



# **Fife Health & Social Care Partnership**

## **Fife Integration Joint Board Draft Annual Accounts**

**For the Financial Year to 31 March 2025**

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# MANAGEMENT COMMENTARY

## Introduction

Welcome to the financial statements for Fife Integration Joint Board (IJB) for the year ended 31 March 2025. The statements have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). This commentary highlights the key messages regarding the IJB's performance during the 2024-25 financial year and provides insights into potential risks and issues that may affect the IJB in the future.

## Our Plans for the Future: Principal Risks and Uncertainties

The level of funding that the IJB will receive from the Scottish Government for its core activities is likely to decrease in real terms due to existing commitments and national financial challenges. The legacy of higher inflation continues to exacerbate these challenges, as any increase in costs will need to be managed internally within the IJB. To address this, the IJB approved the Medium-Term Financial Strategy in March. This strategy, along with the budget assumptions from March 2025, will be updated based on all available intelligence, and an updated budget gap will be reported to the Board towards the end of 2025. This will undoubtedly influence the level of future changes being planned.

Economic circumstances over the past few years have created a level of uncertainty. Inflationary pressures, increasing demand for services, and constrained funding from the Scottish Government could amplify the financial challenges faced by the IJB. Despite strong financial management, including a Medium-Term Financial Strategy and a financial Risk Register to support future budget decisions, the largest financial risk is likely to be the funding envelope received from Partners, who also face financial pressures. Other pressures facing the IJB include achieving savings, strategic growth, and the lack of reserves. Moving forward, the IJB will need to consider all options to reconfigure services and potentially use alternative operating models to provide services in a more cost-effective way, ensuring best value.

## Role and Remit

Fife IJB was established as a body corporate by order of Scottish Ministers in October 2015 under the Public Bodies (Joint Working) (Scotland) Act 2014. Fife IJB is responsible for the planning and operational oversight of a range of integrated services of Fife Council and Fife NHS, striving to fulfil the vision to enable the people of Fife to live independent and healthier lives.

The IJB is the decision-making body that meets regularly to discuss, plan, and agree how health and social care services are delivered in Fife. It oversees the development and preparation of the Strategic Plan for services delegated to it, allocates resources in accordance with the plan, and ensures that national and local Health and Wellbeing Outcomes are met. Fife Health and Social Care Partnership (HSCP) is directed to deliver services based on decisions made by the IJB. These directions govern the delivery by outlining what the partners are required to do, the budget allocated, and how the delivery will be monitored. The scope of services delegated to the IJB is detailed in the Integration Scheme.

## Purpose and Objectives

The primary purpose of integration is to enhance the wellbeing of individuals who use health and social care services, especially those with complex needs. The Integration Scheme aims to achieve the National Health and Wellbeing Outcomes established by the Scottish Ministers. Fife Council and NHS Fife are committed to working collaboratively to meet these aims and outcomes. The 9 National Outcomes are:



We are responsible for planning the future direction of, and overseeing the operational delivery of, integrated health and social care services for the people of Fife. These services are delegated to Fife IJB by NHS Fife and Fife Council and are primarily delivered by Fife HSCP, in collaboration with our partners in the Third and Independent Sector. The services are structured to foster a collaborative, systems approach to service design and delivery, encompassing operational delivery, professional standards, and business enabling and support services.



These services are provided in a way which, so far as possible:

- Is integrated from the point of view of service users.
- Considers the needs of service users in different parts of Fife and their unique characteristics and circumstances.
- Respects the rights of service users.
- Maintains the dignity of service users.
- Encourages participation by service users in their communities.
- Protects and enhances the safety of service users.
- Improves service quality and is planned and led locally with community engagement, including service users, caregivers, and health and social care providers.
- Anticipates and prevents needs from arising.
- Optimises the use of available facilities, people, and other resources

Understanding the impact of the National Care Service (NCS) on future models of care and the associated cost implications is crucial. The National Care Service Bill, published in June 2022, will make Scottish Ministers accountable for adult social care in Scotland, with services designed and delivered locally. In June 2024, an update to Stage 2 of the National Care Service Bill with draft amendments was issued for engagement and scrutiny. A deadline for formally lodging the final version of the amendments has yet to be set. The Stage 2 amendments are expected to substantially decrease the costs associated with implementing the NCS Bill.

#### Main Changes in the Amended Stage 2 of the Bill

- **Creation of a National Care Service Board (NCSB):** The NCSB is intended to provide national oversight and improvement of social work services, social care support, and community health services within the scope of the National Care Service. It will prioritise actions that make the most difference to outcomes for people, including clear and consistent national standards, performance metrics, and accountability for delivery.
- **Greater Consistency in Local Planning and Delivery:** Reformed integration authorities, rather than Care Boards, will support the implementation of NCS priorities by building on existing structures and good practices.

Further work remains on direct funding, inclusion of Children's Services, inclusion of Justice Social Work, and Anne's Law.

### **Strategic Plan**

The IJB sets out its vision and future direction for Fife's health and social care services in the Strategic Plan for Fife (2023 to 2026). This plan outlines how the nine National Health and Wellbeing Outcomes for Health and Social Care will be delivered locally, along with the six Public Health Priorities for Scotland. The IJB's long-term vision is to enable the people of Fife to live independent and healthier lives.

The Strategic Plan has five strategic priorities:



These priorities provide a framework for all the work we do to support people and communities across Fife. This includes collaborations with other health and social care providers, particularly our partners in the third and independent sectors, and the many thousands of carers who work hard to make a difference every single day.

The Strategic Plan is supported by annual delivery plans which provide a framework for the programme of work that is planned and delivered each year. The delivery plans are monitored regularly, and an annual update on progress is provided to the IJB every March.

Our Year Two Annual Report, approved by the IJB in March 2025, includes an overview of our performance towards the implementation of the Strategic Plan and an update on all 77 actions planned for 2024. Overall, the Partnership is making good progress in challenging times and is on track to implement the strategic priorities within expected timescales. Significant changes, both nationally and locally, particularly financial pressures and workforce availability, have led to some activities evolving to address new requirements or being replaced with more effective alternatives.

These are some of our key achievements over the last year:

- **Take Home Naloxone Programme:** The programme remains on track with over 50 training sessions conducted within Fife localities. The Harm Reduction Worker in Fife has trained 671 people in overdose awareness between April 2024 and January 2025.
- **Fife Distress Brief Intervention (DBI) Service:** Launched in December 2023 and delivered by Scottish Action for Mental Health (SAMH), the service has been rolled out across Fife, with suicide data informing prioritization of pathways. Outcome data shows high levels of engagement and a significant increase in access to DBI.
- **Postgraduate Teaching Programme for Consultant Psychiatrists:** Supported by the Deanery for Doctors, this programme now includes robust supervision arrangements to enhance recruitment and sustain retention levels.
- **Child-Friendly Complaints Process:** Actions have been identified to develop a partnership approach to creating a child-friendly complaints process and governance processes for Children's Rights Impact Assessments.

- ScotCOM Undergraduate Medical Program: Developed in partnership with NHS Fife and St Andrews University, the program is now complete and will go live in January 2026.
- Fife's Care at Home Collaborative: Continues to develop and mature, with high attendance and active engagement at meetings. The annual workplan evolves to address key themes and priorities for care at home providers in Fife.
- One Stop Shops for Substance Use: Continued operations in Levenmouth, Kirkcaldy, and Cowdenbeath localities, with a new group established for women in Methil, regularly attended by 25 women per week.

