



Midlothian
Health & Social Care

Midlothian Integration Joint Board (IJB) Unaudited Annual Accounts 2023/24

The Annual Accounts of Midlothian Integration Joint Board for the period from 1 April 2023 to 31 March 2024, prepared pursuant to Section 105 of the Local Government (Scotland) Act 1973 and in accordance with the terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

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Audit Arrangements

Under arrangements approved by the Accounts Commission of Local Authority Accounts in Scotland, the auditor with responsibility for the audit of the accounts of Midlothian Integration Joint Board for the period 1 April 2023 to 31 March 2024 is Audit Scotland, 102 West Port, Edinburgh EH3 9DN.

Management Commentary

Introduction

The management commentary considers the work that the Integration Joint Board (IJB) has undertaken during the financial year 2023/24, and then describes the financial performance for the financial year ended 31 March 2023. It provides an overview of the key messages relating to the role, remit, members, objectives, and the strategy of the IJB.

The Role and Remit of the Integration Joint Board

The IJB is an Integration Authority set up under the Public Bodies (Joint Working) Act (2014). It is a 'body corporate', that is a separate legal entity. The IJB is constituted through its Integration Scheme which was prepared by Midlothian Council and NHS Lothian and presented to Scottish Ministers in March 2015. The Integration Scheme was approved by the Scottish Parliament in June 2015 and the first meeting of the IJB took place on 20 August 2015. A review of the integration scheme was undertaken during 2022 and approved by Midlothian Council and NHS Lothian in June 2022 and has been approved by the Scottish Government.

The IJB's role and responsibility is to plan for the delivery of the functions that have been delegated to the IJB by Midlothian Council and NHS Lothian. These functions are -

- Adult Social Care
- Primary Care Services (GP Practices, Community Dentists, Community Pharmacies and Community Opticians)
- Mental Health Services
- Physical and Learning Disabilities Services
- Community Health Services
- Community Hospital Services
- Unscheduled Care Services (services that are generally delivered from the Royal Infirmary of Edinburgh, the Western General Hospital and St. John's Hospital).

The IJB assumed formal responsibility for these functions in April 2016 including the budgets for the delivery of these functions. The strategic plan of each IJB must be reviewed and approved by the IJB every 3 years. During March and April 2022 the IJB considered and approved its third Strategic Plan which covers April 2022 to March 2025.

Membership of Integration Joint Board

The IJB met 7 times in 2023/24 for formal business meetings and there was one workshop.

The members of the IJB as of March 2024

Member	Nominated/Appointed by	Role
Conor McManus	Nominated by Midlothian Council	Voting Member, Chair
Val de Souza	Nominated by NHS Lothian	Voting Member, Vice Chair and Chair of the Audit and Risk Committee
Pauline Winchester	Nominated by Midlothian Council	Voting Member
Derek Milligan	Nominated by Midlothian Council	Voting Member
Kelly Parry	Nominated by Midlothian Council	Voting Member
Angus McCann	Nominated by NHS Lothian	Voting Member
Andrew Fleming	Nominated by NHS Lothian	Voting Member
Nadin Akta	Nominated by NHS Lothian	Voting Member
Morag Barrow	Appointed by the IJB	Chief Officer
David King	Appointed by the IJB	Interim Chief Finance Officer
Joan Tranent	Nominated by Midlothian Council	Chief Social Worker
Fiona Stratton	Nominated by NHS Lothian	Chief Nurse
Johanne Simpson	Nominated by NHS Lothian	Medical Practitioner
Rebecca Green	Nominated by NHS Lothian	General Practitioner
Grace Chalmers	Appointed by the IJB	MLC Staff Side Representative
Claire Ross	Appointed by the IJB	Head Allied Health Professional
Marlene Gill	Appointed by the IJB	User Representative
Keith Chapman	Appointed by the IJB	User Representative/Carer Representative
Wanda Fairgrieve / Jordan Miller	Appointed by the IJB	NHS Staff Side Representative

Notes

Claire Flanagan was the IJB's Chief Finance Officer until 30th September 2023 when she resigned to take up another appointment. David King has been appointed as interim Chief Finance Officer until a permanent appointment can be made.

Integration Joint Board's Vision and Objectives

The IJB's vision and objections are laid out in the IJB's Integration Scheme, and these reflect the the nine national health and wellbeing outcomes which apply to integrated health and social care. These are:

1. People are able to look after and improve their own health and wellbeing and live in good health for longer.
2. People, including those with disabilities or long-term conditions or who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.
3. People who use health and social care services have positive experiences of those services, and have their dignity respected.
4. Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.
5. Health and social care services contribute to reducing health inequalities.
6. People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and wellbeing.
7. People using health and social care services are safe from harm.
8. People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.
9. Resources are used effectively and efficiently in the provision of health and social care services.

The IJB also contributes to the achievement of the national criminal justice outcomes because the Parties have elected to delegate criminal justice social work.

The Integration Joint Board's Operations for the Year 2023/24

The Strategic Plan is delivered through the IJB's Directions to its partners (Midlothian Council and NHS Lothian). The IJB issued Directions for 2023/24 to the Chief Executives of both partners on 30th March 2023. A report was presented to the IJB at its meeting in September 2023 which updated the IJB on the half year status regarding the delivery of the Directions for 2023/24. This will be considered further as part of the publication of the IJB's Annual Performance Report which is due to be published by October 2024.

Progress in 2023/24 against the delivery of the Integration Joint Board's goals.



1. Health and Wellbeing – people are able to look after and improve their health and wellbeing and live in good health for longer.

The Health Inclusion Team has continued to provide outreach and carried out health assessments with 171 people since April 2023. Most assessments were in the person's home and the most frequent intervention was in relation to healthcare and lifestyle, followed by advocacy / liaison with / referral to partner agencies.

Representation has been provided to a number of key working groups to promote a public health agenda, including the trauma training steering group, Mid & East Lothian Drug and Alcohol Partnership Group, Midlothian Suicide Prevention Group, Equally Safe Strategy Leadership Group, Midlothian will be Healthier Thematic Group, Lothian Green Health Network and the Third Sector Summit.

