



<b>Meeting of East Renfrewshire Health and Social Care Partnership</b>  <b>Held on</b>	Performance and Audit Committee  25 June 2025
<b>Agenda Item</b>	6
<b>Title</b>	Unaudited Annual Report and Accounts 2024/25
<b>Summary</b>  <p>This report provides an overview of the unaudited annual report and accounts for the Integration Joint Board (IJB) covering the period 1 April 2024 to 31 March 2025.</p> <p>The Chair of Performance and Audit Committee will advise the Integration Joint Board of:</p> <ul style="list-style-type: none"> <li>any matters arising from the Performance and Audit Committee in relation to the unaudited annual report and accounts</li> <li>the Performance and Audit Committee's decision taken 25 June 2025 on the remittance of the unaudited Annual Report and Accounts to the Integration Joint Board.</li> </ul>	
<b>Presented by</b>	Lesley Bairden, Head of Finance and Resources (Chief Financial Officer)
<b>Action Required</b>  <p>The Performance and Audit Committee is requested to:</p> <ol style="list-style-type: none"> <li>Agree the unaudited annual report and accounts and remit to the Integration Joint Board for approval</li> <li>Agree and endorse the proposed reserves allocations</li> <li>Note the annual report and accounts is subject to audit review</li> <li>Agree to receive the audited annual report and accounts in September, subject to any recommendations made by our external auditors and/or the Performance and Audit Committee and Integration Joint Board</li> <li>Note the summary overview of financial performance document will be presented with the audited accounts in September</li> </ol>	

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**EAST RENFREWSHIRE INTEGRATION JOINT BOARD**

**PERFORMANCE AND AUDIT COMMITTEE**

**25 JUNE 2025**

**Report by Chief Financial Officer**

**UNAUDITED ANNUAL ACCOUNTS 2024/25**

**PURPOSE OF REPORT**

1. The purpose of this report is to provide an overview of the unaudited annual report and accounts for the Integration Joint Board (IJB) covering the period 1 April 2024 to 31 March 2025 and outline the legislative requirements and key stages.
2. The Chair of the Performance and Audit Committee will advise the IJB of any matters arising from this committee.

**RECOMMENDATION**

3. The Performance and Audit Committee is requested to:
  - a) Agree the unaudited annual report and accounts and remit to the Integration Joint Board for approval
  - b) Agree and endorse the proposed reserves allocations
  - c) Note the annual report and accounts is subject to audit review
  - d) Agree to receive the audited annual report and accounts in September, subject to any recommendations made by our external auditors and/or the Performance and Audit Committee and Integration Joint Board
  - e) Note the summary overview of financial performance document will be presented with the audited accounts in September

**BACKGROUND**

4. The Public Bodies (Joint Working)(Scotland) Act 2014 was passed by the Scottish Parliament on 25 February 2014 and received Royal Assent in April 2014. This established the framework for the integration of Health and Social Care in Scotland.
5. The IJB is a legal entity in its own right, created by Parliamentary Order, following Ministerial approval of the Integration Scheme. NHS Greater Glasgow and Clyde (NHSGGC) and East Renfrewshire Council have delegated functions to the IJB which has the responsibility for strategic planning, resourcing and ensuring delivery of all integrated services.
6. The IJB is specified in legislation as a 'section 106' body under the terms of the Local Government Scotland Act 1973 and as such is expected to prepare annual accounts in compliance with the Code of Practice on Accounting for Local Authorities in the United Kingdom.

