

Moray Integration Joint Board



AUDITED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

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Interim Chief Financial Officer to the Moray Integration Joint Board, High Street, Elgin, IV30 1BX



01343 563125



accountancy.support@moray.gov.uk

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MORAY INTEGRATION JOINT BOARD MEMBERS 2021/22

Voting Members

Cllr. Shona Morrison (Chair) *	Moray Council
Dennis Robertson (Vice-Chair)	The Grampian Health Board
Sandy Riddell	The Grampian Health Board
Derick Murray	The Grampian Health Board
Professor Siladitya Bhattacharya	The Grampian Health Board
Cllr. Theresa Coull	Moray Council
Cllr. Frank Brown	Moray Council
Cllr. John Divers	Moray Council

Non-Voting Members

Simon Bokor-Ingram	Interim Chief Officer
Tracey Abdy *	Chief Financial Officer
Jane Mackie	Chief Social Work Officer
Jane Ewen	Lead Nurse
Dr Malcolm Metcalfe	Deputy Medical Director
Dr Lewis Walker	Registered Medical Practitioner
Heidi Tweedie	tsiMoray
Val Thatcher	Public Partnership Forum Representative
Ivan Augustus	Carer Representative
Steven Lindsay	Grampian Health Board Staff Partnership
Karen Donaldson	UNISON, Moray Council

Co-opted Members

Sean Coady	Head of Service and IJB Hosted Services
Dr Paul Southworth	Consultant in Public Health
Professor Caroline Hiscox	The Grampian Health Board
Roddy Burns	Moray Council

Note * were in position until 31 March 2022

MANAGEMENT COMMENTARY

The Role and Remit of the Moray Integration Joint Board

The Public Bodies (Joint Working) (Scotland) Act 2014 required that Moray Council and the Grampian Health Board prepared an Integration Scheme for the area of the local authority detailing the governance arrangements for the integration of health and social care services. This legislation resulted in the establishment of the Moray Integration Joint Board (MIJB) that became operational from 1 April 2016. Moray Council and Grampian Health Board, as the parties to the Integration Scheme, each nominate voting members to the MIJB. Currently, three elected members from Moray Council and three Grampian Health Board members (one executive and two non-executives).

Under the Public Bodies (Joint Working) (Scotland) Act 2014, a range of health and social care functions have been delegated from Moray Council and Grampian Health Board to the MIJB who has assumed responsibility for the planning and operational oversight of delivery of integrated services. MIJB also has a role to play in the strategic planning of unscheduled acute hospital based services provided by Grampian Health Board as part of the 'set aside' arrangements.

Hosted services also form part of the MIJB budget. There are a number of services which are hosted by one of the 3 IJB's within the Grampian Health Board area on behalf of all the IJBs. Responsibilities include the planning and operational oversight of delivery of services managed by one IJB on a day to day basis. MIJB has responsibility for hosting services relating to Primary Care Contracts and the Grampian Medical Emergency Department (GMED) Out of Hours service.

Key Purpose and Strategy

Following review and consultation, our second Strategic Planning (2019-29) – Partners in Care was launched in December 2019. The current plan emphasises the strength of integration and in addition to our two main Partners – Moray Council and the Grampian Health Board, the MIJB recognises the importance of the Third and Independent Sectors in facilitating the successful operation of the partnership of Health & Social Care Moray. As with all health and social care systems Moray is facing increasing demand for services at the same time as resources – both funding and workforce availability are under pressure. These challenges will intensify in the coming years as our population ages and more people with increasing complex needs require support to meet their health and care needs. The MIJB sets the direction and strategic intent through the development and implementation of the Strategic Plan and seeks assurance on the management and delivery of services through Board level performance reporting which ensures an appropriate level of scrutiny and challenge. The Strategic Plan identifies priority areas to support strategic direction and vision.

MANAGEMENT COMMENTARY (continued)

WE ARE PARTNERS IN CARE

OUR VISION: “We come together as equal and valued partners in care to achieve the best health and wellbeing possible for everyone in Moray throughout their lives.”

OUR VALUES: Dignity and respect; person-centred; care and compassion; safe, effective and responsive

OUTCOMES: Lives are healthier – People live more independently – Experiences of services are positive – Quality of life is improved – Health inequalities are reduced – Carers are supported – People are safe – The workforce continually improves – Resources are used effectively and efficiently

STRATEGIC PLAN KEY THEMES

BUILDING RESILIENCE – Taking greater responsibility for our health and wellbeing

HOME FIRST – Being supported at home or in a homely setting as far as possible

PARTNERS IN CARE – Making choices and taking control over decisions

The Plan purposefully places an emphasis on prevention activities and seeks to prioritise these activities as a long term goal, actively pursuing good health and wellbeing for the population, this will mean increased investment in this area of work. It highlights the HOMEFIRST approach and the rationale for this is to assist people in understanding that “hospital is not always the best place for people”, a statement frequently used and in particular if you are frail and elderly can be counter intuitive to a successful recovery. The response to Covid-19 has escalated elements of the HOMEFIRST approach.

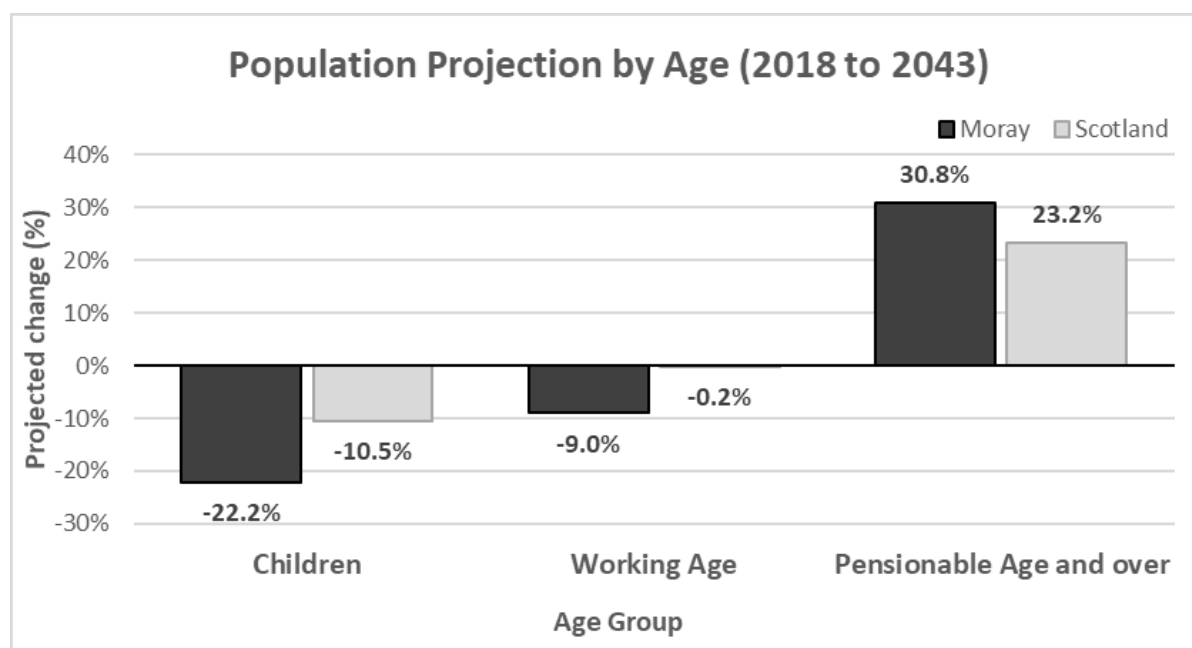
Through 21/22 the pandemic has driven a level of transformational change. This pace will need to continue in the next year and beyond as we face significant levels of demand. Our Strategic Plan will be refreshed in 22/23 and will be accompanied by a delivery plan to reflect the recovery phase that will be needed to deal with day to day demand and a backlog that has accumulated.

MANAGEMENT COMMENTARY (continued)

Population

Moray is a largely rural area covering a land mass of 2,238 sq. km. It has a long coastline on the Moray Firth with harbours, fishing villages and world-class beaches. The area's projected population for 2022 is 95,780. The main centre of population is Elgin, which is home to more than one quarter of the people living in Moray. Other towns of population between 5,000 and 10,000 are Forres, Buckie, Lossiemouth and Keith. Moray's population has grown significantly in recent years from 87,160 in 1997. The population growth in Moray is slowing and it is projected that against the 2018 baseline¹ Moray will be one of the 14 councils in Scotland who will have had a population decline by 2030. This trend is forecast to continue.

The table below sets out projected population growth based on the 2018 baseline. Across Scotland there is a projected reduction in children, limited change in the working age population, but significant growth in adults of pensionable age. By comparison it is projected that Moray will have a greater decrease in children, a marked decrease in those of a working age, but a significantly higher change in those of a pensionable age.



¹ <https://www.nrscotland.gov.uk/files/statistics/nrs-visual/sub-nat-pop-proj-18/pop-proj-principal-2018-infographic.pdf>

MANAGEMENT COMMENTARY (continued)

Performance Reporting

Performance is reported quarterly to the Audit, Performance and Risk Committee of the MIJB. In addition to the quarterly reporting, there is a requirement under the Public Sector (Joint Working) (Scotland) Act 2014 for the MIJB to produce and publish an Annual Performance Report setting out an assessment of performance in planning and carrying out the delegated functions for which they are responsible. The Annual Performance Report is due to be published by 30 November this year and will be published on the Health & Social Care Moray website. The Coronavirus Act (Scotland) has made provision to delay the publication of this document as prior to Covid it was published by 31 July.