The Strategic Plan for Fife (2023 to 2026), the Delivery Plans and the Annual Reports are all available on our website here: [www.fifehealthandsocialcare.org/about-us/publications/](http://www.fifehealthandsocialcare.org/about-us/publications/).

## **Operational Performance 2024-25**

During 2024–25, demand for our services remained high, placing considerable pressure on both our systems and finances. To meet the health and social care needs of the most vulnerable in our communities, we must maximise the impact of our limited budgets and resources. This requires redesigning services and adopting innovative, more efficient approaches.

Robust financial management remains a top priority. We have enhanced our decision-making capabilities through new dashboards that track key metrics such as care bed usage, hours of care delivered at home, discharge waiting times, and budget volatility. These tools provide real-time insights and will guide future planning and resource allocation.

We are also exploring ways to improve efficiency by streamlining systems and processes. This includes better coordination across services and the development of alternative delivery models that maintain quality while reducing costs.

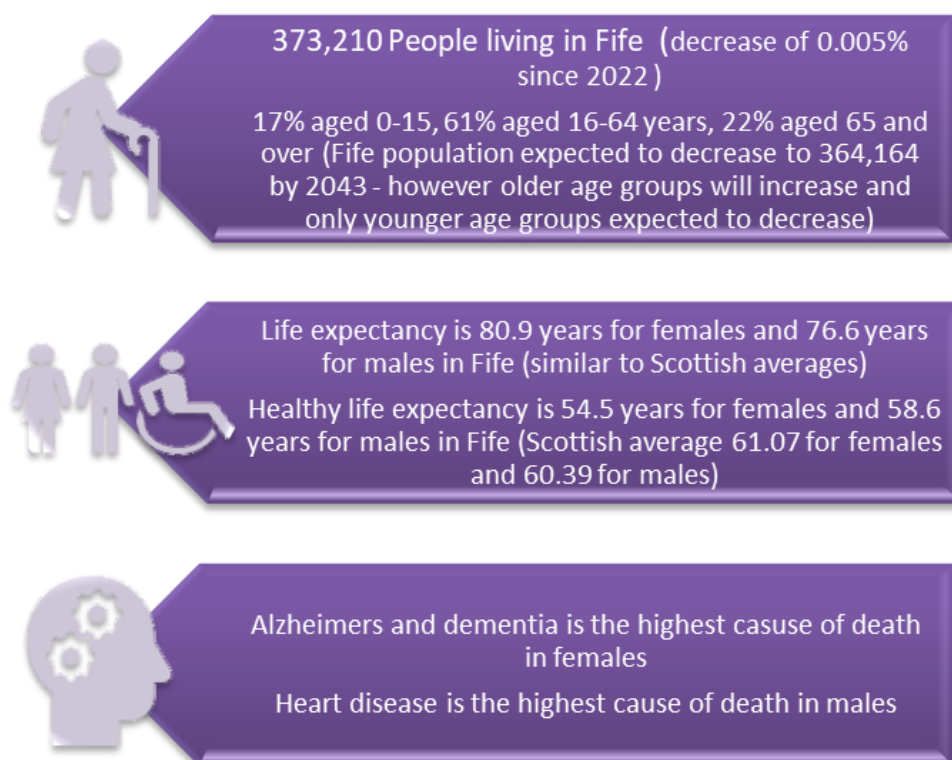
In the final quarter of the year, we introduced regular meetings to scrutinise the delivery of savings. Senior leaders and responsible officers now meet weekly to review progress on savings targets and are held accountable for outcomes. These meetings have already shown positive results.

Throughout 2024–25, the Chief Officer met regularly with the Chief Executives of NHS Fife and Fife Council. These meetings have strengthened whole-system collaboration and ensured joint ownership of key decisions. In addition, close engagement with the Medical Director, Nurse Director, and Chief Social Worker has supported strong clinical and care governance.

Although Fife's population grew over the past year, projections indicate an overall decline by 2043. However, the number of older residents is expected to rise significantly, which will likely increase demand for our services. Preparing for this demographic shift is essential to ensure long-term sustainability.



We aim to deliver integrated care through greater co-production and multi-agency collaboration, transforming how people think about their health and wellbeing. By focusing on prevention, early intervention, and supported self-management, we can help individuals avoid or reduce the impact of certain health conditions and enjoy better health for longer.



## Our Workforce

Driving Excellence - Our ambition is to become one of the best performing Health and Social Care Partnerships in Scotland by 2025. This commitment is reflected in our iMatter survey results, which consistently exceed national averages and have returned to—or surpassed—pre-COVID levels. iMatter, a national survey across NHS Boards and Health and Social Care Partnerships, captures valuable insights into the employee experience and helps shape our organisational culture.

The HSCP Workforce Strategy & Plan 2022–2025 outlines key strategic actions to strengthen our workforce. These include:

- Enhancing access to funding pipelines to support workforce, strategic, and financial planning
- Implementing a Care Academy model in partnership with Fife College, offering a coordinated approach to workforce development and access to sector-specific funding opportunities

Legislative Compliance: Health and Care Staffing Act - In preparation for the implementation of the Health and Care (Staffing) (Scotland) Act 2019, the HSCP completed a comprehensive self-assessment. This ensures readiness for compliance by the statutory deadline of 30 June 2025, reinforcing our commitment to safe and effective staffing.



Fife HSCP continues to advance its Equality, Diversity, and Inclusion (EDI) agenda, guided by the EDI Action Plan 2024–2027.

Our Wellbeing Action Plan 2024-25 was developed in partnership with the Wellbeing Group, employer partners, and third sector leads. It includes practical support such as Mentally Healthy Workplace Training, delivered to over 150 managers and supervisors across the HSCP. This initiative underscores our commitment to fostering a supportive and resilient workforce.

## Key Performance Indicators

Performance relating to Fife HSCP includes both national and local performance measures, as well as targets. Many of these measures are regularly included and referenced in reports submitted to the IJB Committee and NHS Fife. Our performance is reported in our Annual Performance Report and quarterly performance reports to the IJB.

The Ministerial Strategic Group for Health and Community Care (MSG), in consultation with Integration Authorities and a wide range of stakeholders, has developed a core set of indicators to enable comparability between partnerships within Scotland. There are 23 indicators in total:

- Health and Care Experience Survey: The first 9 indicators are based on this survey, which is completed every 2 years.
- Rolling Annual Review: 10 indicators are reviewed on a rolling annual basis and cover health activity, community, and deaths information.
- Unavailable Data: The remaining 4 indicators cannot be reported as national data is not available or there is not yet an agreed national definition.

Within the 10 indicators reviewed annually that fall within health activity, there are 6 national Ministerial Strategic Group (MSG) indicators, 4 of these can be reviewed quarterly.

MSG 1a - Emergency admissions took a significant dip during the pandemic however other than a bit of seasonal variation; Emergency Admissions have been continually rising and have surpassed pre-pandemic levels. The comparison year on year from June 2022 to June 2024 highlights a 7.35% increase. This trend is mixed across Scotland with the rate per 100,000 Fife ranked in 7<sup>th</sup> of the highest percentage well above Scotland as a whole.





