



Aberdeen City Health & Social Care Partnership  
*A caring partnership*



# **Aberdeen City Integration Joint Board**

## **Audited Annual Accounts 2023/24**



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## Management Commentary

### **The Role and Remit of the Integration Joint Board (IJB)**

The Integration Joint Board (IJB) was formed as a result of the Public Bodies (Joint Working) (Scotland) Act 2014. The Act provides a framework for the integration of adult community health and social care services. The strategic planning for, and/or delivery of, these services was previously the responsibility of NHS Grampian (NHSG) and Aberdeen City Council (ACC) respectively and was delegated to the IJB with effect from 1 April 2016. Some services such as adult social work, GP services, district nursing, and allied health professionals are fully delegated and the IJB has responsibility both for the strategic planning and governing oversight of these. Other services are Grampian-wide services which Aberdeen City IJB “host” on behalf of all three IJBs in the NHS Grampian area. There are also hospital-based services. Aberdeen City IJB has responsibility for the strategic planning of both hosted and hospital-based services. Full details of the delegated and hosted services can be found in the [Health and Social Care Integration Scheme for Aberdeen City](#)

The policy ambition is to improve the quality and consistency of services to patients, carers, service users and their families; to provide seamless, joined-up, quality health and social care services in order to care for people in their own homes or a homely setting where it is safe to do so; and to ensure resources are used effectively and efficiently to deliver services that meet the increasing number of people with longer-term and often complex needs, many of whom are older. The IJB has governing oversight whilst Aberdeen City Health and Social Care Partnership (ACHSCP) has responsibility for the operational delivery of these services.

The IJB sets the direction of ACHSCP via the preparation and implementation of the Strategic Plan and seeks assurance on the management and delivery of the integrated services through appropriate scrutiny and performance monitoring, whilst ensuring the effective use of resources.

**Members of the Board for the period 1 April 2023 to 31 March 2024 were as follows:**

#### Voting Members

<u>Name</u>	<u>Organisation</u>	
Cllr John Cooke	Aberdeen City Council	Vice Chair to 24 April 2023 Chair from 25 April 2023
Luan Grugeon	NHS Grampian	Chair to 25 April 2023 Resigned 16 October 2023
Hussein Patwa	NHS Grampian	From 22 August 2023 Vice Chair from 16 October 2023
Ritchie Johnson	NHS Grampian	From 24 September 2024
Professor David Blackbourn	NHS Grampian	From 24 September 2024
Mark Burrell	NHS Grampian	From 22 August 2023

<b><u>Name</u></b>	<b><u>Organisation</u></b>	
June Brown	NHS Grampian	7 June 2022 up to 17 July 2024
Kim Cruttenden	NHS Grampian	Up to 6 June 2023
Prof. Siladitya Bhattacharya	NHS Grampian	From 10 October 2023 to 30 July 2024
Cllr Jennifer Bonsell	Aberdeen City Council	From 10 October 2023
Cllr Christian Allard	Aberdeen City Council	From 7 June 2022 to 22 August 2023 then from 6 February 2024
Cllr Martin Greig	Aberdeen City Council	From 7 June 2022
Cllr Deena Tissera	Aberdeen City Council	7 June 2022 up to 10 October 2023
Cllr Lee Fairfull	Aberdeen City Council	From 22 August 2023 up to 6 February 2024

### **Non-Voting Members**

<b><u>Name</u></b>	<b><u>Organisation</u></b>	
Jamie Donaldson	Partnership Representative, NHSG	Appointed 22 August 2023
Jim Currie	Trade Union Representative, ACC	Continuous member
Alan Chalmers	Patient and Service User Representative*	Resigned 5 December 2023
Steven Close	Secondary Care Advisor	From 30 August 2022 to 26 June 2024
Jennifer Gibb	Professional Nursing Adviser	Continuous member
Maggie Hepburn	Third Sector Representative	Continuous member
Christine Hemming	Secondary Care Advisor	From 30 August 2022
Dr Caroline Howarth	Clinical Director, ACH&SCP	Continuous member
Phil Mackie	NHS Deputy Director of Health, NHSG	From 7 June 2022
Shona McFarlane	Carer Representative	Continuous member
Paul Mitchell	Chief Finance Officer	Resigned 12 July 2024
Kenneth Low	Chief Finance Officer	From 15 July 2024 to 13 October 2024
Alex Stephen	Interim Chief Finance Officer	From 14 November 2024
Alison Murray	Carer Representative	Resigned 6 February 2024
Sandra MacLeod	Chief Officer	Resigned 15 February 2024
Fiona Mitchelhill	Chief Officer	Appointed 19 February 2024
Graeme Simpson	Chief Social Work Officer, ACC	Continuous member

**\* Amanda Foster, Kenneth McAlpine and Temitope Oyegon were appointed as service user representatives in July 2024 for a three year period.**

**Members of the Risk Audit and Performance Committee for the period 1 April 2023 to 31 March 2024 were as follows:**

Councillor Martin Greig	Chair, Aberdeen City Council	Appointed as Chair 17 November 2022 (Member from 7 June 2022)
Councillor John Cooke	Aberdeen City Council	Appointed 7 June 2022
Hussein Patwa	NHS Grampian	Appointed 22 August 2023
Ritchie Johnson	NHS Grampian	Appointed 24 September 2024
<b><u>Previous Members:</u></b>		
Luan Grugeon	NHS Grampian	Appointed 30 April 2019, Resigned 16 October 2023
June Brown	NHS Grampian	Appointed 7 June 2022; Resigned 17 July 2024

**Members of the Clinical and Care Governance Committee for the period 1 April 2023 to 31 March 2024 were as follows:**

Mark Burrell	Chair, NHS Grampian	Appointed 22 August 2023
Professor David Blackburn	NHS Grampian	Appointed 24 September 2024
Councillor Christian Allard	Aberdeen City Council	Appointed 7 June 2022, Resigned 22 August 2023, Re-appointed 6 February 2024
Councillor Jennifer Bonsell	Aberdeen City Council	Appointed 10 October 2023
<b><u>Previous Members:</u></b>		
Kim Cruttendon	NHS Grampian	Appointed 2022 (as Chair), Resigned (as Chair) 7 June 2022, Resigned 6 June 2023
Councillor Deena Tissera	Aberdeen City Council	Appointed 7 June 2022, resigned 10 October 2023
Councillor Jennifer Bonsell	Aberdeen City Council	Appointed 10 October 2023
Professor Siladitya Bhattacharya	NHS Grampian	Appointed 10 October 2023; Resigned 30 July 2024
Councillor Lee Fairfull	Aberdeen City Council	Appointed 22 August 2023; Resigned 6 February 2024

## **Aberdeen's Economy**

The [2023 Economic Policy Panel Report](#) states, a year ago, the Panel noted that the outlook for the global, UK and North East economies was challenging. Most independent forecasters believed the cost of living crisis was likely to tip the UK and Scotland into recession. The UK economy was projected to contract throughout 2023 into 2024, with real household incomes projected to fall by 7.1% over those two years, the largest rate of decline since records began. The annual rate of inflation hit 11.1% in October 2022, a 41-year high and well above the 2% rate aimed for by the Bank of England.

The UK economy continues to work through the cost of living crisis, with the effects likely to linger for some time yet. The medium-term outlook is, however, slightly more optimistic than 12 months ago although the global context continues to remain highly uncertain.

Despite this, a rise in employment and faster-than-expected earnings growth has led to an increase in household incomes, growing 0.9% over the year to 2023 Q1 and averaging 1.4% for the rest of 2023. This does, however, still lag behind historical averages. With the Office for Budget Responsibility predicting that living standards, as measured by real household disposable income per person, are to be 3.5% lower in 2024-25 than their pre-pandemic level, the largest reduction in living standards since records began in the 1950s.

The North East, whilst starting from a strong base, with GVA and average earnings levels higher than the national figures, has faced particular acute challenges in recent years. For example, average real wages declined faster and further in the North East than they did nationally throughout 2022 and into 2023, only beginning to recover in mid-2023

Worker productivity, once the highest in Scotland, has been falling in recent years. Real GVA per head in the North East stood at £31,586 in 2021, the lowest it has been since 2005, bar 2020.

The Panel notes a growing skills shortage across the region, with 83% of North East companies reporting challenges in recruiting suitable staff. This is 10% higher than the rest of the UK. Businesses are responding to this, in part through providing more on-the-job training. Workers report having job-related training at a consistently higher level that exceeds both the Scottish and UK averages. These ongoing demographic pressures and skills shortages highlight the need for a regional skills strategy.

In summary, the macroeconomic outlook remains challenging and is likely to remain so for the foreseeable future. There is little that Aberdeen can do to change that. Where local policymakers can have – and have had – the greatest influence is over the longer-term strategic approach for the region. Key to this long-term success will be diversification, a commitment to making Aberdeen an even more attractive place

to live, work, invest and set-up a business, securing a successful transition to renewable energy and developing the core building blocks of a successful regional economic strategy (including skills and infrastructure).

## **Aberdeen City Population Needs Assessment**

In October 2023 Community Planning Aberdeen published a [Population Needs Assessment for Aberdeen City](#). In this there is recognition that economic circumstances can both enhance or reduce people's health and wellbeing. Employment in the city is at its lowest level since 2016, with roughly 1 in 4 of the working age population economically inactive. In 2021 it was estimated that 1 in 7 Aberdeen households had no one within the household working. Indicators of relative poverty in Scotland suggest that about 3 out of 5 (57%) experiencing relative poverty will be within working households. The effects of the COVID-19 pandemic are still being understood, but the general view is that it has increased poverty across the UK, with women, children, and those in minority ethnic communities more likely to be affected. All of these indicators suggest that there is a real potential for family / household financial insecurity of a type that is being put under further pressure by the visible fuel and food poverty that is being experienced by local people.

In terms of demography, the population projections suggest that by 2028, the proportion of the oldest population groups will have increased by over 10% (65-74y +14.4%, 75+y +16.1%). As might be expected, the increasing proportion of the over 65y population is reflected in a projected increase in the proportion of households where the main householder is over 65y. For both women and men, increased life expectancy has stalled, and healthy life expectancy is declining. We can say that both life expectancy and healthy life expectancy vary across Aberdeen, with people from areas with higher deprivation having shorter lives and being more likely to live with poorer health for longer. Whilst this can be difficult to interpret, these indicators suggest that the future health of individuals born in Aberdeen during 2019-21 can expect to live around 20% of their lives in poor health. Here and now we know that 1 in 4 adults describe themselves as having a limiting, long-term illness.