One of the major aims of integration and a key measurable target for MIJB is to reduce the number of Moray residents that are ready to be sent home from hospital but have been delayed in this process. This is referred to as a 'delayed discharge'. Delayed discharge can occur due to several reasons but quite often involves the onward provision of social care which can be complex in nature. The table below notes performance over a four year period showing the number of delayed discharge bed days occupied varying significantly and with minimal seasonal pattern up to March 2022.

There was a significant reduction in delayed discharges in April to June 2020 onwards as the focus of the COVID-19 response in Moray was assessing and finding suitable support for those in hospital (specifically those ready for discharge) to allow for the anticipated influx of COVID-19 patients.

After a sharp increase in quarter 2 of 2020-21 an immense amount of work was undertaken across the Moray system to improve the position, however the challenges in identifying capacity in the community to provide care for those who need it has proved extremely challenging. The impact of covid on existing staffing levels combined with the increasing needs identified in the community and the increase in elderly and frail people attending hospital and then requiring some form of assistance has resulted in increased delayed discharges and increased unmet need in the community. Despite these efforts the number per 1000 population of bed days occupied by Delayed Discharges was at its highest level for five years in March 2022.

Improvements throughout the year include twice weekly (moving to daily when required) operational meetings to scrutinise the Delayed Discharge workflow, looking specifically at issues and implementing solutions. A new contract commenced in November 2021 for Care at Home service provision. A new model has been established where there is a primary provider who will work in close partnership with HSCM provider services. It is intended that this will increase stability in the market for care at home, enhance partnership working and facilitate our continued development of the outcome approach to commissioning.

MANAGEMENT COMMENTARY (continued)

The Number of Bed Days Occupied by Delayed Discharges 18+ per 1,000 population			
Jun 21	Sept 21	Dec 21	Mar 22
592	784	1,142	1,294
Jun 20	Sept 20	Dec 20	Mar 21
242	803	672	496
Jun 19	Sept 19	Dec 19	Mar 20
768	751	971	1,208
Jun 18	Sept 18	Dec 18	Mar 19
1,008	1,276	1,070	926
Jun 17	Sept 17	Dec 17	Mar 18
1,161	749	823	1,089

In relation to Emergency occupied bed days, there continues to be a focus on ensuring people are getting home quickly and can maintain their independence. This had resulted in a long-term downward trend in the rate of emergency occupied bed days for over 65's per 1,000 population from June 2017 to March 2021. However, the reduction of 18% in this rate from Mar 20 to Mar 21 was not maintained and levels are back up to that of March 2021.

Rate of Emergency Occupied Bed Days for over 65's per 1000 Population			
Jun 21	Sept 21	Dec 21	Mar 22
1,859	1,934	2,045	2,140
Jun 20	Sept 20	Dec 20	Mar 21
2,087	2,040	1,840	1,780
Jun 19	Sept 19	Dec 19	Mar 20
2,117	2,097	2,112	2,173
Jun 18	Sept 18	Dec 18	Mar 19
2,380	2,375	2,344	2,274
Jun 17	Sept 17	Dec 17	Mar 18
2,558	2,531	2,495	2,444

Covid 19 challenges and successes

Throughout 2021/22, the IJB continued to deliver services in line with the Integration Scheme and Strategic Plan, however the planning and delivery of services remained impacted by the COVID pandemic. Some services remained temporarily paused whilst others rapidly adapted their delivery method and the majority of the non-frontline workforce continued to work from home.

MANAGEMENT COMMENTARY (continued)

For much of the year Moray remained in a pandemic response phase, flexing and stepping up quickly to respond to spikes in COVID infection rates. It was clear it would not be possible in all cases to restore services to pre-pandemic levels as long as enhanced public health measures remained in place. It was further evident that what could be delivered from within existing resources (workforce, infrastructure, and finance) was diminished. Even at this level, the requirement to operate core services alongside the additional measures in place to support the pandemic response meant there was an immediate and ongoing resource impact

The health and social care system was challenged by some significant periods of demand. A pan-Grampian approach was taken in how surge and flow through the system was managed to ensure people in the community and in hospital received the care they required.

Those working in health and social care in Moray across all sectors, including independent providers and the third sector stepped up to the challenge on a daily



basis but have felt the negative effects of the pandemic on our communities more keenly than others. They have continued to respond with compassion, empathy and dedication in protecting and promoting people's opportunities to have the best possible lives.

By November, Grampian had experienced three waves of raised levels of COVID-19 infection and was currently in a fourth cycle of elevated disease which left the entire health and care system struggling to meet the normal level of performance despite the incredible efforts of a reduced and exhausted workforce.

The social care sector in Moray faced continued periods of extreme pressure that had an impact on the wider community and the effectiveness and efficiency of health services. Service managers implemented business continuity arrangements to ensure available staff resources were focussed on maintaining business critical functions, particularly in care at home, to try to ensure that all essential care was covered.

MANAGEMENT COMMENTARY (continued)

One of our key challenges was effective communication and engagement with all of our stakeholders (public, staff and partner organisations). Weekly updates were produced and widely circulated. The reach of our social media platforms has expanded and the website continued to be utilised to promote information about the work of the IJB.

Much of the focus of the last 12 months has been to consolidate learning and positive developments arising out of the pandemic. This included collaboration across the sector to mitigate negative impacts on the lives of individuals, families, communities and colleagues who worked tirelessly to support people, their unpaid carers and each other.

Vaccination Programme

Take-up of the COVID-19 vaccine was high among all cohorts in Moray. In April 2021, Phase 2 of the COVID-19 vaccination programme for the over 18s progressed. The offer of vaccinations progressed by age, starting with those aged 40-49. In August, 16 and 17 year olds were invited to come forward for vaccination and in September the offer was extended to children and young people aged 12-15. In February 2022 it was confirmed children aged five to 11 would be offered a COVID vaccine on the recommendation of the Joint Committee on Vaccination and Immunisation (JCVI).



Thanks to the efforts of vaccinators and frontline staff, the Scottish Government met its target of offering every eligible adult over 18 an appointment by 30 December.



Nearly 77% of eligible adults in Scotland had received a booster or third dose by that date.

The Covid vaccination programme was primarily delivered at the Fiona Alcock Vaccination Centre in Elgin through appointments and walk-in opportunities, with pop-up outreach clinics held in

workplaces and community venues as well as the Mobile Information Bus, to increase vaccine uptake among the vaccine hesitant in all cohorts.

MANAGEMENT COMMENTARY (continued)

Longer Term Impact of Covid-19 and Wellbeing

There was real concern that after such a sustained period of intense physically and emotionally draining work, staff's own resilience had been badly hit, with the recognition that they would need support and opportunities to decompress, reflect and recharge in order to find the reserves required to continue to respond to ongoing and future challenges.

The We Care staff health and wellbeing programme was established to deliver, co-ordinate and enhance staff wellbeing across NHS Grampian and the Health and Social Care Partnerships. The website acted as a hub where people could access information, help and advice related to their own and or their team's physical and mental wellbeing.



Recovery and Re-mobilisation

Resource was directed into supporting people to look after themselves by encouraging good infection control, testing and vaccination, and to protecting the most vulnerable, including vulnerable care home residents. Waiting times for care and support grew longer due to sustained service pressures.

Additional work was directed towards increasing capacity and planning ahead for winter. Operation Iris was enacted at a Grampian wide level for an initial six month period to manage the health and care system through winter, with the NHS continuing to operate on an emergency footing.

The interdependencies between services formed part of the assessment on how we remobilised, as no part of the system operates in isolation. While demand on the health and care system continued to be immense, we remained focused on planning for the longer term to ensure that services remained responsive to the community. Work on developing some areas of strategic and locality planning slowed as operational issues continued to be prioritised, but we also saw the acceleration of transformational redesign around the Home First programme alongside the opportunities presented by an expanded portfolio of health and care that now encompasses Dr Gray's Hospital.

Changes to Business as Usual Activities/ Transformation

Care home and care at home assurance groups continued to meet to provide oversight and support to internal and external social care providers within the context of Covid in Moray. The group monitored information with an overview of cases staffing, safety, PPE, testing and any other pertinent issues. This is a multi-agency group that has supported and guided care homes and care at home in a positive way through the ongoing challenges.

MANAGEMENT COMMENTARY (continued)

A new model of care at home has been implemented since October 2021. Health & Social Care Moray commissioned a single care at home external partner to jointly deliver an outcome based care at home service across Moray.

Since its establishment, Health & Social Care Moray has liaised and worked closely with both NHS Grampian and Moray Council, along with other resilience partners, to ensure that the duties of Category 1 responders are adhered to. Following an amendment to legislation, IJBs are now included within the within the Civil Contingencies Act 2004 as Category 1 responders.



Longer Term Changes to Strategies and Plans

Strategic planning has been delayed due to operation matters in response to the pandemic taking priority. The Strategic Planning and Commissioning Group (SPCG) was re-established in September 2021 and began to oversee the development of key programmes of work across the interfaces between primary, secondary and social care, developing the locality planning approach and coordination of the many enabling elements upon which planning and delivery of services is reliant.

