
207,913	Total	205,486	205,486

Jacqueline Pepper was appointed to the position of Interim Chief Officer on the 7th March 2022, with this position being made permanent on 3rd May 2022.

The previous Chief Officer, Gordon Paterson, left the organisation on 6th March 2022, therefore there was no overlapping hand-over period.

SECTION 3: REMUNERATION REPORT

In respect of officers' pension benefits, the statutory liability for any future contributions to be made rests with the relevant employing partner organisation. On this basis there is no pensions liability reflected on the IJB balance sheet for the Chief Officer or any other officers.

The IJB 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 IJB's funding during the year to support officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

Senior Employee	In-Year Pension Contributions		Accrued Pension Benefits		
	For Year to 31/03/21 £	For Year to 31/03/22 £		Difference from 31/03/21 £	As at 31/03/22 £
Jacqueline Pepper Chief Officer	-	1,424	Pension	36,375	36,375
			Lump sum	26,135	26,135
Jane Smith Head of Finance & Corporate Resources	16,125	16,651	Pension	2,463	29,719
			Lump sum	1,499	55,822

Gordon Paterson (left 6 th March 2022)	20,472	19,299	Pension	2,686	59,067
			Lump sum	709	103,216
Chief Officer					
Total	36,597	37,374	Pension	41,524	125,161
			Lump Sum	28,343	185,173

The above table shows the In Year Pension Contributions for Jacqueline Pepper in her role as Chief Officer of the IJB from 7th March 2022.

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	Remuneration Band	Number of Employees in Band
2020/21		2021/22
0	£80,000 - £84,999	1
1	£85,000 - £89,999	0
0	£110,000 - £114,999	1

SECTION 3: REMUNERATION REPORT

1	£120,000 - £124,999	0
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EXIT PACKAGES

No exit packages were paid to IJB staff during this period or the previous period.

Bob Benson
IJB Chair

Jacqueline Pepper
Chief Officer

Date: 26 September 2022

SECTION 4: ANNUAL GOVERNANCE STATEMENT

SECTION 5: ANNUAL ACCOUNTS

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

2020/21		2021/22
Net Expenditure £000		Net Expenditure £000
36,412	Community and Hospital Health Services	39,470
24,534	Hosted Health Services	26,114
26,413	GP Prescribing	26,932
48,255	General Medical/Family Health Services	48,549
16,177	Large Hospital Set aside	16,721
301	IJB Operating Costs	302
78,796	Community Care	87,071
230,888	Cost of Services	245,159
(243,629)	Taxation and Non-Specific Grant Income (Note 4)	(264,508)
(12,741)	(Surplus) or Deficit on Provision of Services	(19,349)
(12,741)	Total Comprehensive (Income) and Expenditure (Note 3)	(19,349)

This statement shows a surplus of £19.349m, which includes the balances remaining on various Scottish Government and Partnership funds and constitutes the Movement on Reserves in year. This balance has been included within earmarked reserves at 31st March 2022 (as per Movement in Reserves Statement and Note 6 below).

SECTION 5: ANNUAL ACCOUNTS

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.

Movements in Reserves During 2021/22	General Fund Balance £000
Opening Balance at 1 April 2021	(13,900)
Total Comprehensive Income & Expenditure	(19,349)
(Increase) or Decrease in 2021/22	(19,349)
Closing Balance at 31 March 2022	(33,249)

Movements in Reserves During 2020/21	General Fund Balance £000
Opening Balance at 31 March 2020	(1,159)
Total Comprehensive Income & Expenditure	(12,741)
(Increase) or Decrease in 2020/21	(12,741)
Closing Balance at 31 March 2021	(13,900)

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 & Expenditure Statement. Consequently, an Expenditure and Funding Analysis is not shown in these annual accounts.

SECTION 5: ANNUAL ACCOUNTS

BALANCE SHEET

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

31 March 2021 £000		Notes	31 March 2022 £000
13,900	Short Term Debtors	5	33,249
13,900	Current Assets		33,249
-	Short-Term Creditors		-
-	Current Liabilities		-
-	Provisions		-
-	Long-Term Liabilities		-
13,900	Net Assets		33,249
(13,900)	Usable Reserve: General Fund	6	(33,249)
(13,900)	Total Reserves		(33,249)

The unaudited annual accounts were issued on 27 June 2022, and the audited annual accounts were authorised for issue on 26 September 2022.

