



Midlothian Integration Joint Board

Unaudited Annual Accounts 2020/21

The unaudited Annual Accounts of Midlothian Integration Joint Board for the period from 1 April 2020 to 31 March 2021, prepared pursuant to Section 105 of the Local Government (Scotland) Act 1973 and in accordance with the terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 and Service Reporting Code of Practice.

CONTENTS

Management Commentary	3
Statement of Responsibilities	22
Remuneration Report	24
Annual Governance Statement	27
Independent Auditor's Report	31
Comprehensive Income and Expenditure Statement	35
Movement in Reserves Statement	37
Balance Sheet	38
Notes to the Financial Statements	39
1. Significant Accounting Policies	39
2. Critical Judgements and Estimation Uncertainty	42
3. Subsequent Events	43
4. Expenditure and Funding Analysis	43
6. Related Party Transactions	44
7. Short Term Debtors	45
8. Short Term Creditors	45
9. VAT	45

Audit Arrangements

Under arrangement approved by the Accounts Commission of Local Authority Accounts in Scotland, the auditor with responsibility for the audit of the accounts of Midlothian Integration Joint Board for the period 1 April 2019 to 31 March 2021 is Stephen Reid, CA, CIPFA, Partner, Ernst and Young LLP, Atria One, 144 Morrison Street, Edinburgh, EH3 8EB.

Management Commentary

Introduction

The management commentary provides an overview of the key messages relating to the role, remit, members, objectives and the strategy of the Midlothian Integration Joint Board (the IJB). It describes the financial performance for the financial year ended 31 March 2021 and considers those issues and risks which may impact upon the IJB's financial position in the future.

Impacts of COVID-19 on Service Outcomes and Integration

The last 12 months have been extremely challenging for our citizens, staff and partners. It seems appropriate to begin with a huge thank you to all especially the staff and volunteers who have kept everything going as they managed to find new ways of supporting service-users and carers during the pandemic.

The work of the Health and Social Care Partnership (HSCP) during 2020/21 has been to minimise the disruption to services and adapt services to respond to COVID-19. The pandemic created opportunity to build further our community connections and work with people in our communities to develop strong, sustainable and supportive communities for the future.

The arrival of COVID-19 has disrupted patient journeys and service delivery in health and care settings and is delaying access to secondary care treatment which might otherwise reduce care requirements for individuals. This places higher demands on the HSCP to provide care during the wait for treatment, while it is also increasing care to maintain its low delayed discharge numbers to take pressure off acute services. Added to this is the prospect of some patients requiring post-COVID rehabilitation which services had not planned for.

Colleagues across health and social care have risen to the challenge presented by COVID-19, showing a great deal of flexibility and inventiveness in how they have altered service delivery arrangements and in stepping up the use of IT and other technologies, to maintain support to patients and clients. Those staff remobilised to other services have quickly adapted to new demands. Through necessity, barriers between health and social care are being dismantled as teams work in a more integrated way, accelerating the wider adoption of ways of working that were in place before the arrival of COVID-19.

Every member of staff has the gratitude of the IJB for their hard work in difficult circumstances and their innovative approaches to meeting patient and client needs while progressing integration. The IJB is also grateful to the communities and the individuals who volunteered their support to local action.

The following management commentary provides an overview of the key messages relating to the role, remit, members, objectives and the strategy of the Midlothian Integration Joint Board (the IJB). The management commentary outlines the key messages in relation to the IJB's financial performance for the year ended 31 March 2021 and how it has supported the delivery of the IJB's priorities. This commentary

also considers those issues and risks which we face as we strive to meet the needs of the people of Midlothian.

The Role and Remit of the IJB

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

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

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

The IJB assumed formal responsibility for these functions in April 2016 including the budgets for the delivery of these functions. The strategic plan of each IJB must be reviewed and approved by the IJB every 3 years. Midlothian IJB has approved its second Strategic Plan which covers April 2019 to March 2022. A link to the Strategic Plan is included on page 20.

Membership of Midlothian Integration Joint Board

The IJB met virtually 8 times in 2020/21. There have been some changes to the membership of the IJB since the accounts for 2020/21 were published. The members of the IJB at 31 March 2021 were as follows:-

Member	Nominated/Appointed by	Role
Catherine Johnstone	Nominated by Midlothian Council	Voting Member, Chair
Carolyn Hirst	Nominated by NHS Lothian	Voting Member, Vice Chair
Angus McCann	Nominated by NHS Lothian	Voting Member

Derek Milligan	Nominated by Midlothian Council	Voting Member
Jim Muirhead	Nominated by Midlothian Council	Voting Member, Chair of Audit and Risk Committee
Mike Ash (replaced Alex Joyce July 2020)	Nominated by NHS Lothian	Voting Member
Pauline Winchester	Nominated by Midlothian Council	Voting Member
Tricia Donald	Nominated by NHS Lothian	Voting Member
Morag Barrow	Appointed by the IJB	Chief Officer
Claire Flanagan	Appointed by the IJB	Chief Finance Officer
Alison White	Nominated by Midlothian Council	Chief Social Worker
Fiona Huffer	Appointed by the IJB	Allied Health Professionals Lead
Caroline Myles	Nominated by NHS Lothian	Chief Nurse
Hamish Reid	Nominated by NHS Lothian	General Practitioner
James Hill	Appointed by the IJB	MLC Staff Side Representative
Vacant	Appointed by the IJB	Carer representative
Vacant (previously Ewan Aitken until October 2020)	Appointed by the IJB	Voluntary Sector Representative
Keith Chapman	Appointed by the IJB	User Representative
Wanda Fairgrieve	Appointed by the IJB	NHS Staff Representative
Johanne Simpson	Nominated by NHS Lothian	Medical Practitioner

The IJB's Operations for the Year

Midlothian IJB has been operational for five years and as described in the opening section the challenge of COVID-19 has been immense. This accelerated the progress we had already made on integrating management arrangements and frontline

services. The pandemic has built on the progress made so far and build a stronger partnership between all sectors.

We continue to work towards our long-term objectives through the continuing dedication and skill of our staff; our partners in the voluntary and independent sectors; and all the informal carers and neighbours upon whom the health and care system is entirely dependent.

The planned redesign of Health and Social Care is outlined in the three year Strategic Plan 2019-2022. A link to the Strategic Plan is included in the Strategy Section below.

The work of the Health and Social Care Partnership during 2020/21, under the governance of the IJB is summarised below. However it is important to acknowledge that COVID-19 did disrupt service provision during 2020/21 as the Partnership responded to the pandemic. A strategic approach to this was taken and the IJB was involved appropriately, the Annual Governance Statement below outlines the response taken.

The IJB's Annual Performance report which provides further details on the activity of the IJB will be published in later in the year. A link to this report will be added when available on the IJB's webpage:

Financial Impact of COVID-19

NHS Lothian submitted regular information to Scottish Government through the Local Mobilisation Plan (LMP) and this remains the main route for confirming the additional cost and funding required in supporting the COVID-19 response. These returns covered costs for the entirety of the Health and Social Care Partnership. There were also additional Health costs within Hosted and Set Aside services. All financial positions are after a significant amount of additional costs were supported through redeployment of existing resources in year or through additional COVID-19 funding.