Locality planning resumed with intelligence gathering to inform locality profiles.



Locality managers agreed terms of reference for the locality steering groups which will involve stakeholders developing approaches to community engagement to identify local health and wellbeing priorities for improvement.

Locality engagement work commenced in the Lossiemouth area to consider future health and wellbeing provision and the impact on patients of the continued closure of the GP branch surgery buildings in Hopeman and Burghead.

The strategic plan Moray Partners in Care was published in 2019 and it is recognised that the health and social care landscape has changed considerably since then. A refresh of the plan is essential to set the approach for the next 10 years. The revised plan – to be published in 2022 - will set out clearly our aims and objectives to the public and our workforce, building on what has already been achieved.

MANAGEMENT COMMENTARY (continued)

Other Impacts on services

In November 2021, Moray was hit by Storm Arwen at one of the coldest periods of the year. All partners deployed an emergency response to power outages, road closures, water supply issues and the risk of flooding. Health & Social Care Moray and the local authority took action to ensure vulnerable residents were safe in their homes and access to hot food or had alternative accommodation. Throughout the stormy weather and despite access issues, staff worked diligently to ensure critical services were maintained.

The Future

Moray continued to progress the Home First approach to supporting people to avoid unnecessary hospital admission and to return home, wherever possible, without delay. This work has developed into Hospital without Walls, an ambitious model involving all aspects of Home First alongside unscheduled care, primary/secondary care and acute services.

Hospital without Walls will offer hospital-level care to patients who are acutely unwell in their own home. It will establish a suite of responsive, co-ordinated, multi-disciplinary care supporting older people with frailty and multi-morbidity. Initial effort has been concentrated on developing a Home First Frailty Team who will be primarily focused at the 'front door' of Dr Gray's Hospital but will also offer support within the community.

The multi-disciplinary team will provide rapid geriatric assessments and allow a quick turnaround of those presenting at the front door. This will combine elements of the Discharge to Assess service which is now embedded into the system and provides an intermediate support approach for hospital in-patients who are medically stable and do not require acute hospital care but may still require rehabilitation. They are discharged home with short-term support to be fully assessed for longer-term needs in their own home.



The IJB responded to the Scottish Government's consultation on a National Care Service for Scotland following the recommendation of the Independent Review of adult social care. The National Care Service would operate as a new body to oversee social care, similar to how the National Health Service oversees health, enabling social care to have a more equal footing with health care.

MANAGEMENT COMMENTARY (continued)

It proposes that Local Integration Authorities would have more powers and would be directly funded by national government, rather than receiving their funding from local authorities and Health Boards as they do at the moment.

Officers continued to work on developing the business case for the delegation of Moray Children's Social Work and Criminal Justice to the IJB. Moray Council and NHS Grampian have now agreed the delegation, the next step to update the Integration Scheme and get approval from the Scottish Government.

Financial Review and Performance

Financial performance forms part of the regular reporting cycle to the MIJB. Throughout the year the Board, through the reports it receives is asked to consider the financial position at a given point and any management action deemed as necessary to ensure delivery of services within the designated financial framework. From the mid-point in the financial year, the Board was presented with financial information that included a forecast position to the end of the year. In November 2021 the Board received a financial report which forecast an expected overspend to the end of the financial year of £2.3m. This forecast reduced throughout the remainder of the year and in December 2021, MIJB were forecasting a small underspend to the end of the year of £0.2m. In March 2021, the MIJB agreed a savings plan of £0.407m. At the end of the financial year, only £0.11m had not been achieved. Scottish Government additional funding was made available that covered the underachievement on the savings target and £0.11m was received as part of Covid funding.

Given the uncertainties associated with Covid-19, it was necessary to update the Board regularly on the emerging financial position. This was done formally through MIJB meetings and informally through development sessions.

To support the response to Covid-19, the Scottish Government developed a process to assess the impact of Covid on Integration Authorities' budgets. They did this through the development of local mobilisation plans for each health board area, which in turn captured each Integration Authority. The objective was to demonstrate the impact on IJB budgets and provide appropriate financial support. The local mobilisation plans were updated regularly throughout the year and funding allocations were made by the Scottish Government on the basis of these updates. At the end of the financial year, the cost of the mobilisation plan for Moray was £5.2m, this included £0.11m for the underachievement of the approved savings plan. The largest element of spend was £3.18m which was used to support sustainability payments to external providers of care. Any unspent funds are held in an earmarked reserve and drawn down as appropriate for the continued support to the pandemic response and recovery.

MANAGEMENT COMMENTARY (continued)

Additional detail on the areas of spend supported through Covid-19 funding is highlighted in the table below:

Description	Spend to 31 March 2022 £000's
Additional Staffing Costs	160
Provider Sustainability Payments	3,176
Remobilisation	1,178
Cleaning, materials & PPE	90
Elgin Community Hub	556
Prescribing	154
Other	(244)
Additional Capacity in Community	17
Underachievement of Savings	110
Total	5,197

MANAGEMENT COMMENTARY (continued)

Service Area	Budget £000's	Actual £000's	Variance (Over)/ under spend	Note
Community Hospitals	5,494	5,477	17	
Community Health	5,490	4,932	558	4
Learning Disabilities	8,264	9,691	(1,427)	2
Mental Health	9,267	9,542	(275)	
Addictions	1,282	1,259	23	
Adult Protection & Health Improvement	151	158	(7)	
Care Services Provided In-House	17,215	16,238	977	3
Older People Services & Physical & Sensory Disability	19,014	20,536	(1,522)	1
Intermediate Care & OT	1,524	1,828	(304)	5
Care Services Provided by External Contractors	8,540	8,271	269	
Other Community Services	8,576	8,460	116	
Administration & Management	2,400	2,404	(4)	
Other Operational Services	1,176	1,192	(16)	
Primary Care Prescribing	17,416	18,310	(894)	6
Primary Care Services	18,278	18,307	(29)	
Hosted Services	4,619	4,632	(13)	
Out of Area Placements	669	832	(163)	
Improvement Grants	940	758	182	
Total Core Services	130,315	132,827	(2,512)	
Strategic Funds & Other Resources	27,470	7,937	19,533	
TOTALS (before set aside)	157,785	140,764	17,021	

MANAGEMENT COMMENTARY (continued)

The table above summarises the financial performance of the MIJB by comparing budget against actual performance for the year.

MIJB's financial performance is presented in the comprehensive income and expenditure statement (CIES), which can be seen on page 46. At 31 March 2022 there were usable reserves of £17.02m available to the MIJB, compared to £6.34m at 31 March 2021. These remaining reserves of £17.02m are for various purposes as described below:

Earmarked Reserves	Amount £000's
Action 15	72
Primary Care Improvement Plan	2,259
Covid-19	9,016
GP Premises	232
Moray care home infection control	223
Community Living Change Fund	319
National Drugs MAT	103
National Drugs Mission Moray	207
OOH Winter Pressure funding	202
Moray Cervical screening	110
Moray hospital at home	199
Moray interface discharge	205
Moray School nurse	46
Moray Psychological	492
MHO Funding	51
Care at Home Investment funding	656
Interim Care Funding	695
Moray Workforce well being	54
Moray Winter Fund HCSW	256
Moray Winter Fund MDT	367
Total Earmarked	15,764
General Reserves	1,257
TOTAL Earmarked & General	17,021

MANAGEMENT COMMENTARY (continued)

Action 15 – as part of the Mental Health Strategy 2017-2027, Scottish Government Ministers made a commitment to provide funding to support employment of 800 additional mental health workers to improve access.

Primary Care Improvement Plan – Scottish Government investment to support the GP contract that was agreed in 2018. Covers 6 priority areas identified by Government.

Covid 19 - additional funding provided by Scottish Government to address the impacts of the pandemic.

GP Premises – balance of funding for improvement grants including the making of premises improvement grants to GP contractors. The continued digitalisation of paper GP records. Modifications for the purposes of improving ventilation and increase to the space available in NHS owned or leased premises for primary care multi-disciplinary teams.

Community Living Change Fund – funding to be used over a three year period (2021-2024) to support reducing delayed discharge of those with complex needs, repatriate people inappropriately placed outside Scotland and to redesign the way service are provided for people with complex needs.

Care Home Infection Control – to support Care Homes through the pandemic.

National Drugs Medication Assisted Treatment (MAT) for embedding and implementation of the standards will be overseen by the MAT implementation support team (MIST).

National Drugs Mission Moray – balance of funding for range of activities including: drug deaths, taskforce funding, priorities of national mission, residential rehabilitation, whole family approach, outreach, bear fatal overdose pathways and lived and living experience.

Out of Hours Winter Pressure funding – balance of funding to sustain GO out of hours and to support resilience to explore operational solutions.

Moray Cervical Screening – balance of funding for smear test catch up campaign.

Moray Hospital at home – development of Hospital at Home provides Acute hospital level care delivered by healthcare professionals, in a home context for a condition that would otherwise require acute hospital inpatient care.

Moray Interface Care & Discharge without Delay (DWD)- interface care programme is part of the urgent and unscheduled care programme. DWD programme is to prevent delay and reduce length of stay.

Moray School Nurse – balance of school nursing programme for additional school nurses.