Given that over half of the deaths in Aberdeen City in 2022 were associated with cancers and circulatory diseases, for which smoking, obesity, and physical inactivity are risks, the main message for Aberdeen City is that there is still work to be done promoting healthier lifestyles. The data for selected diseases – cancer registrations, coronary heart disease, and chronic obstructive pulmonary disease – are all indicative of the demands that are being placed on health care services. However, in all cases it is important to note the variation in the indicators across the City. There is unlikely to be a single cause of these health inequalities and we need to understand that such health inequalities happen as a result of wider inequalities experienced over time. As a result, these types of health inequality are challenges not only for treatment here and now, but reflect a need to place a greater emphasis on future disease preventative intervention happening at the same time. 1 in 6 adults in Aberdeen self-report dissatisfaction with their mental health and around 1 in 7 could be at risk of suffering a mental illness. More people are being prescribed drugs for anxiety and depression than ten years ago.

The increase in the older population and the prevalence of long term conditions and mental illness signal increasing demand for health and social care services in future.

We cannot ignore the impact of inequality on health and the challenge will be to balance investment between service provision responding to current and imminent needs and early intervention and prevention activity to mitigate need in future.

## **Aberdeen City IJB Strategic Plan**

Financial year 2022/23 saw the approval of the latest IJB Strategic Plan for 2022 to 2025 which was based on data in terms of demand for health and social care services plus an acknowledgement of the strategic context, not least the planned implementation of a National Care Service. The Strategic Plan was supported by a three year Delivery Plan.

### **Aim – Keeping People Safe at Home**

When they need it, people can be cared for safely in their own home or in a homely setting, reducing the number of times they need to be admitted to hospital or reducing the length of stay where admission is unavoidable. This includes a continued focus on improving the circumstances of adults at risk of harm.

### **Aim – Preventing Ill Health**

Help communities to achieve positive mental and physical health outcomes by providing advice and designing suitable support (which may include utilising existing local assets), to help address the preventable causes of ill-health, ensuring this starts at as early an age as possible.

The plan was approved at the IJB meeting in June 2022 and has four strategic

### **Aim – Achieving Fulfilling, Healthy Lives**

Support people to help overcome the health and wellbeing challenges they may face, particularly in relation to inequality, recovering from COVID-19, and the impact of an unpaid caring role, enabling them to live the life they want, at every stage.

aims:-

### **Aim – Caring Together**

Together with our communities, ensure that health and social care services are high quality, accessible, safe, and sustainable; that people have their rights, dignity and diversity respected; and that they have a say in how services are designed and delivered both for themselves and for the people they care for, ensuring they can access the right care, at the right time, in a way that suits them.

At the end of year one we took the opportunity to pause, reflect and review our commitments and priorities and to refresh these for year two in light of changing demands.



	<b>Number of Projects</b>
New Projects	12
Amended	7
Deleted	12
Completed	5

Our programme and project management approach continued and we refined our progress and performance monitoring approach. Regular progress updates continue to be monitored by the Senior Leadership Team, the Risk Audit and Performance Committee and the Integration Joint Board (IJB).

Our Annual Performance Report was published on 24<sup>th</sup> September 2024 following approval by the IJB. It can be found on our website [here](#). The Appendices will be completed following the publication of validated data on the National and Ministerial Strategic Group Performance Indicators. The commentary below gives an overview of the progress on our Delivery Plan projects and internal Dashboard performance by Strategic Aim and Enablers. We are particularly proud of the increase in the number of our GP practices providing a full service and of the progress made in building a new Complex Care facility at Stoneywood in Dyce.

## **Caring Together**

Unpaid Carers provide valuable support to relatives and loved ones which reduces demand for mainstream services. Our Adult Carers Support Service increased the number of unpaid carers registered with them by 71%. The IJB reviewed the annual report in relation to our Carers Strategy at their meeting in January 2024.

Over 40 voluntary organisations are now providing early intervention and prevention support from the Aberdeen City Health and Wellbeing Hub based right in the heart of city centre shopping. The venue is providing support in relation to mental health, addictions, independent living, employability, digital inclusion, and tackling poverty and inequality.

We trialed a programme of health and wellbeing supports in the new sports facility in Northfield called GetActive@Northfield. We have hired a community room there and it is now in use four out of five days and we have plans to increase this going forward. Community Listening Services are available there, as are Pulmonary Rehabilitation and Respiratory Services making good use of the links with our partners Sport Aberdeen.

Locality Empowerment Groups were reinvigorated during 2023/24, with regular meetings reinstated and membership gradually increasing. We refreshed and streamlined our Locality Plans increasing community involvement and ownership.

Our General Practitioner Services are experiencing many challenges, not only in the recruitment and retention of GPs but also in managing the increased demand. The number of GP Practices in Grampian has reduced from 80 to 69. GP Headcount in

Scotland has increased by 6.9% whereas in Grampian it has reduced by 5.3%. Overall there has been an increase in the indicative number of weekly contacts in Grampian (of around 27%) from September-December 2023 to January-April 2024. Our Primary Care team undertook a programme of work in relation to a refreshed vision to ensure sustainable General Medical Services for future generations. The outcome of this was endorsed by all three IJBs in Grampian and work is ongoing towards the implementation of this. The full report can be accessed [here](#).

In the here and now, the Primary Care team have been working very hard with General Practice and 2023/24 saw an increase in the number of GP practices providing a full service. Only one was providing a full service in March 2023 whereas 8 were providing a full service in March 2024.

Through renewed focus on Technology Enabled Care (TEC), locally, ACHSCP has worked collaboratively with partners across the public, independent and third sectors to continue to provide care.

### **Keeping People Safe at Home**

Significant work has gone into maintaining and expanding our Hospital at Home Service and developing our Frailty pathway to ensure support is available for our frail, elderly population. The Hospital at Home team provide vital support to diverting demand from hospital and reducing delayed discharges. The number of admissions to the service continues to grow with an 9% increase in admissions seen between 2022/23 (916) and 2023/24 (1002). These are admissions that would otherwise enter the secondary care system. To further highlight the impact of the service the bed day savings have increased by an approximate 18% between 2022/23 (approximately 8,700) and 2023/24 (approximately 10,600).

Towards the end of 2022 into early 2023 Aberdeen city had a laser focused approach to reducing Delayed Discharges with additional resource allocated to this work. Our performance as at 3<sup>rd</sup> April 2023 was 9 people delayed equivalent to 631 bed days. The laser focus and additional resource could not be sustained and as at 5<sup>th</sup> April 2024 there were 42 people delayed equivalent to 1,701 bed days. This performance places Aberdeen City in the top quintile of Health and Social Care partnerships in Scotland. There is renewed national focus on Delayed Discharges which is overseen by the Collaborative Response and Assurance Group (CRAG). The CRAG has placed a target on each partnership to reduce the number of delayed discharges. Partnerships with delays that were below 34.6 per 100,000 are to remain at or below their baseline rate. For Aberdeen this relates to 20.8 per 100,000 which means our figure needs to be 45 people or below. Our performance at 42 people falls within that target.

A review involving patients, carers and other key stakeholders designed alternative ways for Specialist Neuro Rehabilitation Services to be delivered across Grampian. The review listened to a range of voices, to consider how to create a model of transitional rehabilitation support delivery that was patient centred with increased accessibility.

Work continued to ensure that a reliable and robust digital telecare emergency response service can be delivered after the analogue networks are turned off in

December 2025. This includes replacing all analogue community alarms as well as deploying a digitally-capable Alarm Receiving Centre (ARC) platform. Over 2023/24 our team worked with the Scottish Government Digital Office as an early adopter to establish a single supplier framework for a shared ARC which went live on November 2023. They also ensured data accuracy by completing the data cleansing of 16,000 records that are held in the current ARC database. In March 2024 Aberdeen City Health and Social Care Partnership (ACHSCP) and Bon Accord Care (BAC) have received the Bronze Award for Digital Telecare Implementation from the Scottish Government Digital Office after replacing 58% of analogue community alarms with digital-ready units.

Our Dashboard data indicates a significant reduction in no harm falls indicating the support provided by our teams is having a positive impact in this area. No harm falls peaked at 262 in December 2022 but reduced to 160 in September 2023, a reduction of 39%. Although the number of no harm falls rose again by the end of 2023/24 to 201 they are subsequently again on a downward trend.

### **Preventing Ill Health**

The Granite City Gathering, in Autumn 2023, part of our Stay Well Stay Connected Programme, was hosted to help people explore what 'Ageing Well' could look like. Attendees were encouraged to develop a real sense of purpose in retirement and seize opportunities to participate in community life. 167 people attended this and it was supported by 29 community organisations.

Our Local Outcome Improvement Plan (LOIP) project to reduce tobacco smoking by 5 % overall by 2023 exceeded its target and we are working on a revised project for 2024 onwards to target smoking in pregnant women in areas of deprivation in Aberdeen city.

The World Health Organisation has declared that loneliness and isolation is now an epidemic. Through our Stay Well Stay Connected Programme we are aiming to tackle this. During 2023/24 we expanded 'Boogie at the Bar', keeping hundreds of older people socially connected and engaged in their community every month. There were 2,706 attendances at Boogie in the Bar sessions during 2023 compared to 1,190 in 2022, an increase of 127% although it should be noted that there were no sessions within the Central Locality in 2022 so the increase for North and South Locality sessions is 62% (50% in North and 73% in South). In addition, 60 people are now regularly attending 'Soup & Sannies' based in Seaton. There were 1,550 attendances during 2023 compared to 179 attendances in 2022. It should be noted that both of these initiatives were impacted to some extent by restrictions relating to the Covid-19 pandemic. Attendances at these events not only reduces social isolation but also allows an opportunity to sign post to sources of support.

The Men's Wellbeing Group, 'Men's Shed' in Bridge of Don has 30-40 participants monthly. It brings older men together to reduce isolation and improve wellbeing outcomes. Wellbeing topics covered includes, blood pressure checks, healthy eating, prostate Issues, stress awareness, cooking and Pilates sessions.

## **Achieving Fulfilling, Healthy Lives**

The Mental Health and Learning Disabilities Transformation Programme focused on improving health outcomes for individuals with mental health issues and learning disabilities. It aims to address health inequalities and improve access to support; ensuring individuals with a mental health issue or a learning disability have equal opportunities to discuss and improve their health.

