

# Moray Integration Joint Board



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## **UNAUDITED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023**

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## **MORAY INTEGRATION JOINT BOARD MEMBERS 2022/23**

### **Voting Members**

Dennis Robertson (Chair)	The Grampian Health Board
Tracy Colyer (Vice-Chair)	Moray Council
Sandy Riddell	The Grampian Health Board
Derick Murray	The Grampian Health Board
Professor Siladitya Bhattacharya	The Grampian Health Board
Cllr. Peter Bloomfield	Moray Council
Cllr. Scott Lawrence	Moray Council
Cllr. John Divers	Moray Council

### **Non-Voting Members**

Simon Bokor-Ingram	Chief Officer Professional
Tracy Stephen	Chief Social Work Officer
Jane Ewen	Lead Nurse
Professor Duff Bruce	Non Primary Medical Service Lead
Dr Robert Lockhard	GP Lead
Dr Malcolm Simmons	GP Lead
Graham Hilditch	Third Sector Stakeholder
Val Thatcher	Public Partnership Forum Representative
Ivan Augustus	Carer Representative
Stuart Falconer	Grampian Health Board Staff Partnership
Kevin Todd	Moray Council Staff Representative
Elizabeth Robinson	Public Health Representative

### **Co-opted Members**

Sean Coady	Head of Service and IJB Hosted Services
Deborah O'Shea	Interim Chief Finance Officer
Professor Caroline Hiscox	The Grampian Health Board
Roddy Burns	Moray Council
Sonya Duncan	Corporate Manager

## **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, four elected members from Moray Council and four Grampian Health Board members.

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, the refreshed Strategic Plan (2022-2032) is a continuation of the 2019 Strategic Plan. 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-led; 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** – Supporting citizens to make choices and take control of their care and support

The Plan purposefully places an emphasis on prevention and early intervention activities and seeks to prioritise these activities as a long term goal, actively pursuing good health and wellbeing for the population, this will mean a shift in this area of work. It highlights the Home First 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 Home First approach.

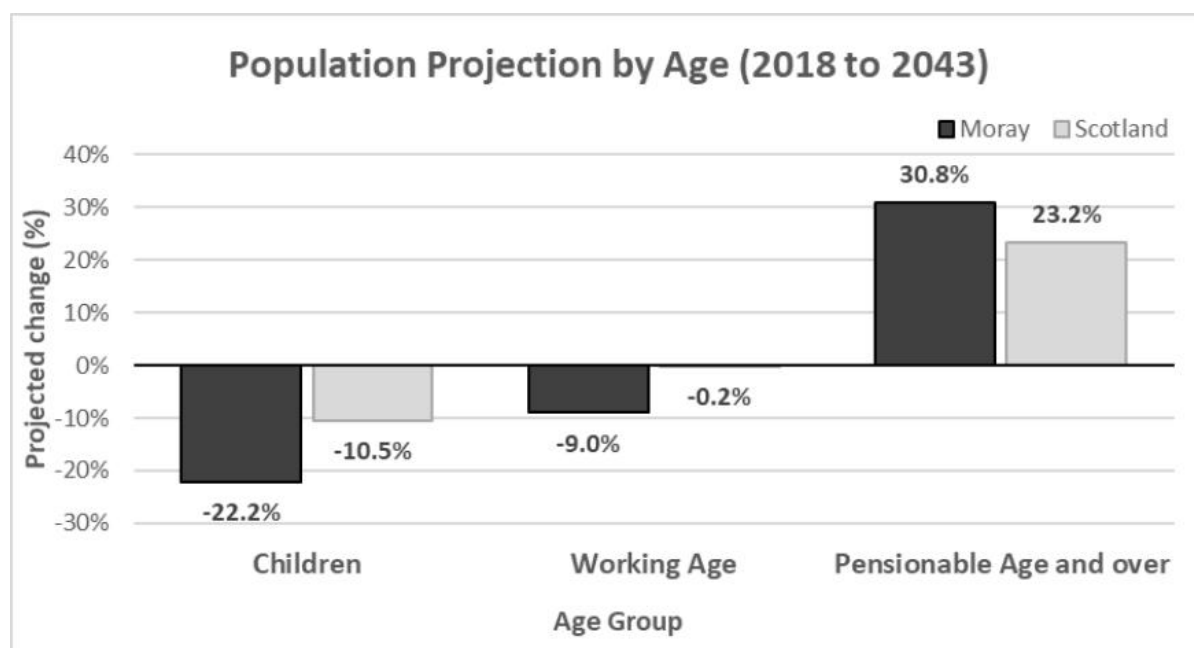
Through 2022/23 the recovery from the pandemic has continued to drive a level of transformational change. This pace will need to continue in the next year and beyond as we face significant levels of demand. Our Strategic Plan was refreshed in 2022/23 and a delivery plan is now being produced to reflect 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 2023 is 95,749. 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 baseline<sup>1</sup> 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.



<sup>1</sup> <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 31 July this year and will be published on the Health & Social Care Moray website.

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 six year period showing the number of delayed discharge bed days occupied varying significantly and with minimal seasonal pattern up to March 2023.

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.

Whole system Moray Portfolio meetings, which occur daily, have been taking place with operational staff from all services to ensure system wide awareness of the pressures that might cause issues with patient flow. The meeting begins with an overview of the current status of all services and then provides a platform to support staff with problems that might interrupt flow. It is also an opportunity to deploy available resource to the most critical areas. This has resulted in improved communication, quicker placement and improved flow. In addition to this more care home beds have been made available due to an agreement to pay from offer of care home bed to ensure beds are free on discharge date.