MANAGEMENT COMMENTARY (continued)

Moray Psychological – funding streams for mental health, psychological wellbeing, facilities, post diagnostic support and psychological therapies.

Mental Health Officer (MHO) funding – funding to support additional mental health officer capacity.

Care at Home investment funding – balance of funding to build capacity in care at home community based services.

Interim Care funding – balance of non-recurring funding basis to enable patients currently in hospital to move into care homes and other community settings.

Moray Workforce Wellbeing – funding to the health and wellbeing of those working in health and social care.

Moray Winter Fund Health Care Social Workers (HCSW) – additional funding for further HCSW in both the IJB and Emergency department.

Moray Winter fund Multi Disciplinary Team – additional funding for service pressures includes Discharge to Assess, Home First Frailty team and volunteer development.

All reserves are expected to be utilised for their intended purpose during 2022/23.

Significant variances against the budget were notably:

Note 1 Older People Services and Physical & Sensory Disability - This budget was overspent by £1.5m at the end of the year. The final position includes an overspend for domiciliary care in the area teams, which incorporates the Hanover complexes for very sheltered housing in Forres and Elgin and for permanent care due to more clients receiving nursing care than residential care. The ageing population requiring more complex care and local demographics also contributes to this overspend.

Note 2 Learning Disabilities – The Learning Disability (LD) service was overspent by £1.4m at the end of 2021-22. This consists of a £1.5m overspend, primarily relating to day services and the purchase of care for people with complex needs. Adults with learning disabilities are some of the most vulnerable people in our community and need a high level of support to live full and active lives. The overspend was offset in part by an underspend of £0.1m, relating primarily to staffing in speech and language and psychology services. The transformational change programme in learning disabilities helps to ensure that every opportunity for progressing people's potential for independence is taken, and every support plan involves intense scrutiny which in turn ensures expenditure is appropriate to meeting individual outcomes.

MANAGEMENT COMMENTARY (continued)

Note 3 Care Services Provided In-House – This budget was underspent by £1.0M at the end of the year. The most significant variances relate to the Care at Home services for all client groups and the Supported Living services which are underspent predominantly due to vacancies and issues with recruitment and retention. Overspends in internal day services £0.1m mainly due to transport costs and less income received than expected.

Note 4 Community Health – This budget was underspent overall by £0.6m at the end of 2021-22 and is primarily due to vacancies, unplanned leave and retirements. Recruitment and retention is an issue, which is not just apparent in Moray and a plan is currently in place to deal with this going forward.

Note 5 Intermediate Care & Occupational Therapy (OT) – This budget was overspent by £0.3m. This relates primarily to OT equipment where costs have increased due to manufacturing and supply to Moray and more complex equipment requests.

Note 6 Primary Care Prescribing - This budget was overspent by £894,000. The budget to March includes includes an uplift of £706,000 (non-recurring) for efficiencies not achieved and £115,000 recurring from within Moray IJB. Medicines management practices continue to be applied on an ongoing basis to mitigate the impact of external factors as far as possible and to improve efficiency of prescribing both from clinical and financial perspectives

Set Aside – Excluded from the financial performance table above on page 14 but included within the Comprehensive Income & Expenditure Account is £13.04m for Set Aside services. Set Aside is an amount representing resource consumption for large hospital services that are managed on a day to day basis by the NHS Grampian. MIJB has a responsibility for the strategic planning of these services in partnership with the Acute Sector.

Set Aside services include:

- Accident and emergency services at Aberdeen Royal Infirmary and Dr Gray's inpatient and outpatient departments;
- Inpatient hospital services relating to general medicine, geriatric medicine, rehabilitation medicine, respiratory medicine, learning disabilities, old age psychiatry and general psychiatry; and
- Palliative care services provided at Roxburgh House Aberdeen and The Oaks Elgin.

The budget allocated to Moray is designed to represent the consumption of these services by the Moray population. As a result of prioritising resources to support the Covid pandemic Public Health Scotland have not produced activity data for Set Aside services for the 2019/20 or 2020/21 financial years.

MANAGEMENT COMMENTARY (continued)

The figures for 2021/22 have been derived by uplifting 2019/20 figures by baseline funding uplift in 2020/21 (3.00%) and 2021/22 (3.36%):

	2021/22	2020/21	2019/20	2018/19
Budget	13.04m	12.62m	12.252m	11.765m
Number of Bed Days and A&E Attendances	-----	-----	-----	47,047

Risks, Uncertainties and Future Developments

The MIJB Chief Officer has a responsibility to maintain a risk strategy and risk reporting framework. Risks inherent within the MIJB are monitored, managed and reported at each meeting of the Audit, Performance and Risk Committee. In addition, a risk action log is monitored and managed by the Senior Management Team.

The key strategic risks of the MIJB classed as 'High' and 'Very High' are presented below:

VERY HIGH

Risk 2 - There is a risk of MIJB financial failure in that the demand for services outstrips available financial resources. Financial pressures being experienced both by the funding Partners and Community Planning Partners will directly impact on decision making and prioritisation of MIJB.

Mitigating Actions - Risk remains of the challenge that the MIJB can deliver transformation and efficiencies at the pace required. Financial information is reported regularly to both the MIJB, Senior Management Team and System Leadership Group.

The Chief Officer and Interim Chief Financial Officer (CFO) continue to engage in finance discussions with key personnel of both NHS Grampian and Moray Council. These conversations have continued throughout the Covid-19 pandemic.

The Chief Officer and CFO will continue to engage with the partner organisations in respect of the financial position throughout the year. Cross partnership performance meetings are in place with partner CEOs, Finance Directors and the Chair/Vice Chair of the MIJB.

The CFO and Senior Management Team have worked together to address further savings which will be presented to the Board for approval as part of the budget setting procedures for 2022/23. This should be a focus of continuous review to ensure any investment is made taking cognisance of existing budget pressures.

MANAGEMENT COMMENTARY (continued)

HIGH

Risk 1 - The Integration Joint Board (IJB) does not function as set out within the Integration Scheme, Strategic Plan and Scheme of Administration and fails to deliver its objectives or expected outcomes. Inability to recruit and retain qualified and experience staff to provide and maintain sustainable, safe care.

Mitigating Actions - Induction sessions are held for new IJB members and IJB members briefings are held regularly. Conduct and Standards training was held for IJB members in December 2020 with update provided by Legal Services as appropriate.

Senior Management Team (SMT) regular meetings and directing managers and teams to focus on priorities.

Regular development sessions are held with IJB and System Leadership Group (SLG)

Strategic Plan and locality management structure is in place The work that has been progressed through the Covid19 response has escalated developments in some areas as a matter of priority. This has been achieved through collaborative working with partner organisations and the third sector

Risk 3 - Inability to recruit and retain qualified and experience staff to provide and maintain sustainable, safe care.

Mitigating Actions - System re-design and transformation.

Organisational Development Plan and Workforce plan were updated and approved by MIJB in November 2019 and they are being progressed by the Workforce Forum. Workforce planning has recommenced alongside plans for NShG and Moray Council and an initial draft will be submitted to Senior Management Team 8 June 2022.

Staff Wellbeing is a key focus and there are many initiatives being made available to all staff including training, support, information and access to activities.

Locality Managers are developing the Multi-disciplinary teams in their areas and some project officer support has been provided to develop the locality planning model across Moray.

Lead Managers are involved in regional and national initiatives to ensure all learning is adopted to improve this position. They are also linked to University Planning for intakes and programmes for future workforce development

MANAGEMENT COMMENTARY (continued)

HIGH (continued)

Risk 5 - Inability to cope with unforeseen external emergencies or incidents as a result of inadequate emergency and resilience planning.

Mitigating Actions – Information from the updated Business Impact Assessments /Business Continuity Plans has informed elements of the Winter Preparedness Plan (Surge plan).

A Friday huddle is in place which gathers the status of services across the whole system to provide information and contact details to the Senior Manager on Call (SMOC) over the weekend.

NHS Grampian have introduced system wide daily huddles to manage the flow and allocation of resources which require attendance from Dr Grays and HSCM.

NHS Grampian have amended their approach to Pandemic preparation so HSCM Pandemic plan requires redrafting and testing.

Practitioner group established for Moray with representation from HSCM, Dr Grays, Moray Council and NHS Grampian to discuss matters arising from the Local Resilience Forum and within our respective organisations. In addition it will provide a forum for discussion of the linkages between organisational response plans to ensure there are no gaps or over reliance on particular local resources.

HSCM represented at Grampian Local Resilience Partnership meetings and working groups and at NHSG Civil Contingencies group to ensure that plans are aligned and networks are established and maintained for use to support a response.

Risk 7 - Inability to achieve progress in relation to national Health and Wellbeing Outcomes.

Performance of services falls below acceptable level.

Mitigating Actions – Service managers monitor performance regularly within their teams and escalate any issues to the System Leadership Group (SLG) for further discussion to provide wider support, developing shared ownership and a greater understanding across the whole system.

Key operational performance data is being circulated daily to all managers in the Daily dashboard to ensure any potential issues are identified quickly so action can be taken. This dashboard is being reviewed and will be further developed with the intention of further dashboards to provide a whole system overview. This has been discussed at SLG and agreed.

Performance information is presented to the Performance sub group of Practice Governance Group to inform Social Care managers of the trends in service demands so that resources can be allocated appropriately.

