

# **SOUTH LANARKSHIRE INTEGRATION JOINT BOARD**

## **ANNUAL ACCOUNTS AUDITED**

**2020/2021**



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## **MANAGEMENT COMMENTARY**

### **Introduction**

The South Lanarkshire Integration Joint Board (IJB) was established as a body corporate by order of Scottish Ministers in October 2015 with integrated delivery of health and social care services commencing in April 2016. 2020/2021 is the fifth year of operation for the IJB. The functions under the Public Bodies (Joint Working) (Scotland) Act 2014 delegated by South Lanarkshire Council (SLC) and NHS Lanarkshire (NHSL) to the IJB are detailed in the Integration Scheme which is available at [South Lanarkshire Integration Scheme<sup>1</sup>](#). The IJB annual accounts are prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014.

The South Lanarkshire Health and Social Care Partnership (SLHSCP) refers to the joint working arrangements between the partners SLC and NHSL. The IJB is a separate legal entity which is responsible for the strategic planning and commissioning of the wide range of health and social care services across South Lanarkshire. The SLHSCP is responsible for the operational delivery of the IJB's strategic directions. The purpose of the IJB is to improve the wellbeing of people who use health and social care services and their carers and to deliver on the nine national health and wellbeing outcomes. There are [multi-faceted factors<sup>2</sup>](#) which impact on the demand for health and social care services across South Lanarkshire which is the fifth largest populated area in Scotland with a population of 320,530. By 2028, the population is projected to increase by 2%. The increase in the age group 75 years and over is projected to be 25% by 2028. Life expectancy at birth for both men and women in South Lanarkshire continues to be lower than the Scottish average.

This management commentary provides an overview of the key outcomes relating to the objectives and strategy of the IJB. It considers our financial performance for the year ended 31st March 2021 and provides an indication of the issues and risks which may impact upon our finances in the future.

### **The Role and Remit of the IJB**

The IJB has responsibility for the strategic planning and commissioning of the following services:

- accident and emergency services provided in a hospital;
- inpatient services related to general medicine, geriatric medicine, rehabilitation medicine, respiratory medicine and palliative care services in a hospital;
- community health services including Lanarkshire-wide (hosted) services; and
- social care services.

The IJB is made up of eight voting members: four Elected Members appointed by SLC and four Non-Executive Directors appointed by NHSL. Non-voting members of the IJB include the Chief Officer, the Chief Social Work Officer, the Nurse Advisor, the Medical Advisor, the Chief Financial Officer, the Registered Medical Practitioner and representatives for staff, the third sector, service users and carers. On 25 March 2019, the IJB approved the [IJB's Strategic Commissioning Plan 2019-2022<sup>3</sup>](#) (SCP) and issued the directions to each of the partners to achieve safer, healthier, independent lives for the residents of South Lanarkshire.

### **The IJB's Business Model and Strategy**

The business model for the IJB is managed through key leadership groups which are aligned to both partners' objectives. Front-line service delivery continues to be carried out by NHSL and SLC across four localities in line with the directions from the IJB. These directions from the IJB to NHSL and SLC outline what the IJB requires both partners to do, the funding allocated to these functions and the mechanisms through which the performance in delivering the directions will be monitored.

Strong financial planning and management, the achievement of best value and the allocation of resources to support sustainable models of service delivery from a whole system perspective continue to underpin everything that the IJB and the partners do to ensure our limited resources are targeted to achieve our outcomes to best effect.

<sup>1</sup>[http://www.southlanarkshire.gov.uk/slhscp/downloads/file/59/south\\_lanarkshire\\_health\\_and\\_social\\_care\\_integration\\_scheme](http://www.southlanarkshire.gov.uk/slhscp/downloads/file/59/south_lanarkshire_health_and_social_care_integration_scheme)

<sup>2</sup><https://www.nrscotland.gov.uk/files/statistics/council-area-data-sheets/south-lanarkshire-council-profile.html>

<sup>3</sup>[https://www.southlanarkshire.gov.uk/slhscp/downloads/file/176/south\\_lanarkshire\\_integrated\\_joint\\_board\\_meeting\\_monday\\_25\\_march\\_2019\\_agenda\\_pack\\_and\\_notice\\_\(Agenda\\_Item\\_2\)](https://www.southlanarkshire.gov.uk/slhscp/downloads/file/176/south_lanarkshire_integrated_joint_board_meeting_monday_25_march_2019_agenda_pack_and_notice_(Agenda_Item_2))

**MANAGEMENT COMMENTARY (CONT.)**

**The IJB's Outcomes for the Year**

The progress made by the SLHSCP on the key strategic commissioning intentions and the key performance indicators are reported regularly to the IJB. The outcomes for South Lanarkshire are detailed in the Annual Performance Report 2020/2021. The key highlights are summarised below.

1. Response to the Covid-19 Pandemic
  - 1.1 In April 2020, the Coronavirus (Scotland) Act 2020 came into force, and over the course of the pandemic, a wide range of national guidance has been issued and adopted.
  - 1.2 From the outset of the Covid-19 pandemic the partners opened a Covid-19 Assessment Centre in Hamilton, three wards within Udston Hospital and two residential care units to create extra capacity. St Andrew's Hospice and Kilbryde Hospice also opened additional beds. NHSL increased intensive care capacity and stopped non-urgent planned care. A Personal Protective Equipment (PPE) Hub was established to ensure that the workforce, unpaid carers and personal assistants have the necessary equipment to support them to undertake their roles safely. The HSCP workforce has been under considerable pressure during the pandemic and assessing risk and maintaining the safety of the workforce has been paramount.
  - 1.3 In comparison to the previous year, the number of unscheduled bed days (Acute) reduced by 21%, unscheduled care bed days (Acute / Geriatric Long Stay / Mental Health) reduced by 24% and delayed discharge non-code nine bed days reduced by 56%.
  - 1.4 There are 93 Care Homes registered with the Care Inspectorate to provide adult care in Lanarkshire. From June 2020, the NHSL Nurse Director's responsibility for providing enhanced clinical and care professional oversight to care homes during Covid-19 was extended. An integrated team was developed to provide additional nursing leadership support and specialist infection prevention and control advice. These roles and responsibilities were extended to 2021/2022 and funding was made available to support this work. The NHSL assurance mechanisms will therefore remain in place.
  - 1.5 Care at Home Services continue to operate, delivering essential services to some of the most vulnerable service users in our communities. Weekly staff testing arrangements have been implemented since February 2021. A Community Meals service was introduced on temporary basis to April 2021 to provide resilience during the pandemic. The Community Engagement Team within SLC worked with VASLAN to support self-isolating and vulnerable people in the community.
  - 1.6 During the Covid-19 period, delivery of the building-based Day Services was paused and the service mobilised to offer an Outreach option within peoples' own homes and communities for those who exhibited the most significant vulnerabilities. In line with the Scottish Government's route map out of Covid, the re-opening of day service buildings commenced in May 2021 on a phased basis. The Outreach Service, which was developed in response to the Covid-19 situation, will however continue.
  - 1.7 The Lanarkshire-wide Physiotherapy Service is hosted by the SLHSCP. The Scottish Government are seeking reassurance that rehabilitation is seen as essential during the Covid-19 pandemic and post pandemic. An additional Professional Physiotherapist has therefore been appointed to strengthen the professional leadership structure and to support the rehabilitation agenda which is now one of the highest government priorities.
  - 1.8 The Scottish Government's Test and Protect Strategy is crucial to suppressing the virus. Covid-19 vaccinations roll-out is now well underway and uptake has been exceptionally high.

## **MANAGEMENT COMMENTARY (CONT.)**

### **The IJB's Outcomes for the Year (Cont.)**

#### **2. Key Service Priorities and Developments**

- 2.1 Demand for traditional care home services has decreased. The current commissioning assumptions will be updated to take account of the Covid-19 pandemic. Work continues to progress well on the Blantyre development towards the completion date of April 2022 with input from partners including the carer's organisation and the third sector. Canderavon House continues to provide an Intermediate Care Service in the meantime and is providing valuable learning opportunities to inform the Blantyre model and build on the Covid-19 response work. Delivering Intermediate Care in the new custom-built facility will deliver better outcomes.
- 2.2 The Urgent Care Out of Hours Service continued to experience insufficient staffing during 2020/2021 to support a two-site model at weekends. The Urgent Care Out of Hours Workforce Planning Group have been working on a business continuity plan.
- 2.3 There are 38,000 carers within South Lanarkshire and their contribution is crucial. The Carers Strategy 2019 to 2022 was developed in partnership with community organisations, local carer's and partners including the Carers Partnership Group. The 2021/2022 Carers Act funding totals £1.595m, £0.629m of which is being invested to recruit 16 additional Social Work Assistants to ensure support for Carers is targeted effectively. The allocation of the balance of the Carers Act funding is currently being considered.
- 2.4 The General Medical Services (GMS) 2018 contract came into force on the 1 April 2018. The implementation of the Primary Care Improvement Plan (PCIP) is complex, both operationally and financially. The Covid-19 pandemic has impacted on the delivery of the PCIP, both locally and nationally, and final delivery of outcomes will be delayed. All work streams are beginning to remobilise and work is now moving forward again. The PCIP Recovery Plan details the step up to a 'new normal' of covid secure provision and also the step down to realign staff to future covid responses should this be required. National measures will monitor the improvement in primary care reform up until 2028. Local PCIP data and measurement plans are also being developed and an interim evaluation has been undertaken.
- 2.5 Mental Health and Learning Disability Services are a complex grouping which are managed and strategically led within North Lanarkshire on behalf of both HSCPs in line with the Hosted Services agreement. This is the first Hosted Service where, during 2020/2021, the Community Mental Health Services were localised, with officers aiming to maintain existing services and ensure an equitable model across both Partnership areas. Part of the budget was therefore realigned to the directly managed locality budgets in each Partnership. At the time of transfer, the CMHT budgets remain allocated on a historical basis and these allocations have been built into the 2021/2022 financial plans for both IJBs. Further discussions will take place post-pandemic to review the allocated budgets, acknowledging the complexity of such an exercise which could also explore inpatient and cross-border demand and wider Hosted Services.
- 2.6 In February 2021, the Scottish Government announced the provision of additional non-recurring funding nationally of £20 million for Mental Health Recovery and Renewal. Part of the additional funding will focus on supporting improvements to mental health capacity in Primary Care. From a Lanarkshire perspective, the additional funding will develop robust enhanced pathways to and from Mental Health Services bringing together primary care mental health, community mental health and community based psychological therapy services. SLHSCP is actively contributing to service improvements and developments to promote and support the conditions for good mental health and wellbeing. The way that people with mental health needs engage with services when they do not have an appointment with a health care professional is also being improved and the outcomes are being monitored.

**MANAGEMENT COMMENTARY (CONT.)**

**The IJB's Outcomes for the Year (Cont.)**

2. Key Service Priorities and Developments (Cont.)
- 2.7 As part of the Action 15 Programme, work is ongoing to expand the Primary Care Mental Health Liaison Nurse Service into more GP practices to support people who are experiencing mild to moderate mental health problems of a short-term nature. The non-clinical aspect of the Primary Care Mental Health and Wellbeing service model is also being developed.
- 2.8 To support the implementation of the Children and Young People (Scotland) Act (2014) and the Universal Health Visiting Pathway, NHS Scotland recruited an additional 37.4 WTE Health Visitors. There was no financial pressure in 2020/2021. An overspend of £0.121m is projected from April 2021 onwards which will however reduce as trainees are matched to establishment vacancies during 2021/2022.
- 2.9 The South Lanarkshire Alcohol and Drug Partnership (SLADP) is a multi-agency strategic partnership focused on alcohol and drugs use issues and is responsible for planning and commissioning services to deliver improved care and to achieve local outcomes. SLADP has in place financial planning and monitoring processes to support transparency and accountability in commissioning.
- 2.10 The Health and Sports Committee examined the management of the medicines budget, including the cost and clinical effectiveness of prescribing. The aim of the Lanarkshire Medicines Quality Strategy is to implement 'Achieving Excellence in Pharmaceutical Care – A Strategy for Scotland'. By optimising the use of medicines and ensuring best value through reducing waste and unwarranted variation, prescribing quality and efficiencies are being achieved. The prescribing budget underspent by £0.500m at 31 March 2021.
- 2.11 The SLHSCP self-imposed temporary voluntary moratoriums on the Rutherglen/Cambuslang and Hamilton Care at Home Services following poor Care Inspectorate inspections in December 2019. Increased management capacity, additional staffing and training support were committed to each locality as necessary. The improvement notices in the Rutherglen/Cambuslang and Hamilton localities were removed on 31 August 2020 and 16 November 2020 respectively. Whilst there remains work to do on this improvement journey, these inspections represent substantial progress. The Care at Home Improvement Board is overseeing a number of work streams taking forward the service redesign. The Covid-19 response, improvement activity in the Hamilton and Rutherglen/Cambuslang localities and the implementation of the scheduling tool have been prioritised.
- 2.12 The traditional Day Service delivery model in SLHSCP has not significantly changed since 1996. The Adult and Older People Day Service Review is now complete and the findings have been reported to SLC Elected Members and the IJB. An Appreciative Inquiry approach was employed to stakeholder consultation and 527 service users and carers took part in the engagement sessions. There were also separate engagement events for employees of the service and other partner agencies. The initial findings and recommendations from the review are detailed within a report prepared for the SLC Social Work Resources Committee and the IJB in March 2021. It was agreed that the next stage is to engage in consultation with key stakeholders on the options arising from the review.
- 2.13 The Care and Support Service is facing challenges linked to changing demographics and service users' profiles which include the increasing age and complexity of service users' care needs and its impact on the current service delivery model. The ongoing Review of the Care and Support Service has identified several critical drivers and key themes for improvement activity and includes recommendations for sustaining and modernising the service, taking account of self-directed support principles and operating within a cost effective and safe staffing model.