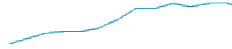

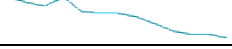
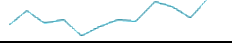

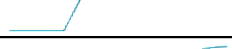
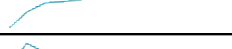

MSG 2a - Unplanned bed days in an acute hospital setting did follow a similar trend of continual increase until the end of 2022. Unscheduled hospital stays in January 2023 dropped slightly and have maintained an average of 22,041 with only seasonal variation causing fluctuations. From March 2022 to March 2024 there has been a 3% increase overall. Once again, the trend is mixed across Scotland with Fife ranking 12<sup>th</sup> highest, well above the Scotland increase of 0.62%

MSG 3a - Accident and Emergency attendances have increased continually year on year since the pandemic and are now back to pre-pandemic levels. The comparison from September 2022 to September 2024 shows a 5.76% increase. Once again, the trend across Scotland is mixed with Fife rate per 100,000 ranked 7<sup>th</sup> highest and over 5% above Scotland as a whole.

MSG 4 - Bed days lost to delayed discharges within Fife hit a peak in August 2021, this dropped in 2022 and further in 2023. The bed days lost seems to be settling in 2024 with a comparison from September 2022 to September 2024 having an 8.76% decrease. Fife's bed days rate per 100,000 is much lower than Scotland, with Scotland being higher than pre-pandemic levels however Fife are currently lower than pre-pandemic levels.

As it takes time to refresh the MSG indicators nationally, a set of local key performance indicators is currently being monitored, with plans to expand them over time to provide a broader picture of performance. A new scorecard will be introduced in 2025, with portfolio scorecards also under development as part of this exercise. This move will allow for greater analysis and scrutiny of performance.

Performance across the Partnership continues to be variable, reflecting the complex mix of services within each portfolio and the current challenging national landscape for health and social care.

Performance Report Scorecard - April 2025							
Performance Section	Performance Indicator	Current Target	Reporting Period	Current Performance	Performance against Target	13-month Trend	Summary
Internal Indicators	Assessment Beds - Length of stay upon discharge	42 Days	Mar-25	60			An average of 60 days in March, 18 days more than target, however 8 days less than 12-month average to March.
	STAR Beds Length of stay upon discharge	42 Days	Mar-25	63			Average length of stay is 63 days. It is 29% more than this time last year, and 9% more than 12-months average to March.
	START Length of stay upon discharge	42 Days	Mar-25	38			The average of 38 days in March 2025 is under the Target of 42 days and the lowest recorded for March in the past 4 years.
	Nursing & Residential Long Term Care Population		Mar-25	2,461	N/A		There were 2,461 individuals residing at month end in Long Term Care, the lowest population recorded in 23 months
	Demand for new Care at Home Services Number of waiting		Mar-25	194	N/A		There were 194 people waiting at month end, equating to 1,364 hours, the highest in 26 months.
	Demand for new Care at Home Services Number of hours		Mar-25	1,364	N/A		
	Older People - Weekly hrs Externally Commissioned Care at Home		Mar-25	17,258	N/A		Weekly hours 17,258, this is 9% lower than the 12-month average to March.
	Weekly Hrs Care at Home Internal Services		Mar-25	12,827	N/A		Last week in March 12,827 hours were provided, 9% higher than March 2024.
	Adults - Weekly hrs Externally Commissioned packages of Care		Mar-25	3,902	N/A		Last week in March 3,902 hours were provided to 251 adults for Care at Home.
	Adults - Weekly Hrs Externally Commissioned Supported Living		Mar-25	45,386	N/A		Last week in March 45,386 hours were provided to 741 adults under Supported Living arrangements.
	Technology Enabled Care - Total Number Provided in Month		Mar-25	9,115	N/A		In March 2025 there were 9,115 clients, 10% more than March 2024 and the largest since recording in April 2021.
	Technology Enabled Care Total Number New Services in Month		Mar-25	267	N/A		

Key:

Current performance does not meet target	
Current performance 5% negative to target	
Current performance meets/exceeds target	

**Length of Stay Prior to Discharge:** The average length of stay prior to discharge from a Community Hospital in Fife reduced from 39.5 days in February 2024 to 35.8 days in February 2025, a drop of 9.2%, meeting the service target of 42 days. This rate fluctuates mainly due to the lack of capacity in the service users' home of choice, impacting wait times. We continue to monitor this and use assessment beds in care homes to step down from hospital, as well as expanding care at home packages to minimize the length of stay.

**Mental Health Services:** The CAMHS (Child and Adolescent Mental Health Service) wait time indicator states that at least 90% of clients will wait no longer than 18 weeks from referral to treatment. As of January 2025, 98.8% have waited less than 18 weeks, with all children and adolescents on the waiting list waiting less than 18 weeks. In December 2024, Fife was 5.6% above the Scottish average. The service has adopted many positive strategies to achieve this success.

**Psychological Therapies:** The wait time indicator for Psychological Therapies states that at least 90% of clients will wait no longer than 18 weeks from referral to treatment. As of January 2025, 74.8% have waited less than 18 weeks, with 2,314 patients currently on the waiting list, a 1.3% decrease from January 2025. Service redesign and evaluation are ongoing, and the service continues to progress improvements in line with the Scottish Government's Psychological Therapies and Interventions specification.

**Care at home services:** Demand for care at home services has increased with 44 people waiting in January 2024 to 175 in January 2025 (based on commissioning information at a point in time). This equates to a demand of 887 (72.3% increase) hours more of care in January 2025 compared to January 2024.

The Partnership will continue to collaborate with partner agencies on new strategies and transformation programmes to support innovation and improvement. National Indicators show Fife's performance compared to the Scotland rate, and we are committed to improving against the Scottish average.

## Financial Performance 2024-25

The outturn position as at 31 March 2025 for the services delegated to the IJB are:

	Budget £000	Actual £000	Variance £000	Variance %
Delegated and Managed Services	770,799	773,818	3,019	0.39%
Set Aside Acute Services	58,672	58,672	0	

For 2024–25, the IJB reported a total budgeted income of £829.471m:

- £770.799m from the integrated budget
- £58.672m from set aside funding

Total expenditure for the year was £832.490m, broken down as follows:

- £773.818m on integrated services
- £58.672m on set aside services

## Set Aside Services

The Acute Set Aside services budget was delegated to the IJB but remains operationally managed by NHS Fife. Although there was an overspend of £7.354m on these services, the additional cost was absorbed by the Health Board. As a result, the IJB's financial responsibility remained at the budgeted £58.672m, achieving a break-even position for set aside services.

There has been limited progress on the delegation of hospital budgets, which remains a challenge across Scotland. Further work is required.

In August 2023, the Chief Officer and Chief Executives agreed that no further changes would be made to set aside arrangements in Fife until national reforms are clarified. Despite this, strong collaboration continues among NHS Fife, Fife Council, and the Fife Health and Social Care Partnership, particularly in areas such as unscheduled care, capacity, and patient flow.

## HSCP Core Financial Position

The Medium-term Financial Strategy clearly sets out the agreed budget for 2024-25. The approved Direction at March 2024 states the budget allocated to each partner to deliver the functions delegated to them in accordance with the integration scheme. For 2024-25, the Direction required a budget transfer from one partner to another, which was completed in January 2025.

