



**North Ayrshire Integration Joint Board
Annual Accounts for the period ended
31 March 2025**



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Management Commentary

This publication contains the Annual Accounts of North Ayrshire Integration Joint Board (IJB) for the period ended 31 March 2025.

The Management Commentary outlines the key messages in relation to the IJB’s financial planning and performance for the period 2024-2025 and how this has supported delivery of the IJB’s strategic priorities.

This commentary also looks forward, outlining the future financial plans for the IJB and the challenges and risks that we will face as we strive to deliver services that continue to meet the needs of the people of North Ayrshire.

North Ayrshire IJB

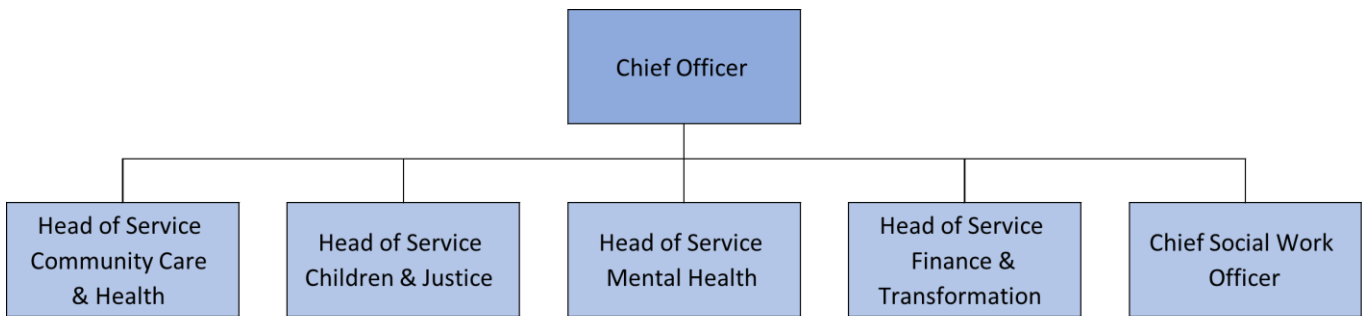
North Ayrshire Council, alongside East and South Ayrshire Councils and NHS Ayrshire and Arran established the 3 Ayrshire Integration Joint Boards on 1 April 2015. The purpose of an IJB is to improve the health and wellbeing of local people, create support within our communities and deliver joined-up care pathways for people who use health and social care services, particularly those who have complex care needs.

North Ayrshire Council and NHS Ayrshire and Arran delegate responsibility for the planning of community health and care services to the IJB. The IJB commissions services and staff from the Council and NHS and is responsible for the operational oversight of integrated services. The Chief Officer of the Health and Social Care Partnership is responsible for the operational management of integrated services.

North Ayrshire Health and Social Care Partnership (NAHSCP/the Partnership) is the service delivery organisation for functions delegated to the IJB, which is comprised of staff from both North Ayrshire Council and NHS Ayrshire and Arran, though sits as its own organisation for carrying out these delegated functions together.

The Chief Officer is supported by heads of service for each service area, including the statutory roles of the Chief Finance Officer and Chief Social Work Officer, and the wider partnership management team.

NAHSCP senior management structure



Strategic Commissioning Plan

Each Health and Social Care Partnership produces a strategic plan for carrying out integration functions over the plan period. In April 2022 the Partnership published 'Caring Together 2022-2030', which is the first long-term strategic commissioning plan published by the Partnership.

It was developed using a local health and care needs assessment and a period of public engagement, which took place online due to Covid-19 restrictions at the time. The Strategic Planning Group and other key stakeholders were actively involved in the development of the plan, reinforcing the partnership nature of local health and care services.

The Partnership undertook a review of its vision, values and strategic priorities, and agreed: 'People who live in North Ayrshire are able to have a safe, healthy and active life'.

The values that people accessing Health and Social Care Services across North Ayrshire can expect to experience: **Care, Empathy and Respect.**

In order to embody these values and achieve this vision, the plan sets out five strategic priorities:



These priorities are interlinked, and by achieving them together, the partnership aims to achieve its vision for and with the people of North Ayrshire.

Delivery of the Plan has included the development of enabling plans, including the Medium-Term Financial Outlook, a Transformation Plan agreed in March 2024, a new Digital and Data plan developed in 2024.

Refreshing the Plan

The current plan was developed to be a longer-term strategy in place until 2030. However, the Partnership recognises the very different situation it is in since the plan was developed in 2021, particularly in relation to finances, demographics, and the move from immediate covid recovery to longer-term organisational recovery.

The Partnership is currently undergoing a programme of research to understand the current and future needs of residents and service users, including a Strategic Needs Assessment, Review of national and Local Policy, analysis of local engagement, and mapping of existing service. Following the drafting of a new Strategic Plan, the Partnership plans to revise its Performance Management Framework to ensure that the plan is being monitored effectively, and to revise its Participation and Engagement Strategy to ensure that service reviews are informed by service-users.

The refreshed plan will also reflect further work being carried out at a locality level to reflect the differing needs of different communities across North Ayrshire.

Implementation of the strategic plan is key for the Partnership to achieve the nine National Health and Wellbeing Outcomes as set by the Scottish Government, and refreshing the plan will ensure our services are targeting our community needs.

More information about the current Strategic Plan 2022-2030 can be found at: NAHSCP Strategic Commissioning Plan

North Ayrshire Today

North Ayrshire is home to a, estimated total population of 133,570 (NRS, 2023). The local area covers approximately 885 square kilometres and has a population density of c.151 persons per square kilometre.

The National Records of Scotland (NRS) provides a population projection estimate using 2018 as a baseline year. Between 2013 and 2023 the population is estimated to have fallen from 137,100 to 133,570, or 2.6% over the 10-year period. It also estimated that by 2043 it will fall to 122,334, a further decrease of 8.4%, or an almost 11% decrease over the 30-year period. Not only is the overall population projected to change, but the demographic spread is also projected to change over time with a steady reduction in the working age population.

Current population estimates show that 60% of the population is aged 16-64 which is projected to decrease to 54.1% in 2043. Conversely, the 65+ population is currently 24.2% and is expected to rise to 30.7% in 2043 (NRS). This demographic change has significant implications for local funding and spending as the number of working aged people paying taxes is decreasing, while the number of dependents, and therefore pressure on our health and care services is increasing.

Currently, 29.1% of local people are known to have some form of long-term condition. It is recognised that the prevalence of people with a long-term condition increases by age. For example, 1.7 people in every 10 under the age of 65 has a long-term condition, whereas 8.7 people in every 10 over the age of 85 has a condition.

In contrast to the growth in the older population, the life expectancy figures for North Ayrshire have dropped in recent years. To measure life expectancy, averages are taken over a 3-year period, and for 2021-2023, female life expectancy was 79.3 years, compared to its highest point over the previous 10 years of 80.99 in 2012-2014. Current male life expectancy is 74.9 compared to its high of 76.47, also in 2012-14. For both females and males, life expectancy is lower when compared to the Scottish Average.

In the latest time-period available (2019-2021), the average healthy life expectancy in North Ayrshire was 56.51 years for men and 52.07 years for women. Healthy life expectancy data is only available from 2015, and the highest for females was 57.13 in 2015-17, and for males was 58.52 in 2017-2019. For women, healthy life expectancy has been steadily falling, but for men it was rising to that high point when it began to fall in recent years.

When compared against life expectancy this suggests that, while women in general will live longer than men, they will spend a greater proportion of their life in ill health. Additionally, in North Ayrshire and nationally, over the last 20 years life expectancy for males has increased more than for females, so the gap between life expectancy is gradually reducing over time.

Socio-Economic Profile

The Scottish Index of Multiple Deprivation (SIMD) 2020 (the last available year), reports that 74 of North Ayrshire's 186 data-zone areas are ranked in the 20% most deprived, or 39.8% of data zones in the area. An estimated 55,069 people live within these data zones which is around 41% of North Ayrshire residents.

The last reported employment figures for North Ayrshire cover the period of October 2023 to September 2024, which shows that 67.6% of the population is economically active which represents a steady drop over the last few years and the lowest it has been in available records which date back to 2004. This compares to 76.6% of Scotland's population which has retained a consistent rate. The unemployment rate in North Ayrshire is currently 4.1%, which although is higher than the previous year, is still relatively low for the area and over time and compares to 3.3% in Scotland. This implies there is increasing economic inactivity in the area, which may be indicative of the older population across North Ayrshire. During that time period, 15.7% of the economically inactive population was retired compared to 14.4% in Scotland, and 41.6% were long-term sick compared to 33.5% of Scotland.

The dependency ratio indicates the number of working aged people compared to dependents, or those under 16 and over working age. Historically 16-64 has been used as the working aged population despite recent changes to pension age and, although many people over 65 work, the ratio is worked out based on the population alone which is a ratio recognised internationally to allow for comparisons. Currently, the dependency ratio in North Ayrshire is 66.6. which means that for every 100 working aged people, there are almost 67 dependents, compared to Scotland's ratio of 57.8. In 2011, the dependency ration in North Ayrshire was 57.6 and it is projected to increase to 80 by 2033, whereas in Scotland the change is projected to change from 52 in 2011 to 60.6 in 2033 – which is still lower than the current North Ayrshire figure. More rural areas tend to have a higher ratio than other areas, due to the smaller working age population which is an important factor for planning and funding health and social care services that meet the needs of this population.

A snapshot of achievements during 2024-2025

Enable Communities

- **North Ayrshire Alcohol and Drug Partnership** - invited applications for grants of up to £15k for projects that can reduce alcohol and drug-related harms in North Ayrshire. The grants have a particular focus on: recovery-based activities in the evenings and at weekends, developing opportunities for people to take part in activities that could help to develop their skills, proposals that focus on engaging with young people about alcohol and drugs, and challenging stigma in an innovative way and the provision of community-based activities for children who may be impacted by substance use.
- **Unpaid Carers Roadshow** - North Ayrshire Carers Gateway and the NAHSCP Carers Team held a series of roadshows to share information on benefits, fuel poverty, cost of living, training and education, health and wellbeing, community organisations and support groups.
- **NAHSCP Locality Planning** - the first cycle of the HSCP locality planning process has now been completed, after an initial period of engagement with the public in April 2024. The Locality Conversation events enabled us to hear from our communities on three key areas of health and social care: Places and Spaces, Healthy Living and Services. The themes that came out of these sessions will be used to identify issues within our localities and feed into other planning processes, such as our next Strategic Plan. The Strategic Planning and Equalities Team is also looking to do some targeted engagement with groups with shared characteristics (for example, LGBTQ+, disability, carer, gender, age, religion, ethnic minority) for both a revised Equalities Outcomes Plan and the NAHSCP locality planning process.
- **North Ayrshire Community Mental Health and Wellbeing Fund** - For the 4th year running, the North Ayrshire Third Sector Interface (comprising Arran CVS and The Ayrshire Community Trust) delivered the Community Mental Health and Wellbeing Fund. The fund is provided by Scottish Government to TSIs across Scotland, to support the development of grassroots activity within communities. A variety of partners from NAHSCP services supported this work, including being involved in the scoring of applications. In total, £402,148 was distributed by the fund across 41 successful applicants.
- **Trindlemoss Community Christmas 2024** - the festive season at Trindlemoss was filled with joy and community spirit, thanks to the dedicated efforts of our Care at Home team. A special Christmas lunch was organised in the Club Room at Trindlemoss Day
- **Care at Home Recruitment: Family Participation** - our care at home team remains dedicated to involving service users and their families in recruitment events. Family members can drop into these events, meet the team, and discuss the care provided to their loved ones. During these sessions, the team has received appreciation from families for their compassionate care and efforts to address any concerns. This feedback highlights the team's commitment to delivering high-quality, empathetic care as well as to ensuring that families feel empowered to discuss their concerns openly and fully.

Develop and Support our Workforce

- **Mentoring Newly Qualified Social Workers Training** - North and South Ayrshire Health and Social Care Partnerships have teamed up with the Scottish Mentoring network to deliver mentoring training to align with mentors supporting Newly Qualified Social Workers during their supported year.
- **Partnership Awards** - the winners of the 2024 Partnership Awards were announced at our 'Promoting Wellbeing Together' event on 25th October 2024 at the Redburn Community Centre in Irvine. The event was a fantastic celebration of the staff, teams and individuals who deliver health and social care services in North Ayrshire, as well as the crucial work of those in our communities who support people with their wellbeing, including volunteers, community organisations and charities.
- **New Managers Training** - a 5-week course was recently offered to Care at Home Managers, covering areas such as HR policies and procedures, budgets, trauma, child protection, adult support and protection, complaint handling, leadership, supervision, transitions, business administration, and evaluation. Attendees rated their knowledge increase from 50% to 86%, and all those who attended noted they would recommend the course to others. This training is crucial for developing and supporting our workforce.
- **Lady Margaret Hospital** - an executive leadership visit to Lady Margaret Hospital on the Isle of Cumbrae took place on a sunny 15th May 2024. It is recognised that working on an island comes with its challenges; however, the visit was extremely positive. Feedback from the visiting team recognised the dedicated and collaborative island-based team who work to ensure that the community is at the heart of everything they do. The Leadership team commended the service for their commitment to continuous improvement by recognising and tackling challenges head-on. Staff found the visit supportive and were pleased with the recognition of the work they do on the island to support the whole community.
- **Care at Home** - our commitment to supporting our staff with the necessary skills and resources is central to our service delivery. Recently, our 'Frontline Event' for Care at Home Assistants focused on skill enhancement, employee development, networking, and wellbeing. Staff participated in workshops, feedback sessions, and peer interactions. Invited speakers covered essential topics such as tissue viability and stoma care. The event was described as powerful, grateful, and inspiring by attendees.
- **Arran Services: Recruitment** - our Arran team has proactively addressed recruitment challenges by working with a recruitment agency, resulting in a significant increase in applications and new appointments. From January to August 2024, we focused on roles such as Advanced Nurse Practitioner, Advanced Pharmacist Practitioner, Social Care Worker, Care at Home Assistants, and more. The recruitment ads received approximately 8,500 clicks, 6,000 revisits, and 636,800 views.
- **Arran Services: Activity Coordinator** - the Arran team welcomed a new Activity Coordinator at Montrose House, our nursing/residential care home. This role focuses on developing person-centred activities for residents. The Care Inspection commended this role for enhancing the quality of social stimulation and activities for residents.