## **MANAGEMENT COMMENTARY (CONT.)**

### **The IJB's Outcomes for the Year (Cont.)**

#### 2. Key Service Priorities and Developments (Cont.)

- 2.14 The SLHSCP receive equipment from Equipu (Glasgow) through SLC and also North Lanarkshire Joint Equipment store through NHS. A Project Board set up in 2018 to review equipment and adaptations provision is working with stakeholders to develop options to achieve best value.
- 2.15 The Scottish Government published a three-year Improvement Plan on Adult Support and Protection (ASP) in October 2019, to complement and strengthen local ASP activity. Under the ASP legislation, Social Work Resources has the lead responsibility for Adult Protection, with Health, Police and other agencies working together to prevent and respond to situations where someone is being harmed. The Care Inspectorate announced a two-year inspection programme and SLHSCP was included in the first phase of the programme between April 2020 and March 2021. A multi-agency inspection sub-group was established with representatives from each of the partner agencies, including the ASP Committee, and representatives from the third sector and Education. The Covid-19 pandemic impacted on the original timetable however preparations for the resumption of inspection activity restarted in August 2020.
- 2.16 The SLHSCP continues to work in partnership with South Lanarkshire Leisure and Culture to develop, deliver and evaluate health improvement and physical activity interventions across the whole lifespan for our communities. These programmes are highly regard nationally.
- 2.17 Approximately £90m of services delegated to the IJB are commissioned by the SLC partner from external social care providers. A Commissioning and Quality Assurance Team is being established to support the delivery of statutory social care services and to provide robust oversight of contracted services. The new team will initially be funded for a three-year period from the Community Living Change Fund totalling £1.2m. It is expected that recurring efficiencies will be secured and an initial target of 1% per annum has been applied.
- 2.18 Although a Programme of Transformation and Service Improvement is being undertaken by the SLHSCP, the Coronavirus (Covid-19) Pandemic has slowed progress as resources have had to be redeployed. Learning is also accruing from the response to the pandemic.

#### 3. Performance Outcomes

- 3.1 A genuine performance culture is embedded across the SLHSCP. The most recent [Performance Monitoring Report<sup>4</sup>](#) was reported to the IJB on 17 August 2021. Improvement actions have been identified by the key stakeholders involved in each work stream and an action plan has been agreed. The [Annual Performance Report 2020/2021<sup>5</sup>](#) was also reported to the IJB on 17 August 2021.
- 3.2 A particular measure of IJB and Scottish Government focus continues to be the number of delayed discharge bed days. This was of particular critical importance during the pandemic to improve bed capacity across Acute Services. In comparison to the same period last year, performance for the period from April to February is summarised as follows:
- A&E attendances down by 27% against 2019/20
  - Emergency admissions down by 22% against 2019/20\*
  - Unscheduled bed days (Acute) down by 21% against 2019/20\*
  - Unscheduled Care Bed days Acute/Geriatric Long Stay/Mental Health down by 24% against 2019/20\*
  - Delayed discharge non-code nine bed days down by 56% against 2019/20
- \*Emergency admissions and unscheduled care bed days will increase as episodes of care are completed.*

<sup>4</sup>[https://www.southlanarkshire.gov.uk/slhscp/downloads/file/269/sl\\_jib\\_meeting\\_papers\\_17\\_august\\_2021\\_\(Agenda\\_Item\\_5\)](https://www.southlanarkshire.gov.uk/slhscp/downloads/file/269/sl_jib_meeting_papers_17_august_2021_(Agenda_Item_5))

<sup>5</sup>[https://www.southlanarkshire.gov.uk/slhscp/downloads/file/269/sl\\_jib\\_meeting\\_papers\\_17\\_august\\_2021\\_\(Agenda\\_Item\\_7\)](https://www.southlanarkshire.gov.uk/slhscp/downloads/file/269/sl_jib_meeting_papers_17_august_2021_(Agenda_Item_7))

## **MANAGEMENT COMMENTARY (CONT.)**

### **The IJB's Outcomes for the Year (Cont.)**

#### 3. Performance Outcomes (Cont.)

3.3 The initial success in reducing delayed discharges and associated bed days in March 2020 may have been as a result of a reduction in admissions and, following this, referrals from Acute services for community supports to facilitate discharges. This was generally experienced across Scotland. However, the SLHSCP has sustained the improved performance.

3.4 The success in reducing delays may, in part, be due to the introduction of a planned date of discharge from May 2020. Each ward has a multi-disciplinary team meeting daily between social work and ward staff where a planned date of discharge is put in place. This has allowed for packages of care and community care assessments and family patient choices to be put in place. Staff across SLHSCPs and Acute services believe the success of the planned date of discharge approach is in developing relationships and teams, having an understanding of the roles of individuals, consistency of personnel attending daily ward multi-disciplinary team meetings and improving access to systems including Near Me.

#### 4. IT Developments

4.1 It has been recognised nationally that video consulting has played a key role during the Covid-19 pandemic. The use of the Near Me video system, which links patients, care home residents and carers to health and social care staff, was rapidly scaled up at the outbreak of the pandemic to reduce the need for face-to-face appointments. This technology has made a vital contribution to public health in Scotland. The SLHSCP hosts the Lanarkshire wide Telehealth Team who have been instrumental in the successful local rollout. Challenges however have been highlighted including constraints related to IT and the physical infrastructure. Not all patients and service users have access to technology or are confident in using it. Face-to-face consultations should therefore be made available when required.

4.2 Scotland's current GP IT clinical systems are at the end of their useful life and a national programme to commission new IT systems to replace these is currently underway. Although the Scottish Government will fund central costs, there are significant local deployment costs which neither the IJB nor the NHSL partner could make provision for in one single year. The delay due to the complexity of the implementation programme has given the opportunity for a multi-year funding strategy to be identified.

4.3 A successful initial roll out of the Total Mobile electronic scheduling system was recently completed within the Bothwell and Uddingston areas. Work is underway to fully implement the system throughout the Hamilton locality by the end of May 2021, with implementation then taking place within Rutherglen, Clydesdale then East Kilbride localities by the end of the year. This will bring significant improvements to the service in relation to communication with staff, more effective and efficient scheduling and improved recording of information.

4.4 The SLHSCP is securing approval and the budget to replace the current Social Care Information System (SWiSplus) which was implemented 27 years ago. This proposal represents an excellent opportunity to transform practice and re-direct more frontline staff time to working with service users and carers. The implementation programme is 24 to 36 months. This project will also bring about a cultural shift in Social Care practice about how individual service user information is used and aggregated to drive future commissioning priorities.



**MANAGEMENT COMMENTARY (CONT.)**

**The IJB's Financial Position at 31 March 2021**

The delegated funds for the IJB come from SLC and NHSL. The level of funding available to the IJB is therefore heavily influenced by these organisations' grant settlements from the Scottish Government. The [IJB Financial Plan 2020/2021<sup>6</sup>](#) was approved on 30 March 2020. The budget was further refined during the course of the year by both partners and also updated to reflect additional in-year funding in particular, Covid-19 funding. On 30 June 2020, the IJB Medium to Long Term Financial Plan for the period from 2020/2021 to 2029/2030 was presented to the IJB. Reliance is also placed on the medium-term financial strategies of each partner. The financial planning assumptions for the IJB and both partners will require to be reviewed to reflect the impact of Covid-19 on the current and future financial years.

The Scottish Government established a process whereby the necessary activity and the additional costs incurred across health and social care services as a result of Covid-19 are reported through Mobilisation Plans. The expenditure incurred by both partners in response to the Covid-19 pandemic was fully funded by the Scottish Government in 2020/2021. A balance of funding received for 2020/2021 is being retained by the IJB in reserves to meet additional Covid-19 expenditure in 2021/2022. A number of payment mechanisms were also altered to provide financial sustainability during the service disruption. Service level agreements between NHS Boards continued to be paid at the same level as in the previous year with an uplift equal to the general allocation uplift. Payments to Family Health Service Contractors were altered in line with Scottish Government guidance to cover additional costs incurred or loss of income due to Covid-19. Sustainability payments were introduced for Social Care Providers.

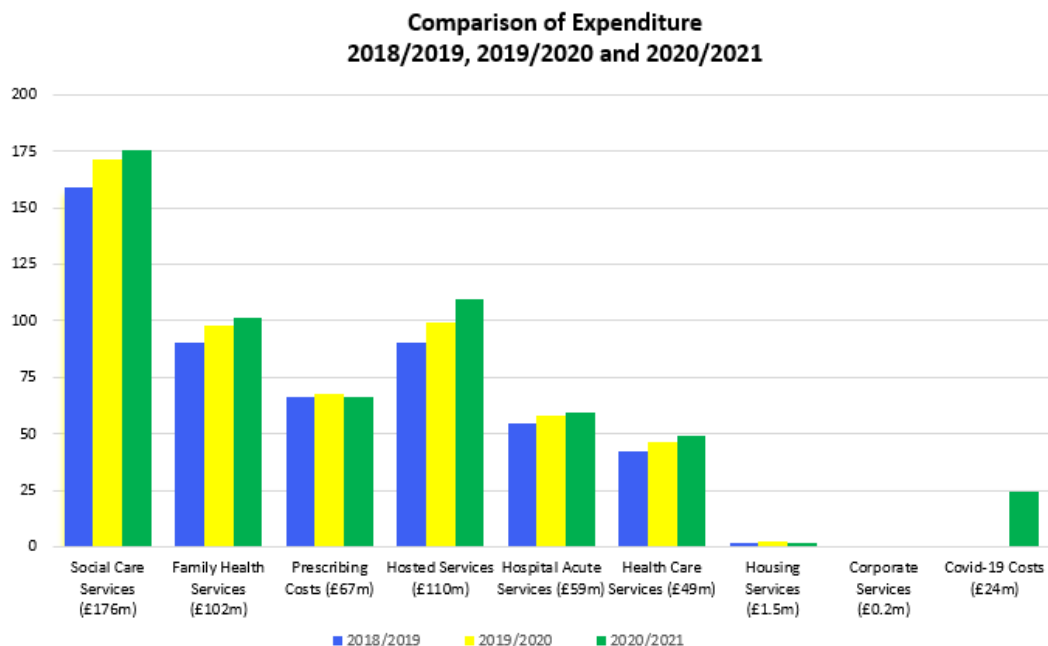
- Demographic growth, inflationary cost pressures and national priorities were originally projected to increase costs by £20.5m in 2020/2021.
- Both SLC and NHSL maintained the same original partner contribution to the IJB.
- In addition to this, additional funding totalling £16m has been passed to the IJB by NHSL and SLC. This included £5.7m for the inflation uplift of 3% on the health care services delegated to the IJB and the additional funding of £10.3m to implement the agreed national priorities.
- The funding gap at the start of the financial year 2020/2021 was therefore £4.5m. It was originally intended that the funding gap of £4.5m would be addressed through planned savings (£2.2m), potential savings to be further developed (£1.1m), use of non-recurring reserves (£0.3m) and management actions (£0.9m). In respect of the savings proposals recommended to the IJB, these were the best fit with the strategic commissioning intentions and the best value requirement to use resources more effectively.
- The budgets released from savings have been retained by the IJB and re-allocated to address inflationary cost increases, demographic growth and the funding gap.
- Additional funding for NHSL was also issued during the year, the detail of which is included in the financial monitoring reports presented to the IJB and the PASC.
- The actual expenditure incurred between 2018/2019 and 2020/2021 is summarised in the following table and is also represented in the graph overleaf.

<b>Expenditure</b>	<b>2018/2019 (£m)</b>	<b>2019/2020 (£m)</b>	<b>2020/2021 (£m)</b>
Social Care Services	159.247	171.143	175.735
Family Health Services	90.661	97.615	101.625
Prescribing Costs	66.308	67.742	66.624
Hosted Services	90.041	99.138	109.828
Hospital Acute Services	54.919	57.768	59.501
Health Care Services	42.317	46.234	49.029
Housing Services	1.960	2.613	1.464
Corporate Services	0.163	0.165	0.170
Covid-19 Costs	0.000	0.000	24.384
<b>Total</b>	<b>505.616</b>	<b>542.418</b>	<b>588.360</b>

<sup>6</sup> [https://www.southlanarkshire.gov.uk/slhscp/downloads/file/221/south\\_lanarkshire\\_ijb\\_special\\_meeting\\_papers\\_30\\_march\\_2020\\_\(Agenda\\_Item\\_2\)](https://www.southlanarkshire.gov.uk/slhscp/downloads/file/221/south_lanarkshire_ijb_special_meeting_papers_30_march_2020_(Agenda_Item_2))

**MANAGEMENT COMMENTARY (CONT.)**

**The IJB's Financial Position at 31 March 2021 (Cont.)**



The financial monitoring report for the year ended 31 March 2021 confirms an underspend of £32.2m (NHSL - £31.3m; SLC – £0.9m). The main net underspends are as follows:

- £5.1m on the core budgets within Health Care Services
- £6.8m in respect of the Primary Care Improvement Funding
- £0.5m in respect of the Alcohol and Drug Partnership Funding
- £0.9m on the core budgets within Social Care and Housing Services
- £6.9m of uncommitted 2020/2021 Covid-19 funding retained to meet Covid-19 costs in 2021/2022
- Other net underspends and partner funding contributions totalling £0.6m.

Between January 2021 and March 2021, additional funding was received from the Scottish Government to support the progress of key national policy priorities in 2021/2022 and beyond.

- Community Living Change Fund to deliver the redesign of services for people with complex needs or who have enduring mental health problems (£1.2m).
- Funding to support financial sustainability across the social care sector, new ways of working and additional capacity in response to the Covid-19 pandemic (£5.9m).
- Adult Social Care Winter Preparedness Plan Funding to support social care users in residential, community and home settings over the winter period (£2.6m).
- Alcohol and Drug Partnership (ADP) Funding (£1.7m).

There is a significant element of financial risk associated with the ongoing response and consequences of the Covid-19 Pandemic. The Chief Finance Officer and both partners identified costs to be set against the Mobilisation Plan for the Scottish Government. Significant additional funding totalling £31.3m was received from the Scottish Government to address the additional Covid-19 expenditure of £24.4m incurred in 2020/2021. The balance of the funding of £6.9m was transferred to an earmarked reserve (ring-fenced funding) to meet the ongoing costs associated with the Covid-19 pandemic.

Funding previously retained by the Scottish Government from previous years totalling £5.8m was released in respect of the Primary Care Improvement Fund. This is a hosted service led by South Lanarkshire IJB and funding will be transferred to the South Lanarkshire IJB reserve.

**MANAGEMENT COMMENTARY (CONT.)**

**The IJB's Financial Position at 31 March 2021 (Cont.)**

Funding previously retained by the Scottish Government from previous years totalling £2.1m was released in respect of Mental Health Action 15. This is a hosted service led by North Lanarkshire IJB and the funding will be transferred to the North Lanarkshire IJB reserve.

Non-recurring funding was also received from the NHSL partner to progress a range of joint strategic priorities in 2021/2022 (£2.8m).

In response to the Covid-19 pandemic, a range of core services had to be stood down in order to support the emergency response. As existing staff and resources were redeployed and funded from the additional funding to meet these additional Covid-19 costs incurred, the original core budget across Health and Social Care Services was therefore released. The net underspend across Health and Social Care Services totalled £5.3m.

£1.3m was drawn down from IJB reserves to fund planned expenditure in line with the IJB Financial Plan 2020/2021. The net underspend of £0.013m was retained by the SLC partner in line with the accounting requirements for the Housing Revenue Account.