Additional funding allocations have been received to meet the additional costs and the financial impact of COVID-19 in 2020/21 is covered in full and where possible staff and resources were redeployed. Detailed below are some of the main costs that were a direct consequence of the pandemic.

Sustainability Payments

Since the beginning of lockdown the Health and Social Care Partnership have been supporting local social care providers by ensuring that reasonable additional costs are met through the National Principles for Sustainability and Remobilisation Payments to Social Care Providers. COSLA, Scottish Government and key partners regularly review the principles and evolving COVID situation to ensure that they are fit for purpose and service providers are supported to deliver a sustainable service.

The partnership continues to work actively with individual service providers to ensure that they remain stable and sustainable. Funding to support social care has been provided via local NHS Boards from the Scottish Government with local claims that are supported being paid via Midlothian Council finance arrangements. Claims are considered at regular Sustainability Payment Panels, attended by a variety of partnership officers. As at 31st March 2021 the panel has approved £1.4m in claims.

Personal Protective Equipment (PPE) and Testing

A PPE hub was established at the start of the pandemic using staff redeployed from other areas of the HSCP. A more sustainable model has since been employed and we are now awaiting the outcome of a national review.



Vaccination Programme



Midlothian Health and Social Care Partnerships are proud to be playing our part in the biggest vaccination programme the country has ever seen, to help protect the population from COVID-19.

Midlothian's COVID Vaccination Programme links with the NHS Lothian Vaccination Programme Board. There is a dedicated clinical and administrative team to develop, manage and deliver the Midlothian programme. With this support, vaccinations are being delivered in line with the Joint Committee of Vaccination and Immunisation (JCVI)

9 category age and clinical risk related prioritisation programme.

The vaccination programme in Midlothian is making good progress and keeping pace with the national priority targets. We acknowledge the support to the vaccination programme provided by HSCP staff, Midlothian Council staff, volunteers and partners and their role in maintaining safe and effective vaccine service provision.

Health and Social Care Staff Bonus Payment

Thank you payments were paid to health and social care staff as a one off thank you payment for their extraordinary services in this toughest of years. These payments included independent contractors and staff working in Adult Social Care in external providers. Actual payments to staff were between late 2020/21 and early into 2021/22. At the time of writing, for those people working in social care on a "personal assistant" arrangement, the £500 awards are still being finalised.

How Midlothian Managed and Remobilised Services

As a Partnership, the top priority was the safety of patients, clients, communities and staff. In response to the situation it was important to be innovative and support clients effectively and safely during this time. Staff continued to see people face-to-face where this was clinically essential, but in order to reduce face-to-face contact, where feasible, teams made a number of changes to how they delivered services throughout the pandemic.

As well as managing changes to existing services, the Partnership also provided care and treatment to people who had contracted COVID and their families. It also provided support to partner agencies around changed provision, infection control and other requirements, including the provision of personal protective equipment (PPE) and staff

testing. In addition, COVID related services had to be established, often at short notice as the pandemic escalated, such as the COVID Testing and Assessment Hub at Midlothian Community Hospital. Many staff across the Partnership were redeployed to other roles, assisting in care homes and PPE centres.

Where possible services were redesigned or adapted to give all citizens in Midlothian access to services during these unprecedented times. Some highlights are shown below:

Community Response

Partnership staff were involved in the work of the Midlothian Care for People Group where members of the Community Planning Partnership and other partners coordinated a humanitarian response as a result of the UK moving to lockdown on 23rd March 2020. Statutory and voluntary sector partners sought, as far as possible, to provide essential services to the whole population and particularly to those most directly affected by the imposition of lockdown. The Midlothian Care for People Group had to operate in a complex environment keeping abreast of new guidance and rapidly changing projections of need, whilst also keeping in close touch with policies and activities at national, regional and council level.

Care Homes

Midlothian's older people's care homes and the HSCP continues to build on relationships across the sector to deliver support in line with the Scottish Government guidelines on enhanced professional, clinical, and care oversight of care homes (May 2020). Part of this approach includes Midlothian HSCP to be in daily contact with our Care Homes and host a weekly support huddle at which managers from all older peoples' Care Homes participate. Each care home also receives a daily call from the Care Home Support Team as well as a weekly visit.

The Care Home Support Team has increased its capacity and now includes a dedicated Team Leader, Community Psychiatric nurses, an Occupational Therapist, general nurses, a Palliative Care nurse, a Quality Assurance officer, Social Workers and improved links to Dietetics. The team provide both a proactive and preventative support approach as well as a reactive response where care homes are in need of additional support/advice/training.

Midlothian District Nurses and the Care Home Support Team now provide 7 day support to local Care Homes from 8am to midnight. Staff training, will continue to be prioritised, as will work on the clinical support worker model. Each Care home has a live resilience plan. Care Home visiting however is restricted to essential visits only during lockdown however once restrictions are lifted and visiting reinstated, Lateral Flow Testing (LFT) will be in place to test all visitors to continue to minimise risk to residents and staff in the care homes.

Midlothian HSCP continues to work closely with partners including Midlothian Council, NHS Lothian, the Care Inspectorate and Scottish Care. The care home workforce is an area of ongoing development and this will continue to be a focus for 2021.

Care at Home

Care at Home continues to be a key contributor to the HSCP vision for people to receive the right care in the right place; in their home and community as far as possible. It supports efforts to reduce length of hospital stay, as well as admission avoidance. Care at Home is currently provided by the HSCP, working collaboratively with five external providers. All six services work in partnership to coordinate the provision of over 36,664 hours of care per month. Carer recruitment and the geographical cohorting of carers have improved consistency of care and service efficiency.

Midlothian HSCP has a “Vision for Care at Home” approved by the IJB in February 2020. This includes plans to increase care at home capacity and an approach to commission for outcome focussed/person centred care.

The Care at Home service is also highly focusing on the Human Rights Framework, working to ensure that people have individualised support, are supported by a highly skilled work force, are fully informed and involved in their care provision and having a key point of contact.

The Midlothian Care at Home service is constantly striving to improve service provision and customer satisfaction. Care at Home is also increasing partnership work with other community services such as The Red Cross, Volunteer Centre and a range of community activities to keep people connected with their communities to minimise the risks of loneliness and social isolation.

Community Hospital Beds

Significant changes to the configuration of Midlothian Community Hospital have been made in response to the COVID-19 pandemic. Additional beds were opened in January 2021 to increase step-down options and improve patient flow from acute hospitals, primarily The Royal Infirmary of Edinburgh. Midlothian Community Hospital is also serving as a COVID Vaccination Centre.

