



Annual Accounts

Orkney Integration Joint Board

2023/24



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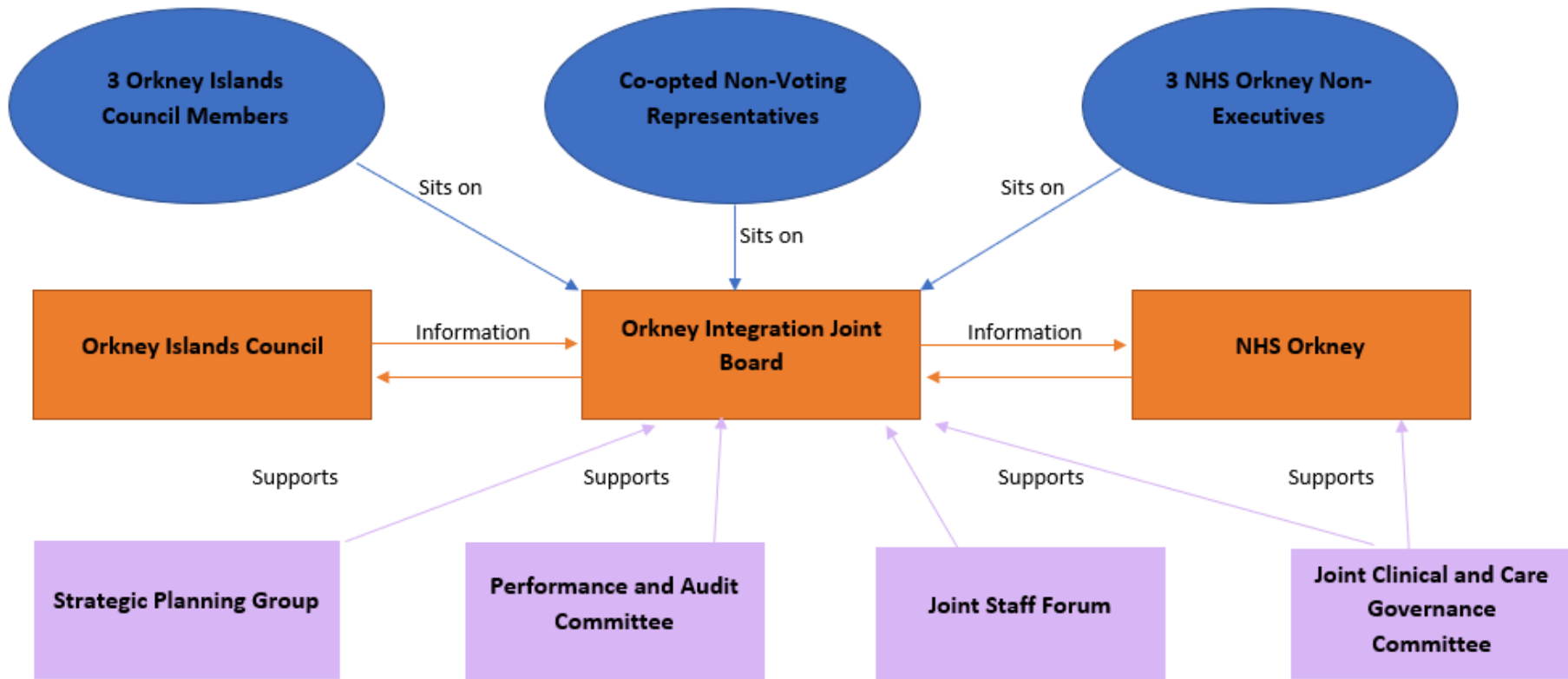
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Management Commentary

Orkney Integration Joint Board Members

Voting Members.	
Isobel Grieve.	NHS Orkney (Vice Chair).
David Campbell.	NHS Orkney (Voting Member until 13/12/23, Proxy from 14/12/23).
Joanna Kenny.	NHS Orkney (Proxy until 13/12/23 and Voting Member from 14/12/23).
Rona Gold.	NHS Orkney (Proxy until 23/05/24, Voting Member from 24/05/24).
Meghan McEwen.	NHS Orkney (Voting Member until 23/05/24, Proxy from 24/05/24).
Councillor Rachael King.	Orkney Islands Council (Chair).
Councillor Ivan Taylor.	Orkney Islands Council (Voting Member until 13/05/24, Proxy from 14/05/24)).
Councillor Jean Stevenson.	Orkney Islands Council (from 16/05/22).
Councillor Lindsay Hall.	Orkney Islands Council (Proxy until 13/05/24, Voting Member from 14/05/24).
Councillor Mellissa Thomson.	Orkney Islands Council (Proxy Member).
Councillor Heather Woodbridge.	Orkney Islands Council (Proxy Member).
Non-Voting Members.	
Stephen Brown.	Chief Officer.
Peter Thomas.	Chief Finance Officer (from 17/04/23 until 02/02/24).
Taiye Sanwo.	Interim Chief Finance Officer (from 08/04/24).
Sharon-Ann Paget	Interim Chief Social Work Officer (until 21/04/24)
Darren Morrow.	Chief Social Work Officer (from 22/04/24).
Dr Kirsty Cole.	Registered Medical Practitioner who is a GP.
Dr Louise Wilson.	Registered Medical Practitioner not a GP.
Samantha Thomas.	Registered Nurse.
Non-Voting Members (Stakeholder Members).	
Danny Oliver	Staff Representative, Orkney Islands Council.
Ryan McLaughlin	Staff Representative, NHS Orkney.
Morven Brooks	Third Sector Representative.
Jim Love	Unpaid Carer Representative.
Janice Annal	Service User Representative.
Additional Non-Voting Members (Locally Agreed in Addition to Requirements).	
Frances Troup.	Housing Representative.

Structure and Management of the Orkney Integration Joint Board



Notes:

NB 1) OIC and Azets provided the internal audit services to the Orkney IJB for financial year 2023/24.

NB 2) OIC provided Chief Internal Audit services in 2023/24 which commenced on 01/04/21 for a 5-year appointment.

External Scrutiny of Orkney IJB

- Care Inspectorate
- Healthcare Improvement Scotland
- External Auditors - KPMG
- Accounts Commission
- Auditor General for Scotland
- Scottish Ministers

1. Introduction

The Orkney Integration Joint Board (IJB) is required to prepare annual accounts under the Local Government (Scotland) Act 1973 and in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

The Management Commentary outlines key messages regarding the objectives and strategy of the Orkney Integration Joint Board (IJB), its financial and performance reporting for the 2023/24 financial year and provides an indication of risks which may impact upon the Orkney IJB moving forward.

2. Purpose and Objectives

The Orkney IJB is a legal entity established through a formal partnership between NHS Orkney and Orkney Islands Council (the Parties), as described in the Orkney Integration Scheme.

The Integration Scheme is a legally binding contract between the Parties. It sets out the make-up of the Integration Authority and how it will work.

Section 44 of The Public Bodies (Joint Working) (Scotland) Act 2014 requires the Local Authority and the Health Board to carry out a review of the scheme within a five-year period for the purpose of identifying whether any changes to the scheme are required.

A comprehensive review of the Integration Scheme was undertaken which was approved by NHS Orkney and Orkney Islands Council. The revised Integration Scheme was approved by Scottish Government in May 2022.

The Medium Term Financial Plan 2022 – 2025, which details the needs analysis of how we currently spend our money and proposed changes in how services are delivered, was updated and considered by the Orkney IJB in June 2022.

The Strategic Plan 2022 – 2025 was approved by the Orkney IJB in June 2022. This Plan sets out the detail of how the vision and strategic priorities are to be achieved over the lifetime of the Plan.

The Orkney IJB commissions community health services, 'set aside' services and social care from the Parties, for the population of the Orkney Islands, which was 22,500 on 2 February 2023, which was an increase of 100 compared to the previous year. This is an increase of 1,080 (5%) from 21,420 in 2011.

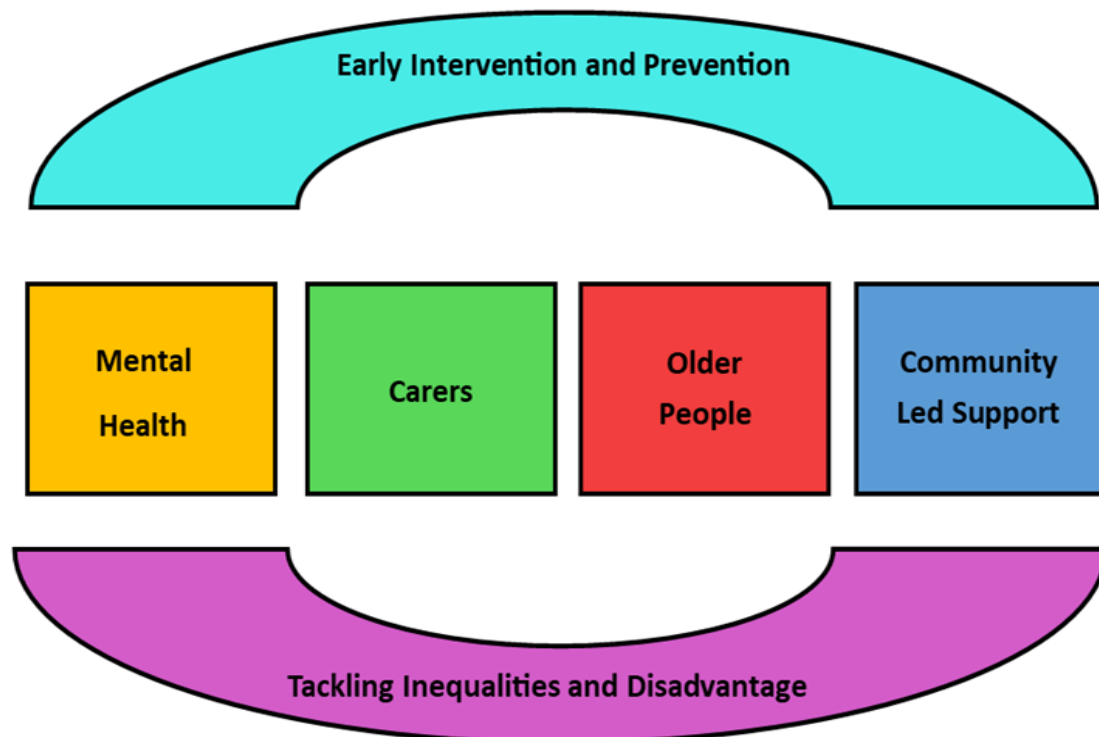
3. Strategic Plan

The Orkney IJB adopted its Strategic Plan for the three-year period between 2022 – 2025 on 29 June 2022.