Local and regional efforts have continued within the whole systems approach to Type II diabetes, ensuring alignment with NHS Lothian's public health priorities and the partnership's objectives. This has included the evaluation of funded projects to help the people of Mayfield and Easthouses have more access to healthy food options, keep physically active and have more money in their pockets.



2. Living in the Community – People are able to live, as much as possible, independently and at home or in a homely setting.

Mental Health services for adults aged 18+ have 33 digital on-line self-help platforms used across the service. Midspace is one example and there has been a 33% increase in access.

The national transfer of phone lines from analogue to digital means that all MidCare equipment, including falls alarms, needs to be updated. So far, 35% of this equipment in peoples' homes has been replaced.



3. Positive Experiences and Dignity – People who use health and social care services have positive experiences of those services, and have their dignity respected.

Good progress has been made in relation to our ability to use outcome mapping to better inform service redesign that is person led.

The Dietetics hosted service has provided representation to the NHS Lothian Strategic Falls Group and the local Midlothian Community Hospital Falls Group.

An initial organisation-wide Frailty Event has taken place with representation and engagement from all relevant service stakeholders, including Head of Primary Care & Older People, Clinical Director, Chief Nurse and Chief Allied Health Professional.

All staff working in Community Justice have been trained to Level 2 Trauma (National Education for Scotland), and all Adult Support and Protection and Duty staff have completed Level 1 Trauma training.



4. Quality of Life – Health and social care services help to maintain or improve the quality of life of people who use those.

A number of services have collated feedback from patients and relatives on their experiences including:

- The wards and Allied Health Professionals within Midlothian Community Hospital – looking at experiences of care and rehabilitation.
- Highbank Intermediate Care Facility – looking at respite.
- Occupational Therapy and Physical Disabilities service – looking at the impact of their service. People have feedback that even a small piece of equipment or change to their home environment can make a huge difference to the quality of their life.

- Mid & East Lothian Drug and Alcohol Partnership – looking at prevention, children and families services, treatment service and recovery.
- All Mental Health services, CAPS Advocacy, substance use services VOCAL – looking at Medication Assisted Treatment standards, and trauma-focused support.
- The Duty Social Work Team – looking at experiences of all people in contact with them.
- Community Justice – looking at experiences of community-based sentences.
- Spring Service and women who are supported as part of the Caledonian system – looking at their experience of support.
- The Care at Home team – looking at experiences of people with a package of care.
- The 0-5 Immunisations Service – looking at experience of the winter Flu campaign.
- The Health Visiting service – looking at experiences of care.
- The Dietetics hosted service – looking at experience of patients newly discharged on home enteral feeding.
- Musculoskeletal Physiotherapy and General Practice Advanced Practice Physiotherapists – looking at patient experience.



5. **Health Inequalities** - Health & social care services contribute to reducing health inequalities.

Following Midlothian's lead role in the pan-Lothian efforts to improve data visualisation, improved mechanisms have been put in place that allow increased disaggregation of NHS data, including the ability to better understand the impact of economic deprivation.



6. Support for Carers - People who provide unpaid care are supported to look after their health and wellbeing.

A new model of respite has been introduced at Highbank Intermediate Care Facility to meet the changing needs of people who require support, and their unpaid carers. To date, 13 referrals have resulted in 16 respite bookings.

The Duty Social Work Team have continued to work with colleagues and Vocal to identify and support unpaid carers. Within this quarter there were a total of 64 referrals received with the reason for making contact noted as 'Carer Stress'.

An initial meeting was held between Carer and Home First Service Leads to connect the relevant Health and Social Care Partnership, Health and Voluntary Sector partners to take forward mapping/planning, establishing stakeholders, services, processes and timescales involved in the discharge process, to re-establish referral pathways and connections.

Work has started to scope the feasibility of a cooperative to support carers in Midlothian. Key stakeholders have met to understand and establish priority focus areas as part of this scoping exercise and to agree a timeline.



7. Safe from Harm - People using health & social care services are safe from harm.

The Adult Support and Protection Team have undertaken a range of duties to identify, minimise and manage risk and ensure that all suspicions, disclosures or actual harm are acted upon.

Health Visiting have engaged in appropriate activity to ensure the safety of mothers of children under 5 years who are at risk of harm. This included ensuring the Equally Safe Strategy, and the NSPCC Harmful Sexual Behaviours Framework and Action Plan, are all in place.

Within Substance Use services, the percentage of people commencing treatment within 21 days of referral reached 100% at the end of 2023/24.

The Pharmacy Service has established Medicine Reconciliations support to all Midlothian GP practices to ensure safe, effective and timely access to medicines. The locally designed hub model has increased Immediate Discharge Letter (IDL) output from the Pharmacy team by 323% from 2021/22. 100% of IDLs are now completed by pharmacy, with 97% completed within the 48-hour target turnaround time.



8. Workforce - Staff are engaged with their work and are supported to continuously improve the information, support, care and treatment they provide.

iMatter is the survey used to capture and measure Health and Social Care Partnership (HSCP) staff engagement levels. The survey is run on an annual basis in July. Midlothian HSCP has increased iMatter Employee Engagement Scores over the last three years.

Response rate to iMatter Employee Engagement Scores

Year	Response Rate	Employee Engagement Rate	Action Plans Agreed
2023	55%	80	69%
2022	48%	78	35%
2021	50%	77	2%

Response rates for 2023 were higher than during the previous two years, and work has continued in 2023/24 to achieve the response rate target of 60%. Examination across all domains described in the 2023 Midlothian HSCP Directorate report has helped identify opportunities for targeted action to improve staff engagement and wellbeing.

We have completed a full review of the functionality, effectiveness and uptake of Health and Social Care specific LearnPro modules.

The ‘Haven’ staff wellbeing space has opened on site. The Soup Stop has continued to play a key role in supporting staff wellbeing, with over 200 staff benefitting.

Between April and September 2023, a consultative and collaborative process was undertaken to establish the governance structure of the Midlothian Integrated Workforce Governance Board which commissions and oversees the work of two Subgroups: Workforce Planning (Access and Demand). and Staff Engagement (Staff Governance & Development).