Jane Smith
Head of Finance & Corporate Services
26/09/22

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

A GENERAL PRINCIPLES

The Financial Statements summarise the Integration Joint Board's transactions for the 2021/22 financial year and its position at the year-end date of 31 March 2022.

The IJB was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Section 106 body as defined in the Local Government (Scotland) Act 1973.

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

The Head of Finance and Corporate Services is responsible for making an annual assessment of whether it is appropriate to prepare the accounts on a going concern basis. In accordance with the Code of Practice on Local Authority Accounting in the United Kingdom, an authority's financial statements shall be prepared on a going concern basis; that is, the accounts should be prepared on the assumption that the functions of the authority will continue in operational existence for at least twelve months from the date of approval of the financial statements and it can only be discontinued under statutory prescription.

B ACCRUALS OF INCOME AND EXPENDITURE

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.*

C FUNDING

The IJB is funded through funding contributions from the statutory funding partners, Perth & Kinross Council and NHS Tayside. Expenditure is incurred as the IJB commission's specified health and social care services from the funding partners for the benefit of service recipients in Perth and Kinross.

D CASH AND CASH EQUIVALENTS

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partners. Consequently the IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet.

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

The funding balance due to or from each funding partner as at 31 March is represented as a debtor or creditor on the IJB's Balance Sheet.

E EMPLOYEE BENEFITS

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

The IJB has a legal responsibility to appoint a Chief Officer and a Head of Finance & Corporate Services. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs.

Charges from funding partners for other staff are treated as administration costs.

F PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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.

A contingent liability is a possible liability arising from events on or before 31 March, whose existence will only be confirmed by later events. A provision that cannot be reasonably estimated, or where settlement is not probable, is treated as a contingent liability. A contingent liability is not recognised in the IJB's Balance Sheet but is disclosed in a note where it is material.

A contingent asset is a possible asset arising from events on or before 31 March, whose existence will only be confirmed by later events. A contingent asset is not recognised in the IJB's Balance Sheet, but is disclosed in a note only if it is probable to arise and can be reliably measured.

A contingent liability has been identified in 2021/22 in respect of the current review into the applicable pay rates for District Nurses. This is detailed at Note 11: Contingent Assets and Liabilities.

G 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 31 March shows the extent of resources which the IJB can use in later years to support service provision.

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

H INDEMNITY INSURANCE

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Tayside and Perth & Kinross 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 Clinical Negligence and Other Risks Indemnity Scheme (CNORIS). 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.

I CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

In applying the accounting policies set out above, the Integration Joint Board has had to make certain judgments about complex transactions or those involving

uncertainty about future events. The critical judgments made in the Annual Accounts are:

The Integration Scheme sets out the process for determining the value of the resources used in Large Hospitals, to be Set-Aside by NHS Tayside and made available to the IJB. The value of the Large Hospital Set-Aside expenditure reported in 2020/21 was £16.177m. The total expenditure in 2021/22 of £16.721m is based on the 2019/20 pre-pandemic activity and uplifted for 2021/22 costs. This is a transitional arrangement for 2021/22 agreed locally between NHS Tayside and the three Tayside Integration Joint Boards. This is consistent with the treatment of Large Hospital Set-Aside in 2020/21 financial statements. Work is progressing at a national and local level to refine the methodology for calculating and planning the value of this in the future.

J RELATED PARTY TRANSACTIONS

Related parties are organisations that the IJB can control or influence or who can control or influence the IJB. As partners in the Joint Venture of Perth and Kinross Integration Joint Board, both Perth & Kinross Council and NHS Tayside are related parties and material transactions with those bodies are disclosed in Note 8 in line with the requirements of IAS 24 Related Party Disclosures.

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

K SUPPORT SERVICES

Support services were not delegated to the IJB and are provided by the Council and the Health Board free of charge as a '*service in kind*'. These arrangements were outlined in the report of Corporate Supporting Arrangements to the IJB on 23 March 2016.