Rehabilitation and Support to People to Stay Well at Home

All the Therapeutic Services have worked flexibly to support the immediate crisis e.g. working in the PPE hub and COVID Assessment Unit and providing care across their locality or treatment teams. Some services were halted as a result of government guidance e.g. MSK Physiotherapy and Weight Management so these staff were deployed to areas of highest clinical need. Midlothian's services are now embracing a digital first approach with investment in laptops. Services are mobilising rapidly to meet the changing needs of patients at risk of COVID, those who have COVID and those recovering from COVID.

Details of the innovative approaches adopted by Speech & Language, Dietetics, Occupational and Physiotherapy will be included in the Annual Performance Report. For all services the focus is on enabling individuals to attain their maximum level of independence, functional capacity and return to everyday occupations – self-care, productivity (domestic and work) and leisure. It is person centred and outcome focused.

Long- COVID

There is not currently a dedicated team set up specifically for long COVID, however this is being monitored. There is growing evidence to indicate that there is increasing need for support to patients with more complex physical and mental health with long COVID symptoms and especially around return to work /vocational rehab.

Supporting People to Stay Well at Home

A key component of Midlothian HSCP response to the pandemic has been to support people to stay well at home and avoid hospital admissions. The Community Respiratory Team , MSK physiotherapy service, GPs, social work staff, nurse support to people in homeless hostels, Ageing Well, Health Visitors, mental health and substance misuse and other services have continued to operate to support people to stay well at home. Digital first continues to be the default where appropriate. District Nursing continues to provide additional support to Care Homes and to support people at home. District nursing continues to encourage self-management of wounds and medication management.

The pandemic has had, and continues to have, a strong and long-lasting impact on mental health. Services such as the Wellbeing Service, based in GP practices, have continued to offer individual and group support to people by phone or video link. Staff support is also in place and a staff wellbeing group has been established for the HSCP.

Reducing Hospital Admissions and improving patient flow

An emphasis on prevention and early intervention remains key. The Unscheduled Care Plan describes activity to reduce unnecessary admissions to hospital or A&E, to ensure that people get home from hospital as soon as they are fit to do so, and to expand community provision. The plan acknowledges the impact of COVID, both in the short and long-term.

Significant work and investment has been undertaken within Midlothian HSCP to maximise capacity within community teams and a Home First approach has been embedded. Small community teams within the partnership were brought together to deliver the Home First approach which has released clinical capacity and allowed more people to access the care they require in the community rather than in hospital settings

Hospital at Home continues to provide a key service. There is now seven day cover for the Home First model. Services continue to review and adapt to improve outcomes for Midlothian people.

Primary Care

There are 12 GP practices in Midlothian. The Midlothian Primary Care Team continues to respond to HSCP, NHS Lothian and Scottish Government direction and guidance. Many Primary Care Improvement Plan teams continue in all practices for example the Musculoskeletal Advanced Practice Physiotherapy service, Pharmacotherapy, Primary Care Mental Health Nurses and the Wellbeing Service, although appointments are via digital where possible. The MSK Physiotherapy service is preparing to take referrals from NHS24 111 and the Flow Centre once Professional

Pathways are agreed. Work has progressed on Community Treatment and Care implementation with pilot practices. Staff have been recruited although many are assisting with the COVID vaccine programme at present.

Work will continue to explore the use of digital solutions when meeting with GP patients, and telephone triage remains the default method. Communication and engagement with local communities around significant service change continues – all websites are being updated to ensure prominent and consistent messaging around NHS Inform and other community support.

Midlothian GP Practices have played a key role in the local COVID vaccination programme,

Mental Health and Substance Misuse

Midlothian Mental Health and Substance Misuse services have continued to operate; adjusting according to changes in national guidance and evaluation of risk.

Plans around Lothian in-patient and other central mental health services are being coordinated by NHS Lothian. Midlothian residents continue to require very few acute adult mental health beds as the vast majority of patients are supported via the community based model in place.

Work continues with partners in Royal Edinburgh Associated Services around psychological therapies. The service continues to maintain contact with as many people as possible to continue treatment wherever they can. A new service delivery model is being piloted that has reduced people's wait for treatment. Patients currently in therapy have been offered this service either face to face, using Near Me and/or by telephone. Psychology groups have remained paused e.g. Emotional Resources and Survive and Thrive. There are plans to reinstate these online.

People who use Midlothian Mental Health, Substance Misuse and Justice Services benefitted from the Connecting Scotland programme. Digital devices, and where required dongles, were distributed to allow people to access services via Near Me and other platforms, and to keep connected more broadly.

Autism Spectrum disorder assessments resumed in autumn 2020 with a multi-disciplinary team using a revised protocol. Psychology and Psychiatry assessments are now completed face to face, over the phone and using Near Me so there is no backlog of new patients waiting for initial assessments.

Learning Disabilities

People have had access to all disciplines within the Community Learning Disability Team. Telephone consultation is the preferred method of contact with home visits taking place if necessary following risk assessment. Direct care will continue to be risk assessed on an individual basis. Day centres are providing limited service provision, guided by criticality of support need and local protection level. Day services and care providers are being creative in providing online resources and activity packs to

individuals unable to attend day services. Respite services continue based on individual risk assessments.

Supporting Communities

There are many groups in society who have been impacted more by the COVID-19 outbreak: not only older people and those with underlying health conditions, but those who are vulnerable simply because they do not have the resources and opportunities to stay well. Emerging evidence shows that those living in deprived areas and those from Black, Asian, and Minority Ethnic (BAME) groups are disproportionately impacted by COVID-19. In Midlothian we have made a commitment to tackle health inequalities, have invested more in public health and will continue to do so.

Following lessons from the community response to the pandemic in spring 2020, Midlothian HSCP recruited a Volunteer Co-ordinator in December 2020. Volunteers continue to improve outcomes around social isolation and will soon provide support to people living in extra-care housing and patients in Midlothian Community Hospital. There will also be a pilot companionship service to give carers some respite. Discussions are also underway around support to people leaving hospital.

Funding and Cost Consequences for Next Year

The Scottish Government confirmed that COVID-19 funding allocations that have not been fully used in 2020/21 should be carried forward by IJB's to support COVID-19 plans in 2021/22. For Midlothian, this can be seen in the reserves statement below.

NHS Lothian has submitted the Remobilisation Plan to the Scottish Government, capturing the impact for Midlothian HSCP, which covers the period April 2021 to March 2022. A feature of 2021/22 may be a continued level of COVID-19 responses while also a decreased ability to rely on previously redeployed resources. Clarification from the Scottish Government on the level of funding support available for next financial year 2021/22 is awaited across Scotland but the carry forward funding noted above will provide good reassurance that approved costs will be supported by the Government.

Longer Term Financial Risks

Aside from the over-riding immediate cost impact of COVID-19, there are other financial risks. In future years there is uncertainty regarding long term prescribing issues, immediate and longer term impact on our independent sector providers, the impact of service reconfiguration and a range of other potential medium and longer term implications. These issues are common across Scotland and continue to be part of regular discussion and reporting between all IJBs and the Scottish Government

Plans for Next Year and beyond

Reshape Services

The impact of the COVID-19 pandemic brought increased anxiety and pressure on many service users, unpaid carers and staff. While challenges changed over 2020/21, many have continued into 2021/22.