- **Arran Services:** Emergency Department Nurse Practitioners - the Partnership's Executive Team, along with NHSAA Chief Executive and Board members, visited Arran to receive an update on progress. They toured the Emergency Department of Arran War Memorial Hospital and met with new Emergency Department Nurse Practitioners. The team discussed plans to develop the Single Point of Contact on Arran and demonstrated the Netcall telephone system, which allows digital triage of patient requests. The IT infrastructure work for Netcall is expected to be completed by the end of August. The team also noted excellent national primary care survey results for Arran, indicating higher patient satisfaction compared to other areas of Scotland.

Provide Early and Effective Support

- **Relaunch of the North Ayrshire Perinatal Wellbeing Team** - Following increased demands upon the service, the former North Ayrshire Perinatal Mental Health Nursing team within Universal Early Years, has rebranded to the Perinatal Wellbeing Team. The service continues to provide mental health support to expectant and new mums with low level mental health and wellbeing concerns and at any one time, can be supporting between 50 and 60 women. The expansion of the team means that all of North Ayrshire now has support from the team. The team also works closely with the Ayrshire and Arran Perinatal Mental Health service which supports mums with more severe mental health concerns
- **Partnership with National Charity Dads Rock** - The Universal Early Years service has partnered with national charity Dads Rock through the Whole Family Wellbeing Fund to bring a dedicated Dads Worker into the existing integrated early years' service. This is the first role of its kind in Scotland. Later in the year support for dads has received a boost after it secured funding from the Scottish Government's Whole Family Wellbeing Fund to expand the service. The service works with dads from a wide range of backgrounds who have been referred by their health visitor, family nurse, midwife or perinatal wellbeing team, providing one-to-one support that impacts on the whole family and improves outcomes for children, whether that be parenting advice, confidence building or support with general wellbeing.
- **Transition Support group** - A new North Ayrshire support group led by parents or carers who support a child or young person aged 13 to 26 through a transition was held on 29th May 2024 at the William Love Memorial Hall, Kilwinning. The group is supported by NAHSCP, NHS Ayrshire and Arran and Unity Carers Gateway.
- **Blue Badge Service Review** - the Blue Badge project successfully established an efficient, technology-driven delivery service model that complies with national standards and enhances the end-user experience. By moving to a fully electronic online application process, the team now processes applications within one working day, with no backlog or waiting list. Payments are handled electronically, and a limited call-back service is available for those unable to access online forms. The team's commitment and innovative approach have led to timely Blue Badge issuance, reduced FOI and councillor enquiries, and improved staff motivation. The refreshed approach aligns with strategic priorities, providing earlier support for those with mobility issues. Performance monitoring ensures any issues are promptly addressed.

- **Transformative Care Pilot (Multiple Sclerosis)** - NHS Ayrshire & Arran, in partnership with Coloplast Ltd, launched a successful pilot service to improve the lives of people with multiple sclerosis (MS). This innovative service focuses on managing neurogenic bladder and bowel dysfunction, a common issue for people living with MS. Key achievements include the introduction of a dedicated bladder and bowel clinical nurse specialist, early detection through patient questionnaires, and significant reductions in urine retention and urinary tract infections. Patients have experienced improved health outcomes, enabling them to engage more fully in work and social activities. This pilot sets a new standard for MS care, demonstrating the benefits of early intervention and integrated care pathways.
- **Drone Delivery of Lab Specimens** - In a groundbreaking achievement, NHS laboratory specimens were successfully delivered by drone across the Firth of Clyde. This innovation, part of Project CAELUS, reduced delivery times from several hours to just 30 minutes, significantly speeding up diagnostic processes and treatment decisions. This project demonstrates our commitment to leveraging technology to enhance healthcare delivery, particularly benefiting remote and rural communities. The successful trial marks a significant step forward in addressing logistical challenges faced by remote communities.
- **Ward 2 Palliative Care Pilot** - Ward 2 launched an innovative pilot programme to receive direct referrals from North Ayrshire GPs, in collaboration with District Nursing, for patients requiring palliative and complex care. This initiative aims to reduce the need for acute admissions, providing a more seamless and compassionate care pathway for patients. The ward has successfully integrated community referrals and is working to strengthen links with GP practices and District Nurses. Collaboration with Ayrshire Hospice is ongoing to develop comprehensive education and training programmes for staff, focusing on key aspects of palliative care, particularly pain management.
- **Post Diagnostic Support (Dementia)** - Recognised in Scotland's National Dementia Strategy, post-diagnostic support is crucial for people newly diagnosed with dementia. High-quality support over an extended period helps individuals and their families live well with dementia and prepare for the future. The Scottish Government guarantees a minimum of one year's support for every newly diagnosed person. Our designated CPNs provide timely emotional and practical support, helping individuals understand their illness, manage symptoms, stay connected to their community, and plan for future care. Since April 2024, 169 people have been offered post-diagnostic support, with 118 appointments arranged to review medications and address stress and distress.
- **Home from Hospital Support (Red Cross)** - the Home from Hospital Support service, provided by the Red Cross, has achieved significant milestones in offering essential support to individuals during hospital stays and their transition back home. Key achievements include regular check-in calls to ensure safety and well-being, assistance with shopping and financial tasks, and providing companionship. This service has been instrumental in reducing feelings of isolation and ensuring continuous support until no longer needed. The dedication and kindness of the Red Cross staff and volunteers have been widely appreciated, highlighting the positive impact of their efforts on the community.
- **Anam Cara Respite Centre** - the team at Anam Cara continue to offer outstanding care and support to those in their care. Recently, a social and outgoing service-user, whose primary priority was her family, was resident in the centre. The feedback from her family underlines the difference this service can make to local people and their loved ones. The family were delighted that their loved one had remained settled during the respite period, enabling them to benefit from a break from their caring role (a role which can be emotionally demanding), and giving them the peace of mind to confidently book another period of respite. The family gifted the centre a piece of artwork noting their thanks.

Improving Mental and Physical Health and Wellbeing

- **Digital Community Alarms** - North Ayrshire Health and Social Care Partnership has been awarded the Bronze Digital Telecare Implementation Award in recognition of the progress they have made on their analogue to digital telecare transition project. 17 Bronze status is achieved when a Telecare Service provider has successfully deployed digital-ready alarm devices to at least 50% of all dispersed and group alarm users. This is the first major milestone in the transition to digital telecare and sets the foundations for the remainder of the digital telecare transition.
- **Learning Disability Health Check Plans** - ongoing successful delivery of Annual Health Checks for people with learning disabilities. The Scottish Government issued a new specification for the delivery of Annual Health checks for adults with learning disabilities in 2022. The checks were initially rolled out in North HSCP in November, and in Late Spring they were rolled out to East Ayrshire with a roll out to South Ayrshire in the summer of 2024. Up to 5th March 2025 Pan-Ayrshire a total of 1247 (61%) health checks have been offered to the identified population and 826 (41%) health checks have been completed. In North Ayrshire to date, 85% (572) of the identified population have been offered a health check and 68% (444) health checks have been completed. NHS Ayrshire's progress in relation to delivery of the new checks represents a significant proportion of the progress made so far nationally. This represents an immense amount of work on the part of the Nurses and senior staff who have led the work, and highlights Ayrshire's long-standing good practice with regard to the delivery of a pre-existing enhanced service for people with learning disabilities in Primary Care.
- **Mental Health Unscheduled Care Assessment Hub** – Official Opening the Mental Health Unscheduled Care Assessment Hub was officially launched on Friday 13th September 2024 with full operational opening from 5pm that day. The Mental Health Unscheduled Care Assessment Hub, based at Woodland View in Irvine, provides a patient-focused, therapeutic space to support the delivery of compassionate care to those individuals with acute mental illness who would be eligible to access an adult acute mental health bed for ongoing intensive assessment.
- **NDD Support NAHSCP**- ran a series of events that provided an opportunity for parents and carers of a child or young person with a diagnosed or suspected neurodevelopmental difference (NDD). These sessions offered a chance to hear more about the work being undertaken across North Ayrshire and provide further feedback.
- **Dementia Support** - the Dementia Support service has made significant strides in providing essential social stimulation and support to individuals experiencing cognitive impairment. Through patient and reassuring communication, the team take time to explain the benefits of the service and ensure service-users feel in control of their care. They develop bespoke support plans and focus on engaging service-users in meaningful conversations about their emotions and memories. This approach helps build trust and leads to active and joyful participation in support services. The success of this initiative highlights the importance of personalized care and the positive impact of early and effective support on mental and emotional well-being.

- **Improved Care Inspectorate Grades at Montrose House Care Home** - the latest inspection report for Montrose House Care Home, conducted on 29th October 2024, highlights a number of positive developments and improvements. The service has made substantial progress since the previous inspection, positively impacting residents' experiences and outcomes. The service received a "Good" rating for both supporting residents' wellbeing and leadership. Effective methods for staffing assessment and planning have been implemented, ensuring safe and sufficient staffing levels. The introduction of robust quality assurance processes has led to continuous service improvement, with key tasks delegated to capable staff members. The employment of an activity coordinator has significantly enriched residents' daily lives, and the home has improved its cleanliness and infection prevention measures.
- **Holly Health App** - the Holly Health app, available to all GP Practice patients and HSCP staff across North Ayrshire for 12 months, has shown promising results in improving health outcomes. Over an 8-week study period, users with low-to-medium baseline scores reported a reduction in GP appointments, with frequent attendees seeing a significant decrease.

Tackle Inequalities

- **School Welfare Rights Officers** - welfare rights advice in schools is expanding Money Matters has had a dedicated Welfare Rights Officer providing advice in North Ayrshire secondary schools since 2021. The service has been a huge success and has put more than £1m into the bank accounts of families during this time. The project is now expanding, with an additional two Welfare Rights Officers joining the team. This will enable the team to offer advice to all parents / carers with children in any education establishment, including early years, primary and secondary.
- **Collaborating to Reduce Health Inequalities (CHES)** North Ayrshire is embarking on a new and innovative collaboration to improve health equity in partnership with Public Health Scotland and the Institute for Health Equity, led by Professor Sir Michael Marmot, at University College London. North Ayrshire has some of the lowest healthy life expectancies across Scotland, with significant health inequalities across our communities. North Ayrshire Council are partnering with the Integration Joint Board to be one of the 3 local authority areas in Scotland to take this work forward. The Collaboration for Health Equity in Scotland (CHES) programme focuses on using the eight 'Marmot principles' to deliver better health outcomes through improving the conditions in which people are born, grow, live, work and age. The North Ayrshire CHES programme will officially launch on 25th February and the IJB will be included and kept informed of progress.
- **Dementia Connect Event** - earlier this year, North Ayrshire's first ever Dementia Connect event brought together those living with dementia and their carers to learn more about dementia care and the supports available. Around 80 people attended the free event to hear guest speakers including Professor Elaine Hunter, National AHP Consultant for Alzheimer's Scotland, and Susan Holland, NHS Ayrshire and Arran's Nurse Consultant for Dementia. The event featured conversations based on the outcomes of the national strategy, activities highlighting the challenges faced by individuals living with dementia, and a marketplace with representatives from local and national support services. The event was a great success.

- **Money Matters** - the Money Matters team is engaged in a two-year initiative to implement Welfare Rights services within eleven GP practices throughout North Ayrshire. Since the project's inception, three Income Advisers have secured nearly £4 million in benefits for local patients and residents. A notable achievement involved assisting an individual with unrecognized learning challenges who faced escalating mental health issues due to the demands of Universal Credit. The team provided comprehensive support, including overturning a Universal Credit penalty, filing for Adult Disability Payment, navigating the 'unfit for work' designation process, and facilitating a successful bus pass application. As a result, the individual now benefits from an extra £158 weekly and has received back payments exceeding £6,000. This initiative highlights the team's dedication to tackling inequalities and improving the financial well-being of the community.