The core financial position for the Health and Social Care Partnership (HSCP) showed an overspend of £34.017m, primarily driven by:

- Prescribing costs
- Hospital and Long-Term care
- Adult and older people's social care, including Care at Home, Care Homes, Adult Placements

This overspend was partially funded through planned use of reserves, with the remaining balance shared between partners according to the Integration Scheme.

<b>Overspend at March 2025</b>	<b>34.017</b>
Funded by reserves	3.019
Funded by risk share	30.998

## **Cost Pressures**

Key financial pressures in 2024–25 included:

- **Increased Demand for Services:** Driven by an ageing population and more complex care needs, resulting in higher demand for adult packages, homecare, and residential care.
- **Staff Recruitment Challenges:** Difficulty recruiting staff, particularly in mental health services, led to reliance on higher-cost locum and agency staff.
- **Prescribing Costs:** Significant increases in both volume and cost. The Optimisation Oversight Group continues to provide governance to manage this budget effectively.
- **Cost-of-Living Increases:** Rising costs in pay, energy, fuel, and food impacted service delivery, with external providers requiring additional support.

While some of these pressures were offset by underspends due to staffing vacancies, recruitment remains challenging, especially for specialist roles. Efforts are ongoing to review skill mix and improve recruitment outcomes.

To address financial challenges, the IJB approved a savings plan targeting £39.033m in savings for 2024–25. Of this:

- 52% was achieved during the year
- The remaining savings will be carried forward and have been included in the 2025–26 budget setting process

## **Reserves Position**

At the start of 2024–25, the total reserves balance was £4.731m, consisting of:

- £3.496m earmarked reserves
- £1.235m committed reserves
- No general reserve

During the year, £3.238m of reserves were used as planned, and £0.219m was added to the balance, a net movement of £3.019m, offsetting the £3.019m deficit reported in the Comprehensive Income and Expenditure Statement as of 31 March 2025.

The IJB's reserves policy aims to hold 2% of the budget in general reserves. However, no uncommitted balances will be carried into 2025–26. The remaining £1.712m is expected to be fully utilised in the next financial year.

Earmarked Reserves	Opening Balance April 2024	Allocated in Year	Additions in Year	Closing Balance at March 2025
	£m	£m	£m	£m
GP Premises	0.183	-0.183		0.000
Mental Health R&R	1.222	-0.700		0.522
Community Living Change Plan	1.144	-1.144		0.000
Anti-Poverty	0.047	-0.047	0.052	0.052
FVCV	0.900	-0.900		0.000
<b>Total Earmarked</b>	<b>3.496</b>	<b>-2.974</b>	<b>0.052</b>	<b>0.574</b>
Community Alarms - Analogue to Digital	1.235	-0.264		0.971
Housing – adaptations			0.167	0.167
<b>Committed Balance</b>	<b>1.235</b>	<b>-0.264</b>	<b>0.167</b>	<b>1.138</b>
<b>Total Reserves</b>	<b>4.731</b>	<b>-3.238</b>	<b>0.219</b>	<b>1.712</b>

## Value for Money

Delivering value for money remains a core priority for the Partnership. All service redesign, procurement, purchasing, and commissioning activities are required to adhere to the best value principles and procurement guidance issued by relevant statutory bodies.

Ensuring that expenditure is effectively managed within available financial resources is essential. This approach supports alignment with the three-year financial strategy and underpins our long-term goal of achieving financial sustainability.

## Financial Management and Risk Outlook

The financial year 2024–25 has presented continued challenges, driven by sustained high demand for services and the ongoing impact of the cost-of-living crisis. Looking ahead, the Partnership anticipates further financial pressures, including:

- Reduced contributions from both Fife Council and NHS Fife
- Rising inflation and increased costs for energy, supplies, and pay
- Demographic pressures, particularly from an ageing population

In response to these challenges, a savings package of £40.624m has been agreed as part of the 2025–26 budget setting process. These savings are essential to closing the projected budget gap and will be progressed through the Medium-Term Financial Strategy (MTFS).

The following tables provide:

- The budget gap for 2025-26
- A high-level summary of the savings approved by the IJB in March 2025



	<b>2025-26</b>
	<b>£m</b>
Cost of Continuing	740.149
Pressures	41.276
Funding Available	740.848
<b>GAP</b>	<b>40.577</b>

<b>Opportunities to close Gap</b>	<b>2025-26</b>
Efficiencies	4.097
Income Generation	1.625
Service Redesign	2.630
Transformation	3.995
Previously Approved	15.277
Closer scrutiny of volatile budgets	13.000
<b>TOTAL</b>	<b>40.624</b>

During 2024-25 funding of £200m was made available by Scottish Government in relation Agenda for Change cost pressures associated with the reduction in working week, review of B5-6 nursing roles and protected learning time. Fife received in excess of £15m, this funding was allocated on a non-recurring basis while scale and implementation of the reforms were better understood. The IJB received £0.011m of this funding in 2024-25 with the balance allocated to NHS. It is essential that all costs are recognised and recompensed in 2025-26 to ensure the financial sustainability of the IJB.

## **Strengthening Financial Oversight**

Strong financial management will be critical in navigating the challenges ahead. To support this, an escalation tool has been developed to enhance scrutiny of volatile IJB budgets. This tool will:

- Monitor demand against set budgets
- Provide early warnings of potential overspends
- Enable timely intervention and decision-making

The Health and Social Care Partnership (HSCP) remains committed to:

- Containing or reducing costs wherever possible
- Maximising the use of all available funding streams
- Reviewing all areas of expenditure
- Taking immediate corrective actions to address emerging financial pressures

It is imperative that every effort is made to control costs and operate within the overall budget envelope. To further support financial oversight, weekly progress reporting meetings, introduced in Quarter 4 of 2024–25, will continue into 2025–26. These meetings have proven effective in:

- Tracking the delivery of savings
- Promoting collaboration across teams
- Identifying and addressing barriers to implementation

The MTFS has been refreshed for 2025–26 to reflect the evolving financial landscape and to address new and emerging pressures. This includes the implementation of the agreed £40.624m savings package to close the projected budget gap.

The most significant medium- to long-term financial risks facing the IJB include:

- **Economic Crisis:** Ongoing inflationary pressures, rising energy costs, and increasing pay demands.
- **Ageing Population:** Growing demand and complexity of care needs, coupled with constrained resources.
- **Recruitment Challenges:** Continued difficulty in recruiting staff, leading to reliance on higher-cost locum and agency workers.
- **Transformation Programme Risks:** Potential delays or underperformance in delivering planned transformation benefits.
- **Workforce Sustainability:** Challenges in maintaining a stable workforce across both internal services and external care providers.
- **Prescribing Budget Volatility:** While prescribing decisions are made locally, drug costs and new treatments are nationally determined, creating uncertainty—exacerbated by factors such as Brexit.
- **Financial Variability:** Exposure to financial impacts from local and national decisions or unexpected changes in service demand.
- **Non-compliance with IJB Directions:** Risk that partners may not fully implement IJB directions.
- **Sustainability of External Providers:** Concerns around the financial viability of external care providers, particularly in relation to safe staffing and the impact of the Employer National Insurance Contributions (ENIC).