This reduction is also in part due to the new classification of delays to discharge in the NHS system introduced across Scotland in February 2023. The new Planned Discharge Date (PDD) system changed the criterion from 'medically fit' to 'clinically fit'. When we declare a person is clinically fit it allows time for occupational therapy, physio-therapy and social work to carry out their assessments before the person is categorised as a delay, and this measure has reduced delays slightly. While this has resulted in longer stays prior to an agreed discharge date it has aligned Moray practice with the rest of Scotland

Additionally, the Hospital Discharge Team continues to scrutinise all delays daily and ensure they are still relevant, more people have been recruited into the Care at



## MANAGEMENT COMMENTARY (continued)

Home team enabling more rotas to be opened and there are fewer people requiring double-up care than in recent months

The Number of Bed Days Occupied by Delayed Discharges 18+ per 1,000 population			
Jun 22	Sept 22	Dec 22	Mar 23
1,207	1,197	1,063	751
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, since Mar 21 there has been a consistent quarter on quarter increase in the rate resulting in a 51% increase as of March 2023.

This reflects the system still under pressure despite the gains made in other measures. The numbers of admissions has not increased along with this and would suggest people are spending more time in hospital impacting this figure. A number of surge beds (ability to house and treat patients above the normal safely staffed bed occupancy when facing extreme pressure) being made available in Moray have contributed to this increase due to increased capacity.

Moray's aging population will also be a factor in this increase as patients over 65 are disproportionately likely to spend time in hospital after the point at which they are 'fit' to be transferred or discharged from an acute care setting. This primarily due to the historical lack of capacity in community settings to meet patient needs. Some of the 'excess' is also likely to be attributed to access to diagnostics or acute interventions that are not available at Dr Gray's. For example, Dr Gray's in-patients routinely wait longer for cardiac angiography than similar cohorts of patients who are initially admitted to ARI. This is only delivered in ARI and Dr Gray's patients need to be allocated a bed in ARI before transfer for the diagnostic.

It is hoped that with the reduction in delayed discharges this figure will decrease in the coming months. As it is a rolling 12 month figure it will therefore have a lag in any improvements made in the system.

## MANAGEMENT COMMENTARY (continued)

Rate of Emergency Occupied Bed Days for over 65's per 1000 Population			
Jun 22	Sept 22	Dec 22	Mar 23
2,320	2,469	2,547	2,749
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 Pandemic Recovery Continues

During 2022-23 Moray Health and Social Care Partnership (HSCM) remained in a pandemic recovery phase, flexing and stepping up quickly to respond to spikes in Covid 19 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.

### Moray Integration Joint Board (MIJB)

MIJB continues to oversee the delivery of services in line with the Integration Scheme and Strategic Plan. Service have begun to recover from the many challenges created by the coronavirus (Covid 19) pandemic. Service models and methods of delivery have continued to flex and adapt rapidly during this period of transition whilst working with a finite budget allocation. Some services continued to adapt their delivery methods but some continue to face challenges as they continue to implement new ways of working and engaging with our citizens. Services also continue to face the challenges with recruitment to the area and increased staff absences.

## MANAGEMENT COMMENTARY (continued)

### Performance

The MIJB, its committees and Senior Management Team receive regular assurance reports and updates on how the Strategic Plan commitments are being progressed through work streams and individual service plans, as well as detailed financial and performance updates.

The strategic risk register is also reviewed regularly by the Senior Management Team as part of a robust risk monitoring framework in order to identify, assess and prioritise risks related to the delivery of services, particularly any which are likely to affect the delivery of the Strategic Plan.

The inherent risks being faced by the Moray MIJB, together with a current assessment on the level of the risks and mitigating actions being taken to reduce the impact of the risks, is reported to each meeting of the Audit Performance and Risk Committee for oversight and assurance.

Management teams and the Care and Clinical Governance Group review and respond to any reports produced by Audit Scotland, Healthcare Improvement Scotland, the Care Inspectorate, and the Mental Welfare Commission for Scotland and the Ministerial Strategic Group for Health and Care.

## MANAGEMENT COMMENTARY (continued)

### Strategy and Plans

The MIJB is required to review their Strategic Plan every three years as per the legislation. The Strategic Plan 2019-2029 was widely consulted to create an ambitious 10-year Plan for Moray. It was recognised that the health and social care landscape has changed but the 2019 Plan purposefully placed an emphasis on prevention and early intervention with the aim of building resilience for individuals and communities. The Plan identified key aims of the MIJB and directed HSCM to work closely with communities and key partners to reform the system of health and social care in Moray. It was also recognised that progress has been made against the three strategic themes and the review of the Plan focused on what already has been achieved. Therefore, the MIJB Strategic Plan 2022-2032 is a continuation of the 2019 Plan and the long-term strategic objectives make room for adapting to challenges and developments in health and social care over the coming years. The current [Strategic Plan](#) sets out the following vision and priorities for health and social care services in Moray.

Health and Social Care Moray's strategic plan sets out the 3 key themes and the objectives;

- **Building Resilience** – supporting people to take greater responsibility for their health and wellbeing
- **Home First**; supporting people at home or in a homely setting as far as possible.
- **Partners in Care** – supporting citizens to make choices and take control of their care and support.



### Longer Term Impact of Covid 19 and Staff Wellbeing

There remains real concern that after such a sustained period of additional pressure on staff that their own resilience has been badly hit. This is reflected in the increased staff absence figures in both health and social care staff. NHS Grampian and Moray Council recognise the need to support staff and in order to find the reserves required to continue to respond to the ongoing and future challenges. There has also been a rise in the number of staff choosing to either leave the service or take early retirement.