NOTE 2: EVENTS AFTER THE REPORTING PERIOD

The Annual Accounts were authorised for issue by the Head of Finance & Corporate Services on 26 September 2022. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2022, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

NOTE 3: EXPENDITURE AND INCOME ANALYSIS BY NATURE

2020/21 £000		2021/22 £000
78,796	Services commissioned from Perth & Kinross Council	87,071
151,791	Services commissioned from NHS Tayside	157,786
268	Other IJB Operating Expenditure	268
3	Insurance and Related Expenditure	3
30	External Audit Fee	31
(243,629)	Partner Funding Contributions and Non-Specific Grant Income	(264,508)
(12,741)	(Surplus) or Deficit on the Provision of Services	(19,349)

Costs associated with the Chief Officer and Head of Finance & Corporate Services are included within "other IJB operating expenditure". The insurance and related expenditure relates to CNORIS costs (see note 1,H). Auditor fees related to fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor.

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

NOTE 4: TAXATION AND NON-SPECIFIC GRANT INCOME

2020/21 £000		2021/22 £000
(56,743)	Funding Contribution from Perth & Kinross Council	(65,458)
(186,886)	Funding Contribution from NHS Tayside	(199,050)
(243,629)	Taxation and Non-specific Grant Income	(264,508)

The funding contribution from NHS Tayside shown above includes £16.721m in respect of 'set aside' resources relating to acute hospital and other resources. These are provided by the NHS which retains responsibility for managing the costs of providing the services. The IJB however has responsibility for the consumption of, and level of demand placed on, these resources.

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

NOTE 5: DEBTORS

2020/21 £000		2021/22 £000
10,974	NHS Tayside	26,917
2,926	Perth & Kinross Council	6,332
13,900	Debtors	33,249

Amounts owed by the funding partners are stated on a net basis. Creditor balances relating to expenditure obligations incurred by the funding partners but not yet settled in cash terms are offset against the funds they are holding on behalf of the IJB.

NOTE 6: USABLE RESERVE: GENERAL FUND

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

- *to earmark, or build up, funds which are to be used for specific purposes in the future, such as known or predicted future expenditure needs. This supports strategic financial management;*
- *to provide a contingency fund to cushion the impact of unexpected events or emergencies. This is regarded as a key part of the IJB's Risk Management Framework.*

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

As at March 2022, the IJB's Annual Accounts showed that Perthand Kinross IJB had reserves totaling £33.249m. The following table sets out the earmarked reserve balances as at 31 March 2022 which are required for specific commitments in future years.

	Balance as at 1 April 2021	Transfers In/(Out)	Balance as at 31 March 2022
	£000	£000	£000
COVID 19 Fund	4,547	10,819	15,366
Winter Resilience	0	3,440	3,440
Primary Care Improvement Fund	1,674	939	2,613
Alcohol and Drug Partnership Fund	522	796	1,318
Mental Health Recovery and Renewal Fund	0	687	687
Community Living Change Fund	505	0	505
Partnership Transformation Fund	408	26	434
Mental Health Action 15 Fund	171	178	349
Primary Care Transformation Fund	328	(11)	317
Speed Adjusting Dental Equipment & Ventilation Fund	0	310	310
Remobilisation of NHS Dental Services Fund	0	307	307
Winter Planning Fund	188	47	235
Hospital at Home Fund	0	207	207
GP Premises Improvement Fund	64	119	183
District Nursing Fund	61	61	122
Reduce Drugs Death Fund	67	(67)	0
Drug Death Task Force Fund	78	(78)	0
Health Reserves Fund (NHS Tayside)	1,400	0	1,400
Health Operational Underspend	961	829	1,790
Social Care Operational Underspend	2,926	740	3,666
Closing Balance at 31 March 2022	13,900	19,349	33,249

The above table shows the remaining balance of each funding stream as at 31 March 2022. The Transfers In/(Out) column represents the movement in funding i.e. the net of budget received and expenditure incurred in 2021-22.

In 2021/22, materially significant grant funding was received, by way of budget increase. This included funding for Covid-19 related activities, additional Winter Resilience, and the Primary Care Improvement Fund (PCIF). The remaining balance at 31 March 2022 was then recognised as an earmarked reserve.

The Covid-19 reserve had an opening balance of £4.547m with receipts of £20.467m and expenditure of £9.648m resulting in a closing balance of £15.366m. The Primary Care Improvement Fund Reserve had an opening balance of £1.674m with receipts of £4.055m and expenditure of £3.116m, resulting in a closing balance of £2.613m.

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: AGENCY INCOME AND EXPENDITURE

On behalf of all IJBs within the NHS Tayside area, Perth and Kinross IJB acts as the host partnership for, Public Dental services/Community Dental services, Prison Healthcare and Podiatry.

