



**Falkirk  
Health and Social Care  
Partnership**

# Audited Annual Accounts

2024/2025

— Falkirk Integration Joint Board



**FALKIRK COUNCIL** **NHS**  
Forth Valley

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# Management Commentary

## Introduction

This publication presents the financial position and performance of Falkirk's Integration Joint Board ("the IJB") for the year to 31 March 2025.

The financial statements have been prepared in accordance with the [Local Authority Accounts \(Scotland\) Regulations 2014](#) and the [Code of Practice on Local Authority Accounting in the United Kingdom](#) as per the requirements of section 106 of the Local Government Scotland Act 1973.

The Financial Statements are comprised of:

- A management commentary providing an overview of operational and financial performance during 2024/25 and how this supported delivery of the IJB's strategic priorities. The management commentary also looks forward to future financial plans, considering the risks and challenges we face as we strive to achieve the best possible outcome for people living in the Falkirk area.
- A statement of responsibilities in respect of the administration of the IJB's financial affairs and delivery of best value.
- A remuneration report summarising remuneration and associated pension benefits in respect of specified IJB members and staff.
- An annual governance statement describing the IJBs corporate governance arrangements and systems of internal control.
- A comprehensive income and expenditure statement which reports the overall surplus or deficit arising from the provision of delegated services.
- A movement in reserves statement which outlines the position on IJB reserves during the course of the year.
- A balance sheet which summarises the assets and liabilities of the IJB as at 31 March 2025.
- Notes to the financial statements, including general accounting policies and other explanatory information.

## Role and Remit of Falkirk Integration Joint Board

Falkirk IJB was formally established under the Public Bodies (Joint Working) (Scotland) Act 2014 to lead the integration, strategic planning and commissioning of adult health and social care services in the Falkirk area. Integration of health and social care services is a key flagship policy of the Scottish Government which aims to ensure that people receive the care and support they need at the right time, in the right setting and in a more joined up way. All of which should be underpinned by anticipatory and preventative care planning. This supports the IJB's fundamental purpose ***to enable people in the Falkirk area to live full and positive lives within supportive and inclusive communities.***

The scope of the current health and social care services delegated to the

IJB during 2024/25 is outlined in the Integration Scheme (a legal document, subject to Ministerial approval, which sets out the specific services involved and how they will be planned, resourced, and operationally delivered by the IJB).

The current functions delegated to the IJB by Falkirk Council and NHS Forth Valley for the purposes of 2024/25 reporting are detailed in the Integration Scheme and includes:

- Adult Social Work services
- Integrated Learning Disability services
- Integrated Mental Health services
- Drug and Alcohol Services
- District Nursing
- Allied Health Professionals
- Community Hospitals
- Health Improvement
- Occupational Therapy services
- Administrative staffing within a healthcare setting
- Primary Care Services
- General Dental Services
- Public Dental Service
- Ophthalmic Services
- Primary Care Prescribing
- Out of Hours Primary Care

During 2024/25, a review of the IJB Integration Scheme has been ongoing and a revised scheme has been approved by Falkirk Council and NHS Forth Valley and endorsed by the IJB and has been submitted for consideration to Scottish Ministers. At the time of publishing, feedback has been received, and some final amendments are being considered by partners. Key changes to the Integration Scheme include the delegation of Falkirk Councils Children and Justice services, and an increase in voting members from each partner body from three to four.

The IJB is a legal entity in its own right established in October 2015 following ministerial approval of the original Integration Scheme developed by Falkirk Council and NHS Forth Valley, with the IJB taking responsibility for the delegated functions from 1 April 2016. During 2024/25, membership of the IJB comprised of six voting members (three elected members appointed from Falkirk Council and three Non-Executive Directors appointed from NHS Forth Valley) together with 14 non-voting members. Non-voting members include the Chief Officer, Chief Finance Officer and a wide range of other health and social care professional advisors including third sector, carers representative, service user representative and staff side representatives. The Chair and Vice Chair of the IJB are appointed for a two-year term by Falkirk Council and NHS

Forth Valley on a rotational basis. During 2024/25 the IJB was chaired by Councillor Fiona Collie as appointed by Falkirk Council with Vice Chair Stephen McAllister appointed by NHS Forth Valley until 31 December 2024. A new Vice Chair, Gordon Johnston was appointed by NHS Forth Valley from 1 January 2025.

