



**REPORT TO:** East Lothian IJB - Audit & Risk Committee

**MEETING DATE:** 3 June 2025

**BY:** Chief Finance Officer

**SUBJECT:** 2024/25 Draft (Unaudited) Annual Accounts

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## **1 PURPOSE**

- 1.1 The purpose of this report is to present the IJB's draft (unaudited) Annual Accounts for 2024/25.

## **2 RECOMMENDATIONS**

- 2.1 The IJB is asked to:
- i. Consider the IJB's draft (unaudited) Annual Accounts: and
  - ii. Agree that the draft annual accounts can be published and presented for audit.

## **3 BACKGROUND**

- 3.1 The IJB is constituted under s106 of the Local Government (Scotland) Act 1973 and as such must produce a set of Annual Accounts at the end of each year.
- 3.2 In practice this involves three steps
- To prepare and publish (on the IJB's website) a set of unaudited accounts before the end of June 2025. The IJB is required to approve these accounts for publication.
  - These accounts are then presented to the IJB's appointed Auditors (Audit Scotland) who undertake an audit of the IJB's Annual Accounts.
  - A final set of accounts is then prepared which reflect the appointed Auditors comments and include their own formal view on the accounts. This final set of accounts will be presented to the IJB's Audit and Risk Committee at its September meeting and

then presented to the IJB for final approval before being published on the website.

3.3 The Annual Accounts contain a range of sections which are summarised below:

- A description of what the IJB is and how it functions.
- The Management Commentary – provides a statement of the IJB's purpose and its performance against that purpose in the financial year together with a look ahead to the challenges facing the IJB in the next financial year.
- The Annual Governance Statement – prepared by the IJB's Chief Internal Auditor, this report highlights any governance improvements in the year. This report is presented separately at this meeting by the CIA for approval by the Audit and Risk Committee prior to inclusion in the Annual Accounts.
- The appointed Auditors Report – which is not available until they have completed their work.
- A range of financial statements showing the financial position of the IJB for 2024/25.

3.4 The Audit and Risk Committee is asked to approve the attached draft (unaudited) Annual Accounts, reflecting on the Management Commentary, the Annual Governance Statement and the Financial Statements.

## **4 ENGAGEMENT**

4.1 The Annual Accounts are presented on the website and available in hard copies to the public.

## **5 POLICY IMPLICATIONS**

5.1 There are no policy implications in this report.

## **6 INTEGRATED IMPACT ASSESSMENT**

6.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

## **7 DIRECTIONS**

7.1 There are no new directions nor amendments to then current directions required by this report.

## **8      RESOURCE IMPLICATIONS**

- 8.1    Financial – None
- 8.2    Personnel – None
- 8.3    Other – None

## **9      BACKGROUND PAPERS**

- 9.1    None

### **Appendix: 2024/25 Draft (unaudited) Annual Accounts**

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<b>DATE</b>	June 2025





# **East Lothian Integration Joint Board**

## **Unaudited Annual Accounts 2024/25**

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## **Management Commentary**

### **Introduction**

The management commentary considers the work that the Integration Joint Board (IJB) has undertaken during the financial year 2024/25 and then describes the financial performance for the financial year ended 31 March 2025. It further provides an overview of the key messages relating to the role, remit, members, objectives and the strategy of the East Lothian IJB.

### **Audit Arrangements**

Under arrangements approved by the Accounts Commission of Scotland, the auditor with responsibility for the audit of the accounts of East Lothian Integration Joint Board for the period 1 April 2024 to 31 March 2025 is John Boyd (Audit Scotland), 102 West Port, Edinburgh EH3 9DN.

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

The purpose of integration is to improve care and support and therefore the health and wellbeing outcomes for people who use health and social care services. It will make sure that they are listened to, involved and take part in decisions about their care and how it is delivered. It is a significant change in how the strategic planning and delivery of services happens with a range of partners – individuals, local groups and networks, communities and organisations, including patients, service users, carers and the third and independent sectors.

The Public Bodies (Joint Working) (Scotland) Act 2014 (the Act) requires Local Authorities and Health Boards to integrate the strategic planning of a substantial number of health services and functions and most social care functions.

The functions delegated to the IJB by East Lothian Council (the Council) and NHS Lothian are as follows:

- Adult Social Care
- Criminal Justice
- 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 sets the strategic direction for these delegated functions through the development of a Strategic Plan, to enable it to plan and deliver these strategic outcomes at an overall health and social care level. It gives Directions to the Council and NHS Lothian for the operational delivery of functions and the resources available to them for this.

East Lothian 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 East Lothian 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 1 July 2015. The IJB assumed formal responsibility for these functions in April 2016 including the budgets for the delivery of these functions.

## **The Strategic Plan**

The strategic plan of each IJB must be reviewed and approved by the IJB every 3 years. East Lothian IJB approved its third Strategic Plan on 15 September 2022, this covers 2022 to 2025. A link to the plan is below:

[https://www.eastlothian.gov.uk/download/downloads/id/33015/east\\_lothian\\_ijb\\_strategic\\_plan\\_2022\\_-\\_25.pdf](https://www.eastlothian.gov.uk/download/downloads/id/33015/east_lothian_ijb_strategic_plan_2022_-_25.pdf)

The process of monitoring the progress of the Strategic Plan and the development of that plan is managed by the IJB’s Strategic Planning Group. This group is supported by five Programme Boards reflecting the IJB’s strategic priority areas for change.