The underspend totalling £32.2m was transferred to the South Lanarkshire IJB reserve in order to meet planned commitments in future years. The total underspend represents approximately 5% of the total financial envelope available.

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The final year-end underspend at 31 March 2021 of £32.172m therefore reflected underspends of £31.335m by NHSL and an underspend of £0.837m by SLC. The surplus on the provision of services and total comprehensive income and expenditure in 2020/2021 is £30.846m. This is highlighted on the Comprehensive Income and Expenditure Statement on page 31 and is also included in the Movement in Reserves Statement on page 32. The total movement on reserves at 31 March 2021 is a net increase of £30.846m. The final year-end underspend of £32.172m and the movement in reserves of £30.846m are reconciled in the table below.

<b>Financial Outturn 2020/2021</b>		<b>Movement In Reserves Reduction / (Increase)</b>	<b>Returned to Partner</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
SLC – Underspend	0.824	(0.824)	
SLC - HRA Underspend	0.013		(0.013)
<b>SLC - Net Underspend</b>	<b>0.837</b>	<b>(0.000)</b>	<b>(0.013)</b>
NHSL Underspend	31.335	(31.335)	
<b>Total As At the 31 March 2021</b>	<b>32.172</b>	<b>(32.159)</b>	<b>(0.013)</b>
Expenditure incurred against reserves in 2020/2021		1.313	
<b>Deficit or (surplus) on provision of services and total comprehensive (income) and expenditure (Note 10)</b>		<b>(30.846)</b>	

The total transfer from reserves was £1.313m. This included £0.517m for Alcohol and Drug Partnership (ADP) Services, £0.246m for Telehealth and Telecare Services, £0.173m for Social Care Services and £0.169m for Palliative Care Services. The planned expenditure funded from IJB reserves was in line with the IJB Financial Plan 2020/2021.

As a result of net underspends, additional Scottish Government funding and additional funding from the NHSL partner, the transfer to reserves was £32.159m.

## **MANAGEMENT COMMENTARY (CONT.)**

### **Annual Accounts 2020/2021 (Cont.)**

In line with the future commissioning intentions of the IJB and the strategic priorities agreed with the Scottish Government and both partners, the underspend in 2020/2021 was transferred to earmarked reserves. These reserves are summarised in Note 10 on page 43.

The net movement on reserves was therefore an increase of £30.846m. The balance on the IJB reserves at 31 March 2021 is £37.019m. The earmarked reserves (ring-fenced funding - £27.139m), earmarked reserves (voluntary - £7.945m) and contingency reserves (£1.935m) are detailed at note 10 on page 43. It is good financial management to maintain a contingency reserve.

The services which are hosted by South Lanarkshire IJB on behalf of the North Lanarkshire IJB and the hosted services which are led by the North Lanarkshire IJB on behalf of the South Lanarkshire IJB are detailed in note 9 on pages 41 to 42. In line with the Integrated Resource Advisory Group Finance Guidance, the lead partner for a hosted service is responsible for managing any overspends incurred. With the exception of earmarked reserves (ring-fenced funding), the lead partner can also retain any underspends which may be used to offset the overspends. This arrangement has been in place since 1 April 2016. The South Lanarkshire IJB and the North Lanarkshire IJB endorsed this principle in respect of 2020/2021.

### **Financial Outlook 2021/2022**

Notwithstanding the IJB reserves as at 31 March 2021, the SLC and NHSL partner contributions for 2021/2022 will be maintained in line with the [IJB Financial Plan 2021/2022<sup>7</sup>](#) which was approved by the IJB on 29 March 2021 and set out the parameters to achieve a balanced budget by 31 March 2022. The total increase in costs in 2021/2022 is projected to be £20.1m (NHSL - £5.4m; SLC - £14.7m). The total increase in funding is projected to be £12.8m (NHSL - £3.8m; SLC - £9.0m). The plan to address the funding gap of £7.3m (NHSL - £1.6m; SLC - £5.7m) is summarised as follows:

#### Recurring Funding Solutions

▪ Savings Proposals	£3.2m	
▪ Prescribing Quality and Efficiency Programme Target	£1.1m	
Sub Total		£4.3m

#### Non-Recurring Funding Solutions

▪ Core Budget Underspend Due to Covid-19 Pandemic	£1.1m	
▪ Management Actions	£1.0m	
▪ Reliance on reserves	£0.5m	
▪ Additional Scottish Government Funding	£0.4m	
Sub Total		£3.0m

Total		£7.3m
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The Covid-19 pandemic has created significant financial management and financial planning challenges for both partners and the IJB. These challenges have centred around the difficulties in predicting the costs associated with the response to and recovery from the Covid-19 pandemic which will continue in 2021/2022 and also the uncertainty in respect of the constantly evolving funding allocations from the Scottish Government. Responding to the Covid-19 pandemic has resulted in significant additional expenditure across health and social care. There remains a risk that Covid-19 will impact adversely upon the financial position and consequently there is uncertainty about the longer-term financial position and the transformation and improvement programme. The additional Covid-19 funding in respect of 2021/2022 is still to be confirmed. The IJB Medium to Long Term Financial Plan will therefore continue to be developed to ensure financial sustainability during the pandemic and post-pandemic.

<sup>7</sup>[https://www.southlanarkshire.gov.uk/slhscop/downloads/file/254/sl\\_ijb\\_special\\_meeting\\_papers\\_29\\_march\\_2021\\_\(Agenda\\_Item\\_4\)](https://www.southlanarkshire.gov.uk/slhscop/downloads/file/254/sl_ijb_special_meeting_papers_29_march_2021_(Agenda_Item_4))

## **MANAGEMENT COMMENTARY (CONT.)**

### **Matters of Strategic Importance**

#### **The Response to Covid-19**

The response, redesign and recovery of services is continuing. The aim of this next stage is to support the recovery and redesign to a new landscape; provide good corporate governance and oversight; seek out innovative solutions aligned to redesign for effectiveness (outcomes) and efficiencies (invest to save); provide a safe working environment for essential services; and engage openly and constructively with Trade Unions throughout the recovery planning. A review of the actions taken will also be undertaken to identify key learning points and to share good practice.

#### **Future Opportunities**

The IJB considers the innovative approaches and service alterations put in place out of necessity may present opportunities as we seek to re-start services within the new context in which health and social care services now need to be delivered. In doing so the IJB will continue to follow appropriate governance structures and consider equalities and human rights requirements to ensure that from the current crisis emerges a more efficient and effective health and social care system that delivers on the priorities set out in the SCP. The SLHSCP will actively seek to understand the impact of the measures implemented during the emergency response to the Covid-19 pandemic and also the remobilisation and recovery activity in order to agree which changes can be retained or adapted to improve services whilst still continuing to be person-centred and meet individual outcomes.

#### **Independent Review of Adult Social Care**

The Independent Review of Adult Social Care was published in February 2021 and makes observations about the challenges faced by Integration Authorities, some of which remain unaddressed by the integration of health and social care services. These are founded based on service user experience and reference the challenges with needs assessment, care planning and rationing of care to those in only the greatest need which have been necessary to deal with the rapid increase in demographic related demand and limited funding available. The review also highlights the priority that needs to be given to preventative and anticipatory care supports before responding at a crisis point.

The Independent Review of Adult Social Care Services makes 53 recommendations in 9 areas:

- A human rights-based approach
- Unpaid carers
- Case for a National Care Service
- How a National Care Service should work
- A new approach to improving outcomes
- Models of care
- Commissioning for public good
- Fair work
- Finance

The IJB is actively engaged with partners at a local and national level to understand the recommendations of the report and the potential future impact on the governance framework within which the IJB operates in the planning and delivery of health and social care. This report builds on the national review undertaken by the Ministerial Strategic Group for Health and Community Care in February 2019, which contained 25 proposals, 22 of which were relevant to all IJBs. Prior to this, Audit Scotland published the results of the second of three national performance audits on health and social care integration in November 2018 which contained nine recommendations on the integration of health and social care services.

#### **Demographic Growth and Service Demand Pressures**

Social care services continue to face demand pressures, particularly within Care at Home Services. The challenges experienced by Care Home providers also require to be considered. The management of cost pressures in 2020/2021 across social care services relied on the additional non-recurring funding received from the Scottish Government to meet the additional Covid-19 costs.

## **MANAGEMENT COMMENTARY (CONT.)**

### **Matters of Strategic Importance (Cont.)**

#### **Strategic Financial Risks**

There continues to be uncertainty about what the post-Brexit rules will be with the European Union. Notwithstanding the achievement of the Prescribing Quality and Efficiency Targets in 2020/2021 and the underspend of £0.5m reported at 31 March 2021, there is a risk that prescribing could overspend in 2021/2022 as a result of both the EU withdrawal and Covid-19. Prescribing costs, including the planned savings targets for 2021/2022 will be closely monitored. It is therefore intended to re-establish a prescribing earmarked (voluntary) reserve.

Support for all health and social care professionals, particularly those working in community settings, will be fundamental to managing service delivery while Covid-19 remains a risk. Maintaining the positive developments which have been rapidly stepped up in response to the crisis will be a priority during the recovery process. Ensuring health and social care resources are directed to best effect and achieving financial sustainability will be key to achieving this.

The financial impact of Covid-19 continues to be significant. At this stage the exact magnitude of additional costs and the total amount of additional Scottish Government funding available for 2021/2022 remains uncertain. The Scottish Government have agreed in principle to continue to provide additional funding for IJBs to meet these costs but it is not yet known whether the level of funding to be provided will be sufficient to meet all costs incurred. In 2021/2022 and beyond, the main financial risk is that NHS and/or SLC may overspend. The IJB reserves funding will mitigate part of this risk in 2021/2022.

The impact of Covid-19 on health and social care services and the economy as a whole is unprecedented in recent times and has increased the risk of an overspend. Governance arrangements continue to be in place for the approval and monitoring of costs and regular updates are provided to the Scottish Government. The SLHSCP is also actively engaging with the third and independent sector in relation to their associated costs. It is recognised that returning to a balanced financial position will require major redesign of services, radical changes in approach and integrated working with all partners and stakeholders. The Medical Director, the Nurse Director and the Chief Social Work Officer will oversee the remobilisation of health and social care services. Resilience is required within our health and social care system for the foreseeable future in response to Covid-19.

In the absence of sufficient funding from the Scottish Government and/or the partners, reliance will require to be placed on the Integration Scheme and the IJB Financial Regulations which set out the options for addressing overspends. The financial strategy for 2021/2022 and beyond will require to be updated and revised, as appropriate, in order to maintain financial sustainability.

The SLC and NHS governance arrangements were reviewed and adapted as appropriate to support the response, recovery and redesign of services following the pandemic.

#### **Key Strategic Risks and Uncertainties**

The IJB Risk Management Strategy complements the existing risk management processes within each partner. This is detailed further within the Annual Governance Statement on page 20.

It is important to note that some of the funding solutions in 2020/2021 were non-recurring and some cost pressures are expected to recur again in 2021/2022. The impact of the savings not achieved in full in 2020/2021 (£1.1m) will be taken into consideration during the review of the 2021/2022 Financial Plan.

The Director of Finance of NHS Lanarkshire continued to make progress with the exercise to update the notional set-aside budget. This notional budget, which represents the consumption of hospital resources by South Lanarkshire residents, is estimated to be £59.5m.

## **MANAGEMENT COMMENTARY (CONT.)**

### **Key Strategic Risks and Uncertainties (Cont.)**

Similar to the previous year, the notional budget can also be included as the estimated expenditure for the 2020/2021 annual accounts. It is recognised that this will not necessarily reflect the actual usage of these hospital services by the IJB in 2020/2021 however it has been endorsed as an acceptable approach pending further updates from the Information Services Division within NHS National Services Scotland. This critical judgement in respect of the complex accounting treatment of the hospital acute services (set-aside) therefore follows the advice issued by the Scottish Government on how the sum set-aside should be recorded in the annual accounts and is explained in more detail at note 2.2 on page 36. Further information on the set-aside budget is also included in the Annual Governance Statement on page 23. A whole system approach will continue to be adopted by the partners to support the use of set-aside resources.

### **Conclusion**

Covid-19 has affected each and every member of our society and a robust response was implemented. Staff, partners and communities continue to work in partnership to ensure we respond effectively to this ongoing public health crisis, protect lives and keep people safe. In the face of this unprecedented challenge, partnership working continues to be critical to respond effectively to this national health and social care crisis. Available resources have, to date, been refocussed on the critical areas affected by Covid-19. Whilst these priorities are also continuing into 2021/2022, every effort is being made to progress the Response, Recovery and Remobilisation Plans. A financial surplus totalling £30.8 was reported at 31 March 2021. This is mainly due to the additional funding received from the Scottish Government to address Covid-19 expenditure and to take forward national and local priorities and also the essential and necessary changes across HSCP service delivery which released core funding.

Remobilising the full range of HSCP services is challenging and maintaining innovation and learning from the pandemic will be essential. Covid-19 has led to a substantial backlog of patients waiting for treatment. NHS Boards are prioritising those in most urgent need. NHS leaders are working collaboratively, in partnership with Local Authorities and across public services, to respond to the ongoing challenges caused by the Covid-19 pandemic and to remobilise services. The focus of the work is now increasingly towards planning for recovery taking account of ongoing guidance and restrictions particularly in relation to vulnerable service users and carers. The recovery progress is also going to have to consider the availability of resources going forward given that service delivery has become more complex, more expensive and financial resources and funding priorities are most likely going to need to be reconsidered in future financial years.

Although the current operational and financial challenges will inevitably drive the pace of change, improving outcomes for individuals will continue to underpin the IJB's strategic commissioning intentions and the ongoing re-design and integration of health and social care services. We will do this by ensuring that we continue to adhere to sound governance arrangements and by exploring alternative pathways to divert people into more appropriate forms of support. Much of this will require a coordinated and consistent communications message to the public, together with concerted action planning with colleagues in acute services and also the third sector, independent providers and carers across the partnership.

### **Approved By**

**John Bradley**  
**Chair**

**Date** 14 September 2021

**Soumen Sengupta**  
**Chief Officer**

**Date** 14 September 2021

**Marie Moy**  
**Chief Financial Officer**

**Date** 14 September 2021

## **STATEMENT OF RESPONSIBILITIES**

### **Responsibilities of the South Lanarkshire Integration Joint Board**

The South Lanarkshire Integration Joint Board (IJB) is required to:

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

**I confirm that these Annual Accounts were approved for signature at a meeting of the South Lanarkshire Integration Joint Board (Performance and Audit) Sub-Committee on 14 September 2021.**

**Signed on behalf of the South Lanarkshire Integration Joint Board**

**Confirmed By**

**Chair:** John Bradley

**Date:** 14 September 2021

### **Responsibilities of the Chief Financial Officer**

As Chief Financial Officer I am responsible for the preparation of the IJB's Annual Accounts in accordance with proper practices as required by legislation which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/2021 (the Accounting Code), as supported by the International Financial Reporting Standard (IFRS), is required to give a true and fair view of the financial position of the South Lanarkshire Integration Joint Board at the financial year end and its income and expenditure for the year then ended.