## REPORT

7. The unaudited annual report and accounts for the IJB has been prepared in accordance with appropriate legislation and guidance. An overview of the process is set out below:
8. **Financial Governance & Internal Control:** the regulations require the Annual Governance Statement to be approved by the IJB or a committee of the IJB whose remit include audit and governance. This will assess the effectiveness of the internal audit function and the internal control procedures of the IJB. The Performance and Audit Committee meet this requirement, as delegated by the IJB
9. **Unaudited Accounts:** the regulations state that the unaudited accounts are submitted to the External Auditor no later than 30<sup>th</sup> June immediately following the financial year to which they relate.
10. **Right to Inspect and Object to Accounts:** the public notice period of inspection should start no later than 1<sup>st</sup> July in the year the notice is published. This will be for a period of 3 weeks and will follow appropriate protocol for advertising and accessing the unaudited accounts. The required notice will be agreed with the external auditors and will be published on the HSCP website.
11. **Approval of Audited Accounts:** the regulations require the approval of the audited annual accounts by the IJB or a committee of the IJB whose remit include audit and governance. This will take account of any report made on the audited annual accounts by the 'proper officer' i.e. Chief Financial Officer being the Section 95 Officer for the IJB or by the External Auditor by the 30<sup>th</sup> September immediately following the financial year to which they relate. In addition any further report by the external auditor on the audited annual accounts should also be considered. The normal September timetable is back in place; the last two years were extended to November as a result of audit workloads associated with the pandemic.
12. The Performance and Audit Committee will consider for approval the External Auditors report and proposed audit certificate (ISA 260 report) and the audited annual accounts at its meeting on 24<sup>th</sup> September 2025 and, subject to agreement remit to the IJB for approval at its meeting on 24<sup>th</sup> September 2025.
13. **Publication of the Audited Accounts:** the regulations require that the annual accounts of the IJB be available in both hard copy and on the website for at least five years, together with any further reports provided by the External Auditor that relate to the audited accounts.
14. The annual accounts of the IJB must be published by 31<sup>st</sup> October and any further reports by the External Auditor by 31<sup>st</sup> December immediately following the year to which they relate.

15. **Key Documents:** the regulations require a number of key documents (within the annual accounts) to be signed by the Chair of the IJB, the Chief Officer and the Chief Financial Officer, namely:

Management Commentary / Foreword	Chair of the IJB Chief Officer
Statement of Responsibilities	Chair of the IJB Chief Financial Officer
Annual Governance Statement	Chair of the IJB Chief Officer
Remuneration Report	Chair of the IJB Chief Officer
Balance Sheet	Chief Financial Officer

Note: for the unaudited annual report and accounts only the Statement of Responsibilities and the Balance Sheet require to be signed by the Chief Financial Officer.

16. The main messages from the annual report and accounts are summarised in the remainder of this report.
17. This was a another challenging year for the HSCP as we worked to balance meeting the demand for services within the allocated budget and ensure we delivered on the savings programme to support our financial sustainability. We needed to deliver £9.8 million of savings as part of our plans to balance our budget and we set ourselves a target of £11.8 million, to prepare for challenges in 2026/27 and beyond.
18. With the exception of prescribing pressures and the associated saving gap of c£2 million we have achieved all other required savings on a recurring basis going into 2025/26.
19. We received an additional £1 million non-recurring allocation from NHSGGC during 2024/25 in recognition of the prescribing challenge.
20. We have ended the year with an underspend of £1.482 million, subject to the audit of our accounts, and this has been added to our general reserve in the first instance. The IJB will take decision on the use, or otherwise, of this reserve during 2025/26. This will take cognisance of the Change and Improvement programme the Chief Officer will develop with the IJB and potentially fund invest to save proposals to promote longer term financial sustainability.
21. The financial performance in 2024/25 is a significant improvement to 2023/24 and shows tentative progress towards financial recovery and sustainability. Despite this improvement the IJB remains in breach of its reserves policy to hold 2% of the budget in usable reserve. The general reserve is currently 0.9% of the total IJB budget for 2025/26, excluding the set aside budget allocation.
22. We have continued to see operational challenges including cost pressures from meeting demand for Care at Home, the cost of special observations within the Learning Disabilities In-Patients service which we host on behalf of all six HSCTs within Greater Glasgow and Clyde and the costs of prescribing through our GP practices.