As well as presenting a tremendous challenge to our services, staff and partners, the crisis also creates an opportunity to build on existing and newly forming community connections. We will continue to work with the people in our communities to explore what opportunities for community resilience can be developed further to ensure strong, sustainable, supportive communities into the future. We look forward to building a stronger Midlothian, whatever the 'new normal' is.

We will continue to work with colleagues in acute services and other Lothian IJBs to reshape unscheduled care, maximising opportunities to reduce admissions to acute care, to increase rehabilitation opportunities and to offer local services by reshaping Midlothian Community Hospital.

Review of Adult Social Care

Following the Independent Review of Adult Social Care (published in February 2021), Midlothian IJB will closely scrutinise the Review, its recommendations and the implications for Midlothian and for partnership working

<https://www.gov.scot/publications/independent-review-adult-social-care-scotland/>

The Review was set up to recommend improvements to adult social care in Scotland. It looked at these in terms of the outcomes for people who use services, their carers and families and the experience of those working in the sector.

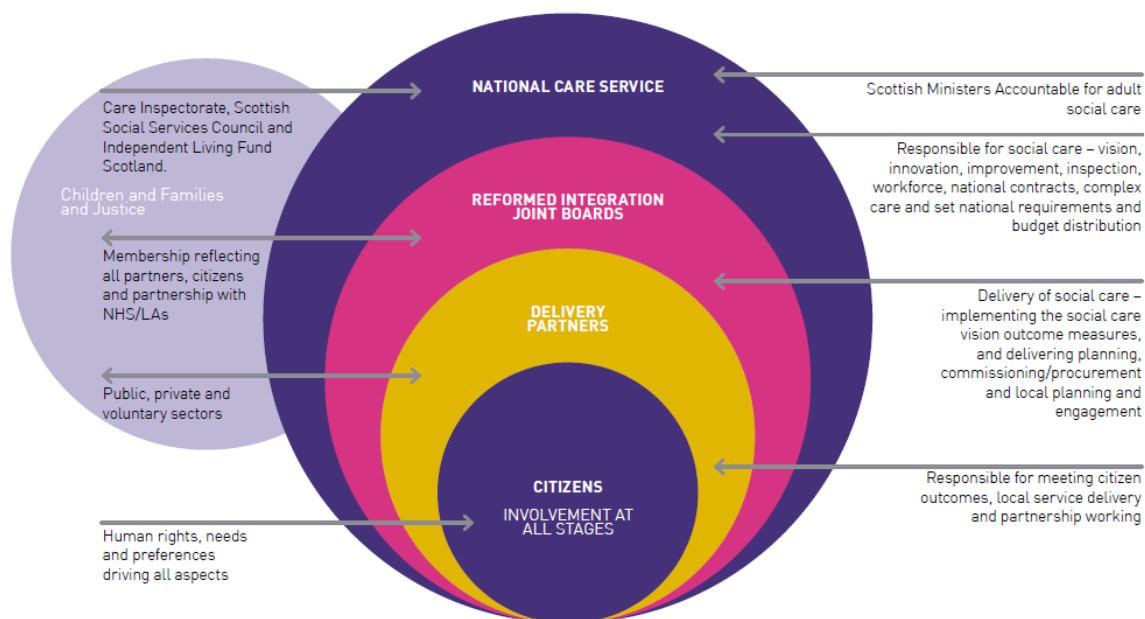
Although the financial implications of the recommendations cannot be assessed at this stage, the changes proposed do not come without costs. There are key areas with greater costs implications and but there is also opportunities to spend money better.

The report describes that some costs arise in our current system because social care supports are often too focused on crisis management and late intervention, and not enough on prevention and empowering people to live fulfilling lives. Suggesting that with more effective care planning and delivery it could in some instances be put to better use to support people more effectively

The focus with all partners is to invest in preventative care rather than crisis responses, to avoid expenditure on poor outcomes.

The diagram below summarises the ethos of the review and the end goal of ensuring the human rights of our citizens is driving all aspects of the review.

The case for a National Care Service (NCS)



(Source – Independent Review of Adult Social Care in Scotland)

Midlothian IJB will work closely in decision making at NHS Board, regional and national levels. We will continue to work with partners to simplify processes to deliver service change and to improve outcomes for patients while increasing the efficient use of public funds in the delivery of services

The IJB's Financial Position at 31 March 2021

Summary

For the year ending 31 March 2021, the IJB was underspent. That is the costs incurred in delivering the IJB's functions by Midlothian Council and NHS Lothian are less than the income that the IJB received from NHS Lothian and Midlothian Council.

In summary, the position is as follows:-

	Income £000's	Expenditure £000's	Surplus £000's
Health Services	120,388	113,266	7,122
Social Care Services	44,985	43,735	1,250
Total	165,373	157,001	8,372

This surplus has been transferred to the reserve which is described further below.

Although the IJB has a range of functions delegated to it, these are delivered through a range of services provided by the partners (Midlothian Council and NHS Lothian) and these are further described below in the analysis of the Income and Expenditure position.

Analysis of the Financial Statements

The financial statements are all presented on a net basis.

Income and Expenditure

The table below gives details of the IJB's expenditure in 2020/21 Key variances are explained further in the Overview of 2020/21 section below.

	Budget	Budget	Expenditure	Expenditure	Variance	Note
	Health	Social	Health	Social Care		
	£000's	Care	£000's	£000's	£000's	
		£000's				
Direct Midlothian Services						
Community AHPS	2,539		2,187		352	
Community Hospitals	5,045		5,876		(831)	
District Nursing	3,878		3,893		(16)	
General Medical Services	17,136		17,136		(0)	
Health Visiting	2,074		1,957		117	
Mental Health	2,739		2,715		25	
Other	17,092		9,951		7,141	1
Prescribing	18,338		18,256		81	
Resource Transfer	7,158		7,158		0	2
Older People		19,013		17,074	1,939	
Learning Disabilities		15,102		15,812	(710)	
Mental Health		931		891	41	
Physical Disabilities		3,468		4,167	(700)	
Assessment and Care Management		3,242		2,847	395	
Other		3,230		2,944	286	3
Midlothian Share of pan-Lothian						
Set Aside	19,000		19,029		(29)	4
Mental Health	2,378		2,454		(76)	
Learning Disabilities	1,360		1,352		8	
GP Out of Hours	1,160		1,264		(104)	
Rehabilitation	1,062		915		147	
Sexual Health	668		624		44	
Psychology	836		804		32	
Substance Misuse	368		363		5	
Allied Health Professions	1,421		1,304		117	
Oral Health	1,748		1,717		32	
Other	3,359		3,282		77	
Dental	5,686		5,686		0	5
Ophthalmology	1,705		1,705		0	5
Pharmacy	3,636		3,636		0	5
	120,388	44,985	113,266	43,735	8,372	

Notes

1. Other includes £4.816m for the Social Care Fund. These are resources which the Scottish Government has directed to the IJB through NHS Lothian and are shown as health; however, these funds are then transferred to the Council and used to support the delivery of social care services.
2. Resource Transfer are funds for specific purposes which are transferred from health to social care. However, these remain part of the health budget and are reported there.
3. Other includes care for non-specific groups, substance misuse services and other management and performance costs.
4. Set Aside are the budgets for those functions delegated to the IJB which are managed by the Acute Services management teams within NHS Lothian. These services are :-
 - Accident and Emergency
 - Cardiology
 - Diabetes
 - Endocrinology
 - Gastroenterology
 - General Medicine
 - Geriatric Medicine
 - Rehabilitation Medicine
 - Respiratory Medicine
 - Various ancillary support services for the above

These services are delivered at the Royal Infirmary of Edinburgh, the Western General Hospital and St. John's Hospital.