MANAGEMENT COMMENTARY (continued)

HIGH (continued)

Risk 8 - Inability to progress with delivery of Strategic Objectives and Transformation projects.

Mitigating Actions - Integrated Infrastructure Group previously established, with ICT representation from NHS Grampian and Moray Council, to consider and provide solutions to data sharing issues and ICT infrastructure matters. Linkages to Infrastructure Board and information sharing groups had been established albeit these meetings are not taking place regularly at the moment.

Data sharing groups for Grampian and Health and Social Care Moray were established and meetings were held regularly but have not taken place regularly during Covid. These meetings have oversight of any issues arising from Data protection and GDPR matters from either Council or NHS systems. During covid the issues have been dealt with as they arose

Risk 9 - Requirements for support services are not prioritised by NHS Grampian and Moray Council.

Mitigating Actions – Membership of the Board was reviewed and revised to ensure representation of all existing infrastructure processes and funding opportunities. Process for ensuring infrastructure change/investment requests developed.

Infrastructure Manager in post and linking into other Infrastructure groups within NHS Grampian and Moray Council to ensure level of ‘gatekeeping’.

Dr Gray’s site development plan is being produced collaboratively with input from NHS Grampian and HSCM management.

Work is progressing on identification of needs for some services with regard to accommodation which will be communicated with partners to find the most effective solution

Development Aims for 2022/23

HOME FIRST

The planning and delivery to meet the threat of Covid-19 has led to some rapid change and has created a new starting point. Home First continues to be the key strategic theme/over-arching project to embed change going forwards, to ensure that in a new environment we can continue to meet health and care needs safely, and can react to further waves of Covid-19; winter pressures; and future unknown events. Developing from last year’s Operation Home First, Moray has continued to mature it’s Home First work streams whilst also ensuring they are targeted and coordinated. In an effort to explore the entire patient pathway Hospital without Walls was devised. This programme will ensure there is a suite of responsive, seamless, coordinated, multi-disciplinary care supporting older people with frailty and multi-morbidity. Hospital without Walls pulls together the individual work streams under.

MANAGEMENT COMMENTARY (continued)

Home First whilst also considering unscheduled care, primary and secondary care services

As a result of the Covid 19 activity and diversion, the Strategic Plan 2019-29, the Medium Term Financial Strategy and other supporting plans are due to be revisited in 22/23.

As the organisation continues to remobilise following the impacts of response, new, transformational ways of working are being adopted and are informing our approach to delivery of the strategic objectives outlined in the plan.

In addition we will seek to:

- Continue to develop systems leadership with a Portfolio approach;
- Further embed Home First and develop Hospital without walls;
- Ensure successful embedding of Discharge to Assess and how it interfaces with other services in support of reducing Delayed Discharges;
- Continually develop by progressing the MIJB Improvement Action Plan measured against the Ministerial Strategic Objectives;
- Ensure compliance with the Governance Framework as approved by the MIJB in January 2021;
- Progress the Primary Care Improvement Plan; and
- Embed recommendations from the Independent Review of Adult Social Care, and continue to embed Self Directed Support into mainstream activities.
- Progress Housing development for people with a Learning Disability.

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Dennis Robertson

Chair of Moray IJB

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Simon Bokor-Ingram

Chief Officer

.....
Deborah O'Shea

**Interim Chief
Financial Officer**

STATEMENT OF RESPONSIBILITIES

Responsibilities of the MIJB

- To make arrangements for the proper administration of its financial affairs and to secure that it has an officer responsible for the administration of those affairs. In Moray Integration Joint Board, that officer is the Interim Chief Financial Officer;
- To manage its affairs to achieve best value in the use of its resources and safeguard its assets;
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014) and the Local Authority (Capital Financing and Accounting) (Scotland) (Coronavirus) Amendment Regulations 2022, and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003); and
- To approve the Annual Accounts.

I confirm that the Annual Accounts were approved by the MIJB at its meeting on 26 January 2023.

Signed on behalf of the Moray Integration Joint Board

Dennis Robertson

Chair of Moray IJB

STATEMENT OF RESPONSIBILITIES (continued)

Responsibilities of the Interim Chief Financial Officer

The Interim Chief Financial Officer is responsible for the preparation of the Moray 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 Code).

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

- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with legislation; and
- Complied with the local authority code (in so far as it is compatible with legislation).

The Interim Chief Financial Officer has also:

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

I certify that the financial statements give a true and fair view of the financial position of the Moray Integration Joint Board as at 31 March 2022 and the transactions for the year then ended

Deborah O'Shea FCCA

Interim Chief Financial Officer

REMUNERATION REPORT

Introduction

This Remuneration Report is provided in accordance with the Local Authority Accounts (Scotland) Regulations 2014 (SSI2014/200) as part of the MIJB annual accounts. This report discloses information relating to the remuneration and pension benefits of specified MIJB members.

All information disclosed in the tables is subject to external audit. Other sections within the Remuneration Report will be reviewed for consistency with the financial statements.

Moray Integration Joint Board

The voting members of MIJB are appointed through nomination by Moray Council and the Grampian Health Board. There is provision within the Order to identify a suitably experienced proxy or deputy member for both the voting and non-voting membership to ensure that business is not disrupted by lack of attendance by any individual.

MIJB Chair and Vice-Chair

Nomination of the MIJB Chair and Vice-Chair post holders alternates every 18 months between a Councillor and a Health Board non-executive member.

The MIJB does not provide any additional remuneration to the Chair, Vice-Chair or any other board members relating to their role on the MIJB. The MIJB does not reimburse the relevant partner organisations for any voting member costs borne by the partner.

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

Taxable Expenses 2020/21	Name	Position Held	Nomination By	Taxable Expenses 2021/22
£				£
-	Dennis Robertson	Vice-Chair 29/04/21 to date Chair 24/09/20 to 29/04/21	Grampian Health Board	-
-	Cllr Shona Morrison	Chair 29/04/21 to 31/03/2022 Vice-Chair 01/10/19 to 29/04/2021	Moray Council	-

REMUNERATION REPORT (continued)

Officers of the MIJB

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

Chief Officer

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 a Chief Officer for the integration joint board has to be appointed and the employing partner has to formally second the officer to the Board. The employment contract for the Chief Officer will adhere to the legislative and regulatory framework of the employing partner organisation. The remuneration terms of the Chief Officer's employment are approved by the Board.

Other Officers

No other staff are appointed by the MIJB under a similar legal regime. Other non-voting board members who meet the criteria for disclosure are included in the disclosures below.

Total 2020/21	Senior Employees	Salary, Fees & Allowances	Total 2021/22
£		£	£
96,115	Simon Bokor-Ingram Chief Officer	109,826	109,826
87,271	Tracey Abdy Chief Financial Officer	93,904	93,904

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 MIJB balance sheet for the Chief Officer or any other officers.

The MIJB however has a 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 MIJB. The following table shows the MIJB's funding during the year to support the 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.

NOTE: no bonuses, expenses allowances, compensation for loss of office or any taxable benefits were made in 2021/22

REMUNERATION REPORT (continued)

	In Year Pension Contributions		Accrued Pension Benefits		
	Year to 31/03/21	Year to 31/03/22		As at 31/03/2022	Difference from 31/03/2021
	£	£		£ 000's	£ 000's
Simon Bokor-Ingram, Chief Officer	13,142 (from 20/4/20)	22,954	Pension	43	5
			Lump Sum	87	7
Tracey Abdy Chief Financial Officer	18,075	18,562	Pension	20	2
			Lump Sum	18	-

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 2020/21	Remuneration Band	Number of Employees in Band 2021/22
1	£85,000 - £89,999	-
-	£90,000 - £94,999	1
1	£95,000 - £99,999	-
-	£105,000 - £109,999	1

REMUNERATION REPORT (continued)

Exit Packages

There were no exit packages agreed by the MIJB during 2021/22 financial year, or in the preceding year.

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Dennis Robertson

Chair of Moray IJB

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Simon Bokor-Ingram

Chief Officer

ANNUAL GOVERNANCE STATEMENT

The Annual Governance Statement describes the Moray Integration Joint Board's (MIJB) governance arrangements and reports on the effectiveness of the MIJB's system of internal control.

Scope of Responsibility

The MIJB is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, and that public money is safeguarded and used efficiently and effectively in pursuit of best value.

In discharging its responsibilities, the MIJB has established arrangements for its governance which includes the system of internal control. This system is intended to manage risk and support the achievement of the MIJB's policies, aims and objectives. The system provides reasonable but not absolute assurance of effectiveness.

The MIJB places reliance on the systems of internal control of NHS Grampian systems and Moray Council, which supports organisational compliance of policies and procedures in addition to those of the MIJB. Assurances are required on the effectiveness of the governance arrangements of all three organisations, meaning a significant failure in one of the three Partners may require to be disclosed in the annual accounts of all three Partners.

The Governance Framework

The CIPFA/SOLACE framework for 'Delivering Good Governance in Local Government' last updated in 2016 remains current and provides a structured approach in defining seven principles that underpin effective governance arrangements. Whilst the framework is written specifically for Local Government, the principles apply equally to integration authorities, and while the MIJB continues to evolve as an entity in its own right. It continues to draw on the governance assurances of NHS Grampian and Moray Council as its principal funding partners.