The Midlothian Integrated Workforce Governance Board has provided oversight of the work required to deliver the HSCP Integrated Workforce Plan 2022-25. This strategic workforce plan forms a key part of the work to align strategic, financial, and operational plans to ultimately support the delivery of right staff, in the right place, at the right time, within budget.



9. Use of Resources - Resources are used effectively and efficiently.

The Tableau Dashboard that provides management data relating to emergency / unscheduled care has been further developed and can now be fully interrogated at Health and Social Care Partnership (HSCP) level (including SIMD filters). Pan-Lothian work has continued to improve the quality and consistency of protected characteristic cohort data.

The 0-5 Immunisations Midlothian data has shown an uptake rate of 61.5% for seasonal flu, compared to a 54.2% pan-Lothian update (Midlothian has the highest uptake across the Lothians).

The Health Visiting service has worked alongside data analysts to build a way of linking assessments over time to demonstrate effective early intervention.

All services have attended a series of three Financial Recovery Workshops hosted by Midlothian Health and Social Care Partnership with support from NHS Lothian's Sustainability & Value Team. All services were required to submit Financial Recovery Templates.

Ongoing work has continued to connect the strategic and financial ambitions of the IJB, to operational strategic and financial planning, through Midlothian HSCP's Operational Transformation Group, alongside Midlothian HSCP's Finance and Performance Group.

Examples of work already completed / currently underway include the Midlothian Bed-Based Care Review, the redesign of Home First, and a review of the strategy and vision for Newbyres Care Village.

Outcome Mapping

The Services for which the IJB plans must aim to improve outcomes for people who use these services, their carers and their families. Considering the impact of all our services is a complex exercise and involves a wide range of data. To help the IJB deliver this, the IJB has continued to develop the use of outcome mapping to better understand how services contribute to progress towards our strategic aims and outcomes that matter to people.

Outcome Mapping is used to understand how our services contribute to our strategic aims and the outcomes that matter to people. The Outcome Mapping approach was developed by our partners, Matter of Focus and the bespoke design and architecture for Midlothian Health and Social Care Partnership was designed by the Planning and Performance team.

Each 'stepping-stone' of the outcome map framework includes a set of success criteria aligned to the Care Inspectorate joint inspection framework. The outcome map is colour-coded to show an evaluation of the extent to which the service is making progress towards personal outcomes and confidence in how strong the evidence is to support that progress rating. This results in a two-factor rating system for each stepping-stone in the outcome map.

Midlothian IJB has been asked to share this work with Audit Scotland, Healthcare Improvement Scotland (HIS), the Blavatnik School of Government at Oxford University, the Scottish Government team developing the National Improvement Framework for Adult Social Care and Community Health and most recently the team developing a new improvement framework for health that will support person centred care.

Governance

The IJB has continued to review and update its governance during the financial year ensuring that the IJB's Strategic Plans are fully compliant with best practice and the Scottish Government's latest guidance. The following were presented to and agreed by the IJB during the year:

- April 2023 – Mainstreaming Equalities Report and Action Plan 2023-25
- June 2023 – Integrated Impact Assessment Process Review
- August 2023 - Governance Plan
- December 2023 – Scheme of Publication
- February 2024 – Self-Improvement development plan

The IJB has moved from holding its meetings virtually to a hybrid model where the meeting is held face to face but members may join virtually if they wish.

Plans for next year and beyond.

Reflecting on the current challenging financial position, the IJB is not proposing to issue a new set of Directions in 2024/25 to allow the IJB and the partners further time to consider the impact of the current overall financial position. The Directions will clearly reflect the IJB's budget setting actions ensuring that the partners understand that these have to be delivered.

During the financial year (2024/25) financial reporting and planning will be progressed with the ambition of moving towards a balanced five year financial plan. This work will be part of the review of the IJB's Strategic Commissioning Plan to ensure that the IJB's financial plan will clearly articulate, in financial terms, how the IJB's Strategic Commissioning Plan will be delivered.

The IJB's partners (Midlothian Council and NHS Lothian) also have a range of significant financial challenges in 204/25 and thereafter, and the IJB will continue to work closely with the partners to review and revise the Strategic Commissioning Plan and its operational delivery through its Directions.

Integration Joint Board's Financial Performance in 2022/23

For the year ending 31 March 2024 the IJB recorded a deficit of £12,359,000. That meant that costs incurred in delivering the IJB's functions by Midlothian Council and NHS Lothian were greater than the income received from those partners in the financial year. The IJB has used its reserves to underpin this deficit and has broken-even in the financial year.

Summary of the IJB's financial position for the year ending 31 March 2024

Year-end Position	Health £000's	Social Care £000's	Total £000's
Income Income received from the partners Midlothian Council and NHS Lothian in 2023/24	£129,168	£57,416	£186,584
Expenditure Expenditure incurred by the partners in the delivery of the IJB's delegated functions for 2023/24.	£133,148	£65,794	£198,942
Surplus/ (Deficit)	(£3,980)	(£8,378)	(£12,358)
Planned Use of reserves The IJB carried funding from 2022/23 which it planned to use in 2023/24 through its reserves. This funding has been used as planned in 2023/24.	£1,738	£4,437	£6,175
Unplanned Use of reserves At this point the IJB still was in deficit. The IJB has therefore used the entirety of its available reserves to achieve break-even in 2023/24.	£2,241	£3,941	£6182
Position at Year end	(£1)	£0	(£1)

During the financial year 2023/24 the IJB has an in-year deficit in both its health and social care functions.

The deficit in the health services is being driven by pressures within GP prescribing services as a result of increased demand, and within the costs of the functions delegated to the IJB delivered in Acute Hospitals (The Royal Infirmary of Edinburgh and the Western General hospital) also as a result of increased demand.

Within the IJB's social care services, pressures are largely due to increased demand although there were also funding issues in year. The funding issues are discussed further below.

There is an impact in both the IJB's Health and Social Care budgets from the recent Covid 19 pandemic. The pandemic has increased the costs of the delivery of both social care and health services but there has not been any additional funding to support this pressure.