The IJB directs services on behalf of Dundee and Angus IJBs and reclaims the full costs involved. The payments that are made on behalf of the other IJBs, and the consequential reimbursement, are not included in the Comprehensive Income and Expenditure Statement (CIES) since the IJB is not acting as principal in these transactions.

The amount of expenditure and income relating to the agency arrangement is shown below.

2020/21 £000		2021/22 £000
6,207	Expenditure on Agency Services	6,325
(6,207)	Reimbursement for Agency Services	(6,325)
-	Net Agency Expenditure excluded from the CIES	-

In addition, the P&K HSCP received £0.291m for from the Scottish Government which fully offsets the costs incurred with the Coronavirus (COVID-19) £500 payment for Health & Social Care Staff in 2021/22. In line with CIPFA/LASAAC guidance, it is deemed that the IJB is acting as an 'Agent' in this process and therefore this income and expenditure is not included within the Comprehensive Income and Expenditure Statement.

As was the case in 2020/21, National Services Scotland (NSS) have been supplying PPE to Scottish Health Boards free of charge during the financial year 2021/22. The value of this PPE issued to the P&K HSCP in 2021/22 was £0.048m. The IJB is acting as an agent regarding these PPE transactions and therefore there is no impact on the figures within the Comprehensive Income and Expenditure Statement.

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: RELATED PARTY TRANSACTIONS

The IJB has related party relationships with NHS Tayside and Perth & Kinross 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 IJB's accounts are presented to provide additional information on the relationships.

Income - Payments for integrated functions

2020/21 £000		2021/22 £000
56,743	Perth & Kinross Council	65,458
186,886	NHS Tayside	199,050
243,629	Total	264,508

Expenditure - Payments for delivery of integrated functions

2020/21 £000		2021/22 £000
78,831	Perth & Kinross Council	87,105
151,791	NHS Tayside	157,786
266	NHS Tayside: Key Management Personnel Non-Voting Board Members	268
230,888	Total	245,159

This table shows that expenditure within Perth and Kinross Council is £21.647m greater than Perth and Kinross Council funding contributions. This represents IJB funding received from NHS Tayside being directed into Perth and Kinross Council (£25.187m), the PKC contribution towards IJB key management personnel (-£0.134m) and the transfer to reserves (-£3.406m) identified in note 5.

Key Management Personnel: The non-voting Board members employed by the NHS Board and Perth and Kinross Council and recharged to the IJB include the Chief Officer; the Chief Financial Officer. Details of the remuneration for some specific post-holders are provided in the Remuneration Report.

Perth and Kinross Council employs the council staff and Chief Social Work Officer representatives on the IJB but there is no discrete charge for this representation.

Balances with Perth & Kinross Council

2020/21 £000		2021/22 £000
2,926	Debtor balances: Amounts due from Perth & Kinross Council	6,332
-	Creditor balances: Amounts due to Perth & Kinross Council	-
2,926	Total	6,332

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

Balances with NHS Tayside

2020/21 £000		2020/21 £000
10,974	Debtor balances: Amounts due from NHS Tayside	26,917
-	Creditor balances: Amounts due to NHS Tayside	-
10,974	Total	26,917

NOTE 9: VAT

The IJB is not VAT registered 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 relating to VAT, as all VAT collected is payable to HM Revenue and Customs and all VAT paid is recoverable from it. The Council is not entitled to fully recover VAT paid on a very limited number of items of expenditure and for these items the cost of VAT paid is included within service expenditure to the extent that it is recoverable from HM Revenue and Customs.

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

NOTE 10: INPATIENT MENTAL HEALTH

During 2020-21, the Scottish Government actioned the transfer of operational management responsibility for Inpatient Mental Health Services in Tayside from the Integration Joint Boards (previously hosted by Perth and Kinross) to NHS Tayside. This meant that NHS Tayside managed the budget and associated variances in 2020/21.

The IJB is responsible for the planning of Inpatient Mental Health Services. This means that £10.265m has been included within the Hosted Services line in the CIES in 2021-22, which constitutes Perth & Kinross IJB's share of Inpatient Mental Health.