The draft Plan was developed by a Strategic Writers' Group, following direction from the Strategic Planning Group, and included representation from the third sector.

Four priorities, with a further two overarching priorities, were identified through a number of consultations, an island wellbeing survey and a health and social care Joint Strategic Needs Assessment.

The four priorities focused on mental health, carers, older people and community led support. The two overarching priorities are early intervention and prevention and tackling inequalities and disadvantages, that impact on the other four.



More detailed outcomes have been developed within an Action Plan, using SMART objectives to accomplish and monitor progress towards meeting each of the objectives.

The Strategic Plan can be accessed [here](#).

The first quarterly Strategic Plan Priorities' Progress Update report was presented to the Performance and Audit Committee on 14 March 2024, following the approval of the Strategic Plan Delivery Plan, by the Strategic Planning Group, which allowed members to scrutinise progress of the Strategic Priorities within the Strategic Plan.

The Strategic Plan Delivery Plan can be found [here](#).

The Joint Strategic Needs Assessment (JSNA) is an assessment of the current and future health and social care needs of the local community, which could be met by the local authority, health board and/or third sector parties, with the purpose of improving the health and wellbeing of the local community and to reduce inequalities for all ages. As there is no defined structure or guidance for producing JSNAs, organisations can use their discretion to decide how best to present the information in a clear and meaningful format. The Orkney IJB approved its local JSNA on 15 December 2021.

The Orkney IJB Annual Performance Report for 2022/23 can be accessed [here](#).

4. Operational Review

Throughout the 2023/24 financial year, there continued to be various staffing challenges and capacity levels, resulting in senior managers needing to focus their time more on ensuring safe operational delivery rather than strategic planning. However, despite this, strategic planning progress continued to be made, including:

- A contractor has been appointed to build the 40 bed residential care facility, Kirkjuvagr House, in Kirkwall and the build is now well underway. Completion of the care facility is expected in Spring 2025 and the site being operational from the Summer of 2025.
- During 2023/24 we continued to commission services from a number of Third Sector partners to assist us in progressing our early intervention agenda.
- All vaccination services have successfully transferred from GP practices to the Primary Care Vaccination Service with the exception of one independent practice who wished to retain the service.
- The Care Inspectorate is a scrutiny body which assesses the quality of care in Scotland to ensure it meets high standards. Their vision is that everyone experiences safe, high-quality care that meets their needs, rights and choices. The Care Inspectorate carries out reviews to assess and report on progress made and to identify areas of improvement. Following a meeting with the Care Inspectorate on 4 June 2024, it was noted by the Strategic Inspector that Children Services are making positive progress with their Joint Inspection of Children and Young People Improvement Plan.
- In April 2023, a report on the Joint Inspection of Adult Support and Protection was published which highlighted a number of strengths including:
 - Partnership staff worked collaboratively to support and protect adults at risk of harm.
 - The partnership commissioned an independent evaluation of multi-agency adult support and protection processes in 2021. The findings had provided a baseline for some essential improvements.
 - The partnership collaborated with a higher education provider to create opportunities for staff to achieve professional social work qualifications. This was an innovative way to address challenging recruitment issues.

Work has continued throughout 2023/24 to progress the actions contained within the Improvement Plan with regular updates provided at the Chief Officer's Group.

- The Child Poverty Strategy 2022 to 2026, insofar as it applies to the Orkney IJB, was approved by the Board at its meeting held on 29 June 2022. Progress on the actions is detailed within the Annual Report, which will be presented to the Orkney IJB in Autumn 2024.
- At a Special Meeting of the IJB in May 2023, the Board approved additional investment in a range of posts including the creation of a Lead Officer – Carers role, a Commissioning Officer, additionality to roles within Allied Health Professions to help alleviate the areas of greatest pressure and need while also enable further progress on the six Strategic Priorities.
- Following the successful pilot, and evaluation, the Distress Brief Interventions service, commissioned via Penumbra and Orkney Blide Trust, has been extended for a further two years.
- Since the 2022/23 Annual Accounts, the Child and Adolescent Mental Health Service has further expanded to 12 members, utilising Scottish Government funding. This expansion has enabled the Service to take a lead to support multi-

agency teams. The Service also hosted Healthy Young Minds: Promoting Mental Wellbeing in Children and Young People events in May 2024.

- The Orkney Unpaid Carers' Conference, the first of its kind in Scotland, was held in May 2023. This day-long event saw over 100 people come together to hear about the challenges facing unpaid carers, as well as planning how services can be improved for carers over the coming years. This then led to the publication of the new Orkney Unpaid Carer Strategy.
- This year has seen the successful recruitment for additional sessions in Consultant Psychiatrist for Adults. There has also been the recruitment to the 0.2 full time equivalent post of a GP with Special Interest (Dementia).
- The strategic partnership with the Open University with the Social Work sponsorship scheme continues with a number of individuals progressing through the scheme. Two individuals are due to qualify in Autumn 2024. Interviews for admission for 2024/25 were undertaken in late Spring, with one successful candidate securing a place while work continues to explore funding opportunities to offer a second sponsorship in 2024/25.
- In regard to governance arrangements there was recognition that some of the documents needed to be refreshed which included a Market Facilitation Statement, Risk Management Strategy, Financial Regulations, Financial Assurance, Reserves Policy, Stakeholder Representative Expenses, Orkney Carers Strategy, Children's Service Plan and Records Management Plan.
- A Social Work and Social Care Governance Board was established in October 2023. The role of the Board is to contribute to the health and social care governance framework to provide assurance to the Joint Clinical and Care Governance Committee, and thereafter the Orkney IJB on social work and social care services.

Created and Future Workstreams:

- In early 2024 the Council's Corporate Leadership Team approved the 'Growing A Sustainable Social Care Workforce' project with support from the Council's Improvement and Performance service. The project aims to look at the recruitment challenges, to reduce the reliance on agency staff, to develop strategies and to develop a plan to look at how sickness absence is managed to improve attendance and to ensure that managers are supporting staff.
- Work is progressing with finalising the Fostering, Adoption and Kinship Care Allowances and Fees for presenting to the Council's Policy and Resources Committee. Following approval of these documents a Foster Carer recruitment campaign will commence. If successful, this will provide a greater pool of Foster Carers in Orkney which will enable more young people to remain in their communities.
- For health and social care, managing limited budgets in the context of ageing demographics, increased levels of need, and increasing population will be hugely challenging. It will not be sufficient to simply consider year on year budget allocations and, instead, the Orkney IJB will need to plan for transformation that can bring longer-term safe and sustainable services for the people of Orkney. The Orkney IJB agreed that an approach to service transformation presents the greatest opportunity to find longer-term financial sustainability. There was also agreement to the following four proposed areas for focusing efforts in improving outcomes and being more efficient:
 - Adopt an Asset-Based Community Led approach to supports and services.

- Work with communities to transform Primary Care provision.
- Develop the workforce plans to reduce reliance on agency staff.
- Embed the approach to realistic medicine and prescribing.

5. National Care Service

The National Care Service (Scotland) Bill was published in June 2022 and provided for the establishment of a National Care Service, under the responsibility of Scottish Ministers. The NCS Bill as published in 2022 provided for the transfer of listed social care and social work local authority functions, staff and assets to Scottish Ministers or newly established local care boards.

The National Care Service (Scotland) Bill has been progressing through Stage 1 of the Scottish parliamentary process and the general principles of the National Care Service have been examined by the Scottish Parliament's Health, Social Care and Sport Committee (alongside work being undertaken by other Parliamentary Committees).

On 22 February 2024, the Health, Social Care and Sport Committee published its Stage 1 report on the National Care Service (Scotland) Bill and on 29 February 2024, the Bill passed Stage 1 in the Scottish Parliament.

Senior officers and members from Orkney continue to engage in discussions at various forums - nationally, regionally and locally.

The Scottish Government team overseeing the development of the legislation continues to meet with the Islands authorities on a regular basis, and attendees to these meetings include the Chief Officer of the Orkney IJB and the Chief Executives of NHS Orkney and Orkney Islands Council.

There has been a commitment from the Scottish Government team to undertake an updated Island Communities Impact Assessment and this will include a further visit to Orkney. The date of this visit is still being planned, however it is anticipated that the visit will likely take place in late spring or early summer 2024.

6. Climate Change

The Climate Change (Scotland) Act 2009 and the subsequent Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015 require public bodies to prepare a report on their compliance with climate change duties. This includes 'An integration joint board established by order under section 9(2) of the Public Bodies (Joint Working) (Scotland) Act 2014'.

The Climate Change Duties report is prepared on a Scottish Government prescribed standard template, identical to that for the Parties. Therefore, the report relates to policies and emissions associated with the employment of staff, ownership and occupation of buildings, plant and vehicles, and the delivery of services.

As a consequence, the content of the report is very limited as the Orkney IJB does not directly deliver these services. The Scottish Government recognises this in the Guidance issued to Health and Social Care Partnerships, and a representation has been made at the request of the Orkney IJB to make this reporting more meaningful.