Organisational Performance

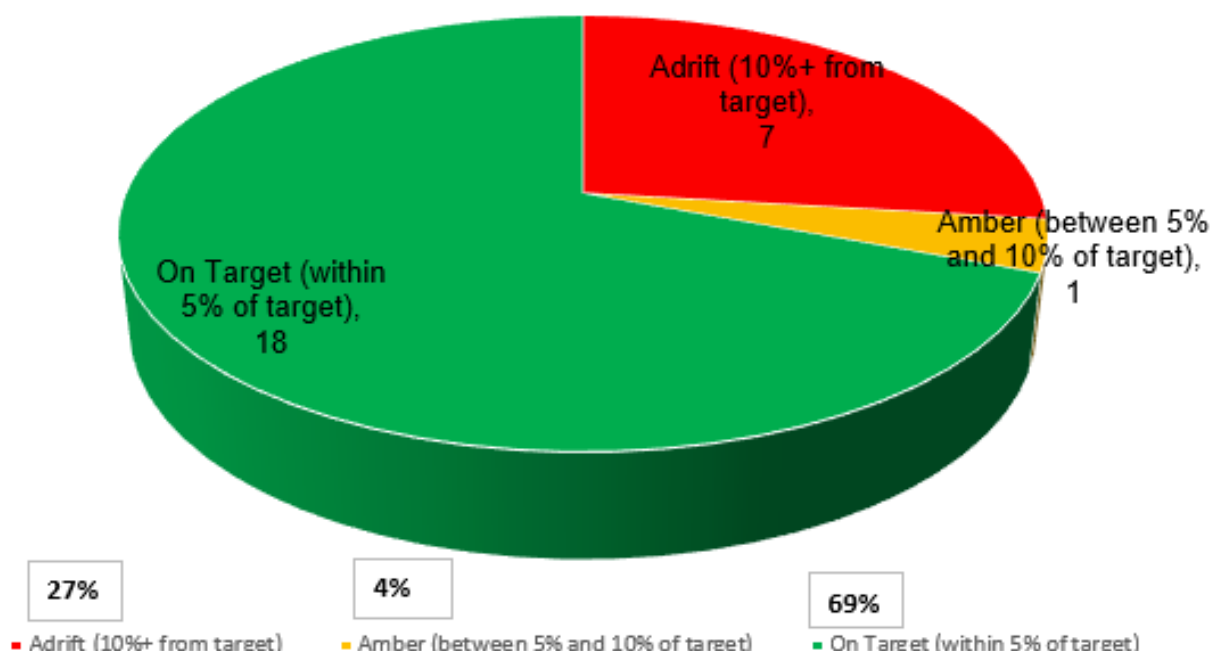
Our 2022-2030 strategic plan set of performance measures reflect the transformation of services to meet continual service improvement and demand. Where an indicator presents as being off track, commentary with proposed resolution and future mitigation is provided on how to improve future performance.

Performance reporting comprises of a series of key performance indicators and key actions, which link directly to our strategic plan. Performance is reported at a number of levels within the organisation including the Integration Joint Board Performance and Audit Committee, the Integration Joint Board (IJB), the Joint Review with North Ayrshire Council and NHS Ayrshire and Arran Chief Executives, and service performance reviews within each service area.

For 2024-2025 the set of performance measures were agreed and presented to the Performance and Audit Committee highlighting service defined changes. These included:

- Target resetting
- Removal of measures that are no longer reflective of the service improvement
- The inclusion of new measures to meet service improvement and current operational demand

For the year ending 31st March 2025, the Partnership ended the period reporting 26 performance measures across all service areas. At the time of writing, 25 out of 26 measures have been collated comprising 96% of all measures reported to the end of 2024-2025. Due to the time for collation and verification of the outstanding Quarter 4 measure update, we have included the RAG status as 'On Target' based on the annual performance to date which has been Green for all quarters. The latest Performance and Audit Committee Report shows progress against the key measures, and this is represented in the chart below.



As part of our commitment to continuous improvement, we recognise areas where we could do more and by monitoring indicators which present as significantly adrift enables us to identify and target plans to address performance issues. The key areas off target for 2024-2025 were:

- Support more children and young people into kinship care placements each year
- Increasing foster carer support.
- Reducing the number of people on the waiting list for a Care at Home service in the Community and Hospital.
- Reducing the number of people waiting for assessment.
- Absence levels remain an area of review.

The continual review of Foster Carer availability within our Children and Families Service has revealed that our foster carers are becoming older and unfortunately have succumbed to health issues, and as such we have lost a high number of foster carers. We have seen more interest within our Short Break Schemes, which operate over evenings and weekends, as this enables people to continue to work and also allows them to take on the fostering role 'part time'. Our Fostering and Adoption Teams continue to actively recruit and given that most people today make use of social media, we have investigated options in relation to this and have chosen the organisation 'Can Digital' to assist us raise our digital profile. Through this medium we have noted a rise in enquiries, which hopefully will translate into applications and ultimately new foster carers,

Throughout the year our Health and Community Care services continue to experience ongoing and sustained challenges in delivering frontline Care at Home Services although Quarter 4 saw the greatest improvement in performance during 2024-2025. There remain ongoing workforce challenges related to sickness absence rates and vacancies.

As part of the financial recovery plan submitted to IJB in September 2024 there was a requirement for a reduction in last year's spend with further savings required for 2025-2026. As a result, a recruitment freeze was implemented and continues, with a review of existing vacancies ongoing. This has resulted in an increase in vacancies and overall reduction in service capacity.

Wellbeing action plans around sickness absence levels within the Care at Home workforce to ensure the impact of high absence levels is being robustly managed and supporting staff to maintain attendance/return to work.

A reablement focussed review of low-level care packages is underway to ensure signposting and use of technology and community resources where applicable. An additional review of double handling cases is being completed in conjunction with our Moving and Handling team colleagues. It is anticipated these reviews may create additional capacity for new referrals to meet the ever-increasing demand for services from our acute sites and communities.

These works are being undertaken under the umbrella of a further increase in community referrals for Care at Home support together with a rise in both hospital and emergency service requests.

Annual Accounts

The Annual Accounts set out the financial statements of the IJB for the period ended 31 March 2025. The main purpose is to demonstrate the stewardship of the public funds that have been entrusted to the IJB for the delivery of its vision and strategic priorities as outlined in the Strategic Plan. The requirements governing the format and content of the Annual Accounts are contained in The Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The Annual Accounts for 2024-2025 have been prepared in accordance with this Code.

The Financial Plan

Strong financial planning and management is paramount to ensure our limited resources are targeted to maximise the contribution to our objectives. Delivery of services in the same way is not financially sustainable. The updated strategic plan approved for 2022-2030 is underpinned by the need to learn from the pandemic and ensure opportunities are maximised to transform care models and find new solutions to ensure the future sustainability of high-quality health and care services.

The ability to plan based on the totality of resources across the health and care system to meet the needs of local people is one of the hallmarks of integrated care. Medium term financial planning is key to supporting this process and identifying the transformation and planned shift in resources to provide sustainable services to the local community over the medium term.

Financial Performance

The IJB set a balanced budget for 2024-2025 on 14th March 2024. This did not require any draw on reserves but did include the approval of £10.290m of savings to achieve financial balance.

Financial information is part of the performance management framework with regular reporting of financial performance to the IJB. This included an integrated approach to financial monitoring, reporting on progress with savings delivery, financial risks and any variations and changes to the delegated budget. There were significant financial challenges during the period. The main challenges during the year were residential placements for children, care at home, supplementary staff in wards and Unplanned Activities (UnPACs) within the lead partnership for mental health.

From the initial budget monitoring report in month 3 the projected position has been an overspend. The Integration Scheme requires the preparation of a recovery plan if an overspend position is being projected to plan to bring overall service delivery back into line with the available resource.

Following the finalisation of the 2023-2024 outturn position, the IJB agreed some initial recovery actions at the meeting in June and a more detailed financial recovery plan was developed and approved by the August 2024 IJB.

Other management actions which have been implemented include:

- Review of expenditure authorisation levels across the Partnership and escalation of specific decisions to senior officers. In particular, a new governance group has been introduced, involving the Director and Heads of Service, to oversee the agreement of higher value packages of care (above £40,000 per annum).
- Staff communication in relation to discretionary/non-essential spend.
- Review of temporary posts and robust vacancy management/approval. The vacancy scrutiny group now has representation from all of the Heads of Service and a recruitment freeze will be implemented for all but essential frontline posts.
- Ongoing review of future year savings or transformation programmes to identify scope for acceleration.
- Maximise opportunities from the recently reopened Independent Living Fund (ILF) Scotland.

In order to facilitate greater scrutiny of the financial position and the delivery of the financial recovery plan during 2024-2025, the IJB agreed at the June meeting to establish a 'Finance Working Group', chaired by the IJB Vice Chair. The Director and Heads of Service are members of the group. This FWG meets monthly to facilitate increased oversight and scrutiny of the financial position and transformation programme as well as detailed budget planning for future financial years. To date the Finance Working Group has covered:

- Care at home
- Care homes
- Charging income
- Financial inclusion
- An overview of the 2024-2025 budget
- Brighter Pathways project
- Addictions Prescribing
- Medium-Term Financial Outlook
- 2025-2026 Budget Outlook
- Delayed discharge performance and improvement actions
- Community OT – Aids and Adaptations

Since the initial recovery plan was agreed in June 2024 there was a £4.002m reduction in costs.

The outturn is an overall year-end overspend of £1.212m on an IJB basis, which when adjusted for new earmarked reserves of £2.381m is increased to £3.593m (1.1%), which is a favourable movement of £1.387m from month 10.

The Integration Scheme describes the required approach where there is a projected overspend on the IJB integrated budget, which includes the requirement to agree a recovery plan to balance the overspending budget. Only if the recovery plan is unsuccessful will the Health Board and Council consider making available interim funds. The Chief Officer wrote formally to North Ayrshire Council and NHS Ayrshire and Arran to request additional in-year funding and at month 12 the following has been agreed:

Social Care element – overspend of £2.036m. North Ayrshire Council considered this at the Council meeting of 3rd June and agreed to fund this with no requirement to repay the funds in future years.

Health element – overspend of £1.557m. NHS Ayrshire and Arran have funded this, previous discussions with NHS AA colleagues in relation to repayment indicated the Health Board would wait to consider this following North Ayrshire Council's consideration. The outcome of the decision by North Ayrshire Council has been communicated to NHA AA Director of Finance for consideration.

Following these additional funding contributions the final position is on-line.

The table below reconciles the deficit on the provision of services of £2.349m as noted in the Comprehensive Income and Expenditure Statement to the financial outturn position of on-line.

Reconciliation Table	2023-2024	2024-2025
(Surplus) / Deficit on provision of services	11.218	2.349
Earmarked reserves released to services during the year	(8.736)	(4,730)
Sub Total	2.482	(2.381)
NEW Earmarked Reserve Balances	2.982	2.381
Financial Outturn (underspend)	5.464	0

The table below summarises the financial performance for 2024-2026 and 2023-2024. This notes the budget outturn on a managed basis (including the full allocation for North HSCP lead partnership services) and adjusts this for the net impact of lead partnership allocations across North, South and East Ayrshire and also for new earmarked balances.

The table includes the financial performance for services managed by the IJB during the period, therefore it excludes the large hospital Set Aside Budget of £39.966m which was allocated at the end of the period to the IJB. The set aside budget is included within the financial statements.

2023-2024 Budget £000	2023-2024 Actual £000	Variance (Fav) / Adv £000	Service	2024-2025 Budget £000	2024-2025 Actual £000	Variance (Fav) / Adv £000
91,174	95,625	4,451	Health and Community Care	92,549	98,181	5,632
100,990	98,639	(2,351)	Mental Health	108,721	107,823	(898)
40,135	43,431	3,296	Children, Families and Justice	43,717	44,294	577
52,865	52,863	(2)	Primary Care	53,575	53,662	87
10,098	10,098	0	Allied Health Professionals	10,748	10,749	1
12,740	11,287	(1,453)	Management and Support Costs	13,970	10,186	(3,784)
1,852	1,317	(535)	Chief Social Work Officer	1,635	1,725	90
1,671	1,630	(41)	Financial Inclusion	1,710	1,773	63
3	3	0	National Commissioned Service	4	4	0

2023-2024 Budget £000	2023-2024 Actual £000	Variance (Fav) / Adv £000	Service	2024-2025 Budget £000	2024-2025 Actual £000	Variance (Fav) / Adv £000
311,528	314,893	3,365	Total expenditure	326,629	328,397	1,768
(311,528)	(311,528)	0	Total income	(326,629)	(326,629)	0
0	3,365	3,365	Outturn on a managed basis	0	1,768	1,768
0	1,117	1,117	Lead Partnership Allocations	0	(556)	(556)
0	4,482	4,482	Outturn on an IJB basis	0	1,212	1,212
0	2,982	2,982	New Earmarking	0	2,381	2,381
0	(2,000)	(2,000)	Draw on Reserves	0	0	0
0	5,464	5,464	Outturn position prior to additional funding contributions	0	3,593	3,593
0	0	0	Additional funding contributions	3,593	0	(3,593)
0	5,464	5,464	Final outturn position	3,593	3,593	0

The main areas of variance during 2024-2025 are noted below:

Health and Community Care – overspend of £5.632m mainly relates to overspends in care at home, agency costs within integrated Island Services, supplementary staffing in wards and district nursing staffing costs and care packages for people with a physical disability.