Scottish Association for Mental health (SAMH) were awarded the contract for Suicide Prevention work in May 2023 and we continue to work well together to deliver the outcomes of this important contract. They are working across the North East with Aberdeen City, Aberdeenshire and Moray alongside a dedicated LOIP project in relation to Suicide Prevention.

In 2023/24 our Strategic Home Pathways Lead renewed focus particularly on bespoke support for people with Complex Needs who tend to have higher lengths of stay in hospital and, in many cases, are supported outwith Aberdeen City due to the lack of appropriate facilities. In February 2024 the IJB approved an update on the implementation of the Complex Care Market Position Statement highlighting the plans to develop and build a new Complex Care facility at Stoneywood in Dyce.

During 2023/24 a project team has been developing an action plan in relation to our actions to mitigate Climate Change. Climate change has a disproportionate impact on those with health inequalities so as well as helping us to achieve our net zero emissions target this work will help support the most vulnerable in our society.

## **Strategic Enablers**

In light of the various major storms the Aberdeen City Care for People Plan has been revised helping to support our responsibilities in relation to being a Category 1 Responder. Work will continue in 2024 to finalise the Persons at Risk Database which will further enhance our ability to keep vulnerable people safe in the event of a major incident.

Bon Accord Care Limited (BAC) and Bon Accord Support Services Limited (BASS) are private companies limited by shares which are 100% owned by Aberdeen City Council. Bon Accord Care provides regulated (by the Care Inspectorate) care services to Bon Accord Support Services which in turn delivers both regulated and unregulated adult social care services to the Council.

The Service Level Agreement (SLA) and aligned service specifications with Bon Accord Care have been revised and a three year Development Plan is currently being developed which will set firmer expectations and allow us to maximise the impact of the investment.

Close joint working continues with Aberdeen City Council (ACC) in relation to community planning. The LOIP and the three Locality Plans have been refreshed and a new Stretch Outcome in relation to Community Empowerment has been added to the LOIP. The Communities team within ACHSCP will work closely with

the Community Development team of ACC to ensure the projects and the outcomes related to this are delivered within timescale.

Work continues in relation to delivering our Workforce Plan. The annual report was considered by the Risk Audit and Performance Committee (RAPC) on 28 November 2023. The link to the report can be found [here](#) our total headcount increased from 2,265 (1,933 whole time equivalent (WTE)) in 2023 to 2,317 (1,950 WTE) in 2024. Staff turnover has reduced from 8.17% (NHS Grampian staff) to 5.3% from 2022/23 to 2023/24. For Aberdeen City Council staff, turnover has increased from 5.4% in 2022/23 to 8.2% in 2023/24. It is pleasing to see the level of turnover reducing during the financial year. Work continues to ensure that the ACHSCP have the right workforce size and skills to deliver its services and strategic plan. In April 2023 absence rates were 6.83% for NHS Grampian staff and 8.94% for Aberdeen City Council staff. Both rates showed an increase as of March 2024 with the NHS Grampian staff rate at 8.87% and the Aberdeen City Council staff rate at 10.53%.

In November 2023 we held our first Recruitment Fair with over 300 attendees. There is also an ongoing series of sessions with ABZ Works and employability clients in the Health Village to promote career entry posts such as porters, receptionists etc. There is regular promotion of ACHSCP vacancies via social media. The ACHSCP Annual Workforce Conference took place on 29th February 2024 and was a great success. Feedback is being obtained to plan ahead for the next one scheduled for 5<sup>th</sup> December 2024. During 2023, 1,119 staff attended various well-being sessions provided by ACHSCP. These include complementary therapies, reflexology, pedicure, Reiki and Mindfulness.

The Medium-Term Financial Framework (MTFF) approved by the IJB on 28 March 2023 includes a forecast of the financial position for the next seven financial years and is reviewed annually. Contained in the MTFF were proposals to balance the 2023/24 budget which were fully aligned to the Delivery Plan. The IJB continues to work to deliver on the ambitions of this MTFF and ensure financial balance.

### **The IJB's Position at 31 March 2024**

The IJB set a balanced budget for 2023/24 of £377,783,000.

The financial position for 2023/24 resulted in an overspend £10,774,000 on mainstream budgets which was met from reserves. Added to this is an overspend on funded budgets (Primary Care Improvement Fund and Action 15 Mental Health) of £6,537,000, this resulted in a deficit on provision of services as reported in the Comprehensive Income and Expenditure Statement £17,311,014.

Specialist Older Adults and Rehabilitation Services is an Aberdeen city led, Grampian wide 'Hosted Service'. It has an overspend position due to increased locum and bank nursing costs to cover vacancies and absence.

Community based Learning Disability services overspent by almost £3 million. Some of this is in relation to spend on externally commissioned services due partly to client demand and partly to the unfunded, nationally agreed 6% uplift in the National Care Home Contract (NCHC) rate (only 3% budgeted for in MTFF). Clients

transitioning from Children Services to Adult Social Care exceeded the budget predictions by £713,000. There are also overspends on staffing and supplies and services. Community Mental Health and Addiction Services and Older People and Physical and Sensory Disabilities Services (OPPSDS) overspends are also related to increased client demand and the increase in the NCHC rate. For OPPSDS this equates to £5.8 million. The number of clients receiving a care package has increased by 18% during 2023/24. £2.8 million of the OPPSDS overspend is due to the Scottish Government reclaiming an overprovision on the Covid Supplier Sustainability payments and £800,000 overspend relates to unanticipated property costs, mainly due to a late and back-dated multi-year charge from Aberdeen City Council.

Primary Care Prescribing resulted in a £1.8 million overspend. For April 23 to January 24, the actual number of items prescribed continued to increase and is 3.87% greater than the same period in 22/23. This is coupled with estimated average item price of £11.42. For comparison, the average item price in April 22 after Tariff reduction was £10.62.

The final outturn for Out of Area Treatments resulted in an overspend of £753,000 which was an improvement on previous forecasts. This is mainly due to updated arrangements for a placement in England and improvements in the additional nursing and pricing estimates.

These overspends have meant the IJB has had to make some difficult decisions in relation to pausing some transformation activity and increasing the scrutiny on recruitment, asking services to do more with less. Good progress was made in relation to achieving the agreed savings with £7,473m (79%) of the total value of £9,423 achieved. In 2024/25, £9,609 of savings were identified and these are tracked by the Senior Leadership Team. Further information on achievement is reported through the IJB and PAFIC.

The accounts for the year ended 31 March 2024 show a usable reserves position of £9,834,836 (2022/23 £27,145,850). The IJB agreed a reserves strategy and previously agreed to hold back as earmarked reserves £2.5 million as a risk fund.

The majority of public sector organisations are facing challenges balancing their budgets in a context of increasing demand and costs, while the funding available is reducing in real terms.

The major risk in terms of funding to the Integration Joint Board (IJB) is the level of funding delegated from the Council and NHS and whether this is sufficient to sustain future service delivery. There is also a risk of additional funding being ring-fenced for specific priorities and policies, which means introducing new projects and initiatives at a time when financial pressure is being faced on mainstream budgets.

The IJB has made arrangements with adult social care providers to allow the Scottish Living Wage to be paid in 2023/24. This was possible due to additional funding being made available from the Scottish Government to implement this policy commitment.

Demand is expected to continue to rise given the increase in the number of over-65s forecast. At the same time the complexity of the care required is increasing due to improvements in medicine and the increased average life expectancy evidenced over the last few decades. This is evidenced in by our increasing social care spend on clients with learning disabilities. Also, there are greater expectations being placed on our services by clients and this, along with expectations from our other stakeholders, continues to drive performance on targets such as waiting times. For example, waiting times for physiotherapy for Musculoskeletal conditions increased from 15 weeks in October 2023 to 21 weeks in March 2024 and waiting times for the Dietetics Child Healthy Weight Team increased from 59 weeks in November 2023 to 75 weeks in March 2024. In relation to Psychological Therapies the number of people waiting 18 weeks to be treated increased by 32.5% from March 2023 to March 2024.

## Key Risks and Uncertainties

The key strategic risks (High risks), as contained in the Strategic Risk Register, along with an assessment of level of risk facing the IJB, are as indicated below.

The Strategic Risk Register is monitored and updated frequently by the Aberdeen City Health and Social Care Partnership Senior Leadership Team, who in turn report to the IJB and Risk, Audit & Performance Committee regular basis.

In addition to the Workshop above, a deep dive on Risks 1 (Commissioned Services) and 7 (Workforce) was held in October 2023. As a result of this deep dive, both of the strategic risks were subsequently lowered from Very High to High (as confirmed at the meeting of the Risk, Audit and Performance Committee on 28 November, 2023)

The IJB held a workshop in January 2024 on the Strategic Risk Register and the Board's Risk Appetite Statement and made some amendments to these documents to reflect the Board's risk appetite as at January 2024.

Work has been undertaken to edit the content of each risk, as requested by the IJB. The risk owners have undertaken this task as well as making revisions to the description of the strategic risks, following the "case/event/consequence" model.

The Risk, Audit and Performance Committee at its meeting on 2 April 2024 approved the revised Strategic Risk Register and Risk Appetite Statement. The risks that are classed as **High** risk on the Strategic Risk Register are detailed below:

- 1. High: Cause:** The commissioning of services from third sector and independent providers (e.g. General Practice and other primary care services) requires all stakeholders to work collaboratively to meet the needs of local people. **Event:** Potential failure of commissioned services to deliver on their contract. **Consequence:** There is a gap between what is required to meet the needs of local people, and services that are available. Consequences to the individual include not having the right level of care delivered locally, by suitably trained staff. Consequences: ability of other commissioned services to cope with the unexpected increased in demand.

Consequences to the partnership includes an inability to meet people's needs for health and care and the additional financial burden of seeking that care in an alternative setting.

### **Mitigating Actions:**

All opportunities to work in a collaborative manner to commission services are advertised on Public Contract Scotland, as well as individual invitations made to CEOs / owners of social care services.

