

EAST AYRSHIRE

Health & Social Care Partnership

Integration Joint Board Annual Accounts 2024/25



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SECTION 1

Management Commentary

INTRODUCTION

This publication contains the Annual Accounts of East Ayrshire Integration Joint Board (IJB) for the year ended 31 March 2025. The Management Commentary provides an overview of the key messages in relation to the IJB's financial planning and performance for the 2024/25 financial year and how this has supported delivery of the IJB's core objectives. This commentary also looks forward and provides an indication of the challenges and risks, which may impact upon the finances of the IJB in the future as we strive to meet the health and social care needs of the people of East Ayrshire.

The Management Commentary has been prepared in accordance with the requirements of the Local Authority Accounts (Scotland) Regulations 2014 (SSI 2014/200) and the statutory guidance in Finance Circular 5/2015.

EAST AYRSHIRE IJB

In accordance with the Public Bodies (Joint Working) (Scotland) Act 2014, East Ayrshire Council and NHS Ayrshire & Arran prepared an Integration Scheme for the area of the Local Authority. Scottish Ministers approved the initial Integration Scheme between the two parent organisations on 3 March 2015, and the Scottish Ministers by order established the East Ayrshire IJB as a body corporate on 1 April 2015 as part of the establishment of the framework for the integration of health and social care in Scotland. The Integration Scheme was updated in March 2018 and was scheduled to be updated again in 2024, to align with the requirement of the Public Bodies (Joint Working) (Scotland) Act 2014 for a five yearly review. Work has been undertaken on a pan-Ayrshire basis by the three Councils and the Health Board to co-ordinate the review of the three Integration Schemes to allow a consistent approach. Work to review the Integration Scheme through various workgroups concluded in March 2024 and further work has been undertaken to consider specific issues and the overall legal competence of the reviewed Scheme. As part of this pan-Ayrshire approach, it is anticipated that the review of the East Ayrshire Integration Scheme will now be completed in 2025, following which it will require to be approved by East Ayrshire Council and NHS Ayrshire & Arran, prior to submission to Scottish Ministers. Before submitting the revised Scheme for approval, the constituent authorities must undertake further consultation on any proposed changes.

The initial East Ayrshire Integration Joint Board membership was confirmed including voting and non-voting members and stakeholder members in April 2015. The IJB accepted the Integration Scheme and agreed to exercise the decision making functions of the Council in relation to Council services and NHS Ayrshire & Arran services (through the Local Scheme of Delegation) delegated to the Board and agreed to provide assurance to the relevant Council and NHS Committees on effective operational arrangements in relation to professional and care governance, corporate governance and employee relations.

The voting members of the Integration Joint Board are appointed through nomination by NHS Ayrshire & Arran and East Ayrshire Council. The arrangements for the Chair and Vice Chair, who are drawn from the nominations of the Parties, are set out in clause 2.4 of the Integration Scheme, where the role of Chair alternates between voting members nominated by East Ayrshire Council and NHS Ayrshire & Arran.

The first Governance Update report for 2024/25 was presented to the IJB on 26 June 2024 and confirmed that Ms Diane Gill would now assume the role of East Ayrshire Council Employee Representative, replacing Ms Shirley Ferguson.

The Governance Update report presented to the IJB on 11 December 2024 noted that East Ayrshire Council, at their meeting on 31 October 2024, confirmed that Councillor Barry Douglas would replace Councillor

Maureen McKay as one of the voting members for East Ayrshire Council. Following Councillor McKay's sad and untimely passing on 21 November 2024, it was stated that the IJB wish to note the significant and lasting contribution made by Councillor McKay over the years she was involved with the IJB and its sub-committees.

The Governance Update report presented to the IJB on 11 December 2024 also noted that Debbie McGill had been appointed the post of Head of Primary and Urgent Care Service, following the resignation of the previous post holder, Vicki Campbell. It was noted that Ms McGill's expected start date would be 3 February 2025 (this start date being subsequently confirmed).

The Governance Update report presented to the IJB on 5 February 2025 noted that the IJB Stakeholder Forum had confirmed that Ms Irene Allan had stepped down from her role as Carers Representative on the IJB and further recruitment would be underway.

The final Governance Update report for 2024/25, presented to the IJB on 19 March 2025, noted that East Ayrshire Council, at their meeting on 27 February 2025, confirmed that Councillor Jayne Sangster will replace Councillor Barry Douglas as one of the voting members for East Ayrshire Council on the IJB and, in conjunction with this appointment, Councillor Sangster will become a member of the Audit and Performance Committee (APC). This report also confirmed that following the NHS Board Meeting on 3 February 2025, Ms Jennifer Wilson, Nurse Director NHS Ayrshire & Arran (NHS Board Executive Member) has been appointed to East Ayrshire IJB for a further three year term commencing 1 April 2025, when her current term comes to an end.

The following table provides detail of voting members of the IJB at 31 March 2025:

Voting Members	Representing
Dr Sukhomoy Das (Chair)	Non-executive Director – NHS Ayrshire & Arran
Councillor Douglas Reid (Vice Chair)	East Ayrshire Council
Ms Sheila Cowan	Non-executive Director – NHS Ayrshire & Arran
Mr Neil McAleese	Non-executive Director – NHS Ayrshire & Arran
Ms Jennifer Wilson	Nurse Director – NHS Ayrshire & Arran
Councillor Clare Maitland	East Ayrshire Council
Councillor Jayne Sangster	East Ayrshire Council
Councillor Neill Watts	East Ayrshire Council

The Director of Health and Social Care, Craig McArthur is the lead professional advisor to the IJB in his role as Chief Officer. Non-voting members of the IJB comprise employee and trade union representatives, carers and people who use our services, the third and independent sectors and medical, clinical, social work, finance and governance professionals.

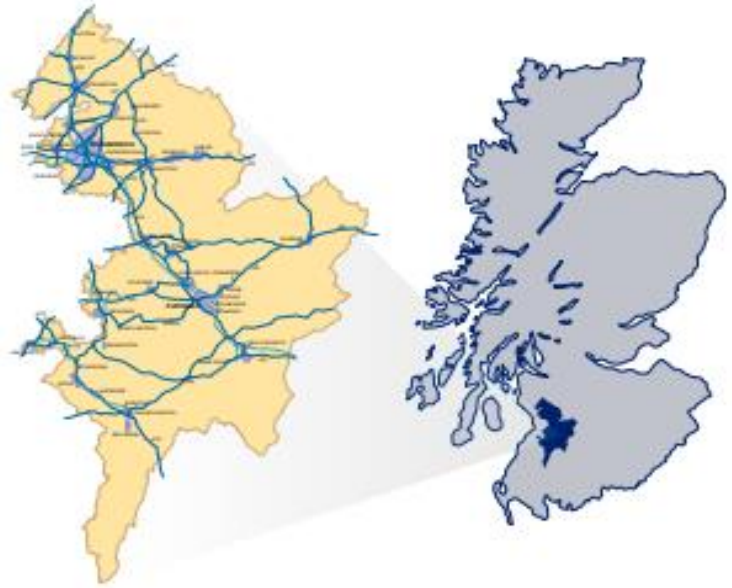
OBJECTIVES AND STRATEGY OF THE IJB

The main purpose of integration is to improve the wellbeing of families, our communities and of people who use health and social care services, particularly those whose needs are complex and involve support from health and social care at the same time. In addition, the IJB provides specific health care services across Ayrshire.

Significant inequalities exist within and between our communities in East Ayrshire and while progress has been made in tackling these inequalities, there continues to be more to be done to enable people to live longer and have healthier and more independent lives within stronger communities. The integration of health and social care provides an important framework to address health and wellbeing inequalities. The infographics below display some characteristics of the East Ayrshire population in regard to health and wellbeing, demography and socio-economic circumstances within the authority. To access a more comprehensive range of information, please see our [Area Profile](#).

East Ayrshire

- Located in the southwest of Scotland, covering **490 square miles**
- A mix of both urban and rural communities
- Home to **120,750** people, making up **2.2%** of Scotland's total population
- East Ayrshire's population is projected to **decrease** by 1.2% by 2030



Population Profile

120,750
residents



Male: 48.5%

Female: 51.5%



0 - 15 years

20,262

16.7% of population
(Scotland 16.3%)

Estimated decline of
5.3% by 2030

(Scotland 5.0%)



16 - 64 years

74,131

61.4% of population
(Scotland 63.4%)

Estimated decline of
4.8% by 2030

(Scotland 1.5%)



65+ years

26,357

21.8% of population
(Scotland 20.3%)

Estimated increase of
11.2% by 2030

(Scotland 13.9%)

Life Expectancy



Male

Life Expectancy 75.2 years
(Scotland 76.8 years)

Healthy life expectancy
56.8 years
(Scotland 60.4 years)

Female



Life Expectancy 78.6 years
(Scotland 80.8 years)

Healthy life expectancy
59.9 years
(Scotland 61.1 years)

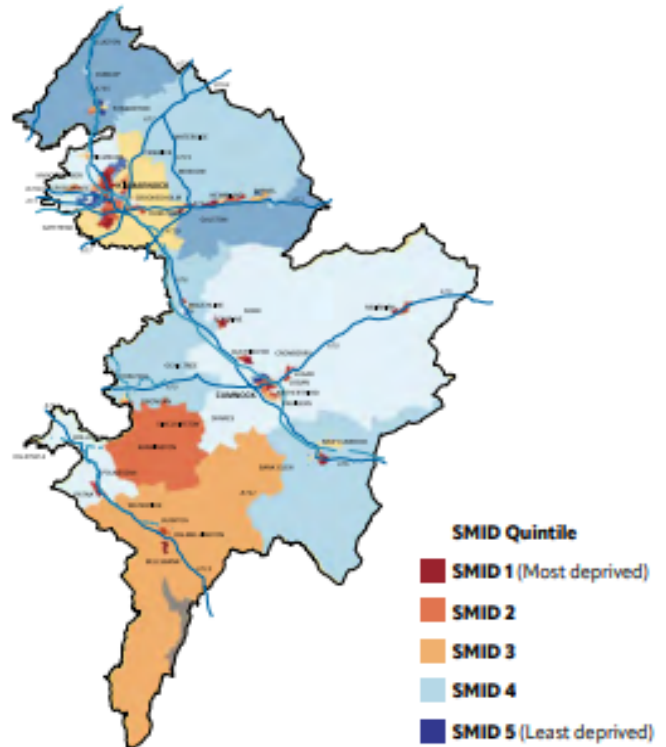
Deprivation

East Ayrshire has the 7th highest level of deprivation amongst Scottish Local Authorities

31.3% of the population of East Ayrshire live within the most deprived Scottish index of Multiple Deprivation Quintile (SIMD)



The table below details the percentage of the population within East Ayrshire living in the 2020 Scottish Index of Multiple Deprivation (SIMD) most deprived quintiles for each domain and the ranking of East Ayrshire amongst the 32 Scottish Local Authorities for each domain.



East Ayrshire	Income	Employment	Education	Health	Access	Crime	Housing	Overall
% of population	28.8%	32.5%	25.8%	28.2%	24.5%	22.7%	2.5%	31.3%
Rank	7	6	8	8	13	8	25	7

Early Years



21.6% of East Ayrshire babies are exclusively breastfed at the 6-8 week review (Scotland 32.3%)

75.1 % of East Ayrshire children have no concerns across all domains at 27-30 month review (Scotland 77.6%)

75.8% of East Ayrshire children have a healthy weight in Primary 1 (Scotland 76.8%)

69.6% of children within East Ayrshire have no obvious dental decay in Primary 1 (Scotland 73.8%)

Health and Wellbeing



36.7% of adults in East Ayrshire have at least one long term illness (Scotland 22.1%)

63% of adults in East Ayrshire consider their health to be good or very good (Scotland 72%)

The rate of multiple emergency hospital admissions aged 65+ years is 8,254 per 100,000 population in East Ayrshire (Scotland 6,676)

The rate of premature deaths in East Ayrshire (under 75 years) is 491.2 per 100,000 population (Scotland 441.5 per 100,000)

Mental Health



22.9% of East Ayrshire residents are prescribed medication for Anxiety/Depression/Psychosis (Scotland 20.9%)

The rate of psychiatric hospitalisations in East Ayrshire is 167.5 per 100,000 population (Scotland 216.1)

787 East Ayrshire Child and Adolescent Mental Health Service referrals were received between 2024-25.

Within East Ayrshire the rate of deaths by suicide is 19.1 per 100,000 population (Scotland 14.4)

Harmful Behaviours



During the period 2022-24 an average of 13.1% of mothers in East Ayrshire smoke during pregnancy (Scotland 9.6%)

The rate of alcohol related hospital admissions in East Ayrshire is 485.1 per 100,000 population (Scotland 548)

During 2023, there were 31 drug related deaths in East Ayrshire, a rate of 25.7 per 100,000 (Scotland 21.4)

131.5 incidents of domestic abuse were recorded in East Ayrshire per 10,000 population (Scotland 116.3)

Economic Status



In 2024 20.6% of children within East Ayrshire were living in low-income families (relative), down from 25.5% in 2022.

71.1% of East Ayrshire residents are in employment (Scotland 74.5%)

3.6% of the 16-64 population in East Ayrshire claim out of work benefits (Scotland 3.1%)

15% of economically inactive East Ayrshire residents are actively seeking employment (Scotland 16.8%)

Our Communities



The crime rate in East Ayrshire is 536 per 10,000 population (Scotland 550)

The rate of non-accidental fires in East Ayrshire is 365.9 per 100,000 population (Scotland 244.6)

In East Ayrshire, the rate of antisocial offences is 109 per 100,000 population (Scotland 88)

95% of adults in East Ayrshire rate their neighbourhood as a very/fairly good place to live (Scotland 95%)

The IJB is the decision-making body that regularly meets to discuss, plan and decide how health and social care services are delivered to tackle health and wellbeing inequalities in East Ayrshire in line with the Strategic Plan. It then directs East Ayrshire Council and NHS Ayrshire & Arran (the Parties) to work together in partnership to deliver services based on decisions made by the IJB, and this is being done under the banner of East Ayrshire Health and Social Care Partnership.

The partnership will deliver positive outcomes for our residents by ensuring that children and young people get the best start in life, that people live healthier, longer lives and are supported to be independent and have choice and control no matter who they are or where they live. In East Ayrshire, integration underpins the Community Planning Partnership, with the IJB taking a strategic lead for delivery of the wellbeing theme of the Community Plan 2015-30.

The Strategic Plan must have regard for national health and wellbeing outcomes and with the full scope of the delegated functions also include the National Outcomes for children, young people and justice. As part of the approval of the Integration Scheme, NHS Ayrshire & Arran and East Ayrshire Council agreed that Children's and Family Health, Social Work and Justice Services should be included within functions and services to be delegated to the IJB.

The IJB is committed to putting people and communities first and believe that everyone should have a say in our own health and social care services. Our Stakeholder Forum meets eight times per year to provide an opportunity for people, users of services, carers and organisations from the community to come together to share their views on what will be discussed at our board and committee meetings. Forum members also share experiences, local issues and bring suggestions for how we can improve our services together.

In addition, our locality groups bring a range of people together who support our work in health and social care. This provides information for the IJB on the issues that matter to people at a local level which is an important aspect of the strategic planning process. There are three locality groups in East Ayrshire: Kilmarnock (including Crosshouse), Northern (Annick, Irvine Valley and Hurlford and Southern (Cumnock and Doon Valley).

The vision for the integration of health and social care is to produce better outcomes for people through services that are planned and delivered seamlessly from the perspective of the patient, service user or carer. Prior to its formal establishment in April 2015, a vision was developed for how the East Ayrshire IJB would operate in consultation with stakeholders. This vision has driven activity over the last nine years and will continue to do so. Following the refresh of the IJB's Strategic Plan, our vision has been revised slightly to:

*Working together with our
communities to improve
and sustain health,
wellbeing, care and
promote equity.*

The East Ayrshire Health and Social Care Partnership (HSCP) Strategic Plan 2021-30 was approved by the Integration Joint Board on 24 March 2021 and at Health Board and Council on 29 March 2021 and 1 April 2021 respectively.

The Strategic Plan is based on the strengths of East Ayrshire's approach to wellbeing focussed health and social care, articulated as 'People, Compassion and Partnership' in recognition of the resilience of East Ayrshire's citizens and the value of local community spirit. The Plan sets out the role of partners in all health and social care sectors to enhance these assets, working together to uphold human rights through person and family centred practice.

There is a requirement to review and update the Strategic Plan every three years. The Strategic Plan, as revised for 2024-27, sets out the IJB's strategic commissioning intentions and delivery arrangements through the Health and Social Care Partnership (HSCP) against the following six strategic priorities:



Delivery of the Strategic Plan 2024-27 is supported by associated enablers, namely the Workforce Plan, Communications Strategy, and Property and Asset Management Plan, alongside the approved Annual Budgets across the lifetime of the Plan and the Medium Term Financial Plan.

The high-level Medium Term Financial Plan 2024-30 approved by the IJB on 20 March 2024 highlights an indicative resource gap over the lifetime of the Strategic Plan. A detailed Medium Term Financial Plan will be prepared and presented to the IJB for consideration, following publication of the updated Scottish Government Health and Social Care Medium Term Financial Framework. The Annual Budget 2025/26 was approved by the IJB on 1 April 2025.

The Strategic Planning / Wellbeing Delivery Group led the review and refresh of the Strategic Plan for 2024-27. In reviewing activity, partners must have due regard to integration delivery principles and to the national outcomes for Health and Wellbeing, Children and Young People, and Justice.

This strategic planning approach continues to centre on the 'triple aim' of better care, better health and better value, in line with the national Health and Social Care Delivery Plan, focussed on six core themes and local outcomes.