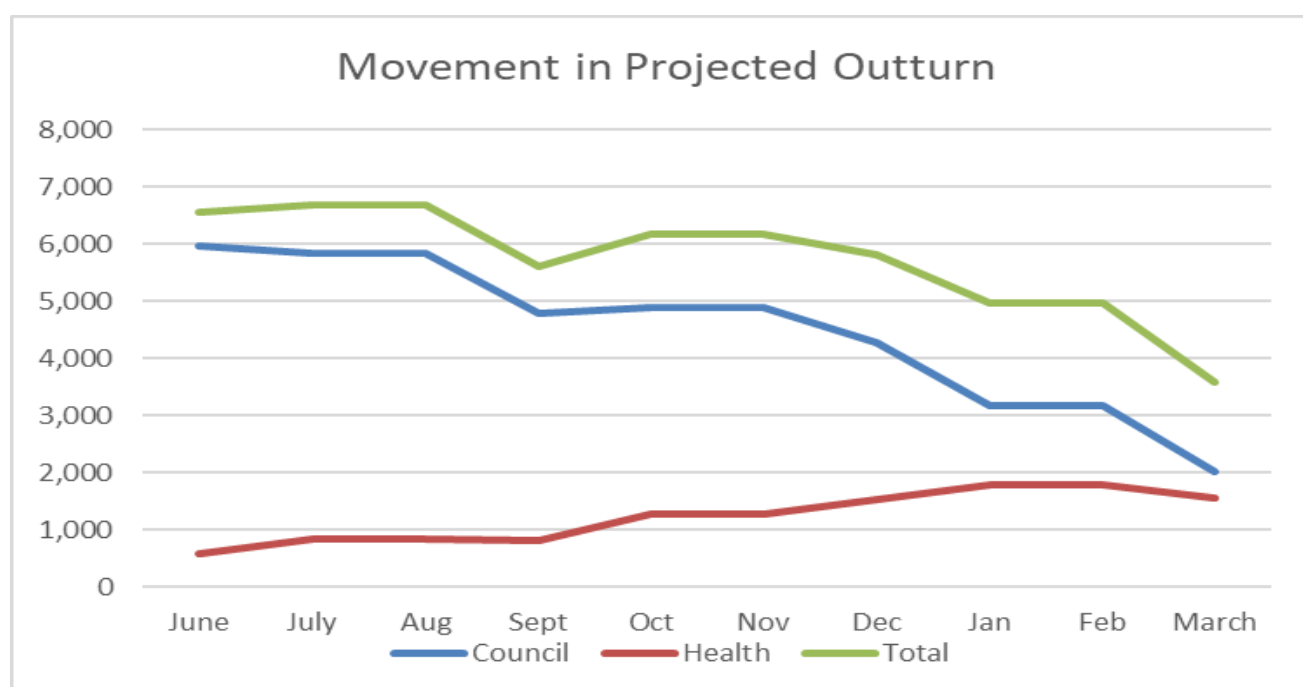
Mental Health – underspend of £0.898m which relates to underspends in learning disability care packages, community mental health, non-employee costs at Trindlemoss and these are offset by the overspend on the Lead Partnership for mental health (UnPACs, elderly inpatients, psychiatry and mental health pharmacy). There were also underspends in the Lead Partnership to the level of vacant posts and these were taken as payroll turnover. There is also an underspend in the Alcohol and Drugs Partnership which will be earmarked for use in 2025-2026.

Children, Families and Justice – overspend of £0.577m which is mainly related to overspends in services for care experienced children (residential care, respite care and employee costs) and services for children with a disability (residential care, respite care). These were partially offset by an underspend in payments for looked after and accommodated children (fostering, adoption and kinship) and the Whole Family Wellbeing Fund which will earmarked for use in 2025-2026.

Management and Support Costs – underspend of £3.721m mainly relates to underspends in transition funding, an over-recovery of payroll turnover due to the level of vacant posts being higher than assumed when setting the budget and the draw down of funding from reserves f

Movement in Projected Outturn Position:

The overall movement in the projected outturn during the period is illustrated below:



Lead Partnership Services

The final outturn is adjusted to reflect the impact of Lead Partnership services. In the absence of detailed service activity information and alternative risk sharing arrangements, it was agreed that the outturn for all Lead Partnership services would be shared across the 3 partnerships on an NRAC (NHS Resource Allocation Committee) basis.

The outturn of the lead partnership services for each IJB is provided below, the adjustment to the North IJB outturn reflects the impact of reallocating a share of the North lead partnership services underspend to the other two areas and receiving an NRAC share of the outturn for the South and East partnerships. In addition, any allocations of ring-fenced funding are returned to each IJB in line with allocations and expenditure to allow each IJB to carry forward for future use.

IJB	£000	Over/Under	Explanation of Outturn
North	658	Overspend	Mental health services, mainly due to overspends on UnPACs, elderly inpatients, psychiatry and mental health pharmacy offset by vacancy savings.
South	598	Overspend	Pressures from the community equipment store and continence service offset by underspends in the Family Nurse Partnership
East	(2,119)	Underspend	Underspends in the Primary Care Improvement Fund, Dental Services and AHP services.

Set Aside Budget

The Integration Scheme establishes that pressures in respect of large hospital set aside budgets will be managed in-year by NHS Ayrshire and Arran. Work has been undertaken with partnerships to progress and develop set aside arrangements to fully implement the legislative requirement. This includes arrangements in relation to the use of Directions, Joint Commissioning Plans and overall progression towards fair share allocations of resources.

Further work has been undertaken through the Ayrshire Finance Leads group to establish baseline resources for each partnership and how this compares to the NRAC “fair share” of resources. Ayrshire Finance Leads have now agreed a baseline methodology for set aside budgets which involves using the average of the four full years prior to the pandemic, 2016-2017 to 2019-2020 inclusive.

The 2024-2025 actual usage information is not known until after the IJB date, so the info used is the baseline at 2024-2025 prices.

IJB	Set Aside 2024-2025 £m	Baseline Bed Days %	Baseline Budget Share 2024-2025 £m	Over / (Under) Baseline Share £m
East Ayrshire	31.87	28.90%	28.183	3.687
North Ayrshire	39.966	38.60%	37.807	2.159
South Ayrshire	34.488	32.50%	31.247	3.241
Total	106.324	100.00%	97.237	9.087

Climate Change

The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015 came into force in November 2015, as secondary legislation made under the Climate Change (Scotland) Act 2009. The Order requires bodies to prepare reports on compliance with climate change duties. This includes Integration Joint Boards established by order under section 9(2) of the Public Bodies (Joint Working) (Scotland) Act 2014.

Scottish Government guidance was issued to IJBs in May 2017, setting out detail of the new duty to produce an annual climate change report. The report requires to be approved by the IJB, with returns to be submitted on the Sustainable Scotland Network (SSN) online portal by 30 November each year. The report was submitted on 12th November 2024, but the IJB haven't been asked to approve as the IJB don't have staff, fleet vehicles or property so the return refers to the North Ayrshire Council and NHS Ayrshire & Arran climate change reports.

Both North Ayrshire Council and NHS Ayrshire & Arran submit separate reports to the SSN and these are published online. As the parent bodies of the IJB, both North Ayrshire Council and NHS Ayrshire & Arran retain responsibility for employees who are managed within the Health and Social Care Partnership. The employees, therefore, contribute to support the implementation of both bodies' Climate Change Plans. North Ayrshire IJB has no direct responsibility for employees, buildings or vehicles, which are contained within the parent bodies' reports, however full consideration of climate change implications will form part of future IJB service redesign, as part of the transformational change programme.

Overall position

It is essential that the IJB operates within the delegated budget and commissions services from the Council and Health Board on that basis. The 2024-2025 outturn has depleted the general reserves and additional funding was made available from North Ayrshire Council and NHS Ayrshire & Arran. Some areas of current overspend have been invested in as part of the 2025 to 2026 approved budget but many of the underlying overspend areas will continue into 2025 to 2026. Services require to address these or there will continue to be a reliance on other budgets underspending and a risk of having to seek additional funding from North Ayrshire Council and NHS Ayrshire and Arran.

The current Transformation Plan 2024 to 2027 will be refreshed, and the Partnership is currently undergoing a programme of research to understand the current and future needs of residents and service users, including a Strategic Needs Assessment, Review of national and Local Policy, analysis of local engagement, and mapping of existing service to inform this.

Financial outlook, risks and plans for the future 2025-2026 and beyond

The Scottish Government published an updated Medium-Term Financial Strategy (MTFS) in May 2023 which covers the period to 2027 to 2028. It compares the funding and spending scenarios to assess the scale of the challenge. The role of the MTFS is to set out Scotland's fiscal outlook over the coming years, including financial opportunities and risks that may impact on the fiscal position. In line with the recommendations of the Budget Process Review Group, the document does not set out new spending plans or explain how prioritisation decisions will be made to meet policy objectives. These decisions are made in the Scottish Government budget.

The Scottish Government's funding is comprised of five high level categories:

1. The Block Grant – this is the single largest source of funding for the Scottish Government. The Barnett Formula determines the Block Grant and annual growth is dependent on the UK Government's overall fiscal plans and its spending priorities.
2. Devolved taxes – the Scottish Government receives the revenue from these taxes, the largest of which is Scottish Income Tax. The Scottish Budget is then reduced based on how quickly revenues of the corresponding tax have grown in the rest of the UK (rUK) on a per head basis.
3. Non-domestic rates (NDR) – this revenue is raised by Local Authorities on non-domestic properties. All revenue raised is ultimately returned to Local Government via the Local Government Settlement.
4. Social Security Block Grant Adjustments – this is funding provided by the UK Government for devolved social security payments, based on the growth in expenditure on the corresponding payment in UK on a per head basis.
5. Other income and expenses – other revenue and costs including resource borrowing and associated costs as well as revenues from the Scottish Crown Estate

The Scottish Government MTFS models three scenarios (a central resource funding outlook and an upside and downside scenario, indicating plausible alternative funding paths) and outlines the immediate and longer-term pressures on public spending which need to be considered when developing spending plans to ensure that they meet the needs of a changing population and build resilience for the future.

The Scottish Government intended to publish an updated Medium-Term Financial Strategy during 2024, alongside a refreshed Medium-Term Financial Framework for Health and Social Care. These documents were scheduled for publication in June 2024 but were delayed due to the General Election in July 2024. These will form the basis of the funding assumptions in the next update of our Medium-Term Financial Outlook which will cover the period 2025-2028.

Medium Term Financial Outlook

A Medium-Term Financial Outlook (MTFO) is a critical part of the strategic planning process. The financial context for public services remains very challenging and so it is vital that the IJB's strategic ambitions are set against the financial resources which are anticipated to be available.

The MTFO provides key information on the possible financial position of the IJB over future years. It identifies the financial challenges which will be faced by the IJB enabling the IJB to see the impact of current and future decisions on its medium-term financial health.

The MTFO will also be used to identify pressure points and inform decisions which are required to ensure the Partnership remains financially sustainable.

There are a range of factors which influence the financial planning of the IJB. These are considered through the MTFO and include the following:

- Demographic changes.
- Local priorities.
- Workforce challenges.
- The UK and Scottish Economy.
- Policy and Legislation.
- Cost and demand pressures.
- Available funding.

As in previous years, a Medium-Term Financial Outlook has been prepared to identify what the financial position may look like moving into 2025-2028. This was presented to the December 2025 IJB.

2025-2026 Budget

As part of the Scottish Government budget and finance settlement funding letters were issued to NHS Boards and Councils, these detailed the requirements in relation to the level of funding to be delegated to IJBs in 2025-2026.

The specific requirements and funding provision is as follows:

NHS Ayrshire and Arran

- NHS Ayrshire and Arran are required to passport the 3% through to IJBs (£4.040m to North Ayrshire) – “In 2025-2026, NHS payments to Integration Authorities (IA) for delegated health functions must pass on an uplift of 3% over 2024-2025 agreed recurring budgets.”
- Additionally, there is funding of £150m nationally for Agenda for Change Pay Reform. A share of this funding will be allocated to the IJB to meet the associated costs for NHS staff. This is being followed to ensure the correct roll-forward into 2025-2026 and it is anticipated at this stage that the costs of the pay reform will be fully funded.
- Moving into 2025-2026, brokerage will no longer be available to NHS Boards and all Boards must work towards break-even. Should financial balance not be achieved this would be shown as an overspend in financial statements, leading to potential qualification of accounts and Section 22 report, as well as consideration of escalation status.

- The NHS budget includes a commitment of additional funding to reduce waiting lists and to help support reduction of delayed discharge; as well as a commitment to renew primary care enhancements, including new core funding to GMS to deliver enhanced frailty, cardiovascular disease and other essential services in General Practice, a critical dental workforce and training package and a community eye care programme to transfer patients from waiting lists. Further details of the allocation of funding is to follow but a submission from NHS AA incorporates the request for funding from North Ayrshire IJB and this was submitted to the Scottish Government early March 2025.
- Similarly to Local Government NHS Boards have also been advised to plan on the assumption of 60% funding for the Employers National Insurance Increase.

North Ayrshire Council

- Based on the 2025-2026 Finance Settlement the Health and Social Care Portfolio will transfer additional funding of £140 million to Local Government to support social care and integration for 2025-2026.
- The funding allocated to Integration Authorities should be additional and not substitutional to each Council's 2024-2025 recurring budgets for services delegated to IAs and therefore, Local Authority social care budgets for allocation to IAs must be at least £140 million greater than 2024-2025 recurring budgets.
- The increase in Employers National Insurance from April 2025 has not been fully funded for the public sector in Scotland and has created a significant financial pressure. For Local Government funding of around 60% of the cost will be provided by Scottish Government for directly employed staff. There is zero funding being provided for any commissioned services.
- Specific funding for the IJB was received for the following areas:
 - Real Living Wage
 - Free Personal and Nursing Care
- Additionally, North Ayrshire Council have passed through a share of the Local Government Grant uplift of £2.114m and have fully funded the increase in Employers' NI costs of £1.898m for NAC contracted staff. This has resulted in a net increased contribution to the Partnership of £13.280m through the NAC budget setting process. Some elements of this relate to previous years and were already assumed in the Partnership base budget and this is shown in the tables below.