The Climate Changes Duties report for 2023 was presented to the Orkney IJB in February 2024. Following a request in November 2022, both the NHS Orkney and

Orkney Islands Council returns were noted along with the Orkney IJB to provide some additional context for Members.

7. Performance Reporting

Section 42 of the Public Bodies (Joint Working) (Scotland) Act 2014 states that each Integration Authority must prepare a performance report for the reporting year. The report sets out an assessment of performance in planning and carrying out its integration functions.

The updated Performance Management Framework, which was presented to, and approved at, the December 2022 meeting of the Performance and Audit Committee, will enable the Orkney IJB to undertake an improved scrutiny function, and for the Orkney Health and Social Care Partnership to enhance its performance culture focused on quality and continuous improvement, this being critical when demand for services is growing and resources are tightening.

The Strategic Plan Delivery Plan 2022 – 2025 delivers an outline of the six Strategic Priorities, adopted by the Orkney IJB, in the Strategic Plan 2022 – 2025, as well as the intention of each Priority. The Strategic Plan Delivery Plan goes on to articulate specific outcomes, or Milestones, relating to each Strategic Priority and, crucially, details of how the respective Milestones will be measured. The Strategic Plan Delivery Plan was approved by the Strategic Planning Group at their meeting on 9 November 2023.

The Orkney IJB is compared to six 'peer group' areas and the other partnerships in Scotland. The peer group includes:

- Aberdeenshire.
- Argyll and Bute.
- Highland.
- Moray.
- Comhairle nan Eilean Siar.
- Shetland.

Nine National Health and Wellbeing Outcomes

Nine National Health and Wellbeing Outcomes have been set by the Scottish Government and each IJB uses these outcomes to set their local priorities. Underpinning the National Health and Wellbeing Outcomes sits a core suite of integration indicators, which all HSCPs report their performance against. These National Indicators have been developed from national data sources to ensure consistency in measurement and are only released every two years. The published information available is as follows:

Indicator	Description	Scotland 2017/18	Orkney 2017/18	Scotland 2019/20	Orkney 2019/20	Scotland 2021/22	Orkney 2021/22
Adult Health	Percentage of adults able to look after their health very well or quite well	93%	95%	93%	95%	91%	93%
Independence	Percentage of adults supported at home who agreed that they are supported to live as independently as possible	81%	100%	81%	98%	79%	90%
Engagement	Percentage of adults supported at home who agreed that they had a say in how their help, care, or support was provided	76%	83%	75%	86%	71%	61%
Coordinator of Services	Percentage of adults supported at home who agreed that their health and social care services seemed to be well coordinated	74%	91%	74%	83%	66%	57%
Adult Support	Total percentage of adults receiving any care or support who rated it as excellent or good	80%	95%	80%	90%	75%	91%
GP Care.	Percentage of people with positive experience of the care provided by their GP practice.	83%.	94%.	79%.	94%.	67%	88%

Indicator	Description	Scotland 2017/18	Orkney 2017/18	Scotland 2019/20	Orkney 2019/20	Scotland 2021/22	Orkney 2021/22
Quality of Life	Percentage of adults supported at home who agree that their services and support had an impact on improving or maintaining their quality of life	80%	96%	80%	87%	78%	81%
Carers' Support	Total combined percentage of carers who feel supported to continue in their caring role	37%	49%	34%	41%	30%	43%
Feeling Safe	Percentage of adults supported at home who agreed they felt safe	83%	97%	83%	99%	80%	85%

Within the 2021/22 survey Orkney performed well in seven of the nine indicators when compared to all other HSCPs throughout Scotland. In three instances, namely (1) the percentage of adults who responded that they either strongly agreed or agreed that they are supported to live as independently as possible, (2) the percentage of adults who rated their care or support as excellent or good and (3) the percentage of adults who rated the care provided by their GP practice as excellent or good, Orkney received the highest satisfaction percentages within Scotland. For two other indicators Orkney was placed within the top five performers.

Orkney performed poorly in two of nine indicators when compared to other HSCPs throughout Scotland, and was placed within the bottom five performers in these categories, these being (1) the percentage of adults supported at home who agreed that they had a say in how their help, care, or support was provided and (2) the percentage of adults supported at home who agreed that their health and social care services seemed to be well co-ordinated.

Although Orkney is ranked second in the second Carer's Support indicator, it should be recognised that only 43% of responders report that they feel well supported to continue within their caring role. This is now one of the main priorities within the Strategic Plan 2022 – 2025, which highlights what plans are being done to support unpaid carers to ensure they are accessing services and support when and as required.

The data shown here is the same as reported in last year's Annual Performance Report, showing the results of the outcome questionnaire held in 2021/22. Updated figures for these indicators are not yet available for 2023/24.

Local Indicators

Indicator	Description	Scotland 2020/21	Orkney 2020/21	Scotland 2021/22	Orkney 2021/22	Scotland 2022/23	Orkney 2022/23
Premature Mortality Rate.	Premature mortality rate (per 100,000 persons by calendar year).	457*.	308*.	466*.	290*.	442.	393.
Emergency Admissions.	Emergency admission rate (per 100,000 persons).	10,953.	9,675.	11,656*.	10,789*.	11,273.	9,538.
Emergency Bed Days.	Emergency bed day rate (per 100,000 population).	101,166.	73,459.	100,718*.	86,123*.	119,806.	86,572.
Readmissions.	Readmission to hospital within 28 days (per 1,000 population).	120.	76.	110*.	76*.	102.	69.
End of Life – Care Setting.	Proportion of last 6 months of life spent at home or in a community setting.	90%.	93%.	90%*.	93%*.	89%.	91%.
Falls Rate.	Falls rate per 1,000 population aged 65+.	22.	16.	23*.	15*.	23.	20.
Quality of Services – Care Inspectorate.	Proportion of care services graded 'good' (4) or better in Care Inspectorate Inspections.	83%.	76%.	76%.	71%.	76%.	71%.

Indicator	Description	Scotland 2020/21	Orkney 2020/21	Scotland 2021/22	Orkney 2021/22	Scotland 2022/23	Orkney 2022/23
Intensive Care Needs at Home.	Percentage of adults with intensive care needs receiving care at home.	63%*.	75.7%*.	65%*.	61%*.	65%.	70%.
Delayed Discharge.	Number of days people spend in hospital when they are ready to be discharged for people aged 75+ (per 1,000 population).	484.	368.	761.	470.	902.	1,002.
Emergency Admission Costs.	Percentage of health and care resources spent on hospital stays where the patient was admitted in an emergency.	Not available.	Not available.	Not available.	Not available.	Not available.	Not available.
<p>Note: * Values relate to the main calendar year rather than the financial year.</p> <p>Please note that these figures are subject to revision until confirmation from Public Health Scotland.</p>							

8. Financial Management

The Orkney IJB's finances are overseen by the Chief Finance Officer. There is support from the Finance teams within NHS Orkney and Orkney Islands Council. There is also support from the Council's corporate services, who provide a range of services such as Human Resources, Governance and Legal Services.

Within the financial governance of the Orkney IJB, there are various policies which include Financial Regulations, Stakeholder Representatives' Expenses, Reserves Policy and a Medium Term Financial Plan, which support the governance process.

In August 2023, the Orkney IJB approved refreshed copies of the Financial Regulations, Stakeholder Representatives' Expenses and Reserves Policy. In August 2023, the Orkney IJB was presented a Financial Assurance paper.

9. Analysis of Financial Statements

One of the main objectives of the Annual Accounts is to provide information on the financial position and financial performance of the Orkney IJB. This is useful to a wide range of stakeholders to allow them to make and evaluate decisions about the allocation of resources.

The 2023/24 Annual Accounts comprise:

a). Movement in Reserves Statement – At the year end there was earmarked funding not fully utilised in relation to various services. These funds are anticipated to be utilised in financial year 2024/25.

b). Comprehensive Income and Expenditure Statement – During the year the Orkney IJB received reports setting out projected overspends/underspends throughout the year.

c). Balance Sheet – The Orkney IJB does not hold non-current assets for long term use, however the short-term debtors relate to funding due from partners in regard to the earmarked reserves.

d). Notes – These include a summary of the significant accounting policies and analysis of significant figures within the Annual Accounts, as well as other explanatory information.

10. Financial Performance

Revenue Expenditure Monitoring reports were presented at Orkney IJB meetings throughout the year. The purpose of the reports is to set out the current position and projected financial year end out-turn.

The year-end over/underspend within each Party was as follows:

Partner Organisation	Opening Budget	Additional Allocations	Full Year Budget	Full Year Spend	Variance
	£000	£000	£000	£000	£000
NHS Orkney	26,860	2,748	29,608	31,274	1,666
NHS Orkney Set Aside	7,953	3,109	11,062	11,062	0
Orkney Islands Council	26,460	482	26,942	30,885	3,943
Total Allocation	61,273	6,339	67,612	73,221	5,609

The draft outturn position showed an overspend position of £5.609 million. The total Orkney IJB approved budget was £67.612 million and the draft outturn spend is £73.221 million.

The options available to Orkney Islands Council, as stated in the Integrated Resource Advisory Group Finance Guidance, include the following:

- Make additional one-off payments to the Integration Joint Board; or
- Provide additional resources to the Integration Joint Board which are then recovered in future years, subject to scrutiny of the reasons for the overspend and assurance that there is a plan in place to address this.

The Council has agreed that “subject to scrutiny of the reasons for the overspend and assurance that there is a plan in place to address the overspend, to provide additional resources to the IJB which are then recovered in future years where an underspend position is achieved”.

NHS Orkney has received brokerage from Scottish Government to fund the entirety of its 2023/24 overspend, including the £1,666 million overspend associated with delegated services to the Orkney IJB.

See Movement in Reserves Statement at page 40.