Funding for the Integration Joint Board

The IJB is funded exclusively by its partners – Midlothian Council and NHS Lothian. The funding is to support the delivery of the functions that the partners have delegated to the IJB. For the sake of clarity, these functions are now called ‘services’.

NHS Lothian’s funding is split into three broad areas –

- **Core Funding** – this is funding for health services delivered directly in Midlothian. This includes the running costs of the local hospitals, the community health services, the running costs of the Medical General Practitioners services (the local GPs) and a share of other primary care services (General Ophthalmic Services, General Dental Services and General Pharmaceutical services).
- **Hosted Funding** – the funding for the Midlothian Share of services delivered and managed on a pan-Lothian basis by NHS Lothian. For example Mental Health in-patients beds at the Royal Edinburgh Hospital.
- **Set Aside Funding** – this is a budget ‘set aside’ by NHS Lothian on behalf of the IJB representing Midlothian’s share of delegated unscheduled care services managed by NHS Lothian’s Acute Services and delivered at the Royal Infirmary of Edinburgh, the West General Hospital and St. John’s Hospital at Howden.

Midlothian Council’s funding is for the delivery of Adult Social Care services.

Budget offers (representing the funding) are made to the IJB by the partners each financial year. The IJB then assesses these offers and bases its acceptance of these offers on the guidance from the Scottish Government which it issues as part of its own budget setting process. At its March 2023 meeting the IJB accepted the indicative budget offer from NHS Lothian but did not accept the budget offer from Midlothian Council, on the basis that it did not meet the criteria laid out by the Scottish Government guidance. After further discussions the Council was unable to amend its offer and the IJB then accepted the position but had to deliver further savings plans to address the shortfall.

Reserves

There has been a very significant reduction in the IJB’s reserves during the financial year from an opening balance of £13,100,000 at 1 April 2023, to a closing balance of £799,000 as at 31 March 2024. Of this reduction in reserves, £6,177,000 was planned - these reserves had been carried forward from the previous financial year to support ‘earmarked’ projects in 2023/24. A further £6,182,000 of available reserves was required to be used to underpin the IJB’s financial position in year.

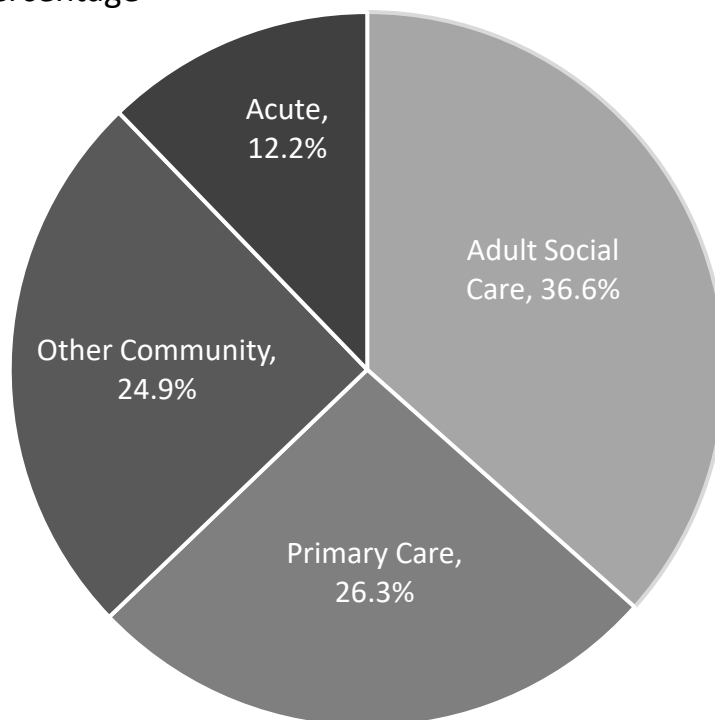
The IJB has a reserves policy with the intention to hold an available reserve (a general reserve) of c. 2% of its turn-over. The resolution to the 2023/24 financial position means that the IJB now has no available reserves. This creates an additional financial risk to the delivery of the 2024/25 financial position.

Integration Joint Board spend in 2023/24.

The chart below shows how the IJB has spent its funds in 2023/24 in the following areas –

- Adult Social Care
- Primary Care Services (GPs, GP prescribing, community opticians, community pharmacists and community dental services)
- Other Community health services (local community hospitals, community nursing services, community allied health professionals and Midlothian's share of pan-Lothian hosted services)
- Acute Services (Midlothian Share of those Acute services that have been delegated to the IJB)

Spend in year Percentage



Consideration of the 2024/25 financial position

The IJB has developed a five year financial planning model. At its December meeting an indicative five year plan is produced, and this is then revised and used as part of the budget setting process for the next financial year. At its December 2023 meeting a five year plan was presented to the IJB which showed a significant financial challenge in 2024/25. This 2024/25 forecast was then revised over the next three months and series of workshops were held with the IJB to consider recovery actions that could be delivered in 2024/25 to bring the financial forecast back into balance.

At its March 2024 meeting the IJB accepted the budget offers from both partners and set a balanced financial plan for 2024/25. This plan is based on the delivery of c. £10.1m of recovery actions in both health and social care. This overall financial pressure was driven by:

- Recovery actions to bring the overspends in the operational services back to break-even. This is clear from the financial challenges in delivering a balanced financial position in 2023/24 as described above.
- Further efficiency programmes to address future 2024/25 financial pressures driven by increasing demand and projected funding shortfalls.

The IJB has asked the partners to provide monthly financial updates and will monitor the 2024/25 financial position closely. Additional efficiency programmes will be required if a break-even position is not being forecast. The IJB will continue to revise its current finance year financial plan with a view to delivering a further formal five year plan in December 2024.

Key Risks, challenges and uncertainties

The main financial pressures remain in line with those in the 2022/23 annual accounts:

- The growing demand for both health and social care services locally and at the Acute Hospitals driven by population growth and the changing needs of the population,
- The lack of an available workforce,
- The challenging national financial landscape.