Area	£m
Adult Social Care RLW	3.388
Children's SW Services RLW	0.490
FPNC	0.213
MH Recovery & Renewal (MHO funding element)	(0.091)
2023-2024 Pay Award Adjustment	(0.178)
Employers NI Increase	1.898
Additional Funds – share of grant uplift	2.114
Per the HSCP budget plans	7.834

Reconciling Items to the Council Budget Paper

Amounts already included in HSCP base budget:

Area	£m
Adult Social Care RLW 2024-2025	6.477
Scottish Disability Assistance 2024-2025	0.134
Children's SW Services RLW 2024-2025	0.569
Additional 2024-2025 Pay Award	1.057
Justice Services Grant - not yet in settlement	(2.657)
Scottish Disability Assistance – not yet in settlement	(0.134)
Per Council Budget paper	13.280

Moving into 2025-2026 the Partnership is proactively working to provide safe and effective services for the residents of North Ayrshire within the financial envelope, this is supported by approving a balanced budget and a focus on the delivery and alignment of financial plans through the transformation plan.

The IJB approved a one-year balanced budget for 2025-2026 on 20 March 2025. More information about the [2025-2026 Budget](#)

This budget included new budget pressures for health and social care services totalling £14.943m. These were developed in partnership, with Finance supporting front line services to identify current and emerging financial pressures considering historic demand and costs and potential future variations. The provision of funding for pressures has the impact of increasing the budget gap to be addressed through savings, therefore the pressures are only included in budget plans where these are absolutely unavoidable.

The new cost and demand pressures resulted in a requirement to identify and approve additional savings of £4.019m, as noted in the summary below, this includes an over-delivery of in-year savings to address recurring areas of overspend from 2024-2025 and to seek to accelerate savings plans to support future year's budget gaps:

Description	Social Care (NAC) £m	Health (NHS A&A) £m	Total £m
Funding Increase	(7.834)	(4.040)	(11.874)
Resource Transfer	(0.670)	0.670	0
Service Pressures	10.680	4.263	14.943
In-year Budget Gap	2.176	0.893	3.069
Approved Savings	(2.903)	(1.116)	(4.019)

The Integration Joint Board, in common with most Public Sector bodies, is facing a period of significant financial challenge with cost and demand pressures. The most significant financial pressures continue to be pay awards for staff, inflationary cost increases for contracted services and demographic changes driving increased demand for services - funding these unavoidable pressures year-on-year drives our savings requirement.

2025-2026 Opening Position

Part of the 2024-2025 overspend will impact on the 2025-2026 opening position. The adjusted opening projection for 2025-2026 is a £1.539m overspend.

This reflects the full year impact of part year cost reductions achieved in 2024-2025, including - care at home, Brighter Pathways, care packages, vacancy management and supplementary staffing – targeted improvement in other areas. It assumes all mitigations and controls established in 2024-2025 continue throughout 2025-2026 as it is recognised that the same uncertainty and risks remain into 2025-2026 and there needs to be tight grip and control over expenditure overall.

The improvement from the 2024-2025 position to the opening projected overspend for 2025-2026 is predicated on maintaining Financial Recovery Plan Controls, and:

- Removing the care home overspend and managing the number of placements in line with the budgeted level
- Reduce agency costs at Montrose House on Arran
- Significant reduction or removal of overspends on supplementary staffing across wards through focussed improvement work supported by the General Manager, Lead Nurse and responsible Senior Managers
- Adult Community Care Packages (Learning Disabilities and Mental Health) breakeven across client groups – net reduction
- Eating Disorders and Psychiatry managing within budget
- Maintaining payroll turnover over-recovery and therefore same vacancy management controls

There are a number of ongoing financial risk areas that may impact on the 2025-2026 budget during the year, these include:

- Current overspend areas, especially in low volume / high-cost services e.g. Children's residential placements, UNPACs, and supplementary staffing across community, mental health and learning disability wards.
- Growing demand for services.
- Staff recruitment and retention challenges across a number of service areas.
- The impact of the increase in Employers National Insurance Contributions, the impact of funding of this increase and also the compounding impact on social care commissioned care providers.
- The expectation that performance will continue to be maintained or improved despite the significant resource challenges.
- Ongoing delivery costs of Scottish Government policy directives, particularly where these are not fully funded or inflation proofed.
- The Local Government and NHS pay awards are not settled for 2025-2026; as outlined in the report, a 3% increase has been assumed for the social care workforce and for NHS it is anticipated that additional funding will be allocated once the pay award has been settled. If the pay awards are not fully funded, then this will present an in-year cost pressure.
- Unearmarked reserves are depleted, there is no scope to absorb in-year variances, with any overspends requiring additional funding from partners.
- The ongoing review of the Integration Schemes, where there is a focus on financial arrangements and risk share.
- The wider system financial challenges and impact across the whole system, for example the financial position of NHS AA and the decisions taken to reduce the Board's deficit may have impacts on other parts of the health and care system.
- The ability to re-pay funding partners in-year for previous year overspends given continued financial challenges.
- Removal of brokerage for NHS Boards.
- The overall sustainability of commissioned care providers, with eNICs compounding historic challenges re financial sustainability, there is a heightened risk of provider failure leading to handing back of care and contracts.

The National Position

Overall, the financial outlook for Health and Social Care Partnership is challenging with significant budget gaps across the country to maintain the current service provision (national budget gap of £497.5m for 2025-2026). Budget gaps for IJBs across Scotland range from 1.3% to 12.6% with significant level of variation. Many IJBs also have depleted reserves (national total at April 2025 £55m) and of those with reserves only one meets the best practice contingency reserve level of 2-4% of revenue budget.

Whilst there are variations in the scale of the gap, the areas contributing to the pressures across the system are similar and include:

- Increases in demand, complexity and demographics
- Prescribing
- Recurring deficits/ baseline pressures/ inflation
- Pay pressures
- Contract inflation for commissioned services

These critical financial pressures facing IJBs have been shared by Health and Social Care Scotland with Scottish Government to seek additional financial support for community based health and social care services.

Set Aside

The Partnership has a responsibility, with our local hospital services at University Hospital Crosshouse and University Hospital Ayr, for planning services that are mostly used in an unscheduled way. The aim is to ensure that we work across the health and care system to deliver the best, most effective care and support. Service areas most commonly associated with unplanned use are included in the Set Aside budget. Set Aside budgets relate to the strategic planning role of the Partnership. Key areas within this budget are:

- Accident and emergency.
- Inpatient services for general medicine.
- Geriatric medicine.
- Rehabilitation.
- Respiratory.
- Learning disability, psychiatry and palliative care services provided in hospital.

The annual budget for Acute Services is £462.6million. The directorate overspent by £36.9 million in the 12 months to 31 March 2025. This was caused by overspends on agency medical and nursing staff, together with medicines expenditure, equipment and supplies.

November saw a successful reduction in unfunded beds. Operational challenges in December carried on into the final quarter. Ayr had 24 additional beds open between Station 8 and Station 12 every day and an average of 13 on Station 11. Crosshouse continued with 78 unfunded beds open in March, and in addition 24 full capacity beds were open each day on average. The SAFER programme in Crosshouse is progressing well and early indications show a reduction in Length of Stay (LoS) across two wards by 2.5 days each. The co-horting of patients in the active wards is also demonstrating a reduction in LoS in other areas.

There is a material underlying deficit caused by:

- Unachieved efficiency savings
- Length of Stay (LoS) and emergency admission rates in NHS Ayrshire and Arran acute hospitals are above the Scottish average.
- High expenditure on medical and nursing agency staff, high rates of absence and vacancies causing service pressure.
- Delayed transfers of care and high acuity of patients.

The IJBs and the Health Board work closely in partnership to maintain service and improve performance. Initial work has commenced to develop a joint strategic commissioning plan for the provision of unscheduled care services, which will outline these services will be delivered over the medium-term using the set aside resources available. The ambition being to support a shift in the balance of care into the community and support a reduction in the number of acute beds.

The ability to plan with the overall resource for defined populations and user groups and to use budgets flexibly is one of the hallmarks of integrated care.

Each Health Board, in partnership with the Local Authority and IJB, must fully implement the delegated hospital budget and set aside budget requirements of the legislation, in line with the statutory guidance published.

The full implementation of the set aside arrangements is key to delivering a commitment to planning across the whole unplanned care pathway and partnerships must ensure that set aside arrangements are fit for purpose and enable this approach.

Ayrshire Finance Leads have developed and agreed on a new model for costing the set aside arrangements, based on actual bed usage and average costs. A baseline level of usage has been agreed based on the average actual use across years 2016-2017 to 2019-2020, the last four years prior to the pandemic. A pan-Ayrshire Joint Commissioning Plan is currently under development; this will outline the level of acute unscheduled care provision that each of the IJBs want to commission from the Health Board.

The NHS AA Chief Executive has requested the development of a joint strategic commissioning plan to enable the setting of directions to provide to NHS Ayrshire and Arran for Unscheduled Care, aligned with the Set Aside resources. Furthermore, seeking the support from the 3 IJBs in the review, and onward approving and monitoring of the delivery of a Strategic Commissioning Plan in line with the provisions laid out in the Integration Schemes, as outlined below:

- The NHS Board will consult with the Ayrshire Integration Joint Boards to ensure that any overarching Strategic Plan for Acute Services and any plan setting out the capacity and resource levels required for the Set Aside budget for such Acute Services is appropriately coordinated with the delivery of Services across the Ayrshire and Arran area. The parties shall ensure that a group including the Director for Acute Services and Chief Officers of the three Ayrshire Integration Joint Boards will meet regularly to discuss such issues.
- The initial Set Aside base budget for each Integration Joint Board will be based on their historic use of Acute Services. The actual unit cost which would apply as part of any change to activity or service redesign is dependent on the scale of change planned and requires agreement in advance by all Parties. Any redesign of service requires to be agreed across the three Integration Joint Boards and be reflected in the Strategic Plans.

- In year pressures in respect of Set Aside budgets will be managed in year by the Health Board, with any recurring over or underspend being considered as part of the annual budget setting process.

In this joint strategic commissioning plan each IJB will consider and outline a clear framework for commissioning, at a strategic level, the urgent and unscheduled care service funded from the 'set aside' budget.

There is an ambition that the commissioning plan will indicate an expectation of service delivery that will see sustained and affordable improvement in relation to performance outcomes for the citizens of Ayrshire and assure best value to support the financial balance of urgent and unscheduled care provision through a review and system wide redesign of the preferred models of care.

Following consideration I by the 3 IJBs, the Plan will be enacted operationally through the mechanism of Directions by the Local Authorities and NHS Ayrshire and Arran. This work remains ongoing and there is an opportunity to refresh this alongside the national focus on NHS Renewal for Unscheduled Care.

Directions

The Scottish Government issued Statutory Guidance in January 2020 outlining the requirements for the use of Directions from Integration Authorities to Health Boards and Local Authorities. The guidance sets out how to improve practice in the issuing (by IJBs) and implementation (by Health Boards and Local Authorities) of directions issued under the Public Bodies (Joint Working) (Scotland) Act 2014. It supersedes the Good Practice Note on Directions issued in March 2016.

The Scottish Government worked closely with IJB Chief Officers to better understand the diversity of practice across Scotland surrounding directions and to identify good practice. They also discussed the use of directions with a range of local systems at regular partnership engagement meetings, including with Health Board and Local Authority Chief Executives.

The three Ayrshire HSCPs worked together to develop a template for the issuing of Directions as a formal mechanism to communicate IJB decisions to the Councils and Health Board, and this was implemented across the system from April 2023.

Risks

The strategic risks faced by the IJB over the medium to longer term were presented to the March 2025 IJB. There are 12 risks noted on the Strategic Risk Register, with a number of these graded as very high or high risk. While there are a number of controls and mitigations in place there may be further actions required to reduce the risks further in line with the level of risk tolerance. The current [Strategic Risk Register](#) is available to view.

The risks are summarised below:

Ref	Title	Gross Risk (score pending further controls)	Residual Risk (score after further controls)
SRR01	Financial Sustainability	25 Very High	16 High
SRR02	Infrastructure (ICT Integration)	12 High	9 Moderate
SRR05	Transformational Change Programme	12 High	6 Moderate
SRR06	Governance	9 Moderate	3 Low
SRR07	Demography and Inequality Pressures	16 High	12 High
SRR08	Workforce	12 High	9 Moderate
SRR09	Local Impact of Scottish Government Policies	16 High	12 High
SRR12	Clinical and Care Governance	9 Moderate	9 Moderate
SRR13	Provider Failure (commissioned services)	16 High	12 High
SRR14	Asylum Arrivals	12 High	12 High
SRR15	Risk of Harm	16 High	16 High
SRR16	Growth and expansion of specialist complex care developments	25 Very High	15 High

These risks emphasise the importance of effective planning and management of resources. It is therefore crucial that we focus on early intervention, prevention and recovery if we are to work within the total delegated partnership budget.

Going forward, we will continue to ensure local people are supported to get the right care in the right place, developing clear health and care pathways for the people of North Ayrshire. To achieve its vision, the Partnership recognises it cannot work in isolation. The Partnership will continue to strengthen relationships with colleagues within the Community Planning Partnership to ensure a joint approach to improving the lives of local people.

Most importantly, the Partnership must work closer with local people and maximise the use of existing assets within communities to improve the overall health and wellbeing of people in North Ayrshire. 2025-2026 will see the progression of the implementation of the longer-term Strategic Plan and Transformation Plan. We will also continue the development of self-directed support, instilling an enablement ethos promoted by our professionals, collaborating with the third and independent sector to design and commission appropriate models of service.

Conclusion

2024-2025 has been an extremely challenging year for the partnership financially, driven by the cost of delivering services to meet demand across the system. There has been a requirement to draw on the remaining unearmarked reserves and also seek additional funding from North Ayrshire Council and NHS Ayrshire & Arran. This is not a sustainable approach.

The IJB has a strong track record in delivering approved savings. The IJB will continue to pursue transformational change in how it supports individuals, families and communities to live independently from statutory services for as long as they can safely do so. This is not just about changing the ways in which services are structured but will require a change in how they are planned and delivered, and will inevitably, unless further national investment is forthcoming, reduce the level of service provision available in North Ayrshire for our residents.