### **Social Care**

- Additional offers are made to encourage dialogue where the provider is unavailable to attend collaborative commissioning workshops etc.
- Agreed strategic commissioning approach for ACHSCP.
- Strategic commissioning programme board (SCPB members) established to provide governance framework for commissioning activity.
- Continue to liaise with the care home sector through the collaborative approach detailed in the controls to explore agreement at a local level until a national agreement is in place with Scotland Excel
- Continue to support the flow from acute into interim beds at Woodlands.
- 1 SLA now in place for all interim/emergency beds
- Winter Planning and coordination workshop held in December 2023
- Workshop with providers in Feb and March 2024 to inform them of commissioning opportunities and help to shape the content and process of the tender.
- Interim provision in alternative housing including care homes, Very sheltered and Sheltered housing will be further developed during 2024-25
- All people using care at home Self Directed Support Options 1, 2 & 3 will be reviewed through a Technology first Lens.
- Mental Health and Wellbeing Festival during May 2024 will help to promote and support the sector to be more mindful of their own and service users Wellbeing.

### **Primary Care**

- Sustainability meetings with all Practices in Aberdeen City
- Working in collaboration with the Scottish Government, Local Medical Council (LMC) and Clinical Leads with practices to agree a sustainable way forward using individualised action plans and group discussions.
- Strategic Change Lead is establishing a task and finish group to review medical cover across care settings in the City with a view to establishing an alternative model for medical cover.
- Collaborative approach with the integration of the Health Assessment Team into Aberdeen City Council's Settlement Team to manage demand and risk of becoming a Dispersal City
- General Practice Vision and future provision workshops looking at SMART objectives to meet the unscheduled care demands
- Comms and engagement to raise public awareness on general practice pressures and wider Multi-Disciplinary Team roles



- Weekly RAG status on general practices to understand pressures
  - An engagement plan has been developed to ensure that a co-production approach is being used for the Visioning Exercise, and patients from across the Grampian area are involved in the development of the vision and strategic objectives
2. **High: Cause:** IJB financial failure and projection of overspend. **Event:** Demand outstrips available budget. **Consequence:** IJB can't deliver on its strategic plan priorities, statutory work, and projects.
- Mitigating Actions:**
- The Senior Leadership Team are committed to driving out efficiencies, encouraging self-management and moving forward the prevention agenda to help manage future demand for services.
  - The Senior Leadership Team have formalised arrangements to receive monthly financial monitoring statements.
  - Senior Leadership Team are scrutinising Year 3 of the ACHSCP Delivery Plan to identify projects that will generate financial savings or prevent and reduce future budget pressures.  
SLT and Operational Leadership Team (OLT) received a briefing from the Chief Finance officer in April, 2024 which highlighted the pressures and savings in the agreed MTFE for 2024/25. This allowed the early identification of any additional pressures or savings that are unable to be made.
3. **High: Cause:** Under Integration arrangements, Aberdeen IJB hosts services on behalf of Moray and Aberdeenshire, and who also hosts services on behalf of Aberdeen City. **Event:** Hosted services do not deliver the expected outcomes, fail to deliver transformation of services, or face service failure. **Consequence:** Failure to meet health outcomes for Aberdeen City, resources not being maximised and reputational damage.
- Mitigating Actions:**
- Aberdeen City HSCP will review the rationale for services it hosts to ensure hosting remains the most relevant and appropriate approach-December 2024
  - Aberdeen City HSCP has gained approval from the three Grampian HSCP Chief Officers that there is an appetite for a pan Grampian review of overall hosting arrangements and rationale and will liaise with regional partners to develop a scope and timeline for this, including presentation of proposals to each IJB-December 2024
  - Aberdeen City HSCP will work with Aberdeenshire and Moray HSCPs to ensure the services it hosts on their behalf align with their Strategic Plans and, at the same time, seek to understand the current strategy for each of the services hosted by them on behalf of Aberdeen City IJB to confirm alignment to the Aberdeen City Strategic Plan.-December 2024
  - Aberdeen City HSCP will work with Aberdeenshire and Moray HSCPs to develop and agree proportionate, risk based governance arrangements.-December 2024
  - Aberdeen City HSCP will work with Aberdeenshire and Moray HSCPs to implement the agreed governance arrangements-September 2025

- Aberdeen City HSCP should seek additional assurance over budgeting and expenditure on hosted services (both hosting and hosted on its behalf), and report on this periodically to the IJB.-September 2024
- This action is linked to the one above in relation to overall governance arrangements: As part of the development of the governance arrangements, Aberdeen City HSCP, in conjunction with relevant colleagues in Aberdeenshire and Moray HSCPs, will develop relevant performance metrics and agree reporting routes and frequency. It is envisaged that the governance arrangements will include routes for agreement of transformation activity and any performance reporting will capture the progress on delivery and impact of this-March 2025
- Once agreed, Aberdeen City HSCP, in conjunction with relevant colleagues in Aberdeenshire and Moray HSCPs, will implement the governance arrangements-September 2025.

**4. High: Cause:** Performance standards/outcomes are set by national and regulatory bodies and those locally-determined performance standards are set by the board itself. **Event:** There is a risk that the IJB, and the services that it directs and has operational oversight of, fails to meet the national, regulatory and local standards. **Consequence:** This may result in harm or risk of harm to people.

**Mitigating Actions:**

- Continual review of key performance indicators
- Review of and where and how often performance information is reported and how learning is fed back into processes and procedures.
- On-going work developing a culture of performance management and evaluation throughout the partnership
- Refinement of Performance Dashboard, presented to a number of groups, raising profile of performance and encouraging discussion leading to further review and development
- Recruitment of additional resource to drive performance management process development
- Risk-assessed plans with actions, responsible owners, timescales and performance measures monitored by dedicated teams
- Restructure of Strategy and Transformation Team which includes an increase in the number of Programme and Project Managers will help mitigate the risk of services not meeting required standards.
- Use of Grampian Operational Pressure Escalation System (G-OPES) and Daily and Weekly System Connect Meetings help to mitigate the risk of services not meeting standards through system wide support.
- Four focus areas of the system wide critical response to ongoing system pressures
- All recommendations from the Internal Audit report on Performance Management have been implemented

**5. High: Cause:** Demographic & financial pressures requiring IJB to deliver transformational system change which helps to meet its strategic priorities. **Event:** Failure to deliver transformation and sustainable systems change.

**Consequence:** People not receiving the best health and social care outcomes.

**Mitigating Actions:**

- Programme management approach being taken across whole of the Partnership
- Regular reporting of progress on programmes and projects to Senior Leadership Team
- Increased frequency of governance processes, Senior Leadership Team now meeting weekly
- A number of plans and frameworks have been developed to underpin our transformation activity across our wider system including: Primary Care Improvement Plan and Action 15 Plan.
- All Programme and Project Managers have been trained in the appropriate level of Managing Successful Programmes methodology and Prince2, where appropriate.

**6. High: Cause:** The ongoing recruitment and retention of staff. **Event:** Insufficient staff to provide patients/clients with services required.

**Consequence:** Potential loss of life and unmet health and social care needs, leading to severe reputational damage.

**Mitigating Actions:**

- Significantly increased emphasis on health/wellbeing of staff and positive feedback regularly received, over 900 staff attended these type of initiatives in the last year.
- All staff strongly encouraged to use their annual leave throughout the year, take regular breaks and this to be positively modelled by SLT
- Establishment of ACHSCP recruitment programme, with significantly increased Social Media presence
- Promotion and support of the 'We Care' and 'Grow of own' approaches
- Embrace the use of new/improved digital technologies to develop and support the ACHSCP infrastructure & develop a road map with a focus on enablement for staff. Working with Microsoft to increase online appointment bookings and significantly reduce pressure on staff, as well as looking at resolving current IT issues regarding different systems.
- Flexible/hybrid working options to become 'normal' working practice that benefit staff time & supports their wellbeing as well as helps staff retention
- Increased emphasis on communication with staff
- Increased collaboration across the Senior Leadership Team (SLT) and integration between professional disciplines, third sector, independent sector and communities through Localities to help diversity of the workforce
- Increased monitoring of staff statistics (sickness, turnover, CPD, complaints etc) through Senior Leadership Team and daily Operational Leadership Team meetings, identifying trends. Eg January to March 2024 sickness stats for NHSG employees, 4.81% (NHSG 4.95% in same period) and this is a reduction from the December 2023 level (6.51%)
- Awareness of new Scottish Government, NHSG and ACC workforce policies and guidelines

- Staff Wellbeing budget in 2024/25 of £25,000
- Well established “Comms Trustees Group” which helps to positively promote the work of ACHSCP and its staff, including the promotion of targeted vacancies. The Group now has a rota of social media promotion and is able to review in real time, activity generated by social media posts.
- Partnership Jobs Fair-Date to be fixed for 2024
- Holding regular job showcase sessions with clients seeking work in Aberdeen City.
- Ongoing support from the Partnership to continue the mentoring of Career Ready students in 2024.
- Foundation Apprentice started with Business Support in September 2023, and subject to feedback will continue in 2024.
- Currently working with 3 City and 1 Aberdeenshire Academies around a variety of different subjects to match school curriculum with future workforce opportunities.
- Partnership Staff Conference was convened on 29<sup>th</sup> February, 2024.
- Establishment of Social Media Comms Group to help promote workforce opportunities and raise the profile of the organisation.
- Workforce Workstream Workshop held on 25<sup>th</sup> of April, 2024. Workshop reviewed progress on the Workforce Plan and looked at integrating different workforce activity.
- Provisional agreement for the holding of a cost neutral Staff Recognition Award ceremony to be part of the Annual ACHSCP Conference (date tbc).
- Regular attendance at various recruitment events

## **Analysis of the Financial Statements**

The accounts show usable reserves of £9,834,836 at 31 March 2024 (£27,145,850 at 31 March 2023).

The level of reserve has decreased significantly due to the overspend at the year end and some of the reserves needed to be returned to the Scottish Government. Reserves were also planned to be used to cover expenditure in various mainstream services across the IJB, including PCIP & Primary Care (£2.0m), Community Living (£0.9m) and Integration & Change (£13.9m).

Budgets for large hospitals are managed by NHS Grampian. The IJB has a notional budget representing the consumption of these services by residents. The IJB is responsible for the strategic planning for these services as a result of the legislation which established the IJBs.

The services covered include:

- accident and emergency services at Aberdeen Royal Infirmary and Dr Gray’s - inpatient & outpatient;
- inpatient hospital services relating to general medicine, geriatric medicine, rehabilitation medicine, respiratory medicine, learning disabilities, old age psychiatry, general psychiatry;

- palliative care services provided at Roxburghe House, Aberdeen, and The Oaks, Elgin.