- **A growing and ageing population**

Midlothian's population is now the fastest growing in Scotland. Although, in theory, national funding models for both Local Authorities and the NHS are designed to reflect population growth these models are constrained by:

- The total funding available, which has increased but not sufficiently to manage the pressures identified.
- Where population numbers reduce this does not necessarily reduce the costs of delivering services and it is difficult to move funds round the system.

In addition the average age of the Midlothian population is projected to increase. As people live longer inevitably their health and social care needs increase and this demographic pressure is a national challenge to all IJBs.

- **The lack of an available workforce**

Both health and social care services are experiencing a shortage of care professionals. The IJB has developed a workforce plan in collaboration with its partners but tackling this issue is also a challenge nationally.

- **The challenging national financial landscape**

In setting its 2024/25 budget the Scottish Government recognises a significant financial challenge ahead for all public services notwithstanding its ambition to protect health and social care services as much as it can.

- **National Care Service**

The Scottish Government is in the process of setting up a National Care Service (NCS) which will include many of the functions currently delegated to the IJB. The Bill setting up the national care services is currently at Stage 2 (where MSPs can propose changes to the Bill). It is not currently clear what the impact of the NCS will be on the IJB nor the timescales for any changes to take place.

Conor McManus IJB Chair.

Date:

Morag Barrow, Chief Officer.

Date:

David King, Interim Chief Finance Officer.

Date:

Statement of Responsibilities

Responsibilities of the Integration Joint Board

The Integration Joint Board is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the board has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this authority, that officer is the 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 so far, as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- Approve the Annual Accounts.

I confirm that these Annual Accounts were approved for signature at a meeting of the Audit & Risk Committee.

Signed on behalf of Midlothian Integration Joint Board.

Conor McManus, IJB Chair.

Date:

Responsibilities of the Chief Finance Officer

The chief finance officer is responsible for the preparation of the IJB'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 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.

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

David King, Interim Chief Finance Officer

Date:

Remuneration Report

Introduction

This Remuneration Report is provided in accordance with the Local Authority Accounts (Scotland) Regulations 2014. It discloses information relating to the remuneration and pension benefits of specified IJB members and staff.

The information in the tables below is subject to external audit. The other sections of this report will be reviewed by Audit Scotland and any apparent material inconsistencies with the audited financial statements will be considered as part of their audit report.

Remuneration: Integration Joint Board Chair and Vice Chair

The voting members of the IJB are appointed through nomination by Midlothian Council and NHS Lothian Board. Nomination of the IJB Chair and Vice Chair post holders alternates between a Councillor and a Health Board representative.

The IJB does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. Neither the Chair nor the Vice Chair appointments had any taxable expenses paid by the IJB in 2022/23 (Previous Year: nil).

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

NHS Lothian no longer automatically offers another full day's remuneration for being the Board's Lead Voting Member on an IJB. Instead, non-executive remuneration is based on an individual's overall estimated time commitment, which can include multiple memberships of Board committees and IJBs as well as other responsibilities, not just as committee chairs or lead voting members of the IJBs. No specific remuneration is therefore available for the vice chair of the IJB.

Remuneration: Officers of the Integration Joint Board

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

Chief Officer

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 a Chief Officer for the IJB has to be appointed and the employing partner has to 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 remuneration terms of the Chief Officer’s employment are approved by the IJB.

The Chief Officer of the IJB is Morag Barrow, who is also the Director of Health and Social Care for Midlothian Council and the Joint Director of the Midlothian Partnership. It has been agreed that 50% of her total remuneration is to be shown in the accounts of the IJB as her remuneration as the Chief Officer of the IJB.

Chief Finance Officer

Although the costs of the Chief Finance Officer are not included in the charges made to the IJB by either partner, given the S95 role of the Chief Finance Officer and in the interests of transparency, the remuneration of the Chief Finance Officer is included below.

Claire Flanagan was Chief Finance Officer until 30th September 2023 and was employed by NHS Lothian and has three roles – the IJB’s Chief Finance Officer, the Chief Finance Officer of East Lothian IJB and an operational role in the NHS Lothian finance team as a Finance Business Partner. On that basis, one third of the total remuneration for Claire Flanagan between 1st April 2023 and 30th September 2024 is shown below.

From 1st October 2023 until 31st March 2024, David King was appointed as Chief Finance Officer on an interim basis. He is employed by NHS Lothian. His role is that of Chief Finance Officer with Midlothian IJB and Chief Finance Officer of East Lothian IJB. On that basis, his costs between 1st October 2023 and 31st March 2024 have been split half between these two IJBs.

Other Officers

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

Senior Employees: Salary, Fees & Allowances:

Name	2022/23 £	2023/24 £
Morag Barrow	£52,699	£55,822
Claire Flanagan (Note 1)	£25,901	£15,038
David King (Note 2)	£1,436	£10,071

Note 1: Chief Finance Officer (Claire Flanagan) returned from maternity leave in May 2022, while off her role was fulfilled on an interim basis by David King.

Note 2: David King covered Claire Flanagan maternity leave (which ended in May 22 as above). David King is no longer an active member of the SPPA.

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

The IJB however has responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the IJB. The following table shows the IJB's funding during the year to support officers' pension benefits. The tables also show the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

In year Pension Contributions:

Name	For Year to 2023 £	For year to 2024 £
Claire Flanagan	£5,873	£3,077

Accrued Pension Benefits:

Name	Pension (as at 31 March 2023) £000's	Lump Sum (as at 31 March 2023) £000's	Pension (as at 31 March 2024) £000's	Lump Sum (as at 31 March 2024) £000's
Morag Barrow	£9	£19	£0	£0
Claire Flanagan	£21	£29	£22	£55

Disclosure by Pay Bands

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

Exit Packages

The IJB did not support nor did it direct to be supported by its partners, any exit packages during 2023/24 (2022/23: nil).

Conor McManus, IJB Chair.

Date:

Morag Barrow, Chief Officer.

Date:

Annual Governance Statement 2023/24

Introduction

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

Scope of Responsibility

The 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 IJB has established arrangements for governance which includes a system of internal control. The system is intended to manage risk to support the achievement of the IJB's policies, aims and objectives. Reliance is also placed on NHS Lothian and Midlothian Council's (the partners) systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the IJB. The system can only provide reasonable and not absolute assurance of effectiveness.