5. In the Health system, expenditure to support the delivery of community dentistry, community opticians and community pharmacists is termed as 'non cash limited' (NCL) but is clearly part of the delivery of primary care services and these functions are delegated to the IJB. However, being NCL there is no budget as such but any expenditure incurred is supported in its entirety by the Scottish Government. The NCL values are not part of the budget setting process, there being no budget, but NHS Lothian has matched the NCL expenditure with income to cover this expenditure.

The charges (shown as expenditure above) made by Midlothian Council to the IJB are the net direct costs incurred in the delivery of social care services in Midlothian. The charges from NHS Lothian are based on the health budget setting model as agreed by the IJB. That is, charges for the core services (those services specifically for and delivered by the Midlothian partnership) are based on the net direct actual costs incurred in Midlothian. However, charges for hosted and set aside services (those services which are not generally managed by the Midlothian Partnership and are delivered on a pan-Lothian basis) are based on the total actual costs for these service shared across four IJBs per the budget setting model. The IJB share of the total actual costs incurred in 2020/21 for hosted services is 10% and, generally, 10% of the Lothian element of the set aside budgets and the non-cash limited budgets.

Overview of the 2020/21 Position

From the above table, it can be seen that there were a range of financial issues identified. These are summarised below into service areas

COVID has impacted all services during the year. Existing recurring pressures in some areas have continued, while in other areas, due to reduced levels of activity, pressures have been minimal during the year. From the above table, it can be seen that similar underlying pressure areas remain.

Direct Midlothian Services

Within the £76m health budgets, although there were operational overspends within Community Hospitals, as a result in the changing environment and nature of patients these were offset by vacancies across the system and slippage of Programmes (Programmes starting later in the year than planned and thus generating an underspend).

Within the £45m social care budget the main cost pressures were within the areas of clients with complex needs with learning and physical disabilities. This position supports a shift in the balance of care, keeping people safe in their community for as long as possible but does generate significant financial pressure in these budgets.

Midlothian Share of Pan-Lothian Services

The Scottish Government released funding to cover the impact of COVID costs on NHS Lothian's position and that funding has been allocated to delegated and set aside services to offset additional expenditure incurred. The areas within hosted services with continued pressures being experienced are Adult Psychology Services and Mental Health Inpatient services with additional capacity being required in year to cope with high demand.

The main pressure for Set Aside services in this financial year lies within Gastroenterology Services and the ongoing pressure with drug costs for the treatment of long-term gastroenterology conditions. Junior Medical pay pressure also continued during this year, where additional staffing was required to fill gaps in rotas and where there were service pressures. The Junior Medical position has improved significantly from previous years but still remains a pressure.

With COVID funding being allocated across the IJBs set aside specialities to cover additional costs incurred around extra staffing to cope with COVID, the overall position on set aside is much improved compared to previous years.

Reserves

The IJB has reserves at the end of 2020/21 of £12.993m, compared to reserves of £4.621m in March 2020. The movement can be described as follows:-

	Opening £000's	Movement £000's	Closing £000's
COVID Funding	-	5,492	5,492
Local Programmes	333	593	926
Primary Care Investment Fund	57	285	342
MELDAP	205	121	325
Community Support Fund	0	312	312

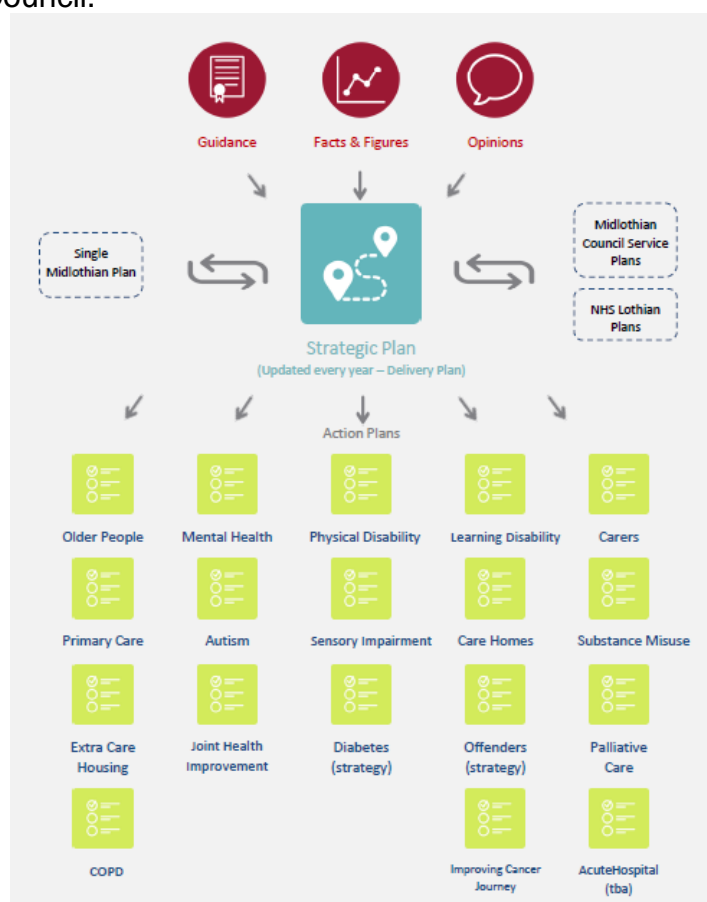
Technology Enabled Care (SG funding)	246	28	274
Integrated Care Fund	188	31	219
Wellbeing Service	157	32	189
Action 15	55	47	102
EGIERDA Project (Big Lottery funding)	63	16	80
Autism Strategy (SG funding)	12	0	12
School Counselling	220	(220)	0
Commitment to specific posts	75	(75)	0
Electronic Frailty Index (Health Foundation)	7	(7)	0
Total Earmarked Reserves	1,617	6,655	8,272
General Reserves	3,004	1,717	4,721
Total Reserves	4,621	8,372	12,993

The IJB's Strategy and Business Model

A link to the Strategic Plan is below:

https://www.midlothian.gov.uk/info/1347/health_and_social_care/200/health_and_social_care_integration

The actions outlined in the strategy form the basis of more detailed plans for client groups and key services. They also form the basis of the Directions we give to NHS and Midlothian Council.