The notional budget and outturn from 2019/20 to 2023/24 is as follows:-

<b>Set Aside</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
Budget	£46,410,000	£47,802,300	£49,408,000	£52,719,000	£55,550,000
Outturn	£46,410,000	£47,802,300	£49,408,000	£52,719,000	£55,550,000

### **Chief Officer**

Sandra Macleod resigned from the post of Chief Officer of the IJB with effect from 15 February 2024. Fiona Mitchelhill was appointed as the Chief Officer with effect from 19 February 2024. In the interim period, Fraser Bell, Chief Operating Officer assumed the duties and responsibilities of the Chief Officer.

### **Chief Finance Officer**

With effect from 15 July 2024, Kenneth Low became Chief Finance Officer following the departure of Paul Mitchell. With effect from 19 November 2024, Alex Stephen (CFO NHS Grampian) became the interim Chief Finance Officer following the departure of Kenneth Low,

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**John Cooke**  
IJB Chair




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**Fiona Mitchelhill**  
Chief Officer




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**Alex Stephen**  
Interim Chief Finance Officer



## **Independent auditor's report to the members of Aberdeen City Integration Joint Board and the Accounts Commission**

### **Reporting on the audit of the financial statements**

#### **Opinion on financial statements**

I certify that I have audited the financial statements in the annual accounts of Aberdeen City Integration Joint Board for the year ended 31 March 2024 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the 2023/24 Code).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the board as at 31 March 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2023/24 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

#### **Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 3 April 2023. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Conclusions relating to going concern basis of accounting**

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the board's current or future financial sustainability. However, I report on the board's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

## **Risks of material misstatement**

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

## **Responsibilities of the Chief Finance Officer and Aberdeen City Integration Joint Board for the financial statements**

As explained more fully in the Statement of Responsibilities, the Chief Finance Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the board's operations.

Aberdeen City Integration Joint Board is responsible for overseeing the financial reporting process.

## **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of the board;
- inquiring of the Chief Finance Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the board;
- inquiring of the Chief Finance Officer concerning the board's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the board's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skillfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.



## **Reporting on other requirements**

### **Opinion prescribed by the Accounts Commission on the audited parts of the Remuneration Report**

I have audited the parts of the Remuneration Report described as audited. In my opinion, the audited parts of the Remuneration Report have been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

### **Other information**

The Chief Finance Officer is responsible for the other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited part of the Remuneration Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

### **Opinions prescribed by the Accounts Commission on the Management Commentary and Annual Governance Statement**

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

## **Matters on which I am required to report by exception**

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

## **Conclusions on wider scope responsibilities**

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in my Annual Audit Report.

## **Use of my report**

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Michael Oliphant FCPFA  
Audit Director  
Audit Scotland  
4<sup>th</sup> Floor  
102 West Port  
EDINBURGH  
EH3 9DN

19 November 2024

## **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 by the Integration Joint Board at its meeting on 19 November 2024.

Signed on behalf of the Aberdeen City Integration Joint Board

**John Cooke**  
IJB Chair

## **Responsibilities of the chief finance officer**

The chief finance officer is responsible for the preparation of the IJB's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code).

In preparing the Annual Accounts, the chief finance officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- 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; and
- 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 Aberdeen City Integration Joint Board as at 31 March 2024 and the transactions for the year then ended.

**Alex Stephen**

Interim 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 auditor 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 Aberdeen City Council and NHS Grampian. The positions of IJB Chair and Vice-Chair alternate between a Councillor and a Health Board representative every two years.

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. The details of the Chair and Vice-Chair appointments and any taxable expenses paid by the IJB are shown below.

<b>Taxable Expenses 2022/23 £</b>	<b>Name</b>	<b>Post(s) Held</b>	<b>Nominated by</b>	<b>Taxable Expenses 2023/24 £</b>
Nil	Luan Grugeon	Chair to 25/4/23	NHS Grampian	Nil
Nil	Cllr John Cooke	Vice Chair from 18/05/22 Chair from 25/4/23	Aberdeen City Council	Nil
Nil	Hussein Patwa	Vice Chair from 10/10/23	NHS Grampian	Nil
<b>Nil</b>	<b>Total</b>			<b>Nil</b>

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

### Remuneration: 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 must be appointed and the employing partner must 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.

#### 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.

<b>Total 2022/23 £</b>	<b>Senior Employees</b>	<b>Full time equivalent salary £</b>	<b>Salary, Fees &amp; Allowances £</b>	<b>Taxable Expenses £</b>	<b>Total Remuneration 2023/24 £</b>
130,259	<b>Sandra Macleod</b> Chief Officer to 15/02/24	137,578	120,572	-	120,572
-	<b>Fiona Mitchelhill</b> Chief Officer From 19/02/24	101,379	11,793	-	11,793
62,781	<b>Fraser Bell</b> Chief Operating Officer On secondment between 1/8/2022 and 30/6/2023. Appointed on a permanent basis on 1/7/2023 with a revised salary.	116,428	114,233	-	114,233
56,430	<b>Paul Mitchell</b> Chief Finance Officer	84,969	84,969	-	84,969
<b>249,470</b>	<b>Total</b>		<b>331,567</b>	-	<b>331,567</b>

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 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.

Officer Name	Responsibility	Accrued Pension Benefits				In-year Pension Contributions	
		Pension as at 31/3/2024 £000	Pension Difference from 31/3/2023 £000	Lump Sum as at 31/3/2024 £000	Lump Sum Difference from 31/3/2023 £000	Pension Contribution 2023/24 £	Pension Contribution 2022/23 £
Sandra Macleod	Chief Officer To 15/02/24	14	2	7	7	23,651	26,192
Fiona Mitchelhill	Chief Officer From 19/02/24	31	31	82	-	1,669	-
Fraser Bell	Chief Operating Officer	26	3	-	-	23,067	11,963
Paul Mitchell	Chief Finance Officer	27	26	23	23	15,209	10,101
<b>Total</b>						<b>63,596</b>	<b>54,144</b>

The IJB does not have its own pension scheme, however, details of the Northeast of Scotland Pension scheme can be found in Aberdeen City Council's accounts and details of the NHS pension scheme can be found in NHS Grampian's accounts. Both documents are available on their respective websites. The pension figures for the chief officer and chief finance officer are indicative based on last years.

### Disclosure by Pay Bands

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

Number of Employees in Band – 2022/23	Remuneration Band	Number of Employees in Band – 2023/24
1	£55,000 - £59,999	0
1	£60,000 - £64,999	0
0	£80,000 - £84,999	1
0	£110,000 - £114,999	1
0	£120,000 - £124,999	1
1	£130,000 - £134,999	0

### Exit Packages

No exit packages were paid to IJB staff during this period or the previous period.

.....  
Fiona Mitchelhill  
Chief Officer

.....  
John Cooke  
Chair



## **Annual Governance Statement**

### **Scope of Responsibility**

The Integration Joint Board (“IJB”) is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, safeguarding public funds and assets and making arrangements to secure best value in their use.

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

The IJB has a reliance on the Aberdeen City Council and NHS Grampian systems of internal control, which support compliance with both organisations’ policies and promote achievement of each organisation’s aims and objectives, as well as those of the IJB.

The result of this is a situation where assurances are required on the effectiveness of the governance arrangements from the three partners. This means that a significant failure in the internal control environment of one of the three partners may require to be disclosed in the accounts of all three partners and not just the IJB and the partner where the issue occurred.

### **The Governance Framework**

In this complex environment of circular assurances, it is important that the IJB has its own local code of corporate governance and regularly reviews performance against the governance principles included within this code. The IJB has developed an Assurance Framework in conjunction with the Good Governance Institute which provides readers with an understanding of the governance framework and the assurances that can be obtained from it.

The IJB agreed on 11 April 2017 at the Audit & Performance Systems Committee to adopt a local code of corporate governance which was built around the principles identified in the [CIPFA\SOLACE](#)<sup>1</sup> Delivering Good Governance in Local Government Framework (2016 Edition). The local code of governance is generally reviewed annually and reported to the same audit committee where the annual governance statement is approved. In 2023, the Risk, Audit and Performance Committee did not review this document, however they did review the Duties and Annual Plan for the Committee which provided sources of assurance against the Committee’s Terms of Reference, based on the CIPFA/SOLACE Framework. This code provides a list of documents\activities from an IJB, NHS Grampian and Aberdeen City Council perspective which provide assurance on the governance framework.

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<sup>1</sup> CIPFA - The Chartered Institute of Public Finance and Accountancy

SOLACE – The Society of Local Authority Chief Executives

A review is also undertaken by the Chief Finance Officer evaluating the IJB's governance environment against the governance principles detailed in the CIPFA document titled the ['The role of the chief financial officer in local government'](#).

Whilst both these documents were specifically written for local government, the governance principles can be used by other public sector organisations. Also, the IJB is defined as a local government organisation per the Local Government (Scotland) Act 1973 and Aberdeen City Council has also adopted the governance principles from the delivering good governance document in its own local code of corporate governance.

### **Seven Governance Principles of local governance framework**

Against each of the seven governance principles adopted by the IJB there are key documents, activities, policies and arrangements which help address these. For the IJB some of these documents belong to NHS Grampian and Aberdeen City Council given their operational delivery role and the fact that the staff have remained employed by the partner bodies.

The seven governance principles identified in the local code of corporate governance and recommended in the CIPFA/SOLACE Framework are identified below, along with narratives evidencing compliance with the principles.

### **Principle 1 – Behaving with integrity, demonstrating strong commitment to ethical values and representing the rule of law.**

*Integrity:* The following values of the IJB are indicated in the Strategic Plan:

- caring
- person-centred
- enabling

These values form part of the decision-making process of the IJB and are evident in the actions and decisions made by the Board. The IJB has appointed a Standards Officer who is responsible, amongst other things, for the maintaining of Registers of Interests, Registers of Gifts and Hospitality and training on the Model Code of Conduct for Members of Devolved Public Bodies.

*Ethical Values:* The IJB has agreed in principle to adopt the Unison Ethical Care Charter and has provided funding to care providers to allow the Scottish Living Wage to be paid.