These focus on: intermediate and social care, enabling health, primary care, digital and data and carers. Under each Programme Board sits specific delivery groups that take forward projects as directed by the Programme Board.

Work to review the current IJB Strategic Plan began in early 2025. Engagement with partners and other key stakeholders throughout 2025 will inform the development of a revised Plan, covering the period from 2025 to 2030, which will be presented to the December meeting of the IJB for approval. The new plan will be reviewed after 3 years and any updates will be made at that stage.

## **Review of the IJB’s Integration Scheme**

The IJB’s Scheme of Integration was revised by the IJB’s partners in September 2023 and approved by Scottish Ministers. The next review of the Integration Scheme will be in 2028 unless otherwise directed by Scottish Ministers.

## **IJB Membership**

The IJB comprises eight voting members, made up of four elected members appointed by East Lothian Council and four NHS Lothian non-executive directors appointed by NHS Lothian. There are a number of non-voting members of the Board, including the IJB Chief Officer, Chief Finance Officer, medical and nursing professional advisors, representatives for Carers and third party organisations and staffing representatives.

The IJB met virtually 8 times during the financial year 2024/25. The membership of the IJB as at 31 March 2025 was as follows:



<b>Member</b>	<b>Nominated/Appointed by</b>	<b>Role</b>
Councillor Shamin Akhtar	Nominated by East Lothian Council	Chair (voting member)
Andrew Cogan	Nominated by NHS Lothian	Vice Chair (voting Member)
Jonathan Blazeby	Nominated by NHS Lothian	Voting Member,
Elizabeth Gordon	Nominated by NHS Lothian	Voting Member
Patricia Cantley	Nominated by NHS Lothian	Voting Member
Councillor Carol McFarlane	Nominated by East Lothian Council	Voting Member
Councillor Lyn Jardine	Nominated by East Lothian Council	Voting Member, Chair of Audit & Risk Committee
Councillor Jeremy Findlay	Nominated by East Lothian Council	Voting Member
Fiona Wilson	Ex officio	Chief Officer (non-voting member)
Mike Porteous	Ex officio	Chief Finance Officer (non-voting member)
Claire MacDonald	Appointed by IJB	Independent sector representative (non-voting member)
Maureen Allan	Appointed by IJB	Third sector representative (non-voting member)
David Binnie	Appointed by IJB	Carer representative (non-voting member)
Marilyn McNeill	Appointed by IJB	Service User representative (non-voting member)
Dr Claire Mackintosh	Nominated by NHS Lothian	Registered Medical Practitioner (not GP) (non-voting member)

Member	Nominated/Appointed by	Role
Lindsey Byrne	Ex Officio	Chief Social Work Officer (non-voting member)
Liam Kerr	Nominated by NHSL Unions	Interim NHS Staff Representative (non-voting member)
Dr John Hardman	Nominated by NHSL	Registered Medical Practitioner (GP) (non-voting member)
Darren Bradley	Nominated by ELC Unions	ELC Staff Representative (non-voting member)
David Hood	Ex Officio	Head of Operations (non-voting member)
Sarah Gossner	Ex Officio	Chief Nurse (non-voting member)
Dr Kalonde Kasangele	Ex Officio	Public Health (non-voting member)
Vacant	Nominated by the GP Forum	GP representative (non-voting member)
Vacant	Appointed by IJB	Specialist in Substance Abuse (non-voting member)

## The IJB's Operations for the Year

The IJB delivers its Strategic Plan through its directions to its partners and monitors the performance against these directions at the Strategic Planning Group and through reports to the IJB.

The 2024-25 East Lothian IJB Directions were approved at its meeting on 27 June 2024 and subsequently issued to delivery partners NHS Lothian and East Lothian Council.

The 2024-25 directions included 2 new directions to the partners:

- Direction 19a – to support the delivery of the East Lothian HSCP Workforce Plan
- Direction 20 – to implement the decision at the March 2024 IJB meeting to close the Belhaven Hospital Site.

The IJB produces an Annual Performance Report (as required by the Scottish Government) which lays out its ambitions, achievements and a range of performance indicators. The IJB's Annual Performance Report (APR) for 2024/25 will be presented to the September 2025 meeting for approval, before being submitted to the Scottish Government and published online. The APR will give a detailed account of activity along with validated data on the National and Ministerial Strategic Group Performance Indicators (published in July), including comparison of performance against previous years and national figures.

In advance of the APR being published, the following pages highlight some of key activities delivered in relation to IJB delegated functions during the year. Although the content is organised broadly under the IJB's strategic objectives, there is considerable overlap, with many activities relating to two or more objectives.