2020/21 £000		2021/22 £000
15,462	Expenditure on Hosted Services	15,849
9,072	Expenditure on Inpatient Mental Health	10,265
24,534	Total Expenditure on Hosted Services	26,114

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

NOTE 11: CONTINGENT ASSETS AND LIABILITIES

NHS Tayside are currently undertaking a review of the current job description of District Nurses with a view to determining an applicable pay grade starting from April 2018.

This review remains ongoing and there is significant uncertainty around the criteria in which staff members would be eligible for any potential regrading existing pay banding.

For this reason, a provision cannot be reasonably estimated, and settlement is not probable, therefore this is regarded as a contingent liability.

A further review of contingent assets and liabilities has been undertaken on behalf of the IJB by Legal Services, and excluding the above, no further contingent assets or liabilities have been identified at 31 March 2022.

SECTION 7: INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERTH AND KINROSS INTEGRATION JOINT BOARD AND THE ACCOUNTS COMMISSION

SECTION 8: 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.

Accounting Period

The period of time covered by the Accounts normally a period of twelve months commencing on 1 April each year. 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 overpaid.

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 (e.g. 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 Accounts

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.

CIPFA

The Chartered Institute of Public Finance and Accountancy.

Consistency

The concept that the accounting treatment of like terms within an accounting period and from one period to the next is the same.

Contingent Asset/Liability

A Contingent Asset/Liability is either:

- *a possible benefit/obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly within the IJB's control; or*
- *a present benefit/obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.*

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.

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.

Defined Benefit Pension Scheme

Pension scheme in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

SECTION 8: GLOSSARY OF TERMS

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 accounts.

Post Balance Sheet Events

Post Balance Sheet events are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Annual Accounts 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 accounts.

Government Grants

Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the IJB. These grants may be specific to a particular scheme or may support the revenue spend of the IJB in general.

IAS

International Accounting Standards.

IFRS

International Financial Reporting Standards.

IRAG

Integration Resources Advisory Group

LASAAC

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.

Provisions

An amount put aside in the accounts 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

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 voting members, the Chief Officer, the Chief Finance Officer, the Heads of Service 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.

SECTION 8: GLOSSARY OF TERMS

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.

Revenue Expenditure

The day-to-day expenses of providing services.