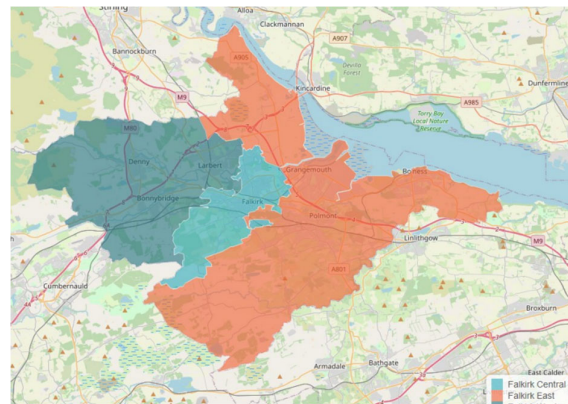
During 2024/25, a review of IJB and its associated committee governance arrangements was carried out, including the approval of a new Terms of Reference. The report also noted that Gordon Johnston, the current Vice Chair of the IJB had been appointed as the next Chair of the IJB effective from 1 May 2025.

The review also led to the previous IJB Audit Committee and IJB Clinical and Care Governance Committee being replaced by our new IJB Performance, Audit and Assurance Committee, which held its first meeting on 17 January 2025.

### Strategic Planning

A key statutory duty of the IJB is to develop a Strategic Plan for integrated functions and budgets which sets out the way in which the arrangements for carrying out the functions are intended to achieve or contribute towards achieving the national health and wellbeing outcomes. As part of this work, the IJB has implemented a locality planning structure, comprised of three distinct geographic areas to ensure that the overall Strategic Plan is accessible and responsive to the needs and unique circumstances of our local communities across East, West and Central Falkirk (see figure 1).

Figure 1: Locality Map



The Partnership has been developing Locality Plans for each of its three locality areas (Central, East, and West). Central Locality Plans has been approved and East Locality plan will be considered by the IJB in June 2025, with the development of the West Locality Plan ongoing. The plans support local development of services and implement the principles of the Scottish Government's Localities Guidance.

Community empowerment and engagement is key in this respect and the IJB works closely with a range of stakeholders including Falkirk Community Planning Partnership to ensure service developments are consistent with their Local Outcomes Improvement Plan (LOIP) and Falkirk Council Housing Services to determine and influence housing

requirements at locality level. The IJB also consults and maintains established forums with carers and the third and independent sectors.

The current [Strategic Plan](#) covers a three-year period from 2023 to 2026 and was approved by the IJB on 31 March 2023. The plan sets out how adult health and social care services will be delivered in Falkirk over the medium term to deliver the national outcomes for health and wellbeing. In developing the Strategic Plan, a Strategic Needs Assessment was produced to provide an understanding of the health and care needs of the local population.

The key issues detailed within the Strategic Plan are:

- There is an ageing population within the Falkirk area, with current projections expecting an 80% increase in the 75+ population between 2018-2043, which will likely lead to an increase in demand for health and social care services;
- Ongoing housing, deprivation, and cost of living pressures within the Falkirk area are likely to contribute to a decrease in overall health.
- An increasing number of drug-related deaths and drug and alcohol related hospital admissions;
- The Covid-19 pandemic has had profound effect on social care services with some services struggling to keep up with demand; and
- Decreased staffing levels and challenges in recruiting and retaining staff in social care roles continues to add additional pressure.

To respond to these challenges, the Partnership developed a high-level delivery plan and updated strategic plan. This includes four strategic priorities and three cross-cutting workstream priorities:

### Our strategic priorities (2023 – 2026)

Community-based services	Accessible care	Early intervention & prevention	Carer support
Enhance services to improve the 'flow' through hospital settings, prevent admission, and promote independent living.	Improve the way people access services – enabling everyone to access the right care, at the right time, in the right place.	Minimise the harm of long-term health conditions, ill mental health, substance use, or neglect through early action.	Assist, inform, and empower unpaid carers to manage their caring role and have a fulfilled life outside of caring

### Supporting workstreams

Workforce	Technology	Communication
Recruitment, retention, and celebration of staff across all services.	Explore new ways of helping people and delivering services.	Improving engagement, feedback opportunities, and signposting info.