**Developing services that are sustainable and proportionate to need / embedding integrated approaches and services.**

The following activities supported delivery of these objectives during 2024/25:

- Ongoing development of activity in relation to preventing hospital admission; maintaining patient flow, and reducing bed occupancy and length of stay for patients. This activity includes a number of daily “Huddles” to support multi-disciplinary oversight, as well as implementation of Planned Date of Discharge; Rapid Rundowns: and Day of Care Audits.
- Continued investment in and development of Intermediate Care Services supporting the shift in care from hospital to community. Examples of Intermediate Care Services include:
  - Care at Home
  - Hospital at Home
  - Community Respiratory Pathway
  - Hospital to Home
  - Falls Service
  - Musculoskeletal Physiotherapy
  - Discharge to Assess
  - Emergency Care Service
- The further development of the Home Care / Hospital to Home integrated service to improve efficiency and create additional capacity within internal care at home. Implementation of the ‘One Plan’ system during the year also increased the effectiveness of planning and coordination.
- The introduction of a Care at Home Huddle to provide integrated oversight of the Care at Home system, optimising the use of internal and external Care at Home resources to meet need.
- Delivery of the Enhanced Discharge to Assess project (commenced in February 2024), bringing together the Discharge to Assess (D2A) therapists, Emergency Care Service (ECS), and Care Capacity and Flow Team to facilitate timely discharge of East Lothian patients by responding to their initial care needs.
- Continued delivery of Inreach of East Lothian Allied Health Professional (AHP) and nursing staff in acute sites, working closely with acute colleagues and Flow Team to help prevent delays for East Lothian patients.
- Active involvement in the NHS Lothian Unscheduled Care (USC) Programme Board (with the East Lothian IJB Chief Officer chairing the Board). This work has involved securing additional Scottish Government funding to support the East Lothian element of the NHS Lothian USC Improvement Programme in December 2024. In the early part of 2025, work was underway to implement a 7-day a week, ‘Home First’ Single

Point of Access model in East Lothian, making use of the additional funding to recruit 53.8 additional (whole time equivalent) staff across teams to deliver this approach.

- Ongoing close monitoring and management of the use of mental health inpatient beds to maintain bed occupancy at an appropriate level. This has been supported by delivery of a local multi-disciplinary clinical huddle three mornings a week. The huddle drives flow through mental health services from inpatient to the IHTT (Intensive Home Treatment Team) and CMHT (Community Mental Health Team).
- Activity to develop a Single Point of Contact for Adult Mental Health following extensive work to review ‘front door’ access to mental health services. This will provide a telephone number that can be used by clients, family, friends, health professionals, and organisations involved with individuals. A team of experienced clinicians will provide same day call back so that the first clinical contact will be an opportunity for a meaningful conversation influenced by the Request for Assistance model. This reflects a ‘no wrong door’ approach.

### **Delivering new models of provision, engaging and working collaboratively with communities**

The following activities supported delivery of this objective during 2024/25:

- Our approach to commissioning health and social care services continued to be underpinned by our Commissioning Strategy and associated Markey Facilitation Statement, helping to ensure that commissioned services are provided in a way that reflects our visions and values and contributes to the delivery of the strategic objectives outlined in the 2022-25 Strategic Plan.
- The ‘Planning for an Ageing Population’ programme continued throughout the year, with extensive engagement activity culminating in the presentation of a final report to the IJB in early 2025. The report identified 4 key priorities for strategic planning: Palliative and end of life care; Polypharmacy; Intermediate Care; and Technology.

Other recommendations agreed by the IJB included:

- Further development of the Independent Community Panel that had evolved during the process.
- Consideration of community capacity and opportunities to explore innovative and sustainable community-based options when budget planning.
- Continuation of work with partners to explore and develop early intervention and prevention approaches to deliver intermediate care.
- The Strategic Planning Group and the CAH Change Board agreed to the formation of a Locality Project Team in May 2024 which undertook a Test of Change programme, with ‘Community First’ testing the impact on demand for CAH, impact on hospital discharge, individual and carer outcomes and cost. Changes adopted

following the Locality Project, were a strengths approach to care co-ordination at a local and community level (identifying preventative and alternative care and support opportunities), supported by improving hospital and community assessments, Allied Health Professional and Care resource co-ordination, and identifying commissioning and strategic opportunities across external and internal Care at Home services.

- Carers – The delivery of the Carers Strategy has continued, with delivery of the 2 year action plan. After a successful procurement process Carers of East Lothian were awarded the Adult Carers support contract in March 2025 for a 2+2+2 year term. Another success in 2024/25 was funding an MHO within the Social Work team to review the outstanding 172 private guardianships. This was successfully completed and processes established to ensure the reviews are kept up to date moving forward.

### **Prevention and early intervention**

The following activities supported delivery of this objective during 2024/25:

- Prevention and early intervention is an integral part of services provided by teams across the Partnership, both directly and through funding or third sector initiatives.
- In particular, the East Lothian Rehabilitation Service (ELRS) delivers a range of services based on a prevention and early intervention approach, with the aim of supporting people to stay as active and independent in their own homes for as long as possible.
- Work continued during 2024/25 to promote the use of assistive technology to support daily living. This included running a public drop-in event by the East Lothian Technology Enabled Care Team to showcase ways technology can help (for example, the use of smart home devices, mobility aids, and communication tools). New TEC (Technology Enabled Care) core training for community and inpatient staff has also been delivered to support clinicians to include digital and technology options in core assessments.
- Activity around falls and falls prevention is another example of early intervention and prevention, with ongoing work to embed an integrated falls pathway; develop a falls database and dashboard; introduce falls clinics; and develop strength and balance classes.
- Continuing delivery of an approach by Adult Social Work to reduce the time people wait for a social work assessment. The model is designed so that as many cases as possible are dealt with by the Duty system at the 'first point of contact', rather than people being added to a waiting list. This quick response can help to prevent situations deteriorating and needs potentially becoming more significant.