### Promoting Health and Wellbeing

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

The Health Improvement Team leads on a number of staff wellbeing initiatives, such as healthy weight, mental health and smoking cessation. They also provide onsite and outreach sessions to staff teams on request.

## MANAGEMENT COMMENTARY (continued)

Moray Council became a Living Wage Accredited employer in September 2022. Additionally, the council holds the Armed Forces Covenant Silver award and are awaiting the outcome of their gold award application. Additionally, to support the age profile and in line with good practice, a Menopause Policy was introduced in April 2023.

### Recovery and Re-mobilisation

#### Hybrid working

The pandemic required HSCM to rapidly embrace new ways of working. This resulted in some staff suddenly working from home on a full-time basis. HSCM faced a huge challenge to ensure all staff had the appropriate equipment to allow this to happen, whilst still supporting staff remotely. A huge benefit from this is the progress we have made in digital technology and skills in a very short time. However, staff can feel isolated and less supported working from home, so we are now concentrating on how we work towards a true hybrid model, where appropriate.

Moray Council updated their Flexible Working policy in 2022 to reflect the new ways of working and promotes a high number of flexible working options to help employees balance their work life commitments which supports health and wellbeing



#### Service Delivery/Business as Usual

Locality planning resumed with intelligence gathering to build locality profiles. Locality managers continue to develop approaches to community engagement to identify local health and wellbeing priorities for improvement.

Locality engagement work continues 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.

#### Vaccination Programme

The Vaccination team continue to work hard to ensure the safe and effective delivery of the Vaccination Transformation Programme across Moray. The Spring Booster campaign commenced in March 2023 with a good uptake across Care Home residents and with the lowered age of 75+ from 80+, increased outreach clinics have been implemented across Moray, delivering vaccines closer to the communities resulting in positive feedback. Pre School-Vaccination data shows Moray uptake is above the Grampian rates.

## MANAGEMENT COMMENTARY (continued)

The Health Improvement Team continue to work with our partners to support the citizens of Moray to look after their own wellbeing. This includes the information sharing platform on the Facebook page, together with sessions such as hands-on cookery sessions, promoting healthy eating, particularly in low-income communities with vulnerable groups.

Baby Steps is a multi-agency, midwife led, interactive programme run in Moray. The sessions provide women with the knowledge and skills to improve their Health and Wellbeing. Baby Steps actively supports women to take small steps towards a healthier pregnancy. The programme has supported 14 women since restarting in July 2022.

Care homes in Moray were given the opportunity for supporting services to visit their sites, using the Mobile Information Bus (MIB) to show-case the range of services available locally and nationally that staff can access to enable themselves to support their health and wellbeing. Each session was positively evaluated and interest has now been expressed from other care homes across Moray.

At Maryhill surgery there is a new Mental Health and Wellbeing Practitioner. The service has been used to work with individuals suffering with a number of mental health issues, from mood depression, addiction to chronic health conditions. The aim is to use a range of interventions such as reflective listening, mindfulness and teaching coping skills to empower people to meet their needs. Referrals can be made from a range of people and if a referral is not suited to this service contact will still be made with the patient to connect them with a suitable resource.

The Learning Disability Service had plans to develop two housing projects. However, due to the increased costs post pandemic, these did not progress as planned. Work is ongoing to try and identify a feasible plan to continue with the project. This remains an important element of service transformation and will allow people to be returned to Moray as per the recent 'Coming Home' report guidance.

A Social Prescribing test of change is ongoing within the Forres Locality at Forres Health Centre, supported by the Prevention and Self-Management working group. A process is in place which enables all health and social care practitioners to signpost patients to local community supports. Health point, Citizens Advice Bureau, Mental Health & Wellbeing Practitioner and the Listening Service are the main referral services for the test of change, signposting individuals on to local opportunities. A total of 424 referrals have been made to a broad range of community programmes.

The Resettlement and Refugee Team have provided support to a total of 133 people (84 adults and 49 children) from Ukraine across Moray. The families were helped to integrate into their communities and also supported into education and employment, with 58% currently employed or in college education.



## MANAGEMENT COMMENTARY (continued)

### Longer Term Changes to Strategies and Plans

#### Transformation

HSCM continue to progress the Home First approach to supporting people to avoid unnecessary hospital admission and to return home, wherever possible, without delay. This work continues to follow an ambitious model of care, involving all aspects of Home First alongside unscheduled care, primary/secondary care and acute services.

The Discharge to Assess (D2A) programme is one of several initiatives that was developed within the Operation Home First Programme. The programme aims are: -

- To maintain people safely at home
- To avoid unnecessary hospital attendance or admission
- To support early discharge back home after essential specialist care

D2A aims to impact on the following:

- Avoiding unnecessary admission
- Reducing length of hospital stay
- Lowering re-admission rates
- Reducing the requirement for care packages



Whilst the driver for this change in practice was embedded in improved patient care and patient outcomes, there was a clear financial benefit. The average length of treatment once discharged home with support from the D2A team was 11 days, calculating into a cost per day, per patient of £169, compared with £262-570 a day for a hospital bed. This showed an increase in early supported discharge from hospital to D2A, resulting in improved flow and capacity of the hospitals. Data also shows that over 50% discharged to the D2A team are also less likely to be readmitted at 7 and 28 days.

The success of the D2A programme will likely bring unintended challenges, in that the increase in acuity of the patients being referred, often requiring more input and are slightly more likely to require care now than during the pilot. This is due to the increased complexity and multimorbidities of the patients we are now seeing post pandemic.