In preparing the Annual Accounts, I am responsible for:

- selecting suitable accounting policies and applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- complying with legislation; and
- complying with the Accounting Code in so far as it is compatible with legislation.

I am also required to:

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

**I certify that these Annual Accounts present a true and fair view of the financial position of the South Lanarkshire Integration Joint Board as at 31 March 2021 and the transactions for the year then ended.**

**Certified By**

**Chief Financial Officer** Marie Moy

**Date** 14 September 2021



## **REMUNERATION REPORT**

### **Introduction**

The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014 which requires, at least, disclosure about the remuneration and the pension benefits of any person whose remuneration is £150,000 or more.

### **Integration Joint Board**

The Standing Orders of the IJB, as prescribed by the Public Bodies (Joint Working) (Integration Joint Board) Order 2014, sets out the detail regarding IJB membership, voting and the calling of meetings.

The IJB comprises eight voting members, four of whom are Elected Members appointed by South Lanarkshire Council and four of whom are Non-Executive Directors appointed by the NHS Lanarkshire. The term of office of members is for a period of three years. The appointments of Chair and Depute Chair are for a period of 3 years with the current appointments being effective from 1 April 2019.

There are also non-voting representatives on the IJB drawn from health and social care professionals, employees, the third sector, service users and carers.

### **Remuneration: IJB Chair and Depute Chair**

The Board members do not currently receive remuneration or expenses directly from the IJB. Any remuneration or reimbursement of expenses for voting board members is governed by the relevant IJB partner organisation.

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

The details of the Chair and Depute Chair appointments held during 2020/2021 are outlined in the table below. No taxable expenses were paid by the IJB in 2019/2020 or 2020/2021

<b>Period</b>	<b>Post Held</b>	<b>Name</b>	<b>Nominated by</b>
April 2020 to March 2021	Chair	Cllr. John Bradley	South Lanarkshire Council
April 2020 to March 2021	Depute Chair	Mr Philip Campbell	NHS Lanarkshire

Effective from April 2019, Councillor John Bradley is the Chair of the IJB and Mr Philip Campbell is the Depute Chair.

The IJB does not have responsibilities, either in the current year or in future years, for funding any pension entitlements of the voting IJB members. The pension rights disclosures for the Chair and the Depute Chair are set out in the remuneration reports of each partner organisation as appropriate.

### **Senior officers**

The Chief Officer is appointed by the IJB in consultation with NHS Lanarkshire Health Board and South Lanarkshire Council. The Chief Officer is employed by South Lanarkshire Council. Although their contract of employment is with South Lanarkshire Council, the Chief Officer is regarded as an employee of the IJB for 50% of their time.

## **REMUNERATION REPORT**

### **Senior officers (Cont.)**

The Chief Financial Officer is appointed by the South Lanarkshire IJB and is employed by South Lanarkshire Council. The Chief Financial Officer, whose services have been secured under the requirements of section 95 of the Local Government (Scotland) Act 1973, is seconded to the IJB in line with the local arrangements.

The IJB is responsible for the strategic planning and commissioning of health and social care services. Each partner is responsible for the operational delivery of the IJB's strategic directions. The IJB does not directly employ any Health or Social Care staff. They are employed by either NHS Lanarkshire or South Lanarkshire Council and remuneration for staff is reported in the annual accounts of the relevant employing organisation.

### **Remuneration: Officers of the IJB**

The remuneration of the senior officers is set with reference to national arrangements as well as local decisions on management structures and their associated remuneration levels.

The Scottish Joint National Committee for Local Authority Services sets out the spinal column salary points for Chief Officers which can be utilised in setting salary levels for such posts.

The senior officers received the following remuneration in the year:

<b>Name</b>	<b>Salary, fees, allowances</b>	<b>2020/2021 Total Remuneration</b>	<b>2019/2020 Total Remuneration</b>
Val de Souza Chief Officer (April 2020 to March 2021)	£70,057	£70,057	£68,353
Marie Moy <sup>8</sup> Chief Financial Officer (April 2020 to March 2021)	£36,224	£36,224	£35,341

The remuneration disclosed in the table above is the proportion of remuneration received in relation to the activity of the South Lanarkshire IJB during 2020/2021.

The Chief Officer is appointed to the South Lanarkshire IJB however South Lanarkshire Council continues to meet 50% of the costs of this post directly. This reflects the Chief Officer's responsibilities for Children and Justice Services, Performance and Support Services and Money Matters Advice Services which are not delegated functions to the IJB. The Chief Officer, as the Director of Health and Social Care, also contributes to the strategic direction of South Lanarkshire Council as part of the Corporate Management Team.

The Chief Financial Officer is also appointed to the North Lanarkshire IJB. The remuneration in respect of this post is therefore shown separately in the North Lanarkshire IJB Annual Accounts.

Pay band information is not separately provided as all staff pay information has been disclosed in the information above.

There were no exit packages awarded during the financial year.

There were no taxable expenses paid to the Chief Officer or the Chief Financial Officer in 2019/2020 or 2020/2021.

<sup>8</sup> The remuneration of the post holder is also disclosed in the North Lanarkshire IJB Annual Accounts 2020/2021 Remuneration Report

**REMUNERATION REPORT**

**Pension Benefits**

In respect of officers' pension benefits, the statutory liability for any future contributions to be made rests with the relevant employing partner organisation. On this basis, there is no pensions liability reflected on the IJB balance sheet for the Chief Officer or any other officers. The IJB however, has responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the IJB.

The senior officers are members of the Strathclyde Pension Fund which is a Local Government Pension Scheme (LGPS).

The LGPS is a defined benefit statutory scheme, administered in accordance with the Local Government Scheme Regulations 2014.

The costs of the pension scheme contributions for the year to 31 March 2021 are shown in the table below. A pro-rata approach has been adopted in both 2019/2020 and 2020/2021. The pension benefits relate only to the proportion attributable to the activity of the South Lanarkshire IJB.

<b>Name</b>	<b>Pension Benefits</b>	<b>To 31 March 2021</b>	<b>To 31 March 2020</b>
Val de Souza Chief Officer (April 2020 to March 2021)	In-year pension contributions	£13,521	£13,192
	Accrued pension benefits	£25,686	£23,630
	Movement in accrued pension benefits	£2,056	£1,952
	Lump Sum	£32,994	£32,032
Marie Moy Chief Financial Officer (April 2020 to March 2021)	In-year pension contributions	£6,991	£6,821
	Accrued pension benefits	£15,248	£14,132
	Movement in accrued pension benefits	£1,116	£1,061
	Lump Sum	£21,850	£21,212

The information contained within the Remuneration and Pension Benefits sections above is subject to audit.

**Approved By**

**John Bradley**

**Soumen Sengupta**

**Chair**

**Chief Officer**

**Date** 14 September 2021

**Date** 14 September 2021

## **ANNUAL GOVERNANCE STATEMENT 2020/2021**

### **Introduction**

The Annual Governance Statement explains the governance arrangements and the system of internal control for the IJB and reports on their effectiveness.

### **Scope of Responsibility**

The IJB is responsible for the commissioning of health and social care supports and services to improve the outcomes for the people of Lanarkshire. It is responsible for ensuring its business is conducted in accordance with legislation and proper standards and that public money is safeguarded and properly accounted for. It also has a statutory duty of best value and is required to make arrangements to secure continuous improvement and performance, while maintaining an appropriate balance between quality and cost, having regard to economy, efficiency and effectiveness.

To meet these responsibilities, the IJB has established arrangements for governance which includes a system of internal control to ensure its functions are exercised in a timely, inclusive, open, honest and accountable manner.

The system of internal control is proportionate to the IJB's strategic responsibility and reliance is placed on the NHS Lanarkshire (NHSL) and South Lanarkshire Council (SLC) systems of internal control. The effective operation of each partner's financial and corporate systems, processes and internal controls are key to the achievement of the IJB's outcomes. The internal control system can only provide reasonable and not absolute assurance of effectiveness.

### **The Governance Framework**

The overall aim of the governance framework is to ensure that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities. The governance framework enables the IJB to monitor the attainment of the partnership outcomes.

The system also aims to identify and manage key risks. This includes evaluating the likelihood of those risks materialising and their potential impact, if realised. Internal controls cannot eliminate all risks of failing to achieve policies, aims and objectives however they are a significant part of the governance framework and are designed to manage risk at a reasonable level.

The governance framework within the IJB is set out in the [South Lanarkshire IJB Code of Corporate Governance<sup>9</sup>](#) which comprises of the systems, processes, culture and values by which the IJB is directed and controlled. The Code of Corporate Governance is consistent with the seven core principles of the Delivering Good Governance in Local Government Framework (CIPFA 2016) and also the International Framework, Good Governance in the Public Sector.

### **Review of Adequacy and Effectiveness**

A review of the effectiveness of the system of internal control was undertaken in 2020/2021 in line with the Local Authority Accounts (Scotland) Regulations 2014. The review took into consideration the changes necessary to address the Covid-19 pandemic.

Improvement actions continue to be implemented to further develop controls and to achieve integration outcomes. The review is also informed by cross-assurances from each partner, NHSL and SLC, including consideration of their relevant internal audit and external audit reports and the governance arrangements implemented in response to Covid-19. Ongoing service sustainability is a key priority for the IJB and both partners.

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<sup>9</sup> [http://www.southlanarkshire.gov.uk/slhcsc/downloads/file/73/south\\_lanarkshire\\_ijn\\_code\\_of\\_corporate\\_governance](http://www.southlanarkshire.gov.uk/slhcsc/downloads/file/73/south_lanarkshire_ijn_code_of_corporate_governance)

**ANNUAL GOVERNANCE STATEMENT 2020/2021 (CONT.)**

**Assessment of Governance Arrangements**

The assessment of the IJB governance framework and internal control system confirmed that no significant control weaknesses or significant failures have arisen in the expected standards for good governance, risk management and internal control. There are therefore no issues arising that would require to be disclosed in this statement. The key conclusions which contributed to this overall assessment are detailed below.

**1. Response to the Covid Pandemic**

1.1 There was an immediate requirement to move quickly and decisively to manage the pressures on health and social care services across South Lanarkshire and to sustain this support throughout the duration of the pandemic. The governance context within which the IJB operates has been significantly impacted by the need to implement business continuity processes to respond to the national and international public health challenge presented by the Covid-19 pandemic. The IJB governance arrangements were therefore adapted to support the planning and delivery of health and social care services during the pandemic. At the outset of the pandemic, there was no formal national plan however the IJB and both partners in consultation with the Scottish Government responded immediately to the emergency.

1.2 During the period from 30 March 2020 to 18 May 2021, authority was delegated by the IJB to the IJB Chief Officer, in consultation with the IJB Chair, IJB Depute Chair, or their nominated deputies as necessary, NHSL Chief Accountable Officer and Director of Finance and SLC Chief Executive and Executive Director (Finance and Corporate Resources), to allow timely decisions to be taken to maintain service continuity as far as practical during this critical period, subject to all decisions taken being reported to the next meeting of the IJB for homologation.

1.3 The IJB and PASC has met virtually since March 2020 in line with the original meeting programme throughout the Covid-19 pandemic. Initially only voting members were in attendance. All reports however were circulated to all IJB and PASC members. All members are now invited. IJB business during this period was focused on business critical and time sensitive matters. Although the public cannot yet access the meetings, the Local Democracy Reporter is invited.

1.4 The IJB, the Chief Officer and the Senior Management Team have been key active participants and stakeholders across the range of governance structures adopted to manage the impact of the pandemic. The SLHSCP implemented new service areas and service delivery models in response to the changing levels of need as a result of the pandemic. Examples included the following:

- The establishment of community assessment centres
- Delivery of the vaccination programme.
- The creation of a hub to support the distribution of PPE to our health and social care staff, the third and independent sector, personal assistants and carers.
- The requirement for mental health assessment units.
- The adoption of social distancing requirements.

1.5 The virus, and variants of the virus, remain prevalent within the community and the operational pressures facing health and social care staff continue. The South Lanarkshire IJB continues to work with partners to participate in the wider response to the pandemic at a local and national level.

**2. IJB Governance Developments**

2.1 Section 2 of the IJB Standing Orders details the term of appointment for Voting Members of the IJB namely a period of 3 years. During the year, four voting members and three substitute voting members were reappointed to represent the SLC partner. The appointments of all other voting members on the IJB are not due to expire at the current time.

**ANNUAL GOVERNANCE STATEMENT 2020/2021 (CONT.)**

**Assessment of Governance Arrangements (Cont.)**

2. IJB Governance Developments (Cont.)

2.2 The IJB has arrangements in place to deal with any conflicts of interest that may arise. It is the responsibility of IJB and PASC Members to declare any potential conflicts of interest and it is the responsibility of the Chair of the relevant IJB or PASC to ensure such declarations are appropriately considered and acted upon. The IJB arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

2.3 On 8 December 2020, the IJB approved the extension of the terms of reference of the PASC to include the power to receive any certified abstract of the IJB Annual Accounts. The benefit of this extension is that the PASC's consideration of all financial and audit matters relating to the IJB will be enhanced and the approval process for the IJB Annual Accounts will be streamlined between the IJB and the PASC.

2.4 The Integration Scheme was to be reviewed before the end of the year 5. To ensure our focus was on dealing with the Covid-19 pandemic, the Scottish Government allowed a Light Touch Review to be undertaken with a comprehensive review undertaken when a degree of normality had returned. The Light Touch Review was undertaken by the SLC Legal Services team and the Health and Social Care Management Team. No changes were proposed to the delegated functions. The role and span of the IJB remains the same. There was no requirement to re-submit the Light Touch Review to the Scottish Government. The comprehensive review will be submitted to the Scottish Government for Cabinet Secretary approval.

2.5 The Scottish Government are legislating for IJBs to be included as Category 1 Responders under the Civil Contingencies Act 2004. The Scottish Government believe this status will complement the work already conducted by all of the partners. In terms of resourcing, there should be limited additional activity associated with the requirement given local partners are already working with an integrated health and social care model. Some concerns were expressed locally during the consultation with regards to the strategic role of the IJB in the context of the SLHSCP's operational role, governance, the role of the Chief Officer and that there were no additional formal resources to undertake this activity.