PRIORITY	2030 OUTCOME
Starting Well, Living Well and Dying Well	- Children and young people will have better life chances, particularly those with experience of care or who live in our most deprived communities; - More people of all ages, particularly those who live in our most deprived communities, will be fitter, physically healthier and feel more able to look after their own health and wellbeing; - People who have palliative or end of life care needs will be supported according to their wishes; and - Compassionate connections between people, families, colleagues and communities will be valued as having a positive impact on the health and wellbeing of East Ayrshire.
Caring for East Ayrshire	- Citizens will recognise and value their contribution to the design of services, feel invested in their success and use them appropriately; - More people will be able to live independently and according to their wishes, because they are able to better manage their own health and have easy access to local, effective support for long term conditions and disabilities; and - When needed, complex or specialist treatment will be provided quickly, effectively and to the highest standard.
People at the Heart of What We Do	- Integrated health and social care will be achieved; - Organisational integration with third voluntary and independent sectors will be achieved by inter-organisational network and governance arrangements; - Quantitative and qualitative data compared will show improved outcomes for the population of East Ayrshire; and - Service delivery will be underpinned by a Human-Rights based approach that promotes Participation, Accountability, Non-Discrimination, Equality and Legality.
Caring for Our Workforce	The health and social care workforce will be well, and we will have the right people with the right skills in the right place at the right time, to support people, families and communities to achieve their goals.
Safe & Protected	- People of all ages are actively involved in keeping themselves and each other safe; - Multi-agency staff are trained and supported to confidently protect people at risk of harm;

	• Support and protection is provided to vulnerable people to reduce risk of harm and improve safety; • Fewer people enter or are involved with the justice system, as a result of early and effective interventions; and • Through work with both victims and perpetrators of harm, the risk of harm to children, adults and the public is reduced.
Digital Connections	• People and families will be able to better manage their health, wellbeing and safety and live more independently through inclusion in and new applications of technology; • Information will be shared effectively between systems and partners, to support positive outcomes for people and families; personal experience of services will be improved and risk will be well managed; • The health and social care workforce will be digitally connected, skilled and use technology to improve practice; and • High quality digital health and social care services will be in place as part of wider delivery.

The outcomes from the refresh of the Strategic Plan have confirmed that:

- The Strategic Plan remains relevant for 2024-2027 and beyond.
- The six commissioning intentions continue to provide the right focus for health and care.
- The Starting Well and Living Well priority should be revised to Starting Well, Living Well and Dying Well, with more emphasis on future care planning.
- The Plan should reflect anticipated demographic and population changes for East Ayrshire.
- Getting It Right For Everyone should be added as a key deliverable under People at the Heart of What We Do.
- There should be greater focus on workforce capacity within Caring for Our Workforce.
- Tackling digital poverty should be included under Digital Connections, with better integration of data systems and information sharing.
- Clear and concise language should be used to ensure the Plan is easy to read and understand.
- The Plan needs to be realistic on the affordability of implementation.

Following approval by the IJB on 26 June 2024, The Strategic Plan Review 2024-2027 report was presented to East Ayrshire Council on 27 June 2024 and to NHS Ayrshire & Arran on 12 August 2024. A public-facing, accessible version of the Plan was produced, together with a summary version, a Plan on Page, and an easy read version. The Plan was publicly launched in July 2024.

Over the course of 2024/25, the Strategic Planning / Wellbeing Delivery Group has continued to oversee delivery of the Strategic Plan, which was also considered by the IJB at their development session on 5 March 2025. While reflecting that the plan has been co-produced with delivery partners and has broad support, the IJB also recognised the ongoing system, demand and financial pressures, and implications for service delivery.

The Strategic Plan Review 2024-2027 is available at the Governance webpage:

<https://www.east-ayrshire.gov.uk/Resources/PDF/E/EAHSCP-Strategic-Plan-2024-2027.pdf>

PERFORMANCE MANAGEMENT AND REPORTING

The IJB has embedded a performance management culture throughout the Partnership. It has created a wide range of performance information to manage services and target improvements for the people of East Ayrshire. This has been supported by our performance management systems which analyse data, track progress and monitor actions. Regular and robust performance information is provided to our Audit and Performance Committee (APC), IJB Members, operational managers and is publicly reported. Benchmarking is used to compare our performance with other organisations to support change and improvement.

The IJB embraces scrutiny including external inspection and self-assessment. In relation to performance

targets, the Partnership continues to progress towards a core set of indicators that relate to services from publicly accountable national indicators and targets which the Health Board and Council currently report against. Improvement measures will be a combination of existing and new measures that will allow assessment at a local level. The performance targets and improvement measures will be linked to local outcomes. The IJB's performance is scrutinised by a dedicated APC with a wide-ranging remit, but with a particular focus on performance management and improvement.

Since January 2018, Partnerships have been working to local objectives and trajectories set out by the Ministerial Strategic Group for Health and Community Care (MSG), for improvement in relation to six key indicators which aim to provide a whole system overview of performance. Analysis and commentary regarding our performance against the MSG measures is included within this report across the appropriate health and wellbeing outcomes.

The MSG information relates to a range of activities under the umbrella of 'unscheduled care', work that supports people to remain in their own homes, return to their own homes as quickly as possible when hospital treatment is required, prevention of related re-admission to hospital and end of life care. Unscheduled care is a fundamental component of the health and social care system and as such, our services need to be responsive to demand whilst being transformative over the long term. This includes moving patient contact from reactive to proactive planned engagement and from hospital settings to the community where appropriate.

Throughout 2024/25, activity reports aligned to the MSG indicators were presented to the Audit and Performance Committee and NHS Ayrshire and Arran Health Board, analysing performance in respect of pressures within the health and care system experienced as a result of local demand for unscheduled care.

East Ayrshire Performance against MSG Indicators: 2023/24 - 2024/25 Financial Years

	East Ayrshire 2023/24	East Ayrshire 2024/25	Variance
MSG01 - Unscheduled Admissions (all ages) (rate per 1,000 total population) *	136.1	138.5	1.7% ↑
MSG02 - Occupied Bed Days Unscheduled Care (all ages, acute specialities) (rate per 1,000 total population) *	903.2	902.6	0.1% ↓
MSG03 - Emergency Department: compliance with the four-hour standard (all ages)	67.8%	66.2%	1.6pp ↓
MSG04 - Delayed Discharge Bed Days (including code 9s) (rate per 1,000 18+ population)	110.0	118.4	7.6% ↑
MSG05 - End of Life Care – proportion of the last 6 months of life spent in community setting *	89.3%	89.6%	0.3pp ↑
MSG06 - Balance of care: Percentage of population in community or institutional settings - Proportion of 65+ population living at home (supported and unsupported) **	96.5%	96.4%	0.1pp ↓

*Figures for MSG01, MSG02 and MSG05 reflect calendar year 2024. Calendar year 2024 figures are used as a proxy for 2024/25 due to the national data for 2024/25 being incomplete, following guidance issued by Public Health Scotland.

** Figures for MSG06 compares 2023/24 to 2022/23 due to data availability, following guidance issued by Public Health Scotland.

East Ayrshire Performance against CSII Data Indicators: 2023 / 2023/24 - 2024 / 2024/25

	East Ayrshire 2023 / 2023/24	East Ayrshire 2024 / 2024/25	Variance
CSII-11: Premature mortality rate per 100,000 (2022 v 2023) *	521	491	↓ 5.8%
CSII-12: Emergency admission rate per 100,000 (2022/23 v 2023) **	14,639	14,738	↑ 0.7%
CSII-13: Emergency bed day rate for adults (per 100,000 population) (2022/23 v 2023) **	132,215	125,635	↓ 5.0%

CSII-14: Emergency readmission to hospital within 28 days of discharge (per 1,000 discharges) (2022/23 v 2023) **	110	111	↑ 0.9%
CSII-15: Proportion of last 6 months of life spent at home or in a community setting (2022 v 2023) **	89.3%	89.6%	↑ 0.3pp
CSII-16: Falls rate per population aged 65+ (2022/23 v 2023) **	19.0	21.3	↑ 12.1%
CSII-17: Proportion of care services graded 'Good' (4) or better in Care Inspectorate Inspections (2022/23 v 2023/24)	78.0%	88.1%	↑ 10.1pp
CSII-18: Percentage of adults with intensive care needs receiving care at home (2022 v 2023) **	71.6%	70.1%	↓ 1.5pp
CSII-19: Number of days people aged 75+ spend in hospital when they are ready to be discharged, per 1,000 population (2022/23 v 2023/24)	671	652	↓ 2.8%
CSII-20: Percentage of health and care resource spent on hospital stays where the patient was admitted in an emergency (2018/19 v 2019/20) ***	29.0%	26.6%	↓ 2.4pp

* 2023 calendar year figure has been applied for indicator 11 due to 2024 data not being available at the time of reporting.

** 2024 calendar year figures have been applied for indicators: 12, 13, 14, 15, 16 and 18. Calendar year 2024 figures are used as a proxy for 2024/25 due to the national data for 2024/25 being incomplete, following guidance issued by Public Health Scotland.

*** NHS Boards were not able to provide detailed cost information for 2020/21 due to changes in service delivery during the pandemic. As a result, Public Health Scotland have not provided information for indicator 20 beyond 2019/20. Public Health Scotland previously published information to calendar year 2020 using costs from 2019/20 as a proxy however, given the impact of the pandemic on activity and expenditure, it is no longer considered appropriate to include this information.

The following provides a summary of areas of positive performance in 2024/25, as well as areas identified for improvement:

Areas of Positive Performance



Zero hospital discharges over two weeks (standard delay reasons) during 2024/25. This remains unchanged for a number of years, representing sustained long-term performance despite significant whole system pressures.



The percentage of looked after and accommodated children with three or more moves declined from 24.2% in 2023/24 to 17.5% in 2024/25.



The proportion of child protection re-registrations within twelve months fell from 4.5% in 2023/24 to 3.1% in 2024/25.



99% of people started drug / alcohol treatment within three weeks (target = 90%).



96.1% of Community Payback Orders were successfully completed in 2024/25, up from 92.5% in 2023/24.

Areas for Improvement



The number of bed days lost as a result of delayed discharge has increased from 10,767 in 2023/24 to 11,586 in 2024/25. Despite this increase, East Ayrshire benchmarks strongly against comparator areas.



The percentage of reports submitted to the Scottish Children's Reporters Administration (SCRA) by the due date decreased from 61.6% in 2023/24 to 52.7% in 2024/25.



48% of our relevant workforce had an active / signed-off FACE (annual development review) in March 2025 (target = 95%).



63.1% of personal carers are qualified to Scottish Social Services Council standard. Up 1.6 percentage points from 61.5% in 2023/24, with recognition this is an area for further improvement.



40.5% of adult patients waited less than four weeks for MSK services in March 2025 (national target = 90%).

The Public Bodies (Joint Working) (Scotland) Act 2014 obliges all integration authorities to publish a performance report covering performance over the reporting year no later than four months after the end of that reporting year. Reporting years begin on 1 April annually. For example, a Performance Report covering the period April 2024 to March 2025 is required to be published no later than the end of July 2025.

The Annual Performance Report for the IJB for 2024/25 was approved by the IJB on 27 August 2025. The Annual Performance Report 2024/25 is available at the Governance webpage:

<https://www.east-ayrshire.gov.uk/Resources/PDF/H/hscp-annual-performance-report.pdf>

FINANCIAL STATEMENTS 2024/25

The Financial Statements for 2024/25 are set out at section 5 and incorporate financial and other information required by the Code of Practice on Local Authority Accounting in the United Kingdom (The Code). The Statement of Significant Accounting Policies at section 6 explains the basis for the recognition, measurement and disclosure of transactions and other events in the Financial Statements to ensure that they present a 'true and fair view' of the IJB's financial performance.

FINANCIAL PERFORMANCE 2024/25

Financial information is part of the performance management framework with regular reporting of financial performance to the IJB and the APC. This section provides a summary of the main elements of our financial performance for 2024/25.

Partnership services include the full range of community-based health and care services delegated by the partner organisations under the terms of the Integration Scheme. East Ayrshire Health and Social Care Partnership has the Lead Partnership role in Ayrshire for Primary Care and Out of Hours Community Response and Prison and Police Custody Services, including:

- Primary Care (General Medical Services, General Dental Services, General Ophthalmic Services, Community Pharmacy)
- Public Dental Services
- Ayrshire Urgent Care Services (AUCS)
- Prison Service and Police Custody Services
- Hosted Allied Health Professions Services
- Area Wide Evening Services
- Palliative Care Services
- Out of Hours Social Work Services

The Annual Budget 2024/25 report approved by the IJB on 20 March 2024 directed East Ayrshire Council and NHS Ayrshire & Arran to deliver services in line with strategic planning priorities on behalf of the IJB within the initial delegated resource for directly managed services (including delegated functions managed out with the IJB). The initial approved directly managed services budget (excluding acute hospital Set Aside resources) for 2024/25 was a balanced budget of £325.215m.

The Annual Budget 2024/25 report summarised key financial and operational risks and potential consequences related to both Council and NHS commissioned services and highlighted that this presented a challenging position going forward.

The requirement to draw down general reserves to achieve financial balance in 2023/24 and to set an initial balanced budget for 2024/25 results in no contingency balance being retained as at 31 March 2025. This represents a financial risk to the IJB going forward.

It is intended that the transformational change programme funding retained within the IJB Reserve will be used to mitigate, as far as possible, financial risks associated with cost and volume budget pressures, as well as operational risks related to staff recruitment and retention, as part of the work being taken forward through the Strategic Commissioning Board. It is important to highlight that transformational change programme funding has been used to offset financial pressures on a non-recurring basis in 2024/25, as part of Financial Recovery Plan 2. The £1.476m balance of transformational change funding at 31 March 2025 is fully committed against previously approved projects and initiatives. Transformational change programme funding has been directed towards efficiency and cost reduction and the absence of funding to drive further transformational change, at a time of significant financial and operational challenges, represents an additional risk going forward.

Further detail on the IJB Reserve position is presented in the Movement in Reserves Statement at Section 5 – Financial Statements and at Note 8: Usable Reserve – General Fund at Section 6 Notes to the Financial Statements.

The Annual Budget 2024/25 report also highlighted that, going forward, unscheduled care and expectations around Set Aside, as well as ongoing Council and Health Board financial challenges and the impact of decisions taken by the other Ayrshire IJBs remain key risk areas for the IJB. The continued political and economic uncertainty continues to represent an additional risk to the IJB and the wider public sector.

Expenditure for the 2024/25 financial year is £2.186m greater than the directly managed services budget delegated to the IJB. This overspend increases to £3.881m on a population basis when Lead Partnership net recharges totalling £1.695m are included. The £3.881m overspend increases further due to specific commitments, totalling £2.140m, carried-forward to offset attributable expenditure in future years. This results in a net overspend of £6.021m for 2024/25 and is wholly offset by non-repayable funding from East Ayrshire Council and NHS Ayrshire and Arran £5.869m and £0.152m, respectively.

The final outturn position also includes balances drawn down from the IJB Reserve totalling £6.323m to offset costs in 2024/25, as well as savings from two separate in-year Financial Recovery Plans for Council commissioned services, approved by the IJB. The following table highlights the impact of Financial Recovery Plan 1 and Financial Recovery Plan 2 on the final outturn position for 2024/25:

	Council commissioned services £m	NHS commissioned services £m	HSCP Total £m
Directly managed services:			
Overspend 31 March 2025 before Financial Recovery Plan savings	7.975	(3.065)	4.910
Financial Recovery Plan 1 savings	(0.151)	0.000	(0.151)
Financial Recovery Plan 2 savings	(2.573)	0.000	(2.573)
Financial Recovery Plan Total Savings	(2.724)	0.000	(2.724)
Overspend / (Underspend) 31 March 2025	5.251	(3.065)	2.186
Earmarked balances	0.618	0.083	0.701

	5.869	(2.982)	2.887
Lead Partnership / Hosted Services:			
Net recharges in	0.000	1.695	1.695
Earmarked balance - Primary Care Improvement Fund	0.000	0.409	0.409
Earmarked balance - Mental Health Action 15	0.000	0.253	0.253
Earmarked balances - other	0.000	0.777	0.777
	0.000	3.134	3.134
Overspend 31 March 2025	5.869	0.152	6.021
Additional delegated funding - previously approved	(4.000)	0.000	(4.000)
Additional delegated funding 31/3/25	(1.869)	(0.152)	(2.021)
	(5.869)	(0.152)	(6.021)
Net position	0.000	0.000	0.000

In addition to specific Financial Recovery Plan actions in 2024/25, interventions were put in place across the Partnership to apply financial restraint and strengthened governance. These interventions proved to be challenging for services and required an increased level of financial control and monitoring to ensure that their implementation had the desired impact. The following interventions were agreed within the initial Financial Recovery Plan 1, that going forward until further notice:

- A freeze is placed on the filling of all non-essential vacancies.
- An increased level of authorisation by Head of Service to be put in place for all orders / expenditure above an agreed level.
- Heads of Service / Senior Managers required to undertake detailed fortnightly monitoring of their expenditure to ensure robust review of essential spend.

The IJB approved a change in eligibility criteria for social care support in June 2024, to focus on individuals with highest needs in the critical and substantial need bandings.

A significant programme of review and transformational work is underway to implement this shift in support provision linked to eligibility in a safe way for the vulnerable people requiring care and support. It will however, take up to two years to achieve the shift in support provision away from moderate, to only substantial and critical. The initial Financial Recovery Plan 1 is based on this.

At the current time, East Ayrshire is in line with the majority of Scottish local authorities and national guidance in providing formal social care support for individuals at both critical risk and urgent need, as well as at substantial risk and high level of need. Any further review of this policy, for example, to provide social care support only for individuals with critical risk and urgent need, carries significant risk not only for individuals but for the IJB and its partner agencies.

It is important to highlight that of the £2.573m Financial Recovery Plan 2 cost reductions achieved in 2024/25, £2.048m were achieved on a non-recurring basis. This has been included as a 2025/26 baseline budget pressure, alongside other non-recurring offsets in 2024/25. The 2025/26 Annual Budget includes £5.945m Financial Recovery Plan 1 savings which will be challenging at a time for increasing demand for services, alongside complexity of care. In addition to Financial Recovery Plan 1 savings, additional savings £9.272m were approved by the IJB on 1 April 2025, recognising the overall initial identified funding gap £15.217m.