**Acknowledging Our Workforce and Achievements**

The financial year 2024–25 has been exceptionally challenging, requiring the delivery of significant savings amidst rising demand and financial pressures. Despite these difficulties, the Health and Social Care Partnership (HSCP) has continued to:

- Deliver essential care and support to our communities
- Embrace new ways of working
- Advance integration across health and social care
- Tackle complex and evolving challenges

These achievements would not have been possible without the dedication, resilience, and professionalism of our staff. We would like to formally recognise and express our sincere gratitude for their tireless efforts in sustaining critical services and supporting those who rely on them most.

.....

**Lynne Garvey**  
**Chief Officer**

**Date**.....

.....

**David Ross**  
**Chair of the IJB**

**Date**.....

.....

**Audrey Valente**  
**Chief Finance Officer**

**Date**.....

## STATEMENT OF RESPONSIBILITIES

This statement sets out the respective responsibilities of the IJB and the Chief Finance Officer, as the IJB's Section 95 Officer, for the Annual Accounts.

### **The Integration Joint Board is required to:**

- Make arrangements for the proper administration of its financial affairs and to secure that it has an officer responsible for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this Integration Joint Board that officer is the Chief Finance Officer.
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets.
- Ensure that the Annual Accounts are prepared in accordance with legislation (The Local Authority (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, as amended by the Coronavirus (Scotland) Act 2020.)
- Approve the Annual Accounts for signature.

I confirm that these Audited Annual Accounts were approved for signature at a meeting of the Integration Joint Board on 29 September 2025.

Signed on behalf of the Fife Integration Joint Board

.....

**David Ross**  
**Chair of the IJB**

**Date** .....

## **Responsibilities of the Chief Finance Officer**

The Chief Finance Officer, as the S95 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 applied them consistently.
- Made judgements and estimates that are reasonable and prudent.
- Complied with legislation.
- Complied with the Local Authority Accounting Code (in so far as it is compatible with legislation).

The Chief Finance Officer has also:

- Kept proper accounting records which are up to date.
- Taken reasonable steps to ensure the propriety and regularity of the finances of the Integration Joint Board including prevention and detection of fraud and other irregularities.

## **Statement of Accounts**

I certify that the financial statements give a true and fair view of the financial position of the Fife Integration Joint Board as at 31 March 2025, and the transactions for the year then ended.

.....

**Audrey Valente CPFA**  
**Chief Finance Officer**

**Date .....**

# REMUNERATION REPORT

## Introduction

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

The information in the tables below is subject to external audit. The explanatory text in the Remuneration Report is reviewed by the external auditors to ensure it is consistent with the financial statements.

## Remuneration: IJB Chair and Vice Chair

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

There was a change in both Chair and Vice Chair in year. Arlene Wood, Non-Executive Director of the Fife NHS Board, stood down from the Chair to Vice Chair. David Ross, Leader of Fife Council, moved from position of Vice Chair to Chair of IJB.

The IJB does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. There were no taxable expenses or remuneration paid to the Chair or Vice Chair in 2024-25 or prior years.

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. All Partnership officers are employed by either NHS Fife or Fife Council, and remuneration for senior staff is reported through the employing organisation. Specific post-holding officers are non-voting members of the Board.

Following the resignation of the Chief Officer in July 2024, to ensure continuity in leadership, an interim arrangement was agreed from July to November 2024, prior to a permanent appointment of the new Chief Officer by the IJB in consultation with NHS Fife and Fife Council. The remuneration of the Chief Officer was set by NHS Fife and Fife Council. The Chief Officer is employed by NHS Fife and is seconded to the Integration Joint Board in accordance with section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014. The Chief Finance Officer is employed by Fife Council.

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>2023-24 Total (£)</b>	<b>Senior Employees Salary, Fees &amp; Allowances</b>	<b>2024-25 Total (£)</b>
111,590	<b>N Connor</b> Chief Officer 1 <sup>st</sup> April 2024 to 23 <sup>rd</sup> July 2024	36,335
0	<b>F Mackay</b> Interim Director HSCP 5 <sup>th</sup> July 2024 to 3 <sup>rd</sup> November 2024	48,529
0	<b>L Garvey</b> Chief Officer 1st November 2024 onwards	51,883
89,211	<b>A Valente</b> Chief Finance Officer	101,408
<b>200,801</b>	<b>Total</b>	<b>238,155</b>

There were no payments to officers in 2024-25 or prior years in relation to bonus payments, taxable expenses, or compensation for loss of office.

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.

However, the IJB 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.

### **Pension Benefits for Fife Council**

Pension benefits for employees are provided through the Local Government Pension Scheme (LGPS), a funded scheme made up of contributions from employees and councillors and the employer. The LGPS in Scotland changed on 1 April 2015 from a final salary scheme to a career average revalued earnings (CARE) scheme. The scheme year runs from 1 April to 31 March. and all members, both employee and councillor, now build up a pension based on 1/49th of pensionable pay received in each scheme year. The normal pension age of the new scheme is linked to State Pension Age but with a minimum age of 65.

Pension benefits for employee members built up before 1 April 2015 are protected which means that membership built up to that date will continue to be based on final salary when the member retires or leaves.



From 1 April 2009 a five-tier contribution system was introduced with contributions from scheme members based on how much pay falls into each tier. It is designed to give more equality between costs and benefits of scheme membership. Prior to 2009 contribution rates were set at 6% for all non-manual employees. From 1 April 2015, part time members' contribution rates are now based on actual pensionable pay as opposed to whole time pay.

Actual Pay 2024-25	Contribution Rate 2024-25	Actual Pay 2023-24	Contribution Rate 2023-24
Up to and including £27,000	5.50%	Up to and including £25,300	5.50%
Above £27,001 and up to £33,000	7.25%	Above £25,301 and up to £31,000	7.25%
Above £33,001 and up to £45,300	8.50%	Above £31,001 and up to £42,500	8.50%
Above £45,301 and up to £60,400	9.50%	Above £42,501 and up to £56,600	9.50%
Above £60,401	12.00%	Above £56,601	12.00%

## Pension Benefits for NHS

NHS Fife participates in the NHS Pension Scheme (Scotland). The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a four-yearly funding valuation undertaken by the scheme actuary. The valuation carried out as at 31 March 2016 confirmed that an increase in the employer contribution rate from 14.9% to 20.9% was required from 1 April 2019 to 31 March 2023. The UK Government since confirmed that these employer rates would remain in place until 31 March 2024. In addition, member pension contributions over the period to 30 September 2023 have been paid within a range of 5.2% to 14.7% and have been anticipated to deliver a yield of 9.6%.

The valuation carried out as at 31 March 2020 confirmed that an increase in the employer contribution rate from 20.9% to 22.5% will be required from 1 April 2024 to 31 March 2027. In addition, member pension contributions since 1 October 2023 have been paid within a range of 5.7% to 13.7% and have been anticipated to deliver a yield of 9.8%.

NHS Board has no liability for other employers' obligations to the multi-employer scheme.

In 2023-24 members paid tiered contribution rates ranging from 5.2% to 14.7% of pensionable earnings.

Senior Employee	In-Year Pension Contributions		Accrued Pension Benefits		
	For Year to 31-03-24 £	For Year to 31-03-25 £		Difference from 31-03-24 £	As at 31-03-25 £
N Connor Chief Officer	23,126	8,175	Pension Lump Sum	38,622 102,962	40,913 107,340
F McKay Interim Director HSCP		10,429	Pension Lump Sum		55,000 65,000
L Garvey Chief Officer		11,541	Pension Lump Sum		34,019 83,756

A Valente Chief Finance Officer	21,857	21,858	Pension Lump Sum	46,000 68,000	52,000 75,000
<b>Total</b>	<b>44,983</b>	<b>52,003</b>	<b>Pension</b>	<b>84,622</b>	<b>181,932</b>
			<b>Lump Sum</b>	<b>170,962</b>	<b>331,096</b>

Note: A Valente amounts based on all LGPS membership not just current employment.