Given the scope of responsibility within the MIJB and the complexities surrounding the assurance arrangements, a Local Code of Corporate Governance was developed and the MIJB assesses the effectiveness of its governance arrangements against the principles set out in the document. The Code outlines the seven governance principles from the CIPFA/SOLACE guidance (as referenced below) and provides the sources of assurance for assessing compliance relative to the MIJB, Moray Council and NHS Grampian. These assurances include referencing the governance arrangements of NHS Grampian and Moray Council which are summarised annually and published in their respective Annual Governance Statements which form part of the annual accounts of each organisation. The respective governance statements can be found on the individual organisations websites: Moray Council: [Annual Accounts - Moray Council](#) and NHS Grampian: <https://www.nhsgrampian.org/about-us/annual-accounts/>

ANNUAL GOVERNANCE STATEMENT (continued)

Key Governance Arrangements

Covid-19 has had a significant impact on the MIJB and its approach to dealing with the pandemic has involved the use of amended governance arrangements granted under delegated powers

All of the scheduled Audit Performance and Risk Committee meetings were held as timetabled during 2021/22. An interim arrangement was agreed for the operation of the Clinical and Care Governance Committee whereby the Chair of the Committee received monthly updates on the key issues arising during the pandemic response. This related principally to the provision of care, care home oversight and child and adult protection matters. In addition the Chief Officer committed to providing weekly updates on the emerging situation to IJB Members, elected Members and staff.

Health and Social Care Moray (HSCM) established an emergency response group that has been operational since the end of March 2020, with the frequency of meetings being adapted throughout the year dependent on the stage of response. Representation on the emergency response groups of the Partner organisations is provided by HSCM staff, ensuring the necessary links and flow of information to ensure a co-ordinated response on a pan Grampian basis and locally within Moray.

The collaborative working across the whole system increased with the Omicron wave of Covid as the impact on staffing levels and demand for services put extreme pressure on all aspects of service delivery. Up to three times daily meetings were held 7 days a week to ensure a co-ordinated response. In addition a Grampian Operation Performance Escalation System (GOPES) was established to enable senior leaders to have oversight of where pressures were located in the system and to direct responses accordingly. This development has also strengthened the identification of key metric thresholds to inform the levels for escalation

ANNUAL GOVERNANCE STATEMENT (continued)

Evaluation of the Effectiveness of Governance

Governance Principle 1 – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

Assessment of Effectiveness

- The activities of the MIJB are directed by a Board comprising voting and non-voting members. The Board meets every two months and draws its membership from a broad range of sources. Formal Board meetings are augmented by regular development sessions that focus in detail on specific areas. The Board is also supported by an Audit, Performance and Risk Committee, and a Clinical and Care Governance Committee, each with a specific remit to support effective governance arrangements. The Scheme of Integration was reviewed during 2021 to increase by one voting member from each partner organisation to facilitate increased membership at the Committees
- The MIJB operates in line with Standing Orders that govern proceedings of the Board and its Committees, and which incorporates the Board's Scheme of Administration that deals with the Board's committee structure and working groups.
- The MIJB has appointed a Standards Officer to support compliance with an ethical standards framework in line with the Ethical Standards in Public Life etc. (Scotland) Act 2000 whereby members of devolved public bodies such as the MIJB are required to comply with Codes of Conduct, approved by Scottish Ministers, together with guidance issued by the Standards Commission.

ANNUAL GOVERNANCE STATEMENT (continued)

Governance Principle 2 – Ensuring openness and comprehensive stakeholder engagement

Assessment of Effectiveness

- Provision is made within MIJB's Standing Orders for public and press access to meetings and reports. During the 2021/22 year there was a continued need to broadcast live Board meetings with attendance being virtual for all. A specific web-site has been developed for Health and Social Care Moray and is continuously monitored for improvement. Agendas, reports and minutes for all committees can be accessed via the website in addition to all the linked strategies of the MIJB.
- Both the voting and non-voting membership arrangements of the MIJB are in line with the Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014. The non-voting membership comprises six professional members and five stakeholder members representing: staff, third sector bodies carrying out activities in relation to health and social care, service users and unpaid carers, and four additional non-voting members which include the Chief Executives of Moray Council and NHS Grampian in an Ex-officio capacity. The broad membership of the MIJB ensures valued input and engagement from a wide range of stakeholders.
- The Community Empowerment (Scotland) Act 2015 places a statutory duty on MIJB and its Community Planning Partners to engage with communities on the planning and delivery of services and securing local outcomes. The MIJB has an approved Communications and Engagement Strategy which recognises and promotes the active and meaningful engagement with all stakeholders.

Governance Principle 3 – Defining outcomes in terms of sustainable economic, social and environmental benefits

Assessment of Effectiveness

- The MIJB has in place a Strategic Plan 2019-29 which is supported by various documents including a medium term financial framework. Following the impact of the pandemic a review is planned for both documents.
- The plan is underpinned by a performance framework, workforce plan, organisational development strategy, and a communications, engagement and participation plan. Initial work has commenced for an updated workforce plan due for completion by July 2022
- The suite of documents are designed to identify outcomes and forward-thinking on direction over the medium term. Outcomes are closely linked to the delivery of health and social care and the planned improvements for the population of Moray.
- A climate change duties report is collated and submitted annually on behalf of the MIJB.

ANNUAL GOVERNANCE STATEMENT (continued)

Governance Principle 4 – Determining the interventions necessary to optimise the achievement of intended outcomes

Assessment of Effectiveness

- The MIJB's decision making process ensures that the members of the Board receive objective and robust analysis of a variety of options indicating how the intended outcomes will be achieved, providing information on the associated risks and opportunities.
- Board papers reflect the broad range of matters under consideration including regular update reports by the Chief Officer on topical matters and agenda items covering opportunities and challenges arising from reconfiguration of services.
- The Financial Management Code promoted by CIPFA is recognised as a means of assisting in ensuring good financial administration. A medium term financial strategy was approved by the MIJB in March 2022 and will be reviewed in the new financial year, once the strategic plan has been reviewed.

Governance Principle 5 – Developing the entity's capacity, including the capability of its leadership and the individuals within it

Assessment of Effectiveness

- The Senior and Operational Management teams were due to continue to take part in a Systems Leadership Programme led by The Kings Fund to support the leadership teams however this has been further paused for the Covid 19 response. During the Covid 19 response there has been increased opportunity to work collaboratively across organisations through use of new technology.
- The MIJB has met with Officers regularly for development sessions to increase the opportunity for shared learning and constructive challenge.

ANNUAL GOVERNANCE STATEMENT (continued)

Governance Principle 6 – Managing risk and performance through robust internal control and strong public financial management

Assessment of Effectiveness

- As part of a robust risk monitoring framework, the Strategic Risk Register is reviewed and updated regularly and presented to every Audit, Performance and Risk Committee. A related action log was created for monitoring purposes and is owned and monitored by the Senior Management Team.
- A Performance Management Framework has been developed. Performance reporting falls within the scope of the Audit, Performance and Risk Committee and reporting is quarterly.
- The internal control system links closely with those of the Partners, given their operational remit for delivery of services under direction of the MIJB. The Audit, Performance and Risk committee through its consideration of reports monitors the effectiveness of internal control procedures. The MIJB Chief Internal Auditor undertakes an annual review of the adequacy of internal controls and the opinion is included within this statement.
- The MIJB has an independent S95 Officer who is a member of the MIJB, providing advice on all financial matters and ensure timely production and reporting of budget estimates, budget monitoring reports and annual accounts.
- Governance arrangements have been developed and maintained to comply with the core functions of various good framework guidelines including Code of Practice on Managing the Risk of Fraud and Corruption, Public Sector Internal Audit Standards (incorporating the principles of the Role of the Head of Internal Audit), Audit Committees: Practical Guidance for Local Authorities and Police, etc.

Governance Principle 7 – Implementing good practices in transparency, reporting and audit to deliver effective accountability

Assessment of Effectiveness

- MIJB business is conducted through an approved cycle of Board meetings. During the year, recordings of Board meetings were made available to the public. Agendas, reports and minutes are available for the public to inspect. There is a standard reporting format in place to ensure consistency of approach and consideration by Members to provide transparency in decision making.
- The MIJB publishes both Annual Accounts and an Annual Performance Report following Board approval.
- The Chief Internal Auditor reports directly to the Audit, Performance and Risk committee with the right of access to the Chief Officer, Interim Chief Financial Officer and Chair of the Audit, Performance and Risk committee on any matter. The Chief Internal Auditor has continued to report to Committee during 2021/22.

ANNUAL GOVERNANCE STATEMENT (continued)

Review of Adequacy and Effectiveness

The MIJB has a responsibility for conducting, at least annually, a review of the effectiveness of the governance arrangements, including the system of internal control. The review is informed by the work of the Senior Management Team (which has responsibility for the development and maintenance of the internal control framework environment); the work of the Internal Auditors and the Chief Internal Auditor's annual report and the reports from the External Auditor and other review agencies and inspectorates.

Internal Audit Opinion

The Internal Audit Service for the MIJB is delivered by Moray Council's Internal Audit Section, and the Council's Audit and Risk Manager holds the Chief Internal Auditor appointment to the MIJB until the 31st of March 2024. The Council's Internal Audit Section has adopted the Public Sector Internal Audit Standards (PSIAS) that requires the Chief Internal Auditor to deliver an annual internal audit opinion and report, which has also been used to inform this governance statement.