The following table highlights financial performance by IJB Service Division on a directly managed services basis, as well as on a population basis (incorporating Lead Partnership / hosted services / Set Aside NRAC fair share adjustments):

Annual Estimate 2023/24 £m	Actual to 31/3/24 £m	Variance (Favourable) / Adverse £m	Service Division	Annual Estimate 2024/25 £m	Actual to 31/3/25 £m	Variance (Favourable) / Adverse £m
			Core Services			
25.020	26.956	1.936	Learning Disabilities	25.700	28.631	2.931
8.545	8.087	(0.458)	Mental Health	8.147	7.821	(0.326)
53.927	56.703	2.776	Older People	53.244	56.180	2.936
3.816	4.244	0.428	Physical Disabilities	4.486	4.193	(0.293)
0.245	0.269	0.024	Sensory	0.240	0.241	0.001
8.534	8.315	(0.219)	Service Strategy	10.229	9.075	(1.154)
0.496	0.496	0.000	Transport	0.495	0.495	0.000
0.322	0.322	0.000	Health Improvement	0.283	0.283	0.000
8.694	8.110	(0.584)	Community Nursing	8.204	8.033	(0.171)
29.590	29.590	0.000	Prescribing	30.219	30.219	0.000
17.680	17.680	0.000	General Medical Services	17.680	17.757	0.077
8.259	8.425	0.166	Allied Health Professions	8.627	9.541	0.914
1.293	1.125	(0.168)	Intermediate Care and Rehabilitation Teams	0.839	0.887	0.048
166.421	170.322	3.901		168.393	173.356	4.963
			Public Protection			
1.440	1.425	(0.015)	Adult Support and Protection	0.153	0.131	(0.022)
2.115	2.008	(0.107)	Alcohol and Drugs Support	3.296	2.969	(0.327)
0.064	0.070	0.006	Child Protection Committee	0.076	0.076	0.000
0.869	0.869	0.000	Learning and Development	0.811	0.815	0.004
4.488	4.372	(0.116)		4.336	3.991	(0.345)
			Non-District General Hospitals			
4.214	3.874	(0.340)	East Ayrshire Community Hospital	4.201	4.144	(0.057)
0.515	0.453	(0.062)	Woodland View Commissioned Services	0.566	0.494	(0.072)
4.729	4.327	(0.402)		4.767	4.638	(0.129)
			Lead Partnership Services			
0.243	0.243	0.000	Standby Services	0.296	0.296	0.000
114.785	113.730	(1.055)	Primary Care (incl. Dental)	129.225	127.368	(1.857)
3.564	3.667	0.103	Prison & Police Healthcare	3.937	3.961	0.024
4.514	4.304	(0.210)	Allied Health Professions (Lead)	5.329	4.939	(0.390)
2.026	1.986	(0.040)	Other Lead Services	2.158	2.263	0.104
125.132	123.930	(1.202)		140.945	138.826	(2.119)
			Children's Health, Care and Justice Services			
21.105	21.395	0.290	Children & Families / Women's Services	19.889	18.812	(1.077)
5.998	6.620	0.622	Secure Accommodation / Outwith Placements	6.455	7.455	1.000
2.728	2.728	0.000	Justice Services	2.812	2.799	(0.013)
4.545	4.472	(0.073)	Health Visiting	4.762	4.668	(0.094)
34.376	35.215	0.839		33.918	33.734	(0.184)

335.146	338.166	3.020	TOTAL DIRECTLY MANAGED SERVICES BUDGET	352.359	354.545	2.186
			Hosted Services adjustments			
(84.638)	(84.067)	0.571	Recharges out	(95.257)	(93.875)	1.382
22.821	22.312	(0.509)	Recharges in	24.442	24.755	0.313
(61.817)	(61.755)	0.062		(70.815)	(69.120)	1.695
26.216	26.216	0.000	Set Aside	31.870	31.870	0.000
299.545	302.627	3.082	TOTAL POPULATION BASED BUDGET INCLUDING SET ASIDE	313.414	317.295	3.881
			Earmarked balances			
0.000	0.672	0.672	Underspend relating to EAC – earmarked by IJB	0.000	0.618	0.618
0.000	0.201	0.201	Underspend relating to NHS A & A – earmarked by IJB	0.000	0.083	0.083
0.000	0.459	0.459	Underspend relating to NHS A & A Primary Care Improvement Fund – earmarked by IJB	0.000	0.409	0.409
0.000	0.244	0.244	Underspend relating to NHS A & A Mental Health Action 15 – earmarked by IJB	0.000	0.253	0.253
0.000	0.235	0.235	Underspends in NHS A & A Hosted Services – earmarked by IJB	0.000	0.289	0.289
0.000	0.529	0.529	Underspends in other IJBs NHS A & A Hosted Services – earmarked by IJB	0.000	0.488	0.488
0.000	2.340	2.340		0.000	2.140	2.140
299.545	304.967	5.422	NET OVERSPEND / (UNDERSPEND) AFTER EARMARKING	313.414	319.435	6.021
			Uncommitted balances			
0.000	(6.623)	(6.623)	Underspend / (overspend) relating to EAC – retained by IJB / (balance drawdown)	0.000	0.000	0.000
0.000	1.201	1.201	Underspend relating to NHS A & A – retained by IJB	0.000	0.000	0.000
0.000	(5.422)	(5.422)		0.000	0.000	0.000
299.545	299.545	0.000	TOTAL DELEGATED BUDGET AFTER UNCOMMITTED BALANCES	313.414	319.435	6.021
			Additional funding contribution:			
0.000	0.000	0.000	Overspend relating to EAC - Additional funding	5.869	0.000	(5.869)
0.000	0.000	0.000	Overspend relating to NHS A & A – Additional funding	0.152	0.000	(0.152)
0.000	0.000	0.000		6.021	0.00	(6.021)

299.545	299.545	0.000	TOTAL DELEGATED BUDGET	319.435	319.435	0.000

Earmarked and uncommitted balances at 31 March 2024 reflect the recommendation approved by the IJB on 25 September 2024, as part of formal approval of the audited Annual Accounts 2023/24. Further information is provided at the Movement in Reserves section of the Financial Statements at section 5 of the Annual Accounts.

The final outturn position for 2024/25 highlights an overspend of £6.021m for the Partnership after earmarking of funds totalling £2.140m. This comprises an overspend of £5.869m on services commissioned from East Ayrshire Council, and a overspend of £0.152m on services commissioned from NHS Ayrshire & Arran, after taking account of Lead Partnership recharges in / out.

The Financial Management Report to 31 March 2025, presented to the IJB on 25 June 2025, includes the recommendation for members to note additional non-recurring and non-repayable funding contributions from East Ayrshire Council £5.869m and NHS Ayrshire & Arran £0.152m. These additional funding contributions totalling £6.021m are required to achieve financial balance for 2024/25. This recommendation is in advance of formal IJB approval of the audited Annual Accounts 2024/25.

The financial performance table above is consistent with in-year Financial Management Reports to the IJB and highlights directly managed services expenditure of £354.545m for 2024/25. The following table provides a reconciliation between the management accounts net expenditure on directly managed services £354.545m and the £323.618m net cost of provision of services within the Comprehensive Income and Expenditure Statement (CIES) in the Financial Statements at section 5 of the unaudited Annual Accounts.

	Net Expenditure 2024/25 £m
Annual Accounts: cost of provision of services	323.618
Management Accounts: actual expenditure	354.545
Variance	(30.927)
Represented by:	
Funding delegated 2023/24	6.323
Lead Partnership income	(93.875)
Lead Partnership contributions	24.755
Large Hospital Set Aside	31.870
	(30.927)

After taking account of £6.323m funding delegated to the IJB and accounted for in the 2023/24 financial year, this results in a deficit on provision of services pertaining to 2024/25 of £4.183m (and is reflected in the CIES in the Financial Statements at section 5 of the Annual Accounts).

The following paragraphs provide a commentary on the main issues underlying the 2024/25 population based overspend of £3.881m, which after taking account of earmarking of funds totalling £2.140m increases to £6.021m. A detailed breakdown of the £2.140m earmarking of funds is set out within Transfers-In 2024/25 at Note 8 Useable Reserve – General Fund, within Notes to the Financial Statements at section 6 of the unaudited Annual Accounts.

Core Services

The £4.963m overspend on Core Services includes an overspend of £2.936m on Older People's Services, which largely relates to additional staffing costs, principally Community Care Officers, as well as additional

residential and nursing care costs, net additional self-directed services care costs and additional transport costs.

In addition, Learning Disabilities Services overspent by £2.931m, largely due to additional staffing costs, as well as increased self-directed services care costs and residential care costs.

Physical Disabilities Services overspent by £0.293m, after taking account of earmarking of £0.524m to offset equipment and adaptations commitments. The overspend is largely due to increased residential care costs, partially offset by savings due to non-HRA equipment costs.

Allied Health Professions Services overspent by £0.914m due to over-establishment staffing costs.

These additional costs were partially offset by reduced Mental Health staffing costs £0.326m, as well as reduced District Nursing staffing and care package costs totalling £0.171m. In addition, Service Strategy underspent by £1.154m, mainly due to reduced staffing costs.

Public Protection

There is an underspend of £0.251m in Public Protection, after taking account of earmarking of £0.094m in respect of Alcohol and Drugs Partnership commitments. The underspend is largely due to less than budgeted staffing costs in Alcohol and Drugs Support services.

Non-district General Hospitals

The £0.057m underspend at East Ayrshire Community Hospital is largely due to reduced staffing costs over the course of the year, partially offset by additional bariatric equipment costs. In addition, there is a reduction of £0.072m in costs related to beds commissioned by East Ayrshire IJB within Woodland View Hospital, which is operated by North Ayrshire IJB under pan-Ayrshire hosted services arrangements.

Lead Partnership Services

The Integration Scheme creates various Lead Partnership roles across the three Ayrshire Integration Joint Boards. Each IJB, acting as lead partner, commissions services on behalf of the three Ayrshire IJBs and reclaims the costs involved. This arrangement is treated as an agency arrangement.

East Ayrshire

The £2.119m underspend on East Ayrshire hosted services includes an underspend of £1.857m on the Primary Care Lead Partnership budget prior to pan-Ayrshire earmarking £2.001m, resulting in a small overspend of £0.144m. This includes a net overall underspend of £1.091m on Primary Care Improvement Fund (PCIF) which has been earmarked for carry-forward on an actual spend basis at individual IJB level as well as specific PCIF Phased Investment funding £0.891m, which has also been carried-forward to offset expenditure commitments on a pan-Ayrshire basis. Primary Medical Services have overspent by £0.556m due to additional staffing costs, with additional costs in Ayrshire Urgent Care Services of £0.063m, with work ongoing to redesign the service to mitigate pressures going forward. The £0.654m underspend in Dental services reflects that staffing numbers have been running at less than establishment, with reduced Primary Care administration costs £0.136m.

There is a £0.024m overspend on Prison and Police Healthcare, largely due increasing prescribing costs.

The £0.390m underspend in Lead Partnership Allied Health Professions Services largely relates to reduced staffing costs, principally in Physiotherapy / Musculoskeletal and Podiatry Services.

The £0.104m overspend in Other Lead Services relates to additional staffing costs in Area Wide Evening Services, including high use of bank staff.

Service Division	Annual Estimate 2024/25 £m	Actual to 31/3/25 £m	Projected Variance (Favourable) / Adverse £m
Standby Services	0.296	0.296	0.000
Primary Care including Dental Services	114.517	113.750	(0.767)

Prison and Police Healthcare	3.937	3.961	0.024
Allied Health Professions (Lead)	5.329	4.938	(0.391)
Other Lead Services	2.158	2.264	0.106
	126.237	125.209	(1.028)
NRAC Shares:			
East Ayrshire - 31.9% / 35.0%	40.426	40.098	(0.328)
North Ayrshire - 37.0% / 36.0%	46.601	46.221	(0.380)
South Ayrshire - 31.1% / 29.0%	39.210	38.890	(0.320)
	126.237	125.209	(1.028)
Primary Care Improvement Fund	14.709	13.618	(1.091)
PCIF actual shares:			
East Ayrshire	5.066	4.657	(0.409)
North Ayrshire	5.155	5.109	(0.046)
South Ayrshire	4.488	3.852	(0.636)
	14.709	13.618	(1.091)
Total	140.946	138.827	(2.119)

North Ayrshire

There is an overspend of £0.658m on services hosted by North Ayrshire IJB, prior to pan-Ayrshire earmarking £1.978m, resulting in an overspend of £2.636m. This mainly relates to Specialist Mental Health Services, which overspent by £0.614m prior to earmarking, as well as the £0.488m balance of Mental Health Action 15 funding which has been earmarked for use in 2025/26. There are additional staffing costs in Adult and Elderly Inpatient Services £0.597m and Psychiatry £0.495m, as well as additional Unplanned Activities costs £1.143m (specialist care needs) and Mental Health Pharmacy related to opioid replacement therapy £0.675m. The main areas of underspend are Learning Disability Services £0.212m, mainly related to staffing. There are reduced Enhanced Mental Health Outcome Framework costs £0.624m and Mental Health Infrastructure £0.322m, with both balances earmarked for use in 2025/26. There is an over-recovery on the overall vacancy savings target of £0.475m for the year.

Service Division	Annual Estimate 2024/25 £m	Actual to 31/3/25 £m	Projected Variance (Favourable) / Adverse £m
Specialist Mental Health Services	65.056	66.158	1.102
Children's Services	0.517	0.561	0.044
	65.573	66.719	1.146
NRAC shares:			
East Ayrshire - 32.8% / 31.9%	21.465	21.840	0.375
North Ayrshire - 38.7% / 37.0%	25.324	25.766	0.442
South Ayrshire - 28.6% / 31.1%	18.784	19.113	0.329
	65.573	66.719	1.146
Mental Health Action 15	5.280	4.792	(0.488)
Action 15 actual shares:			
East Ayrshire	1.712	1.459	(0.253)
North Ayrshire	1.947	1.812	(0.135)
South Ayrshire	1.621	1.521	(0.100)
	5.280	4.792	(0.488)
Total	70.853	71.511	0.658

South Ayrshire

There is an overspend of £0.598m on services hosted by South Ayrshire IJB, with no requirement for pan-Ayrshire earmarking of balances. This overspend mainly relates to additional Community Equipment Store costs £0.454m mainly due to increased demand for equipment, particularly for mattresses and beds and including replacement of obsolete mattresses at higher cost. In addition, the Community Continence team overspent by £0.145m due to staffing being over establishment and increased supplies costs.

Service Division	Annual Estimate 2024/25 £m	Actual to 31/3/25 £m	Projected Variance (Favourable) / Adverse £m
Community Equipment Store	0.752	1.206	0.454
Continence Team	0.563	0.708	0.145
Family Nurse Partnership Programme	2.651	2.650	(0.001)
	3.966	4.564	0.598
NRAC Shares:			
East Ayrshire - 31.9%	1.265	1.456	0.191
North Ayrshire - 37.0%	1.467	1.689	0.221
South Ayrshire - 31.1%	1.233	1.419	0.186
	3.966	4.564	0.598

This final outturn position for Lead Partnership managed services results in a net increased cost to East Ayrshire IJB of £1.695m. This comprises the North and South shares of the East hosted services underspend £1.382m (£0.426m + £0.956m) plus the East contribution to the overspend in North and South hosted services £0.313m (£0.122m + £0.191m).

Host IJB	Overspend / (Underspend) Hosted Services at Month 12 £m	East Ayrshire NRAC Share £m	North Ayrshire NRAC Share £m	South Ayrshire NRAC Share £m
East Ayrshire	(2.119)	(0.737)	(0.426)	(0.956)
North Ayrshire	0.658	0.122	0.307	0.229
South Ayrshire	0.598	0.191	0.221	0.186
TOTAL	(0.863)	(0.424)	0.102	(0.541)

East Ayrshire's share of Lead Partnership sums earmarked for carry forward totalling £1.439m is included at Note 8: Useable Reserve - General Fund at Notes to the Financial Statements at Section 6 of the unaudited Annual Accounts.

Children's Health, Care and Justice Services

The £0.184m underspend includes increased expenditure on outwith placements £1.109m, which mainly comprises externally commissioned residential placements, as well as costs relating to additional educational support needs provided by East Ayrshire Council's Education Service and recharged against the budget delegated to the IJB. This is after taking account of non-recurring funding £0.277m to partially offset costs in 2024/25. Without this, the overspend would have been £1.386m, which represents a risk going-forward to 2025/26. This additional cost is partially offset by less than budgeted secure accommodation costs £0.110m.

The Children and Families / Women's Services budget underspent by £1.077m, largely due to reduced staffing costs £0.634m, as well as non-recurring slippage on additional resources £0.500m, partially offset by overspends within external fostering costs and self-directed services. Justices Services underspent by £0.013m after taking account of budgeted specific grant funding £3.239m, with full spend of the grant funding having been achieved over 2024/25. Health Visitors underspend £0.094m, largely due to staffing costs,

partially offset by additional care package costs.

Acute Set Aside

The Integration Scheme establishes that pressures in respect of large hospitals Set Aside budgets will be managed in-year by NHS Ayrshire & Arran, with any over or under spend being considered as part of the annual budget setting process. Acute Services within NHS Ayrshire & Arran continue to face particular budget pressures around the costs of covering a high level of medical and nursing vacancies and the increasing needs of patients requiring nursing support above funded levels.

No specific Set Aside resource was identified as part of the NHS Ayrshire & Arran budget setting process for 2024/25. Further work has been undertaken through the Ayrshire Finance Leads group to establish baseline resources for each Partnership and how this compares to the NRAC “fair share” of resources. This baseline data has been applied at 2023/24 prices to inform Set Aside figures in the 2024/25 annual accounts, with the East Ayrshire allocation £31.870m included within the month 12 net population based delegated resource £313.414m, with a comparison with NRAC “fair share” highlighted in the table below:

IJB	Baseline Bed Days	NRAC Budget Share 2024/25 £m	Allocation 2024/25 £m	Over / (Under) NRAC Share £m
East Ayrshire	59,396	31.028	31.870	0.842
North Ayrshire	79,256	35.783	39.966	4.183
South Ayrshire	66,847	30.426	34.488	4.062
Total	205,499	97.237	106.324	9.087

An alternative baseline methodology of historic use of the Set Aside resource (pre-pandemic) compared to the 2024/25 allocation, highlights that East Ayrshire IJB's baseline share is at a reduced level compared to NRAC “fair share” and reflects that East Ayrshire's use of the resource over the baseline period was less than NRAC “fair share”. This is highlighted in the table below:

IJB	Baseline Bed Days	Historic Use Baseline £m	East Ayrshire Share £m	Over / (Under) Historic Usage Share £m
East Ayrshire	59,396	28.183	31.870	3.687
North Ayrshire	79,256	37.807	39.966	2.159
South Ayrshire	66,847	31.247	34.488	3.241
Total	205,499	97.237	106.324	9.087

Work will continue over the course of 2025/26 through the Ayrshire Finance Leads group to further refine baseline resources for each partnership and how this compares to the NRAC “fair share” of resources. This information will be used to map activity data (bed days, admissions, discharges) against costs across the six specialties at the various acute services locations. Discussions are ongoing regarding appropriate baseline methodology for Set Aside budgets which considers using the four full years prior to the pandemic, 2016/17 – 2019/20 inclusive, against NRAC fair share.