## **2024/25 Operational Highlights**

In financial year 2024/25 the IJB has remained committed to achieving its overall vision to enable people in the Falkirk area to live full and positive lives within supportive communities. Many services have continued to see a significant increase in demand following the decline during the pandemic and the focus is now on continuing the transformation journey to ensure financial sustainability as services evolve and develop in line with strategic priorities. The previous Transformation Board will be replaced going forward by the new Strategic Planning and Transformation Board following a review of management governance arrangements.

The ongoing review of our management structure and updated IJB and management governance arrangements will allow a greater focus on whole system transformation, delivery of agreed efficiencies and greater financial stewardship and control moving forward. The management structure of the HSCP has been reviewed with the permanent Senior Management Team now in place, with work continuing to have all Lead posts in place as soon as possible. This will provide greater clarity of services and clearer accountability for transformation plans. Additional info may be found on the IJB website as follows: <https://falkirkhscp.org/about/>

Some notable new and ongoing developments during 2024/25 are detailed below:-

### **Partnership Funding Investment Plan**

In March 2024, a three-year Partnership Funds Investment Plan was agreed by the IJB which included the use of recurring budgets and non-recurring reserves balances.

The 2024/25 programme continued to fund a large number of early intervention and prevention activity including but not restricted to support for dementia, unpaid carers, mental health, domestic abuse, and substance misuse.

The 2025/26 Budget Strategy agreed by the IJB on 27 September 2024 included a review of both recurring and non-recurring reserves, including Partnership Funds, in view of the overall financial position set out both during 2024/25 and in the medium term, with a co design approach adopted with our third and voluntary sector partners to arrive at an updated funding programme for 2025/26. There will also be a thematic review of partnership funds spend carried out next financial year to inform future investment proposals within available resources.

### **Falkirk Alcohol & Drug Partnership (ADP)**

Work has been continuing throughout 2024 to ensure the ADP is effectively connected to strategic partnership groups and associated groups across the Health & Social Care Partnership and NHS Forth Valley.

A new ADP Executive Committee was established in January 2024 and replaces the previous ADP Committee. Along with a new Terms of Reference, the Executive has nominated a new Chair and Vice Chair and has senior representation from Falkirk Council, Falkirk Health & Social Care Partnership, NHS Forth Valley, Third Sector, Scottish Fire & Rescue Service, Police Scotland, Scottish Ambulance Service, Public Health, Lived Experience, and financial management, including the HSCP Chief Finance Officer.

Several subgroups have also been developed to focus on specific elements of ADP responsibility including an Alcohol Harms Group, a Third Sector Managers Forum and a Lived Experience Panel with others planned in the coming month including a Drug Related Harm subgroup. The ADP is also exploring ways to involve young people with the development of its local strategic plan.

A full needs assessment is under way with stakeholder events planned during the summer of 2025, which will provide evidence to shape the future ADP strategy and commissioning plan.

### **Care at Home**

The Care at Home redesign process has been paused during 2024/25 due to the challenging financial position and the need to consider how the service fits into any future strategic direction. As part of the updated management structure, a new Care at Home/Review Lead will be appointed, who will take forward this important piece of work for the partnership. There will be a need to address increased costs of pay, existing efficiencies to be delivered and to ensure all of our services are delivered in line with our newly agreed eligibility criteria and updated Self Directed Support policy, which will be considered by the IJB at its June 2025 meeting.

### **GP based Community Link Work**

Seven Community Link Workers continued to be employed during 2024/25 to support people registered at GP practices in some of the more deprived areas of Falkirk. Referrals are usually, although not exclusively, made to the Community Link Worker from the GP and Primary Care Mental Health Nurses. Other routes include self-referral and referrals from other health and social care professionals.

The Community Link Workers provide support for wellbeing, economic, and social factors which may be affecting the individual's quality of life – and in turn, their health. The link workers are integrated within GP Practices, which allows GPs to focus more of their time on medical issues. Welfare Benefits Advisors from Falkirk Council are now available at some GP practices as a referral route for GPs and Link Workers in circumstances where clients need support regarding debt or welfare benefits.