Throughout the 2023/24 financial year there were significant financial pressures highlighted within the Revenue Expenditure Monitoring reports as follows:

Children and Families – Social Work services have been experiencing high levels of vacancies and sickness absence for a considerable length of time, including key leadership and management roles, all of which has had a significant impact on the service’s ability to deliver consistent and statutory social work services to children, young people and their families. Unfilled positions, combined with significant

recruitment challenges, has resulted in the need to employ locum staff, which results in significant travel and accommodation costs.

Most importantly, the statutory requirement to provide social work services for children and young people, particularly in the field of Child Protection, requires the ability to respond to need quickly. Temporary arrangements to ensure this capacity have incurred significant, additional, unfunded expenditure.

There are also additional costs for residential care within Orkney due to the children's house being at full capacity. The requirement for placements outwith the local authority have also increased for children who require a more specialist service, that cannot be provided in Orkney. Fostering services is also at full capacity. At present, a Foster Carer and Adopter recruitment campaign is being planned. Scoping is also being undertaken to explore the likely demands on residential care provision in the short, medium and longer term.

Elderly - There was a continued reliance on agency staffing due to recruitment issues and long-term sickness absence within residential care homes. There are significant overspends for providing residential care against budget. The agency expenditure is very high and also includes spend on accommodation and travel.

The trend of increasing volume of need for the provision of residential care by third parties outwith Orkney continued into the 2023/24 financial year with spend exceeding budget.

Care At Home / Day Care – The demand for Care at Home continues to grow as the ageing population is continuing to increase. Once an assessed need has been identified and agreed, budget availability cannot be a deciding factor on provision of service due to the current eligibility criteria. The introduction of self-directed support became an enabler for service users whereby they can choose to either have an in-house service, funding to employ their own personal assistant or ask for another agency to provide the care. This means that there is more choice for service users and where an in-house service is at full capacity other options have to be sought for provision of care. Unfortunately, due to the high demand there has been no ability to reduce the in-house provision and no significant investment within the last few years to meet the pressures within the service.

Mental Health – There are posts within the service with no allocated funding.

Prescribing – Prescribing can be a difficult budget to manage due to being demand led. The cost of medication continues to increase due to gaps in supplies of raw materials, spiralling manufacturing and freight costs, exacerbated by a weaker pound.

Workforce – There are increasing recruitment challenges, whereby it is becoming more difficult to recruit to posts, as there are national shortages of qualified staff in a range of disciplines including Allied Health Professions, nursing, public dentists, social workers and care workers. Locally, there has also been feedback that due to shortages within the housing rental market, some successful candidates have had to decline positions within the partner organisations.

Primary Care – There was an underspend within community dental services due to staff vacancies.

Set Aside – Within the Act and regulations there is a requirement that the budget for hospital services used by the partnership population is included within the scope of the Strategic Plan. Where a Health Board and an Integration Authority are coterminous (cover the same area), unscheduled adult inpatient services must be delegated to the Integration Authority, based on the functions included in the legislation. The need to employ locum and high levels of absence through COVID-19 and challenges faced in recruiting to permanent medical posts has increased costs in relation to locums and agency staff. Significant effort has been given to recruitment with some progress made very recently in filling some long-standing medical vacancies on a permanent basis.

The main financial pressures within the Set Aside budget are in relation to unfunded posts and increases in drug prices and growth. The increase in budget throughout the year can be shown as follows:

Budget Reconciliation	£000
Opening Budget	7,953
Pay and Other Uplifts	868
Medical Staffing and Locums	200
Urgent Unscheduled Care	0
Scottish Government Funding	132
Achieved Savings	(84)
Other Cost Pressures	1,993
Revised Budget	11,062

11. Financial Outlook

As per the Integration Scheme, the funding available to the Orkney IJB shall be dependent on the funding available to NHS Orkney and Orkney Islands Council and the corporate priorities of both. A budget report will be presented to the Orkney IJB on 19 June 2024 to illustrate the funding allocations within which the Strategic Plan should be delivered.

The original baseline financial contributions from each of the Parties for 2024/25 were as follows:

	NHS Orkney	NHS Orkney Set Aside	Orkney Islands Council	Orkney IJB
	£000s	£000s	£000s	£000s
Budget	29,369	8,639	28,698	66,706

There will continue to be additional funding received from the Scottish Government to meet various commitments to social care and integration needs. Any additional funding allocations from the Scottish Government to meet various commitments to social care and integration needs will be transferred by the Parties once known.

The Orkney IJB holds a financial reserve, most of which are earmarked for the Primary Care Improvement Fund, Winter Planning Fund, Action 15 and the Alcohol and Drugs Partnership Funds which are underspent but are needed in future financial years.

Although no additional recurring savings target has been set against the NHS Orkney delegated service budgets for 2024/25, the Orkney IJB is expected to deliver, as a minimum, £2.4 million of the unachieved recurring savings for NHS Orkney commissioned services over the next five years, which commenced in 2023/24 on its delegated budgets.

In regard to financial year 2024/25 for services commissioned from Orkney Islands Council, savings in respect of a reduction in its employer's pension contribution rates (£335k) and a 1% reduction in staff budgets (£216k) to reflect vacancy management have been applied to the budget.

For Orkney Islands Council commissioned services, to assist in achieving balanced budgets for 2025/26, 2026/27 and 2027/28, indicative efficiency targets of £469k, £704k and £938k respectively have been set.

There is no additional funding for COVID-19 anticipated for 2024/25 with the exception of Vaccinations, Personal Protective Equipment and Test and Protect. Any ongoing COVID-19 costs outwith the areas mentioned will need to be managed within baseline budgets.

For health and social care, managing limited budgets in the context of ageing demographics, providing care at home in a rural location and increased levels of need, will be hugely challenging. It will not be sufficient to simply consider year on year budget allocations and, instead, the Orkney IJB will need to plan for transformation that can bring longer term safe and sustainable services for the people of Orkney.

In addition to these budgetary targets, the Orkney Islands Council commissioned services have also been tasked with taking affirmative action to return to operating within its approved revenue budget.

A robust Financial Recovery Plan, is required to be submitted to the Orkney IJB on a regular basis, as previously requested, in order to provide assurance that there are plans to reduce spending.

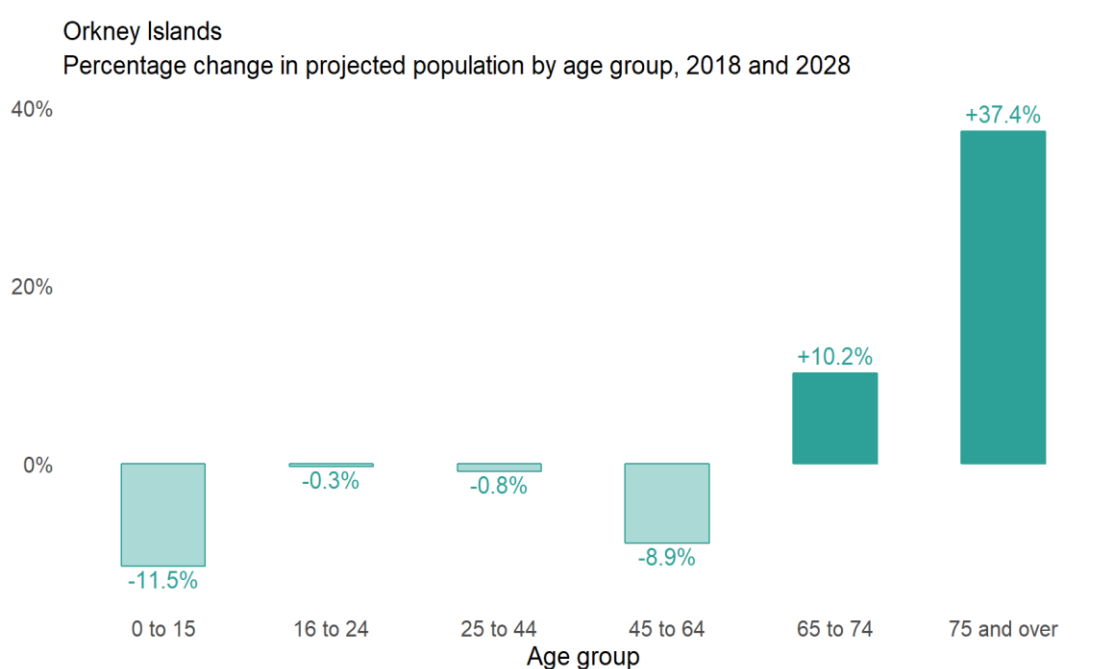
12. Sustainability Challenges

Due to medical advances and improved quality of care, individuals who require or are in receipt of complex care (also known as long term care or continuing care) have substantial and ongoing health and social care needs. These can be the result of chronic illness, disabilities or following hospital treatment. Social care services were previously more general in nature but there is an increasing requirement for specialist input as individuals have the rightful expectation to receive care whilst in their own homes.

Although this challenge is not unique to Orkney, our older population is increasing faster than the national average. In addition, significant numbers of our working age population are leaving the islands and so fewer people are available to provide the care and support required with the predicted levels of chronic illness and disabilities.

People in the older age group are most often in need of health and social care services. The National Records of Scotland has produced population projections for Orkney. The

graph below illustrates the percentage change in projected population by age group between 2018 and 2028. The 0 to 15 age group is projected to see the largest percentage decrease (-11.5%) and the 75 and over age group is projected to see the largest percentage increase (+37.4%). In terms of size, however, 45 to 64 is projected to remain the largest age group. This will have a significant impact on how we deliver services in the future.



Alongside the challenges, the contribution that older people make to our society also needs to be recognised. For example, people over 65 years of age deliver more care than they receive – acting as unpaid carers, child minders and volunteers.

13. Management of Risks

The Orkney IJB approved the revised Risk Register on 30 August 2023. An updated risk register will be presented to the next IJB meeting.