Summary

East Ayrshire Health and Social Care Partnership continues to operate within a challenging financial environment as a result of real terms reductions in funding, increased demographic pressures and the cost of implementing new legislation and policies, all of which, alongside staff recruitment and retention difficulty has once again impacted on service delivery and mainline budgets. Due to continuing pressures over the course of 2024/25, savings agreed in-year as part of two separate Financial Recovery Plans to achieve financial balance were not fully deliverable. This is reflected in the final outturn position for 2024/25, with baseline budget pressures having been included in budget planning assumptions for 2025/26.

The Senior Leadership Team and wider Partnership Leadership Team, with the support of the Strategic Commissioning Board, Budget Working Group and oversight by the Audit and Performance Committee and Integration Joint Board, have worked throughout 2024/25 to manage and mitigate budget pressures and associated service implications, as far as possible, through strong financial governance. This work will continue in 2025/26 and going forward.

The Financial Statements 2024/25 for the IJB are set out at sections 5 and 6 of the Annual Accounts. This includes the Comprehensive Income and Expenditure Statement and the Balance Sheet, which summarises the IJB's net assets as at 31 March 2025.

FINANCIAL OUTLOOKS, RISKS AND PLANS FOR THE FUTURE

Financial Challenges and Key Risks

The East Ayrshire Health and Social Care Partnership, like all others, faces unprecedented financial challenges going forward into 2025/26 and will be required to operate within tight fiscal constraints for the foreseeable future due to the continuing difficult national economic outlook. The requirement to deliver significant recurring savings to achieve financial balance has a direct impact on services at a time when all Partnerships face increasing demand from an ageing population, with increasingly complex health and social care needs across all service areas.

The IJB's external auditors, Audit Scotland, presented their Annual Audit Plan for the 2024/25 audit to the Audit and Performance Committee on 25 March 2025. This report notes that in recent years, East Ayrshire IJB has achieved short term financial balance, however it continues to be faced with significant financial challenges over medium and longer term financial sustainability, due to the uncertainty over future Scottish Government funding allocations, workforce pressures and the rising cost of inflation.

East Ayrshire IJB approved an initial balanced budget for 2025/26 at its meeting on 1 April 2025. The Scottish Government funding settlement for social care services did not provide for additional cost and demand pressures, other than uplifts for the Living Wage and Free Personal and Nursing Care, which represents real terms cut in funding and is extremely challenging given pressures faced. Similarly, the funding settlement for health services for 2025/26 is insufficient to absorb all cost and demand pressures. In addition to the Scottish Government directive of a 3% uplift on adjusted baseline funding, NHS Ayrshire & Arran has provided the IJB with the 60% funding share to partially offset increased employers National Insurance costs in 2025/26.

After taking account of all identified cost pressures, partially offset by additional Scottish Government funding routed to the IJB by East Ayrshire Council and NHS Ayrshire & Arran, savings of £15.217m have been approved as part of the initial balanced budget for 2025/26. This includes Financial Recovery Plan savings £5.945m approved in 2024/25.

Achievement of savings of the scale approved for 2025/26 will be extremely challenging and will impact on services across key areas, with savings impacting disproportionately on social care services, due to budget pressures against a real-terms reduction in funding. The drawdown of remaining uncommitted balances in 2024/25 impacts on flexibility and ability to respond to unforeseen pressures going forward.

In setting the budget, the IJB has recognised a number of key financial and operational pressures / risks, and potential consequences, which were summarised in the Annual Budget 2025/26 report as follows.

Risks:

- Legacy overspends
- Increasing demand / complexity of care
- Demographic changes
- Inflationary pressures (pay / contractual)
- External cost pressures (e.g. employers National Insurance, prescribing)
- Provider market stability
- Non-achievement of savings / timescale for delivery of savings
- Lead Partnership pressures impact

- Scottish Government funding initiatives not fully funded / reducing / ceasing
- Wider political / economic uncertainty
- Public expectations
- Impact on services and on people who use them
- Managing public expectations

Potential consequences:

- Increased waiting times to access care
- Delays in hospital discharge
- Greater risk to those unsupported in community
- Additional strain on unpaid carers
- Impact on ability to respond to pressures
- Impact on service performance, quality and satisfaction

As highlighted previously within the Management Commentary, the absence of General Fund uncommitted balances, as well as the fully committed transformational change fund represent additional risks.

These key operational pressures / risks and potential consequences represent a challenging position in 2025/26 and going forward. It is important however to recognise opportunities in terms of reset and future planning via the transformational change programme to ensure financial sustainability going forward. The alignment of budget with strategic planning priorities, alongside commissioning of services that not only meet immediate need but also facilitate preventative activity that supports population wide health improvement and addresses inequalities is key. Seeing this in the context of longer term demographic change will be important.

Alongside the Risk Management Committee, the Partnership Leadership Team (PLT) recognise the importance of a formal system of risk management and the evaluation of corporate and strategic risks. PLT regularly reviews and assesses the risk register, which details the high-level strategic risks, their relative importance and the required action measures. The Risk Register is reviewed and updated, based on the assessment of the overall risks identified by services as being significant enough to be placed on the Register, with mitigating actions. A high-level Risk Register pertaining to the Financial Recovery Plan was presented to the Audit and Performance Committee on 28 January 2025, as part of Financial Recovery Plan oversight arrangements. A Financial Recovery Plan Update report was presented to the APC on 2 September 2025. This report included monitoring templates, completed by operational leads, pertaining to approved savings for 2025/26, focussing on benefit realisation, risks and dependencies. These specific risk templates align with the high-level risk register presented to the APC on 28 January 2025. It was agreed by the APC on 2 September 2025, that a strengthened Risk Register pertaining to the Financial Recovery Plan and aligning to existing service risk registers will be collated.

Transformational Change

East Ayrshire Health and Social Care Partnership requires to be clear about its role and what services are needed and valued by local people and communities, whilst seeking opportunities for new and innovative service delivery models to maximise the collective resources of all partners. Partnership working is core to being able to deliver effective services within delegated resources. Transparent conversations with community planning partners, including the third sector, independent and business sectors have increased understanding, and this has harnessed collective thinking in respect of early intervention, prevention and creative modelling of service provision.

Partnership working continues to extend beyond delegated community health and care services and services managed under pan-Ayrshire Lead Partnership arrangements. Partnership working includes working with East Ayrshire Council's Education, Housing, Vibrant Communities and Leisure services, as well as the third and independent sectors, with the latter often supporting the delivery of innovative responses to need within our localities.

The Partnership has a well-established Strategic Commissioning Board (SCB), which has delegated responsibility to oversee the implementation of a financial recovery plan on behalf of the IJB Audit and Performance Committee (APC) and through the APC to the IJB itself. The key priority is to ensure that the

IJB is best prepared to meet key priorities set out in the Strategic Plan 2021-30, within delegated resources and in line with National Health and Wellbeing Outcomes. Ongoing engagement with stakeholders is key. It follows that the Strategic Planning and Wellbeing Group will have a key role in engaging in and influencing the transformational change / sustainable outcomes programme being taken forward through the SCB.

The Terms of Reference for the SCB allow for working groups to be established. The dedicated Budget Working Group (BWG) met over the course of 2024/25 to consider the composition of the balanced budget proposal for 2025/26 and to monitor progress against Financial Recovery Plan savings. The BWG will continue to meet to consider pressures and monitor savings progress over the course of 2025/26, with a view to finalising a balanced budget proposal for 2026/27.

The first phase of the Innovation Programme has concluded, with an Innovation Hub established online to help identify and develop innovative solutions to system pressures, challenges and opportunities and bring together the right people to work on new and creative proposals, with links to a pan-Ayrshire network. Innovation is being taken forward by Heads of Service and service leads, linked to Best Value Service Reviews and Service Improvement Plans.

A significant focus will be on developing and scaling-up the use of data, digital and technology enabled care (TEC), as well as demand management, early intervention and prevention, and benefits realisation. In addition, a significant programme of review and transformational work is underway to implement this shift in support provision linked to eligibility in a safe way for the vulnerable people requiring care and support.

As highlighted previously within the Management Commentary, the transformational change programme funding retained within the IJB Reserve will be used to mitigate, as far as possible, financial risks associated with cost and volume budget pressures, as well as operational risks related to staff recruitment and retention, as part of the work being taken forward through the SCB. The £1.476m balance of transformational change funding at 31 March 2025 is fully committed against previously approved projects and initiatives. Transformational change programme funding has been directed towards efficiency and cost reduction and the absence of funding to drive further transformational change, at a time of significant financial and operational challenges, represents a risk going forward.

The East Ayrshire Innovation Fund has been set up by East Ayrshire Council to support services to take forward projects that aim to improve the efficiency, effectiveness and accessibility of Council services. Two separate bids were submitted to the Innovation Fund by the IJB in 2024/25. The first bid relates to the expansion of use of new technology solutions, which will support proactive management of patient health through early interventions. It is anticipated that this will provide meaningful, cost-effective ways for people to manage their health and wellbeing and support better demand management. East Ayrshire Council Cabinet approved funding of £0.898m at its meeting on 4 September 2024.

The second bid to the Council's Innovation Fund in 2024/25 relates to a programme of Care at Home Digital Transformation in the service, with plans to refine business processes and to procure and implement a fit-for-purpose monitoring, scheduling and digital management system, to improve quality and optimise wellbeing and equity for staff, freeing up face to face time for caring activities. East Ayrshire Council Cabinet approved funding of £1.514m at its meeting on 4 September 2024.

It is important to note that both initiatives are important elements of Financial Recovery Plan 1 savings, which are a key part of the initial balanced budget proposal for 2025/26.

The alignment of the Strategic Plan and service delivery with resources available is a key element of the IJB's response to the challenges it faces. Key enablers to the delivery of strategic planning priorities include workforce planning with more integrated multi-disciplinary working in localities, early intervention and prevention, alternative models of care, information communication technology, property and asset management and Housing contribution to models of care. The delivery of services in a more streamlined and effective manner will be essential. It is reassuring to note that external audit reports recognise that the Strategic Commissioning Board is continuing to drive the delivery of transformational change across the Partnership. Going forward, the emphasis will continue to focus on transformational drivers of change, aligned to data driven intelligence, with cost reduction / greater efficiency being prioritised.

Medium to Longer Term Financial Planning

The Scottish Government published an updated Medium Term Financial Strategy (MTFS) in May 2023. This updated MTFS covers the period 2023/24 to 2027/28 and compares funding and spending scenarios to assess the scale of the financial challenge and is underpinned by independent forecasts from the Scottish Fiscal Commission (SFC). The role of the MTFS was to set out Scotland's fiscal outlook over the coming years, including financial opportunities and risks that may impact of the fiscal position. The MTFS did not set out new spending plans or explain how prioritisation decisions will be made to meet policy objectives. These decisions are made in the Scottish Government budget.

The publication of the updated Scottish Government MTFS and associated documents (including the updated Health and Social Care Medium Term Financial Framework) had originally been scheduled for 20 June 2024. In line with pre-election guidance (in advance of the UK General Election on 4 July 2024), that the MTFS should not be published during the pre-election period, the SFC agreed that publication of updated economic and fiscal forecasts should be deferred. It was noted that publication of a revised timeline would allow the Scottish Government to respond to revised fiscal positions from an incoming UK Government (which could be material to the MTFS).

The Chancellor of the Exchequer presented the Spending Review to the UK Parliament on 11 June 2025. This is the UK's first multi-year Spending Review since 2021 and highlights that the total cumulative Scottish block grant funding will increase by £2.9bn a year on average to £52bn by 2029. In advance of the Scottish Government MTFS, the numbers that might be useful in understanding the scale of the increase or challenge are:

- An average 0.8% real terms increase in day to day (or current) budget in the block grant over three years.
- A 0.3% increase in the capital budget averaged over the next four years.

There is an expectation within the Spending Review of greater efficiency from government spending, with reference to use of technology, better management of civil servants and more efficient use of buildings and land

The Scottish Government published its updated MTFS on 25 June 2025, following presentation of the Spending Review to the UK Parliament on 11 June 2025. The outlooks presented in the MTFS are informed by the latest Scottish Fiscal Commission (SFC) economic and fiscal forecasts, published on 29 May 2025 and updated on 25 June 2025.

The UK Spending Review announcements on 11 June 2025 set the UK Government's resource departmental budgets until 2029-30. The Scottish Government MTFS reflects the impact of these announcements on Scotland's funding position, but it is not in itself a spending review for Scotland. Specific funding, spending and investment decisions will continue to be taken at the annual budget and as part of a Scottish Spending Review.

It is anticipated that IJBs will be required to operate within tight fiscal constraints for the foreseeable future due to the continuing difficult national economic outlook, alongside global economic uncertainty and increasing geopolitical tensions.

The most recent Scottish Government Health and Social Care Financial Framework was published in October 2018. It is recognised that the economic landscape has changed since October 2018 and the Scottish Government had advised the IJBs Chief Finance Officers Group of its intention to update its Health and Social Care MTFF in 2024, aligned to the original planned publication of its overall MTFS on 20 June 2024. As highlighted previously within this section of the Management Commentary, publication of the Scottish Government's updated MTFS was deferred, with publication on 25 June 2025.

There is at this stage no confirmed date for publication of the updated Health and Social Care MTFF. Continuing delayed publication of this MTFF, alongside single year budget settlements, are key limiting factors in respect of being able to produce a meaningful and robust updated Medium Term Financial Plan (MTFP) for the IJB (as the MTFF will be intrinsically linked to national health and wellbeing outcomes). This precludes any real level of certainty in terms of medium to longer term forecasts, taking account of the

number of significant variables at a national level at this time. Rather than constructing a range of detailed scenarios, none of which are likely to come to pass, a simplistic view was formed to construct a high level MTFP for the IJB. By applying a set of broad assumptions, the gap between projected expenditure and delegated funding would continue to grow over the lifetime of the Strategic Plan (to 2030). This high level MTFP was included for noting within the Annual Budget 2024/25 report to the IJB on 20 March 2024, and can be accessed via the following link:

[Annual Budget 2024/25: Medium Term Financial Plan 2024-30 Update \(PDF 507Kb\)](#)

The high level MTFP highlights that changing demography over the lifetime of the Strategic Plan (fewer young people and more people over the age of 65) will impact on services and support provided.

It is anticipated that a fully detailed IJB MTFP to 2030 will be finalised as soon as possible following publication of the updated Scottish Government MTFF. The detailed MTFP will project forward and align with strategic planning priorities to 2030, with a focus on alignment of priorities, activities, budgets and outcomes, alongside population and demographic changes, and will take cognisance of stakeholder input via the Strategic Group.

At a local level, the detailed MTFP will continue to underpin delivery of the Strategic Plan 2021-30, to ensure outcomes can be delivered in line with the core themes of the Plan. Going forward, the IJB will require to consider if the Strategic Plan in its current form is deliverable within an anticipated reduced level of delegated funding.

Fair Share Commissioning Through the Use of Directions

The IJB has a responsibility, with our local hospital services at University Hospital Crosshouse and University Hospital Ayr, for planning services that are mostly used in an unscheduled way. The aim is to ensure that we work across the health and care system to ensure effective planning across the full pathway of care and to deliver the best, most effective care and support, with shifting the balance of care being a key consideration. Service areas most commonly associated with unplanned use are included in the Set Aside budget.

Acute Services within NHS Ayrshire & Arran continue to face particular budget pressures around the costs of covering a high level of medical vacancies and the increasing needs of patients requiring nursing support above funded levels. Prior to the Covid-19 pandemic, there had been a high number of unfunded beds in use to meet demands, which continued over the course of the pandemic and into 2024/25. This pressure has been managed in-year by NHS Ayrshire & Arran in line with the Integration Scheme. The ability to plan with the overall resource for defined populations and user groups and to use budgets flexibly is one of the hallmarks of integrated care and this will be pursued going forward.

The acute Set Aside budget is a key component of the Scottish Government's vision of the model of integrated health and social care services. The Scottish Government's Health and Social Care Medium Term Financial Framework (October 2018) includes system reform assumptions around material savings to be achieved from reducing variation in hospital utilisation across Partnerships. Planning across the whole care pathway is key to delivering this objective.

It follows that at Scottish Government and individual IJB level, there is a need to understand the progress that is being made towards planning across the full pathway of care, including the acute hospital component and the way in which the statutory guidance on the use of delegated hospital budgets is being applied in practice.

Following work undertaken as part of a pan-Ayrshire national pilot project on 'fair share' commissioning through the use of Directions, the Scottish Government issued updated statutory guidance to all IJBs in January 2020. This guidance sets out how to improve practice through the issue of Directions by IJBs to Health Boards and Local Authorities for implementation. The Ministerial Strategic Group for Health and Community Care Review of Progress with Integration of Health and Social Care report published February 2019 set this out as a key proposal under integrated finances and financial planning requirements.

The Set Aside resource, as well as pan-Ayrshire Lead Partnership / Hosted Services were recognised as an area requiring further development as part of the review of the Integration Scheme carried out in 2017 and in the Strategic Planning, Commissioning and Delivery of Health and Social Care Services within NHS Ayrshire & Arran report to the IJB on 13 June 2018. Following a hiatus due to the Covid-19 pandemic, the pilot project on 'fair share' commissioning through the use of Directions has recommenced on a pan-Ayrshire basis and is being taken forward in conjunction with the ongoing review of the Integration Schemes. Whilst this work will seek to ensure that delegated hospital budgets and Set Aside budget requirements can be fully implemented going forward, there will require to be recognition of budget pressures across IJBs and funding parties' budgets.

The Strategic Commissioning Board will require to consider the impact on Set Aside resources as part of the reconfiguration of services. This has also been considered as part of the review of the Integration Scheme in 2023/24 and 2024/25 The Scottish Government Medium Term Financial Framework includes an assumption of efficiencies from reduced variation in hospital care coupled with 50% reinvestment in the community to sustain improvement. The successful implementation of Set Aside arrangements remains key to delivering this commitment.

National Care Service

The Scottish Government's plans to establish a National Care Service (NCS), introduced in June 2022, aimed to reform how social care, social work and community health services are delivered in Scotland, potentially by centralising control under ministerial direction and creating regional care boards. Following a period of consultation, alongside parliamentary debate, the Scottish Government's plans have been reconsidered. Instead of creating a new NCS, the Scottish Government will focus on improving social care through other means. The National Care Service (Scotland) Bill will be amended to remove Part 1 which dealt with structural reform and proceed with Parts 2 and 3, focussing on other aspects of care reform.