2.6 The following IJB responsibilities are standing items on the IJB and PASC agendas:

▪ Financial monitoring reports	▪ Progress report on agreed actions
▪ Performance monitoring reports	▪ Composite report on national policy/consultations impacting on integration
▪ Risk management update	
▪ Directions update	

3. Achievement of IJB Strategic Commissioning Intentions

3.1 Following the period of extensive participation and engagement activity across the four localities, the second [Strategic Commissioning Plan 2019 - 2022<sup>10</sup>](https://www.southlanarkshire.gov.uk/slhscp/downloads/file/176/south_lanarkshire_integrated_joint_board_meeting_monday_25_march_2019_agenda_pack_and_notice) was approved on 25 March 2019. Plans are in place to prepare the Strategic Commissioning Plan (SCP) for the 3 year period 2022 to 2025. The IJB is committed to ensuring stakeholders are fully engaged. Planning with People was issued by the Scottish Government and COSLA on 11 March 2021 and will be adopted as appropriate. This guidance, developed during the Covid-19 pandemic, recognises that forms of engagement have transformed. Where appropriate digital approaches have been adopted. NHSL is also embarking on a review of the NHSL Strategy Achieving Excellence and SLC is reviewing the Council Plan. The progress of work has been delayed due to the pandemic. The programme was revived in April 2021 with a recognition that new strategies will have to take account of the impacts of the Covid-19 pandemic including an exacerbation of health inequalities and significant backlogs of activity. This will require different modes of delivery. Workstreams are being defined to allow the work to be completed in 2021/2022.

<sup>10</sup>[https://www.southlanarkshire.gov.uk/slhscp/downloads/file/176/south\\_lanarkshire\\_integrated\\_joint\\_board\\_meeting\\_monday\\_25\\_march\\_2019\\_agenda\\_pack\\_and\\_notice](https://www.southlanarkshire.gov.uk/slhscp/downloads/file/176/south_lanarkshire_integrated_joint_board_meeting_monday_25_march_2019_agenda_pack_and_notice) (Agenda Item 2)

**ANNUAL GOVERNANCE STATEMENT 2020/2021 (CONT.)**

**Assessment of Governance Arrangements (Cont.)**

3. Achievement of IJB Strategic Commissioning Intentions (Cont.)
- 3.2 In line with the Public Bodies (Joint Working) (Scotland) Act 2014, on 30 March 2020 the IJB approved the SCP and the issue of Directions to NHSL and SLC for the financial year 2020/2021. In April 2020, the IJB also approved two directions specifically focussed on key areas relating to Health and Homelessness. Despite the challenging circumstances presented by Covid-19, work has progressed on the service arrangements to support the roll out of routine enquiry test pilots in both primary and acute care settings to identify and support those at risk of homelessness during key health and social care consultations. Work has also been progressed to improve the understanding of the actions required to meet the particular needs of homeless households including the need to provide extensive wrap-around support to homeless families with complex needs.
- 3.3 Recognising the impact of the Covid-19 pandemic, the [IJB Directions Progress Update<sup>11</sup>](#) is a regular agenda item on IJB meetings. The most recent update was on 8 December 2021. The [IJB Directions 2021/2022<sup>12</sup>](#) to each partner for the financial year 2021/2022 were also approved by the IJB on 29 March 2021.
- 3.4 Section 42 of the Public Bodies (Joint Working) (Scotland) Act 2014 requires that Annual Performance Reports (APRs) are prepared by IJBs. The 2014 Act obliges that the APR should cover the preceding year's activity and be published four months after the end of that reporting year. The purpose of the APR is to ensure that performance is open and accountable, whilst at the same time providing an overall assessment of performance in relation to planning and carrying out integration functions. In line with paragraph 8 of Schedule 6 to the Coronavirus (Scotland) Act 2020, the publication of the final South Lanarkshire IJB Annual Performance Report 2020/2021 was rescheduled to September 2020.
- 3.5 The management of 'set-aside' budgets totalling £59.501m in 2020/2021 continues to be complex however NHSL continue to maintain an appropriate mechanism for its operation. The overspend across the set-aside service has been managed by the health partner since 2016 (2016/2017 - £0.7m; 2017/2018 - £2.5m; 2018/2019 - £1.3m). This approach was maintained in 2020/2021. The operation of the set-aside budget for unscheduled care services is a key area of uncertainty which has been further exacerbated by the Covid-19 pandemic. These challenges will continue during the post-pandemic period. No changes have been agreed for 2021/2022 however a continuous improvement action has been identified to review the potential outcome of the set-aside concept in 2021/2022. This action will be undertaken in consultation with the NHSL partner.
4. Financial Governance
- 4.1 The financial position of the IJB for 2020/2021 is set out in the management commentary and also at pages 31 to 33. Following consultation with each partner, the IJB Financial Plan 2020/2021 was approved on 30 March 2020 and regular financial monitoring reports were presented to the IJB throughout the year. The IJB Financial Plan 2021/2022 was approved on 29 March 2021.
- 4.2 The financial impact of implementing the emergency response to the Covid-19 pandemic was, and continues to be, significant. The financial position will therefore continue to be closely monitored by both partners and the IJB in consultation with the Scottish Government.

<sup>11</sup>[https://www.southlanarkshire.gov.uk/slhscp/downloads/file/247/sl\\_ib\\_meeting\\_papers\\_8\\_december\\_2020](https://www.southlanarkshire.gov.uk/slhscp/downloads/file/247/sl_ib_meeting_papers_8_december_2020)

<sup>12</sup>[https://www.southlanarkshire.gov.uk/slhscp/downloads/file/254/sl\\_ib\\_special\\_meeting\\_papers\\_29\\_march\\_2021](https://www.southlanarkshire.gov.uk/slhscp/downloads/file/254/sl_ib_special_meeting_papers_29_march_2021)

**ANNUAL GOVERNANCE STATEMENT 2020/2021 (CONT.)**

**Assessment of Governance Arrangements (Cont.)**

5. Risk

5.1 The IJB Risk Management Strategy and the IJB Risk Register were reviewed to reflect the risks emanating from the Covid-19 pandemic. A specific session for the PASC was held on 16 March 2021 which highlighted that there are areas which require to be included in the Risk Register due to new ways of working, recovery processes, the Independent Review of Adult Social Care and the continued response to the pandemic. The outcome of the review is also being aligned to the development of the next SCP. The [Risk Management Update](#)<sup>13</sup> was reported to the PASC on 15 June 2021 and is summarised as follows:

<b>Residual Risk Assessments</b>	<b>No.</b>	<b>%</b>
Very High	0	0%
High	3	21%
Medium	10	71%
Low	1	7%
<b>Total</b>	<b>14</b>	<b>100%</b>

5.2 In respect of the 3 high risks, the mitigating actions in respect of each are highlighted as follows:

5.2.1 Financial challenges continue to present a high risk to the IJB and both partners. In addition to the effective financial planning and monitoring arrangements in place, financial support has been made available by the Scottish Government in 2020/2021 and 2021/2022 to address the additional costs of the emergency response to the Covid-19 pandemic. The IJB Financial Plan 2021/2022 has been agreed with both partners and is being implemented.

5.2.2 The efficient and effective use of resources (IT, premises and governance) is recognised as a high risk. To address this, the IT federated trust approach is being progressed, the viability of a replacement SWiSplus IT system for social care services is being assessed and joint protocols for the co-location of staff and services are being finalised.

5.2.3 In order to address the risks associated with shifting the balance of care from residential and acute settings to community-based alternatives, locality pathways to support people at home are being further developed. This includes the implementation of transitional care models. The progress made will be reflected in the strategic commissioning intentions and the IJB directions.

5.3 The optimum management of risks by the IJB and both partners continues to be a priority. There is a significant element of financial risk associated with Covid-19. Sustainable financial strategies require to be developed to meet increased demand and to maintain the innovative and beneficial changes to service delivery which have been implemented. The IJB Reserves Strategy also requires to be reviewed in response to current circumstances.

<sup>13</sup> [https://www.southlanarkshire.gov.uk/slhscp/downloads/file/260/sl\\_ijb\\_performance\\_and\\_audit\\_sub\\_committee\\_agenda\\_pack\\_15\\_june\\_2021\\_\(Agenda\\_Item\\_10\)](https://www.southlanarkshire.gov.uk/slhscp/downloads/file/260/sl_ijb_performance_and_audit_sub_committee_agenda_pack_15_june_2021_(Agenda_Item_10))



**ANNUAL GOVERNANCE STATEMENT 2020/2021 (CONT.)**

**Assessment of Governance Arrangements (Cont.)**

6. Partner Assurances

- 6.1 In recognition of the Public Health emergency, in March 2020 both partners moved into emergency response mode to respond effectively to the Covid-19 pandemic. Each partner adopted appropriate command and control structures and resilience arrangements as the mechanism for rapid decision making in line with their respective legislative responsibilities. Staff were redeployed to critical service areas. Some services had to be stood down and alternative, safe ways of contacting patients were adopted e.g. Near Me technology. Risks continue to be assessed. Notwithstanding the changes necessary to respond to the Public Health emergency, both partners provided assurance that the governance arrangements remained appropriate and effective.
- 6.2 During the Covid-19 pandemic elective activity was curtailed to allow all staffing resources to be diverted to treat the surge of Covid-19 patients and to ensure appropriate infection prevention control measures were adhered to. The risk of not returning to normal waiting times performance is graded as very high by the NHSL partner. To reduce harm, processes are in place to ensure urgent cases are prioritised.
- 6.3 The sustainability of GP services in its current format across NHSL since being placed on an emergency footing remains a priority for the SLHSCP which is the lead partner for this hosted service. Practical measures are being adopted to reduce the pressure on GP practices. Learning will also be taken from the measures put in place over the pandemic about alternative ways of accessing GP services.
- 6.4 In June 2019, the Primary Care Out of Hours service became very fragile with the inability to cover every clinical session to sustain the two-site model leading to the frequent closure of the Airdrie site. The risk level was therefore raised to very high by the NHSL partner. The need to staff the Covid-19 assessment centres also impacted further on the ability to staff the Out of Hours centres. Active daily management has been required and business continuity plans are in place with planned redirection to A&E, improved triaging jointly with NHS 24, plans for the further recruitment of salaried GPs, increased numbers of advanced Nurse practitioners and a communication & engagement strategy.
- 6.5 Within SLHSCP, a Wellbeing Group has been established to focus on supporting and developing the strategy for Staff Health and Wellbeing across the Partnership area. Of critical importance is the co-production and collaboration with multi-agency partners. Both partners have well established stakeholder engagement mechanisms in place which were adjusted as appropriate during the pandemic.
- 6.6 The Care Inspectorate have a duty to inspect the 42 registered care services within South Lanarkshire. The [Chief Social Work Officer Annual Report 2019/2020<sup>14</sup>](#) was presented to the IJB on 8 December 2020.
- 6.7 Similar to 2019/2020, the NHS National Services Scotland (NSS) Service Auditors provided a qualified opinion on the payments made by their Practitioner Services Division. This was primarily due to areas where there was insufficient documentary evidence on which to conclude rather than a finding that controls were absent or not operating. During 2020/2021, NHS NSS undertook an improvement programme. No significant issues were identified that materially impacted on the NHSL Annual Accounts 2020/2021.

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<sup>14</sup>Agenda Document Pack South Lanarkshire Integration Joint Board 8 December 2020 (18).pdf Agenda Item 7

**ANNUAL GOVERNANCE STATEMENT 2020/2021 (CONT.)**

**Assessment of Governance Arrangements (Cont.)**

6. Partner Assurances (Cont.)

6.8 Audit Scotland have confirmed that the NHSL partner has used the best available information to arrive at an appropriate and reasonable cost allocation for the inclusion of the PPE and testing kits provided by NHS NSS in the NHSL Annual Accounts 2020/2021.

7. External Audit

7.1 In the 2019/2020 External Audit Annual Audit Report, the External Auditors highlighted two matters arising in respect of the Internal Audit arrangements which required to be brought to the IJB's attention as follows:

- The requirement to approve the Internal Audit Plan earlier in the financial year. The Internal Audit Plan 2021/2022 was presented to the IJB for approval on 29 March 2021. This will enable the internal audit work to be undertaken earlier.
- The arrangements for the provision of the Internal Audit Opinion for 2020/2021. The joint internal audit arrangements were reviewed by the IJB Chief Financial Officer in consultation with both partners. The review concluded that the current skills and expertise of each Internal Audit team are being deployed to best effect to provide the independent appraisal of the functions delegated to the IJB, assess the effective management of the strategic IJB risks, contribute positively to the strategic commissioning intentions of the IJB and provide an opinion on the overall governance arrangements of the IJB. The joint approach is efficient, cost effective, minimises the complexities of accessing data to complete audit assignments and avoids unnecessary disruption to the auditees. The IJB Chief Financial Officer's recommendation to the IJB that the joint Internal Audit service continue up to 2022/2023 was therefore approved.

7.2 The financial year 2019/2020 was the only year a joint Internal Audit opinion could not be provided. The exceptional circumstances unique to 2019/2020 are not expected to repeat. Additional staff resources to progress the agreed NHSL Internal Audit assignments on time have also been allocated by the NHSL Chief Internal Auditor in 2020/2021. The joint Internal Audit opinion has been provided for the financial year 2020/2021 and prior to the approval of the Annual Governance Statement by the PASC on 15 June 2021.

7.3 External Audit highlighted that the current working relationship in place between the IJB Chief Financial Officer, the SLC Audit and Compliance Manager and the NHSL Chief Internal Auditor supports effective formal and informal communication. There is also an ongoing commitment to ensure the collective assurance roles of Internal Audit and External Audit are coordinated and optimised. Following an assessment undertaken by External Audit of the IJB's Internal Audit service for 2020/2021, the External Auditor has concluded that the Internal Audit service operates in accordance with Public Sector Internal Audit Standards and has sound documentation standards and reporting procedures in place.

8. Legislative Responsibilities and Scottish Government Requirements

8.1 The Public Records (Scotland) Act 2011 places a statutory duty on the IJB as a Scottish public authority to create and agree with the Keeper of the Records of Scotland, a Records Management Plan (RMP) that sets out proper arrangements for the management of its records. The updated IJB RMP was submitted to the Keeper of the Records at National Records Scotland in December 2020. The RMP will be subject to a review by the IJB on an annual basis. This will ensure compliance with the duty to undertake a programme of improvement in order to satisfy the provisions of the legislation.