The Risk Register forms part of the wider framework for corporate governance and internal control. There are broadly two types of risks: those that relate to the Orkney IJB’s operation as a separate legal entity; and risks to the quality of service delivery, which are experienced by commissioned services. For the latter, it will depend to a large extent on these risks being identified, assessed and mitigated by the partner organisations for commissioned services (mainly NHS Orkney and Orkney Islands Council through the Orkney Health and Social Care Partnership, the HSCP).

Risks, risk reduction actions and risk quantification on the current risk register are as follows:

Risk	Actions to do to control Risk with a timescale for completion.
<p>IJB Financial Sustainability There is a risk that if financial and demographic pressures are not effectively planned for and managed over the medium (two</p>	<p>To engage with the Grip and Control programme taking place at NHS Orkney.</p> <p>To engage with the Programme for Change exercise taking place at Orkney Islands Council.</p>

Risk	Actions to do to control Risk with a timescale for completion.
<p>to five years), this could result in budget deficits (i.e. being in excess the IJB's budget allocations) leading to the IJB being required to implement a recovery plan.</p> <p>Potential failure to meet legislation and an impact on the ability of IJB to commission services to the most vulnerable people in Orkney.</p> <p>There is a risk that the IJB will be unable to deliver upon its existing savings targets or any new savings imposed by either partner bodies (i.e. NHS Orkney or Orkney Islands Council).</p>	<p>As part of our recovery planning, we will utilise a joint development session with IJB, Elected Members and the Board of NHS Orkney to notify the IJB's financial projection for the current year, to discuss the financial recovery planning process and to consider the risk appetite to recovery planning.</p> <p>Lead: Chief Officer.</p> <p>Target action by date: 25 October 2023.</p> <p>Risk Quantification: Very High.</p>
<p>Recruitment, Development and Retention of Workforce</p> <p>Insufficient workforce planning actions underway to shape future workforce through redeployment and training etc.</p> <p>Capacity issues make it difficult for the service to realise its priorities.</p> <p>Failure to recruit and retain appropriately skilled workforce.</p> <p>Aging workforce.</p>	<p>Annual updating to the Three-Year Workforce Plan in particular further work is required in relation to social care / social work elements.</p> <p>Lead: Head of Strategic Planning and Performance.</p> <p>Target Action by date: 31 March 2024.</p> <p>An initial training needs analysis report based on social work, will be presented to the next IJB Joint Staff Forum in June.</p> <p>Service specific lists of training needs are to be developed.</p> <p>Lead: Head of Strategic Planning and Performance.</p> <p>Target action by date: 31 March 2024.</p> <p>To develop a robust values-based induction programme with clear learning outcomes and links to development opportunities.</p> <p>Lead: Head of Strategic Planning and Performance.</p> <p>Target action by date: TBC following the findings from the individual service needs review.</p> <p>To establish a training plan based on needs.</p> <p>Lead: Head of Strategic Planning and Performance.</p>

Risk	Actions to do to control Risk with a timescale for completion.
	<p>Target action by date: TBC. The benefits of training can only be obtained, largely, as and when there is a stable workforce within Orkney Health and Social Care Partnership.</p> <p>The projected financial cost of training will need to be estimated and a budget identified.</p> <p>Lead: Head of Strategic Planning and Performance.</p> <p>Target action by date: TBC, to follow on from the review of detailed training needs analysis and training plan.</p> <p>Risk Quantification: Very High.</p>
<p>Public Protection. A failure in providing effective public protection could lead to a child or vulnerable adult experiencing or being at risk of significant harm.</p>	<p>To redesign the governance arrangements for Children’s Services Strategic Partnership.</p> <p>Lead: Head of Strategic Planning and Performance.</p> <p>Target action by date: 30 September 2023.</p> <p>To update child protection procedures in line with national guidance.</p> <p>Lead: Head of Strategic Planning and Performance.</p> <p>Target action by date: 31 March 2024.</p> <p>Risk Quantification: Very High</p>
<p>Analogue to Digital Switchover Vulnerable adults left without access to Telecare as a means of support.</p>	<p>The project team continues to test the capabilities of alternative kit in an Orkney environment.</p> <p>A paper is to be prepared and presented to a future meeting of the Board to detail the estimated cost of transition and in future service provision.</p> <p>All service users have been written to by the Telecare team advising them to be in touch if there is a change to their existing telephone package.</p> <p>Lead: Head of Health and Community Care.</p> <p>Target action by date: 31 March 2024.</p> <p>Note: It is anticipated that all project funding will be utilised by 31 March 2024.</p> <p>Risk Quantification: High.</p>

Risk	Actions to do to control Risk with a timescale for completion.
<p>Budget Setting Budget allocations from partners are not set and approved prior to start of financial year causing the IJB to be operating without a formally agreed budget.</p>	<p>Ongoing discussions with partner bodies on more joined up working.</p> <p>Budget allocations should be sent by the IJB to both the Partners for the services they deliver. The budget should detail, service pressures, saving initiatives, and change initiatives.</p> <p>Lead: Chief Finance Officer.</p> <p>Target Action by date: To be in place by 1 April 2024.</p> <p>Risk Quantification: High.</p>
<p>Implications of National Care Service. The Scottish Government's intention to create a National Care Service and to amend the functions of Integration Joint Boards may affect the provision of care in Orkney.</p>	<p>To be reviewed when the scope of the National Care Service, and its method of operation become better known.</p> <p>Lead: Chief Officer.</p> <p>Target action by date: Ongoing review. The National Care Service is planned to be in operation by May 2026.</p> <p>Risk Quantification: High.</p>
<p>Isles Primary Care Model There is a risk that the IJB will fail to deliver and meet the population needs of the Isles.</p>	<p>Option Appraisal regarding sustainable out of hours cover for all islands underway in conjunction with isles clinicians and communities.</p> <p>Lead: Head of Primary Care Services.</p> <p>Target action by date: 31 December 2023</p> <p>Continue to work with Scottish Ambulance Service and the First Responder (Isles) Group to ensure Responders are treated consistently.</p> <p>Lead: Chief Officer.</p> <p>Target action by date: 31 March 2024.</p> <p>Set up short life working groups with community representatives in North Ronaldsay, Papa Westray and Eday as starting point for reviewing whole system model.</p> <p>Lead: Chief Officer.</p> <p>Target action by date: 30 November 2023.</p> <p>Risk Quantification: High.</p>
<p>Unpaid Carers</p>	<p>Investigate opportunities to work with employers (initially NHS Orkney and Orkney Islands)</p>

Risk	Actions to do to control Risk with a timescale for completion.
<p>There is a risk that support for unpaid carers is not effectively planned for and managed.</p> <p>This could result in a potential failure to meet legislation and impact on the valuable service unpaid carers are providing within the community. Increasing reliance on unpaid carers may become unsustainable.</p>	<p>Council) to develop carer-friendly employment policies.</p> <p>Lead: Head of Strategic Planning and Performance.</p> <p>Target action by date: 31 December 2023.</p> <p>Maximise innovative respite care / short breaks options and opportunities.</p> <p>Lead: Head of Strategic Planning and Performance.</p> <p>Target action by date: 31 March 2024.</p> <p>Develop specific strategies to identify and support young carers.</p> <p>Lead: Head of Strategic Planning and Performance.</p> <p>Target action by date: 31 March 2024.</p> <p>Risk Quantification: High.</p>

Further information on the risk register can be found within the link at section 15. The Risk Register will be further revised to ensure greater alignment to the Strategic Plan 2022 – 2025 and to incorporate the risks of outcomes not being achieved.

14. Unscheduled Care (Set Aside)

Within the Public Bodies (Joint Working) (Scotland) Act 2014 and regulations there is a requirement that the budget for hospital services used by the partnership population is included within the scope of the Strategic Plan.

The budget was formally delegated to the Orkney IJB in September 2020 and the spend is reported on a quarterly basis. There have been further development sessions on the Set Aside budget for Orkney IJB Members.

As a very small area, with a hospital that cannot be further reduced in size and a demographic profile and geography that presents some of the biggest challenges in Scotland, in terms of increasing numbers of older age and older people, we have very limited scope to make significant resource shifts from hospital to other forms of care. However, there has been progress in ensuring that people are in a hospital setting for the shortest period of time as it is recognised that recovery is best in a homely setting.

15. Further Information

Further information in relation to the Orkney IJB can be found at:
<https://www.orkney.gov.uk/Service-Directory/S/integration-joint-board.htm>

The section that is dedicated to the Orkney IJB Finance can be found at:
<https://www.orkney.gov.uk/Service-Directory/S/ijb-finance.htm>

Further information regarding the Annual Accounts can be obtained from:
 Chief Finance Officer, Orkney IJB, School Place, Kirkwall, Orkney, KW15 1NY.

16. Conclusion

The Orkney IJB's focus will always be on innovation and the continual improvement of the health and wellbeing of all people living in Orkney. It will also be about ensuring activities maximise the ability to reduce health inequalities that exist in Orkney's communities.

We all need to ensure we take greater responsibility for our health and wellbeing. The Orkney IJB needs to work within the communities to develop this responsibility and to ensure that communities are adequately equipped to support the needs of their individual populations.

The Orkney IJB faces many challenges moving forward in ensuring that we meet our focus on innovation and the continual improvement of the health and wellbeing of all living in Orkney.

The Orkney IJB has an established reputation for good joint working with NHS Orkney and Orkney Islands Council, as well as our wider community planning partners and therefore has a strong foundation to build on to address the challenges that the future brings.



Stephen Brown
Chief Officer

26 June 2024.



Rachael King
Chair of Orkney IJB

26 June 2024.



Taiye Sanwo.
Interim Chief Finance
Officer

26 June 2024.

Statement of Responsibilities

The Integration Joint Board's Responsibilities

The Integration Joint Board is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the board has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this authority, that officer is the Chief Finance 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 the Local Authority (Capital Finance and Accounting) (Scotland) (Coronavirus) Amendment Regulations 2021, and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- To approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature at a meeting of the Orkney IJB Performance and Audit Committee on 26 June 2024.