Climate Change

The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015 came into force in November 2015, as secondary legislation made under the Climate Change (Scotland) Act 2009. The Order requires bodies to prepare reports on compliance with climate change duties. This includes Integration Joint Boards established by order under section 9(2) of the Public Bodies (Joint Working) (Scotland) Act 2014.

Scottish Government guidance was issued to IJBs in May 2017, setting out detail of the new duty to produce an annual climate change report. The report requires to be approved by the IJB, with returns to be submitted on the Sustainable Scotland Network (SSN) online portal by 30 November each year. The most recent Climate Change Report was submitted to the IJB on 23 October 2024.

Both East Ayrshire Council and NHS Ayrshire & Arran submit separate reports to the SSN and these are published online. Both bodies produce an annual report (2023/24 reports were included as information items on the IJB agenda 11 December 2024). As the parent bodies of the IJB, both East Ayrshire Council and NHS Ayrshire & Arran retain responsibility for employees who are managed within the Health and Social Care Partnership. The employees, therefore, contribute to support the implementation of both bodies' Climate Change Plans. East Ayrshire IJB has no direct responsibility for employees, buildings or vehicles, which are contained within the parent bodies' reports, however full consideration of climate change implications will form part of future IJB service redesign.

National Position

The Integrated Joint Boards' Finance and Performance 2024 report prepared by Audit Scotland and published in July 2024 was presented to the IJB on 28 August 2024 alongside the initial Financial Recovery Plan for 2024/25. This report outlined that the financial challenges we are experiencing are not unique to East Ayrshire. The report highlights that all IJBs face a complex landscape of unprecedented pressures, challenges and uncertainties and highlights that *"IJBs have had to achieve savings as part of their partner funding allocations for several years."*

The Integration Joint Boards Finance Bulletin 2023/24 published by Audit Scotland in March 2025 highlights that IJBs finances continue to be precarious. The report sets out that IJBs 2023/24 funding increased in real

terms compared to 2022/23 but there is a concerning picture of continued overspending, depletion of reserves and required savings being met through one-off rather than recurring savings. The budget process needs collaboration with partners and candid conversations with communities about the impact of the savings needed to set a balanced budget. The budgets and proposed savings need to be realistic and achievable. IJBs need to be working collaboratively with each other and with their NHS and Council partners to find ways to transform services so that they are affordable. Investment in prevention and early intervention is needed to help slow the ever-increasing demand for services, the cost of more complex care and, improve the experience and outcomes for people.

Following work undertaken through the IJBs Chief Officer and Chief Finance Officer groups, a summary update paper on IJB Budgets 2025/26 has been produced by Health and Social Care Scotland. The paper recognises the impact of additional pressures and also the value of additional funding contributions to IJBs by Councils and Health Boards, over and above Scottish Government directives. Overall, there is an initial budget gap across all thirty-one IJBs of £497.5m for 2025/26.

At the start of 2025/26, IJBs across Scotland hold contingency reserves totalling £55m (0.5% of the total budget) with the majority of IJBs holding no contingency reserves (£41m of the current contingency balance is held across only four IJBs). Notwithstanding the risk around the lack of contingency reserves, it is recognised that the use of reserves or reliance on in year gains from (for example) non-recurring superannuation gains, or one-off payments from partners, is not a sustainable solution and only serves to compound future shortfalls.

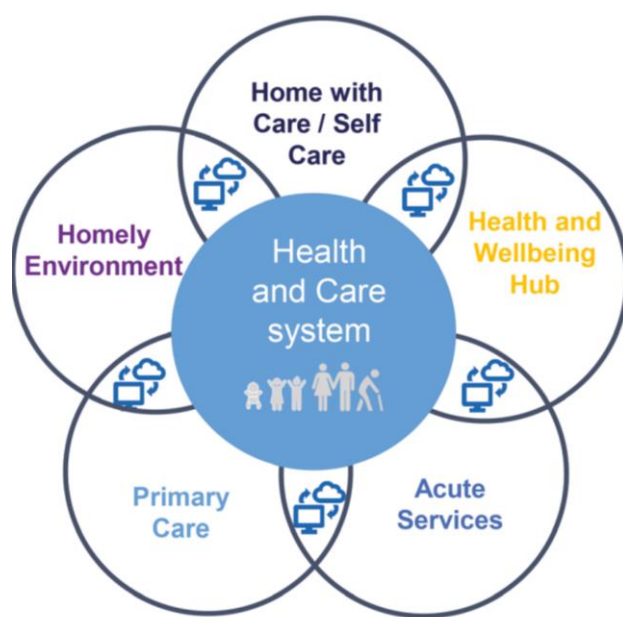
The scale of the financial shortfalls that IJBs are facing and the growing gap between the capacity that can be afforded, and the demands being presented, create an escalating risk to the collective ability of IJBs to deliver and commission services. IJB budgets are predominantly spent on buying care, whether delivered through directly employed staff or through commissioned care providers. With the cost of care and increased demand outstripping funding increases, IJBs will not be able to continue to deliver the same level of care going forward. Reduced ability to commission and deliver services will impact on performance and will detract from longer term ambitions to improve health through early interventions and on shared ambitions around Health and Social Care reform.

Going Forward

The Partnership, like all others, is facing unprecedented financial challenges going forward into 2025/26 and due to the continuing national economic outlook, will be required to operate within tight fiscal constraints for the foreseeable future.

The Partnership is ambitious about what it aims to achieve and looking forward to 2030, will continue to be transformational when designing and developing services to ensure they are responsive to local community needs. Collaborating with partners to maximise opportunities and bringing together resources from Caring for Ayrshire and Ayrshire Growth Deal making a difference for the people of East Ayrshire.

Caring for Ayrshire is the partnership approach ten-year programme to transform health and care services, focussing on delivering accessible, high quality, safe, effective and sustainable care that is fit for the future. Locality groups across the three locality areas within East Ayrshire are established to support the development in relation to the model of health and wellbeing, service models, design and business cases. These will be influenced by the context and views of local communities. A common methodology and approach, which reflects the individuality and community needs of each locality has been identified, as integral to the coordination and success of this initiative.



The IJB's approach to prioritisation will continue to draw on good practice such as cost benefit analysis, social return on investment and programme budgeting / marginal analysis. The transformational change programme being taken forward through the Strategic Commissioning Board, as well as "Thinking Differently" initiatives will continue to inform investment and disinvestment decisions. This approach will apply to the totality of delegated resources within IJBs including Set Aside hospital resources where the IJB has a key planning role.

The review of the Integration Scheme is to be concluded in 2025/26. Further opportunities will continue to be pursued for taking forward the Strategic Plan related to the potential offered by multi-disciplinary and cross-sector working, together with wider participation and engagement at a locality level. The rich data available from community and voluntary partners will inform the transformational change programme, the Strategic Plan 2021-30 and future commissioning intentions.

Ongoing financial challenges at a local and national level, including cost, demand and complexity of care are significant and require to be recognised as part of the strategic planning process to ensure alignment with delegated resources and between Service Improvement Plans and Financial Recovery Plans. It is important to recognise that ongoing financial challenges may necessitate a further review of the Strategic Plan to ensure that services are financially sustainable.

CONCLUSION

The IJB's financial position at 31 March 2025, highlights a population based overspend of £6.021m on the total delegated budget for the year. This overspend is wholly offset by additional (non-recurring / non-repayable) funding contributions from East Ayrshire Council and NHS Ayrshire & Arran.

The IJB has overseen the delivery of all core services, responded to additional demands and continued a significant transformational change programme designed to provide more person-centred models of care and deliver on early intervention and prevention priorities to ensure sustainable outcomes.

There are a number of ongoing risks, pressures and uncertainties impacting on the IJB currently and going forward. To mitigate, there is a requirement to transform and redesign services to improve outcomes for individuals whilst ensuring the IJB remains financially sustainable over the medium to longer term. Two separate Financial Recovery Plans were approved by the IJB over the course of 2024/25 and work will continue to reduce costs in 2025/26 and going forward. This will require services to be further re-designed and will represent a significant change to the IJB, our partners and the citizens of East Ayrshire, and will require joined-up working to focus finite resources on delivering services, which are sustainable and focussed on those with the greatest need. Deliverability of the Strategic Plan in its current form within an anticipated reduced level of delegated funding will be a key consideration for the IJB and its funding Parties.

We would like to acknowledge the significant effort of all the staff across the Health and Social Care Partnership who have contributed to the preparation of the Annual Accounts and to the budget managers and support staff whose financial stewardship has mitigated cost and demand pressures as far as possible as at 31 March 2025.

WHERE TO FIND MORE INFORMATION

If you would like more information, the East Ayrshire Health and Social Care Partnership's webpage holds information on the IJB's strategies, plans and policies and on performance and spending. These can be found at:

<https://www.east-ayrshire.gov.uk/SocialCareAndHealth/East-Ayrshire-Health-and-Social-Care-Partnership/Governance-Documents.aspx>

Signed on behalf of East Ayrshire Integration Joint Board.



Craig McArthur
Chief Officer
29 September 2025



Dr Sukhomoy Das
Chair of the IJB
29 September 2025



Alex McPhee CPFA
Interim Chief Finance Officer
29 September 2025

SECTION 2

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.

RESPONSIBILITIES OF THE IJB

The IJB is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the Board has the responsibility for the administration of those affairs (Section 95 of the Local Government (Scotland) Act 1973). In East Ayrshire IJB 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).
- Approve the Annual Accounts.

I can confirm that these Annual Accounts have been approved for signature by the Integration Joint Board at its meeting on 24 September 2025.

Signed on behalf of East Ayrshire Integration Joint Board.



Dr Sukhomoy Das
Chair of the IJB
29 September 2025

RESPONSIBILITIES OF THE CHIEF FINANCE OFFICER

The Chief Finance Officer, as S95 Officer, is responsible for the preparation of the IJB's Annual Accounts which, in terms of the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (The Accounting Code), are required to present a true and fair view of the financial position of the IJB at the accounting date and its transactions for the year.

In preparing these 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 of Practice (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 East Ayrshire IJB as at 31 March 2025 and the transactions for the year then ended.



Alex McPhee CPFA
Interim Chief Finance Officer
29 September 2025

SECTION 3

Annual Governance Statement

SCOPE OF RESPONSIBILITY

East Ayrshire IJB is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The IJB also has a duty under the Local Government in Scotland Act 2003 to make arrangements to secure Best Value, through continuous improvement in the way in which its functions are exercised, having regard to economy, efficiency, effectiveness, the need to meet equal opportunity requirements and contributing to the achievement of sustainable development. This aligns with Audit Scotland's definition of Best Value: *Best Value is about ensuring that there is good governance and effective management of resources, with a focus on improvement, to deliver the best possible outcomes for the public.*

The IJB is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk. In discharging this responsibility, the Chief Officer has put in place arrangements for governance, which includes a system of internal controls. This is designed to manage risk to support the IJB's policies, aims and objectives but cannot eliminate the risk of failure to achieve policies and deliver on aims and objectives. The arrangements for governance can therefore only provide reasonable and not absolute assurance of effectiveness. Reliance is also placed on the East Ayrshire Council and NHS Ayrshire & Arran 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.

The Integration Scheme sets out financial contributions by partners to IJBs. This includes the Health Board and Council each considering funding their pay cost pressures and contractual inflation with shared responsibility for demographic cost pressures, whilst taking account of directives from the Scottish Government. The Council element of the IJB delegated budget for 2024/25 was prepared broadly in line with the obligations of the Integration Scheme, however it should be noted that Scottish Government funding directives to Health Boards and Councils, as part of the Scottish Budget approval process, has effectively overridden Integration Scheme financial contributions methodology in 2024/25 and previous financial years. As highlighted within the Management Commentary at section 1 of the Annual Accounts, work to review the Integration Scheme through various workgroups concluded in March 2024. Further work has been undertaken to consider specific issues and the overall legal competence of the reviewed Scheme. It is anticipated that the review of the current Integration Scheme will be completed in 2025, following which it will require to be approved by East Ayrshire Council and NHS Ayrshire & Arran, prior to submission to Scottish Ministers (following further consultation on any proposed changes).

The IJB has adopted governance arrangements consistent, where appropriate, with the six principles of the 2016 CIPFA / SOLACE framework "Delivering Good Governance in Local Government". This statement explains how the IJB has complied with the governance arrangements and meets the requirements of the Code of Practice on Local Authority Accounting in the UK, which details the requirement of an Annual Governance Statement. CIPFA are currently reviewing the structure of Annual Governance Statements however it is unclear if this will impact on IJBs, as well Councils.

The Annual Governance Statement sets out the framework within which the IJB has put in place proper financial arrangements for the governance of the IJB's affairs thereby facilitating the effective exercise of its functions, ensuring that appropriate arrangements are in place for the management of risk and that appropriate systems of internal control are in place.

THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, culture and values by which the

Partnership is directed and controlled, and its activities through which it accounts to, engages with, and leads its communities. It enables the IJB to monitor the achievement of its strategic objectives set out in the IJB's Strategic Plan and to consider whether those objectives have led to the delivery of appropriate cost-effective services.

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, objectives and outcomes and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the IJB's policies, objectives and outcomes, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

THE GOVERNANCE FRAMEWORK AND GOVERNANCE DEVELOPMENTS

The main features of the governance framework that was in place during 2024/25 are outlined below:

- Strategic decision making is governed by the IJB's key constitutional documents including the Integration Scheme, Standing Orders, Scheme of Delegation, Code of Conduct for IJB Members and Financial Regulations. The Chief Governance Officer of East Ayrshire Council serves as the IJB's Standards Officer. The IJB is responsible for the operational oversight of the integrated services and through the Chief Officer will be responsible for the operational management of the integrated services.
- The IJB's purpose and vision is outlined in the updated IJB Strategic Plan 2021-30 which was approved on 24 March 2021 and which links closely to the East Ayrshire Community Plan and the Local Outcome Improvement Plan and is underpinned by an annual action plan and performance indicators. The Strategic Plan links with the Wellbeing Delivery Plan of the Community Plan 2015-30 and takes full cognisance of integrated delivery principles and national health and wellbeing outcomes as required by the Public Bodies (Joint Working) (Scotland) Act 2014. The Strategic Plan is subject to an annual review and is supported by the Communication Plan, Workforce Development and Support Plan, Property and Asset Management Strategy, as well as the Approved Annual Budget for each year of the Plan. The Strategic Plan focusses on the 'triple aim' of better health, better care and better value in line with the national Health and Social Care Delivery Plan. The Annual Update of the Strategic Plan (2024-27); Communications Strategy (2024-27); Workforce Plan (2022-25); and Property Asset and Management Strategy (2024-27) was initially presented to the IJB Development Day meeting on 5 March 2025 and subsequently presented to the IJB for approval on 19 March 2025.
- The Strategic Plan is also supported by annual Service Improvement Plans. These annual Service Improvement Plans are a key mechanism for setting out service level contributions to the delivery of the corporate objectives of the Partnership's parent bodies in line with the Community Plan 2015-30. The Service Improvement Plans cover the following service areas:
 - Children's Health, Care and Justice Services
 - Community Health and Care Services
 - Primary Care and Out of Hours Community Response Services
- The IJB, comprising all IJB Board Members is the key decision-making body. The IJB established an Audit and Performance Committee (APC) to consider all matters in relation to internal and external audit, financial management, risk management and performance.
- The IJB delegates responsibility to the following sub committees and groups as detailed in the governance structures and terms of reference:
 - Strategic Planning and Wellbeing Group
 - Locality Groups reporting through Strategic Planning Group
 - Thinking Differently Programme Board
 - APC

- Strategic Commissioning Board (SCB) reporting to the APC
- Workforce Development Board reporting to APC via the SCB
- Budget Working Group
- Health and Care Governance Group
- Adverse Events Review Group
- Partnership Forum (Health Safety and Wellbeing Group)
- Risk Management Committee
- Resilience Group
- Liquidlogic and Controcc Development Board
- Property and Asset Management Board

The IJB governance and decision-making arrangements are set out in Appendix 1.

Senior management arrangements to deliver safe operation and progressive / innovative development for the Partnership are firmly established. In addition to the Chief Officer, the structure includes the Chief Social Work Officer who has responsibility for professional leadership of social work services and provides advice and guidance to East Ayrshire Council and Health and Social Care Partnership. The Interim Chief Finance Officer is a member of the IJB and is responsible for ensuring that appropriate financial services are available to the IJB and Chief Officer.

The Partnership management structure is set out in Appendix 2.

Reports were presented to the IJB on 26 June 2024, 28 August 2024, 23 November 2024, 11 December 2024, 05 February 2025 and 19 March 2025 to update on governance arrangements in respect of membership of the IJB and APC. Information on membership of the IJB over the course of 2024/25 is highlighted in the East Ayrshire IJB section of the Management Commentary at section 1 of the Annual Accounts.

At the start of the Covid-19 pandemic, all meetings were moved from being in person to being virtual. As restrictions eased, it became possible to support attendance at the IJB and other governance meetings in person. It is recognised however that IJB members and officers will continue to work flexibly, and a hybrid model has been adopted to allow the flexibility of in-person attendance or virtual attendance via Microsoft Teams. Members of the press and public are able to attend IJB meetings in person and can request access to the link to allow electronic access to the meeting, noting that there are on occasion exclusion of press and public papers on IJB agendas.

The IJB met seven times during 2024/25 (with three separate development sessions to consider specific issues), with the APC also meeting nine times over the course of the financial year. In the main, IJB members and officers participated on the basis of the hybrid model.

The Strategic Leadership Group meets weekly or fortnightly to consider significant strategic and operational issues.

Over the course of 2024/25, governance and reporting arrangements have included Locality Groups reporting to the Strategic Planning and Wellbeing Group, the Strategic Commissioning Board reporting to the APC and Adverse Events Review Group reporting to the Health and Social Care Governance Group.

The Budget Working Group, chaired by the Interim Chief Finance Officer meets on a monthly basis to consider budget pressures and monitor progress against the approved budget and Financial Recovery Plans. Additional meetings of the APC have taken place during 2024/25 to consider progress against approved Financial Recovery Plans, with Internal Audit in attendance to inform their work in this area.

The Partnership Leadership Team meets on a regular basis and ensures implementation of the appropriate financial governance structures, staff governance structures and clinical governance structures.