**ANNUAL GOVERNANCE STATEMENT 2020/2021 (CONT.)**

**Assessment of Governance Arrangements (Cont.)**

8. Legislative Responsibilities and Scottish Government Requirements (Cont.)
- 8.2 The IJB Publication Scheme, which is required under the Freedom of Information (Scotland) Act 2002 is monitored regularly and was refreshed in May 2021.
- 8.3 Part 4 of the Climate Change (Scotland) Act 2009 places a range of climate change duties on public bodies to reduce greenhouse gas emissions, adapt to a changing climate and act sustainably in order to achieve Scotland's climate change targets. The Climate Change (Duties of Public Bodies Reporting Requirements) (Scotland) Order 2015 also came into force in November 2015. Both SLC and NHSL have robust reporting arrangements in place. In-line with other IJBs, it was therefore agreed that a light touch approach would be adopted when completing the statutory report for 2019/2020. The IJB's Climate Change Duties Report for 2019/2020 was submitted to the Scottish Government in November 2020.
- 8.4 The Model Code of Conduct for Board Members of devolved public bodies is being reviewed. A number of proposals have been suggested which, if accepted, would bring about amendments to the existing Model Code of Conduct, subject to Scottish Parliament approval. Many of the proposed changes focus on making the Code easier to understand, recognising the changes in society such as the role of social media, strengthening the importance of behaving in a respectful manner and making it clear that bullying and harassment is completely unacceptable and should not be tolerated. Comments were submitted to the consultation in February 2021.
- 8.5 The IJB and the SLHSCP also have an important role to promote a culture where employees felt comfortable raising concerns. The [Public Services Reform \(the Scottish Public Services Ombudsman\) \(Healthcare Whistleblowing\) Order 2020 \(SS1 2020/5\)](#)<sup>15</sup> changed the way in which the NHS in Scotland handles whistleblowing concerns. The new National Whistleblowing Standards went live on 1 April 2021, eight months later than originally planned due to the pandemic. The NHSL Whistleblowing Champion provided assurance to the IJB on 18 May 2021 that employees are being supported to speak up about any act or omission which could cause harm, with the focus on delivering a safe and effective health and social care service. The SLC partner's Fraud Response Plan and Procedures and Whistleblowing for Third Parties also set out the arrangements for whistleblowing concerns.
9. Compliance with Best Practice
- 9.1 The IJB complies with the CIPFA Statement on "The Role of the Chief Financial Officer in Local Government 2016". The Chief Financial Officer has responsibility for the IJB's financial strategy and for the proper administration of the IJB's financial responsibilities. The Chief Financial Officer is professionally qualified and suitably experienced to advise the IJB.
- 9.2 The IJB complies with the requirements of the CIPFA Statement on "The Role of the Head of Internal Audit in Public Organisations 2019". The IJB appointed the NHS Lanarkshire Chief Internal Auditor and the NLC Audit and Risk Manager to be responsible for the IJB's internal audit function. Both officers are professionally qualified and suitably experienced to lead and direct the internal audit staff within their teams. Each Internal Audit Service has been subject to external verification of its compliance with the CIPFA "Public Sector Internal Audit Standards 2017" during 2020/2021. It was confirmed that each Internal Audit Service conforms with the requirements of the Public Sector Internal Audit Standards.
- 9.3 The IJB (Performance and Audit) Sub-Committee operates in accordance with CIPFA's Audit Committee Principles in Local Authorities in Scotland and Audit Committees: Practical Guidance for Local Authorities. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the IJB's objectives and to ensure they are managed effectively. The likelihood of those risks being realised is regularly evaluated, including as assessment of the impact of the risks should they be realised.

<sup>15</sup> <https://www.legislation.gov.uk/ssi/2020/5/article/3/made>

**ANNUAL GOVERNANCE STATEMENT 2020/2021 (CONT.)**

**Assessment of Governance Arrangements (Cont.)**

9. Compliance with Best Practice (Cont.)

9.4 The IJB's approach to risk management is set out in the South Lanarkshire IJB Risk Management Strategy and reflects the Code of Practice on Managing the Risk of Fraud and Corruption. Effective standards for countering fraud and corruption are embedded within the IJB and both partners to support good governance and to demonstrate effective financial stewardship and strong public financial management. This includes acknowledging responsibility for countering fraud and corruption, identifying the fraud and corruption risks, developing an appropriate counter fraud and corruption strategy, providing resources to implement the strategy and taking action in response to fraud and corruption. The outcome of the risk management arrangements is reported regularly to the Senior Management Team and the IJB (Performance and Audit) Sub-Committee. An update on the current risk management arrangements was reported to the IJB on 29 September 2020 and included details of the revised Risk Management Strategy and also the risk register developed for the South Lanarkshire Health and Social Care Partnership in light of the Covid-19 pandemic.

**Overview of Control and Governance Improvements during 2020/2021**

Improvement areas to further strengthen the IJB's governance arrangements during 2020/2021 were identified in the Annual Governance Statement included in the IJB Annual Accounts 2019/2020. The timeline for achieving these improvements was a two-year period to 31 March 2021. Progress in respect of addressing these actions has been reported to the IJB throughout the year. The following ongoing actions will continue to be monitored during 2021/2022.

Ref.	Improvement Area Identified	Action Undertaken
1	<p>Further consideration of the Ministerial Strategic Group (MSG) proposals.</p> <p>Chief Officer (April 2019 to March 2021)</p>	<p><b>Ongoing</b></p> <p>On 15 May 2019, the <a href="#">Ministerial Strategic Group (MSG) for Health and Community Care self-evaluation</a><sup>16</sup> was submitted to the Scottish Government. The <a href="#">Ministerial Strategic Group Report – Action Plan</a><sup>17</sup> was reported to the IJB on 10 September 2019. The MSG intended to repeat the evaluation process at the end of the 12-month period set for delivery of all of the proposals. This review however was postponed.</p> <p>Notwithstanding the response to the Covid-19 pandemic, the MSG Action Plan has continued to be implemented during 2020/2021 as far as practical. The outcome of the Independent Review of Adult Social Care is also likely to have an impact on the implementation of the MSG Action Plan going forward.</p>
2	<p>Review the IJB governance arrangements.</p> <p>This will include the review of the following:</p> <ul style="list-style-type: none"> <li>▪ IJB joint internal audit arrangements</li> <li>▪ IJB Code of Corporate Governance</li> <li>▪ IJB emergency response arrangements and</li> <li>▪ the further development of the IJB website.</li> </ul> <p>Chief Financial Officer March 2021</p>	<p>The review of the IJB joint internal audit arrangements is concluded. Further work is required to concluded this action. A review of the response to the Covid-19 pandemic will also be undertaken to identify key learning points and to share good practice.</p>

<sup>16</sup>[https://www.southlanarkshire.gov.uk/slhscp/downloads/file/182/sl\\_ib\\_performance\\_and\\_audit\\_sub\\_committee\\_agenda\\_pack\\_21\\_may\\_2019](https://www.southlanarkshire.gov.uk/slhscp/downloads/file/182/sl_ib_performance_and_audit_sub_committee_agenda_pack_21_may_2019) (Agenda Item 6)

<sup>17</sup>[https://www.southlanarkshire.gov.uk/slhscp/downloads/file/201/south\\_lanarkshire\\_integrated\\_joint\\_board\\_meeting\\_papers\\_10\\_september\\_2019](https://www.southlanarkshire.gov.uk/slhscp/downloads/file/201/south_lanarkshire_integrated_joint_board_meeting_papers_10_september_2019) (Agenda Item 12)

**ANNUAL GOVERNANCE STATEMENT 2020/2021 (CONT.)**

**Overview of Control and Governance Improvements during 2020/2021 (Cont.)**

Ref.	Improvement Area Identified	Action Undertaken
3	<p>Continue to develop the financial framework. This will include the review of the following:</p> <ul style="list-style-type: none"> <li>▪ IJB Medium to Long Term Financial Strategy</li> <li>▪ IJB Financial Plan 2020/2021</li> <li>▪ IJB Financial Regulations</li> <li>▪ IJB financial monitoring reports</li> <li>▪ IJB reserves strategy</li> <li>▪ the alignment of resources to partner directions and locality needs and</li> <li>▪ finance capacity.</li> </ul> <p>Chief Financial Officer March 2021</p>	<p>The review of the IJB financial arrangements has progressed in part. The IJB Financial Plan 2020/2021 and the IJB Medium to Long Term Financial Strategy have both been reported to the IJB. Further work is required to conclude this action.</p> <p>A review of the resources available in 2021/2022 and in future years is being progressed in consultation with both partners in order to contribute to the development of the SCP 2022-2025.</p>

**Overview of Control and Governance Improvements for 2021/2022**

Following consideration of the internal review of the adequacy and effectiveness of the IJB governance arrangements, the following actions will be progressed in 2021/2022

Ref.	Improvement Area Identified	Improvement Action Agreed	Lead Officer	Timeline
1	Completion of previous internal and external audit actions.	Although some progress was made during 2020/2021, the previously agreed internal and external audit actions were not completed. The progress was reported to the PASC on 15 June 2021 and revised timelines were approved.	Chief Financial Officer	March 2022
2	Review of Recruitment and Retention Strategies	The impact of vacancies and planned retirement requires to be pro-actively addressed. Action has been taken during 2020/2021 by both partners to address risks in respect of specific service areas. The Response, Recovery and Remobilisation Plan will require to address significant waiting lists, an increase in demand and new ways of working. Pending further discussion and agreement with each partner, the IJB will have oversight of the comprehensive Human Resource reviews which each partner will undertake to ensure tailored recruitment, retention and succession planning solutions are identified, training is targeted and safe staffing levels are maintained. Maintaining employee well-being and motivation during and post-pandemic is also a key priority for the IJB and both partners.	Chief Officer	March 2022
3	Review of Set-Aside Concept	In recognition of the ongoing challenges in respect of implementing the notional set-aside concept and the requirement to ensure there will be sufficient bed capacity across Acute Services post pandemic, an assessment of the potential outcome of the set-aside concept in 2021/2022 will be undertaken in consultation with the NHS partner. Cognisance will also be taken of national developments in respect of the notional set-aside concept and the Independent Review of Adult Social Care Services.	Chief Financial Officer	March 2022
4	Support for Out of Hours Services	To have oversight of the Primary Care Out of Hours Service Business Continuity Plans and to support the implementation of the actions recommended by the NHS partner to maintain safe service availability. The risk level of this service was raised to very high.	Chief Officer	March 2022
5	Independent Review of Adult Social Care Services	To develop a sound understanding of the impact for the SLHSCP of the 53 recommendations emanating from the review and to contribute to the national discussion to take this forward.	Chief Officer	March 2022

**ANNUAL GOVERNANCE STATEMENT 2020/2021 (CONT.)**

**Internal Audit Opinion**

Internal control remains, primarily, a management responsibility to ensure that the partnership conducts its business in a manner that has due regard to the principles of good governance. This responsibility has continued throughout the Covid-19 pandemic and includes any changes to business processes that have been required throughout this period. Internal Audit monitor these changes. Overall, the results of all of the work undertaken by Internal Audit in 2020/2021, including shared system audits and the reports produced by External Audit, help to inform an opinion on whether the internal controls the SLHSCP has in place are adequate. The formal annual Internal Audit opinion on the soundness of the IJB's internal control systems is presented jointly by the SLC Audit and Compliance Manager and the NHSL Chief Internal Auditor. The Internal Audit opinion is that, overall, reasonable assurance can be placed on the adequacy and effectiveness of the partnership's framework of governance, risk management and control arrangements for 2020/2021. No issues have been identified during the course of the internal audit work which would require to be disclosed in the Annual Governance Statement. The Internal Audit work for 2021/2022 will focus on key strategic and operational areas of risk for the IJB.

**Conclusion and Opinion on Assurance**

Throughout 2020/2021, in response to the Public Health emergency, the IJB and both partners revised their governance arrangements to support the most effective response to the Covid-19 pandemic. SLC and NHSL responded pro-actively to the Covid-19 pandemic and emergency arrangements were put in place to allow services to rapidly respond to each development. Normal business operations were impacted and some of the expected systems and controls have been subject to change. Risk assessments had to be updated and regularly reviewed. Against this unprecedented backdrop, the IJB has adhered to the stated principles of good governance, acted in the public interest and been committed to continuous improvement. There were no significant control weaknesses, issues or failures in the expected standards for good governance, risk management and internal control. Assurances that adequate and effective systems of internal control are in place have been exchanged between the IJB and each partner. The IJB governance arrangements are effective and consistent with the recommendations of the CIPFA/SOLACE Framework (2016). The IJB considers that review processes are in place and are effective.

Making transformational change, at the same time as managing existing services and funding pressures, particularly during the Covid-19 pandemic, continues to be challenging. Both partners will experience significant challenges in recovering from the pandemic. There will be a significant backlog of activity to be addressed. Workforce and financial resources will be stretched. Response, recovery and remobilisation plans are being refreshed to ensure available resources are prioritised and new approaches, which have proven to be effective, continue to be implemented. While recognising that continuous improvement actions will be progressed during the sixth year of operation, it is the IJB's opinion that reasonable and objective assurance can be placed upon the adequacy and effectiveness of the IJB's governance arrangements and that any significant risks impacting on the IJB's principal objectives will be identified and actions taken to avoid or mitigate their impact. This assurance is limited, however, to the work undertaken during the year, the assurances provided by each partner and the evidence available at the time of preparing this statement. In partnership with NHSL and SLC, the IJB continues to have effective and robust structures in place to deliver the commissioning intentions. The good governance arrangements across the SLHSCP also effectively contribute to the implementation of the objectives of both partners.

**Approved By**

**John Bradley**  
**Chair**  
**Date**

14 September 2021

**Soumen Sengupta**  
**Chief Officer**  
**Date**

14 September 2021

**SOUTH LANARKSHIRE INTEGRATION JOINT BOARD  
ANNUAL ACCOUNTS 2020/2021**

**COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2021**

This statement shows the actual cost of providing services in accordance with generally accepted accounting practices, the total funding contributions from the partners and the surplus on activities during the year.