The Governance Framework and Internal Control System

The Board of the IJB comprises voting members, nominated by either NHS Lothian or Midlothian Council, as well as non-voting members including a Chief Officer appointed by the Board.

The current IJB Local Code of Corporate Governance (IJB Local Code), which was approved by the Board on 8 April 2021, sets out the framework and key principles, which require to be complied with, to demonstrate effective governance. The IJB Local Code reflects the changing context of integration and is consistent with the principles and recommendations of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (2016) and the supporting guidance notes for Scottish authorities. The overall aim of the Framework is to ensure that: resources are directed in accordance with agreed policy and according to priorities; 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 main features of the governance framework and internal control system associated with the seven core principles of good governance defined in the IJB Local Code in existence during 2023/24 included:

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

The roles and responsibilities of Board members and statutory officers and the processes to govern the conduct of the Board's business are defined in the Scheme of Integration which

was approved by the Board and NHS Lothian in June 2022, which serves as the approved constitution, and Standing Orders, a revision of which was approved by the Board in February 2023, to make sure that public business is conducted with fairness and integrity.

The Ethical Standards in Public Life (Scotland) Act 2000 provides for Codes of Conduct for local authority councillors and members of relevant public bodies. As a Public Body listed in schedule 3 of the Act, the IJB is required to produce a Code of Conduct, which was approved by the Board in April 2022, continued adherence to this Code of Conduct provides appropriate assurance against this principle.

The IJB is dependent upon arrangements within the partner organisations for areas such as:

- ensuring legal compliance in the operation of services;
- handling complaints;
- ethical awareness training and whistleblowing policies and procedures;
- staff appointment and appraisal processes which take account of values and ethical behaviour;
- identifying, mitigating and recording conflicts of interest, hospitality and gifts; and
- procurement of goods and services which are sustainable, represent value of money and which reinforce ethical values.

Other areas where the IJB places significant reliance on arrangements in place within the partner organisations are set out in the remainder of the statement.

The Chief Officer is responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

Professional advice on the discharge of duties is provided to the Board by the IJB Chief Officer supported by Chief Financial Officer, Chief Internal Auditor and Board Clerk as appropriate.

B. Ensuring openness and comprehensive stakeholder engagement

Board meetings are held in public unless there are good reasons for not doing so on the grounds of confidentiality. Board papers are available to the public on the Council website.

Unless confidential, decisions made by the Board are documented in the public domain.

Community engagement was encouraged as part of the development of the Scheme of Integration and the Strategic Plans of the Health and Social Care Integration Joint Board were developed following consultations with interested parties including members of the public.

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

The vision, strategic objectives and outcomes are reflected in the Midlothian Health & Social Care Integration Joint Board third Strategic Plan 2022-25 was approved in April 2022 and has been updated to reflect on-going assessment of need and priorities following public

consultation. Implementation is underpinned by the associated Directions, on which progress reports are presented to the Board.

Implications are considered during the decision-making process within the standard report template covering Policy, Equalities, Resources, Risk, and Involving People.

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

In determining how services and other courses of action should be planned and delivered, the IJB has a statutory responsibility to involve patients and members of the public.

The IJB Strategic Plan is based on consultation during its review and update.

The IJB has issued Directions to the partners for service delivery and for service redesign and recommissioning in line with the transformation programme.

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

The IJB Chief Officer is responsible and accountable to the Board for all aspects of management including promoting sound governance and providing quality information/support to inform decision-making and scrutiny.

Regular meetings are held between the Chief Officer and the Chair and Vice Chair of the IJB. The IJB Chief Officer also meets regularly with representatives from the partner organisations.

Members of the IJB are provided with the opportunity to attend Development Sessions relevant to their role as part of their development programme. The IJB has also undertaken a Self-Assessment Completed in August 2023 with an improvement plan being approved.

A 3 year Workforce Plan 2022-25 has been created, approved and published to help ensure it has the right people, with the right skills, in the right place, at the right time to support the delivery of its strategic objectives and priorities.

F. Managing risks & performance through robust internal control & strong public financial management

The IJB Chief Officer has overall responsibility for directing and controlling the partnership to deliver health and social care services. The IJB is responsible for key decision-making.

The IJB has approved a Risk Management Strategy which includes: the reporting structure; types of risks to be reported; risk management framework and process; roles and responsibilities; and monitoring risk management activity and performance. This Strategy has been updated and presented to the June 2024 Audit & Risk Committee.

The IJB Chief Financial Officer is responsible for the proper administration of all aspects of the IJB's financial affairs including ensuring advice is given to the Board on all financial matters.

The IJB's system of internal financial control is dependent upon the framework of financial regulations, regular management information (including Revenue Budget Monitoring reports to the Board), administrative procedures (including segregation of duties), management supervision and systems of delegation and accountability within the partner organisations.

The IJB also relies upon the partners for:

- Counter fraud and anti-corruption arrangements; and
- Management of data in accordance with applicable legislation.

G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

The Shared Chief Internal Auditor of Midlothian Council is the IJB's Chief Internal Auditor whose role is to provide an independent and objective annual opinion on the effectiveness of the IJB's internal controls, risk management and governance. This is carried out in conformance with the Public Sector Internal Audit Standards.

The IJB responds to the findings and recommendations of Internal Audit, External Audit, Scrutiny and Inspection bodies. The IJB Audit and Risk Committee is integral to overseeing assurance and monitoring improvements in internal controls, risk management and governance. The Audit & Risk Committee updated the terms of reference in June 2024 and have agreed to recruit an independent member in line with CIPFA best practice.

Performance Reports were presented to the Board for monitoring and control of achievement of Local Improvement Goals. An Annual Performance Report for 2023/24 is being prepared to outline progress against strategic objectives over the year.

The Annual Accounts and Report for 2023/24 will set out the financial position in accordance with relevant accounting regulations and is being prepared.

Review of Adequacy and Effectiveness

The IJB is required to conduct an annual review of the effectiveness of its governance framework.