Support in relation to corporate functions including Legal, Human Resources, Property and Information Technology, are delivered through existing NHS and Council structures.

RECOVERY AND RENEWAL

East Ayrshire Health and Social Care Partnership continues to operate within a challenging financial environment, as a result of real terms reductions in funding, increased demographic pressures and the cost of implementing new legislation and policies, which alongside staff recruitment and retention difficulty has once again impacted on service delivery and mainline budgets.

The Integrated Joint Boards' Finance and Performance 2024 report prepared by Audit Scotland and published in July 2024 was presented to the IJB on 28 August 2024 alongside the initial FRP. This outlined that the financial challenges we are experiencing are not unique to East Ayrshire. The report highlights that all IJBs face a complex landscape of unprecedented pressures, challenges and uncertainties and highlights that *"IJBs have had to achieve savings as part of their partner funding allocations for several years."*

The Integration Joint Boards Finance Bulletin 2023/24 published by Audit Scotland in March 2025 highlights that IJBs finances continue to be precarious, with a concerning picture of continued overspending, depletion of reserves and required savings being met through one-off rather than recurring savings. The report sets out that the budget process needs collaboration with partners and candid conversations with communities about the impact of the savings needed to set a balanced budget. The budgets and proposed savings need to be realistic and achievable. IJBs need to be working collaboratively with each other and with their NHS and Council partners to find ways to transform services so that they are affordable. Investment in prevention and early intervention is needed to help slow the ever-increasing demand for services, the cost of more complex care and, improve the experience and outcomes for people.

The updated Strategic Plan 2021-30 focusses on recovery and renewal, following the challenges faced by the IJB and its partners in responding to the Covid-19 pandemic, as well as increasing demand, with Scotland's population ageing with increasingly complex health and social care needs and with the health and social care workforce under extreme pressure, with continued recruitment and retention challenges.

The IJB's external auditors, Audit Scotland, presented their Annual Audit Plan for the 2024/25 audit to the Audit and Performance Committee on 25 March 2025. This report notes that the month 9 projected outturn position for 2024/25 was an overspend of £8.060m, with a Financial Recovery Plan having been approved by the IJB on 28 August 2024 and second version being approved by APC on 18 December 2024. These recovery plans set out the intention to deliver in-year savings of £4.060m, alongside additional financial support from East Ayrshire Council of £4.000m to achieve financial balance for the year. The external auditors report also notes that there is risk that the IJB will be unable to achieve a sustainable outturn position going forward, particularly given the financial pressures continuing to be faced and the reduced reserve position.

As highlighted previously within the Medium to Longer Term Financial Planning section of the Management Commentary at section 1 of the Annual Accounts, as part of the IJB fiscal framework, a comprehensive review of the Medium-Term Financial Plan will be undertaken following publication of the updated Scottish Government Health and Social Care Medium Term Financial Framework (MTFF). The delayed publication of the Scottish Government Health and Social Care MTFF precludes any real level of certainty in terms of medium to longer-term forecasts, taking account of the number of significant variables at a national level at this time. The most recent high level MTFF was approved by the IJB in March 2024 and was referred to for noting within the Annual Budget 2025/26 report to the IJB on 01 April 2025.

The IJB and its senior management will refer all available reports and guidance notes as a basis for ongoing engagement with auditors to ensure that ongoing challenges presented by cost and demand pressures can be addressed through sound financial planning to ensure budget and effective service sustainability going forward.

INTERNAL CONTROL SYSTEM

The governance framework described operates on the foundation of internal controls. The IJB's system of internal controls is based on a framework of regular management information, financial regulations, accounting policy bulletins, administrative procedures (including segregation of duties), management supervision and a system of delegation and accountability. Development and maintenance of these systems is undertaken by the Health Board and Council as part of the operational delivery of the Health and Social

Care Partnership. In particular these systems include:

- Management information systems and process, including service performance and financial information;
- Financial Regulations and codes of financial practice;
- Scheme of Delegation;
- Comprehensive budgeting systems;
- Measurement of financial and other performance against target;
- Regular reviews of periodic and annual financial reports which indicate financial performance against forecasts and targets;
- Internal audit functions; and
- Formal project management disciplines, as appropriate.

The systems of internal control can only ever provide reasonable and not absolute assurance that control weaknesses or irregularities do not exist or that there is no risk of material errors, losses, fraud or breaches of laws or regulations. Accordingly, the IJB is continually seeking to improve the effectiveness of its system of internal controls.

The likelihood of fraud within the “audit universe” of the IJB is very low. The IJB has no bank accounts, employees or contracts, and fraud risk sits largely within the parent bodies.

In common with all public sector organisations, the IJB is required to conform to the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption (2014) by embedding effective standards for countering fraud and corruption. Through its sound governance arrangements, effective financial stewardship and strong financial management, in conjunction with its parent bodies, the IJB is conforming to the Code of Practice.

The main objectives of the IJB's internal control systems are:

- To ensure adherence to management policies and directives in order to achieve the organisation's objectives;
- To ensure relevance, reliability and integrity of information, so ensuring as far as possible the completeness and accuracy of records; and
- To ensure compliance with statutory regulations.

The systems of financial control are reviewed to ensure continued effectiveness by the work of managers in the IJB and by the work of internal and external audit in their annual and other reports. The IJB's external auditors, Audit Scotland, presented their Annual Audit Report 2023/24 to the IJB on 25 September 2024. In their comments, Audit Scotland highlighted that overall, they found the IJB's arrangements to be designed and implemented appropriately, noting that:

- Financial systems internal control operated effectively.
- Standards of conduct and arrangements for the prevention and detection of fraud and error were appropriate.

The IJB financial management arrangements comply with the requirements of 'The Role of the Chief Financial Officer in Local Government (CIPFA 2016)'. The IJB's Interim Chief Finance Officer (Section 95 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.

With regard to the entities incorporated into the Annual Accounts, the IJB has taken assurance from the existing scrutiny arrangements within the parent bodies.

The IJB internal audit function is responsible for the independent appraisal of the IJB's internal systems of control with resources drawn from the parent bodies. The function complies with the requirements of the 'Public Sector Internal Audit Standards (PSIAS 3rd edition March 2017)' and the 'Local Government Application Note for the United Kingdom Public Sector Internal Audit Standards (CIPFA 2nd edition February 2019)'. The IJB Chief Internal Auditor complies with 'The Role of the Head of Internal Audit in Public Organisations (CIPFA 2nd edition 2019)'.

The Audit and Performance Committee (APC) acts as the IJB's audit committee and operates in accordance with 'Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2022 edition)'. The first Annual Self-Assessment (ASA) to benchmark the APC against CIPFA guidance was held in a workshop session on 28 November 2023 and an Action Plan was agreed. The Internal Action Plan 2024/25 was approved by the APC on 6 August 2024, and updates were provided to committee on 2 October 2024 and 28 January 2025.

IJB Internal Audit plans and reports are shared with the relevant committees of the partner organisations.

REVIEW OF EFFECTIVENESS

East Ayrshire IJB has responsibility for conducting at least annually, a review of effectiveness of its governance framework including the system of internal control and the quality of data used throughout the organisation. The review of effectiveness of the governance framework, including the system of internal control is informed by the work of the Senior Management Team within the IJB who have responsibility for the development and maintenance of the governance environment, the annual report by the Chief Internal Auditor, and also by reports / comments made by external audit and other review agencies and inspectorates.

Based on work carried out during the year, the Chief Internal Auditor prepares an annual report to the APC in line with PSIAS obligations. This report includes the internal audit annual opinion regarding the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. The assurance expressed in the annual opinion can never be absolute. The most that Internal Audit can provide in the annual opinion is one of reasonable assurance.

On the basis of internal audit work completed in 2024/25 and taking into account the pattern of work in previous years, East Ayrshire IJB's established internal control procedures were generally found to operate as intended to meet management's requirements for the individual systems reviewed by Internal Audit. Areas for improvement, system weaknesses and / or non-compliance with expected controls have been highlighted to management and action plans have been or are in the process of being put in place to ensure the necessary improvements are going to be achieved. It is management's responsibility to ensure that proper consideration is given to internal audit reports and that appropriate action is taken on audit recommendations. Internal Audit has arrangements in place to test the implementation of recommendations.

Internal Audit's overall opinion, based on the work carried out in 2024/25 and outcomes from previous years, continues to be that reasonable assurance can be placed upon the adequacy and effectiveness of East Ayrshire IJB internal control systems in the year to 31 March 2025. This overall opinion takes into consideration the complexity of governance arrangements, to include the two parent bodies and, at times, other Integration Joint Boards operating in the same National Health Service area.

Internal Audit work for 2024/25 has been finalised. The presentation of the Chief Internal Auditor's annual opinion was reported to the IJB Audit and Performance Committee on 5 August 2025, in line with the established timetable. The Chief Internal Auditor's overall opinion continues to be that reasonable assurance can be placed upon the IJB's overall adequacy and effectiveness of the organisation's framework of governance, risk management and control for the year to 31 March 2025. This overall opinion takes into consideration the complexity of governance arrangements, to include the two parent bodies and, at times, other IJBs working in the same National Health Service area. The Chief Internal Auditor refers to ongoing financial challenges for IJBs nationally, as reflected in the recent Accounts Commission report 'Integration Joint Boards – Finance bulletin 2023/24' (March 2025).

In considering the IJB annual opinion the Audit & Performance Committee are also supplied with the annual opinions of the parent bodies to provide assurance with regard to the control environments which support the delivery of commissioned services. The East Ayrshire Council annual opinion of reasonable assurance for 2024/25 was presented to the Council's Governance and Scrutiny Committee on 24 April 2025. The NHS Ayrshire & Arran annual opinion of reasonable assurance was presented to the Health Board's Audit and Risk Committee on 24 June 2025. These annual opinions were included as appendices to the IJB Chief Internal Auditor's Annual Report 2024/25, which was presented to the APC on 5 August 2025.

ACTION PLAN

The IJB's external auditors Audit Scotland presented their 2023/24 Annual Audit Report to the IJB on 25 September 2024. The Action Plan contained within the report highlights the following recommendations for 2023/24:

- Financial sustainability: the IJB should prepare an updated Medium Term Financial Plan which shows how its future services will be delivered, within the available financial resources. Clear linkages to the IJBs strategic planning priorities should be included.
- The IJB should put arrangements in place to recruit to the Chief Finance Officer post on a permanent basis.
- The IJB should ensure that the findings of the Accounts Commission's 2024 national report on the finance and performance of IJBs are considered by the IJB Board and actions taken to address the recommendations within the report.

These issues have been / are being addressed as follows:

- Financial sustainability: following presentation of a high-level Medium Term Financial Plan 2024-2030 update to the IJB on 20 March 2024, as part of the IJB's fiscal framework, a detailed Medium Term Financial Plan will be produced following publication of the updated Scottish Government Health and Social Care Medium Term Financial Framework. This updated publication is expected to be available in 2025.
- Chief Finance Officer: recognising the risk around temporary staffing arrangements, work will be taken forward to resolve and recruit on a permanent basis.
- Recognising the key messages set out in the report, the Financial Recovery Plans approved in 2024/25 have been aligned with the initial Annual Budget 2025/26 and going forward will align with the updated detailed Medium Term Financial Plan and the Strategic Plan.

In addition, the Action Plan within Audit Scotland's 2023/24 Annual Audit Report included follow-up of a prior year recommendation in their 2022/23 Annual Audit Report:

- Set Aside: the IJB should progress with implementing delegated hospital budgets and Set Aside requirements, in collaboration with the Scottish Government, NHS Ayrshire & Arran and other Ayrshire Health and Social Care Partnerships.

This issue is being addressed as follows:

- The pilot project on 'fair share' commissioning through the use of Directions is ongoing on a pan-Ayrshire basis. Work has been undertaken by the Ayrshire Finance Leads group to establish baseline resources for each partnership, and how this compares to the NRAC 'fair share' of resources, as well as to a historic baseline of four full years prior to the pandemic (2016/17 to 2019/20 inclusive). This information will be used to map activity data (bed days, admissions, discharges) against costs across the six specialties at the various acute services locations and has been taken forward over the course of 2024/25, with discussions ongoing regarding appropriate baseline methodology for Set Aside budgets.

As outlined within the Financial Outlook, Risks and Plans for the Future section of the Management Commentary at section 1 of the Annual Accounts, there are a number of key financial and operational pressures / risks and potential consequences related to both Council and NHS commissioned services. These risks will be managed and mitigated going forward through sound governance arrangements, aligned to the transformational change programme, to ensure financial and effective service sustainability going forward, with a number of key actions which will be taken forward over the course of 2025/26:

- Continue work to review and re-design of services to mitigate budget pressures, as part of the Transformational Change Programme being taken forward through the Strategic Commissioning Board.
- Ongoing financial challenges at a local and national level, including cost, demand and complexity of care are significant and require to be recognised as part of the strategic planning process to ensure

alignment with delegated resources and between Service Improvement Plans and Financial Recovery Plans. It is also important to recognise that ongoing financial challenges may necessitate a further review of the Strategic Plan to ensure that services are financially sustainable.

- Following publication of updated Scottish Government Health and Social Care Medium-Term Financial Framework, undertake a comprehensive review of the previous Medium-Term Financial Plan as part of the IJB fiscal framework to produce an updated Medium to Longer Term Financial Plan, aligned to the reviewed Strategic Plan 2021-30.
- Continue pan-Ayrshire work to progress Fair Share Commissioning through use of Directions.
- Completion of review of the Integration Scheme.

The IJB is committed to address governance issues and to keep arrangements under review going forward.

ASSURANCE

While recognising the improvements that are required, it is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the IJB's governance arrangements.

Subject to the above, and on the basis of the assurance provided, we consider the governance and internal control environment operating during 2024/25 provides reasonable and objective assurance that any significant risk impacting on our principal objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to review and improve the governance and internal control environment and action plans are in place to address identified areas for improvement.

Signed on behalf of East Ayrshire Integration Joint Board.



Craig McArthur
Chief Officer

29 September 2025



Dr Sukhomoy Das
Chair of the IJB

29 September 2025

SECTION 4

Remuneration Report

INTRODUCTION

The 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: CHAIR AND VICE CHAIR

The voting members of the Integration Joint Board are appointed through nomination by NHS Ayrshire & Arran and East Ayrshire Council, and post holders will alternate every three years between a Health Board and a Council representative.

Dr Sukhomoy Das, Non-executive Board Member of NHS Ayrshire & Arran assumed the role of IJB Chair from 21 June 2023. At this time, Councillor Douglas Reid assumed the role of Vice Chair of the 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 member costs borne by the partner. There were no taxable expenses paid by the IJB therefore no remuneration disclosures are provided for the Chair or Vice Chair.

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 has to be appointed and the employing partner has to formally second the officer to the IJB. In effect the Chief Officer is the only employee of the IJB, however the employment contract for the Chief Officer will adhere to the legislative and regulatory framework of the employing partner organisation which is currently East Ayrshire Council. 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 special legal regime. The Interim Chief Finance Officer, Chief Internal Auditor and IJB Standards Officer are not included in the Remuneration Report as these roles are additional to their substantive roles within East Ayrshire Council at no additional cost to the IJB. The Interim Chief Finance Officer (Alex McPhee) has no direct input into the strategic planning process other than the legislative requirement to ensure that its outcomes are delivered within delegated resources. No other non-voting board members meet the criteria for disclosure.

Total Remuneration 2023/24 £	Name and Post Title	Salary, Fees and Allowances £	Taxable Expenses £	Total Remuneration 2024/25 £
132,947	Craig McArthur - Chief Officer	135,601	0	135,601

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.

Name and Post Title	In-year Pension / Contributions to 31 March 2024 £	In-year Pension / Contributions to 31 March 2025 £	Accrued Pension Benefits as at 31 March 2024 £m	Difference from 31 March 2024 £m	Accrued Pension Benefits as at 31 March 2025 £m
Craig McArthur - Chief Officer	22,261	7,805	Pension 0.063 Lump Sum 0.088	Pension 0.005 Lump Sum 0.003	Pension 0.068 Lump Sum 0.091

DISCLOSURE AND 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 2023/24	Remuneration Band	Number of Employees in Band 2024/25
1	£130,000 - £134,999	0
0	£135,000 - £139,999	1

EXIT PACKAGES

There were no exit packages during 2024/25 (as in 2023/24).

Signed on behalf of East Ayrshire Integration Joint Board.



Craig McArthur
Chief Officer
29 September 2025



Dr Sukhomoy Das
Chair of the IJB
29 September 2025

SECTION 5

The Financial Statements

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

Gross Expenditure 2023/24 £m	Gross Income 2023/24 £m	Net Expenditure 2023/24 £m		Gross Expenditure 2024/25 £m	Gross Income 2024/25 £m	Net Expenditure 2024/25 £m
204.802	(8.277)	196.525	Core Services	211.332	(9.483)	201.849
4.663	0.000	4.663	Public Protection	3.991	0.000	3.991
4.327	0.000	4.327	Non-District General Hospitals	4.638	0.000	4.638
36.415	0.000	36.415	Children's Health, Care and Justice Services	34.663	0.000	34.663
42.250	0.000	42.250	Lead Partnership Services	46.607	0.000	46.607
26.216	0.000	26.216	Set Aside	31.870	0.000	31.870
318.673	(8.277)	310.396	Cost of Services	333.101	(9.483)	323.618
0.000	(105.165)	(105.165)	East Ayrshire Council funding	0.000	(110.691)	(110.691)
0.000	(194.380)	(194.380)	NHS Ayrshire & Arran funding	0.000	(208.744)	(208.744)
0.000	(299.545)	(299.545)	Taxation and Non-specific Grant income	0.000	(319.435)	(319.435)
318.673	(307.822)	10.851	Deficit / (Surplus) on provision of services	333.101	(328.918)	4.183

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 shown in these Financial Statements.

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year of 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 (2023/24 Movement in Reserves also shown for information).

The General Fund uncommitted balance at 31 March 2024 which was included in the audited Annual Accounts 2023/24 was £1.262m. This uncommitted balance has been fully drawn down from the IJB Reserve in 2024/25 to partially offset budget pressures as part of the initial balanced budget proposal for 2024/25, approved by the IJB on 20 March 2024, as well as the revised balanced budget proposal approved by the IJB on 26 June 2024. The revised balanced budget proposal for 2024/25 took account of the impact on impact requirement to draw down £5.422m from the General Fund uncommitted balance to offset additional expenditure and achieve financial balance for 2023/24 (as approved by the IJB on 25 September 2024, as part of approval of the audited Annual Accounts for 2023/24).