### **Enabling choice and control and providing care closer to home**

The following activities supported delivery of this objective during 2024/25:

- Delivery of a Care Home 'Home First' Project aimed at reducing the use of care home placements by supporting the option of discharge home over discharge to a care

home where appropriate. This approach helped to reduce the use of care home places and to ensure that available places were being used effectively, making provision for those with the highest level of need.

- The East Lothian Advance Physiotherapy Practitioner (APP) Service piloted the use of shared decision making as a key element of the assessment and treatment for those self-referring with knee pain. This included the use of processes from NHS Lothian's Realistic Medicine Toolkit. Following positive evaluation, learning is being shared with the wider team and the tools and processes developed will be included in the Realistic Medicine Toolkit for wider use.
- Ongoing delivery and development of a range of primary services managed by East Lothian HSCP, including:
  - Community Treatment and Care (CTAC) Service
  - Primary Care Vaccination Team
  - Pharmacotherapy Service
  - Care When it Counts (CWIC) Service

The Partnership continued to deliver a Primary Care Communications Plan to ensure people are aware of the full range of primary care services and how and when to access them.

- Piloting CWIC Direct to trial enabling patients to access the CWIC Service directly without the need to go through their GP. The East Lothian CWIC Service supports General Practice in East Lothian by offering same-day appointments with medical professionals within a multidisciplinary team, and currently covers 4 practices. Following positive feedback, the CWIC Direct model will be continued, and further development explored.
- Continued development of the outpatient services and clinics offered at East Lothian Community Hospital (ELCH). During 2024/25, this included the addition of a chronic anaemia service (blood & iron infusion) and outpatient intravenous antibiotic treatment (moved from Western General Hospital and delivered by HSCP staff).
- Use of space within the Outpatient Department was reviewed to ensure better utilisation of clinical space. This enabled ELCH to accommodate clinics temporarily relocated from Edinburgh Eye Pavilion.

## **Keeping people safe from harm**

The following activities supported delivery of this objective during 2024/25:

- HSCP services continued to work with partners through the Midlothian and East Lothian Drug and Alcohol Partnership (MELDAP) to reduce the harm caused by substance use and provide timely, effective and accessible support. This included delivery of the 'Contact Service' providing easy access to advice and support.
- In relation to Substance User Services, East Lothian successfully implemented Scottish Government MAT (Medication Assisted Standards) Standards 1-10 to full

green status. This was ahead of expectations and demonstrating strong performance in the national context.

- The Justice Social Work team continued to work on the development of a wider range of options for unpaid work (Community Payback Orders). This includes unpaid work activities reflecting priorities around equality and the environment, for example 'Big Pick', Bike Workshops, and Allotments. Capacity to deliver placements was also increased through the recruitment of additional temporary supervisors.
- An initial meeting of a multi-agency Suicide Prevention Forum was held, and a decision was made to extend the Forum to cover children, young people and adults to promote a joined up approach and to support involvement across services, including third sector partners.
- East Lothian Independent Advocacy Steering Group finalised its draft Strategic Plan in January 2024 following an extensive needs assessment and engagement activity with service users and 3rd sector providers. The Plan was approved by the IJB in April 2024.

### **Addressing health inequalities**

- The IJB continued to make progress with respect to the statutory requirement to mainstream the general needs of the Public Sector Equality Duty in relation to its role in planning, directing and commissioning its delegated responsibilities. The IJB's approach is outlined in the East Lothian IJB Equalities Outcomes plan for 2021-25. Progress is described in the Equalities Mainstreaming Report for 2023-25 (reported to the May 2025 meeting of the IJB).
- East Lothian IJB took part in a pan-Lothian community engagement programme in late 2024 / early 2025, working alongside Midlothian and West Lothian IJBs / HSCPs and NHS Lothian to gather views on revision of the existing equalities outcomes. This informed the development of a new East Lothian IJB Equalities Outcomes plan covering the period from 2025 to 2029 which was subsequently approved at the May 2025 meeting of the IJB.
- Work is underway to develop a new East Lothian Joint Strategic Needs Assessment (in partnership with Public Health, LIST and Public Health Intelligence) which will be available in early 2025 and will help to inform the revision of the current IJB Strategic Plan.

### **Local Housing Strategy**

- East Lothian's Local Housing Strategy (LHS) 2024-2029 was adopted in April 2024 following extensive engagement during which over 1,300 voices were heard. In December 2024 the IJB agreed the Housing Contribution Statement as it related to the Housing Strategy, ensuring the IJB'S strategic Plan and ELC's Housing strategy are linked with shared outcomes, actions and investment decisions.
- The current IJB direction on housing will need to be revised to reflect the challenges and opportunities as set out in the Housing Contribution Statement 2024-2029, and current and planned joint working between ELC Housing and the HSCP.



The key challenges remain:

- Homelessness
- Delivering Accessible Home and Adaptations.

The Housing Strategy outlines how these challenges will be addressed in East Lothian with the Support of the IJB.