During 2024/25 the Community Link Workers assisted approximately 1,000 individuals, conducting around 5,000 appointments and making over 400 onwards referrals for support from third sector organisations and community groups. The most common reasons for appointments with the Community Link Workers related to mental health, social isolation, stress and housing issues.

### **Digital Health and Care Programme**

The Digital Health and Care Programme Board continues to support the Partnership's strategic priorities by improving the use of technology in health and care services and provides governance to ensure initiatives align with strategy, working closely with Council and Health ICT services, Information Governance, and other stakeholders. Engagement and consultation activities have helped develop the Programme's Delivery Plan, including events gathering feedback on priority areas and promoting our digital services. Partnership Funding for the Programme is currently under review to ensure investment supports sustainable and impactful digital developments. However, while the review is underway, work continues across existing systems and new developments to ensure digital solutions support the needs of our communities.

Key areas of progress include improving data-sharing solutions, expanding access to digital tools that support independent living, and strengthening digital inclusion efforts. Recent developments include initial scoping of digital solutions to support medication management, working with the Scottish Government and other partners on the development of a smart platform project exploring the use of Home Assistants in care settings, and the publication of TEC and digital health resources on the HSCP website. A collaborative project has enabled staff to securely access partner systems via a single laptop, supporting integrated working and improving efficiency across Falkirk Council and NHS Forth Valley.

The HSCP is using technology to enhance service delivery, improve access to care, and ensure individuals receive the right support when they need it. By integrating digital solutions across various services, we are strengthening our ability to respond to community needs, improve service user outcomes, and create a more efficient and person-centred care system.

A key area where technology is making a difference is in our care at home service. Our real-time electronic time recording and scheduling system enables seamless coordination of home visits, ensuring carers can efficiently reach those in need. Through a smartphone app, staff can access schedules, confirm attendance, and update records instantly, while managers gain real-time oversight of service delivery to ensure continuity and responsiveness to changing care needs.

We are also using technology to support preventative care and empower individuals to manage their health and wellbeing independently. Our Living Well platform, a self-assessment tool for healthy ageing, provides advice, resources, and access to essential equipment, helping people maintain their independence and reducing reliance on formal care services. In addition, Near Me video appointments have expanded access to social care professionals, allowing service users to receive support remotely when in-person visits are not necessary or feasible.

In telecare, our transition from an analogue to a digital alarm receiving centre has significantly improved the reliability of emergency response services and provided valuable insights into service demand. This upgrade enhances the safety and security of individuals relying on telecare, ensuring they receive timely support while enabling us to anticipate and address evolving community care needs.

Our ebrokerage system was rolled out this year to facilitate more timely and efficient sourcing of care packages for our care and support at home framework. This is still in the early stages and lessons learned sessions will be planned in due course. This has improved the efficiency of a previously manual process and gives the opportunity to consider where the system may be used in other service areas to improve processes and create further efficiencies.

By making use of technology in these ways, we are strengthening social care services, improving access to support, and enhancing the quality of life for individuals in our communities. Our commitment to digital ensures that care is delivered efficiently, equitably, and with a focus on the needs of the people we serve.

### **Primary Care Improvement Plan (PCIP)**

Primary Care services remain delivered across Forth Valley and the IJB area via the independent contractor model (with one single Board run GP Practice as an exception) supported by national contracts and frameworks such as General Medical Services. Following the transfer of Primary Care services, work has been underway, led by the Head of Primary Care, to establish appropriate governance routes, to articulate and mitigate known risks including General Practice sustainability and the Primary Care Improvement Plan (PCIP) commitment. The PCIP establishes multidisciplinary teams increasing capacity to enable GPs to practice as 'expert medical generalists' as set out in the revised General Practice contract.

The PCIP has been implemented over a number of years supported by Scottish Government Funding and, this additional workforce now delivers around 6,000 available appointments and more than 8,500 medicines related activities provided weekly by Pharmacotherapy, Community Treatment and Care, Urgent Care, Mental Health, and Advanced

Physiotherapy Practitioners to the practices and patients of Forth Valley. Although not fully meeting the Memorandum Of Understanding commitments in full, significant work has been undertaken to quantify the gap as well as monitor the progress of the national Demonstrator sites (where additional funding has been supplied to assess what "full delivery" may look like). The focus now is to ensure ongoing sustainability within primary care within the funding and workforce resource available.