The review was informed by an annual self-assessment carried out by Internal Audit against the IJB's Local Code of Corporate Governance; Internal Audit reports for the IJB; External Audit reports for the IJB; relevant reports by other external scrutiny bodies and inspection agencies; and relevant partners' (NHS Lothian and Midlothian Council) Internal Audit and External Audit reports.

In respect of the three improvement areas of governance identified by the IJB in 2020/21, there have been developments during the year in all three of these. Specifically, the risk register has been developed to include and additional risk specific to the Boards financial challenge, the IJB Strategic Plan and the medium term financial plan continue to be further developed to include a more explicit link, however this work remains ongoing, governance processes to manage the monitoring of financial recovery plans remain ongoing.

Improvement Areas of Governance

The review activity outlined above has identified the following areas where further improvement in governance arrangements can be made to enhance compliance with the Local Code:

- 1 The Medium term financial plan should be further developed to include a more explicit link to the Midlothian IJB Strategic Plan.
- 2 Given the significant challenges in developing financial recovery plans of approximately £10million for 2024/25 confirmation of the governance process of monitoring against the achievement of these recovery plans should continue to be developed.
- 3 Improvements to the Midlothian publication scheme are required in order to ensure that the Register of Interests for Board Members, the Public Engagement Statement and financial information is accessible through the Midlothian IJB Publication scheme.

The implementation of these actions to enhance the governance arrangements in 2024/25 will be driven and monitored by the IJB Chief Officer to inform the next annual review. Internal Audit work planned in 2024/25 is designed to test improvements and compliance in governance.

Conclusion and Opinion on Assurance

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the IJB's governance arrangements and system of internal control, while recognising that further improvements are required to fully demonstrate compliance with the Local Code in order for the IJB to fully meet its principal objectives. Systems are in place to regularly review and improve governance arrangements and the system of internal control.

Conor McManus, Chair

Morag Barrow, Chief Officer

Independent Auditor's Report

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

This will be provided after the independent auditors have completed their audit in August 2024.

Comprehensive Income and Expenditure Statement

This statement shows the cost of providing services for the year according to accepted accounting practices. Where the impact on the General Fund is amended by statutory adjustments, this is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

Integration Joint Board Comprehensive Income and Expenditure Statement

Income/Expenditure	2022/23 Net Expenditure £000's	2023/24 Net Expenditure £000's
Health Care Services - NHS Lothian	£122,663	£133,148
Social Care Services - Midlothian Council	£60,522	£65,749
Cost of Services	£183,185	£198,942
Taxation and Non-Specific Grant Income	(£172,830)	(£186,584)
Surplus/(deficit) on Provision of Services	(£10,355)	(£12,358)

The Integration scheme lays out that the partners will provide corporate and other support to the IJB as required and will not charge for these services. These costs are not, therefore, included above.

Movement in Reserves Statement

The movement in reserves statement shows the value of the IJBs reserve and how this has reduced during 2023/24, a large proportion of this reserve is earmarked for future projects and commitments.

Movements in Reserves during 2023/24

Reserves	General Fund Balance £000's	Total Reserves £000's
Opening Balance at 1 April 2023	£13,157	£13,157
Total Comprehensive Income and Expenditure	(£12,358)	(£12,358)
Increase or decrease in 2023/24	(£12,358)	(£12,358)
Closing Balance at 31 March 2024	£799	£799

Balance Sheet

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

Integration Joint Board Balance Sheet – Current Assets

Net Current Assets	31 March 2023 £000's	31 March 2024 £000's
Debtors	£13,157	£799
Creditors: amounts falling due within one year	£0	£0
Total assets less current liabilities	£13,157	£799

Integration Joint Board Balance Sheet – Capital and Reserves

Net Liabilities	31 March 2023 £000's	31 March 2024 £000's
Earmarked Reserve	£6,975	£799
General Reserve	£6,182	£0
Total Reserves	£13,157	£799

David King, Interim Chief Finance Officer.

Date:

Notes to the Financial Statements

1 Significant Accounting Policies

General Principles

The Financial Statements summarise the IJB's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024.

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

The Financial Statements are prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

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

Basis of Preparation

The IJB financial statements for 2023/24 have been prepared on a going concern basis. 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. In accordance with the CIPFA Code of Local Government Accounting (2023/24), the IJB is required to prepare its financial statements on a going concern basis unless informed by the relevant national body of the intention for dissolution without transfer of services or function to another entity. The accounts are prepared on the assumption that the IJB will continue in operational existence for the foreseeable future.

The IJB's funding from and commissioning of services to partners has been confirmed for 2023/24, and a medium-term financial plan has been prepared through to 2028. Given that the IJB is wholly funded by the partners and the IJB's Integration Scheme commits the partners to funding any overspend within the IJB I consider that there are no material uncertainties around its going concern status.

Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when settlement in cash occurs. In particular:

- Expenditure is recognised when goods or services are received, and their benefits are used by the IJB
- Income is recognised when the IJB has a right to the income, for instance by meeting any terms and conditions required to earn the income, and receipt of the income is probable

- Where income and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the Balance Sheet
- Where debts may not be received, the balance of debtors is written down

Funding

The IJB is wholly funded through funding contributions from the statutory funding partners, Midlothian Council and NHS Lothian. Expenditure is incurred in the form of net charges by the partners to the IJB.

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.

Debtors and Creditors

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

Employee Benefits

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

The IJB has a legal responsibility to appoint a Chief Officer. More details on the arrangements are provided in the Remuneration Report.

Provisions, Contingent Liabilities and Contingent Assets

Provisions are liabilities of uncertain timing or amount. A provision is recognised as a liability on the balance sheet when there is an obligation as at 31 March due to a past event; settlement of the obligation is probable; and a reliable estimate of the amount can be made. Recognition of a provision will result in expenditure being charged to the Comprehensive Income and Expenditure Statement and will normally be a charge to the General Fund.

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

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

The IJB has none of the above.

Reserves

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

The IJB's only Usable Reserve is the General Fund. The balance of the General Fund as at 31 March shows the extent of resources which the IJB can use in later years to support service provision. As noted above, the IJB has reserves of £13,157,000 at 31 March 2023.