The IJB aims to achieve this vision by changing the emphasis of services, placing more importance and a greater proportion of our resources on the approaches described

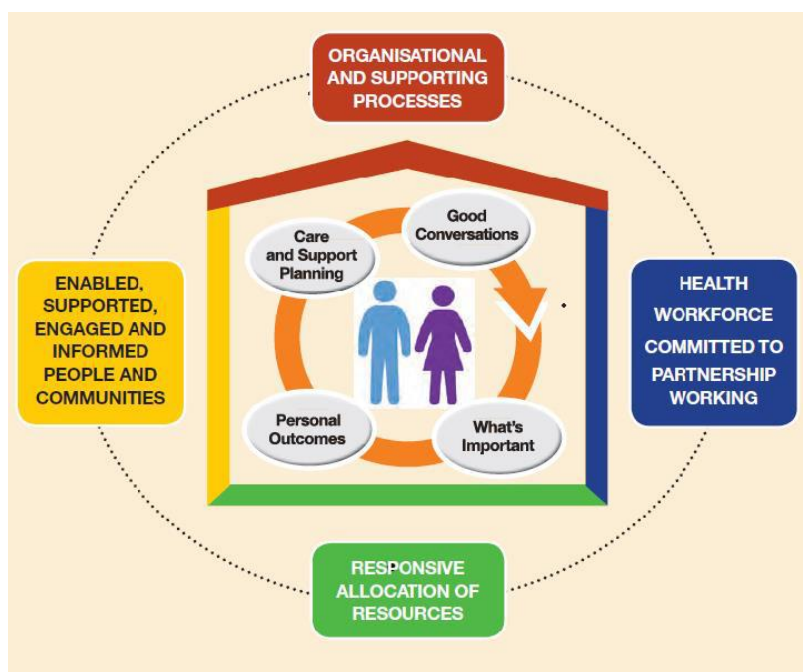


What matters to you?

We have trained staff to have meaningful conversations with people, families and carers who receive our services to identify achievable goals. Midlothian Council is one of three local authorities to receive Scottish Government funding to train staff to recognise and respond to the signs and impacts of trauma

One of the models we use for delivering person-centred, integrated care is the House of Care. This creates space for people to have 'a good conversation' on what is important to them and helps them recover or live well with their health conditions.

Using the image of a house helps us to appreciate how all the parts need to be in place, equally strong and joined up for this approach to be successful.



The IJB will continue the process of full integration of the services delivery teams, not just between NHS and Council delivered services but also moving pan-Lothian services into the locally managed and locally delivered services. This will generate operational and managerial synergies and should reduce costs, however this will be a step in the redesign of services into the establishment of multi-disciplinary teams delivering care in a community based setting.

Key Risks, Challenges and Uncertainties

The coronavirus pandemic remains a significant challenge with the ongoing uncertainty surrounding further waves and outbreaks. This brings challenges to all services and will remain at the forefront of our planning during the next 12 months.

Despite the ongoing uncertainty of further COVID-19 outbreaks, partners are also focusing on addressing the wider health and care needs of the people of Midlothian. Both Health and Social Care will regularly update the IJB with detailed transformations plans on reshaping services to meet the needs of the new normal. The challenge for the IJB is to transform the delivery of its delegated functions whilst supporting the delivery of financial balance within the financial resources available.

There remain a series of uncertainties:-

A growing and aging population

Midlothian is the second smallest Local Authority in mainland Scotland but the fastest growing. 12,000 new houses will be built in the next 3 years. This will pose challenges for all our health and social care services whilst also changing the face of some of the local communities. As people live for longer many more people will be living at home with frailty and/or dementia and/or multiple health conditions. An increasing number of people live on their own, and for some this will bring a risk of isolation.

Higher Rates of Long-Term Conditions

Managing long-term conditions is one of the biggest challenges facing health care services worldwide, with 60% of all deaths attributable to them. Midlothian has a higher incidence than the national prevalence of cancer, diabetes, depression, hypertension, chronic obstructive pulmonary disease and asthma. Older people are more susceptible to developing long-term conditions; most over 65s have two or more conditions and most over 75s have three or more conditions. People living in areas of multiple deprivations are at particular risk with, for example, a much greater likelihood of early death from heart failure. They are also likely to develop 2 or more conditions 10-15 years earlier than people living in affluent areas. It is estimated that people with long-term conditions are twice as likely to be admitted to hospital and have a longer length of stay accounting for 80% of all GP visits and for 60% of hospital admissions.

(Data Source Midlothian Joint Needs Assessment, page 43 onwards – link below https://www.midlothian.gov.uk/downloads/file/3430/joint_needs_assessment_2019_final)

High rates of mental health needs

Many mental health problems are preventable, and almost all are treatable, so people can either fully recover or manage their conditions successfully and live fulfilling healthy lives as far as possible. The incidence of mental health issues in Midlothian, while similar to the rest of Scotland, is a concern. Living in poverty increases the likelihood of mental health problems but also mental health problems can lead to greater social exclusion and higher levels of poverty. People who have life-long mental illness are likely to die 15-20 years prematurely because of physical ill-health.

People place a high value on being able to access effective health services when they need them. People expect to receive high quality care services when these are needed

whether as a result of age, disability or long term health conditions. Yet there are a number of pressures on our services.

Workforce Pressures

Two of the main areas of concern to the public in recent times have been difficulties in accessing primary care and not always receiving care at home despite being assessed as in need of the service. Recruitment and retention is a growing problem in health and social care. There is a shortage of GPs; a significant proportion of District Nurses are nearing retirement; while care at home providers find it difficult to attract and keep care at home workers despite measures such as the living wage and guaranteed hours. The aging population means these pressures will almost certainly increase. There is a clear need to plan ahead and find alternative solutions to ensure services are able to meet people's needs.

Acute hospitals

Acute Hospitals are under huge pressure due to unsustainable demand and financial restrictions. We need to invest in community based alternatives that will minimise avoidable and inappropriate admissions and facilitate earlier discharge.

Catherine Johnstone
IJB Chair

Morag Barrow
Chief Officer

Claire Flanagan
Chief Finance Officer

Statement of Responsibilities

Responsibilities of the Integration Joint Board

The Integration Joint Board is required to:-

- Make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the board has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this authority, that officer is the chief finance officer
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland act 2003)
- Approve the Annual Accounts

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

Signed on behalf of Midlothian Integration Joint Board.

Catherine Johnstone
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 has also:-

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

I certify that the financial statements give a true and fair view of the financial position of the Midlothian Integration Joint Board as at 31 March 2021 and the transactions for the year then ended.