## **MANAGEMENT COMMENTARY (continued)**

### **Self-Directed Support (SDS)**

The most commonly assessed need in Moray is for Personal Care, it represents 88% of support required (2021/22). The Self-Directed Support (SDS) team within HSCM currently support 288 individuals who are in receipt of a Direct Payment (Option 1) to meet their care and support needs. The majority of those in receipt of a Direct Payment opt to use their budget to employ their own team of carers (Personal Assistants). Currently there are approximately 380 Personal Assistants (PA's) working in Moray. In order for the PA profession to be more visible, work is underway at a national level through a PA Programme Board.

### **Carers Strategy**

Health and Social Care Moray recognise the vital support unpaid carers provide to the person they care for. It is vital that unpaid carers have a life outside of their caring role and are supported to carry on caring as long as they wish to do so. In recognition of this Health and Social Care Moray has recently published the new local Moray Carers Strategy, Recognised, Valued and Supported following engagement with unpaid carers. A local implementation plan has recently been developed to deliver on the key themes and objectives of the strategy.

### **Looking to the future**

The Scottish Government continues to work towards 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. 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 currently

The Scottish Government has now agreed the delegation of Moray Children's Social Work and Criminal Justice to MIJB. This will be reported on in 2023/24.



## MANAGEMENT COMMENTARY (continued)

### 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 2022 the Board received a financial report which forecast an expected underspend to the end of the financial year of £3.2m. This forecast reduced throughout the remainder of the year and in December 2022, MIJB were forecasting an underspend to the end of the year of £4.6m. In March 2022, the MIJB agreed a savings plan of £0.110m. At the end of the financial year, this had been fully achieved. .

Given the uncertainties associated with Covid 19 and additional funding, 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 continued with the process put in place last year to assess the impact of Covid 19 on Integration Authorities' budgets. They did this through the 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 claw back was 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 £1.6m. The largest element of spend was £0.664m which was used to support sustainability payments to external providers of care. All unspent funds were returned to the Scottish Government via a negative allocation to NHS Grampian as at 31 March 2023

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

Description	Spend to 31 March 2023 £000's
Additional Staffing Costs	628
Provider Sustainability Payments	664
Remobilisation	119
Cleaning, materials & PPE	7
Elgin Community Hub	181
<b>Total</b>	<b>1,599</b>

## MANAGEMENT COMMENTARY (continued)

Service Area	Budget £000's	Actual £000's	Variance (Over)/ under spend £000's	Note
Community Hospitals & Services	5,743	5,990	(247)	
Community Nursing	5,626	5,163	463	
Learning Disabilities	9,149	12,626	(3,477)	<b>1</b>
Mental Health	10,076	10,295	(219)	
Addictions	1,611	1,588	23	
Adult Protection & Health Improvement	164	167	(3)	
Care Services Provided In-House	21,193	18,486	2,707	<b>2</b>
Older People Services & Physical & Sensory Disability	20,467	23,441	(2,974)	<b>3</b>
Intermediate Care & OT	1,609	1,768	(159)	
Care Services Provided by External Contractors	8,882	8,084	798	<b>4</b>
Other Community Services	9,241	9,208	33	
Administration & Management	2,786	2,425	361	
Other Operational Services	1,355	1,286	69	
Primary Care Prescribing	17,322	19,283	(1,961)	<b>5</b>
Primary Care Services	19,048	19,058	(10)	
Hosted Services	4,844	5,018	(174)	
Out of Area Placements	669	1,231	(562)	<b>6</b>
Improvement Grants	940	888	52	
<b>Total Core Services</b>	<b>140,725</b>	<b>146,006</b>	<b>(5,280)</b>	
Strategic Funds & Other Resources	18,822	8,858	9,963	
<b>TOTALS (before set aside)</b>	<b>159,547</b>	<b>154,864</b>	<b>4,683</b>	

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

## MANAGEMENT COMMENTARY (continued)

Significant variances against the budget were notably:

**Note 1 Learning Disabilities** – The Learning Disability (LD) service was overspent by £3.5m at the end of 2022/23. This consists of a £3.6m overspend, primarily relating to the purchase of care for people with complex needs, staff transport and less income received than expected. 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. In the last year we have seen an increase in demand and an increase in the level of cases requiring exceptionally high amounts of care.

**Note 2 Care Services Provided In-House** – This budget was underspent by £2.7m at the end of the year. The most significant variances relate to the Care at Home services for all client groups which are underspent predominantly due to vacancies and issues with recruitment and retention. This is reduced by overspends in internal day services mainly due to transport costs and less income received than expected.

**Note 3 Older People Services and Physical & Sensory Disability** - This budget was overspent by £3m 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 as well as the correlation between the recruitment and retention of the internal home care service provision.

**Note 4 Care Services provided by External Contractors** – This budget was underspent by £0.8m at the end of the year. This predominantly relates to underspends on contracts for Mental Health and Learning Disabilities as contracts have ended and alternative services procured.

**Note 5 Primary Care Prescribing** - This budget was overspent by £2m. The actual data to March indicates that the average item price has increased significantly since June 2022, this has been attributed in part to the continuing impact of short supply causing an increase in prices and general inflationary cost increase. 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.

**Note 6 Out of Area Placements** – This budget was overspent by £0.56m at the end of the year. This relates to an increase in patients requiring high cost individual placements.