To shape and steer local priorities and build on progress since the transfer to the IJBs, work is underway to develop a Primary Care Strategy for Forth Valley.

### **Out of Hours (OOH) Service**

Providing an integrated person-centred, safe and sustainable Primary Care OOH service remains the principal aim of the Forth Valley OOH service, underpinned by the work of the Reimagining Care Closer to Home Programme to ensure people who need care out of core hours receive the right care, at the right place, at the right time, by the right professional.

The focus for OOH during 2024/25 was to continue building on the strong foundations established to further develop the service through continuous learning and improvements, enhanced partnership to enable a resilient and sustainable service that ensures people receive the right intervention at the time by the right person in the right place. This has included enhancing the partnership working with HSCP colleagues and services to commence the work and start laying the foundations of establishing framework(s) and operating models to commence the journey towards an integrated OOH response.

The service experienced a number of success and achievements during 2024/25 including the successful recruitment of vacant GP hours to enhance the multidisciplinary team, the development of a clear vision and mission statement for the service, further strengthening partnership working with speciality area including ED and ENT to agree clear pathways for patients and how their services can support each other and commencing the work to establish a learning culture and environment across the service to continually develop both the team and the service.

The biggest success OOH achieved during 2024/25 though was the completion of the Scottish Government improvement action plan which resulted in the Scottish Government concluding that the OOH had evidenced the service was resilient, sustainable and was providing a robust and high-quality service as such the escalation status previously applied to the service in 2022 was formally lifted.

During 2024/25, 66,241 received care from the Out of Hours Service from the established integrated, multidisciplinary team which continues to provide the solid foundations for the service ensuring that the service

remains stable, resilient, and flexible to meet the care needs of people across Forth Valley.

The key work streams for 2025/26 will be focussed on embedding the learning culture and environment, embedding the realistic medicine and value based health and care frameworks into OOH service mode, developing and implementing a wellbeing strategy and action plan and strengthen partnership working across HSCP colleagues and services to establish the framework(s) that provides a fully integrated OOH response with health and community social care teams having clear pathways that ensures individuals receive the right intervention by the right person at the right time through a single point of entry.

## Day Services

A day care needs review was carried out during 2024/25, with the results being reported to the IJB in November 2024. Following an extensive consultation, the IJB approved the closure of Oswald Avenue Day centre, and to approve a refreshed model of service including building adaptations at Dundas Resource Centre.

These changes will futureproof the service and provide an improved and more flexible day care service for the people of Falkirk.

## Falkirk Carers Strategy 2023-2026

During 2024-25 the focus has been on our Carers Strategy Delivery Plan which was approved by IJB as the year began. We have ensured a greater focus on ensuring outcomes for Young Carers and Young Adult Carers. The Hospital Support and Discharge Workstream has also progressed, exploring outcomes for young adult carers and young carers. The workstream now meets regularly and has been informed by a consultation event with carers and a strong NHS participation at meetings.

We have also progressed towards the Delivery Plan outcome of achieving improved Carer Positive status for Falkirk Council and hope this can be fully achieved in 2025-26. We have progressed towards recognising and informing local understanding around the risk of harm carers may face from the people they care for – which has included a presentation to Adult Support and Protection teams within HSCP and ensuring a stake in national developments.

During 2024-5 Carers Funding provided funding for local projects supporting carers, these include Falkirk's Mental Health Association, CAB Carers Project, Falkirk and Clackmannanshire Carers Centre, Strathcarron Hospice, Al Masaar (now RISE Forth Valley), Central Wellbeing, Children's Services, Scottish Families Affected by Drugs and Alcohol, Plus Forth Valley and Self Directed Support Forth Valley.

## Performance

The Falkirk Health & Social Care Partnership uses a Forth Valley-wide [Performance Management Framework](#) to monitor its progress. Regular performance updates are provided throughout the year to the Integration Joint Board. The Partnership also publishes an Annual Performance Report as required by the Public Bodies (Joint Working) Regulations 2014. Scotland's Health and Social Care Partnerships are required to publish annual reports by 31 July each year under the Public Bodies (Joint Working) Regulations 2014. The latest report can be accessed from Falkirk Health & Social Care Partnership website.