Claire Flanagan
Chief Finance Officer

Remuneration Report

Introduction

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

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

Remuneration: IJB Chair and Vice Chair

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

The IJB does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. Neither the Chair nor the Vice Chair appointments had any taxable expenses paid by the IJB in 2020/21 (PY nil).

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

NHS Lothian remunerates its non-executive members on a notional day basis. Those non-executive members of the NHS Lothian Board who are also Chairs or Vice Chairs of IJBs are given an additional notional day's remuneration in recognition of the additional time required to undertake those roles. This remuneration is £8,842 per annum (PY £8,584). Carolyn Hirst is Vice-Chair of Midlothian IJB and receives an additional day's remuneration specifically for this role as Vice Chair of the IJB in 2020/21.

Remuneration: Officers of the IJB

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

Chief Officer

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 a Chief Officer for the IJB has to be appointed and the employing partner has to formally second the officer to the IJB. The employment contract for the Chief Officer will adhere to the legislative and regulatory framework of the employing partner organisation. The remuneration terms of the Chief Officer's employment are approved by the IJB.

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

Chief Finance Officer

Although the costs of the Chief Finance Officer are not included in the charges made to the IJB by either partner, given the S95 role of the Chief Finance Officer and in the interests of transparency, the remuneration of the Chief Finance Officer is included below. The Chief Finance Officer is Claire Flanagan. The Chief Finance Officer is employed by NHS Lothian and has three roles – the IJB's Chief Finance Officer, the Chief Finance Officer of East Lothian IJB and an operational role in the NHS Lothian finance team as a Finance Business Partner. On that basis, one third of the total remuneration is shown below.

Other Officers

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

FYE 2019/20	Senior Employees Salary, Fees & Allowances	Total 2020/21
£		£
46,363	Allister Short (to 29 September 2019)	-
45,317	Morag Barrow (from 30 September 2019)	48,241
23,812	Claire Flanagan (from October 2018)	25,000

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

The IJB however has responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the IJB. The following table shows the IJB's funding during the year to support officers' pension benefits. The tables also 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-year pension contributions		Accrued pension benefits			
For year to 2021	For year to 2020	As at 31 March 2021		Difference from 31 March 2020	
£	£	Pension £000's	Lump Sum £000's	Pension £000's	Lump Sum £000's

Morag Barrow	-	-	20 *	54 *	0	0
Allister Short		9,634	n/a	n/a	n/a	n/a
Claire Flanagan	15,547	14,485	16	25	3	1

**Values restated from 2019/20.*

Disclosure by Pay Bands

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

Exit Packages

The IJB did not support nor did it direct to be supported by its partners, any exit packages during 2020/21.

Catherine Johnstone
IJB Chair

Morag Barrow
Chief Officer

Annual Governance Statement

Introduction

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

Scope of Responsibility

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

To meet this responsibility the MIJB has established arrangements for governance which includes a system of internal control. The system is intended to manage risk to support the achievement of the MIJB's policies, aims and objectives. Reliance is also placed on NHS Lothian and Midlothian Council (the partners) systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the MIJB.

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

The Governance Framework and Internal Control System

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

The updated MIJB Local Code of Corporate Governance (MIJB Local Code), which was approved by the Board in 8 April 2021, sets out the framework and key principles, which require to be complied with, to demonstrate effective governance. The MIJB Local Code reflects the changing context of integration and is consistent with the principles and recommendations of the new CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (2016) and the supporting guidance notes for Scottish authorities. The overall aim of the Framework is to ensure that: resources are directed in accordance with agreed policy and according to priorities; there is sound and inclusive decision making; and there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

The main features of the governance framework and internal control system associated with the seven core principles of good governance defined in the MIJB Local Code in existence during 2020/21 included:

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

The roles and responsibilities of Board members and statutory officers and the processes to govern the conduct of the Board's business are defined in the approved Scheme of Integration, which serves as the approved constitution, and Standing Orders to make sure that public business is conducted with fairness and integrity.

Reliance is placed on the values and standards set out in the codes of conduct within the employer partner organisations, which incorporate “The Seven Principles of Public Life” identified by the Nolan Committee on Standards in Public Life.

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

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

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

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

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

B. Ensuring openness and comprehensive stakeholder engagement

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

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

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

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

The vision, strategic objectives and outcomes are reflected in the Midlothian Health & Social Care Partnership’s Strategic Plan 2019-2022 which has been updated to reflect on-going assessment of need. Implementation is underpinned by the associated Annual Delivery Plan.

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

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

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

The Midlothian Health & Social Care Partnership's Strategic Plan 2019-2022 is based on consultation during its review and update.

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

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

The MIJB Chief Officer is responsible and accountable to the Board for all aspects of management.

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

Members of the MIJB Board are provided with the opportunity to attend Development Sessions relevant to their role as part of their development programme.

There is a leadership development programme for the joint management team supported by workforce plans with a key focus on team leader development.

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

The MIJB Chief Officer has overall responsibility for directing and controlling the partnership. The MIJB Board is responsible for key decision-making.

The MIJB has approved a Risk Management Strategy which includes: the reporting structure; types of risks to be reported; risk management framework and process; roles and responsibilities; and monitoring risk management activity and performance.

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

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

The MIJB also relies upon the partners for:

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

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

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

The MIJB responds to the findings and recommendations of Internal Audit, External Audit, Scrutiny and Inspection bodies. The MIJB Audit Committee is integral to overseeing assurance and monitoring improvements in internal control and governance.

Performance Reports were presented to the Board for monitoring and control of achievement of Local Improvement Goals. An Annual Performance Report for 2020/21 is being prepared to outline progress against strategic objectives over the year.

The Annual Accounts and Report for 2020/21 setting out the financial position in accordance with relevant accounting regulations is also being prepared.

Review of Adequacy and Effectiveness

The MIJB is required to conduct, at least annually, a review of the effectiveness of its governance framework.

The review was informed by: an annual self-assessment against the MIJB's Local Code of Corporate Governance which was updated to ensure it is consistent with the principles of the CIPFA/SOLACE Framework (2016), carried out by MIJB Management; MIJB Internal Audit reports; MIJB External Audit reports; relevant reports by other external scrutiny bodies and inspection agencies; and relevant partners' (NHS Lothian and Midlothian Council) Internal Audit and External Audit reports.

Improvement Areas of Governance

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

- 1 Demonstrate the linkages within the updated Strategic Plan to local and national objectives and alignment of Directions and Action Plans.
- 2 Update the Financial Strategy to address significant deficits indicated in the Medium Term Financial Plan 2020/21 – 2024/25.
- 3 Further develop the Performance Management Framework to define and align performance measures to key priorities and outcomes of the Strategic Plan.
- 4 Progress workforce plans for all delegated services and develop a 3 year Workforce Plan which is aligned to the updated Strategic Plan.

The implementation of these actions to enhance the governance arrangements in 2021/22 will be driven and monitored by the MIJB Chief Officer in order to inform the next annual review. Internal Audit work planned in 2021/22 is designed to test improvements and compliance in governance.