### **The IJB's Financial Position at 31 March 2025**

For the year to 31 March 2025 the IJB recorded a deficit of £2,877,000. That meant the costs incurred in delivering the IJB's functions, by NHS Lothian and East Lothian Council, were greater than the income it received from NHS Lothian and East Lothian Council. The IJB has used its reserves to underpin this deficit and has thus broken-even in the financial year.

The IJB began the 2024/25 financial year with a balanced budget but faced a number of challenges to ensure that position materialised:

- The IJB had used a significant element of its available reserves to break even in 2023/24, increasing the financial risk to the IJB.
- There were a number of underlying financial pressures across Health and Council delegated services, particularly in Prescribing and Social Care services, impacting on the financial position.
- The IJB set a challenging efficiency programme as a key element of its delivery of a break even position at year end. The programme included a range of operational schemes and several larger individual schemes to deliver service redesign across both Health and Social Care services. Some of the larger service redesign schemes slipped in their delivery trajectory resulting in a reduced level of efficiencies in year. These schemes will deliver their planned savings in full in 2024/25. Some of the planned schemes did not deliver their efficiencies at all

Regular Finance Reports to the IJB forecast an overspend at the year end and in October 2024 the IJB agreed to release its remaining General Reserves to support pressures within Health delegated functions in-year.

In December 2024 the IJB was presented with a paper outlining the risks in adhering to Professional Standards associated with the current and planned programme of fiscal recovery actions, associated efficiencies and service reductions across East Lothian Health and Social Care Partnership, as assessed by professional leads for Social Work, Allied Health Professionals and Nursing and the Clinical Director.

In response to the financial pressures of current and projected budget overspends East Lothian HSCP management team and service managers developed recovery plans for all services managed and hosted by ELHSCP throughout 2024/25. This has involved scrutiny of all aspects of budget spend across all services to deliver savings.

In year it was not possible to deliver all savings plans whilst still delivering safe and effective services. The safety and wellbeing of service users, patients and their carers remains of



paramount importance and the IJB agreed that continued efforts would be made to ensure efficiency in service delivery, but that any further pressure on the IJB budget in order to deliver a balanced budget, may reduce the ability to achieve positive health and wellbeing outcomes for East Lothian residents.

At the year end the IJB had an in-year overspend in both its health and social care delegated functions. In addition to the planned release of reserves the IJB received a further non-recurring allocation of £794,000 from NHS Lothian at year end to fund the year end overspend recorded within the Health delegated functions, and a further £2,803,000 of non-recurring funding from East Lothian Council at year end to fund the year end overspend within the Council delegated functions. Taking these additional non-recurring allocations into account the IJB broke even at the year end. The table below summarises the year end position and how it was arrived at.

Year-end Position	Health £000's	Social Care £000's	Notes
Income	162,193	69,046	1
Expenditure	165,845	71,869	2
Surplus/ (Deficit)	(3,652)	(2,823)	
Planned use of reserves	2,858	20	3
Operational Position	(794)	(2,803)	
Additional Funding	794	2,803	4
<b>Position at Year end</b>	<b>0</b>	<b>0</b>	

### Notes

1. This is the income received from the partners (East Lothian Council and NHS Lothian) in 2024/25 prior to receipt of additional allocations from both partners to support the year-end position.
2. This is the expenditure incurred by the partners in the delivery of the IJB's delegated functions for 2024/25.
3. The IJB carried funding from 2023/24 which it planned to use in 2024/25 through its reserves. This funding has been used as planned in 2024/25.
4. Both partners made additional non-recurrent allocations to the IJB in 2024/25 in order to allow the IJB to break even overall.

### Funding for the Integration Joint Board

The IJB is funded exclusively by its partners – East Lothian Council and NHS Lothian – to deliver functions (also known as services) that the partners have delegated to the IJB. The funding from NHS Lothian is split into 3 broad areas:

- **Core Funding** – this is funding for health services delivered directly in East Lothian. This includes the running costs of local hospital services (e.g. staffing, infrastructure, medical supplies) and community health services, Medical General Practitioners services (local GPs), and a share of other primary care services (General Ophthalmic Services, General Dental Services and General Pharmaceutical Services).
- **Hosted Funding** – the funding for the East Lothian share of services delivered and managed on a pan-Lothian basis by NHS Lothian. For example Sexual Health services based at Chalmers Hospital.
- **Set Aside Funding** – this is the budget ‘set-aside’ by NHS Lothian on behalf of the IJB representing East Lothian’s share of delegated unscheduled care services managed by NHS Lothian’s Acute Services and delivered at the Royal Infirmary of Edinburgh, The Western General Hospital and St John’s Hospital at Livingston. These services are listed below:
  - Accident and Emergency
  - Cardiology
  - Diabetes
  - Endocrinology
  - Gastroenterology
  - General Medicine
  - Geriatric Medicine
  - Rehabilitation Medicine
  - Respiratory Medicine
  - Various support services for the above

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

The IJB receives funding offers from its partners each year, which it assesses, and bases its acceptance on Scottish Government guidance issued as part of its own budget setting process. At its March 2025 meeting the IJB accepted the offer from East Lothian Council. Following its Board meeting in April 2025 NHS Lothian made its final funding offer to the IJB which the IJB accepted at its May 2025 meeting.