## MANAGEMENT COMMENTARY (continued)

MIJB's financial performance is presented in the comprehensive income and expenditure statement (CIES), which can be seen on page 43. At 31 March 2023 there were usable reserves of £4.683m available to the MIJB, compared to £17.02m at 31 March 2022. These remaining reserves of £4.683m are for various purposes as described below:

Earmarked Reserves	Amount £000's
Primary Care Improvement Plan & Action 15	937
GP Premises	229
Community Living Change Fund	319
National Drugs MAT	61
National Drugs Mission Moray	186
OOH Winter Pressure funding	182
Moray Cervical screening	36
Moray hospital at home	50
Moray interface discharge	139
Moray Psychological	279
MHO Funding	69
Care at Home Investment funding	720
Interim Care Funding	216
Moray Workforce well being	26
Adult Disability payment	45
National Trauma Training services	50
Social Work Capacity in Adult Services	145
Additional investment in H&SC	591
Moray Winter Fund HCSW & MDT	323
LD Annual Health Checks	35
Realistic Medicine	40
Community Planning partnership	5
<b>Total Earmarked</b>	<b>4,683</b>
<b>General Reserves</b>	<b>0</b>
<b>TOTAL Earmarked &amp; General</b>	<b>4,683</b>

## 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.

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.

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 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.

## MANAGEMENT COMMENTARY (continued)

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.

Adult Disability payment – funding to assist with the implementation of the adult disability payments.

National Trauma Training services – training for dealing with people affected by trauma and adversity.

Social Work Capacity in Adult Services – support measures that general additional adult social care workforce.

Additional investment in H&SC – to be invested in front line 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.

Learning Disability Annual Health Checks – to implement the annual health checks.

Realistic Medicine – investment in the realistic medicine based approach.

Community Planning Partnership – funding towards community planning partnership .

All reserves are expected to be utilised for their intended purpose during 2023/24.

**Set Aside** – Excluded from the financial performance table above on page 15 but included within the Comprehensive Income & Expenditure Account is £13.92m 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.

## MANAGEMENT COMMENTARY (continued)

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 19 pandemic Public Health Scotland have not produced activity data for Set Aside services since 2019/20 financial year.

The figures for 2022/23 have been derived by uplifting 2019/20 figures by baseline funding uplift in 2020/21 (3.00%), 2021/22 (3.36%) and 2022/23 (6.70%):

	2022/23	2021/22	2020/21	2019/20
Budget	13.92m	13.04m	12.62m	12.252m

### 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 whilst dealing with the emerging financial pressures. 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.

The Chief Officer and Interim 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 continue to work together to address further savings which will be presented to the Board for approval during 2023/24. 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 3** - Inability to recruit and retain qualified and experience staff to provide and maintain sustainable, safe care, whilst ensuring staff are fully able to manage change resulting from response to external factors such as the impact of Covid 19 and the actions that arose from the recommendations from the Independent Review of Adult Social Care 2021.

**Mitigating Actions** - System re-design and transformation.

Organisational Development Plan and Workforce plan were updated and approved by MIJB in November 2019 The updated Workforce plan has been submitted to Scottish Government and comments were received by the HSCP in October 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. .

Lead Managers and Professional Leads are linked to University Planning for intakes and programmes for future workforce development.

**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.

A Friday huddle continues, this allows the status of services across the whole system to provide information and contact details to the Senior Manager on Call (SMOC) over the weekend. If any potential issues are highlighted the relevant Persons at Risk Data is compiled and if appropriate, shared with relevant personnel.

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

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.



## MANAGEMENT COMMENTARY (continued)

### HIGH (continued)

HSCM continues to monitor the local situation regarding impacts on staffing and is engaged with NHSG emergency planning arrangements and Council Response and Recovery management team to be ready to escalate response if required. Work was undertaken within NHSG, Aberdeenshire HSCP and Aberdeen City HSCP to look at Surge flows and establish a mechanism that will provide easy identification of “hot spots” across the whole system in Grampian, to facilitate a collaborative approach to addressing the issues through the use of a common Operational Pressure Escalation approach. This work could underpin surge responses in winter and at other times of pressure and having a standard approach across Grampian could aid communication and understanding.

**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 collated and circulated daily to all managers. A Daily dashboard is held on illuminate for managers to access 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.

**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 which is an area that will be taken forward alongside the Moray Growth Deal projects. The Moray Transformation Board has recently restarted and will link to all relevant groups

## MANAGEMENT COMMENTARY (continued)

### HIGH (continued)

**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.

Dr Gray's strategy (vision for the future) is being produced collaboratively with input from NHSG and HSCM management

### Development Aims for 2023/24

#### Home First

Home First continues to be a key strategic theme in Moray and has led to changes in the way we provide health and social care safely. Most notable are the developments within frail elderly work stream and delays in discharge. Moray is now part of the National Frail Elderly Collaborative and Hospital at Home Collaborative, the latter has the potential to secure short term funding for targeted project enablement. Delayed discharges are lower than they were prior to Covid 19 in Moray, we are one of the few partnerships who have achieved this. Further work will focus on embedding a seamless, responsive, co-ordinated and multi-disciplinary approach and will be driven by participation in the National programmes. Prevention will become a priority, replacing reactive models by ensuring early identification, intervention and planning to prevent poorer outcomes for those living with frailty and multi-morbidity. Home First is linked into regional unscheduled care programmes, primary care plans and acute services to prevent duplication and to ensure joint working that creates the right culture and leadership to create sustainable positive change.

## MANAGEMENT COMMENTARY (continued)

The Strategic Plan 2019-29 was refreshed and adopted in November 2022, Partners in Care 2022-32. The Medium Term Financial Strategy and other supporting plans were reviewed in 2022/23.

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 the delivery of the strategic objectives outlined in the plan.

In addition we will seek to:

- Continue to develop the system wide daily portfolio meeting to ensure system wide oversight for operational staff at all points of the patient journey
- Ensure assurance and governance is part of everything we do
- Make links with Community Treatment and Care Service (CTAC), Vaccination Transformation Programme (VTP), Community Response Team (CRT) and Primary Care Improvement Plan (PCIP), in order to ensure a co-ordinated workforce that is reactive to changes in activity.