Signed on behalf of the Integration Joint Board.



Rachael King
Chair of Orkney IJB
26 June 2024.

Responsibilities of the Chief Finance Officer

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

In preparing the Annual Accounts, the Chief Finance Officer has:

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

The Chief Finance Officer has also:

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

There was no Chief Finance Officer in post between 3 February 2024 and 8 April 2024

I certify that the financial statements give a true and fair view of the financial position of the Orkney Integration Joint Board as at 31 March 2024 and the transactions for the year then ended.



Taiye Sanwo

Interim Chief Finance Officer

26 June 2024

Remuneration Report

Introduction

The Local Authority Accounts (Scotland) Regulations 2014 (SSI No.2014/200) require local authorities and IJBs in Scotland to prepare a Remuneration Report as part of the annual statutory accounts. It discloses information relating to the remuneration and pension benefits of specific IJB members and staff.

Orkney IJB Chair and Vice Chair

The voting members of the Orkney IJB are appointed by NHS Orkney and Orkney Islands Council. In accordance with the Integration Scheme, the posts of Orkney IJB Chair and Vice Chair alternate between a Councillor and a Non-Executive Director of the Health Board. In May 2023, the role of Chair of the Orkney IJB alternated to Orkney Islands Council following the two-year period of Chair by a Non-Executive Director of the Health Board. In May 2025, the role of Chair will revert to NHS Orkney.

The Orkney IJB does not provide any additional remuneration to the Chair, Vice Chair or any other Board Members relating to their role on the Orkney IJB. The Orkney IJB does not reimburse the relevant partner organisations for any voting Board Member costs borne by the partner. Neither the Chair nor the Vice Chair appointments had any taxable expenses paid by the Orkney IJB in 2023/24.

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

Chief Officer

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014, a Chief Officer for the IJB must be appointed and the employing partner must formally second the officer to the IJB. The employment contract for the Chief Officer will adhere to the legislative and regulatory framework of the employing partner organisation. The Chief Officer is employed by NHS Orkney and seconded to the Orkney IJB.

Chief Finance Officer

The Chief Finance Officer is employed by Orkney Islands Council and seconded to the Orkney IJB.

Board Members

Membership of the Orkney IJB comprises voting and non-voting members. The voting members are three Non-Executive Directors of NHS Orkney and three Elected Members of Orkney Islands Council, although article 3(5) of the Integration Joint Board Order permits otherwise if necessary.

The remuneration of the Chief Officer is as follows:

Name	Salary, Fees and Allowances £	Taxable Expenses £	Total Remuneration 2023/24. £	Total Remuneration 2022/23 £
Stephen Brown, Chief Officer.	114,242	0	114,242	110,067
Peter Thomas, Chief Finance Officer.*	50,206	0	50,206	0
Pat Robinson, Chief Finance Officer.	0	0	0	33,456

* The Chief Finance Officer was in post from 17 April 2023 to 2 February 2024.

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 pension liability reflected on the Orkney IJB balance sheet for the Chief Officer or any other officers.

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

Name	In Year Pension Contributions		Accrued Pension Benefit		
	For Year to 31/03/23	For Year to 31/03/24		Difference from 31/03/23	As at 31/03/24
Stephen Brown, Chief Officer.	£23,004	£23,877	Pension	£279	£4,527
			Lump Sum	£0	£0
Peter Thomas, Chief Finance Officer. *	£0	£8,523	Pension	£1,916	£8,485
			Lump Sum	£0	£0
Pat Robinson, Chief Finance Officer.	£5,687	£0	Pension	N/A	N/A
			Lump Sum	£0	N/A

* The Chief Finance Officer's In Year Pensions Contributions and Accrued Pensions Pension Benefit values relate to their period within post which ended on 02 February 2024.

Disclosure by Pay Bands

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

Exit Packages

The regulations require the Remuneration Report to provide information on the number of exit packages awarded, in bandings of £20,000 up to £100,000 and thereafter in bandings of £50,000, along with the total cost of the exit packages within each band. The regulations also require disclosure of the number of compulsory redundancies and other agreed departures.

No exit packages were awarded in either the current or previous financial year.



Stephen Brown
Chief Officer
26 June 2024.



Rachael King
Chair of Orkney IJB
26 June 2024.

Annual Governance Statement

Introduction

The Orkney IJB was established as a body corporate by order of Scottish Ministers with effect from 6 February 2016 on approval of an Integration Scheme. The Orkney IJB took over delegated responsibility on 1 April 2016 and the Annual Governance Statement reflects these responsibilities.

Scope of Responsibility

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

To meet this responsibility the Orkney IJB has established governance arrangements, which include a system of internal control. The system is intended to manage risk to support the achievement of the Orkney IJB's policies, aims and objectives. Reliance is also placed on NHS Orkney and Orkney Islands Council's systems of internal control that support compliance with both organisations' policies and promote achievement of each organisation's aims and objectives, as well as those of the Orkney IJB.

The CIPFA/SOLACE framework for "Delivering Good Governance in Local Government Framework (2016 Edition)" provides a structured approach in defining the principles that should underpin the governance arrangements. Whilst the framework is specifically for Local Government, the principles are applicable to Integration Authorities.

The system can only provide reasonable and not absolute assurance of effectiveness.

The Governance Framework and Internal Control System

The key elements of the Orkney IJB's governance arrangements are described in terms of the seven principles of good governance defined in the Framework, summarised as follows:

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

The Orkney IJB's Code of Conduct, which was reviewed and approved by Orkney IJB in April 2022 and was approved by Scottish Government on 9 June 2022, is applicable to all Members of the Orkney IJB and requires them to exercise leadership in establishing specific operating principles and values, ensuring they are communicated and understood throughout the organisation. This is circulated on an annual basis to all Orkney IJB members with a Register of Interest form to be completed or updated if there are any changes applicable. All new Members are asked to complete the form as part of their welcome email.

The Members and officers demonstrate their commitment to ethical values in many ways, including robust preparation for meetings, regular attendance at meetings, active participation in decision making and registering and declaring their interests.

The Standards Officer was reappointed until September 2023 and is responsible for advising and guiding members on issues of conduct and propriety. They also act as the Liaison Officer between the Orkney IJB and the Standards Commission.

The Chief Finance Officer post is in line with the legislative requirements to ensure accountability for the proper administration of the Board's financial affairs.

Governance Principle B – Ensure openness and comprehensive stakeholder engagement.

The Orkney IJB's Standing Orders, which were approved in March 2016, ensure that board meetings are open to the public and only where there is a requirement to do so will an item be considered in private. All meetings of the Orkney IJB and the Performance and Audit Committee are audio cast live, with the recordings available for at least 12 months after the meeting. The review of the Integration Scheme has been approved by the Scottish Government. The Orkney IJB Chair is responsible for giving public notice of the time and place of each meeting of the Orkney IJB by posting on the Council's website not less than three clear days before the date of each meeting. Further information on the agenda, reports and minutes can be found here: <https://www.orkney.gov.uk/council-meetings.htm>.

The Communication and Engagement Strategy was updated and approved on 21 April 2023. This is to ensure the voices of the most vulnerable people in Orkney are heard, and that the proactive involvement of service users, their families, carers, staff and partners is recognised as a key priority in informing and guiding the work that the Orkney IJB will commission from the Parties.

In recognition of the importance of the work done by Third Sector colleagues and to strengthen links, the Third Sector has regular engagement with the Orkney Health and Social Care Partnership's Senior Management Team, as well as being involved in smaller workstreams i.e. draft Strategic Plan writing group.

Governance Principle C – Define outcomes in terms of sustainable economic, social, and environmental benefits.

The Strategic Plan illustrates how the Orkney IJB plans and commissions future services. The Strategic Plan 2022 – 2025 was approved by the IJB on 29 June 2022.

Finance reports are submitted to the Orkney IJB on a quarterly basis and highlight the financial position and projections to the year end, together with any significant variances and areas of concern.

A Medium Term Financial Plan, which approved on 29 June 2022, provides an overview of the key messages in relation to the Orkney IJB's financial planning for 2022 – 2025 and links with the Strategic Plan. It also provides an indication of the challenges and risks that may impact upon the finances of the Orkney IJB in the future as we strive to meet the health and social care needs of the people of Orkney.

Governance Principle D – Determine the interventions necessary to optimise the achievement of the intended outcomes.

The Strategic Planning Group supports and informs the development process for the Strategic Plan. Recommendations for changes to service delivery which would better meet individual outcomes are developed by the Strategic Planning Group, and then presented to the Orkney IJB for approval. Examples of this include the pilot, and establishment of, the Home First Approach and the creation of Distress Brief Interventions.

This group has the responsibility for the annual review of the strategic planning process, including responding to Scottish Government and other stakeholder feedback.

The Joint Clinical and Care Governance Committee, which meets at least quarterly, receives assurance that operational decisions are best meeting patient outcomes through appropriate interventions that are delivered safely and in line with professional standards and legislative requirements. This enables the Joint Clinical and Care Governance Committee to provide effective assurance to the Orkney IJB.

The Performance and Audit Committee scrutinises performance on the progress of the Strategic Priorities within the Strategic Plan.

Governance Principle E – Develop the entity’s capacity, including the capability of its leadership and the individuals within it.

An induction pack, which gives an overview of the Orkney IJB and where to find out more detailed information to enable all Members to fulfil their role and the different elements of the Orkney IJB, was presented to the Board at its meeting held on 29 June 2022.