## Exit Packages

There were no exit packages paid in 2024-25 (2023-24, none).

.....

**Lynne Garvey**  
**Chief Officer**  
**Date .....**

.....

**David Ross**  
**Chair of the IJB**  
**Date .....**

## **ANNUAL GOVERNANCE STATEMENT**

The Annual Governance Statement explains the Integration Joint Board's (IJB) governance and internal control arrangements and how the IJB complies with the CIPFA and SOLACE framework "*Delivering Good Governance in Local Government*", which details the requirement for an Annual Governance Statement. The IJB's governance framework places reliance on the Codes of Corporate Governance of Fife Council and NHS Fife in addition to having its own Code of Corporate Governance.

### **Scope of Responsibility**

The Integration Joint Board is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards; that public money is safeguarded; properly accounted for, and used economically, efficiently and effectively. The IJB also aims to foster a culture of continuous improvement in the performance of the IJB's functions and to make arrangements to secure best value.

The IJB Vision is to enable the people of Fife to live independent and healthier lives. The IJB also aims to foster a culture of continuous improvement in the performance of the IJB's functions and to make arrangements to secure best value. The Integration Scheme delegated Health and Social Care functions to the IJB and the IJB is responsible for strategic direction and operational oversight of the Integrated Services. A Directions Policy sets out the process for formulating, approving, issuing and reviewing Directions from the IJB to the partner organisations, NHS Fife and Fife Council.

In discharging operational delivery responsibilities, the Chief Officer places reliance on the NHS Fife and Fife Council's Codes of Corporate Governance and systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the IJB. Any issues arising from operations are brought to the attention of the IJB by the Chief Officer.

These arrangements can only provide reasonable and not absolute assurance of effectiveness.

### **2024/25 Governance Framework and System of Internal Control**

In November 2024, a new Chief Officer was appointed on a permanent basis, this appointment superseded the interim arrangements which had been put in place to ensure continuity in Leadership.

The Board of the IJB comprises 16 voting members, nominated by either Fife Council or NHS Fife, as well as non-voting members including a Chief Officer appointed by the Board.

The IJB has 3 Committees supporting the Board: -

The Audit and Assurance Committee chaired by a member of the IJB and comprising 3 further IJB members, provides assurance to the IJB that it is fulfilling its statutory requirements. During 2024-25 the Audit and Assurance Committee met 6 times.

The Quality and Communities Committee (QCC) chaired by a member of the IJB and comprising a further 11 members of the IJB providing assurance to the IJB on the quality and safety of services as defined in the integration scheme. The QCC met on 6 times during the financial year.

The Finance, Performance and Scrutiny (FPS) Committee chaired by a member of the IJB and comprising 6 further IJB members review the financial position and monitor performance against key non-financial targets in accordance with the scope of services as defined in the Integration Scheme. The FP&S Committee met on 6 occasions during 2024-25.

In addition to the above individual Governance Committee meetings an extraordinary, combined committee was convened during 2024-25 to allow all members the opportunity to discuss, scrutinise and agree a financial recovery plan for 2024-25.

The main features of the governance framework in existence during 2024-25 were:

- Bi-monthly meetings of the IJB and associated Governance Committees together with Development Sessions for IJB members.
- Code of Conduct and Register of Interests for all IJB members
- Bi-monthly Strategic Planning Group and Local Partnership Forum meetings
- Chief Officer in post for the duration of 2024-25
- Chief Finance Officer (CFO) in post for the duration of 2024-24
- Liaison between IJB internal audit and Fife Council and NHS Fife internal audit functions.
- Tripartite Director of Finance Meetings with Chief Finance Officer

The governance framework described operates on the foundation of internal controls, including management and financial information, financial regulations, administration, supervision and delegation. During 2024-25 this included the following:

- Provision of regular financial reports to the IJB
- Approval and adoption of a financial recovery plan
- Approval and adoption of revised performance framework
- Approval and adoption of Annual Internal Audit Plan
- Provision of Deep Dive Reviews of Strategic Risks

### **Overview of Areas for Improvement and Development during 2024-25**

Areas for improvement to further strengthen the IJB's governance arrangements and systems of internal control were identified within the IJB Annual Accounts for 2023-24. A progress update on these actions is detailed below: -

Improvement Area	Action Undertaken
Continuation of review of all strategies which support the Strategic Plan	<i>Ongoing</i> A number of supporting strategies were approved by the IJB during 2024-25 these were Prevention and Early Intervention and Digital Strategy. Work continues to progress the development of the

	Mental Health Strategy.
Strong financial management to contain costs given the ongoing financial challenges	<p><i>Complete</i> An escalation Tool has been developed to enable informed decision making and highlight areas where budget is likely to be exceeded</p> <p>Weekly Progress Update Meetings have been implemented. This includes responsible officers providing updates on delivery of savings to SLT, highlighted any progress/barriers/dependencies ensuring savings delivery is being driven forward.</p>
Continuous development of management information enabling proactive financial decisions by budget holders	<p><i>Complete</i> Work has progressed to produce management information to allow effective decision making aligned to the actions by budget holders.</p>
Improved consistency in financial practices across partners ensuring financial transactions are recorded accurately and timeously.	<p><i>Complete</i> There is an increased frequency of meetings with partners to ensure there is mutual understanding and consistency of practice.</p>
Continue sustained focus on compliance with the issuing and delivery of Directions to partners	<p><i>Complete</i> Directions was the focus of an IJB Development Session held in March 2025. This provided an opportunity for members to gain a collective understanding on the issuing and monitoring of Directions. A report on the current status of Directions is now presented to the Audit and Assurance Committee and the IJB on a quarterly basis.</p>
Improve the integrity of the data recorded within the social work/social care case management system	<p><i>Complete</i> Social care/work case system can now be reconciled to the financial ledger</p>
Refresh of publication scheme	<p><i>Complete</i> The Publication Scheme was updated in April 2024.</p>

Annual refresh of Scheme of Delegation to incorporate recommendations from Internal Audit reports	Complete The Scheme of Delegation was updated in September 2024.
Implementation of Risk Appetite into Committee Reporting	<i>Ongoing</i> A revised SBAR reporting template is in development and will incorporate Risk Appetite.
Development of on-line member induction training	<i>Ongoing</i> A new member induction program continues to be developed.