.....  
**Dennis Robertson**

**Chair of Moray IJB**

.....  
**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 2021, 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.

Signed on behalf of the Moray Integration Joint Board

**Dennis Robertson**

**Chair of Moray IJB**

**29 June 2023**

## **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 2023 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 2021/22	Name	Position Held	Nomination By	Taxable Expenses 2022/23
£				£
-	Dennis Robertson	Vice-Chair 29/04/21 – 01/10/22 Chair 1/10/22 to date	Grampian Health Board	-
-	Cllr Tracy Colyer	Chair 15/05/22 – 01/10/22 Vice-Chair 01/10/22 - date	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 2021/22	Senior Employees	Salary, Fees & Allowances	Total 2022/23
£		£	£
109,826	Simon Bokor-Ingram Chief Officer	111,100	111,100
-	Deborah O'Shea Interim Chief Financial Officer	80,207	80,207

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 2022/23**

## REMUNERATION REPORT (continued)

	In Year Pension Contributions		Accrued Pension Benefits		
	Year to 31/03/22	Year to 31/03/23		As at 31/03/2023	Difference from 31/03/2022
	£	£		£ 000's	£ 000's
Simon Bokor-Ingram, Chief Officer	22,954	23,220	Pension	47	4
			Lump Sum	88	1
Deborah O'Shea Interim Chief Financial Officer	-	11,716	Pension	25	25
			Lump Sum	29	29

### Disclosure by Pay bands

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

Number of Employees in Band 2021/22	Remuneration Band	Number of Employees in Band 2022/23
-	£80,000 - £84,999	1
1	£90,000 - £94,999	-
1	£105,000 - £109,999	-
-	£110,000 - £104,999	1



## REMUNERATION REPORT (continued)

### Exit Packages

There were no exit packages agreed by the MIJB during 2022/23 financial year, or in the preceding year.

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**Dennis Robertson**

**Chair of Moray IJB**

.....

**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 of 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 had a significant impact on the MIJB and its approach to during the pandemic involved the use of amended governance arrangements granted under delegated powers. Work is now underway to revisit these arrangements to either reinstate them or redesign them, depending on the new ways of working. Consideration will also be given to how they integrate with the other Portfolios across the network in Grampian. Any decisions or changes will be presented to the leadership groups and relevant committees.

All of the scheduled Audit Performance and Risk Committee meetings were held as timetabled during 2022/23. An interim arrangement (which is no longer in place at the end of the year) 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 has continued during the Covid 19 recovery. The use of 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 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 2022/23 year there was a move to hybrid meetings the need to broadcast live Board meetings continued. 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 Moray Council 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. There are eight voting members, four are elected members appointed by Moray Council and four are non-executive members of the NHS Grampian Board. 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 six 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 refreshed the 2019-2029 Strategic plan in 2022/23, which is supported by various documents including a medium term financial framework. The MIJB Strategic Plan 2022-2032 is a continuation of the 2019 plan and the long-term strategic objectives make room for adapting to challenges and developments in health and social care over the coming years. To deliver on these objectives a 12-month delivery plan is under development.
- The plan is underpinned by a performance framework, workforce plan, organisational development strategy, and a communications, engagement and participation plan. Work is ongoing to update the workforce plan, whilst considering how services can transform.
- 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 2023 and will be reviewed by September 2023 to ensure alignment with the strategic plan, delivery plan and to incorporate the delegation of children's services.

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

#### Assessment of Effectiveness

- The Senior Management teams participated, in a two day Systems Leadership Event led by The Kings Fund. The Systems Leadership Programme to support the leadership teams was paused due to 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 2022/23.

## 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

Moray Council's Internal Audit Section delivers the Internal Audit Service for the Moray Integration Joint Board (MIJB), 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), which require 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.

Internal Audit operates independently within the organisation. While there have been challenges due to changes in working practices with officers working from home, management has imposed no limitations on the scope of audit work. 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 Annual Audit Plan for 2022/23 agreed to the following audits to be undertaken:

- **Care First System-** An exercise to assess system management, security and resilience of the Care First System used for the recording and management of service user's data.
- **Self-Directed Support-** Review of Self Directed Support financial monitoring arrangements regarding Option 2/3, where care support packages to service users are managed by Health and Social Care Moray or an Individual Service Fund (ISF) Provider.
- **Information Management-** Ensure appropriate system exists in the management, security and transfer of data between the Council and care providers, including NHS Grampian.



## ANNUAL GOVERNANCE STATEMENT (continued)

It is pleasing to report that all audits were undertaken and reported to the MIJB Audit, Performance and Risk Committee. Findings from the reviews detailed significant issues concerning the administrative arrangements in managing service users social care packages, compliance with regulations and recording service user information. In addition to the planned audits, reviews of Moray Council's financial and administrative systems were also reported to the MIJB Audit, Performance and Risk Committee. This included testing a sample of creditor payments generated under the direction of the Moray Integration Joint Board. The purpose of this audit was to confirm that effective controls are operating to ensure all payments are appropriately authorised, accurate and paid in accordance with regulations and agreed terms and conditions. Findings noted further improvements required in the recording and processing of invoices.

Internal Audit reports are regularly presented to members detailing not only findings but also the responses by management to the recommendations with agreed implementation dates. It was decided during the year that Internal Audit would also report the findings from the follow up audits undertaken to confirm the implementation of these recommendations. The follow up reviews completed into the financial monitoring arrangements within the Self Directed Support Team for direct payments made to service users and how Health and Social Care Officers manage income held for individuals under Corporate Appointeeship Arrangements found a number of the recommendations had not been implemented that required revised dates of implementation to be agreed.