There have been various Orkney IJB development sessions delivered for members as follows:

Joint Orkney IJB, NHS Orkney Board and Elected Member Session: Joint Inspection of Adult Support and Protection.	04.04.23.
Joint Orkney IJB, NHS Orkney Board and Elected Member: Orkney Health and Social Care Partnership and NHS Orkney Briefing Session.	16.05.23.
Orkney IJB Development Session: Updates on Various Areas.	11.09.23
Joint Orkney IJB, NHS Orkney Board and Elected Member: Orkney Health and Social Care Partnership and NHS Orkney Briefing Session: Performance, Finance and Winter Planning.	13.09.23.
Orkney IJB Development Session: Finance.	13.11.23
Orkney IJB Development Session: Finance.	31.01.24.
Orkney IJB Development Session: Risk Appetite.	06.03.24.
Joint Orkney IJB, NHS Orkney Board and Elected Member: Orkney Health and Social Care Partnership and NHS Orkney Briefing Session: Integration Joint Board / National Care Service.	01.05.24.
Orkney IJB Development Session: Risk Appetite – Follow Up Session.	02.05.24.

Monthly informal sessions where all Orkney IJB members can be provided with updates and raise questions have been held throughout the year. The Chief Officer, Chair and Vice Chair also meet on a monthly basis.

Briefing notes are routinely prepared and distributed to provide Members with up-to-date information on key strategic and operational issues such as Chair and Vice Chair updates from national meetings, updates following Care Inspectorate inspections.

Some of the issues are outwith the control of the Orkney IJB such as Information Technology, which can inhibit co-location working.

The Chief Officer has regular meetings with the Chief Executives of both partner organisations, and this provides an opportunity to raise any issues.

The Chief Officer represents the Orkney IJB on a variety of different groups, including the Chief Officers' network and associated sub groups, and is the Chair of both the Alcohol and Drugs Partnership and the Community Justice Partnership.

The Chair and Vice Chair of the Orkney IJB are members of the Scotland wide network for Chairs and Vice Chairs of IJBs. They are also represented on the Executive Group for the Network and currently hold the position of Chair of that Executive Group.

The Chief Finance Officer is part of the national Chief Finance Officer group, and inputs to national issues when required.

Governance Principle F – Managing risks and performance through robust internal control and strong public financial management.

The Orkney IJB has a Risk Management Strategy and the management of risks are included within section 13 of the management commentary. It has been agreed that the Risk Register will be updated to reflect the priorities of the Strategic Plan.

The Chief Finance Officer is responsible for formally reporting on a quarterly basis to the Orkney IJB Performance and Audit Committee on the development and progress of Risk Management and for ensuring that the Risk Management Strategy is implemented and evaluated effectively. The Risk Management Strategy was updated and approved on 19 April 2023. The revised Risk Register was reviewed by the Board on 30 August 2023.

The Performance Management Framework uses various measures to show how well the services commissioned by the Orkney IJB are performing. Further information on performance can be found in section 7 of the management commentary.

The Strategic Plan Delivery Plan 2022 – 2025 delivers an outline of the six Strategic Priorities, adopted by the Orkney IJB, in the Strategic Plan 2022 – 2025, as well as the intention of each Priority. The Strategic Plan Delivery Plan goes on to articulate specific outcomes, or Milestones, relating to each Strategic Priority and, crucially, details of how the respective Milestones will be measured. The Strategic Plan Delivery Plan was approved by the Strategic Planning Group at their meeting on 9 November 2023.

The Orkney IJB's system of internal control is based on a framework of financial regulations, regular management information and management supervision.

The Joint Clinical and Care Governance Committee, through consideration of clinical and care governance reports, is able to provide assurance that services are being delivered safely and effectively and, where risks are identified, actions are being taken to mitigate these. Examples of this include the six monthly Mental Health Assurance Report and Children's Health Services Assurance report.

The Orkney IJB Performance and Audit Committee, through its consideration of reports in relation to performance, and from internal and external auditors, monitors the effectiveness of internal control procedures.

The Chief Finance Officer is the appointed Section 95 Officer and provides advice on all financial matters and the effective system of internal financial control under the terms of the Financial Regulations, while ensuring timely production and reporting of budget monitoring and annual accounts.

Governance Principle G – Implement good practices in transparency, reporting and audit to deliver effective accountability.

The Orkney IJB's business is conducted through a bimonthly cycle of board meetings that are held in public, unless exempt under statutory provision, with meeting of the Orkney IJB and the Performance and Audit Committee audio-cast live, with recordings available thereafter for download from Orkney Islands Council's public website for at least 12 months. One week prior to a committee meeting the agenda and associated reports are issued to all Board Members via email and/or hard copy and the public via Orkney Islands Council's website. There is a standard reporting format in place to ensure consistency of approach and consideration by Members to provide transparency in decision making.

The published Annual Accounts is the statutory summary of the Orkney IJB's financial affairs for the financial year. The purpose is to provide clear information on the income and expenditure, the operational and performance review, the key risks and uncertainties and the financial outlook moving forward.

The Chief Internal Auditor reports directly to the Orkney IJB Performance and Audit Committee with the right of access to the Chief Finance Officer, the Chief Officer and/or the Chair of the Orkney IJB Performance and Audit Committee on any matter. The annual programme of internal audit work is based on a strategic risk assessment and is approved by the Orkney IJB Performance and Audit Committee.

The internal audit function for financial year 2023/24 was provided by Orkney Islands Council's Chief Internal Auditor as the Chief Internal Auditor of the Orkney IJB. This appointment is for the period 2021 to 2026.

Review of Adequacy and Effectiveness

The Orkney IJB has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of the effectiveness of the framework is informed by the work of the Senior Management Team who have responsibility for development and maintenance of the governance environment.

The Orkney IJB Performance and Audit Committee conducts its business in line with CIPFA's "Audit Committees: Practical Guidance for Local Authorities and Police" guidance.

The Performance and Audit Committee approved the Internal Audit Strategy and Plan for 2023/24 on 22 March 2023, which approved the following audit areas:

- Internal Communication and Engagement – Review of strategy and policies for communication and engagement with partner bodies and staff.
- External Communication and Engagement - Review of strategy and policies for communication and engagement with partner bodies and staff.

The Annual Internal Audit Report and Opinion for 2023/24 will be presented to the Orkney IJB Performance and Audit Committee in June 2024. The Orkney IJB's Chief Internal Auditor's overall opinion is:

"On the basis of the audit work performed in 2023/24, my opinion is that the IJB has a framework of controls in place that provides Adequate assurance regarding the organisation's governance framework, related internal controls, and the management of key risks.

The actions identified during the audit work did not impact on the overall governance arrangements of the IJB.

Furthermore, I confirm that there were no instances of fraud identified from the audit work conducted during the year.

My opinion has not been limited by any shortfall in resources, absence of skills, or any limitation of scope of internal audit activity that would adversely affect my ability to form an opinion".

Conclusion and Opinion on Assurance

On the basis of the audit work performed in 2023/24, the opinion from the Chief Internal Auditor is that the Orkney IJB has a framework of controls in place that provides adequate assurance regarding the organisation's governance framework, related internal controls, and the management of key risks.

The actions identified during the audit work did not impact on the overall governance arrangements of the Orkney IJB.

Furthermore, the Chief Internal Auditor confirmed that there were no fraud issues to report to the external auditors for the financial year.

The opinion has not been limited by any shortfall in resources, absence of skills, or any limitation of scope of internal audit activity that would adversely affect their ability to form an opinion.



Stephen Brown
Chief Officer
26 June 2024.



Rachael King
Chair of Orkney IJB
26 June 2024.

Independent Auditor's Report

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

Reporting on the audit of the financial statements

Opinion on financial statements

To be completed at end with findings from external audit process.

Comprehensive Income and Expenditure Statement

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

2022/23				2023/24		
Gross Spend	Gross Income	Net Spend		Gross Spend	Gross Income	Net Spend
£000	£000	£000		£000	£000	£000
226	0	226	Corporate Services (note 2)	190	0	190
6,056	(712)	5,344	Support Services and Overheads	6,687	(2,646)	4,041
529	0	529	Alcohol and Drugs Partnership	367	0	367
183	0	183	Voluntary Sector by SLAs excluding commissioned services	45	0	45
7,003	(398)	6,605	Children and Families	8,344	(256)	8,088
5,583	(5)	5,578	Prescribing	5,938	(2)	5,936
11,029	(2,537)	8,492	Elderly Residential, Supported and Day Care	12,280	(2,150)	10,130
6,972	(352)	6,620	Disability	7,769	(395)	7,374
1,415	(327)	1,088	Mental Health	2,320	(238)	2,082
1,333	(3)	1,330	Other Community Care	1,633	(70)	1,563
928	(41)	887	Occupational Therapy	1,010	(50)	960
6,294	(476)	5,818	Care at Home	5,975	(24)	5,951
447	(363)	84	Criminal Justice	603	(472)	131
1,804	0	1,804	Community Nursing	1,850	(36)	1,814
11,904	(291)	11,613	Primary Care	12,350	(289)	12,061
1,009	0	1,009	Allied Health Professionals	1,111	(13)	1,097
300	(65)	235	Rehabilitation	354	(26)	328
10,370	0	10,370	Unscheduled Care	11,062	0	11,062
73,385	(5,570)	67,815	Cost of Services	79,888	(6,667)	73,221
0	(64,215)	(64,215)	Taxation and Non-Specific Grant Income (note 4)	0	(67,612)	(67,612)
73,385	(69,783)	(3,602)	(Surplus) or Deficit on Provision of Services	79,888	(74,279)	5,609
73,385	(69,783)	(3,602)	Total Comprehensive (Income) and Expenditure	79,888	(74,279)	5,609

There are no statutory or presentation adjustments that affect the Orkney IJB's application of the funding received from partners. The movement in the General Fund balance is therefore solely due to the transactions shown in the Comprehensive Income 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 Orkney IJB's reserves. The movements that arise due to statutory adjustments affecting the General Fund balance are separately identified from the movements due to accounting practices.