The Chief Internal Auditor's evaluation of the adequacy and effectiveness of the MIJB framework of governance, risk management and internal control includes consideration of the findings from the audit work undertaken by the Chief Internal Auditor in his role as the Audit and Risk Manager for the Moray Council. Assurance is also sought from the Internal Audit Service Provider for NHS Grampian of the governance processes adopted by that organisation. In addition, reports issued by other external review agencies are considered in the opinion provided by the Chief Internal Auditor.

In accordance with PSIAS, the Chief Internal Auditor prepares a risk based Audit Plan for the MIJB, which has regard to the internal audit arrangements of both the Moray Council and NHS Grampian functions. The impact of the pandemic continued to affect the Internal Audit Section in that officers have been working from home with a need to change established working practices and make greater use of audio, video, and screen sharing software applications. In addition, the Section has also had several staff vacancies during the year. Despite these constraints, the Audit Plan for 2021/22 was completed.

The audits reported to the MIJB Audit, Performance and Risk Committee included a review of the financial monitoring arrangements within the Self Directed Support Team for direct payments made to service users. The audit found several areas where improvements were required to current operating systems and procedures, including a need to review all the care packages of the service user to recover any excess funds. An audit report was also received into the management arrangements of income held for individuals under Corporate Appointeeship Arrangements. The review found that the service was administered well, but findings were noted, including a need to review cash handling procedures and further management overview of the corporate bank account reconciliation process.

ANNUAL GOVERNANCE STATEMENT (continued)

However, the Chief Internal Auditor has raised concerns regarding a report to the Audit, Performance and Risk Committee on the 31st of March that detailed the outcome of a review of the Health and Social Care Moray Commissioning Service into how social care contracts are currently being managed. This was a “peer” review led by the Strategic Procurement Manager (Social Care) of Aberdeen City and Aberdeenshire Councils. The report has highlighted a number of significant concerns about how social care contracts are managed. The Audit, Performance and Risk Committee have agreed for an external organisation to undertake a review of the Commissioning Service.

The Chief Internal Auditor, after consideration to the results of the work carried out by Internal Audit, taken together with other sources of assurance, with specific reference to the peer review into how the Commissioning Service manages social care contracts; only limited assurance can be provided that the Moray Integration Joint Board has adequate systems of governance and internal control, for the year ended 31 March 2022.

ANNUAL GOVERNANCE STATEMENT (continued)

Prior Year Governance Issues

The Annual Governance Statement for 2020/21 highlighted a number of areas for development in looking to secure continuous improvement. An assessment of progress is provided below:

Area for Improvement Identified in 2020/21	Action Undertaken / Progress Made in 2021/22
<p>It is recognised that the impact the pandemic has had on services drives the need to review the Strategic Plan 2019-29 during 2021/22. The review will require engagement of key stakeholders and MIJB approval following the governance framework.</p> <p>The Medium Term Financial Framework will be reviewed to reflect the emerging and anticipated financial challenge arising from Covid 19 and Scottish Government policy changes</p> <p>Focus will be placed on the Governance Framework approved by the Board in January 2021 to ensure this key document is embedded into operational and strategic delivery</p> <p>As part of the financial challenge it is necessary to ensure continuous dialogue and identification of further savings opportunities. This was a commitment made as part of the revenue budget setting for 2021/22, recognising current and future impact and the drive for transformation through Home First.</p> <p>Increase focus on the development of commissioning capabilities to deliver best value with a tender exercise for outcome based care at home services.</p>	<p>The Strategic plan is being refreshed and will be presented to the IJB in November 2022. The Moray Portfolio is also working with NHS Grampian on their plan for the future, and will be undertaking a joint planning process in 2022 to define the future for Dr Grays Hospital.</p> <p>The Medium Term Financial Framework 22/23 to 26/27 was presented to the IJB in March 2022. It will be reviewed once the Strategic plan has been refreshed.</p> <p>The Governance Framework continues to be embedded. Portfolio arrangements will mean a refresh is required.</p> <p>Transformational redesign has continued at pace. Levels of demand, including backlogs post Covid, has resulted in it being more challenging to identify cash savings.</p> <p>Outcome based commissioning model in place, with evaluation in 2022/23. Further development of Self Directed Support and progressive changes to practice using the Three Conversation Model</p>

ANNUAL GOVERNANCE STATEMENT (continued)

Further Developments

Following consideration of the review of adequacy and effectiveness, the following action plan has been established to ensure continual improvement of the MIJB's governance arrangements and progress against the implementation of these issues will be assessed as part of the next annual review.

Areas of focus for 2022/23	
1.	Extending the Hospital Without Walls model to move care closer to home, with a shift to earlier intervention that reduces the demands on acute hospital care.
2.	Developing the Portfolio approach for the Moray Portfolio, and the interlink with the other Portfolios in Grampian, along with developing the governance framework for this whole system approach
3.	Refresh the Strategic Plan during 2022, building on the learning of the last 2 years of the pandemic, and the transformational change that has begun
4.	Using the 22/23 to 26/27 Medium Term Financial Framework to match the ambitions of the Strategic Plan so that services are sustainable
5.	Work with the Digital Health and Care Innovation Centre as part of the Moray Growth Deal to test new ways of working that benefit the Moray population and bring improvements to the delivery of health and social care
6.	Continue to extend the reach of Self Directed Support with an ambition for Moray to be an exemplar in this arena of supporting our residents in innovative ways that promote independence and choice
7.	With the potential delegation of Children's Social Work and Criminal Justice to the Moray IJB, better align service delivery in the Portfolio to the benefit of our residents, where care is seamless and access is clear

Key Governance challenges going forward will involve:

- Providing capacity to meet statutory obligations whilst managing expectation and rising demand for services, with a backlog of demand from the pandemic, and wider societal economic challenges which will also drive demand;
- As a Board, difficult decisions will require to be made in ensuring we operate within available funding whilst meeting the needs of our residents;
- Continue to address our work force challenges in respect of recruitment and retention;

ANNUAL GOVERNANCE STATEMENT (continued)

- Continuing to work closely with NHS Grampian and Moray Council to build on existing relationships and establishing collaborative leadership, and to maximise the opportunities from an expanded health and social care remit with the Portfolio approach, including Dr Grays hospital, and the potential delegation to the IJB of Children's Social Work and Criminal Justice Services;
- The challenges being faced from the pandemic are expected to be a continued focus for additional scrutiny for an extended period of time, and how well we manage the recovery of service delivery.
- Continue to implement the recommendations of internal audit to further improve key controls and engage with KPMG on the audit of Commissioned services.

Statement

In our respective roles as Chair and Chief Officer of the MIJB, we are committed to ensuring good governance and recognise the contribution it makes to securing delivery of service outcomes in an effective and efficient manner. This annual governance statement summarises the MIJB's current governance arrangements, and affirms our commitment to ensuring they are regularly reviewed, developed and fit for purpose. Whilst recognising that improvements are required, as detailed earlier in the statement, it is our opinion that a reasonable level of assurance can be placed upon the adequacy and effectiveness of the MIJB's governance arrangements.

The immediate challenge will be to continue to meet all operational demands as we continue to recover from the Covid-19 Pandemic and through re-mobilisation whilst not compromising the safety of employees and people that use our services; beyond that, pressure on financial settlements is set to continue during the incoming period, and we will continue to engage with our Partners and the wider community to agree plans and outcome targets that are both sustainable and achievable. Taking those forward will be challenging as we aim to fulfil the nine Health and Wellbeing national outcomes and the strategic priorities identified and detailed in our Strategic Plan. Good governance remains an essential focus in delivering services in a way that both meets the needs of communities and discharges statutory best value responsibilities.

.....

Dennis Robertson
Chair of Moray IJB

.....

Simon Bokor-Ingram
Chief Officer

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of Moray Integration Joint Board and the Accounts Commission

Reporting on the audit of the financial statements

Opinion on financial statements

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

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2021/22 Code of the state of affairs of the body as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2021/22 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

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

INDEPENDENT AUDITOR'S REPORT (Continued)

Conclusions relating to going concern basis of accounting

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

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

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

Risks of material misstatement

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Interim Chief Financial Officer and Moray Integration Joint Board for the financial statements

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

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

The Moray Integration Joint Board is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

INDEPENDENT AUDITOR'S REPORT (Continued)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (Continued)

Reporting on other requirements

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

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

Other information

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (Continued)

Matters on which I am required to report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my report

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

Brian Howarth ACMA CGMA
Audit Director
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the cost of providing services for the year ended 31 March 2022 according to generally accepted accounting practices.

2020/21		2021/22
Net Expenditure		Net Expenditure
Restated		
£ 000		£ 000
5,587	Community Hospitals	5,477
4,853	Community Nursing	4,932
8,546	Learning Disabilities	9,691
8,649	Mental Health	9,542
1,143	Addictions	1,259
152	Adult Protection & Health Improvement	158
15,183	Care Services Provided In-House	16,238
19,835	Older People & Physical & Sensory Disability Services	20,536
1,497	Intermediate Care and Occupational Therapy	1,828
8,067	Care Services Provided by External Providers	8,271
7,725	Other Community Services	8,460
3,033	Administration & Management	2,404
871	Other Operational services	1,192
17,451	Primary Care Prescribing	18,310
17,541	Primary Care Services	18,307
4,526	Hosted Services	4,632
808	Out of Area Placements	832
613	Improvement Grants	758
6,702	Strategic Funds & Other Resources	7,937
12,620	Set Aside	13,044
145,402	Cost of Services	153,808
151,557	Taxation and Non-Specific Grant Income (note 5)	164,487
(6,155)	(Surplus) or Deficit on provision of Services	(10,679)
(6,155)	Total Comprehensive Income and Expenditure	(10,679)

The 2020/21 figures have been restated to take into account the administration and Management area being split into administration and management and other operational services.