*Rule of Law:* A comprehensive consultation process has been developed with officers from Aberdeen City Council and NHS Grampian to ensure that decisions and reports comply with legislation. A member of the Council's Governance Team attends the IJB to ensure that decisions taken are in line with any legislative requirements. The IJB has appointed a Chief Finance Officer to ensure that the accounts and finances are in line with the statutory accounting environment. The IJB has standing orders and an integration scheme which provide information on where decisions can be made. Two sub committees have been created and each has its own terms of reference. The

Standing Orders, Terms of Reference and roles and responsibilities are reviewed on an annual basis.

## **Principle 2 – Ensuring openness and comprehensive stakeholder engagement.**

*Openness:* The IJB is a public board where members of the public and press can attend and agendas, reports and minutes are available for public review. The IJB meetings are held under “hybrid” arrangements with members of the IJB, and officers able to either physically attend the meetings (along with members of the public and the Press) or attend via Microsoft Teams. Meetings of the IJB are recorded and these are made available to the public shortly after the meeting. The Risk, Audit & Performance Committee is also a public meeting. The IJB has its own complaints handling procedure which complies with Scottish Public Services Ombudsman’s guidance.

*Stakeholder Engagement:* The non-voting membership of the IJB is set out in the Public Bodies (Joint Working) (Integration Joint Boards) (Scotland) Order 2014. This comprises six professional members and a minimum of four stakeholder representatives for each of the following groups - staff, third sector bodies, service users and carers. The IJB agreed a budget protocol on the 7 March 2017 which sought to formalise stakeholder engagement with the partner organisations around the budget process. Care providers are very much thought of as a key part of the partnership and invited to the majority of the events the IJB hosts. The IJB has established the Aberdeen City Joint Staff Forum, which includes representation from the trade unions and the staff partnership, as a forum for workforce issues affecting social care and health staff. An engagement and consultation protocol with the trade unions was agreed at the IJB on 21 January 2020.

## **Principle 3 – Defining outcomes in terms of sustainable economic, social and environmental benefits.**

*Economic:* The IJB has agreed a Medium-Term Financial Framework which is updated annually. The transformation programme and IJB report format specifically highlight the economic impact of the decisions being taken on current and future financial years. Work has been undertaken to establish the financial and operational benefits of the major transformation projects. The partnership has adopted the lean six sigma quality improvement methodology, has trained relevant staff and has undertaken and implemented several improvement projects using this methodology. The outcomes of some of these projects are directly informing, wider transformational activity across the partnership including the redesign of staffing teams aligned to localities and are part of our conditions for change programme. A strategic planning framework has been agreed and implemented for the large hospital services. A governance structure has been implemented to support this work including a cross system transformation board which include senior officers from the Council, NHSG and the IJBs.

*Social:* The IJB’s Strategic Plan identifies outcomes and the direction of travel over the next few years. The majority of outcomes are closely linked to how social care and health services will be delivered and improved over the life of the Strategic Plan.

*Environmental:* A public bodies climate change duties report is collated and submitted annually on behalf of the IJB.

**Principle 4 – Determining the interventions necessary to optimise the achievement of intended outcomes.**

*Interventions:* A transformation programme and senior leadership team objectives have been developed which will help support the delivery of the Strategic Plan. This programme is monitored on a regular basis and information on progress is received by the IJB and the Risk, Audit and Performance Committee for scrutiny and challenge. Decisions to procure services costing over £50,000 are taken by the IJB in so far as they relate to a Direction made to the NHS or Aberdeen City Council in respect of a delegated function and each report contains a section on risk.

**Principle 5 – Developing the entity’s capacity, including the capability of its leadership and the individuals within it.**

*Entity’s Capacity:* A workforce plan has been developed for the IJB covering health and social care services. In February 2024 a new Chief Officer was appointed. The Chief Officer confirmed the continuation of the distributive flat structure model of leadership. Capacity is further developed and scrutinised by having stakeholders out with those employed by the IJB, ACC or NHS Grampian around the IJB and many of its working groups. The career ready programme and various initiatives through Developing the Young Workforce North East have been developed and established within services. Regular meetings have been held with the direct reports of the senior leadership team to promote the localities model and the senior leadership team objectives. A new senior leadership team structure has been implemented to allow Strategic Plan outcomes to be achieved.

*Leadership:* The IJB has set itself goals and has evaluated their performance against these goals. An organisational development plan has been developed and agreed which has a focus on leadership.

*Individuals:* An induction programme has been established for the IJB which complements the induction programmes of NHS Grampian and Aberdeen City Council. The annual ‘iMatter’ survey is undertaken across all services within the Partnership. The outputs from these surveys are discussed by the IJB Senior Leadership Team and any necessary improvement actions implemented. The IJB and SLT have developed a sustainable approach to board development through the creation of a 'culture sounding board' which pays attention to relationships and behaviours to ensure all voices are heard equally, enabling effective challenge and decision making at the IJB.

**Principle 6 - Managing risk and performance through robust internal control and strong public financial management.**

*Risk:* Two risk registers have been developed. The first is an IJB Strategic Risk Register and this documents the risk that the IJB may face in delivery of the Strategic Plan. The second register covers operational risks and is a summary of the

departmental operational risk registers. The Strategic Risk Register is updated frequently and reported to the Risk, Audit & Performance Committee and the IJB.

*Performance:* A performance management framework has been developed for the IJB and is reported frequently to the Risk, Audit & Performance Committee and the IJB. Performance is also monitored by bi-monthly city sector performance review meetings, where the Chief Executives and senior finance officers from NHS Grampian and Aberdeen City Council discuss performance and finance in a structured meeting with the Chief Officer and Chief Finance Officer. Performance management information is provided at a national NHS level and also contained within the statutory performance indicators reported by the Council. An annual performance report is required as defined in the legislation (Public Bodies (Joint Working) (Scotland) Act 2014) underpinning the creation of the IJB.

*Internal Controls:* The internal control environment is largely delivered by the partner organisations given their operational remit. However, internal controls are evidenced in the IJB integration scheme and financial regulations. A review of the IJB internal controls is undertaken annually by the Chief Internal Auditor and his opinion on the adequacy of the internal control environment is highlighted below.

*Financial Management:* The IJB has received quarterly reports on the financial position as indicated in the integration scheme. All IJB reports contain a financial implications section advising the IJB on the budget implications of agreeing the recommendations of the report. This section allows authors to outline mitigating actions being taken to lower the overspend as detailed in the outturn position for 2023/24. Since the outturn position for 2023/24 additional fortnightly meetings have been put in place between the CFO and budget holders to provide robust oversight of budget performance on a more frequent basis. In addition for 2025/26 budget setting onwards we are introducing a new Budget Protocol which formalises the process and outlines key commitments in relation to the Audit Scotland Report on IJB's Finance and Performance published 25<sup>th</sup> July 2024. These commitments relate to engagement with partners and communities, an early focus on the identification of savings, ensuring Integrated impact Assessments are undertaken, and structured and regular reporting of progress to the IJB.

## **Principle 7 – Implementing good practices in transparency, reporting, and audit to deliver effective accountability.**

*Transparency:* Recordings of the IJB meetings were made available to the public after the meeting was held due to COVID restrictions and the agendas, reports and minutes are available for the public to inspect. The Risk, Audit & Performance committee is also a public meeting. The IJB has developed a publication scheme as required under the Freedom of Information (Scotland) Act 2002.

*Reporting:* The annual accounts management commentary section will have a focus on both financial and service performance over the last financial year. A review has been undertaken of the role of the North East Partnership which has strengthened governance arrangements for hosted and large hospital services.

*Audit:* The 2022/23 accounts received an unqualified audit opinion. The Risk, Audit & Performance Committee has received an internal audit plan from the Chief Internal Auditor and internal audit reports over the last financial year.

## **Review of Effectiveness**

The IJB has responsibility for conducting, at least annually, a review of the effectiveness of the governance arrangements, including the system of internal control. The review is informed by the work of the IJB Senior Leadership Team (who have responsibility for the development and maintenance of the internal control framework environment), the work of the internal auditor and the Chief Internal Auditor's annual report; and reports from the external auditor and other review agencies and inspectorates.

Aberdeen City Council's Chief Internal Auditor provides Internal Audit services to the IJB. The Chief Internal Auditor's annual opinion on the effectiveness of the IJB's governance framework for 2023/24 was reported to the Risk, Audit and Performance Committee on 4 June 2024

The report outlined Internal Audit's views on the assurance that the IJB received in relation to governance, risk management and control, covering the periods 1 April 2023 to 31 March 2024. The overall Chief Internal Auditor's opinion was "In my opinion the Board had an adequate and effective framework for governance, risk management and control covering the period 1 April 2023 to 31 March 2024".

The governance framework was reviewed by the IJB Senior Leadership Team against the governance principles identified in the CIPFA Role of the Chief Finance Officer Framework.

The local code of corporate governance was agreed by the Audit & Performance Systems Committee on 11 April 2017 and progress against the seven principles is detailed above.

## **Action Plans**

In 2022/23, the Internal Auditor issued a report on the Adults with Incapacity audit which noted areas of major concern. Management convened a short life working group to address all the issues raised. This group met regularly and have rectified all but one of the recommendations (as at April 2024) with the remaining recommendation due for implementation in May 2024.

One of the 2023/24 internal audits "Social Care Financial Assessments" is due to be considered by Aberdeen City Council's Audit, Risk and Scrutiny Committee on the 28<sup>th</sup> of November, 2024 (originally planned to go to the September Committee meeting but the meeting was postponed) and then will be considered at the IJB's Risk, Audit and Performance Committee on the 3<sup>rd</sup> of December, 2024. Officers are working through the recommendations and liaising with colleagues in Internal Audit.

As at the 31 March 2024, 29 audit recommendations were open, 26 due in the future (either as the original planned date of implementation or through an agreed extension).

Internal Audit records indicate there were 34 recommendations made in 2023/24, with 24 being closed during the year. The Senior Leadership Team continue to work closely with colleagues in Internal Audit to close off recommendations by the agreed due date.

The following table sets out priority governance actions identified in respect of financial year 2023/24. These will be completed in 2024/25

<b>Actions</b>	<b>Responsibility</b>	<b>Target completion date</b>
Budget monitoring and increased scrutiny of financial information, delivering savings and achieving financial balance	Senior Leadership Team	March 2025
Review of Local Code of Governance	Chief Operating Officer	July 2025 (annual review-last reviewed in July 2024)
Social Care financial assessments	Chief Officer-Social Work Adults	December 2024

In addition, the review of the effectiveness of the governance arrangements and systems of internal control within Aberdeen City Council and NHS Grampian places reliance upon the individual bodies' management assurances in relation to the soundness of their systems of internal control and that they have embedded standards for countering fraud and corruption.