2019/2020				2020/2021		
Gross Expenditure	Gross Income	Net		Gross Expenditure	Gross Income	Net
£m	£m	£m		£m	£m	£m
178.194	(7.051)	171.143	Social Care Services	181.575	(5.840)	175.735
97.615	0.000	97.615	Family Health Services	101.625	0.000	101.625
67.742	0.000	67.742	Prescribing Costs	66.624	0.000	66.624
99.138	0.000	99.138	Hosted Services (Note 9)	109.828	0.000	109.828
57.768	0.000	57.768	Hospital Acute Services (Notional Set Aside Budget)	59.501	0.000	59.501
46.234	0.000	46.234	Health Care Services	49.029	0.000	49.029
5.455	(2.842)	2.613	Housing Services	4.333	(2.869)	1.464
0.165	0.000	0.165	Corporate Services (Note 6)	0.170	0.000	0.170
0.000	0.000	0.000	Covid-19 Costs (Note 12)	24.384	0.000	24.384
<b>552.311</b>	<b>(9.893)</b>	<b>542.418</b>	<b>Cost of Services</b>	<b>597.069</b>	<b>(8.709)</b>	<b>588.360</b>
0.000	(537.568)	(537.568)	Taxation and Non-Specific Grant Income (Note 5)	0.000	(587.877)	(587.877)
0.000	(0.000)	0.000	Covid-19 Funding (Note 12)	0.000	(31.329)	(31.329)
<b>552.311</b>	<b>(547.461)</b>	<b>4.850</b>	<b>(Surplus) / Deficit on provision of services and total comprehensive (income) and expenditure</b> (Note 10)	<b>597.069</b>	<b>(627.915)</b>	<b>(30.846)</b>

The IJB was established on 6 October 2015. Integrated delivery of health social care services commenced on 1 April 2016. 2020/2021 is the fifth year of operation for the IJB.

There are no statutory or presentation adjustments which affect the IJB's application of the funding received by 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 IJB's reserves. The movements which arise due to statutory adjustments which affect the General Fund balance are separately identified from the movements due to accounting practices.

<b>Movements in Reserves</b>	<b>General Fund Balance £m</b>	<b>Total Reserves £m</b>
<b>Opening balance at 1 April 2019</b>	<b>11.023</b>	<b>11.023</b>
Total Comprehensive Income and Expenditure	4.850	4.850
Increase or (decrease) in 2019/2020	(4.850)	(4.850)
<b>Opening balance at 1 April 2020</b>	<b>6.173</b>	<b>6.173</b>
Total Comprehensive Income and Expenditure	(30.846)	(30.846)
Increase or (decrease) in 2020/2021	30.846	30.846
<b>Closing balance at 31 March 2021</b>	<b>37.019</b>	<b>37.019</b>



**SOUTH LANARKSHIRE INTEGRATION JOINT BOARD  
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**BALANCE SHEET AS AT 31 MARCH 2021**

The balance sheet shows the value as at 31 March 2021 of the IJB's assets and liabilities at the balance sheet date. The net assets of the IJB are matched by the reserves held by the IJB.

<b>31 March 2020 £m</b>	<b>Balance Sheet</b>	<b>Notes</b>	<b>31 March 2021 £m</b>
6.173	<b>Current assets</b> Short term debtors	7	37.019
<b>6.173</b>	<b>Net assets / (liabilities)</b>		<b>37.019</b>
6.173	Usable reserves	10	37.019
<b>6.173</b>	<b>Total reserves</b>		<b>37.019</b>

The Statement of Accounts present a true and fair view of the financial position of the South Lanarkshire Integration Joint Board as at March 2021 and its income and expenditure for the year then ended.

The unaudited accounts were authorised for issue on 15 June 2021 and the audited accounts were authorised for issue on 14 September 2021.

**Authorised By**

**Marie Moy**

**Chief Financial Officer**

**Date:** 14 September 2021

## **NOTES TO THE ACCOUNTS**

### **1. Accounting policies**

#### **1.1 General principles**

The Annual Accounts summarise the transactions of the IJB for the financial year 2020/2021 and its position at the year end of 31 March 2021.

The IJB was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a section 106 body as defined in the Local Government (Scotland) Act 1973. It is a joint venture between South Lanarkshire Council and NHS Lanarkshire.

The financial statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020/2021, supported by the International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

#### **1.2 Going concern**

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

#### **1.3 Accounting convention**

The accounts are prepared under the historical cost convention.

#### **1.4 Accruals of income and expenditure**

Activity is accounted for in the year that it relates to and not simply when financial transactions are undertaken. In particular:

- Expenditure is recognised when goods or services are received and their benefits are used by the IJB.
- Income is recognised when the IJB has a right to the income, for instance, by meeting any terms and conditions required to earn the income, and receipt of the income is probable.
- Where income and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the balance sheet.
- Where debts may not be received, the balance of debtors is written down.

#### **1.5 Funding**

The IJB is primarily funded through funding contributions from the statutory funding partners, South Lanarkshire Council and NHS Lanarkshire, to fund its services. Expenditure is incurred as the IJB commissions specified health and social care services from the funding partners for the benefit of service recipients in South Lanarkshire.

#### **1.6 Cash and cash equivalents**

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partners. Consequently, the IJB does not present a "cash and cash equivalent" figure on the balance sheet. There is therefore no requirement for the IJB to prepare a cash flow statement. The funding balance due to or from each funding partner as at 31 March 2021 is represented as a debtor or creditor on the IJB's balance sheet.

#### **1.7 Employee benefits**

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

**NOTES TO THE ACCOUNTS (CONT.)**

**1.8 Corporate services**

The IJB has a legal responsibility to appoint a Chief Officer. A Chief Financial Officer has also been appointed to the IJB. The details in respect of these arrangements are outlined in the Remuneration Report. The charges from the employing partner are treated as employee costs within Corporate Services. The absence entitlement of both the Chief Officer and the Chief Financial Officer as at 31 March 2021 is not material and has therefore not been accrued.

**1.9 Indemnity Insurance**

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding board member and officer responsibilities. NHS Lanarkshire and South Lanarkshire Council have responsibility for claims in respect of the services that they are statutory responsible for and that they provide. Unlike NHS Boards, the IJB does not have any "shared risk" exposure from participation in the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS). The IJB participation in CNORIS is therefore analogous to normal insurance arrangements.

**1.10 Debtors and creditors**

Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet.

**1.11 Reserves**

A reserve is the accumulation of surpluses, deficits and appropriation over a number of years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the IJB. Reserves should be split between usable and unusable on the balance sheet. As at 31 March 2021, the useable reserve balance totals £37.019 million. There are no unusable reserves.

**1.12 Specific Service Income**

Income may be received from individuals as a contribution towards the cost of their social care services. Following a review of the accounting treatment of this income, the amount collected is allocated to the relevant expenditure category and the net cost is reported in the Comprehensive Income and Expenditure Statement. This is the basis upon which the 2020/2021 annual accounts have been prepared.

**2. Critical judgements and estimation uncertainty**

The critical judgements made in the financial statements relating to complex transactions are in relation to the accounting treatment of hosted services and the hospital acute services (set-aside).

Expenditure in respect of hosted services and hospital acute services are included in the financial statements on the basis of estimated figures. Estimates are made taking into account the best available information, however, actual results could be materially different from the assumptions and estimates used. This is further explained at note 2.1 and 2.2.

**2.1 Hosted services**

In applying the accounting policies set out above, the IJB has had to make a critical judgement relating to complex transactions in respect of values included for services hosted within South Lanarkshire IJB for North Lanarkshire IJB.

Within Lanarkshire, each IJB has operational responsibility for the services which it hosts on behalf of the other IJB. In delivering these services the IJB has primary responsibility for the provision of the services and bears the risk and reward associated with this service delivery in terms of demand and the financial resources required. As such, the full costs are reflected within the annual accounts for the services which the IJB hosts. This is the basis upon which the 2020/2021 annual accounts have been prepared.

**NOTES TO THE ACCOUNTS (CONT.)**

**2. Critical judgements and estimation uncertainty (Cont.)**

**2.1 Hosted services (Cont.)**

The relevant share of the pan Lanarkshire and area wide service expenditure is therefore included in the South Lanarkshire IJB on the basis of 49% of the total expenditure. 51% of the services relating to the North Lanarkshire IJB are also included as the South Lanarkshire IJB is acting as the principal for the delivery of these services.

In line with the Integrated Resource Advisory Group Guidance, the IJB responsible for the management of the hosted service is also responsible for managing overspends. As a result, these are accounted for within the annual accounts of the lead IJB. The same accounting treatment was adopted where an underspend arose in respect of a hosted service.

**2.2 Hospital Acute Services (Set Aside)**

The legislation sets out that Integration Authorities are responsible for the strategic planning of hospital services most commonly associated with the emergency care pathway along with primary and community health care and social care services.

In respect of the current financial year 2020/2021 the notional figure for the sum set aside for 2020/2021 has been agreed with NHSL as £59.501. This amount will be included in both the NHSL Health Board and IJB annual accounts 2020/2021.

This notional figure is based on the 2020/2021 price basis and has been adjusted for planned service changes during 2020/2021 including any transfer of resources from acute services to community services and adjustments informed by the review of 2018/2019 activity levels. This figure has been reviewed and supplemented by additional planning information on resource use. It should be noted therefore that the sum set aside recorded in the annual accounts will not therefore reflect actual hospital use in 2020/2021.

The methodology to cost these set-aside services is complex. The agreement in place between NHSL and the IJB is that the services covered within the set aside arrangements will be provided for the agreed notional sum and that the risk of the cost of the directed services exceeding the agreed notional sum is borne by NHSL during the year.

The activity data upon which the set-aside figure is based is in arrears. The 2018/2019 costs for the South Lanarkshire IJB were published in September 2020, approximately 18 months after the year-end.

Year	Notional Budget £m	Actual Cost £m	Underspend/(Overspend) £m
2016/2017	54.645	55.397	(0.752)
2017/2018	54.214	56.723	(2.510)
2018/2019	54.818	56.146	(1.328)

Based on the 2018/2019 activity data and in line with the agreed methodology, the 2018/2019 budget was restated from £54.919m to £54.818m. The cost of providing services in 2018/2019 is retrospectively estimated to be £56.146m, which is £1.328m (2.4%) more than the restated notional budget.

In 2017/2018 the costs had been £2.510m (5%) more than the restated notional budget. The additional cost was borne by NHSL in each year. This arrangement continues to be transitional pending further advice from the Scottish Government on the set-aside concept in order to further develop the arrangements required to meet the legislation and the statutory guidance. In line with the agreed cost allocation methodology, the cost estimates will be updated when more information becomes available in order to inform how the set-aside services are being used and to aid the future strategic planning of this resource.

**NOTES TO THE ACCOUNTS (CONT.)**

**2. Critical judgements and estimation uncertainty (Cont.)**

**2.3 Personal Protective Equipment (PPE) and Testing Kits**

The Scottish Government has issued guidance on accounting for PPE and testing kits. In accordance with this guidance and based on the judgement that the IJB is acting as an agent, the income and expenditure relating to PPE has been excluded from the IJB Annual Accounts 2020/2021.

**3. Events after the reporting period**

The Chief Financial Officer authorised the unaudited IJB Annual Accounts 2020/2021 for issue on 15 June 2021. There have been no other material events to date since the date of the balance sheet which requires revision to the figures in the Annual Accounts.

NOTES TO THE ACCOUNTS (CONT.)

4. Expenditure and Income Analysis by Nature

2019/2020 £m	Expenditure and Income	2020/2021 £m	2020/2021 £m
178.194	Social Care Services		181.575
97.615	Family Health Services		101.625
67.742	Prescribing Costs		66.624
45.875	Hosted Services - Led by the South IJB (Note 9)	51.861	
53.263	Hosted Services - Led by the North IJB	57.967	
<b>99.138</b>	<b>Hosted Services – Total</b>		<b>109.828</b>
57.768	Hospital Acute Services (Notional Set Aside Budget)		59.501
33.993	Health Care Services – Localities	36.253	
7.519	Health Care Services - Area Wide	8.543	
4.722	Health Care Services - Out-of-Area	4.233	
<b>46.234</b>	<b>Health Care Services – Total</b>		<b>49.029</b>
2.842	Housing Services - Housing Revenue Account	2.869	
2.613	Housing Services - General Fund	1.464	
<b>5.455</b>	<b>Housing Services – Total</b>		<b>4.333</b>
0.165	Corporate Services		0.170
0.000	Covid-19 Costs		24.384
<b>552.311</b>	<b>Total Gross Expenditure</b>		<b>597.069</b>
(410.845)	Funding Contribution - NHS Lanarkshire		(457.158)
(126.723)	Funding Contribution - South Lanarkshire Council		(130.719)
(9.893)	Specific Service Income		(8.709)
0.000	Covid-19 Funding		(31.329)
<b>(547.461)</b>	<b>Total Income</b>		<b>(627.915)</b>
<b>4.850</b>	<b>(Surplus) / Deficit on the provision of services</b>		<b>(30.846)</b>

**NOTES TO THE ACCOUNTS (CONT.)**

**5. Taxation and Non-Specific Grant Income**

<b>2019/2020 £m</b>		<b>2020/2021 £m</b>
(410.845)	Funding Contribution from NHS Lanarkshire	(457.158)
(126.723)	Funding Contribution from South Lanarkshire Council	(130.719)
<b>(537.568)</b>	<b>Total</b>	<b>(587.877)</b>

The funding contribution from the NHS Board shown above includes £59.501m in respect of the “set aside” resources relating to acute hospital and other resources. These are provided by NHS Lanarkshire which retains responsibility for managing the costs of providing these services. The IJB however, has responsibility for the consumption of, and level of demand placed on, these resources.

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

Income and expenditure in relation to a local authority's own direct provision of housing must be recorded separately within a Housing Revenue Account as laid out in Section 203 of the Housing (Scotland) Act 1987. The amount of the ring-fenced contribution in relation to the Housing Revenue Account totals £2.869m.

Specific service income contributions from individuals towards the cost of their social care services total £5.821m.

Funding to meet the cost of the emergency response to the Covid-19 pandemic and the remobilisation of services is detailed separately at note 11 and note 12.

There are no other non-ring fenced grants or contributions.

**6. Corporate Services**

<b>31 March 2020 £m</b>		<b>31 March 2021 £m</b>
0.135	Staff Costs	0.140
0.027	External Audit Fee	0.027
0.003	Administration Costs	0.003
<b>0.165</b>	<b>Total</b>	<b>0.170</b>

**7. Short Term Debtors**

<b>31 March 2020 £m</b>		<b>31 March 2021 £m</b>
5.561	NHS Lanarkshire Health Board	35.757
0.612	South Lanarkshire Council	1.262
<b>6.173</b>	<b>Total</b>	<b>37.019</b>

**NOTES TO THE ACCOUNTS (CONT.)**

**8. VAT**

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

The VAT treatment of expenditure in the IJB's accounts depends on which of the partner agencies is providing the service as these are treated differently for VAT purposes.

VAT payable therefore 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.

The services provided by the Chief Officer to the IJB are outside the scope of VAT as they are undertaken under a specific legal regime.



NOTES TO THE ACCOUNTS (CONT.)

9. Hosted Services - Income and Expenditure

On behalf of the North Lanarkshire IJB within the NHS Lanarkshire area, the South Lanarkshire IJB acts as the lead for a number of delegated hosted services. It therefore commissions services on behalf of the North Lanarkshire IJB and reclaims the costs involved. The payments that are made on behalf of the North Lanarkshire IJB, and the consequential reimbursement, are included in the Comprehensive Income and Expenditure Statement.