23. The Supporting People Framework, based on eligibility criteria, is fully embedded with recurring savings achieved in full. Within the non-care at home services an over recovery of £1 million supports the budget savings for 2025/26. The care at home shortfall of £1 million has been reflected in the budget for this service for 2025/26 and is being delivered through the redesign programme in place.
24. The operational underspend is £1.482 million (0.87% of budget) and is better than the last reported position taken to the IJB which was based on January forecasts and projected an underspend of £0.288 million.
25. The main variances to the budget were:
- £1.082 million underspend within Children & Families reflecting the profile of care costs during the year, additional income from the Home Office and staff turnover
  - £2.033 million underspend with community based care for adults and older people is primarily from nursing and residential care and staff turnover. In 2025/26 there has been some budget realignment to Intensive Services
  - £1.313 million overspend within Intensive Services from in-year savings shortfalls and service pressures from meeting demand
  - £1.146 million overspend in Prescribing from continued costs and volume pressures combined with legacy pressures, this is net of £1 million non-recurring support from NHS Greater Glasgow and Clyde
  - £1.125 million underspend within Finance and Resources in the main reflects the non-recurring pension gain, offset in part to meet HSCP wide in-year savings shortfalls and pressures
26. The IJB received detailed financial reporting throughout the year. The main reasons for the reduction in projected costs of £1.194 million since last reported to the IJB in March were:
- £0.496 million reduction in children and families where we received additional income from the home office for unaccompanied children and young people along with a reduction in the cost and timescale for a complex care package
  - £0.304 million reduction in care at home costs for purchased care
  - £0.207 million lower costs within mental health recovery purchased care, reflecting a revised timescale for a complex care package
  - £0.150 million deferred income increase within older people
27. Our reserves have increased during the year, with the main change resulting from the addition to our general reserve, the brought forward balance was nil following financial recovery in 2023/24.

28. We used £0.966 million of reserves in year and we also added £2.297 million into earmarked and general reserves. The year on year movement in reserves is set out in detail at Note 8 (Page 69) of the annual report and accounts and is summarised:

	£ Million	£ Million
Reserves at 31 March 2024		1.864
Planned use of existing reserves during the year	(0.966)	
Funds added to reserves during the year	2.297	
Net decrease in reserves during the year		1.331
Reserves at 31 March 2025		3.195

29. Our ring-fenced reserves account for £0.860 million of the balance at 31 March 2025. During the year we spent £0.311 million on existing initiatives and £0.371 million was added towards the end of the year for non-recurring prescribing support

- £0.359 million as part of the 2025/26 budget
- £0.012 million for national IT projects.

The funding to support the development of our Recovery Hub at £0.489 million, brought forward from 2023/24 is the other reserve taken into 2025/26.

30. Our earmarked reserves are £0.853 million of the balance. During the year we used £0.172 million during the year and added £0.444 million to support:

- £0.082 million to the ongoing programme of Learning Disability Health Checks across the health board area
- £0.250 million to support the implementation of the case recording system
- £0.100 million is proposed to support the local impact from a national fostering and adoption campaign
- £0.012 million for existing commitments for cancer screening inequalities

This remaining balance of £0.409 million supports existing commitments already in place for the whole family wellbeing project and trauma informed practice

31. As reported above our general reserve is now sitting at £1.482 million going into 2025/26.

## CONCLUSIONS

32. The preparation of the unaudited annual report and accounts for the IJB meets all legislative requirements and there are no significant governance issues to report.
33. Whilst the 2024/25 position shows a great improvement on the prior year the IJB remains in breach of its reserves policy, with significant challenges ahead in the continued delivery of savings, meeting demand and complexity within the budget and with a challenging medium term outlook.

## **RECOMMENDATIONS**

34. The Performance and Audit Committee is requested to:

- a) Agree the unaudited annual report and accounts and remit to the Integration Joint Board for approval
- b) Agree and endorse the proposed reserves allocations
- c) Note the unaudited annual report and accounts is subject to audit review
- d) Agree to receive the audited annual report and accounts in September, subject to any recommendations made by our external auditors and/or the Performance and Audit Committee and Integration Joint Board
- e) Note the summary overview of financial performance document will be presented with the audited accounts in September.

## **REPORT AUTHOR AND PERSON TO CONTACT**

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16 June 2025

Chief Officer, IJB: Alexis Chappell

## **BACKGROUND PAPERS**

IJB Paper 26.09.2024: Annual Report and Accounts 2023/24

[https://www.eastrenfrewshire.gov.uk/media/10722/IJB-Item-08-26-September-2024/pdf/IJB\\_Item\\_08\\_-\\_26\\_September\\_2024.pdf?m=1726592963343](https://www.eastrenfrewshire.gov.uk/media/10722/IJB-Item-08-26-September-2024/pdf/IJB_Item_08_-_26_September_2024.pdf?m=1726592963343)