Our health and social care services should reflect and respond to the needs of local people. To support this, we will help to build greater capacity in our communities and provide more ways for service users and local people to share their views with us to help shape services. We are fully committed to planning and designing services together with local people, our staff and our key partners including acute health services, housing, community planning and the third and independent sectors.

The IJB, through the Strategic Plan, outlines the belief that together we can transform health and social care services to achieve the joint vision for the future “all people who live in North Ayrshire are able to have a safe, healthy and active life.” A new Transformation Plan 2024-2027 was agreed by the IJB in March to support the redesign of services and to assist with meeting the financial challenges ahead.

Moving into 2025-2026, we are working proactively to address the financial challenges, while at the same time, providing high-quality and sustainable health and social care services for the communities in North Ayrshire.

Where to find more information

If you would like more information on IJB strategies, plans and policies and our performance and spending, please refer to the [North Ayrshire Health and Social Care Partnership website](#)

Statement of responsibilities

Responsibilities of the IJB

The IJB 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 financial statements are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far, as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland act 2003)
- Approve the Annual Accounts for signature.

Joyce White

IJB Chair

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 is also required to:

- Keep proper accounting records which are up to date.
- Take reasonable steps to ensure the propriety and regularity of the finances of the Integration Joint Board.

I certify that the financial statements give a true and fair view of the financial position of the North Ayrshire Integration Joint Board as at 31 March 2025, and its income and expenditure for the period then ended.



Eleanor Currie CPFA
Interim Chief Finance Officer

27 June 2025

Annual Governance Statement

The Annual Governance Statement explains how North Ayrshire IJB complies with the Code of Corporate Governance and meets the requirements of the CIPFA / SOLACE Framework 'Delivering Good Governance in Local Government 2016' and the 'Code of Practice for Local Authority Accounting in the UK: A Statement of Recommended Practice', in relation to the Statement on the System of Internal Financial Control.



Scope of responsibility

North Ayrshire 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.

The IJB is also responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

In discharging this responsibility, the Chief Officer has put in place arrangements for governance which includes the system of internal control. Reliance is placed on these controls which are designed to manage risk to a reasonable level but cannot eliminate the risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable but not absolute assurance of effectiveness.

Purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values by which the IJB is directed and controlled and the activities through which it accounts to and engages with the community. It enables the IJB to monitor the achievement of its strategic priorities and to consider whether those priorities have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of North Ayrshire IJB's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Governance framework

The main features of the governance framework that was in place during 2024-2025 are summarised below:

- The IJB, comprising all IJB Board members, was the key decision-making body. The Performance and Audit Committee considered all matters in relation to Internal and External Audit, Risk Management and Performance and fulfilled the requirements of the CIPFA document 'Audit Committees: Practical Guidance for Local Authorities and Police.'
- Strategic decision-making is governed by the IJB's key constitutional documents including the Integration Scheme, standing orders, scheme of administration, scheme of delegation to officers and financial regulations.
- The Integration Scheme sets out the process to determine financial contributions by partners to Integration Joint Boards. This has been supplemented by directives from the Scottish Government in relation to the level of resources for delegation by the Council and NHS Board for Health and Social Care Integration.
- The IJB's purpose and vision are outlined in the IJB Strategic Commissioning Plan 2022-2030 which links closely to the vision of the North Ayrshire Community Planning Partnership and the Local Outcome Improvement Plan (LOIP) 2022-30 and is underpinned by an annual action plan and performance indicators. Quarterly performance reports are provided to the Performance and Audit Committee on the delivery of the values and strategic priorities set out in the strategic plan, with a formal Annual Performance Report published each year.
- The performance management framework focuses firmly on embedding a performance management culture throughout the IJB. Regular reporting to Board Members takes place.
- A risk management strategy, strategic risk register and risk appetite statement is in place for the IJB. The second version of the risk appetite statement was approved by the IJB in November 2023. Future reviews of the risk appetite statement will routinely be conducted alongside the triennial review of the risk management strategy, with the next one due in June 2025. It may be reviewed in the interim in the event of an urgent need. The strategic risk register is updated annually, with the operational risk registers updated in line with the IJB's risk strategy.
- The Health and Care Governance Framework covers governance arrangements in relation to complaints and customer feedback, risk management, health and safety, Internal Audit, workforce planning and public protection. Regular updates are provided to the IJB by the Clinical and Care Governance Group.
- The IJB has adopted a 'Code of Conduct' for all its Board Members and employees, a register of interests is in place for all Board members and senior officers.
- The IJB has in place an informal development programme for all Board Members, the Partnership Senior Management Team and senior managers across the Partnership.
- There have been several changes in membership of the IJB over the course of 2024-2025 so refresher training on Code of Conduct is planned as well as an updated induction pack for new IJB members.
- In order to facilitate greater scrutiny of the financial position, the IJB agreed to establish a 'Finance Working Group', chaired by the IJB Vice Chair. This group will facilitate increased oversight and scrutiny of the financial position and transformation programme as well as

detailed budget planning for future financial years and will become part of our regular governance arrangements.

- Performance and Personal Development schemes are in place for all staff, the aim of which is to focus all staff on their performance and development that contributes towards achieving service objectives.
- The Strategic Planning Group has oversight of developing and monitoring the Strategic Plan, and the Locality Planning process, as well as enabling strategies to maintain a consistent strategic approach. SPG is chaired by the Vice Chair of the IJB and the IJB receives copies of the minute to keep Board members informed of its activity.
- The IJB has established five locality planning review groups, reflecting the previously agreed local planning areas, and has an integrated approach with the Community Planning Partnership for Locality Planning in Arran. These provide Board Members, health and social care staff and local community representatives with the opportunity to be involved in considering and influencing priorities for each area.
- A Transformation Board is in place, which recognises the significant change programme which is required to support delivery of the priorities within the new 2022-30 strategic plan. Terms of Reference are in place which detail the Board's membership, duties, authority, reporting and governance. The Board meets monthly.

The governance framework was in place during the period ended 31 March 2025.

Review of effectiveness

North Ayrshire 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 Partnership Senior Management Team who have responsibility for development and maintenance of the governance environment, the annual report by the Chief Internal Auditor and reports from Audit Scotland and other review agencies.

The Chief Internal Auditor reports directly to the IJB Performance and Audit Committee on all audit matters, with the right of access to the Chief Officer, Chief Finance Officer and Chair of the Performance and Audit Committee on any matter. In accordance with the principles of the code of corporate governance, regular reports were made to the IJB's Performance and Audit Committee during 2024-2025.

The Internal Audit function has independent responsibility for examining, evaluating and reporting on the adequacy of internal control. During 2024-2025, the Internal Audit team operated in accordance with the Public Sector Internal Audit Standards.

The Chief Internal Auditor is responsible for forming an annual opinion on the adequacy and effectiveness of the systems of internal control.

The approved IJB internal audit plan for 2024-2025 focussed on a review of the IJB's arrangements in relation to Transformation, with the assignment concluding with reasonable assurance.

It is the opinion of the Chief Internal Auditor that the systems of internal control relied upon by the IJB continue to provide reasonable assurance against loss.

System of internal financial control

The governance framework described operates on the foundation of internal controls. The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability.

Development and maintenance of these systems is supported by NHS Ayrshire and Arran and North Ayrshire Council in relation to the operational delivery of health and social care services. These systems include:

- Financial regulations and codes of financial practice
- Comprehensive budgeting systems
- Regular reviews of periodic and annual financial reports that indicate financial performance against the forecasts
- Setting targets to measure financial and other performance
- Formal project management disciplines
- A Transformation Board to provide further scrutiny of service re-design and financial delivery
- An effective Internal Audit function

The IJB's financial management arrangements conform to the governance requirements of the CIPFA statement: 'The Role of the Chief Finance Officer in Local Government (2016)'.

The IJB complies with the CIPFA Financial Management Code.

Through the counter fraud arrangements that are in place within NHS Ayrshire and Arran and North Ayrshire Council, the IJB conforms with the CIPFA 'Code of Practice on Managing the Risks of Fraud and Corruption.'

During 2024-2025, the Head of Service (Finance and Transformation) led on improvement work to review and tighten controls across a number of areas in the HSCP.

Developments during 2024-2025

The elements noted below incorporate progress with the further actions or developments identified in the 2024-2025 Annual Accounts.

Medium-Term Financial Outlook (MTFO)

A medium-term financial outlook was prepared covering the period 2025-2026 to 2026-2027 and presented to the IJB in March 2024. An MTFO update was provided to the IJB on 12 December 2024 and was included in the 2025-2026 budget paper which was approved by the Council on 26 February 2025. A full update report will therefore be presented to the IJB by September 2025, covering the period 2026-2027 to 2027-2028.

Review of IJB key governance documents

The IJB continues to review its key governance documents on a rolling basis.

Clinical and Care Governance Group (CCGG)

Clinical and Care Governance is the system in which the HSCP is accountable for continuously improving quality and safeguarding high standards of care. The Partnership has developed Clinical and Care Governance arrangements in line with the commitments and requirements contained in the Integration Scheme.

The CCGG meets on a monthly to discuss and review a number of topics and an annual report was provided to the IJB in September 2024.

Care Home and Care at Home Oversight Arrangements

The HSCP stepped up oversight arrangements for Care Homes and Care at Home Services in North Ayrshire as part of the accountability and assurances sought by Scottish Government during the Covid pandemic; these forums have been invaluable to oversee the quality and sustainability of provision in North Ayrshire and as such both groups now remain part of the core governance structure.

These multi-disciplinary groups are made up of key clinical and care professionals who have a lead role in the oversight of care and support services based in the North Ayrshire area.

Carer's Strategy 2023-2025

One of the responsibilities of the Carer's (Scotland) Act 2016 is a duty for a local carer strategy and the establishment and maintenance of an information and advice service for carers resident or caring for someone in the local authority area.

The Carer's Strategy 2023-2025 "Building Caring Communities" was approved by the IJB in August 2023, with the priorities being taken forward with the new strategic partner, Unity Enterprise. Updates on the progress of the strategy were reported to the IJB in May and December 2024.

Children's Services Plan 2023-2026

The Children's Services Plan 2023-2026 was approved by the IJB in June 2023, and builds on the progress made since the previous Children's Services Plan 2020-2023.

The Children's Services Plan is aligned to the Children's Poverty Strategy and Action Plan and Children's Rights Report, together forming the suite of children's services planning documents.

The plan identifies five priorities in order to achieve the vision "For all our children and young people to have the best start in life and for North Ayrshire to be the best place in Scotland to grow up". These priorities are:

- The rights of children and young people are promoted and protected
- Acting early to improve what happens next
- Making Things Fairer
- Promoting good mental health and wellbeing
- Inspiring children and young people to be active.

A range of actions aligned to the Children's Services Plan priorities are in place, with progress reporting against these actions provided in line with agreed timescales. The 2024-2025 performance report will be submitted to the IJB in June 2025. The Scottish Government recently undertook a review of the Plan against the statutory guidance and an individual feedback report received which provides assurance of the alignment of the plan with national statutory guidance, noting areas of strength and improvement.

Equality Outcomes Plan 2022-2025 / Equality Mainstreaming and Outcomes Reporting

Following the approval of the Equality Outcomes Plan 2022-25 by the IJB in March 2023, there is a specific duty within the Equality Act that the HSCP must publish a mainstreaming and outcomes report detailing how the HSCP has progressed against its Equality Outcomes.

Reporting of Equality Mainstreaming and Outcomes commenced in May 2023 with the purpose of demonstrating how, as a public sector organisation, the HSCP will mainstream equality work into day-to-day practice. This reporting demonstrates positive progress towards the mainstreaming of the Public Sector Equality Duty (PSED) and the identified Equality Outcomes. A further Equality Mainstreaming and Outcomes report was presented to the IJB in May 2024.

Transformation Plan 2024-2027

The HSCP Transformation Plan for 2024-2027 was approved by the IJB in March 2024. This is an ambitious programme of change which consists of a range of improvement and reform projects across all service areas, each aiming to improve the quality of service and contribute to the long-term sustainability of health and care in North Ayrshire. The Transformation Plan links closely to the high-level aspirations which are set out in the Strategic Plan and is mapped to one or more key drivers (savings/overspend reduction, investment, improving quality and safety, and national or local policy).

The Transformation Plan will be overseen by the HSCP Transformation Board who will provide assurance on progress and effectiveness to the IJB. Updates on the Transformation Plan were reported to the IJB in September 2024 and February 2025.

NAHSCP Learning & Development Strategy (Social Work & Social Care) 2023-2028 "Be the Best You Can Be"

The Learning & Development Strategy, which was approved by the IJB in October 2023, consolidates the HSCP Offer of development opportunities and the need to ensure the workforce feels valued and supported in meaningful ways. The strategy takes cognisance of current and ongoing workstreams and agendas in the HSCP. It also considers the professional and technical learning & development needs of the social work/care workforce operating within the HSCP.

The Key elements for consideration in implementing this strategy are:

- Continuous Professional Learning (CPL) requirements of social work practitioners aligned to SSSC re-registration criteria
- Known requirements related to care inspectorate inspections of services
- Policy and procedural requirements/development and drivers relevant to social work practice both locally and nationally
- Operational Service Plans
- Service redesign, improvement, quality assurance and cultural activity.

Membership of IJB

There has been stability in the roles of Chair and Vice Chair throughout 2024-2025 and these positions will rotate in May 2025 per the IJB Standing Orders. The Chair and Vice Chair of the Performance and Audit Committee will also rotate in 2025.