### **Overview of Areas for Improvement and Development for 2024-25**

Following consideration of the adequacy and effectiveness of the IJB governance arrangements, in addition to the ongoing continuous improvement actions from 2024-25, further actions will be progressed in 2025-26 to strengthen the good governance controls. These actions are detailed in the table below: -

<b>Key Actions for 2025-26</b>
<ul style="list-style-type: none"> <li>• Review of Code of Corporate Governance Manual</li> <li>• Review approach to strategic planning process for 2026 onwards including annual reporting</li> <li>• Implementation of budget escalation tool to enhance financial budgetary controls to allow early reporting to partners</li> <li>• Revised reporting Committee template (SBAR) includes impacts and implications to enable informed decision making</li> <li>• Progress draft Clinical and Care Governance Strategic Framework document for approval</li> <li>• Implement reporting framework on effectiveness of partner bodies arrangements for counter fraud and corruption</li> <li>• Continuous review of Committee and IJB workplans to ensure alignment with Terms of Reference and remit as per Integration Scheme</li> </ul>

### **Roles and Responsibilities**

The IJB complies with the CIPFA Statement on “The Role of the Chief Financial Officer in Local Government 2016”. The IJB’s Chief Finance Officer has overall responsibility for the IJB’s financial arrangements and is professionally qualified and suitably experienced to lead the IJB’s finance function and to direct finance staff.

Reliance is placed on the existing counter fraud and anti-corruption arrangements in place within each partner which have been developed and are maintained in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014).

The IJB Internal Auditors, the NHS Fife Internal Audit Team as appointed by the Audit and Risk Committee, comply with the “The Role of the Head of Internal Audit in Public Organisations” (CIPFA) and operate in accordance with “Public Sector Internal Audit Standards” (PSIAS). The NHS Fife Chief Internal Auditor reports directly to the Audit and Risk Committee with the right of access to the Chief Financial Officer, Chief Officer and Chair of the IJB Audit and Assurance Committee on any matter. The annual programme of

internal audit work is based on a strategic risk assessment and is approved by the Audit and Assurance Committee.

The Audit and Assurance Committee performs a scrutiny role and monitors the performance of the Internal Audit services to the IJB. The functions of the Audit and Assurance Committee are undertaken as identified in Audit Committees: Practical Guidance for Local Authorities. The IJB's Chief Internal Auditor has responsibility to review independently and report to the NHS Audit and Risk Committee annually, to provide assurance on the governance arrangements including internal controls within the IJB. In addition, the Internal Audit sections of Fife Council and NHS Fife are subject to an independent external assessment of compliance with the PSIAS at least once every 5 years.

### **Review of Adequacy and Effectiveness**

The IJB is required to conduct, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review was informed by the IJB's risk management framework, the IJB Assurance Statement, and internal and external audit reports.

Planned use of earmarked and committed reserves were utilised in year. Despite efforts to reduce the overspend and take recovery action in year, an overspend remained at year end. To reach a balanced financial position for 2024-25, partners were required to provide funding as per the risk share agreement contained within Section 8.2 of the Integration Scheme.

The above compounds the level of risk the IJB will be exposed to in relation to financial sustainability in future years. Strong financial management will be required in order to control and contain costs where possible, recognising that there is no general reserve available for use.

The Council continues to replace social work/social care legacy systems. The focus in 2024-25 has been to move external providers onto the new system, cleansing the data as it transferred. Care home providers have now been in the system for a full year and parallel running of manual spreadsheets has ceased. Care at Home has systematically been moved over, provider by provider, throughout 2024-25 and this data will be reliable for financial forecasting in 2025-26. Work will continue in the coming year to ensure the data is utilised to allow continued improvement of financial forecasting processes.

A suite of whole system measures will be implemented to strengthen controls and reduce risk where possible. A key component to the success of this mitigation is the 4 weekly meetings between the Chief Finance Officer and Directors of Finance from both NHS Fife and Fife Council which took place in 2024-25, these were positive and successful for open communication, and will therefore continue in the coming year

The annual internal audit assurance report offers substantial assurance in respect of Fife IJB's overall arrangements for risk management, governance, and control for the year to 31 March 2025.



## **Conclusion and Opinion on Assurance**

On the basis of assurances provided, we consider that the internal control environment provides reasonable and objective assurance that any significant risks impacting on the IJB's principal objectives will be identified and actions taken to avoid or mitigate their impact.

Systems are in place to regularly review and improve the internal control environment. We remain committed to monitoring implementation as part of the next annual review.

.....	.....
<b>Lynne Garvey</b> <b>Chief Officer</b>	<b>David Ross</b> <b>Chair of the IJB</b>
<b>Date</b> .....	<b>Date</b> .....

## Financial Statements

### Comprehensive Income and Expenditure Statement

This statement shows the cost of providing services commissioned for the year in accordance with the integration scheme.

2023-24				2024-25		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000		£000	£000	£000
77,071	-	77,071	Hospital	75,319	-	75,319
146,181	-	146,181	Community healthcare	149,487	-	149,487
209,972	-	209,972	Family Health Services & Prescribing	218,152	-	218,152
17,737	-	17,737	Children's Services	18,732	-	18,732
285,256	-	285,256	Social Care	310,439	-	310,439
1,737	-	1,737	Housing	1,466	-	1,466
304	-	304	IJB Operational Costs	223	-	223
50,920	-	50,920	Acute Set Aside	58,672	-	58,672
<b>789,178</b>	-	<b>789,178</b>	<b>Cost of Services</b>	<b>832,490</b>	-	<b>832,490</b>
-	(756,190)	(756,190)	Taxation and Non-Specific Grant Income	-	(829,471)	(829,471)
-	-	<b>32,988</b>	<b>(Surplus) or Deficit</b>	-	-	<b>3,019</b>
		<b>32,988</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>3,019</b>

There are no statutory or presentation adjustments which affect the IJB's application of the funding received by NHS Fife and Fife Council. 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 presents the movement during the year on the reserves held by the IJB. The movements which arise due to statutory adjustments which affect the General Fund Balance will be separately identified from the movements due to accounting practices, if required.

<b>Movements in Reserves During 2024-25</b>	<b>General Fund Balance £000</b>	<b>Total Reserves £000</b>
Opening Balance at 31st March 2023, brought forward	(4,731)	(4,731)
(Surplus)/ Deficit on provision of services	3,019	3,019
Total Comprehensive Income and Expenditure	3,019	3,019
<b>Balance as at 31 March 2025, carried forward</b>	<b>(1,712)</b>	<b>(1,712)</b>
<b>Movements in Reserves During 2023-24</b>	<b>General Fund Balance £000</b>	<b>Total Reserves £000</b>
Opening Balance at 31st March 2022, brought forward	(37,719)	(37,719)
(Surplus)/ Deficit on provision of services	32,988	32,988
Total Comprehensive Income and Expenditure	32,988	32,988
<b>Balance as at 31 March 2023, carried forward</b>	<b>(4,731)</b>	<b>(4,731)</b>

## Balance Sheet

The Balance Sheet shows the value of the IJB's assets and liabilities as at 31 March 2025. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

31 March 2024 £000		Notes	31 March 2025 £000
5,009	Short Term Debtors	6	1,696
<b>5,009</b>	<b>Current Assets</b>		<b>1,696</b>
278	Short Term Creditors	7	(16)
<b>278</b>	<b>Current Liabilities</b>		<b>(16)</b>
<b>4,731</b>	<b>Net Assets</b>		<b>1,712</b>
4,731	Usable Reserve: General Fund	8	1,712
<b>4,731</b>	<b>Total Reserves</b>		<b>1,712</b>

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

*Audrey m Valente*

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**Audrey Valente - CPFA**  
**Chief Finance Officer**

**Date ...30/06/2005.....**

## Notes to the Financial Statements

### 1. Significant Accounting Policies

#### 1.1 General Principles

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

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

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25, supported by International Financial Reporting Standards (IFRS).