The net amount of expenditure and income relating to these hosted services arrangements is shown below:

2019/2020			Delegated Services - Hosted Services	2020/2021		
Expenditure on hosted services	Income from hosted services	Net Expenditure		Expenditure on hosted services	Income from hosted services	Net Expenditure
£m	£m	£m		£m	£m	£m
2.566	(2.566)	0.000	Primary Care Transformation	7.373	(7.373)	0.000
3.206	(3.206)	0.000	Community Dental Services	3.325	(3.325)	0.000
4.123	(4.123)	0.000	Out of Hours Services	4.255	(4.255)	0.000
1.825	(1.825)	0.000	Diabetic Services	2.211	(2.211)	0.000
3.960	(3.960)	0.000	Occupational Therapy Services	4.565	(4.565)	0.000
3.465	(3.465)	0.000	Palliative Care Services	3.636	(3.636)	0.000
0.348	(0.348)	0.000	Primary Care Services	0.378	(0.378)	0.000
4.744	(4.744)	0.000	Physiotherapy Services	4.917	(4.917)	0.000
<b>24.237</b>	<b>(24.237)</b>	<b>0.000</b>	<b>Services hosted by the South Lanarkshire IJB on behalf of the North Lanarkshire IJB</b>	<b>30.660</b>	<b>(30.660)</b>	<b>0.000</b>
<b>21.638</b>	<b>(23.287)</b>	<b>(1.649)</b>	<b>Services hosted by the South Lanarkshire IJB on behalf of the South Lanarkshire IJB</b>	<b>21.201</b>	<b>(29.457)</b>	<b>(8.256)</b>
<b>45.875</b>	<b>(47.524)</b>	<b>(1.649)</b>	<b>Services hosted by the South Lanarkshire IJB Total (Note 4)</b>	<b>51.861</b>	<b>(60.117)</b>	<b>(8.256)</b>

NOTES TO THE ACCOUNTS (CONT.)

9. Hosted Services - Income and Expenditure (Cont.)

Similarly, the North Lanarkshire IJB within the NHS Lanarkshire area acts as the lead for a number of delegated hosted services on behalf of the South Lanarkshire IJB. The payments that are made by the North Lanarkshire IJB on behalf of the South Lanarkshire IJB, and the consequential reimbursement, are included in the Comprehensive Income and Expenditure Statement, since this expenditure is incurred for the residents of South Lanarkshire. The net amount of expenditure and income relating to those arrangements hosted by the North Lanarkshire IJB is shown below:

2019/2020			Delegated Services - Hosted Services	2020/2021		
Expenditure on hosted services	Income from hosted services	Net Expenditure		Expenditure on hosted services	Income from hosted services	Net Expenditure
£m	£m	£m		£m	£m	£m
1.340	(1.340)	0.000	Sexual Health Services	1.360	(1.360)	0.000
1.048	(1.048)	0.000	Continence Services	1.057	(1.057)	0.000
1.113	(1.113)	0.000	Immunisation Services	0.908	(0.908)	0.000
2.783	(2.783)	0.000	Speech and Language Therapy Services	2.862	(2.862)	0.000
3.505	(3.505)	0.000	Child & Adolescent Mental Health Services	3.930	(3.930)	0.000
5.401	(5.401)	0.000	Children's Services	5.591	(5.591)	0.000
0.265	(0.265)	0.000	Integrated Equipment and Adaptations Services	0.523	(0.523)	0.000
1.721	(1.721)	0.000	Dietetics Services	1.854	(1.854)	0.000
1.994	(1.994)	0.000	Podiatry Services	2.081	(2.081)	0.000
0.800	(0.800)	0.000	Prisoner Healthcare Services	0.848	(0.848)	0.000
0.742	(0.742)	0.000	Blood Borne Viruses	0.703	(0.703)	0.000
1.014	(1.014)	0.000	Hospital at Home Services	1.062	(1.062)	0.000
31.536	(31.536)	0.000	Mental Health Services	35.188	(35.188)	0.000
<b>53.263</b>	<b>(53.263)</b>	<b>0.000</b>	<b>Services hosted by the North Lanarkshire IJB on behalf of the South Lanarkshire IJB (Note 4)</b>	<b>57.967</b>	<b>(57.967)</b>	<b>0.000</b>

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**NOTES TO THE ACCOUNTS (CONT.)**

**10. Usable Reserve: General Fund**

The IJB holds a balance on the General Fund for two main purposes. One purpose is 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. A second purpose is to provide a contingency fund to cushion the impact of unexpected events or emergencies. This is regarded as a key part of the IJB's risk management framework. The table below shows the movements on the General Fund balance, analysed between those elements earmarked for specific planned future expenditure, and the amount held as a general contingency.

2019/2020					2020/2021		
Balance as at 1 April 2019	Transfers Out	Transfers In	Balance as at 31 March 2020	Useable Reserve	Transfers Out	Transfers In	Balance as at 31 March 2021
£m	£m	£m	£m	Earmarked Reserves (Ring-Fenced Funding)	£m	£m	£m
0.000	0.000	0.000	0.000	Remobilisation Fund	0.000	6.945	6.945
0.000	0.000	0.000	0.000	Integration Authority Support Fund	0.000	5.924	5.924
0.412	(0.412)	0.007	0.007	Primary Care Improvement Fund	0.000	5.809	5.816
0.000	0.000	0.000	0.000	Winter Preparedness Fund	0.000	2.573	2.573
1.062	(0.545)	0.000	0.517	Alcohol and Drug Partnership Fund	(0.517)	2.498	2.498
0.000	0.000	0.000	0.000	Community Living Change Fund	0.000	1.162	1.162
0.000	0.000	0.750	0.750	GP Information Technology Fund	0.000	0.000	0.750
0.000	0.000	0.000	0.000	West Of Scotland Trauma Fund	0.000	0.655	0.655
0.000	0.000	0.536	0.536	Community WIFI Fund	0.000	0.000	0.536
3.681	(3.681)	0.000	0.000	Primary Care and Mental Health Transformation Fund	0.000	0.000	0.000
0.111	(0.096)	0.000	0.015	Earmarked Reserves (Ring-Fenced Funding - Other)	(0.015)	0.280	0.280
<b>5.266</b>	<b>(4.734)</b>	<b>1.293</b>	<b>1.825</b>	<b>Total Earmarked Reserves (Ring-Fenced Funding)</b>	<b>(0.532)</b>	<b>25.846</b>	<b>27.139</b>
				<b>Earmarked Reserves (Voluntary)</b>			
0.000	0.000	0.000	0.000	Information Technology Fund	0.000	1.197	1.197
0.000	0.000	0.000	0.000	Area Wide Services	0.000	0.999	0.999
0.000	0.000	0.000	0.000	Physiotherapy Services	0.000	0.952	0.952
0.701	(0.089)	0.000	0.612	Social Care Contingency Fund	(0.173)	0.238	0.677
0.191	0.000	0.246	0.437	Telehealth Projects and Technology Fund	(0.246)	0.672	0.863
0.000	0.000	0.000	0.000	Housing Services - General Fund	0.000	0.585	0.585
0.375	(0.138)	0.000	0.237	Transitional Fund	0.000	0.267	0.504
0.736	(0.736)	0.000	0.000	Prescribing Fund	0.000	0.500	0.500
1.946	(1.012)	0.208	1.142	Earmarked Reserves (Voluntary – Other)	(0.377)	0.903	1.668
<b>3.949</b>	<b>(1.975)</b>	<b>0.454</b>	<b>2.428</b>	<b>Total Earmarked Reserves (Voluntary)</b>	<b>(0.796)</b>	<b>6.313</b>	<b>7.945</b>
1.808	(0.453)	0.565	1.920	Contingency Reserves	0.000	0.015	1.935
<b>11.023</b>	<b>(7.162)</b>	<b>2.312</b>	<b>6.173</b>	<b>General Fund</b>	<b>(1.328)</b>	<b>32.174</b>	<b>37.019</b>
	<b>0.553</b>	<b>(0.553)</b>	<b>0.000</b>	<b>Transfer Between Reserves</b>	<b>0.015</b>	<b>(0.015)</b>	<b>0.000</b>
	<b>(6.609)</b>	<b>1.759</b>	<b>(4.850)</b>	<b>Movement In Reserves (Decrease)/Increase</b>	<b>(1.313)</b>	<b>32.159</b>	<b>30.846</b>

**NOTES TO THE ACCOUNTS (CONT.)**

**11. Related Party Transactions**

The IJB has related party transactions with NHS Lanarkshire and South Lanarkshire Council. In particular, the nature of the partnership means that the IJB may influence, and be influenced by, its partners. The following transactions and balances included in the IJB's accounts are presented to provide additional information on the relationships. These transactions include the expenditure and funding related to the Covid-19 pandemic and remobilisation which are also detailed at note 12.

<b>2019/2020 £m</b>	<b>Transactions with NHS Lanarkshire</b>	<b>2020/2021 £m</b>
(410.845)	Funding Contributions received from NHS Lanarkshire	(457.158)
0.000	Covid-19 Funding	(31.329)
368.497	Expenditure on Services Provided by NHS Lanarkshire	386.607
0.000	Covid-19 Costs	4.045
0.027	Support Services	0.030
<b>(42.321)</b>	<b>Net Transactions with NHS Lanarkshire</b>	<b>(97.805)</b>

Key Management Personnel: The non-voting Board members are not directly employed by NHS Lanarkshire however a contribution of 50% of the cost of the Chief Officer and the Chief Financial Officer is made by NHS Lanarkshire. This payment is included in the Corporate Services cost in the Comprehensive Income and Expenditure Statement. Details of the remuneration of these post holders is included in the Remuneration Report.

NHS Lanarkshire provide a range of support services for the IJB including finance services, personnel services, planning services, audit services, payroll services and creditor services. There is no charge from NHS Lanarkshire to the IJB for these support services.

<b>31 March 2020 £m</b>	<b>Balances with NHS Lanarkshire</b>	<b>31 March 2021 £m</b>
5.561	Debtor balances: Amounts due from NHS Lanarkshire	35.757
<b>5.561</b>	<b>Net Balance with NHS Lanarkshire</b>	<b>35.757</b>

<b>2019/2020 £m</b>	<b>Transactions with South Lanarkshire Council</b>	<b>2020/2021 £m</b>
(126.723)	Funding Contributions received from South Lanarkshire Council	(130.719)
(9.893)	Service Income received from South Lanarkshire Council	(8.709)
0.000	Covid-19 Funding	0.000
183.649	Expenditure on Services Provided by South Lanarkshire Council	185.908
0.000	Key Management Personnel: Non-Voting Board Members	0.000
0.000	Covid-19 Costs	20.339
0.138	Support Services	0.140
<b>47.171</b>	<b>Net Transactions with South Lanarkshire Council</b>	<b>66.959</b>

**NOTES TO THE ACCOUNTS (CONT.)**

**11. Related Party Transactions (Cont.)**

Key Management Personnel: The Chief Officer and the Chief Financial Officer are non-voting Board members and are directly employed by South Lanarkshire Council.

Only 50% of the cost of the Chief Officer is allocated by South Lanarkshire Council to the IJB. This payment is included in the Corporate Services cost in the Comprehensive Income and Expenditure Statement. The cost is shared equally between South Lanarkshire Council and NHS Lanarkshire.

Only 50% of the cost of the Chief Financial Officer is allocated by South Lanarkshire Council to the IJB. This payment is included in the Corporate Services cost in the Comprehensive Income and Expenditure Statement. The cost is shared equally between South Lanarkshire Council and NHS Lanarkshire.

Details of the remuneration of these post holders is included in the Remuneration Report.

South Lanarkshire Council also provide a range of support services for the IJB including finance services, personnel services, planning services, legal services, audit services, payroll services and creditor services. There is no charge from South Lanarkshire Council to the IJB for these support services.

<b>31 March 2020 £m</b>	<b>Balances with South Lanarkshire Council</b>	<b>31 March 2021 £m</b>
0.612	Debtor balances: Amounts due from South Lanarkshire Council	1.262
<b>0.612</b>	<b>Net Balance with South Lanarkshire Council</b>	<b>1.262</b>

The financial information contained in the IJB Annual Accounts excludes any values associated with transactions between each of the partners. This has been removed to prevent double counting.

**12. Covid-19 Costs and Funding**

Additional funding was provided by the Scottish Government to respond to the Covid-19 pandemic and to support the remobilisation of services. The Covid-19 funding and Covid-19 costs are summarised as follows:

<b>2019/2020 £m</b>	<b>Description</b>	<b>2020/2021 £m</b>
<b>0.000</b>	<b>Covid-19 Funding Total</b>	<b>(31.329)</b>
0.000	Covid-19 Costs Incurred By NHSL	4.045
0.000	Covid-19 Costs Incurred By SLC	20.339
<b>0.000</b>	<b>Covid-19 Costs Total</b>	<b>24.384</b>
<b>0.000</b>	<b>Remobilisation Funding Transferred To Reserves</b>	<b>(6.945)</b>

**13. New standards issued but not yet adopted**

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. The IJB considers that there are no such standards which would have significant impact on its annual accounts.

**Independent auditor's report to the members of South Lanarkshire Integration Joint Board  
and the Accounts Commission**

**Report on the audit of the financial statements**

**Opinion on financial statements**

I certify that I have audited the financial statements in the annual accounts of South Lanarkshire Integration Joint Board for the year ended 31 March 2021 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the 2020/21 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2020/21 Code of the state of affairs of South Lanarkshire Integration Joint Board as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

**Basis for opinion**

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

**Conclusions relating to going concern basis of accounting**

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

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

### **Risks of material misstatement**

I report in a separate Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my judgements thereon.

### **Responsibilities of the Chief Financial Officer and South Lanarkshire Integration Joint Board for the financial statements**

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

In preparing the financial statements, the Chief Financial Officer is responsible for assessing South Lanarkshire Integration Joint Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

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

### **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

## **Reporting on other requirements**

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

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

### **Statutory other information**

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

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

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

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

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

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

### **Matters on which I am required to report by exception**

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

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

I have nothing to report in respect of these matters.

### **Conclusions on wider scope responsibilities**

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



**SOUTH LANARKSHIRE INTEGRATION JOINT BOARD  
ANNUAL ACCOUNTS 2020/2021**

**Use of my report**

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

**Fiona Mitchell-Knight FCA  
Audit Director  
Audit Scotland  
4th Floor, The Athenaeum Building  
8 Nelson Mandela Place  
Glasgow, G2 1BT**

**14 September 2021**