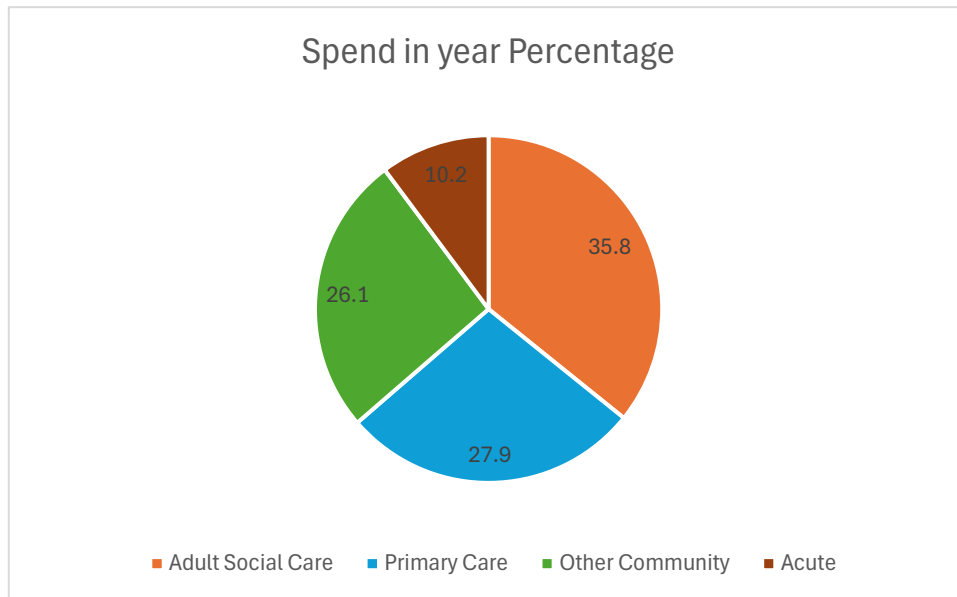
## Reserves

The IJB held an opening Reserves balance of £4,343,000 on 1 April 2024, comprising a General Reserve of £3,096,000 and Earmarked Reserves of £1,248,000. During the year further Earmarked funding was received and planned use of Earmarked funds was actioned, leaving a balance on the Earmarked Reserve of £1,466,000. The agreed release of the remaining General Reserve balance to support the IJB’s financial position in year means the IJB no longer holds a General Reserve which will increase the financial risk going forward.

## IJB Spending Profile

The Chart below shows how the IJB has spent its funds in 2024/25. The services are grouped under 4 main areas of spend:

- Adult Social Care including funding for elements of service funded through NHS income
- Primary Care Services (GPs, GP Prescribing, Community Pharmacists, Community Opticians, Community Dental services)
- Other Community Health services (local community hospitals, community nursing services, community allied health professionals and East Lothian's share of pan-Lothian hosted services)
- Acute Services (East Lothian's share of the Acute Services delegated to IJBs)



### Consideration of the 2025/26 and projected financial position

The IJBs Five Year Financial Plan was updated and presented to the March 2025 IJB meeting along with the partner funding offers and a budget setting proposal which enabled the IJB to agree and set a balanced budget for 2025/26.

The balanced budget position reflects the following:

- The funding offers from the partners were fair and the level of additional resources received from the partners was higher than it had been in recent years, enabling the IJB to address some of the underlying pressures within overspending services.
- A robust programme of planned efficiencies totalling £4,170,000, including the full year effect of some of the service redesign schemes identified and partially delivered in 2024/25.

The work to enable a balanced budget to be set identified a range of financial risks and challenges that have been shared with the IJB and that will have to be managed should they occur.

The provision of regular monthly finance reports to the IJB providing robust timely financial information will highlight the need for additional efficiencies should a break-even position not be forecast.

Looking beyond 2025/26 the IJB's Five Year Financial Plan projected a challenging local and national financial landscape with a number of risks and uncertainties:

#### Population Growth

- the growth in the population of East Lothian in recent years is expected to continue, increasing the demand for services
- the aging demographic of East Lothian inhabitants is also expected to increase the demand for services
- there is a risk that funding will not increase in line with demand leading to new or increased pressures in future years.

#### Workforce

- the availability and retention of suitably skilled staff continues to be a challenge for Health and Social Care services. A revised Workforce Plan for 2025-2028 will provide a framework for the development of future staffing models.

#### National Financial Landscape

- In setting its budget for 2025/26 the Scottish Government have indicated an intent to progress with reform within Health and Social Care placing increased emphasis on a stepped change in service redesign. This requires further focus on transformational change within IJBs, greater forward planning and collaborative working to ensure the best outcomes for the population of East Lothian.

**Andrew Cogan**  
Chair

**Fiona Wilson**  
Chief Officer

**Mike Porteous**  
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 for signature.

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

Signed on behalf of East Lothian Integration Joint Board

**Andrew Cogan**  
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 Accounting Code (in so far as it is compatible with legislation).

The Chief Finance Officer has also:

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

I certify that the financial statements give a true and fair view of the financial position of the East Lothian Integration Joint Board at the reporting date and the transactions of the East Lothian Integration Joint Board for the year ended as at 31 March 2025.

**Mike Porteous**  
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 explanatory text in the Remuneration Report is reviewed by the external auditors to ensure it is consistent with the financial statements.