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.

#### 1.2 Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Expenditure is recognised when goods or services are received, and their benefits are used by the IJB.
- Income is recognised when the IJB has a right to the income and receipt of the income is probable.
- Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.
- Where debts may not be received, the balance of debtors is written down.

#### 1.3 Funding

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

This funding was reported on a net expenditure basis from NHS Fife and Fife Council.

## **1.4 Cash and Cash Equivalents**

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partners. Consequently, the IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet. The funding balance due to or from each funding partner as at 31 March is represented as a debtor or creditor on the IJB's Balance Sheet. All monies held on behalf of IJB were held by partners, the reserves balance is held by Fife Council on behalf of the IJB.

## **1.5 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. The Chief Finance Officer is a non-voting board member. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs. The Chief Officer's and Chief Finance Officer's absence entitlement as at 31 March have not been accrued as it is not deemed to be material.

There are no further charges from funding partners for other staff and these costs have remained with the funding partners.

## **1.6 Material Items of Income and Expenditure**

There are none noted at this time.

## **1.7 VAT**

The Integration Joint Board is a non-taxable person and does not charge or recover VAT on its functions.

The VAT treatment of expenditure in the IJB's accounts depends on which of the partner agencies is providing the service as these agencies are treated differently for VAT purposes.

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

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

## **2. Critical Judgements in Applying Accounting Policies & Uncertainty about future events**

In applying the accounting policies, the IJB has had to make certain judgements about complex transactions or those involving uncertainty about future events. Critical judgements are as follows:

### **2.1 Set Aside**

The funding contribution from NHS Fife includes £58.672m in respect of 'set aside' resources relating to acute hospital and other resources. The IJB has responsibility for the consumption of, and level of demand placed on, these resources, however the responsibility for managing the costs of providing the services remain with NHS Fife. Therefore, the overspend incurred by the service has not been included in these accounts and is borne by NHS Fife.

### **2.2 Public Sector Funding**

There is a high degree of uncertainty about future levels of funding for Local Government and the NHS, and this will directly impact on the IJB. Funding from partners has reduced significantly in real terms and it is anticipated that this will continue in the coming years. Savings proposals have been developed for the next 3 years, and work is ongoing to ensure that these are delivered at pace.

## **3. Events After the Reporting Period**

The Chief Finance Officer issued the draft accounts on 27<sup>th</sup> June 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

## **4. Expenditure and Income Analysis by Nature**

<b>2023-24</b> £000		<b>2024-25</b> £000
287,129	Services commissioned from Fife Council	311,905
502,016	Services commissioned from Fife NHS Board	520,362
0	Other IJB Operating Expenditure	185
33	Auditor Fee: External Audit Work	38
(756,190)	Partners Funding Contributions & Non-Specific Grant Income	(829,471)
<b>32,988</b>	<b>(Surplus) or Deficit</b>	<b>3,019</b>



## 5. Taxation and Non-Specific Grant Income

2023-24 £000		2024-25 £000
(535,816)	Funding Contribution from NHS Fife	(583,334)
(220,374)	Funding Contribution from Fife Council	(246,137)
<b>(756,190)</b>	<b>Taxation and Non-specific Grant Income</b>	<b>(829,471)</b>

The funding contribution from NHS Fife shown above includes £58.672m in respect of 'set aside' resources relating to acute hospital and other resources. These are provided by NHS Fife 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. There are no other non-ringfenced grants and contributions.

## 6. Debtors

31 March 2024 £000		31 March 2025 £000
1	NHS Fife	(8)
5,008	Fife Council	1,704
<b>5,009</b>	<b>Debtors</b>	<b>1,696</b>

## 7. Creditors

31 March 2024 £000		31 March 2025 £000
277	NHS Fife	-
-	Fife Council	-
1	External Audit Fee	(16)
<b>278</b>	<b>Creditors</b>	<b>(16)</b>

## 8. Usable Reserve: General Fund

The IJB could hold 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 contingency fund to cushion the impact of unexpected events or emergencies. This is regarded as a key part of the IJB's risk management framework.

2023-24		2024-25		
Balance at 31 March 2024		Transfers Out 2024/25	Transfers in 2024/25	Balance at 31 March 2025
£000		£000	£000	£000
(1,222)	Mental Health	700		(522)
(1,144)	Community Living Change Plan	1,144		-
(183)	GP Premises	183		-
(47)	Anti-Poverty	47	(52)	(52)
(900)	FVCV	900		-
<b>(3,496)</b>	<b>Total Earmarked</b>	<b>2,974</b>	<b>(52)</b>	<b>(574)</b>
<b>(1,235)</b>	<b>Contingency/ Committed</b>	<b>264</b>	<b>(167)</b>	<b>(1,138)</b>
<b>(4,731)</b>	<b>General Fund Reserve Total</b>	<b>3,238</b>	<b>(219)</b>	<b>(1,712)</b>

## 9. Related Party Transactions

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

### Transactions with NHS Fife

2023-24 £000		2024-25 £000
(535,816)	Funding Contributions received from NHS Fife	(583,334)
501,881	Expenditure on Services Provided by NHS Fife	520,363
135	Key Management Personnel: Non-Voting Board Members	92
17	External Audit Fee	19
<b>(33,783)</b>	<b>Net Transactions with NHS Fife</b>	<b>(62,860)</b>

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

#### Balances with NHS Fife

<b>31 March 2024 £000</b>		<b>31 March 2025 £000</b>
1	Debtor balances: Amounts due from NHS Fife	(8)
277	Creditor balances: Amounts due to NHS Fife	-
<b>278</b>	<b>Net Balance with NHS Fife</b>	<b>(8)</b>

#### Transactions with Fife Council

<b>2023-24 £000</b>		<b>2023-24 £000</b>
(220,374)	Funding Contributions received from Fife Council	(246,137)
286,992	Expenditure on Services Provided by the Fife Council	311,905
136	Key Management Personnel: Non-Voting Board Members	92
16	External Audit Fee	19
<b>66,770</b>	<b>Net Transactions with Fife Council</b>	<b>65,879</b>

Key Management Personnel: The Non-Voting Board members employed by Fife Council and recharged to the IJB is the Chief Finance Officer. Details of the remuneration for the specific post-holders is provided in the Remuneration Report.

#### Balances with Fife Council

<b>31 March 2024 £000</b>		<b>31 March 2025 £000</b>
5,008	Debtor balances: Amounts due from Fife Council	1,712
-	Creditor balances: Amounts due to Fife Council	-
<b>5,008</b>	<b>Net Balance with Fife Council</b>	<b>1,712</b>

Support services were not delegated to the IJB and are provided by NHS Fife and Fife Council free of charge. Support services provided mainly comprised: provision of financial management; human resources; legal; committee services; ICT; payroll; internal audit, and the provision of the Chief Internal Auditor.

#### **10. External Audit Fee**

The IJB has incurred costs of £37,795 in respect of fees payable to Azets regarding external audit services carried out in 2024-25 (2023-24 £36.960).

#### **11. Contingent Assets and Liabilities**

The IJB is not aware of any material contingent asset or liability as at 31 March 2025.

The IJB is a member of the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) established by the Scottish Government which reimburses costs to members where negligence is established.

All amounts in respect of claims or reimbursement by CNORIS, which may arise under the CNORIS scheme are reported in NHS Fife Accounts.