Conclusion and Opinion on Assurance

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

Catherine Johnstone

IJB Chair

Morag Barrow

Chief Officer

Independent Auditor's Report

Audit report to follow

Audit report to follow

Audit report to follow

Audit report to follow

Comprehensive Income and Expenditure Statement

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

Midlothian IJB Comprehensive Income and Expenditure Statement

2019/20 Net Expenditure £000s		2020/21 Net Expenditure £000s
106,473	Health Care Services - NHS Lothian	113,266
42,659	Social Care Services - Midlothian Council	43,735
149,132	Cost of Services	157,001
(149,875)	Taxation and Non-Specific Grant Income	(165,373)
(743)	Surplus on Provision of Services	(8,372)

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

Movement in Reserves Statement

The movement in reserves statement shows the value of the IJBs reserve and how this has grown during 2020/21, a large proportion of this reserve is earmarked for future projects and commitments.

Movements in Reserves During 2020/21

	General Fund Balance	Unusable Reserves: Employee Statutory Adjustment Account	Total Reserves
	£000's	£000's	£000's
Opening Balance at 1 April 2020	4,621	0	4,621
Total Comprehensive Income and Expenditure	8,372	0	8,372
Increase or Decrease in 2020/21	8,372	0	8,372
Closing Balance at 31 March 2021	12,993	0	12,993

Balance Sheet

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

Midlothian IJB Balance Sheet

31 March 2020 £000s		31 March 2021 £000s	Note
	Current Assets		
4,621	Debtors	12,993	7
000	Creditors: amounts falling due within one year	000	8
4,621	Total assets less current liabilities	12,993	
	Capital and Reserves		
1,617	Earmarked Reserve	8,272	
3,004	General Reserve	4,721	
4,621	Total Reserves	12,993	

Claire Flanagan
Chief Finance Officer

Notes to the Financial Statements

1. Significant Accounting Policies

General Principles

The Financial Statements summarise the IJB's transactions for the 2020/21 financial year and its position at the year-end of 31 March 2021.

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

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

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

Basis of Preparation

The IJB financial statements for 2020/21 have been prepared on a going concern basis. The IJB was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Section 106 body as defined in the Local Government (Scotland) Act 1973. In accordance with the CIPFA Code of Local Government Accounting (2020/21), the IJB is required to prepare its financial statements on a going concern basis unless informed by the relevant national body of the intention for dissolution without transfer of services or function to another entity. This has been reinforced by the most recent CIPFA guidance bulletin 05 (closure of the 2020/21 financial statements) which states that while there is likely to be a significant impact of COVID-19 on local authority financial sustainability, the rationale for the going concern basis of reporting has not changed. The accounts are prepared on the assumption that the IJB will continue in operational existence for the foreseeable future.

The IJB's funding from and commissioning of services to partners has been confirmed for 2020/21, and a medium term financial plan has been prepared through to 2023/24. The IJB is working within the context of the COVID-19 pandemic, an unprecedented global crisis. Work is ongoing through the mobilisation plan prepared by the IJB at the request of the Scottish Government to quantify the impact of COVID-19 on the IJB's financial performance going forward. However, ultimately additional costs will be met by the IJB's partners in line with the integration scheme. Therefore the IJB considers there are no material uncertainties around its going concern status.

Accruals of Income and Expenditure

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

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

Funding

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

Cash and Cash Equivalents

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partners. Consequently the IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet.

Debtors and Creditors

The funding balance due to or from each funding partner as at 31 March is represented as a debtor or creditor on the IJB's Balance Sheet. Where income and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the Balance Sheet.

Employee Benefits

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

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

Provisions, Contingent Liabilities and Contingent Assets

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

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

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

The IJB has none of the above.

Reserves

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

The IJB's only Usable Reserve is the General Fund. The balance of the General Fund as at 31 March shows the extent of resources which the IJB can use in later years to support service provision. As noted above, the IJB has reserves of £ 12.993m at 31 March 2021.

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

The IJB's useable reserve is broken down as follows:-

	2020/21 Closing Balance £000's
COVID	5,492
Local Programmes	926
Primary Care Investment Fund	342
Meldap	325
Community Support Fund	312
Technology Enabled Care (SG funding)	274
Integrated Care Fund	219
Wellbeing Service	189
Action 15	102
EGIERDA Project (Big Lottery funding)	80
Autism Strategy (SG funding)	12
Total Earmarked Reserves	8,272
General Reserves	4,721
Total Reserves	12,993

Indemnity Insurance

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Lothian and Midlothian Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide. The IJB holds separate indemnity insurance through its membership of the CNORIS scheme, the charge for this in 2020/21 was £6,000 (PY £6,000).

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

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

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

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

2. Critical Judgements and Estimation Uncertainty

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

- The partner organisations have considered their exposure to possible losses and made adequate provision where it is probable that an outflow of resources will be required and the amount of the obligation can be measured reliably. Where it has not been possible to measure the obligation, or it is not probable in the partner organisations' options that a transfer of economic benefits will be required, material contingent liabilities have been disclosed (there are none)
- The Annual Accounts contains estimated figures that are based on assumptions made by the IJB about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates
- There are no items in the IJB's Balance Sheet at 31 March 2021 for which there is a significant risk of material adjustment in the forthcoming financial year

Provisions

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

3. Subsequent Events

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

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

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

4. Expenditure and Funding Analysis

2019/20 £000's	Expenditure	2020/21 £000's
	Services specifically for Midlothian	
64,778	Health	69,130
42,659	Social Care	43,735
	Midlothian's share of Lothian Health Services	
22,613	Hosted	25,107
19,082	Set Aside	19,029
149,132	Total	157,002
	Funded By:	
42,593	Midlothian Council	44,985
107,282	NHS Lothian	120,388
149,876		165,373
743	Surplus	8,372

Expenditure above has been split into three main areas :-

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

5. Corporate Service

Included in the above costs are the following corporate services:-

2019/20 £000's		2020/21 £000's
46	Staff (Chief Officer)	48
28	Audit Fee	27
73	Total	75

(Restated from 2019/20)

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

6. Related Party Transactions

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

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

2019/20 £000's		2020/21 £000's
106,473	NHS Lothian	113,266
(5,187)	Resource Transfer	(7,158)
(4,816)	Social Care Fund	(4,816)
96,470		101,292
42,659	Midlothian Council	43,735
5,187	Resource Transfer	7,158
4,816	Social Care Fund	4,816
52,662	Total	55,708

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

7. Short Term Debtors

The IJBs short term debtors are broken down as follows:-

2019/20		2020/21
£000's		£000's
3,054	Funding due from NHS Lothian	5,626
1,567	Funding due from Midlothian Council	7,367
4,621	Total	12,993

8. Short Term Creditors

The IJBs short term creditors are broken down as follows:-

2019/20		2020/21
£000's		£000's
0	Funding due to NHS Lothian	0
0	Funding due to Midlothian Council	0
0	Total	0

9. VAT

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

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

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