During 2024-2025, the following new members have been appointed to the IJB.

- Councillor Tom Marshall replaced Councillor Timothy Billings following his resignation from the IJB.
- Sharon Morrow has replaced Jean Ford as a new non-Executive NHS Ayrshire and Arran member of IJB and has also agreed to join the Performance and Audit Committee
- Paul Smith has been appointed to the IJB as the Carer Representative and Barbara McNeice appointed as his deputy.

Chief Officers

Paul Doak left in January 2025 and Eleanor Currie was appointed Interim Chief Finance Officer pending the post being recruited to a permanent basis.

Annual Performance Report

The IJB endorsed the Annual Performance Report for 2023-2024 at the meeting in August 2024. This report outlined the performance of the Health and Social Care Partnership and how it delivered against the strategic priorities and the national outcomes.

Quarterly performance reports are published on the Partnership's website once they have been reviewed by the Performance and Audit Committee. This supports a commitment to make more performance information accessible and available for public scrutiny.

Workforce Planning and Engagement

The HSCP published its current Workforce Plan (2022-25) in October 2022, in line with Scottish Government timescales.

The Workforce Plan focusses on the five pillars of workforce planning identified by the Scottish Government. From these, the HSCP identified our own local workforce priorities that map directly to the five pillars. They are:

- Understanding our workforce (PLAN).
- Promoting our organisation (ATTRACT).
- Investing in our people (TRAIN).
- Building our Workforce (EMPLOY).
- Growing our people (NURTURE).

The two-year progress report was presented to Performance and Audit Committee in January 2025, where positive progress against the 31 actions within the plan were noted.

The annual iMatter Staff Experience survey took place in June 2024, providing all staff the opportunity to provide feedback on their experiences of working in the Health and Social Care Partnership. Overall iMatter seeks to measure how engaged staff are in the workplace. The response rate for the 2024 survey was 58% which is the lowest rate in the last 5 years, and a drop from the 65% response rate from the previous year. However, the HSCP reported an engagement index of 81, the same as the previous year when it was the highest ever score.

Pan Ayrshire Integration Work

The Head of Service (Finance and Transformation) of the North Ayrshire IJB chaired a working group which was re-established with a view to addressing some of the more significant work required by the proposals made in the Scottish Government Ministerial Steering Group (MSG) review of progress with integration.

The working group includes representatives from NHS Ayrshire and Arran and the three Ayrshire IJBs:

- Directions – directions have been implemented since the beginning of 2023-2024 for decisions made by the IJB which impact on the service delivery of the Health Board and/or the Council.
- Joint commissioning plan and set aside budgets – work is being taken forward around the development of a joint commissioning plan by colleagues from NHS Ayrshire and Arran and the three Ayrshire HSCPs. Alongside this, Finance Leads have developed a set aside model to determine the cost of large hospital services which are being used by each of the HSCPs.

In addition, work has commenced locally to review the Integration Scheme, in close liaison with the other Ayrshire HSCPs in order to remain consistent and support the Health Board in working with all IJBs. A number of workstreams have been established, overseen by a programme board which is co-chaired by the chief executives of NHS Ayrshire and Arran and East Ayrshire Council.

Further actions for 2025-2026

The IJB has identified the following actions for 2025-2026 that will assist with the further strengthening of corporate governance arrangements:

- Develop commissioning plans and associated directions in relation to the acute set-aside resources.
- Support the Local Authorities and NHS Board with the requirement for a Pan Ayrshire Review of the Integration Scheme(s).
- Develop a Strategic Needs Assessment to inform the refresh of the Strategic Plan and ensure the HSCP has a renewed approach to addressing long-term challenges
- Develop locality plans for each locality planning area to ensure a local community approach to identifying and addressing priorities.
- Refresh the Partnership's Participation and Engagement Strategy, identifying a programme of work that will ensure local people are able to participate in the planning and improvement of health and social care services.
- Following the development of the MTFP for 2026-2027 onwards and the financial challenges anticipated, develop a robust approach to developing service plans and the transformation plan to ensure future financial and service sustainability.
- Given the scale of the financial challenges and volatility of capacity and demand across services, further refine financial monitoring arrangements and ensure robust governance, reporting and development of financial recovery plans where required.
- Embed health and care governance arrangements, ensuring robust arrangements in place across all areas of service with appropriate escalations through formal governance forums, ensuring these reflect the new Health and Care Staffing Act requirements.

Assurance

Subject to the above, and on the basis of the assurances provided, we consider the governance and internal control environment operating during 2024-2025 to provide reasonable and objective assurance that any significant risks impacting on the achievement of our actions will be identified and actions taken to avoid or mitigate their impact.

Systems are in place to continually review and improve the governance and internal control environment and action plans are in place to address identified areas for improvement.

The Annual Governance Statement explains how North Ayrshire IJB complies with the Code of Corporate Governance and meets the requirements of the CIPFA / SOLACE Framework 'Delivering Good Governance in Local Government 2016' and the 'Code of Practice for Local Authority Accounting in the UK: A Statement of Recommended Practice', in relation to the Statement on the System of Internal Financial Control. The Annual Governance Statement was approved by the IJB Performance and Audit Committee on 27 June 2025.

Caroline Cameron, Chief Officer

Joyce White, IJB Chair

Remuneration report

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 explanatory text in the Remuneration Report is reviewed by the external auditor to ensure it is consistent with the financial statements.

Remuneration: IJB Chair and Vice Chair

The IJB comprises eight voting members appointed through nomination in equal numbers by NHS Ayrshire and Arran and North Ayrshire Council. A Chair and Vice Chair are appointed in accordance with the Integration Scheme and the Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014. As required in Article 4 of the Order the nomination of the IJB Chair and Vice Chair post holders alternates between a Council and Health Board representative, with the Vice Chair appointment by the constituent authority which did not appoint the Chair.

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. There were no taxable expenses paid by the IJB. Therefore, no remuneration disclosures are provided for the Chair or Vice Chair.

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.

Remuneration: Senior Officers of the IJB

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

Chief Officer and Chief Finance Officer

The appointment of an Integration Joint Board Chief Officer is required by section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 which includes the statement “an Integration Joint Board is to appoint, as a member of staff, a chief officer”.

The 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 adheres 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.

As the IJB is constituted as a Local Government body as set out by Section 106 of the Local Government (Scotland) Act 1973, it also requires to appoint an officer responsible for the proper administration of its financial affairs, the Chief Finance Officer (Section 95 Officer).

Other Officers

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

2023-2024 Total Remuneration £	Name and Post Title	2024-2025 Salary, fees and allowances £	2024-2025 Taxable Expenses £	2024-2025 Total Remuneration £
129,076	Caroline Cameron, Chief Officer 1 April 2024 to 31 March 2025 Employing organisation: North Ayrshire Council	133,720	0	133,720
99,067	Paul Doak Chief Finance Officer 1 April 2024 to 19 January 2025 Employing organisation: North Ayrshire Council	81,807	0	81,807
0	Eleanor Currie Interim Chief Finance Officer 6 January 2025 to 31 March 2025 Employing organisation: North Ayrshire Council	21,814	0	21,814

*The full year equivalent salaries are given in the table below.

Name and post title	2024-2025 Full Year Salary £
Paul Doak, Chief Finance Officer, 1 April 2024 to 19 January 2025	102,630
Eleanor Currie, Interim Chief Finance Officer, 6 January to 31 March 2025 (salary and responsibility allowance)	80,827

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 period 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 period to support officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

In Period pension contributions

Officer	2023-2024 (£)	2024-2025 (£)
Caroline Cameron, Chief Officer	24,493	7,777
Paul Doak, Chief Finance Officer	19,120	5,317
Eleanor Currie, Interim Chief Finance Officer	0	1,314

Accrued pension benefits

Officer	Type of benefit	2023-2024 (£)	2024-2025 (£)
Caroline Cameron, Chief Officer	Pension	13,727	17,065
Caroline Cameron, Chief Officer	Lump Sum	0	0
Paul Doak, Chief Finance Officer	Pension	47,661	46,079
Paul Doak, Chief Finance Officer	Lump Sum	69,717	71,734
Eleanor Currie, Interim Chief Finance Officer	Pension	0	40,319
Eleanor Currie, Interim Chief Finance Officer	Lump Sum	0	45,392

Disclosure by pay bands

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

Number of employees in band 2023-2024	Remuneration band	Number of employees in band 2024-2025
0	£130,000 to £134,999	1
1	£125,000 to £129,999	0
1	£95,000 to £99,999	0
0	£90,000 to £94,999	0
0	£80,000 to £84,999	1

Exit packages

There were no exit packages during 2023-2024 or 2024-2025.

Financial statements

The **Comprehensive Income and Expenditure Statement** shows the cost of providing services for the period according to accepted accounting practices.

2023-2024 Gross Exp £000	2023-2024 Gross Income £000	2023-2024 Net Exp £000	Area of Service	2024-2025 Gross Exp £000	2024- 2025 Gross Income £000	2024- 2025 Net Exp £000
97,275	0	97,275	Community Care and Health	98,181	0	98,181
35,764	0	35,764	Mental Health	38,208	0	38,208
44,318	0	44,318	Children's Services and Criminal Justice	45,634	0	45,634
52,863	0	52,863	Primary Care	53,662	0	53,662
12,849	0	12,849	Management and Support Costs	13,365	0	13,365
1,236	0	1,236	Change Programme		0	
10,098	0	10,098	Allied Health Professionals	10,749	0	10,749
108,607	0	108,607	Lead Partnership and Set Aside	120,555	0	120,555
1,317	0	1,317	Chief Social Work Officer	1,725	0	1,725
364,327	0	364,327	Cost of Services	382,079	0	382,079
0	(124,933)	(124,933)	North Ayrshire Council Funding	0	(135,243)	(135,243)
0	(228,176)	(228,176)	NHS Ayrshire and Arran Funding	0	(244,487)	(244,487)
0	(353,109)	(353,109)	Total Taxation And Non-Specific Grant Income (note 5)	0	(379,730)	(379,730)
364,327	(353,109)	11,218	(Surplus) or Deficit on Provision of Services	382,079	(379,730)	2,349

There are no statutory or presentation adjustments which affect the 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 financial statements.

The **Movement in Reserves Statement** shows the movement in the period on the reserves held by the IJB. The movements which arise due to statutory adjustments which affect the General Fund balance are separately identified from the movements due to accounting practices. In 2024-2025 there were no statutory adjustments. Note 8 to the accounts provides more detail on the movement in reserves.

Total Reserves 2023-2024	Movement in reserves	General Fund – Debt to NAC 2024-2025	General Fund 2024- 2025	Earmarked Reserves 2024-2025	Total Reserves 2024-2025
16,728	Opening balance as at 1 April	0	357	5,153	5,510
(11,218)	Total Comprehensive Income and Expenditure	0	(357)	(1,992)	(2,349)
0	Adjustments between accounting basis and funding basis under regulations	0	0	0	0
(11,218)	Increase\ (Decrease) in period	0	(357)	(1,992)	(2,349)
5,510	Closing Balance as at 31 March	0	0	3,161	3,161

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

31 March 2024 £000	Balance Sheet Description	Notes	31 March 2025 £000
5,510	Short Term Debtors	6	3,161
0	Long Term Creditors	7	0
5,510	Net Assets	Not applicable	3,161
5,510	Usable Reserve: General Fund	8	3,161
5,510	Total Reserves	Not applicable	3,161

The Statement of Accounts present a true and fair view of the financial position of the Integration Joint Board as at 31 March 2025 and its income and expenditure for the period then ended.

The unaudited financial statements were authorised for issue on 27 June 2025.

Eleanor Currie CPFA, Interim Chief Finance Officer

Notes to the financial statements

Note 1 – Significant Accounting Policies

General principles

The Financial Statements summarise the authority's transactions for the 2024-2025 financial period and its position at the period-end as at 31 March 2025.

The North Ayrshire 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 therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-2025, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

The accounts are prepared on the going concern basis, which provides that the entity will continue in operational existence for a minimum of 12 months from the date of these accounts. In accordance with the Code, the going concern concept will apply as there is the assumed continuation of service provision into the future.

The historical cost convention has been adopted.

Accruals of expenditure and income

Activity is accounted for in the period 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 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.

For the Integration Joint Board financial statements, a debtor and/or creditor will be recorded where the partner contributions differ from the actual net expenditure in period, this allows any surplus or deficit on the provision of services to be transferred to the reserves held by the Integration Joint Board.

Funding

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

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. 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.

Employee benefits

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

The IJB has a legal responsibility to appoint a Chief Officer and a Chief Finance 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 and Chief Finance Officer's absence entitlement at 31 March is accrued, for example in relation to annual leave earned but not yet taken.

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.

Reserves

The Integration Joint Board'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.

Indemnity insurance

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

Unlike NHS Ayrshire and Arran, the IJB does not have any 'shared risk' exposure from participation in CNORIS (Clinical Negligence and Other Risks Indemnity Scheme). The IJB participation in the CNORIS scheme is therefore equivalent 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.

VAT Status

The IJB is a non-taxable body and does not charge or recover VAT on its functions.

Note 2 – Critical Judgements and Estimation Uncertainty

The critical judgements include:

- On behalf of all IJBs within the NHS Ayrshire and Arran area, the IJB acts as the lead partner for Mental Health Services. It commissions services on behalf of the three Ayrshire IJBs and reclaims the costs involved. This arrangement is treated as an agency arrangement. In the absence of an alternative agreement or approach being outlined in the Integration Scheme, the recharges across the partnerships for lead services are based on an NRAC share of costs, this may not reflect the actual cost of delivering services to the population in the three areas.
- In applying the accounting policies, the IJB has had to make a critical judgement relating to the values included for Set Aside services. The Set Aside figure included in the IJB accounts is the baseline of 2023-2024 bed days at 2024-2025 prices as the 2024-2025 actual usage is not known until after the date of accounts signing. As such, the Set Aside sum included in the accounts will not reflect the true cost of actual hospital usage in 2024-2025.