A more detailed breakdown of movements in the year of the IJB's Reserves is included at Note 8: Usable Reserve – General Fund at Section 6 Notes to the Financial Statements.

Movement in Reserves During 2024/25	General Fund Uncommitted Balance £m	General Fund Earmarked Balance £m	Total Reserves £m
Opening Balance at 1 April 2024	(1.262)	(8.059)	(9.321)
Total Comprehensive Income and Expenditure	1.262	2.921	4.183
Adjustments between accounting basis and funding basis under regulations	0.000	0.000	0.000
(Increase) or Decrease in 2024/25	1.262	2.921	4.183
Closing Balance at 31 March 2025	0.000	(5.138)	(5.138)

Movement in Reserves During 2023/24	General Fund Uncommitted Balance £m	General Fund Earmarked Balance £m	Total Reserves £m
Opening Balance at 1 April 2023	(6.684)	(13.488)	(20.172)
Total Comprehensive Income and Expenditure	5.422	5.429	10.851
Adjustments between accounting basis and funding basis under regulations	0.000	0.000	0.000
(Increase) or Decrease in 2023/24	5.422	5.429	10.851
Closing Balance at 31 March 2024	(1.262)	(8.059)	(9.321)

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.

31 March 2024 £m		Notes	31 March 2025 £m
(9.321)	Short term debtors	7	(5.138)
(9.321)	Current Assets		(5.138)
(9.321)	Net Assets		(5.138)
(1.262)	Usable Reserve: General Fund	8	0.000
(8.059)	Earmarked Reserve: General Fund	8	(5.138)
(9.321)	Total Reserves		(5.138)

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

The unaudited Financial Statements were issued on 25 June 2025, and the audited Financial Statements will be authorised for issue on 24 September 2025.



Alex McPhee CPFA
Interim Chief Finance Officer
29 September 2025

SECTION 6

Notes to the Financial Statements

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

General principles

The Financial Statements summarise East Ayrshire IJB's transactions for the 2024/25 financial year and its position at 31 March 2025.

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

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

The Financial Statements 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.

The Audit Scotland report, Covid-19: Going Concern in the Public Sector (December 2020) outlines that due to continuation of Health Board functions even if an organisation were to cease, Health Boards should be viewed as a going concern. If a body is to be discontinued, but its functions are to be transferred elsewhere in the public sector (e.g. the body is merging with another existing body, or the functions are being transferred to another public body), the going concern basis of accounting is still expected to be appropriate. For example, this was the case when NHS Argyll and Clyde was dissolved on 31 March 2006, and its assets, liabilities and the responsibility for delivering health services within its geographic boundaries were transferred to the successor boards, NHS Highland and NHS Greater Glasgow and Clyde.

Accruals of expenditure and income

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 contributions from the statutory funding partners, East Ayrshire Council and NHS Ayrshire & Arran. Expenditure is incurred as the IJB commissions specified health and social care services from the funding partners for the benefit of service recipients in East Ayrshire.

The IJB Interim Chief Finance Officer has received written confirmation from the Chief Finance Officers of East Ayrshire Council and NHS Ayrshire & Arran that, the charges for services commissioned by East Ayrshire IJB reflect income and expenditure recorded in the respective ledgers of the partner organisations; confirmation that the allocation of income and expenditure to the IJB reflects the appropriate charges; and where estimates have been used the best available data has been applied to give a true and fair view.

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 from or to 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.

Provisions, Contingent Liabilities and Contingent Assets

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

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

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

Reserves

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

The IJB's only Usable Reserve is the General Fund. The balance of the General Fund as at 31 March shows the extent of resources which the IJB can use in later years to support service provision. Within usable reserves the IJB holds earmarked funds to meet specific service commitments including funds set aside for transformational change purposes, including workforce development. In addition, a contingency reserve is held to assist the IJB to deal with unforeseen events or emergencies. The updated Reserve Strategy approved by the IJB on 20 March 2024 (and reviewed as part of the budget setting process for 2024/25) outlines that while there is no defined level of contingency reserve to be held, the IJB will aspire to hold at least 2% of annual budgeted revenue expenditure as General Fund balances. It should be recognised that this aspiration has to be balanced within the wider financial and strategic planning context on an ongoing basis. A further review of the Reserve Strategy will be undertaken for IJB approval in March 2026.

Indemnity Insurance

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. East Ayrshire Council and NHS Ayrshire & Arran 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 the Clinical Negligence and Other Risks Indemnity Scheme (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.

NOTE 2: ACCOUNTING STANDARDS NOT YET ADOPTED

The Code requires the disclosure of information about accounting changes that will be required by new accounting standards in the Code due to be adopted in future years and the possible impact. This applies to the following new or amended standards within the 2025/26 Code:

- Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability).
- Amendments to IFRS 17: Insurance Contracts.
- Adaptations and interpretations of IAS 16 Property Plant and Equipment, and IAS 38 Intangible Assets. Whilst relief is granted in the Code from the requirement to disclose these adaptations and interpretations, we have opted to list them here for completeness.

Implementation of the amendments listed above is effective from 1st April 2025 and therefore have no impact on the 2024/25 Accounts. Overall, these amended standards are not expected to have a significant impact on the Annual Accounts.

NOTE 3: CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

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

- On behalf of all IJBs within the NHS Ayrshire & Arran area, the IJB acts as the lead partner for Primary Care (including Dental) and Out of Hours Community Response Services, as well as the Area Wide Evening Service, Prison and Police Healthcare and hosted Allied Health Professions Services. It commissions services on behalf of the three Ayrshire IJBs and recovers the costs involved. This arrangement is treated as an agency arrangement. In the absence of an alternative agreement or approach being outlined in the Integration Scheme, the recharges across the Partnerships for lead services are based on an NRAC share of costs. This may not reflect the actual cost of delivering services to the population in the three areas.
- In applying the accounting policies set out at note 1 above, the IJB has had to make a critical judgement relating to the values included for Set Aside services. The figure included in the IJB accounts is based upon the Set Aside baseline at 2023/24 prices. As such, the Set Aside sum included in the accounts will not reflect the true cost of actual hospital usage in 2024/25.

There are no material estimation uncertainties included within the Financial Statements.

NOTE 4: EVENTS AFTER THE REPORTING PERIOD

The audited Annual Accounts will be authorised for issue by the Interim Chief Finance Officer on 24 September 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 2024, the figures in the Financial Statements and notes have been adjusted in all material respects to reflect the impact of this information.

NOTE 5: EXPENDITURE AND INCOME ANALYSIS BY NATURE

2023/24 £m		2024/25 £m
139.398	Services commissioned from East Ayrshire Council	135.787
170.965	Services commissioned from NHS Ayrshire & Arran	187.797

0.033	Audit Fee: External Audit Work	0.034
(299.545)	Partners Funding Contributions and Non-Specific Grant Income	(319.435)
10.851	(Surplus) / Deficit on the Provision of Services	4.183

NOTE 6: TAXATION AND NON-SPECIFIC GRANT INCOME

2023/24 £m		2024/25 £m
(105.165)	Funding Contribution from East Ayrshire Council	(110.691)
(194.380)	Funding Contribution from NHS Ayrshire & Arran	(208.744)
(299.545)	Taxation and Non-Specific Grant Income	(319.435)

The funding contribution from the NHS Board shown above includes £31.870m 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.

NOTE 7: DEBTORS

2023/24 £m		2024/25 £m
(2.756)	Funding East Ayrshire Council	(2.217)
(6.565)	Funding NHS Ayrshire & Arran	(2.921)
(9.321)	Debtors	(5.138)

NOTE 8: 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 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.

As highlighted previously under Reserves at note 1, the updated Reserve Strategy was approved by the IJB on 20 March 2024.

The following table shows the movements on the General Fund balance, analysed between those elements earmarked for specific planned future expenditure £5.138m, and the zero balance within general contingency. The table provides a breakdown of balances held by East Ayrshire Council and NHS Ayrshire & Arran on behalf of the IJB.

	Balance as at 31 March 2024 £m	Transfers Out 2024/25 £m	Transfers In 2024/25 £m	Balance as at 31 March 2025 £m
Earmarked:				
Client Equipment and Adaptations	(0.201)	0.000	(0.524)	(0.725)
ADP - Mainline; Hard Edges; DDTF	(0.089)	0.000	(0.094)	(0.183)
Whole Family Wellbeing Reserve	(1.540)	0.483	0.000	(1.057)
Earmarked - EAC	(1.830)	0.483	(0.618)	(1.965)
IT funding	(0.006)	0.000	0.000	(0.006)
Allied Health Professions	(0.006)	0.000	0.000	(0.006)
Rapid Response Service	(0.138)	0.138	0.000	0.000
Dementia PDS	(0.055)	0.000	(0.083)	(0.138)
Workforce bonus - Community Link Workers	(0.006)	0.000	0.000	(0.006)
Phlebotomy, Neurodevelopmental, Primary Care	(0.302)	0.200	0.000	(0.102)
Earmarked - NHS A & A (managed services)	(0.513)	0.338	(0.083)	(0.258)
Primary Care Improvement Fund - actual	(0.459)	0.459	(0.409)	(0.409)
Primary Care Improvement Fund Phased Investment - NRAC	0.000	0.000	(0.261)	(0.261)
Expansion of Primary Care Estates - NRAC	(0.047)	0.047	0.000	0.000
Dental - Practice Improvement - NRAC	(0.025)	0.025	(0.025)	(0.025)
GP Premises Improvement - NRAC	(0.054)	0.054	(0.002)	(0.002)
Mental Health Wellbeing - Primary Care - NRAC	(0.070)	0.070	0.000	0.000
Adult Tier 3 Weight Management - NRAC	(0.016)	0.016	0.000	0.000
Phlebotomy - NRAC	(0.022)	0.022	0.000	0.000
Appropriate Adult - NRAC	(0.001)	0.001	(0.001)	(0.001)
Mental Health Action 15 - actual	(0.244)	0.244	(0.253)	(0.253)
Mental Health Recovery / Renewal - CAMHS - NRAC	(0.129)	0.129	0.000	0.000
Cossette funding - NRAC	(0.004)	0.004	0.000	0.000
Breastfeeding Network - NRAC	(0.022)	0.022	(0.031)	(0.031)
Mental Health Outcome Framework - NRAC	0.000	0.000	(0.205)	(0.205)
Early Intervention in Psychosis - NRAC	0.000	0.000	(0.078)	(0.078)
Learning Disability funding - NRAC	0.000	0.000	(0.069)	(0.069)
Learning Disability Health checks - NRAC	(0.039)	0.039	0.000	0.000
Mental Health Infrastructure - NRAC	(0.335)	0.335	(0.105)	(0.105)
Earmarked - NHS A & A (population basis)	(1.467)	1.467	(1.439)	(1.439)
Transformational Change Programme - EAC	(0.603)	0.603	0.000	0.000
Transformational Change Programme - NHS A & A	(2.689)	1.715	0.000	(0.974)

Workforce Development Programme - EAC	(0.323)	0.071	0.000	(0.252)
Workforce Development Programme - NHS A & A	(0.634)	0.384	0.000	(0.250)
Transformational Change Programme - total	(4.249)	2.773	0.000	(1.476)
Total Earmarked	(8.059)	5.061	(2.140)	(5.138)
Uncommitted - EAC	0.000	0.000	0.000	0.000
Uncommitted - NHS	(1.262)	1.262	0.000	0.000
Uncommitted - total	(1.262)	1.262	0.000	0.000
General Fund	(9.321)	6.323	(2.140)	(5.138)

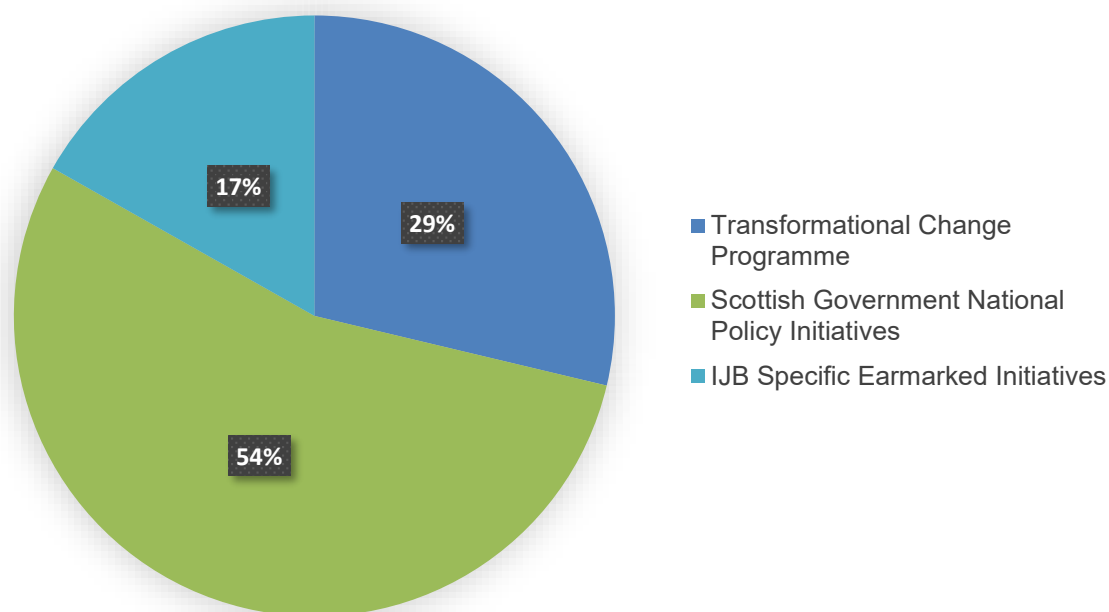
It is important to note that, after taking account of committed expenditure approved by the Strategic Commissioning Board, as well as funding drawn down as part of the Financial Recovery Plan in 2024/25, the £1.476m Transformational Change Programme balance at 31 March 2025 is fully committed.

The reviewed Reserve Strategy approved by the IJB on 20 March 2024 outlines that, while there is no defined level of reserves to be held, a number of organisations, including East Ayrshire Council, set a minimum of 2% of annual budgeted expenditure. The strategy therefore recommends that the IJB will aspire to hold at least 2% of annual budgeted expenditure as general fund balances.

The Annual Budget 2025/26 report to the IJB on 1 April 2025 outlined a number of continued risks in respect of both Council and NHS commissioned services. After taking account of drawdown of the £1.262m uncommitted balance in 2024/25, the IJB retains no contingency balance at 31 March 2025. This represents a risk to the IJBs financial sustainability, taking cognisance of baseline budget pressures, as well as additional 2025/26 pressures and the impact of increased demand for services, and limits flexibility to cushion the impact of unintended events going forward.

Audit Scotland's Annual Audit Report 2023/24 which was presented to, and approved by the IJB on 25 September 2024, noted that the IJB's level of retained general fund balances was below the aspirational 2% target and that the low level of reserves seriously limits the IJB's ability to manage and mitigate future financial pressures. All IJB uncommitted balances have been fully utilised by 31 March 2025, with remaining Transformational Change Fund balances being fully committed.

The following chart provides a breakdown of the £5.138m General Fund balance within the IJB Reserve:



NOTE 9: AGENCY INCOME AND EXPENDITURE

On behalf of all IJBs within the NHS Ayrshire & Arran area, the East Ayrshire IJB acts as the lead manager for Primary Care (including Dental) and Out of Hours Community Response services, as well as the Area Wide Evening Service, Prison and Police Healthcare and hosted Allied Health Professions 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 £93.875m, and the consequential reimbursement (£93.875m), are not included in the Comprehensive Income and Expenditure Statement since the IJB is not acting as principal in these transactions.

The amount of expenditure and income relating to the agency arrangement is shown below:

2023/24 £m		2024/25 £m
84.067	Expenditure on Agency Services - Lead Partnership	93.875
(84.067)	Reimbursement for Agency Services - Lead Partnership	(93.875)
0.000	Net Agency Expenditure Excluded from the CIES	0.000

NOTE 10: RELATED PARTY TRANSACTIONS

The IJB has related party relationships with NHS Ayrshire & Arran and East Ayrshire 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 Financial Statements are presented to provide additional information on the relationships.

Transactions with East Ayrshire Council

2023/24 £m		2024/25 £m
(105.165)	Funding contributions received from the Council	(110.691)
(8.277)	Service income received from the Council	(9.483)
147.625	Expenditure on services provided by the Council	145.218
(10.606)	Surplus / (Deficit) on provision of services	(1.801)

0.067	Key management personnel: non-voting Board Members	0.069
0.000	Support Services	0.000
128.809	Net expenditure on services provided by the Council	134.003
23.644	Net Transactions with the Council	23.312

Transactions with NHS Ayrshire & Arran

2023/24 £m		2024/25 £m
(194.380)	Funding contributions received from the NHS Board	(208.744)
0.000	Service income received from the NHS Board	0.000
170.915	Expenditure on services provided by the NHS Board	187.745
(0.245)	Surplus / (Deficit) on provision of services	(2.382)
0.066	Key management personnel: non-voting Board Members	0.069
0.000	Support Services	0.000
170.736	Net expenditure on services provided by the NHS Board	185.432
(23.644)	Net Transactions with the NHS Board	(23.312)

Key Management Personnel: The non-voting Board members employed by the Council and NHS Board include the Chief Officer; the Interim Chief Finance Officer; representatives of primary care, nursing and non-primary services; and a staff representative. As outlined in the Remuneration Report at section 4, the Chief Officer is the only employee of the IJB with the (Council / NHS Board) shared cost of this post included in the preceding Related Party Transactions Tables and within the Remuneration Report.

Support services were not delegated to the Integration Joint Board through the Integration Scheme and are instead provided by the Council and Health Board free of charge as a 'service in kind.' This is included at section 4.2 of the Integration Scheme. The support services provided are mainly comprised of the provision of the Interim Chief Finance Officer, IJB Standards Officer, financial management, democratic services, human resources, legal, ICT, payroll, internal audit and the provision of the Chief Internal Auditor.

The tables above highlight reduced expenditure on delivery of integrated functions on services commissioned by the IJB from NHS Ayrshire & Arran and additional expenditure services commissioned by East Ayrshire Council.