The Chief Internal Auditor has previously raised concerns regarding an audit report to the Audit, Performance and Risk Committee on 30 March 2023 that detailed the outcome of a review undertaken by a private firm of auditors into how Health and Social Care Moray Commissioning Service manages adult social care contracts. The audit report detailed findings relating to governance, roles and responsibilities, strategy/processes and contract management. A future report will be required by the Chief Internal Auditor to confirm implementation

The Chief Internal Auditor, after consideration of the results regarding the work carried out by Internal Audit, taken together with other sources of assurance, with specific reference to the external assessment into how the Commissioning Service manages adult 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 the 31st of March 2023

## ANNUAL GOVERNANCE STATEMENT (continued)

### Prior Year Governance Issues

The Annual Governance Statement for 2021/22 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 2021/22	Action Undertaken / Progress Made in 2022/23
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.	Development of Unscheduled Care Action Plan with support from NHS Grampian Transformation Team, with more focus on front door of Dr Grays for earlier intervention. Put in place ambulatory emergency medical capacity in Dr Grays. Joint work with Scottish Ambulance Service around alternatives to conveyance to hospital
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	Continued to develop the local governance with a Portfolio Board approach. Links with other Portfolios strengthened through participation in their Portfolio Boards. Pan Grampian governance approach continues to be developed.
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	IJB Strategic Plan refresh completed. Reflects transition to post pandemic recovery, recognising that we cannot return to pre-pandemic way of delivery. Strategy delivery plan in development
Using the 2022/23 to 2026/27 Medium Term Financial Framework to match the ambitions of the Strategic Plan so that services are sustainable	Efficiency programme set out with ambition for achieving best outcomes within available resources
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	Creation of 5 living labs to find digital health solutions to health and social care challenges. Aligned to SG Digital Strategy. Includes workforce development, supporting skills and curriculum development
Continue to extend the reach of Self Directed Support with an ambition for Moray to be an exemplar in this arena	Continue to explore innovative solutions to meet personal outcomes through a strength and asset based approach. The

Area for Improvement Identified in 2021/22	Action Undertaken / Progress Made in 2022/23
<p>of supporting our residents in innovative ways that promote independence and choice</p> <p>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</p>	<p>development of the Day Opportunities team and SDS Enablers supports this shift and has been recognised for its innovative approach throughout Scotland. This includes an IMPACT story by Health Improvement Scotland and sharing of this at the Carers Leads Meetings and Social Work Scotland. Development plans to be developed in line with audit recommendations and the national SDS Improvement plan to further embed the SDS Standards.</p> <p>Revised Scheme of Integration approved by Scottish Government on March 16<sup>th</sup> 2023, and now working closely with Moray Council to ensure that governance remains robust during the transition</p>

### 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 2023/24
1.	Assurance and reporting for Children's Social Work and Justice Services
2.	Performance reporting at management level and to IJB APR Committee
3.	Development of Strategic Risk Register for the IJB
4.	IJB Category 1 responder status and Care for People Plan
5.	Delivery against the strategic objectives in IJB Strategic Plan
6.	Compliance with audit recommendations and completion of outstanding actions

## ANNUAL GOVERNANCE STATEMENT (continued)

### Key Governance challenges going forward will involve:

- Providing capacity to meet statutory obligations whilst managing expectations and rising demand for services, with a backlog of demand post Covid 19 pandemic, and the wider societal economic challenges now presented that also potentially drive demand;
- As a Board, difficult decisions will be required in balancing how we meet the needs of our community whilst operating within the available resource envelope;
- Continue to address our work force challenges in respect of recruitment and retention and where persistent vacancies will necessitate the need for redesign;
- Continuing to work closely with NHS Grampian, Moray Council and Moray Community partnership 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 how the IJB contributes to the wider community planning agenda in Moray and the North East;
- The challenges being faced from the legacy of the Covid 19 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 and external audit, including learning from national reviews.
- Work with teams to provide assurance to MIJB that we have clear governance structures for the integration of Children's Social Work and Criminal Justice Services into the partnership.
- Work with teams to ensure governance arrangements adopted during the pandemic and restored to either pre pandemic arrangements or are replaced with new business as usual processes.
- Contribute effectively to the national and UK Covid 19 enquiries, recognising the demand on staff time.

## ANNUAL GOVERNANCE STATEMENT (continued)

### 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 the legacy that has impacted at a socioeconomic level on our community. Pressure on financial settlements is increasing, and we will continue to engage with our Partners and the wider community to agree plans and outcomes that are both sustainable and achievable. Taking those forward will be challenging as we aim to fulfil the nine Health and Wellbeing national health and well-being 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**

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the cost of providing services for the year ended 31 March 2023 according to generally accepted accounting practices.

2021/22		2022/23
Net Expenditure		Net Expenditure
£ 000		£ 000
5,477	Community Hospitals	5,990
4,932	Community Nursing	5,163
9,691	Learning Disabilities	12,626
9,542	Mental Health	10,295
1,259	Addictions	1,588
158	Adult Protection & Health Improvement	167
16,238	Care Services Provided In-House	18,486
20,536	Older People & Physical & Sensory Disability Services	23,441
1,828	Intermediate Care and Occupational Therapy	1,768
8,271	Care Services Provided by External Providers	8,084
8,460	Other Community Services	9,208
2,404	Administration & Management	2,425
1,192	Other Operational services	1,286
18,310	Primary Care Prescribing	19,283
18,307	Primary Care Services	19,058
4,632	Hosted Services	5,018
832	Out of Area Placements	1,232
758	Improvement Grants	888
7,937	Strategic Funds & Other Resources	8,858
13,044	Set Aside	13,917
<b>153,808</b>	<b>Cost of Services</b>	<b>168,781</b>
164,487	Taxation and Non-Specific Grant Income (note 5)	156,443
<b>(10,679)</b>	<b>(Surplus) or Deficit on provision of Services</b>	<b>12,338</b>
<b>(10,679)</b>	<b>Total Comprehensive Income and Expenditure</b>	<b>12,338</b>

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 50.