The IJB's only Unusable Reserve is the Employee Statutory Adjustment Account. This is required by legislation.

Integration Joint Boards useable reserve

Reserves	2023/24 Closing Balance £000's
Embedding a gender informed effective response to domestic abuse Project	£27
Carers Act	£391
Primrose Lodge	£285
Sexual Health	£35
General Reserves	£0
Total	£799

Indemnity Insurance

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Lothian and Midlothian Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide. The IJB holds separate indemnity insurance through its membership of the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) scheme, the charge for this in 2023/24 was £3,000 (PY £3,000).

Unlike NHS Boards, the IJB does not have any 'shared risk' exposure from participation in CNORIS. The IJB participation in the CNORIS scheme is therefore analogous to normal insurance arrangements.

Known claims are assessed as to the value and probability of settlement. Where it is material the overall expected value of known claims taking probability of settlement into consideration is provided for in the IJB's Balance Sheet.

The likelihood of receipt of an insurance settlement to cover any claims is separately assessed and, where material, presented as either a debtor or disclosed as a contingent asset.

There are no outstanding claims or any indications that any claims are to be made against the IJB.

2 Critical Judgements and Estimation Uncertainty

The critical judgements made in the Financial Statements relating to complex transactions are:

- The partner organisations have considered their exposure to possible losses and made adequate provision where it is probable that an outflow of resources will be required, and the amount of the obligation can be measured reliably. Where it has not been possible to measure the obligation, or it is not probable in the partner organisations' options that a transfer of economic benefits will be required, material contingent liabilities have been disclosed (there are none).
- The Annual Accounts contains estimated figures that are based on assumptions made by the IJB about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.
- There are no items in the IJB's Balance Sheet at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year.

Provisions

The IJB has not created any provisions in respect of compensation claims. It is not certain that all claims have been identified or that the historic level of settlement payments is a reliable guide for future settlements.

3 Subsequent Events

In accordance with the requirements of International Accounting Standards 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date that the accounts were certified by the Chief Financial Officer following approval by the Audit and Risk Committee.

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. Two types of events can be identified.

- Adjusting events: Those that provide evidence of conditions that existed at the end of the reporting period. The Annual Accounts is adjusted to reflect such events.
- Non-adjusting events: Those that are indicative of conditions that arose after the reporting period and the Statements are not adjusted to reflect such events. Where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

4 Expenditure and Funding Analysis

Income and Expenditure 2023/24

Services specifically for Midlothian	2022/23 £000's	2023/24 £000's
Health	£72,439	£79,935
Social Care	£60,522	£65,794
Midlothian's share of Lothian Health Services (Hosted)	£27,638	£28,883
Midlothian's share of Lothian Health Services (Set Aside)	£22,638	£24,328
Total	£183,185	£198,940
Funded by: Midlothian Council	£56,612	£57,416
Funded by: NHS Lothian	£116,218	£129,168
Total Funding	£172,830	£186,584
Surplus/(Deficit)	(£10,355)	(£12,356)

Expenditure above has been split into three main areas:

- Expenditure on those services delivered specifically for the population of Midlothian. These services are managed locally by the Midlothian Partnership
- Hosted Services – these are health services managed either by the Edinburgh, East Lothian and West Lothian Partnerships or managed by NHS Lothian on a pan-Lothian basis. These services included Mental Health Services, Learning Disability Services, Substance Misuse Services, Rehabilitation services, General Dental Services, General Pharmaceutical Services and General Ophthalmic Services. This is the IJB's agreed share of these services.
- Set Aside Services – these are services delivered in the main acute hospitals (Royal Infirmary of Edinburgh, Western General Hospital and St. John's Hospital) and managed by NHS Lothian. This is the IJB's agreed share of these services.

5 Corporate Service

Included in the above costs are the following corporate services

IJB Corporate Costs	2022/23 £000's	2023/24 £000's
Staff (Chief Officer)	£53	£56
CNORIS	£3	£3
Audit Fee	£32	£33
Total	£88	£92

As noted above, the Chief Finance Officer is not charged to the IJB.

6 Related Party Transactions

As partners with the Integration Joint Board, both Midlothian Council and NHS Lothian are related parties and the material transactions with these bodies are disclosed in these accounts.

There are elements of expenditure which are shown against the NHS Lothian above but where the resources are used by the social care services delivered by Midlothian Council.

Transfers of resources between health and social care services

Funding Partner/ Resources transferred	2022/23 £000's	2023/24 £000's
NHS Lothian	£122,663	£133,148
Resource Transfer	(£7,109)	(£6,928)
Social Care Fund	(£4,816)	(£4,816)
Net NHS Lothian Expenditure	£110,738	£121,404
Midlothian Council	£56,612	£65,749
Resource Transfer	£7,109	£6,926
Social Care Fund	£4,816	£4,816
Gross Social Care Expenditure	£72,447	£77,491

Both Resource Transfer and the Social Care Fund are resources which are part of the NHS Lothian budget, but these funds are used to deliver social care service supplied by Midlothian Council.

7 Short Term Debtors

Owed to the IJB at 31 March 2024	2022/23 £000's	2023/24 £000's
Funding due from NHS Lothian	£7,703	£381
Funding due from Midlothian Council	£5,454	£412
Total	£13,157	£799

8 Short Term Creditors

Owed by the IJB 31 March 2024	2022/23 £000's	2023/24 £000's
Funding due to NHS Lothian	£0	£0
Funding due to Midlothian Council	£0	£0
Total	£0	£0

9 VAT

The IJB is not VAT registered. The VAT treatment of expenditure in the IJB's accounts depends on which of the Partner agencies is providing the service as these agencies are treated differently for VAT purposes.

Where the Council is the provider, income and expenditure excluded any amounts related to VAT, as all VAT collected is payable to H.M. Revenue & Customs and all VAT paid is recoverable from it. The Council is not entitled to fully recover VAT paid on a very limited number of items of expenditure and for these items the cost of VAT paid is included within service expenditure to the extent that it is irrecoverable from H.M. Revenue and Customs.

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