Accordingly, the following notes support the reliance that is placed upon those systems:

### **Aberdeen City Council's governance framework**

The link to Aberdeen city Council's Governance Framework can be found from page 25 onwards on the following [Link](#).

Aberdeen City Council's governance framework Aberdeen City Council's governance framework comprises the systems and processes, culture and values by which the Council is directed and controlled, and the activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its outcomes given the crucial role of governance, performance management and risk management in improving stewardship and how we do business. Reviewing our governance activity enables us to consider whether those objectives have led to the delivery of appropriate, cost effective services to the citizens of Aberdeen.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives, or comply with controls, and can therefore only provide

reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of the Council's outcomes;
- evaluate the likelihood of those risks being realised and the impact should they be realised; and
- to manage those risks efficiently, effectively and economically.

The Audit, Risk & Scrutiny Committee has a key role in this, and an annual report of its activities and effectiveness will be considered by the committee and referred to Council for its consideration. This demonstrates improved transparency, understanding and challenge of the activity and outcomes from the Audit, Risk & Scrutiny Committee.

The Council has an approved Local Code of Corporate Governance which sets out their commitment to the seven principles recommended in the CIPFA / SOLACE Framework 2016, by citing the primary sources of assurance which demonstrate the effectiveness of the systems of internal control.

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

Principle B: Ensuring openness and comprehensive stakeholder engagement

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

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

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

Principle F: Managing risk and performance through robust internal control and strong public financial management

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

In summary the Council undertakes an annual self-evaluation of its Local Code of Corporate Governance. This demonstrates that reasonable assurance can be placed upon the adequacy and effectiveness of Aberdeen City Council and its systems of governance.

### **NHS Grampian governance framework**

NHS Grampian is required to operate within the aspects of the Scottish Public Finance Manual (SPFM) which are set out within the guidance issued to Chief Executives and more generally to all Board members by the Scottish Government Health and Social Care Directorates as being applicable to NHS Boards. The SPFM is issued by Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. The SPFM sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for efficiency, effectiveness and economy, and promotes good practice and high standards of propriety.



As Accountable Officer, the Chief Executive is responsible for maintaining an adequate and effective system of internal control that identifies, prioritises and manages the principal risks facing the organisation, promotes achievement of the organisation's aims and objectives and supports compliance with the organisation's policies and safeguarding public funds.

The Board continually monitors and reviews the effectiveness of the system of internal control with a specific focus on the delivery of safe and effective patient care, achievement of national and local targets and demonstrating best value and the efficient use of resources.

Key elements of the system of internal control include:

- A Board which meets regularly to discharge its governance responsibilities, set the strategic direction for the organisation and approve decisions in line with the Scheme of Delegation. The Board comprises the Executive Directors and Non-Executive members. The Board activity is open to public scrutiny with minutes of meetings publicly available;
- Scheme of Delegation, Standing Orders and Standing Financial Instructions approved by the Board are subject to regular review to assess whether they are relevant and fully reflective of both best practice and mandatory requirements;
- Mature and organisation wide risk management arrangements built on localised risk registers and processes which ensure, as appropriate, escalation of significant instances of non-compliance with applicable laws and regulations that exceed our risk appetite;
- Dedicated full-time members of staff for key statutory compliance functions including Information Governance, Health and Safety, fire and asbestos, tasked with ensuring they are up to date with all relevant legislation and are responsible for co-ordinating management action in these areas;
- A focus on best value and commitment to ensuring that resources are used efficiently, effectively and economically taking into consideration equal opportunities and sustainable development requirements;
- Each key governance committee is supported by a designated lead Executive Director who has the delegated management accountability for statutory and regulatory matters;
- Regular review of financial performance, risk management arrangements and non-financial performance against key service measures and standards by the Performance, Assurance, Finance and Infrastructure Committee;
- Regular review of service quality against recognised professional clinical standards by the Clinical Governance Committee;

- Regular review of workforce arrangements and implementation of the NHS Scotland Staff Governance standard by the Staff Governance Committee;
- An active joint management and staff partnership forum (Grampian Area Partnership Forum) with staff side representation embedded in all key management teams and a dedicated full-time Employee Director who is a member of the Board;
- Regular review of priorities for infrastructure investment and progress against the agreed Asset Management Plan by an Asset Management Group chaired by a Board Executive Director and including management representatives from all operational sectors and representation from the clinical advisory structure;
- Clear allocation of responsibilities to ensure we review and develop our organisational arrangements and services in line with national standards and guidance including consultation with all stakeholders on service change proposals to inform decision making;
- Promotion of effective cross-sector governance arrangements through participation by the IJB Board members and the Chief Executives of each of the partner organisations in the regular meetings between the Chief Executives of all Public Sector organisations in Grampian and performance review meetings with each IJB Chief Officer to further develop and drive improvement through integrated service delivery;
- A patient feedback service to record and investigate complaints and policies to protect employees who raise concerns in relation to suspected wrongdoing such as clinical malpractice, fraud and health and safety breaches; and
- Separate governance arrangements for the NHS Grampian Charity including a Chair of the Trustees elected from within the body of the Trustees, an annual general meeting of all Trustees to agree all policy matters and an NHS Grampian Charity sub-committee with delegated authority to manage the day to day operational matters of the charity.

Based on the evidence considered during the review of the effectiveness of the internal control environment NHS Grampian has confirmed that there are no known outstanding significant control weaknesses or other failures to achieve the standards set out in the guidance on governance, risk management and control.

### **Certification:**

Subject to the above, and on the basis of assurances provided, we consider that the internal control environment operating during the reporting period provides reasonable and objective assurance that any significant risks impacting upon the achievement of our principal objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the internal control

environment and action plans are in place to identify areas for improvement. It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Aberdeen City Integration Joint Board's systems of governance.

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Fiona Mitchelhill  
Chief Officer

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John Cooke  
Chair

## Comprehensive Income and Expenditure Statement

This statement shows the cost of providing services for the year according to accepted accounting practices.

2022/23				2023/24		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£	£	£		£	£	£
40,236,645	0	40,236,645	Community Health Services	46,116,494	0	46,116,494
29,125,768	0	29,125,768	Aberdeen City share of Hosted Services (health)	31,323,029	0	31,323,029
40,665,018	0	40,665,018	Learning Disabilities	45,015,163	0	45,015,163
24,964,561	0	24,964,561	Mental Health & Addictions	26,985,068	0	26,985,068
97,907,284	0	97,907,284	Older People & Physical and Sensory Disabilities	107,204,489	0	107,204,489
1,889,544	0	1,889,544	Head office/Admin	2,373,496	0	2,373,496
10,012,029	0	10,012,029	Covid	0	0	0
5,119,400	(4,958,384)	161,016	Criminal Justice	5,262,277	(5,114,956)	147,321
2,139,020	0	2,139,020	Aids, Adaptations & PSHG	2,257,873	0	2,257,873
42,928,059	0	42,928,059	Primary Care Prescribing	46,349,194	0	46,349,194
41,544,380	0	41,544,380	Primary Care	45,094,568	0	45,094,568
2,514,611	0	2,514,611	Out of Area Treatments	2,502,936	0	2,502,936
52,719,000	0	52,719,000	Set Aside Services	55,550,000	0	55,550,000
0	0	0	City Vaccinations	3,058,242	0	3,058,242
12,144,018	0	12,144,018	Transformation	15,254,159	0	15,254,159
<b>403,909,337</b>	<b>(4,958,384)</b>	<b>398,950,953</b>	<b>Cost of Services</b>	<b>434,346,988</b>	<b>(5,114,956)</b>	<b>429,232,032</b>
0	(374,704,802)	(374,704,802)	Taxation and Non-Specific Grant Income (Note 7)	0	(411,921,018)	(411,921,018)
<b>403,909,337</b>	<b>(379,663,186)</b>	<b>24,246,151</b>	<b>(Surplus) or Deficit on Provision of Services</b>	<b>434,346,988</b>	<b>(417,035,974)</b>	<b>17,311,014</b>
		<b>24,246,151</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>17,311,014</b>

There are no statutory or presentation adjustments which affect the IJB's application of the funding received from partners. The movement in the General Fund balance is therefore solely due to the transactions shown in the Comprehensive Income and Expenditure Statement. Consequently, an Expenditure and Funding Analysis is not provided in these annual accounts.

### Movement in Reserves Statement

This statement shows the movement in the year on the IJB's reserves. The movements which arise due to statutory adjustments which affect the General Fund balance are separately identified from the movements due to accounting practices.

<b>Movements in Reserves During 2023/24</b>	<b>General Fund Balance</b>	<b>Total Reserves</b>
	£	£
<b>Opening Balance at 31 March 2023</b>	<b>(27,145,850)</b>	<b>(27,145,850)</b>
Total Comprehensive Income and Expenditure	17,311,014	17,311,014
Adjustments between accounting basis and funding basis under regulation	-	-
<b>(Increase) or Decrease in 2023/24</b>	<b>17,311,014</b>	<b>17,311,014</b>
<b>Closing Balance at 31 March 2024</b>	<b>(9,834,836)</b>	<b>(9,834,836)</b>
<hr/>		
<b>Movements in Reserves During 2022/23</b>	<b>General Fund Balance</b>	<b>Total Reserves</b>
	£	£
<b>Opening Balance at 31 March 2022</b>	<b>(51,392,001)</b>	<b>(51,392,001)</b>
Total Comprehensive Income and Expenditure	24,246,151	24,246,151
Adjustments between accounting basis and funding basis under regulation	-	-
<b>(Increase) or Decrease in 2022/23</b>	<b>24,246,151</b>	<b>24,246,151</b>
<b>Closing Balance at 31 March 2023</b>	<b>(27,145,850)</b>	<b>(27,145,850)</b>
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## Balance Sheet

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

<b>31 March 2023</b>		<b>Notes</b>	<b>31 March 2024</b>
£			£
27,145,850	Short term Debtors	(7)	9,834,836
<u>27,145,850</u>	<b>Current Assets</b>		<u>9,834,836</u>
<u>27,145,850</u>	<b>Net Assets</b>		<u>9,834,836</u>
	Usable Reserve:		
(27,145,850)	General Fund	(8)	(9,834,836)
-	- Unusable Reserve:		-
<u>(27,145,850)</u>	<b>Total Reserves</b>		<u>(9,834,836)</u>

The unaudited accounts were issued on 4 June 2024 and the audited accounts were authorised for issue on 19 November 2024.