The Partnership's Annual Performance Report highlights the complex and challenging environment of health and social care. It includes examples of the real impacts and positive outcomes made possible by the efforts of Falkirk's health and care services in the past year, made possible by the commitment, resilience, and professionalism of our workforce and partners, including carers and volunteers.

The Partnership reports progress against the suite of national integration indicators. This enables us to understand how well our services are meeting the needs of people who use our services and communities.

Indicators 1-9 are populated by the bi-annual Health and Care Experience (HACE) Survey. The most recently available data for these indicators is for 2023/24. Indicators 11-20 are in the main populated from the Scottish Morbidity Records (SMRs) which are submitted from local Health Boards to Public Health Scotland (PHS). For indicators 12-16, the latest available data is 2023 calendar year due to data completeness issues in some health board areas.

Our latest performance is set out in the following 'Performance at a Glance' table.

Performance at a glance:

From the 17 indicators updated this year:

- 3 indicators where Falkirk [compares well](#) to Scotland.
- 5 indicators where Falkirk is [similar to](#) Scotland.
- 9 indicators where Falkirk [does not compare well](#) to national average.

Overall performance for the latest year has increased.

- **12/17 (71%)** of indicators have improved year on year\*

\*Please note – Indicator 11 was not updated so has been excluded from the above summary. Indicators 2, 3, 4, 5, 7, 9 featured small changes to methodology meaning comparisons may not be fully like for like.

NI	Indicators 1-9	Falkirk	Scotland
NI - 1	Percentage of adults able to look after their health very well or quite well	91.0%	90.7%
NI - 2	Percentage of adults supported at home who agreed that they are supported to live as independently as possible	67.6%	72.4%
NI - 3	Percentage of adults supported at home who agreed that they had a say in how their help, care, or support was provided	59.7%	59.6%
NI - 4	Percentage of adults supported at home who agreed that their health and social care services seemed to be well co-ordinated	53.9%	61.4%
NI - 5	Percentage of adults receiving any care or support who rated it as excellent or good	73.1%	70.0%
NI - 6	Percentage of people with positive experience of the care provided by their GP practice	69.4%	68.5%
NI - 7	Percentage of adults supported at home who agree that their services and support had an impact on improving or maintaining their quality of life	61.4%	69.8%
NI - 8	Percentage of carers who feel supported to continue in their caring role	30.7%	31.2%
NI - 9	Percentage of adults supported at home who agreed they felt safe	69.5%	72.7%

NI	Indicators 11-19	Falkirk	Scotland
NI-11	Premature mortality rate per 100,000 persons*	473	442
NI - 12	Emergency admission rate (per 100,000 population)	14,440	11,707
NI - 13	Emergency bed day rate (per 100,000 population)	124,142	112,883
NI - 14	Readmission to hospital within 28 days (per 1,000 population)	136	104
NI - 15	Proportion of last 6 months of life spent at	87.7%	89.1%

NI	Indicators 11-19	Falkirk	Scotland
	home or in a community setting		
NI - 16	Falls rate per 1,000 population aged 65+	24.4	23.0
NI - 17	Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections	86.9%	77.0%
NI - 18	Percentage of adults with intensive care needs receiving care at home	67.8%	64.8%
NI - 19	Number of days people aged 75+ spend in hospital when they are ready to be discharged (per 1,000 population)	1,283	902

*Compares well is defined as Falkirk rate is 2% better than Scotland. Does not compare well is defined as Falkirk rate is not within 2% of Scotland rate. Similar is defined as Falkirk rate within 2% of Scotland rate.*

**Notes on Indicator 11:** The latest available data for indicator 11 is 2022 calendar year so there is no update on the figure used in last year's APR.

**Notes on Indicator 12-16:** For indicators 12-16 the latest available data is 2023 calendar year due to data completeness issues in some health board areas for 2023/24 data. We have done this following guidance issued by Public Health Scotland to all Health and Social Care Partnerships.