### **Remuneration: IJB Chair and Vice Chair**

The voting members of the IJB are appointed through nomination by East Lothian 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 2024/25. The Chair of the IJB at March 2025 was Councillor Shamin Akhtar (East Lothian Council) and the Vice Chair was Andrew Cogan (Non-executive director, Lothian Health Board)

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

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

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

The IJB does not directly employ any staff in its own right, 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 Fiona Wilson. Fiona has a joint role as Director of Health and Social Care for East Lothian Council and the Joint Director of the East Lothian Partnership. As in previous years it has been agreed, 50% of total remuneration is to be shown in the accounts of the IJB as the 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. During 2024/25 the role of the Chief Finance Officer was filled on an interim basis by David King until 6 December 2024. For the period 1 April 2024 to 6 December 2024 the Chief Finance Officer was remunerated by NHS Lothian but was not superannuated. David King also undertook the role of CFO for Midlothian IJB. NHS Lothian have provided the total costs of having employed David King during this time and half of these costs will be shown here (the other half shows in Midlothian IJB). From 16 December the role of CFO was undertaken by Mike Porteous on an interim basis. Following a formal interview process Mike Porteous was permanently appointed to the CFO post on 3 March 2025 and has 2 roles – the IJB’s CFO and an operational role in NHS Lothian’s finance department as a Finance Business Partner. Accordingly 50% of the total remuneration for Mike Porteous has been charged to East Lothian IJB.

### **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.

Total for	Senior Employees	Total for
2023/24	Salary, Fees & Allowances	2024/25
£		£
53,564	Fiona Wilson, Chief Officer	60,577
15,038	Claire Flanagan, Chief Finance Officer	0
10,272	David King, Interim Chief Finance Officer	23,522
0	Mike Porteous, Chief Finance Officer	12,283

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.



## Pension Disclosure

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 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.

	Employer Pension Contributions For year to			Accrued Pension Benefits at	
	31/03/2024	31/03/2025		31/03/2024	31/03/2025
	£k	£k		£k	£k
Claire Flanagan	9	0	Pension	22	0
			Lump Sum	55	0
Fiona Wilson	22	27	Pension	35	42
			Lump Sum	93	106
Mike Porteous		6	Pension		33
			Lump Sum		85

## 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 for any exit packages during 2024/25.

**Andrew Cogan**  
Chair

**Fiona Wilson**  
Chief Officer

## **Annual Governance Statement**

### **East Lothian IJB**

**The Annual Governance Statement will be added after it has been presented to the IJB Audit and Risk Committee on 3<sup>rd</sup> June 2025.**

### **Independent Auditor's Report**

**The Independent Auditors Report will be added when it becomes available.**

## Financial Statements

### 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 the Movement in Reserves Statement.

#### COMPREHENSIVE INCOME & EXPENDITURE STATEMENT

Gross Expenditure 2024/25 £000's	Income 2023/24 £000's	Net Expenditure 2023/24 £000's		Gross Expenditure 2024/25 £000's	Income 2024/25 £000's	Net Expenditure 2024/25 £000's
162,955		160,470	Health Delegated	165,845		165,845
71,955		66,930	Social Care Delegated	71,869		71,869
<b>234,910</b>	<b>0</b>	<b>227,400</b>	<b>Cost Of Services</b>	<b>237,714</b>	<b>0</b>	<b>237,714</b>
	(221,621)	(221,621)	Taxation & non- specific grant Income		(234,837)	(234,837)
<b>234,910</b>	<b>(221,621)</b>	<b>5,779</b>	<b>(Surplus)/Deficit on Provision of Services</b>	<b>237,714</b>	<b>(234,837)</b>	<b>2,877</b>
<b>5,779</b>			<b>Total Comprehensive (Income) and Expenditure</b>	<b>2,877</b>		

### **Movement in Reserves Statement**

This Statement shows the movement in the year on the different reserves held by the East Lothian IJB.

#### **Movement in Reserves during 2023/24:**

Opening Balance as at 1/4/2023

Total Comprehensive Income or Expenditure in 2023/24

Surplus/(Deficit) on Provision of Services

**Closing Balance as at 31/3/2024**

#### **Movement in Reserves during 2024/25:**

Opening Balance as at 1/4/2024

Total Comprehensive Income or Expenditure in 2024/25

Surplus/(Deficit) on Provision of Services

**Closing Balance as at 31/3/2025**

<b>General Fund Balance £000s</b>	<b>Total Usable Reserves £000s</b>
(10,122)	(10,122)
5,779	5,779
<b>(4,343)</b>	<b>(4,343)</b>
(4,343)	(4,343)
2,877	2,877
<b>(1,466)</b>	<b>(1,466)</b>

### **Reserves**

The Integration Joint Board is permitted to set aside future amounts of reserves for future policy purposes. These reserves normally comprise funds that are set aside for specific purposes; and funds which are not earmarked for specific purposes but are set aside to deal with unexpected events or emergencies. They are created by appropriating amounts out of revenue balances. When expenditure to be funded from a reserve is incurred, it is charged to the appropriate service in that year and thus included in the Comprehensive Income and Expenditure Statement. Movements in reserves are reported in the Movement in Reserves Statement.