The following two tables highlight that this is due to accounting adjustments to reflect expenditure incurred in respect of funds which transfer between the partner organisations. The £25.294m which transfers from NHS Ayrshire & Arran to East Ayrshire Council includes Resource Transfer funding which offsets community based services funded from savings attributable to permanent NHS bed closures, as well as Scottish Government Integration Funding for social care services, and other earmarked funding transfers (including Alcohol and Drugs Partnership funding and Integrated Care Fund relating to Council-managed projects). The £1.982m payment from the Council to the Health Board includes Delayed Discharge funding which offsets the cost of NHS community-based services.

East Ayrshire Council Reconciliation

2023/24 £m	East Ayrshire Council - reconciliation	2024/25 £m
105.165	Payments for delegated functions	110.691
25.552	Funding transfers from NHS Ayrshire & Arran	25.294
(1.908)	Funding transfers to NHS Ayrshire & Arran	(1.982)

23.644	Net transactions with NHS Ayrshire & Arran	23.312
128.809	Payments for delivery of integrated functions	134.003

NHS Ayrshire & Arran Reconciliation

2023/24 £m	NHS Ayrshire & Arran - reconciliation	2024/25 £m
194.380	Payments for delegated functions	208.744
(25.552)	Funding transfers to East Ayrshire Council	(25.294)
1.908	Funding transfers from East Ayrshire Council	1.982
(23.644)	Net transactions with East Ayrshire Council	(23.312)
170.736	Payments for delivery of integrated functions	185.432

Balances with East Ayrshire Council

2023/24 £m		2024/25 £m
2.756	Debtor balances: amounts due from the Council	2.217
0.000	Creditor balances: amounts due to the Council	0.000
2.756	Net Balance with the Council	2.217

Balances with NHS Ayrshire & Arran

2023/24 £m		2024/25 £m
6.565	Debtor balances: amounts due from the NHS Board	2.921
0.000	Creditor balances: amounts due to the NHS Board	0.000
6.565	Net Balance with the NHS Board	2.921

NOTE 11: CONTINGENT LIABILITIES

A review of potential contingent liabilities has been undertaken for the IJB, and none have been identified at 31 March 2025. This is consistent with the position at 31 March 2024.

NOTE 12: VAT

VAT payable is included as an expense only to the extent that it is not recoverable from H.M. Revenue and Customs. VAT receivable is excluded from income.

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

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

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

SECTION 7

Independent Auditor's Report

Independent auditor's report to the members of East Ayrshire IJB 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 East Ayrshire Integration Joint Board for the year ended 31 March 2025 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 2024/25 (the 2024/25 Code).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the East Ayrshire Integration Joint Board as at 31 March 2025 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 2024/25 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 East Ayrshire Integration Joint 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 was not provided to the East Ayrshire Integration Joint 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 East Ayrshire Integration Joint 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 East Ayrshire Integration Joint Board's current or future financial sustainability. However, I report on the East Ayrshire Integration Joint 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 Interim Chief Finance Officer and Audit and Performance Committee for the financial statements

As explained more fully in the Statement of Responsibilities, the Interim 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 Interim 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 Interim Chief Finance Officer is responsible for assessing the East Ayrshire Integration Joint 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 East Ayrshire Integration Joint Board's operations.

The Audit and Performance Committee 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 East Ayrshire Integration Joint Board;
- inquiring of the Interim Chief Finance Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the East Ayrshire Integration Joint Board;
- inquiring of the Interim Chief Finance Officer concerning the East Ayrshire Integration Joint 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 East Ayrshire Integration Joint 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 skilfulness 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. 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 Interim 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.



Fiona Mitchell-Knight
Audit Director
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

29 September 2025

SECTION 8

Glossary of Terms

While the terminology used in this report is intended to be self-explanatory, it may be useful to provide additional definition and interpretation of the terms used.

Accounting Period

The period of time covered by the Accounts normally a period of twelve months commencing on 1 April each year. The end of the accounting period is the Balance Sheet date.

Accruals

The concept that income and expenditure are recognised as they are earned or incurred not as money is received or paid.

Balance Sheet

A statement of the recorded assets, liabilities and other balances at the end of the accounting period.

CIPFA

The Chartered Institute of Public Finance and Accountancy.

Consistency

The concept that the accounting treatment of like terms within an accounting period and from one period to the next is the same.

CNORIS

The Clinical Negligence and Other Risks Indemnity Scheme

COSLA

Convention of Scottish Local Authorities

Creditor

Amounts owed by the IJB for work done, goods received, or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.

Debtor

Amount owed to the IJB for works done, goods received, or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.

Entity

A body corporate, partnership, trust, unincorporated association or statutory body that is delivering a service or carrying on a trade or business with or without a view to profit. It should have a separate legal personality and is legally required to prepare its own single entity accounts.

IAS

International Accounting Standards

IFRS

International Financial Reporting Standards

ISA

International Standard on Auditing

ISD

Information Services Division Scotland

LASAAC

Local Authority (Scotland) Accounts Advisory Committee

Liability

A liability is where the IJB owes payment to an individual or another organisation. A current liability is an amount which will become payable or could be called in within the next accounting period e.g. creditors or cash overdrawn. A non-current liability is an amount which by arrangement is payable beyond the next year at some point in the future or will be paid off by an annual sum over a period of time.

NRAC

NHS Scotland Resource Allocation Committee (Scottish NHS resource allocation formula)

Post Balance Sheet Events

Post Balance Sheet events are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Annual Accounts are authorised for issue.

Provisions

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

PSIAS

Public Sector Internal Audit Standards

Related Parties

Bodies or individuals that have the potential to control or influence the IJB or to be controlled or influenced by the IJB. For the IJB's purposes, related parties are deemed to include voting members, the Chief Officer and their close family and household members.

Remuneration

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as these sums are chargeable to UK income tax) and the monetary value of any other benefits received other than in cash.

Reserves

The accumulation of surpluses, deficits and appropriation over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the IJB.

Revenue Expenditure

The day-to-day expenses of providing services.

SFC

Scottish Fiscal Commission

Significant Interest

The reporting authority is actively involved and is influential in the direction of an entity through its participation in policy decisions.

SSN

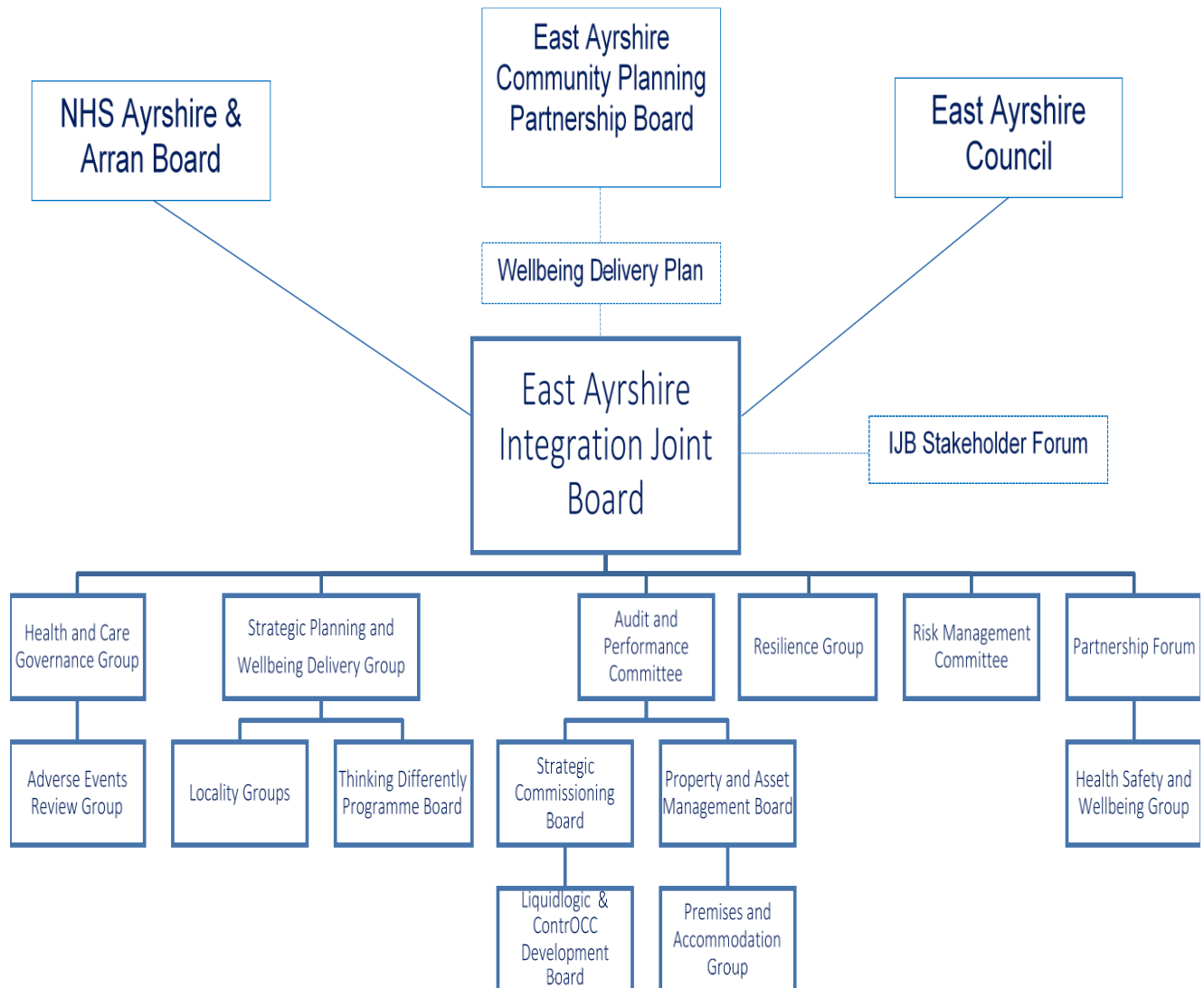
Sustainable Scotland Network

The Code

The Code of Practice on Local Authority Accounting in the United Kingdom

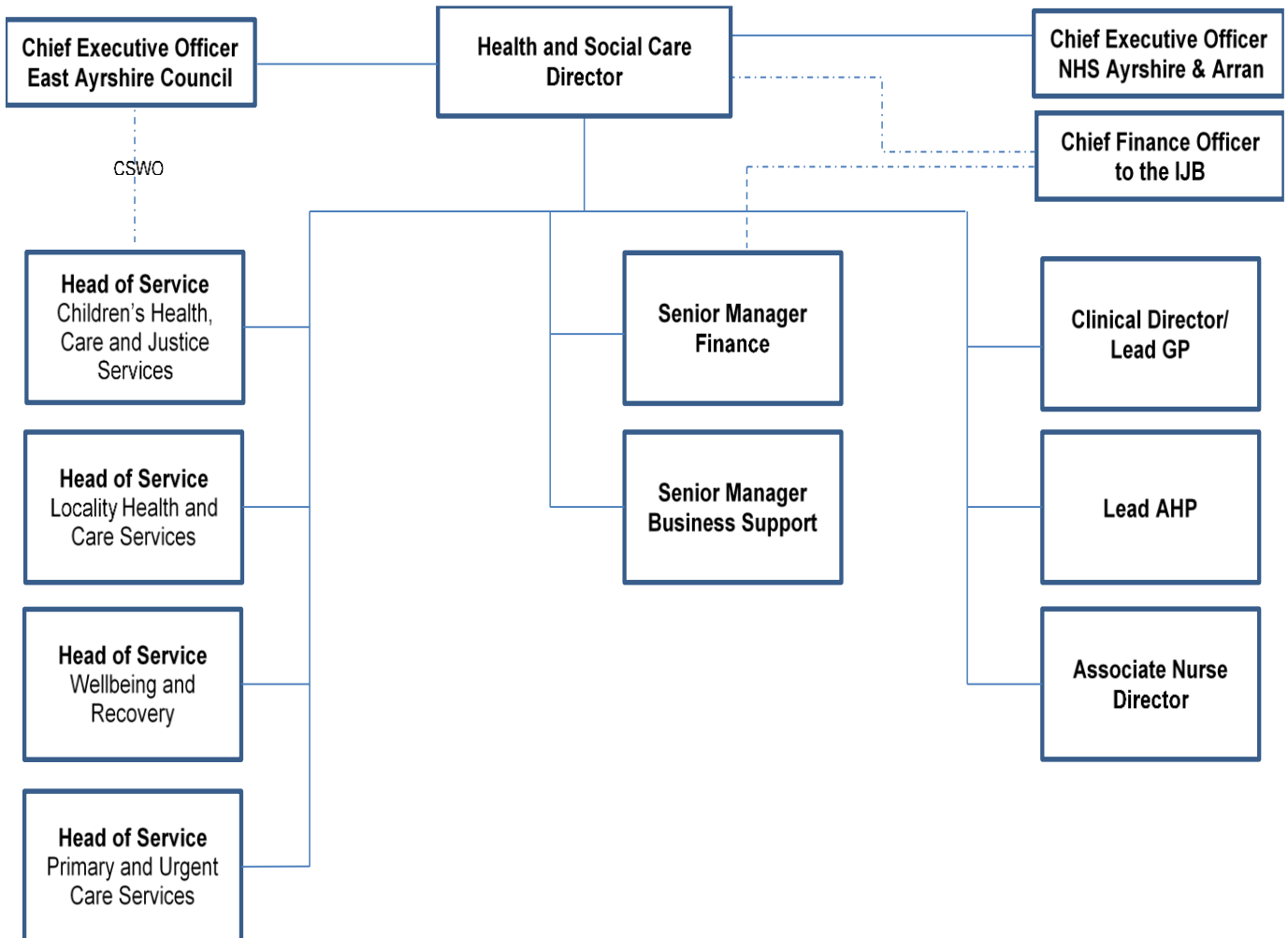
APPENDIX 1

Governance and Decision Making Arrangements



APPENDIX 2

Partnership Management Structure



East Ayrshire Health and Social Care Partnership

The Johnnie Walker Bond 15
Strand Street Kilmarnock KA1 1HU
01563 554400

HSCPAdmin@east-ayrshire.gov.uk



East Ayrshire Council
Comhairle Siorrachd Àir an Ear



HEALTH AND SOCIAL CARE
SCOTLAND



Scottish Care
Voice of the independent care sector



Director - Craig McArthur

Email Craig.McArthur@east-ayrshire.gov.uk

Telephone: 01563-554477

Our Ref: FMK/EAIJB/2025

Date: 29/9/2025

Fiona Mitchell Knight, Audit Director
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

Dear Fiona

East Ayrshire Integration Joint Board

Annual accounts 2024/25

This representation letter is provided in connection with your audit of the annual report and accounts of East Ayrshire Integration Joint Board for the year ended 31 March 2025 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view and have been properly prepared, and for expressing other opinions on the Remuneration Report, Management Commentary, and Annual Governance Statement.

I confirm to the best of my knowledge and belief, and having made such enquiries as I considered necessary, the following representations given to you in connection with your audit of East Ayrshire Integration Joint Board's annual accounts for the year ended 31 March 2025.

General

I have fulfilled my responsibilities for the preparation of the 2024/25 annual accounts as set out in your 2024/25 Annual Audit Plan. All the accounting records, documentation, and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by East Ayrshire Integration Joint Board have been recorded in the accounting records and are properly reflected in the financial statements.

I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. As you have reported, there are no uncorrected misstatements.

Financial Reporting Framework

The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (2024/25 Code), mandatory guidance from LASAAC, and the requirements of the Local Government (Scotland) Act 1973, the

Local Government in Scotland Act 2003, and the Local Authority Accounts (Scotland) Regulations 2014.

In accordance with the Local Authority Accounts (Scotland) Regulations 2014, I have ensured that the financial statements give a true and fair view of the financial position of East Ayrshire Integration Joint Board at 31 March 2025 and the transactions for 2024/25.

Accounting Policies and Estimates

All material accounting policies applied are as shown in the note included in the financial statements. The accounting policies are determined by the 2024/25 Code, where applicable. Where the 2024/25 Code does not specifically apply, I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All accounting policies applied are appropriate to East Ayrshire Integration Joint Board's circumstances and have been consistently applied.

The methodology, significant assumptions, and data used in making accounting estimates are reasonable, and have been properly reflected and disclosed in the financial statements in accordance with the 2024/25 Code. Judgements made in making estimates have been based on the latest available and reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

Going Concern Basis of Accounting

I have assessed East Ayrshire Integration Joint Board's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on East Ayrshire Integration Joint Board's ability to continue to adopt the going concern basis of accounting.

Carrying value of assets and liabilities

All liabilities and contingent liabilities at 31 March 2025 of which I am aware have been recognised in the annual accounts. The assets and liabilities have been recognised, measured, presented, and disclosed in accordance with the 2024/25 accounting code. There are no plans or intentions that are likely to affect the carrying value or classification of the assets in the financial statements.

Litigation and Claims

All known actual or possible legal claims have been disclosed to you and have been accounted for and disclosed in the financial statements in accordance with the 2024/25 Code.

Fraud

I understand my responsibilities for the design, implementation, and maintenance of internal control to prevent fraud and I believe I have appropriately fulfilled those responsibilities.

I have provided you with all information in relation to:

- my assessment of the risk that the financial statements may be materially misstated as a result of fraud,
- any allegations of fraud or suspected fraud affecting the financial statements, and

- fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

Laws and Regulations

I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

Related Party Transactions

All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with IAS 24, as adopted by the 2024/25 Code. I have made available to you the identity of all of East Ayrshire Integration Joint Board's related parties and all the related party transactions of which I am aware.

Remuneration Report

The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014, and all required information of which I am aware has been provided to you.

Management Commentary

I confirm that the Management Commentary has been prepared in accordance with statutory guidance, and the information is consistent with the financial statements.

Corporate Governance

I confirm East Ayrshire Integration Joint Board has undertaken a review of the system of internal control during 2024/25 to establish the extent to which it complies with proper practices set out in *Delivering Good Governance in Local Government: Framework 2016*. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.

I confirm that the Annual Governance Statement has been prepared in accordance with the *Delivering Good Governance in Local Government: Framework 2016* and the information is consistent with the financial statements. There have been no changes in the corporate governance arrangements, or issues identified, since 31 March 2025 which require to be reflected in the Annual Governance Statement or annual accounts.

Events Subsequent to the Date of the Balance Sheet

All events subsequent to 31 March 2025 for which IAS 10, as adopted by the 2024/25 Code, requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely



Interim Chief Finance Officer

Signed as Responsible Financial Officer, for and on behalf of the East Ayrshire Integration Joint Board

29 September 2025