**Notes on Indicator 17 and 19:** These indicators have been updated to financial year 2023/24.

**Notes on Indicator 18:** Indicator 18 (percentage of adults with intensive care needs receiving care at home) has been updated to calendar year 2023.

## 2024/25 Financial Performance

The financial performance for 2024/25 reflects the significant financial pressures and challenges being experienced across the health and social care sector. A number of services continued to see a significant increase in demand which has continued to put significant pressure on resources. The main areas of pressure were within external care at home, long term care provision, primary care prescribing and in house residential services.

Workforce challenges contributed to the net overspend position with some reliance on agency staff throughout the year. Good progress has been made during the year to reduce the level of agency spend in our registered services and further reviews are planned as part of the medium-term financial plan.

Regular updates on financial performance were presented to the IJB during 2024/25 highlighting the projected overspend and the overall anticipated effect on the level of reserves. A budget recovery plan was agreed in September and a number of measures introduced to control spend including a vacancy management panel, resource allocation panels for long term care and care packages and a no non-essential spend

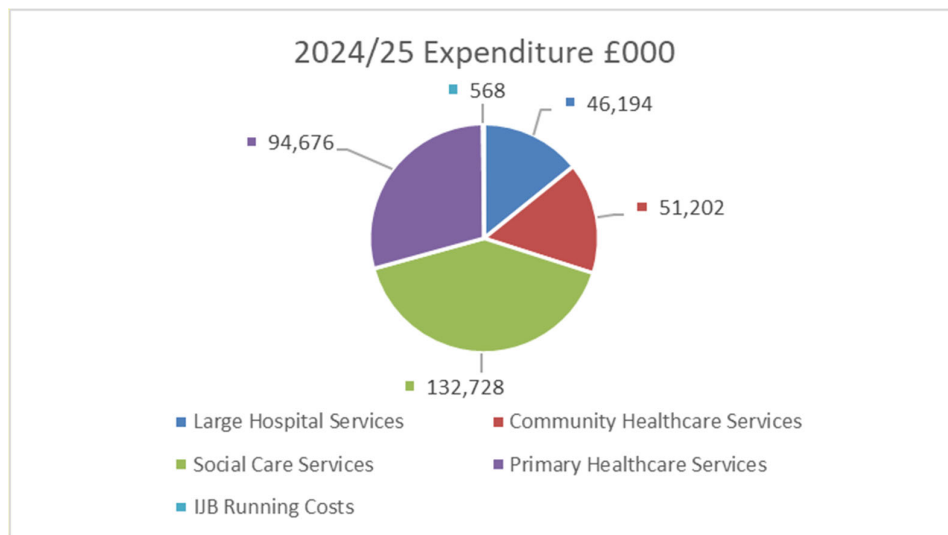
message which was circulated to all staff. There was also some use of non-recurring reserves advised at that time. At Quarter 3 it was anticipated that IJB reserve levels would fall below the reserve policy recommended level. The final outturn saw an improved position which has allowed the recommended contingency reserves to be maintained at the year end.

The financial position has remained on the strategic risk register and is recorded as very high. This will continue to be monitored and updated as required, although in view of the national context for IJB budgets and demand for services it is expected to remain at this level for some time.

The IJB reported total income of £319.822m for financial year 2024/25 (an increase of £20.622m compared to the previous year (£299.200m) which comprised of £273.628m in respect of the integrated budget and £46.194m relating to set aside.

This compares to total expenditure of £325.368m incurred during the year (an increase of £18.599m relative to 2023/24) which comprised of £278.633m in respect of expenditure on integrated services and £46.194m relating to set aside.

The chart below details the 2024/25 expenditure against each high-level budget area.



As at 31 March 2024, the IJB held reserves of £21.261m. £3.9m of non-recurring reserves were used to balance the 2024/25 budget, and no risk sharing arrangements were required in respect of the integrated budget for this financial year.

In line with previous years, NHS Forth Valley directly managed the overspend against the set aside budget totalling £6.173m.

Social care budgets overspent by £7.036m by the year end. This was offset by a general underspend in Health Services of £1.999m, resulting in an overall revenue overspend of £5.037m against revenue budgets.