Significant Interest

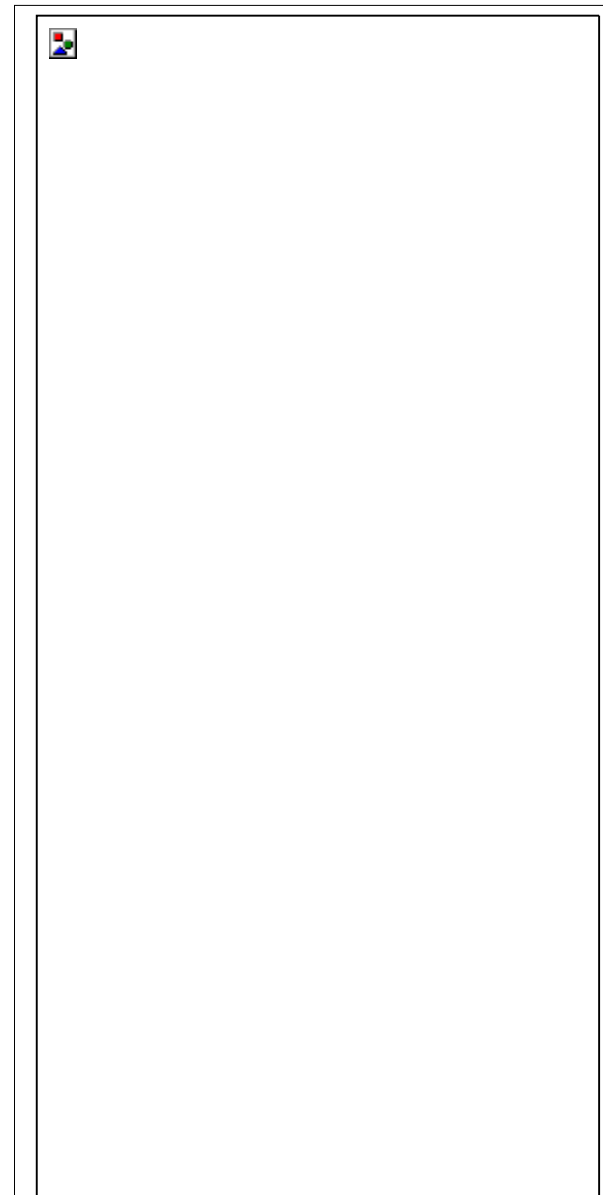
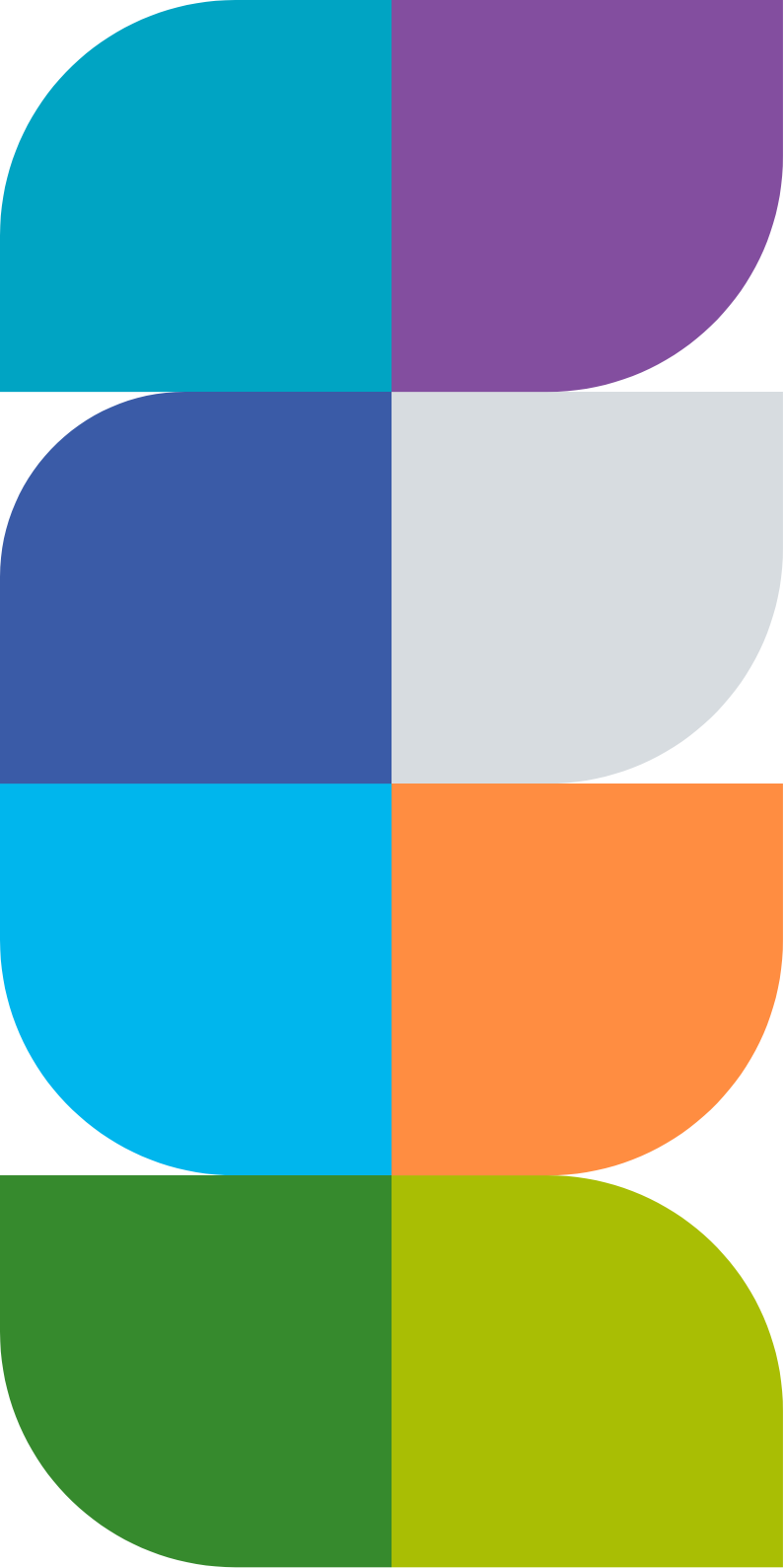
The reporting authority is actively involved and is influential in the direction of an entity through its participation in policy decisions.

SOLACE

Society of Local Authority Chief Executives.

The Code

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



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