**Alex Stephen**  
Interim Chief Finance Officer

## **Notes to the Financial Statements**

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

#### **General Principles**

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

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

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

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

#### **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 primarily funded through funding contributions from the statutory funding partners, Aberdeen City Council and NHS Grampian. Expenditure is incurred as the IJB commissions specified health and social care services from the funding partners for the benefit of service recipients in Aberdeen City.

#### **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 or a cashflow statement.

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

### Employee Benefits

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

The IJB has a legal responsibility to appoint a Chief Officer. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs. Where material the Chief Officer's absence entitlement as at 31 March is accrued, for example in relation to annual leave earned but not yet taken. In the case of Aberdeen City IJB any annual leave earned but not yet taken is not considered to be material.

### Reserves

The IJB is permitted to set aside specific amounts as reserves for future policy purposes. Reserves are generally held to do three things:

- create a working balance to help cushion the impact of uneven cash flows – this forms part of general reserves;
- create a risk fund to cushion the impact of unexpected events or emergencies; and
- create a means of building up funds, often referred to as earmarked reserves, to meet known or predicted liabilities.

The balance of the reserves normally comprises:

- funds that are earmarked or 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.

Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged against the appropriate line in the Income and Expenditure Statement in that year to score against the Surplus/Deficit on the Provision of Services. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement.

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.



## Indemnity Insurance

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

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.

## Support Services

Corporate support services (finance, legal and strategy) are provided by Aberdeen City Council and NHS Grampian at no cost to the IJB and it is not possible to separately identify these costs. To the extent that delegated services include an element of overheads and support services costs, these will be included within the appropriate line within the Income and Expenditure statement.

## **2. Accounting Standards that have been Issued but have not yet been Adopted**

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted and could have a material impact on the accounts. This applies to new or amended standards within the 2023/24 Code.

There are no new or amended Accounting Standards issued but not yet adopted that will have a material impact on the 2023/24 Annual Accounts.

## **3. Critical Judgements and Estimation Uncertainty**

The Financial Statements include some estimated figures. Estimates are made taking into account the best available information, however actual results could be materially different from the assumptions and estimates used. The key items in this respect are listed below.

### Provisions

No financial provision for any future events has been made by the IJB in this accounting period.

#### **4. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors**

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the IJB's financial position or financial performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

#### **5. Events after the Balance Sheet Date**

The unaudited Annual Accounts were authorised for issue by the Chief Finance Officer on 4 June 2024. 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 2024, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

## 6. Expenditure and Income Analysis by Nature

2022/23		2023/24
£		£
170,597,645	Services commissioned from Aberdeen City Council	176,471,867
233,280,222	Services commissioned from NHS Grampian	257,830,741
31,470	Auditor Fee: External Audit *	44,380
(4,958,384)	Service Income: Aberdeen City Council	(5,114,956)
(374,704,802)	Partners Funding Contributions and Non-Specific Grant Income	(411,921,018)
<b>24,246,151</b>	<b>(Surplus) or Deficit on the Provision of Services</b>	<b>17,311,014</b>

\*Audit fees in respect of the 2023/24 audit are £33,360

## 7. Taxation and Non-Specific Grant Income

2022/23		2023/24
£		£
(118,777,887)	Funding Contribution from Aberdeen City Council	(123,740,740)
(255,926,915)	Funding Contribution from NHS Grampian	(288,180,278)
<b>(374,704,802)</b>	<b>Taxation and Non-specific Grant Income</b>	<b>(411,921,018)</b>

The funding contribution from the NHS Board shown above includes £55 million in respect of 'set-aside' resources relating to acute hospital and other resources. These are provided by the NHS, which retains responsibility for managing the costs of providing the services. The IJB, however, has responsibility for the consumption of, and level of demand placed on, these resources.

The funding contributions from the partners shown above exclude any funding which is ring-fenced for the provision of specific services, such as that provided for Criminal Justice. Such ring-fenced funding is presented as income in the Cost of Services in the Comprehensive Income and Expenditure Statement.

## 8. Debtors

31 Mar 23		31 Mar 24
£		£
17,210,600	NHS Grampian	9,690,763
9,935,250	Aberdeen City Council	144,073
<b>27,145,850</b>	<b>Debtors</b>	<b>9,834,836</b>

Amounts owed by the funding partners are stated on a net basis. Creditor balances relating to expenditure obligations incurred by the funding partners but not yet settled in cash terms are offset against the funds they are holding on behalf of the IJB.

## 9. Usable Reserve: General Fund

The IJB holds a balance on the General Fund for two main purposes:

- To earmark, or build up, funds which are to be used for specific purposes in the future, such as known or predicted future expenditure needs. This supports strategic financial management.
- To provide a risk fund to cushion the impact of unexpected events or emergencies. This is regarded as a key part of the IJB's risk management framework.

The table below shows the movements on the General Fund balance, analysed between those elements earmarked for specific planned future expenditure, and the amount held as a risk fund.

2022/23				2023/24			
Balance at 1 April 2022	Transfers In	Transfers Out	Balance at 31 March 2023		Transfers In	Transfers Out	Balance at 31 March 2024
£	£	£	£		£	£	£
(19,740,496)	-	19,740,496	-	Covid	-	-	-
(1,791,181)	-	91,078	(1,700,103)	Earmarked External Funding	-	665,808	(1,034,295)
(876,523)	-	-	(876,523)	Community Living Change	-	876,523	-
	(1,668,982)	-	(1,668,982)	Primary Care		1,668,982	-
(4,259,000)	-	3,892,288	(366,712)	PCIP*	-	366,493	(219)
(993,000)	-	993,000	-	Action 15	(5,396)	-	(5,396)
(1,052,874)	-	115,230	(937,644)	MH Recovery and Renewal	-	107,828	(829,817)
(2,286,227)	-	1,355,061	(931,166)	ADP*	(237,293)	-	(1,168,459)
(17,892,700)	(1,128,794)	856,774	(18,164,720)	Integration and Change	-	13,868,069	(4,296,650)
(48,892,001)	(2,797,776)	27,043,927	(24,645,850)	Total Earmarked	(242,689)	17,553,703	(7,334,836)
(2,500,000)	-	-	(2,500,000)	Risk Fund	-	-	(2,500,000)
<b>(51,392,001)</b>	<b>(2,797,776)</b>	<b>27,043,927</b>	<b>(27,145,850)</b>	<b>General Fund</b>	<b>(242,689)</b>	<b>17,553,703</b>	<b>(9,834,836)</b>

## 10. Agency Income and Expenditure

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

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

2022/23		2023/24
£		£
1,615,721	Expenditure on Agency Services	1,901,192
(1,615,721)	Reimbursement for Agency Services	(1,901,192)
<b>- Net Agency Expenditure excluded from the CIES</b>		<b>-</b>

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

<b>2022/23</b> £		<b>2023/24</b> £
8,458,027	Expenditure on Agency Services	8,853,575
(8,458,027)	Reimbursement for Agency Services	(8,853,575)
<b>- Net Agency Expenditure excluded from the CIES</b>		<b>-</b>

## **11. Related Party Transactions**

The IJB has related party relationships with the NHS Grampian, Aberdeen City Council and Bon Accord Care/Bon Accord Support Services. The nature of these relationships means that the IJB may influence, and be influenced by, these parties. The following transactions and balances included in the IJB's accounts are presented to provide additional information on the relationships.

### NHS Grampian

<b>2022/23</b> £		<b>2023/24</b> £
(255,926,915)	Funding Contributions received from the NHS Board*	(288,180,278)
	- Service Income received from the NHS Board	-
233,056,917	Expenditure on Services Provided by the NHS Board	257,616,814
223,305	Key Management Personnel: Non-Voting Board Members	213,927
<b>(22,646,693) Net Transactions with the NHS Grampian</b>		<b>(30,349,537)</b>

Key Management Personnel: The non-voting Board members employed by the NHS Board and recharged to the IJB include the Chief Officer and the Clinical Director. Details of the remuneration for some specific post-holders is provided in the Remuneration Report.

\*Includes resource transfer income of £37.9 million.

### Balances with NHS Grampian

<b>31-Mar-23</b>		<b>31-Mar-24</b>
£		£
17,210,600	Debtor balances: Amounts due from the NHS Board	9,690,763
-	- Creditor balances: Amounts due to the NHS Board	-
<b>17,210,600</b>	<b>Net Balance with the NHS Grampian</b>	<b>9,690,763</b>

### Transactions with Aberdeen City Council

<b>2022/23</b>		<b>2023/24</b>
£		£
(118,777,887)	Funding Contributions received from the Council	(123,740,740)
(4,958,384)	Service Income received from the Council	(5,114,956)
170,512,015	Expenditure on Services Provided by the Council	176,405,173
117,100	Key Management Personnel: Non-Voting Board Members	111,074
<b>46,892,844</b>	<b>Net Transactions with Aberdeen City Council</b>	<b>47,660,551</b>

Key Management Personnel: The non-voting Board members employed by the Council and recharged to the IJB include the Chief Financial Officer. Details of the remuneration for some specific post-holders is provided in the Remuneration Report. The Chief Social Work Officer is a non-voting member of the IJB and the costs associated with this post are borne by the Council.

<b>31-Mar-23</b>		<b>31-Mar-24</b>
£		£
9,935,250	Debtor balances: Amounts due from the Council	144,073
-	- Creditor balances: Amounts due to the Council	-
<b>9,935,250</b>	<b>Net Balance with the Aberdeen City Council</b>	<b>144,073</b>

### Transactions with Bon Accord Care (BAC) and Bon Accord Support Services (BASS)

Bon Accord Care Limited and Bon Accord Support Services Limited are private companies limited by shares which are 100% owned by Aberdeen City Council. Bon Accord Care provides regulated (by the Care Inspectorate) care services to Bon

Accord Support Services which in turn delivers both regulated and unregulated adult social care services to the Council.

<b>31-Mar-23</b>		<b>31-Mar-24</b>
£		£
(1,009,657)	Service Income received from the Council	(436,510)
37,825,558	Expenditure on Services Provided by the Council	34,636,540
<hr/> <b>36,815,901 Net Transactions with BAC/BASS</b>		<hr/> <b>34,200,030</b>

## **12. VAT**

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