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

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the Moray Integration Joint Boards (MIJB) 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. Additional detail included within note 7 on page 46.

Movement of Reserves During 2021/22	General Fund Balance £000
Opening Balance at 1 April 2021	(6,342)
Total Comprehensive Income and Expenditure	(10,679)
<hr/>	
(Increase) or Decrease in 2021/22	(10,679)
<hr/>	
Closing Balance at 31 March 2022	(17,021)
<hr/>	
Movement of Reserves During 2020/21	General Fund Balance £000
Opening Balance at 1 April 2020	(187)
Total Comprehensive Income and Expenditure	(6,155)
<hr/>	
(Increase) or Decrease in 2020/21	(6,155)
<hr/>	
Closing Balance at 31 March 2021	(6,342)
<hr/>	

BALANCE SHEET

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

31 March 2021 £000		Notes	31 March 2022 £000
6,342	Short Term Debtors Current Assets	6	17,021
-	Short Term Creditors Current Liabilities		-
-	Provisions Long Term Liabilities		-
6,342	Net Assets		17,021
6,342	Usable Reserve General Fund	7	17,021
6,342	Total Reserves		17,021

The unaudited annual accounts were issued on 30 June 2022 and the audited annual accounts were authorised for issue on 26 January 2023.

The Annual Accounts present a true and fair view of the financial position of the MIJB as at 31 March 2022 and its income and expenditure for the year then ended.

Deborah O'Shea FCCA

Interim Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

Note 1 Significant Accounting Policies

General Principles

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

The MIJB was established under the requirements of the Public Bodies (Joint Working) (Integration Joint Boards) (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 accounts are prepared on a going concern basis, which assumes that the MIJB will continue in operational existence for the foreseeable future. The historical cost convention has been adopted.

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 MIJB.
- Income is recognised when the MIJB 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.

Funding

The MIJB is primarily funded through funding contributions from the statutory funding partners, Moray Council and the Grampian Health Board. Expenditure is incurred as the MIJB commissions' specified health and social care services from the funding partners for the benefit of service recipients in Moray area.

Cash and Cash Equivalents

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 Significant Accounting Policies (continued)

Employee Benefits

The MIJB 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 MIJB therefore does not present a Pensions Liability on its Balance Sheet.

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

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

Reserves

The MIJB's reserves are classified as either Usable or Unusable Reserves.

The MIJB'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 MIJB can use in later years to support service provision.

Indemnity Insurance

The MIJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board members. The Grampian Health Board and Moray Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide.

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

Note 2 Critical Judgements and Estimation Uncertainty

In applying the accounting policies, the MIJB has had to make certain judgements about complex transactions or those involving uncertainty about future events. There are no material critical judgements.

During the overall Covid-19 response, a number of additional costs have been incurred beyond business as usual. The MIJB has followed national guidance regarding these and a range of additional costs are included in the MIJB's accounts reflecting the MIJB acting as principal in the transactions including:-

- social care sustainability costs;
- all increase direct care Covid-19 costs;

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2 Critical Judgements and Estimation Uncertainty (continued)

A further range of Covid-19 related costs and associated funding have not been recognised in the MIJB's accounts in accordance with national accounting guidance. In these cases Moray Council is acting as principal and MIJB as the agent. This includes:-

- £0.527m related to PPE and testing kits provided by NHS National Services Scotland to Moray for social care services.

Note 3 Events after the Reporting Period

The unaudited accounts were issued by Deborah O'Shea, Interim Chief Financial Officer on 30 June 2022 and the audited accounts were authorised for issue on 26 January 2023.

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 4 Expenditure and Income Analysis by Nature

2020/21		2021/22
£000		£000
60,984	Services commissioned from Moray Council	65,020
84,391	Services commissioned from The Grampian Health Board	88,760
27	Auditor Fee: External Audit Work	28
145,402	Total Expenditure	153,808
(151,557)	Partners Funding Contributions and Non-Specific Grant Income	(164,487)
(6,155)	(Surplus) or Deficit on the Provision of Services	(10,679)

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 5 Taxation and Non-Specific Grant Income

2020/21		2021/22
£000		£000
45,060	Funding Contribution from Moray Council	50,549
106,497	Funding Contribution from The Grampian Health Board	113,938
151,557	Taxation and Non-specific Grant Income	164,487

The funding contribution from The Grampian Health Board shown above includes £13.044m in respect of 'set aside' resources relating to acute hospital and other resources. These are provided by The Grampian Health Board who retains responsibility for managing the costs of providing the services. The MIJB however has responsibility for the consumption of, and level of demand placed on, these resources.

Note 6 Debtors

31 March 2021		31 March 2022
£000		£000
6,160	The Grampian Health Board	15,739
182	Moray Council	1,282
6,342	Debtors	17,021

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 MIJB.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 7 Usable Reserve: General Fund

The MIJB 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 MIJB's risk management framework.

The table below shows the movements on the General Fund balance:

		Earmarked Reserves				
		General Reserves	PCIP & Action 15	Covid-19	Other Earmarked	Total
		£000	£000	£000	£000	£000
Balance at 1 April 2020		-	187	-	-	187
Transfers (out)/in 2020/21		1,598	1,480	2,725	352	6,155
Balance at 31 March 2021		1,598	1,667	2,725	352	6,342
Transfer out 2021/22		(341)	-	-	-	(341)
Transfers in 2021/22		-	664	6,291	4,065	11,020
Balance at 31 March 2022		1,257	2,331	9,016	4,417	17,021

Primary Care Improvement Fund (PCIP) - The purpose of this fund is to ring fence funding received from the Scottish Government as part of its Primary Care Transformation Plan, this includes Action 15 funding as part of this plan.

Covid – 19 – are funds received by Scottish Government during 2021/22 being held in an earmarked reserve to support the MIJB through the pandemic and remobilisation.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 8 Agency Income and Expenditure

On behalf of all IJB's within The Grampian Health Board, the MIJB acts as the lead manager for Grampian Medical Emergency Department (GMED) and Primary Care Contracts. It commissions services on behalf of the other IJBs and reclaims the 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 MIJB is not acting as principal in these transactions.

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

2020/21		2021/22
£000		£000
10,032	Expenditure on Agency Services	9,136
(10,032)	Reimbursement for Agency Services	(9,136)
-	Net Agency Expenditure excluded from the CIES	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 9 Related Party Transactions

The MIJB has related party relationships with The Grampian Health Board and Moray Council. In particular the nature of the partnership means that the MIJB may influence, and be influenced by, its partners. The following transactions and balances included in the MIJB's accounts are presented to provide additional information on the relationships.

Transactions with the Grampian Health Board

2020/21		2021/22
£000		£000
(106,497)	Funding Contributions received from the NHS Board	(113,938)
84,208	Expenditure on Services Provided by the NHS Board	88,558
183	Key Management Personnel: Non-Voting Board Members	202
(22,106)	Net Transactions with The Grampian Health Board	(25,178)

Key Management Personnel: The Chief Officer and Chief Financial Officer, are non-voting Board members and are both employed by The Grampian Health Board and recharged to the MIJB. Details of the remuneration of both officers are provided in the Remuneration Report. The Chief Officer is a joint appointment made by Moray Council and The Grampian Health Board and is jointly accountable to the Chief Executives of both organisations, as such this post is jointly funded. The Chief Financial Officer, whilst a Board appointment, does not share this arrangement of funding.

Balances with the Grampian Health Board

31 March 2021		31 March 2022
£000		£000
6,160	Debtor balances: Amounts due from The Grampian Health Board	15,739
6,160	Net Balance due from The Grampian Health Board	15,739

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 9 Related Party Transactions (continued)

Transactions with Moray Council

2020/21		2021/22
£000		£000
(45,060)	Funding Contributions received from the Council	(50,549)
60,945	Expenditure on Services Provided by the Council	64,970
66	Key Management Personnel: Non-Voting Board Members	78
15,951	Net Transactions with Moray Council	14,499

Balances with Moray Council

31 March 2021		31 March 2022
£000		£000
182	Debtor balances: Amounts due from Moray Council	1,282
-	Creditor balances: Amounts due to Moray Council	-
182	Net Balance due from Moray Council	1,282

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 10 VAT

The MIJB is not registered for VAT and as such the VAT is settled or recovered by the partners. The VAT treatment of expenditure in the MIJB accounts depends on which of the partners is providing the services as each of these partners are treated differently for VAT purposes.

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

Note 11 Accounting Standards That Have Been Issued but Have Yet To Be Adopted

The Code requires the MIJB to identify any accounting standards that have been issued but have yet to be adopted and could have material impact on the accounts.

There are no accounting standards issued but not yet adopted that impact on the 2021/22 financial statements.