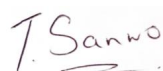
2023/24	General Fund Balance	Earmarked Reserves	Total Reserves
	£000	£000	£000
Balance at 1 April 2023	0	(2,523)	(2,523)
Return of COVID-19 Funding to Scottish Government	0	0	0
Within Comprehensive Income and Expenditure	0	(192)	(192)
Balance at 31 March 2024	0	(2,715)	(2,715)

Balance Sheet

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

2022/23		Notes	2023/24
£000			£000
2,523	Short term Debtors	5	2,715
2,523	Current Assets		2,715
0	Short term Creditors	6	0
0	Current Liabilities		(0)
2,523	Net Assets		2,715
2,523	Earmarked Reserves		2,715
2,523	Total Reserves		2,715

The unaudited accounts were issued on 26 June 2024 and the audited Annual Accounts will be authorised for issue on 25 September 2024.



Taiye Sanwo

Interim Chief Finance Officer

26 June 2024.

Notes to the Financial Statements

Note 1 Summary of Significant Accounting Policies

The Financial Statements for the year ended 31 March 2024 have been prepared in accordance with proper accounting practice as per Section 12 of the Local Government in Scotland Act 2003. Proper accounting practice comprises the Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code) supported by International Financial Reporting Standards and recommendations made by the Local Authority (Scotland) Accounts Advisory Committee (LASAAC). They are designed to give a true and fair view of the financial performance and position of the Orkney IJB and comparative figures for the previous financial year are provided. There are no significant departures from these recommendations.

The following accounting concepts have been considered in the application of accounting policies:

- **Accruals basis** – the accruals concept requires the non-cash effects of transactions to be included in the financial statement for the year in which they occur, not in the period in which payment is made or income received.
- **Going concern** – the going concern concept assumes that the Orkney IJB will continue in existence for the foreseeable future.
- **Understandability** – users of the financial statements are assumed to have a reasonable knowledge of accounting and local government.
- **Relevance** – the information in the financial statements is useful for assessing the Orkney IJB's stewardship of public funds and for making economic decisions.
- **Materiality** – information is included in the financial statements where the information is of such significance that it could influence the decisions or assessments of users of the information.
- **Reliability** – information included in the financial statements faithfully represents the substance of transactions, is free from bias and material error, is complete within the bounds of materiality and cost, and has been prudently prepared.
- **Primacy of legislative requirements** – legislative requirements have priority over accounting principles in the event of conflict between legislation and the Accounting Code.

The Accounts have been prepared under the historic cost convention.

Accruals of Expenditure and Income

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Expenditure is recognised when goods or services are received, and their benefits are used by the Orkney IJB.
- Income is recognised when the Orkney 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.

VAT status

The Orkney IJB is a non-taxable entity and does not charge or recover VAT on its functions as long as it does not deliver any supplies and services that fall within the scope of VAT.

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

Where Orkney Islands Council is the provider, income and expenditure exclude any amounts related to VAT, as all VAT collected is payable to H.M. Revenue and Customs and all VAT paid is recoverable from it. Where NHS Orkney is the provider, expenditure incurred will include irrecoverable VAT as generally NHS Orkney cannot recover VAT paid as input tax and NHS Orkney will charge the full cost to the Orkney IJB.

Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the financial statements but are disclosed as a note to the accounts where they are deemed material. There were no contingent assets and liabilities in 2023/24.

Employee Benefits

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

The Orkney IJB has a legal responsibility to appoint a Chief Officer. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs. Where material the Chief Officer's absence entitlement as at 31 March 2024 is accrued, for example in relation to annual leave earned but not yet taken.

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

Post-employment benefits

The Orkney IJB does not participate in a formal pension scheme. The Chief Officer participates in the NHS Pension Scheme which is managed by NHS Orkney who makes the relevant contributions. The Chief Finance Officer participated in the Local Government Pension Scheme which is managed by Orkney Islands Council who makes the relevant contributions.

Funding

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

Cash and Cash Equivalents

The Orkney IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the Orkney IJB by the funding partners. Consequently, the Orkney IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet. The funding balance due to or from each funding partner as at 31 March 2024 is represented as a debtor or creditor on the Orkney IJB's Balance Sheet.

Indemnity Insurance

The Orkney IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding the Orkney IJB member and officer responsibilities. NHS Orkney and Orkney Islands Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide.

There were no claims in 2023/24.

Note 2 Corporate Services

The corporate services costs are as follows:

2022/23		2023/24
£000		£000
176	Staff Costs	154
19	Other Costs	3
31	Audit Fees	33
226	Total	190

Note 3 Critical Judgements and Estimation Uncertainty

Where a critical judgement has been made this is referred to in the relevant note to the financial statements. However, a summary of those with the most significant effect is detailed below.

There were no critical judgements for the 2023/24 Annual Accounts.

Note 4 Taxation and Non-Specific Grant Income

2022/23		2023/24
£000		£000
26,641	Funding contribution from Orkney Islands Council	40,670
37,574	Funding contribution from NHS Orkney	26,942
64,215	Taxation and Non-specific Grant Income	67,612

The funding from NHS Orkney shown above includes £11,062k in respect of unscheduled care resources relating to acute hospital resources. The associated services are provided by NHS Orkney, which retains responsibility for managing the costs of providing the services. However, the Orkney IJB has responsibility for the consumption of, and level of demand placed on, these resources.

Note 5 Debtors

2022/23		2023/24
£000		£000
2,523	NHS Orkney	2,715
0	Orkney Islands Council	0
2,523	Total	2,715

Related Party Debtors

The Orkney IJB has related party relationships with NHS Orkney and Orkney Islands Council. The nature of the partnership means that the Orkney IJB may influence, and be influenced by, its partners.

Note 6 Creditors

The Orkney IJB has no creditor balances.

Note 7 External Audit Costs

KPMG is the appointed external auditor for the 2023/24 audit. The fee is £33,360 (£31,470 2022/23). This fee covers the costs of planning, delivering and reporting the annual audit including auditors' attendance at committees.

Note 8 Related Party Transactions

The Orkney IJB is required to disclose material transactions with related parties / bodies or individuals that have the potential to control or influence the Orkney IJB or to be controlled or influenced by the Orkney IJB. Disclosure of these transactions allows readers to assess the extent to which the Orkney IJB might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Orkney IJB.

The Orkney IJB has related party relationships with NHS Orkney and Orkney Islands Council. The nature of the partnership means that the Orkney IJB may influence, and be influenced by, its partners. The following transactions included in the Orkney IJB's accounts are presented to provide additional information on the relationships.

The Scottish Government has significant influence over the general activities of the Orkney IJB. It is responsible for providing the statutory framework within which the Orkney IJB is constituted and will operate; through partner agencies, provides the majority of the Orkney IJB's funding and prescribes the terms of many of the transactions that the Orkney IJB has with other parties (e.g. NHS Orkney, Orkney Islands Council).

Members of the Orkney IJB have control over the Orkney IJB's financial and operating policies to the extent they are transacted through the Orkney IJB.

Transactions with NHS Orkney

2022/23		2023/24
£000		£000
40,729	Expenditure on Services	42,336
40,729	Net Transactions with NHS Orkney	42,336

Transactions with Orkney Islands Council

2022/23		2023/24
£000		£000
27,086	Expenditure on Services	30,885
27,086	Net Transactions with Orkney Islands Council	30,885

The funding received from each party can be found at Note 4.

The balance due from each party can be found at Note 5.

Note 9 Events after the Balance Sheet date

The audited Annual Accounts reflect events after 31 March 2023 up to the date the audited accounts were authorised for issue. Where events taking place before this date provided information about conditions existing as at 31 March 2023, the figures in the Financial Statements and notes have been adjusted in all material respects to reflect the impact of this information. For 2023/24, no such adjustments have been required.

Note 10 Reserves

Reserves are established as part of good financial management. These funds are held for five main purposes as follows:

- A working balance to help cushion the impact of uneven cash flows.
- Avoid unnecessary temporary borrowing – this forms part of general reserves.
- A contingency to cushion the impact of unexpected events.
- Emergencies – this also forms part of general reserves.
- A means of building up funds, often referred to as earmarked reserves, to meet known or predicted liabilities.

Within the reserves policy and in regard to the size and scale of the Orkney IJB's responsibilities, over the medium term it is proposed that a prudent level of general reserves will represent approximately 2% of net expenditure. This value of reserves must be reviewed annually as part of the Orkney IJB budget and Strategic Plan; and in light of the financial environment at that time. The level of other earmarked funds will be established as part of the annual financial accounting process.

There are no general reserves balances due to requiring additional funds at the end of the financial year to have a balanced year end position.

	2022/23					2023/24		
As At 01/04/22	Funds In	Funds Out	Balance 31/03/23		As At 01/04/23	Funds In	Funds Out	Balance 31/03/24
	£000	£000	£000			£000	£000	£000
1,090	151	(571)	670	Primary Care	670	795	(843)	622
2,363	0	(2,295)	68	COVID-19	68	70	0	138
318	0	(14)	304	Hospital At Home	304	0	(85)	219
362	418	(120)	660	Integration Support/System Pressures	660	382	(655)	387
364	69	(79)	354	Alcohol and Drugs Prevention	354	242	0	596
0	0	0	0	Winter Plan	0	0	0	0
0	0	0	0	Community Living Change	0	0	0	0
892	48	(487)	453	Mental Health	453	941	(1,088)	306
194	4	(194)	4	Children and Family Services	4	68	(64)	8
271	0	(271)	0	Care At Home	0	0	0	0
175	0	(175)	0	Interim Care	0	0	0	0
95	673	(758)	10	Other*	10	495	(66)	439
0	0	0	0	Uplifts	0	456	(456)	0
6,124	1,363	(4,964)	2,523	Total Earmarked Reserves	2,523	3,449	(3,257)	2,715

At March 2024, the Orkney IJB is reporting a number of “ear–marked” reserves that have significantly decreased in size.

This, in part, reflects utilisation of reserves in reaching a balanced budget position for the year.

The Orkney IJB received £70k funding from the Scottish Government for COVID-19 costs during the financial year ending 31 March 2024.