### **Useable Reserves**

East Lothian IJB had both a general reserve which can be used to mitigate financial consequences of risks and other events impacting on the IJB's resources and an earmarked reserve which contains funds earmarked for specific purposes. East Lothian IJB has an earmarked reserve which can be used to mitigate financial consequences of risks and other events impacting on the specific project budget.

### **Balance Sheet**

The Balance Sheet shows the value, as at 31 March 2025, of the assets and liabilities recognised by the Board. The net assets of the Board are matched by the reserves held.

<b>2023/24 Total £000's</b>		<b>2024/25 Total £000's</b>
	<b>Current Assets</b>	
4,343	Short Term Debtors	1,466
	<b>Current Liabilities</b>	
	Short Term Creditors	
<b>4,343</b>	<b>Total Assets less current Liabilities</b>	<b>1,466</b>
	<b>Capital and Reserves</b>	
4,343	General Fund	1,466
<b>4,343</b>	<b>Total Reserves</b>	<b>1,466</b>

The unaudited accounts were authorised for issue on 26<sup>th</sup> June 2025.

**Mike Porteous**  
Chief Finance Officer

## **Notes to the Financial Statements**

### **1. Significant Accounting Policies**

#### General Principles

The Financial Statements summarises the IJB's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025.

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 2024/25, 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.

#### 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.

It should be noted that the above principles are those applied by the partners (NHS Lothian and East Lothian Council). The IJB has funded these partners to deliver the delegated functions and these partners have charged the IJB as above.

#### Funding

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

#### 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 partner. 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. 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 no provisions, contingent liabilities or contingent assets at 31 March 2025.

### Reserves

The IJB's only Useable 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 had reserves of £1,466,000 at 31 March 2025.

### Indemnity Insurance

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Lothian and East Lothian 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 2024/25 was £3,000.

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



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

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

## 2. Events After the Reporting Period

The Annual Accounts were authorised for issue by the IJB. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

## 3. Short Term Debtors

The IJB's short term debtors are broken down as follows:

	2023/24 £000's	2024/25 £000's
Funding due from NHS Lothian	4,205	1,348
Funding due from East Lothian Council	138	118
<b>Total</b>	<b>4,343</b>	<b>1,466</b>

Amounts owed by the East Lothian Council are stated on a net basis; that is the creditor balances relating to expenditure obligations incurred but not yet settled in cash terms are offset against the funds they are holding on behalf of the IJB.

#### 4. Reserves

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

	2023/24 £000's	2024/25 £000's
Sexual Health	39	0
Learning Disabilities Health Checks	72	0
Mental Health Recovery & Renewal	279	279
Community Living Change Fund	45	0
Community Development	720	0
Carers	93	118
Unscheduled Care	0	1,069
<b>Earmarked General Fund Reserves</b>	<b>1,247</b>	<b>1,466</b>
<b>Uncommitted General Fund Reserves</b>	<b>3,096</b>	<b>0</b>
<b>Total Usable Reserves</b>	<b>4,343</b>	<b>1,466</b>

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

2023/24 £000's		2024/25 £000's
63,809	Contributions from East Lothian Council	71,850
157,812	Contributions from NHS Lothian	162,987
<b>221,621</b>	<b>Total</b>	<b>234,837</b>

The contributions received by East Lothian IJB represent the funding provided by the Partners (East Lothian Council and NHS Lothian).

#### 6. Corporate Services

Included in the above costs are the following corporate services:

<b>2023/24 £0</b>		<b>2024/25 £0</b>
54	Staff (Chief Officer)	61
3	CNORIS	3
33	Audit Fee	34
<b>90</b>	<b>Total</b>	<b>£98</b>

Note – the Audit fee above is in relation to the fee for the external audit for 2024/25. The appointed auditor did not provide any non-audit services during the year.

## 7. Related Party Transactions

As partners with the East Lothian Integration Joint Board both East Lothian Council and NHS Lothian are related parties and the material transactions with these bodies are disclosed in these accounts. While the IJB is not charged by its partners for the costs of its CFO, the IJB is charged by both partners for the costs of the Chief Officer.

There are elements of expenditure which are shown against NHS Lothian but where the resources are used by social care services delivered by East Lothian Council, being Resource Transfer and the Social Care fund. Resource Transfer relates to funds which have been agreed to be moved annually from health to support social care services and the social care fund is an investment in social care made through a Scottish Government allocation but which was actioned through the NHS. These funds total £10.9m.

<b>2023/24 Expenditure £000's</b>		<b>2024/25 Expenditure £000's</b>
160,470	NHS Lothian	162,955
66,930	East Lothian Council	71,955
<b>227,400</b>	<b>Total</b>	<b>234,910</b>

<b>2023/24 Net Transactions £000's</b>		<b>2024/25 Net Transactions £000's</b>
(2,658)	NHS Lothian	(794)
(3,121)	East Lothian Council	(2,803)
<b>(5,779)</b>	<b>Total</b>	<b>(3,597)</b>

<b>2023/24 Debtors £000's</b>		<b>2024/25 Debtors £000's</b>
4,205	NHS Lothian	1,348
138	East Lothian Council	118
<b>4,343</b>	<b>Total</b>	<b>1,466</b>

## 8. VAT

The IJB is not a taxable entity and does not charge or recover VAT on its functions. The VAT treatment of expenditure and income within the accounts depends upon which of the partners is providing the services as these bodies are treated differently for VAT purposes.