There are no material estimation uncertainties included within the Financial Statements.

Note 3 – Events after the Reporting Period

The audited annual financial statements will be authorised for issue by the Chief Finance Officer on 25 September 2025. Events taking place after this date are not reflected in the financial statements or notes.

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:

- Those that provide evidence of conditions that existed at the end of the reporting period - the financial statements are adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the financial statements are not adjusted to reflect for such events, but where a category of events would have a material impact disclosure is made in the notes of the nature of the events and their estimated financial effect.

There are no such events to report for 2024-2025.

Note 4 – Expenditure and Income Analysis by Nature

2023-2024 £000s	Description	2024-2025 £000s
158,982	Services commissioned from North Ayrshire Council	163,908
205,312	Services commissioned from NHS Ayrshire and Arran	218,137
33	Auditor Fee: External Audit Work	34
(353,109)	Partners Funding Contributions and Non-Specific Grant Income	(379,730)
11,218	(Surplus) / deficit on the Provision of Services	2,349

Note 5 - Taxation and Non-Specific Grant Income

2023-2024 £000's	Description	2024-2025 £000's
(124,933)	Funding Contribution from North Ayrshire Council	(135,243)
(228,176)	Funding Contribution from NHS Ayrshire and Arran	(244,487)
(353,109)	Taxation and Non-specific Grant Income	(379,730)

The funding contributions from the partners shown above exclude any funding which is ring-fenced for the provision of specific services. Such ring-fenced funding is presented as income in the Cost of Services in the Comprehensive Income and Expenditure Statement. There was no ring-fenced funding in 2023-2024 or 2024-2025.

The funding contribution from NHS Ayrshire and Arran shown above includes £39.966m (2023-2024 £35.008m) in respect of 'set aside' resources relating to acute hospital and other resources. These are provided by the NHS which retains responsibility for managing the costs of providing the services. The IJB however has responsibility for the consumption of, and level of demand placed on, these resources.

Note 6 – Debtors

31 March 2024 £000's	Description	31 March 2025 £000's
5,363	North Ayrshire Council	3,161
147	NHS Ayrshire and Arran	0
5,510	Total Debtors	3,161

Amounts due from to the funding partners are stated on a net basis. Debtor and Creditor balances recognised by the funding partners but not yet settled in cash terms are offset against the funds they are holding on behalf of the Integration Joint Board.

Note 7 – Creditors

31 March 2024 £000's	Description	31 March 2025 £000's
0	North Ayrshire Council	0
0	NHS Ayrshire and Arran	0
0	Total Creditors	0

Amounts owed to the funding partners are stated on a net basis. Debtor and Creditor balances recognised by the funding partners but not yet settled in cash terms are offset against the funds they are holding on behalf of the Integration Joint Board.

This position is summarised below:

Funding Partner	(Surplus) or Deficit on provision of services £000's	Movement in Reserves £000's	Uncommitted Surplus (funds which are not earmarked for specific purposes) £000's
North Ayrshire Council	2,465	(2,465)	0
NHS Ayrshire and Arran	(116)	116	0
Total	2,349	(2,349)	0

Note 8 – Usable Reserve: General Fund

The IJB holds a balance on the General Fund which will normally comprise one of three elements:

- As a working balance to help cushion the impact of uneven cash flows.
- As a contingency to manage the impact of unexpected events or emergencies.
- As a means of building up funds, often referred to as earmarked reserve, to meet known or predicted liabilities.

The table below shows the movements on the General Fund balance, analysed between those elements earmarked for specific planned expenditure and the amount held in unallocated reserves.

The 'free' general fund balance is £0.000m which is below the target level of a contingency reserve of between 2% and 4%.

It is acknowledged that uncommitted reserves require to be restored to the minimum recommended level. However, in the short-term, service pressures mean that this would not be achievable without implementing further reductions in service delivery that would impact on the levels of care provided and increase the levels of risk for service users.

Transfers Out 2023-2024	Transfers In 2023-2024	Balance at 31 March 2024	Area of Reserves	Transfers Out 2024-2025	Transfers In 2024-2025	Balance at 31 March 2025
0	0	0	Earmarked Funds	0	0	0
(715)	641	641	Alcohol & Drug Partnership	(641)	353	353
(125)	57	57	Mental Health Action 15	(57)	135	135
157	0	0	Primary Care Improvement Fund	0	46	46
(445)	0	1,774	Service Redesign / Challenge Fund	(994)	0	780
(136)	0	377	Community Living Change Fund	(377)	0	0
(76)	0	0	Covid19 Funding	0	0	0
(71)	0	0	NAC Recovery and Renewal – Mental Health Element	0	0	0
(300)	0	0	West Road	0	0	0
(1,065)	0	0	Care at Home Capacity	0	0	0
(584)	0	0	Interim Care	0	0	0
(50)	0	0	Trauma Training	0	0	0
(804)	1,313	1,313	Family Wellbeing Fund	(1,313)	934	934
(34)	0	0	Perinatal MH Nurse	0	0	0
0	50	50	Wellbeing Fund	(50)	0	0
(644)	0	0	Multi-Disciplinary Teams	0	0	0
0	26	26	Breast Feeding Network	(26)	36	36
(1,170)	546	546	MH Recovery and Renewal	(546)	365	365
(168)	23	23	Buvidal	(23)	0	0
0	0	0	LD – Coming Home	0	82	82
0	0	0	Early Intervention in Psychosis	0	92	92
0	5	5	Brooksby	(5)	0	0
0	0	0	Donation – Police Scotland	0	1	1
(18)	4	4	Cossette Funding	(4)	0	0
(55)	55	55	Expansion of Primary Care Estates	(55)	0	0
(71)	63	63	GP Premises Improvements - tranches 1 and 2	(63)	3	3
(80)	81	81	Mental Health Wellbeing in Primary Care	(81)	0	0
0	0	0	Primary Care Improvement Fund	0	303	303
(101)	29	29	Dental Practice Improvement	(29)	29	29
(13)	0	0	Childsmile	0	0	0
0	2	2	Appropriate Adult Scheme	(2)	2	2

Transfers Out 2023-2024	Transfers In 2023-2024	Balance at 31 March 2024	Area of Reserves	Transfers Out 2024-2025	Transfers In 2024-2025	Balance at 31 March 2025
0	19	19	Adult Tier 3 Weight Management Service	(19)	0	0
0	22	22	Phlebotomy	(22)	0	0
(42)	0	0	Dental Winter Preparedness	0	0	0
(126)	46	66	LD Health Checks	(66)	0	0
(2,000)	0	0	2023-2024 Budget Support	0	0	0
(8,736)	2,982	5,153	Total Earmarked	(4,373)	2,381	3,161
0	0	0	Outstanding Debt	0	0	0
(5,464)	-	357	Unallocated General Fund	(357)	0	0
(14,200)	2,982	5,510	General Fund	(4,730)	2,381	3,161

Note 9 – Agency Income and Expenditure

On behalf of all IJBs within the NHS Ayrshire and Arran area, the IJB acts as the lead manager for Mental Health Services. It commissions services on behalf of the other IJBs and reclaims the costs involved. The payments that are made on behalf of the other IJBs, and the consequential reimbursement, are not included in the Comprehensive Income and Expenditure Statement (CIES) since the IJB is not acting as principal in these transactions.

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

2023-2024 £000	Description	2024-2025 £000
39,490	Expenditure on Agency Service – Lead Partnership	43,932
0	Expenditure on PPE and Test Kits from National Services Scotland	0
39,490	Total agency expenditure	43,932
(39,490)	Reimbursement for Agency Service – Lead Partnership	43,932
0	Reimbursement for PPE from National Services Scotland	0
(39,490)	Total agency income	43,932
0	Net Agency Expenditure Excluded from the CIES	0

Note 10 – Related Party Transactions

The IJB has related party relationships with NHS Ayrshire and Arran and North Ayrshire Council. In particular the nature of the partnership means that the IJB may influence, and be influenced by, its partners. The following transactions and balances included in the IJB's financial statements are presented to provide additional information on the relationships.

Transactions with NHS Ayrshire and Arran

2023-2024 £000	Transactions with NHS Ayrshire and Arran	2024-2025 £000
(228,176)	Funding Contributions received from NHS Board	(244,487)
0	Service Income received from NHS Board	0
205,264	Expenditure on Services Provided by NHS Board	218,087
65	Key Management Personnel: Non-Voting Board Members	67
0	Support Services	0
(22,847)	Net Transactions with NHS Board	(26,333)

Balances with NHS Ayrshire and Arran

31 March 2024 £000	Balances with NHS Ayrshire and Arran	31 March 2025 £000
147	Debtor Balances: Amounts due from NHS Board	0
0	Creditor Balances: Amounts due to NHS Board	0
147	Net Balances with NHS Board	0

Transactions with North Ayrshire Council

2023-2024 £000	Transactions with North Ayrshire Council	2024-2025 £000
(124,933)	Funding Contributions received from the Council	(135,243)
0	Service Income received from the Council	0
158,934	Expenditure on Services Provided by the Council	163,858
64	Key Management Personnel: Non-Voting Board Members	67
0	Support Services	0
34,065	Net Transactions with the Council	28,682

Balances with North Ayrshire Council

31 March 2024 £000	Balances with North Ayrshire Council	31 March 2025 £000
5,363	Debtor Balances: Amounts due from the Council	3,161
0	Creditor Balances: Amounts due to the Council	0
5,363	Net Balances with the Council	3,161

There are key management personnel employed by NHS Ayrshire and Arran and North Ayrshire Council; these costs are included in the expenditure on services provided. The non-voting Board members employed by the Council and Health Board include the Chief Officer, Chief Finance Officer, Chief Social Work Officer, representatives of primary care, nursing and non-primary care services, and a staff representative. Details of the remuneration for some specific post-holders is provided in the Remuneration Report.

Support services were not delegated to the Integration Joint Board through the Integration Scheme and are instead provided by NHS Ayrshire and Arran and North Ayrshire Council free of charge as 'services in kind.' These include services such as financial management, human resources, legal services, committee services, ICT, payroll, internal audit and accommodation.

Note 11 – VAT

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

The VAT treatment of expenditure in the IJB's financial statements 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 excludes 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. 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.

Note 12 – Accounting Standards Issued Not Yet Adopted

The Code requires the disclosure of information about accounting changes that will be required by new accounting standards that have been issued, but not yet adopted. At the date of authorisation of these financial statements, the IJB has not applied the following new and revised IFRS Standards that have been issued, but are not yet effective:

- **IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability)** issued in August 2023. The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- **IFRS 17 Insurance Contracts issued in May 2017.** This replaces IFRS4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.
- **The Changes to the Measurement of Non-Investment Assets** include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach

Adoption of the Standards listed above will not impact on the 2024-2025 Annual Accounts and it is not anticipated that the adoption of the applicable Standards will have a material impact on the financial statements in future periods.

Glossary of Terms

While the terminology used in this report is intended to be self-explanatory, it may be useful to provide additional definition and interpretation of the terms used.

Accounting Period

The period of time covered by the Accounts normally a period of twelve months commencing on 1 April each year. The end of the accounting period is the Balance Sheet date.

Accruals

The concept that income and expenditure are recognised as they are earned or incurred not as money is received or paid.

Balance Sheet

A statement of the recorded assets, liabilities and other balances at the end of the accounting period.

CIPFA

The Chartered Institute of Public Finance and Accountancy.

Consistency

The concept that the accounting treatment of like terms within an accounting period and from one period to the next is the same.

CNORIS

The Clinical Negligence and Other Risks Indemnity Scheme

COSLA

Convention of Scottish Local Authorities

Creditor

Amounts owed by the IJB for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

Debtor

Amount owed to the IJB for works done, goods received, or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

Entity

A body corporate, partnership, trust, unincorporated association or statutory body that is delivering a service or carrying on a trade or business with or without a view to profit. It should have a separate legal personality and is legally required to prepare its own single entity accounts.

IFRS

International Financial Reporting Standards.

ISA

International Standard on Auditing

ISD

Information Services Division Scotland

LASAAC

Local Authority (Scotland) Accounts Advisory Committee

Liability

A liability is where the IJB owes payment to an individual or another organisation. A current liability is an amount which will become payable or could be called in within the next accounting period e.g. creditors or cash overdrawn. A non-current liability is an amount which by arrangement is payable beyond the next year at some point in the future or will be paid off by an annual sum over a period of time.

NRAC

NHS Scotland Resource Allocation Committee (Scottish NHS resource allocation formula)

Post Balance Sheet Events

Post Balance Sheet events are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Annual Accounts are authorised for issue.

Provisions

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

Related Parties

Bodies or individuals that have the potential to control or influence the IJB or to be controlled or influenced by the IJB. For the IJB's purposes, related parties are deemed to include voting members, the Chief Officer and their close family and household members.

Remuneration

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as these sums are chargeable to UK income tax) and the monetary value of any other benefits received other than in cash.

Reserves

The accumulation of surpluses, deficits and appropriation over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the IJB.

Revenue Expenditure

The day-to-day expenses of providing services.

Significant Interest

The reporting authority is actively involved and is influential in the direction of an entity through its participation in policy decisions.

Independent Auditor's Report

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