<b>Movement of Reserves During 2022/23</b>	<b>General Fund Balance £000</b>
<b>Opening Balance at 1 April 2022</b>	<b>(17,021)</b>
Total Comprehensive Income and Expenditure	12,338
<hr/>	
(Increase) or Decrease in 2022/23	<b>12,338</b>
<hr/>	
<b>Closing Balance at 31 March 2023</b>	<b>(4,683)</b>
<hr/>	
<b>Movement of Reserves During 2021/22</b>	<b>General Fund Balance £000</b>
<b>Opening Balance at 1 April 2021</b>	<b>(6,342)</b>
Total Comprehensive Income and Expenditure	(10,679)
<hr/>	
(Increase) or Decrease in 2021/22	<b>(10,679)</b>
<hr/>	
<b>Closing Balance at 31 March 2022</b>	<b>(17,021)</b>
<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.

<b>31 March 2022 £000</b>		<b>Notes</b>	<b>31 March 2023 £000</b>
17,021	Short Term Debtors <b>Current Assets</b>	6	4,683
-	Short Term Creditors <b>Current Liabilities</b>		-
-	Provisions <b>Long Term Liabilities</b>		-
<b>17,021</b>	<b>Net Assets</b>		<b>4,683</b>
17,021	Usable Reserve General Fund	7	4,683
<b>17,021</b>	<b>Total Reserves</b>		<b>4,683</b>

The unaudited annual accounts were issued on 30 June 2023.

The Annual Accounts present a true and fair view of the financial position of the MIJB as at 31 March 2023 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 2022/23 financial year and its position at the year-end of 31 March 2023.

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 2022/23, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

The accounts are prepared on a going concern basis, which assumes that the 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 29 June 2023. Events taking place after this date are not reflected in the financial statements or notes

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### Note 4 Expenditure and Income Analysis by Nature

2021/22		2022/23
£000		£000
65,020	Services commissioned from Moray Council	71,899
88,760	Services commissioned from The Grampian Health Board	96,852
28	Auditor Fee: External Audit Work	30
<b>153,808</b>	<b>Total Expenditure</b>	<b>168,781</b>
(164,487)	Partners Funding Contributions and Non-Specific Grant Income	(156,443)
<b>(10,679)</b>	<b>(Surplus) or Deficit on the Provision of Services</b>	<b>12,338</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### Note 5 Taxation and Non-Specific Grant Income

2021/22		2022/223
£000		£000
50,549	Funding Contribution from Moray Council	59,517
113,938	Funding Contribution from The Grampian Health Board	96,926
<b>164,487</b>	<b>Taxation and Non-specific Grant Income</b>	<b>156,443</b>

The funding contribution from The Grampian Health Board shown above includes £13.917m 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 2022		31 March 2023
£000		£000
15,739	The Grampian Health Board	2,846
1,282	Moray Council	1,837
<b>17,021</b>	<b>Debtors</b>	<b>4,683</b>

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:

		<b>Earmarked Reserves</b>				
		<b>General Reserves</b>	<b>PCIP &amp; Action 15</b>	<b>Covid 19</b>	<b>Other Earmarked</b>	<b>Total</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance at 1 April 2021		1,598	1,667	2,725	352	6,342
Transfers (out)/in 2021/22		(341)	664	6,291	4,065	11,020
<b>Balance at 31 March 2022</b>		<b>1,257</b>	<b>2,331</b>	<b>9,016</b>	<b>4,417</b>	<b>17,021</b>
Transfer out 2022/23		(1,257)	(1,394)	(9,016)	(671)	(12,338)
Transfers in 2022/23		-				
<b>Balance at 31 March 2023</b>		<b>-</b>	<b>937</b>	<b>-</b>	<b>3,746</b>	<b>4,683</b>

**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:

<b>2021/22</b>		<b>2022/23</b>
£000		£000
9,136	Expenditure on Agency Services	10,139
(9,136)	Reimbursement for Agency Services	(10,139)
-	<b>Net Agency Expenditure excluded from the CIES</b>	-

## 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

2021/22		2022/23
£000		£000
(113,938)	Funding Contributions received from the NHS Board	(96,926)
88,558	Expenditure on Services Provided by the NHS Board	96,695
202	Key Management Personnel: Non-Voting Board Members	157
(25,178)	Net Transactions with The Grampian Health Board	(74)

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 2022		31 March 2023
£000		£000
15,739	Debtor balances: Amounts due from The Grampian Health Board	2,846
15,739	Net Balance due from The Grampian Health Board	2,846

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### Note 9 Related Party Transactions (continued)

#### Transactions with Moray Council

<b>2021/22</b>		<b>2022/23</b>
£000		£000
(50,549)	Funding Contributions received from the Council	(59,517)
64,970	Expenditure on Services Provided by the Council	71,852
78	Key Management Personnel: Non-Voting Board Members	77
<b>14,499</b>	<b>Net Transactions with Moray Council</b>	<b>12,412</b>

#### Balances with Moray Council

<b>31 March 2022</b>		<b>31 March 2023</b>
£000		£000
1,282	Debtor balances: Amounts due from Moray Council	1,837
-	Creditor balances: Amounts due to Moray Council	-
<b>1,282</b>	<b>Net Balance due from Moray Council</b>	<b>1,837</b>



## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **Note 10 VAT**

The MIJB is not registered for VAT and as such 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 2022/23 financial statements.