The key pressure areas affecting 2024/25 financial performance are detailed below:

- **Large Hospital Services/Set Aside** - Overspend pressures continued to be reported within A&E, General, Geriatric, Rehab and Specialist Mental Health Services. This was mainly relating to ongoing significant expenditure on bank & agency staffing, linked to staff absence/vacancies and acuity of care, increased demand and case mix complexity/length of stay, together with additional costs in order to maintain safe staffing levels. Similar short staffing challenges also continued to impact on this.
- **Social Care** – Social Care cost pressures continued throughout the 2024/25. There continued to be increased pressures in demand for Care at Home services and for long term residential care during 2024/25. An ongoing requirement for agency staff within in house residential services also caused cost pressures. These overspends were partly offset by underspends in Assessment & Care Planning mainly due to staff vacancies and within Day Care Services with the ongoing closure of Oswald Avenue. Measures during the year to implement spending controls have reduced costs, including vacancy panels, resource allocation panels and 2 for 1 admissions for long term care placements.
- **Primary Healthcare** – Large overspends were incurred, mainly due to prescribing pressures as a result of increased volumes, high inflation and drug costs. The overspend was partly offset by underspends on GP OOH Services and Primary Medical Services GMS Contract.
- **Community Healthcare** - The favourable financial position was largely due to development funding not yet being fully utilised, plus vacancies and staff turnover savings across a variety of services including Community Mental Health, Community Based AHP and Community Learning Disability. The favourable position masked ongoing pressures within the Joint Loan Equipment Store and Complex Care services.

A reconciliation of the overall 2024/25 financial position to the Comprehensive Income and Expenditure Statement is presented below:

Reconciliation to comprehensive income and expenditure statement	Budget £000s	Expenditure £000s	(Underspend) / Overspend £000s
Large hospital services	46,194	52,367	6,173
Community Healthcare services	54,168	50,356	(3,812)
Social care services	125,431	132,467	7,036
Primary healthcare services	93,461	95,274	1,813
IJB Running costs	568	568	0
	<b>319,822</b>	<b>331,032</b>	<b>11,210</b>
Set aside managed directly by NHS Forth Valley	-	(6,173)	(6,173)
<b>TOTAL</b>	<b>319,822</b>	<b>324,859</b>	<b>5,037</b>
<b>Reserve adjustments included in budget figures above</b>			
Community healthcare services transfers to reserves		(1,559)	(1,559)
Primary healthcare services transfers to reserves		(598)	(598)
Social care transfers to reserves		2,666	2,666
	<b>0</b>	<b>509</b>	<b>509</b>
<b>REVISED TOTAL AS PER CIES</b>	<b>319,822</b>	<b>325,368</b>	<b>5,546</b>

## Reserves

At 1 April 2024 the IJB had brought forward reserves totalling £21.261m. This balance included £3.691m General and Contingency reserves, £5.795m Service Pressure reserves and £11.775m Earmarked reserves, as summarised below.

Reserve (£000s)	Balance at 31 March 2024	Transfers out	Transfers In	Balance at 31 March 2025
Contingency and general	(3,691)	1,415	(95)	(2,371)
Service pressure and development funds	(5,794)	4,327	(407)	(1,874)
Earmarked	(11,776)	7,744	(7,438)	(11,470)
<b>Total</b>	<b>(21,261)</b>	<b>13,486</b>	<b>(7,940)</b>	<b>(15,715)</b>

At 31 March 2025 total reserves of £15.715m are held, representing a decrease of £5.546m during 2024/25. As illustrated above, the vast majority of reserves held are earmarked to fund specific projects or future commitments as part of the IJB's Strategic Plan. These reserves are expected to be fully utilised in line with relevant workstream strategies and investment plans.

During the year the IJB agreed use of reserves of £1.058m towards budget recovery during the year and at the year-end a further £4.703m was required to be utilised to address the Social Care overspend.

Contingency reserves have decreased by £1.320m to £2.371m during the year. This level of contingency is in line with the reserves policy of 0.75% of the overall IJB budget. Although this is the recommended level, the 2025/26 business plan includes an assumption that a budget gap of £3.962m will be met by partner organisations during 2025/26. The year end position has also meant that service pressure reserves of £1.875m are remaining, with £1.254m committed for future years.

### Forward look to 2025/26

The IJB is committed to delivering transformational change over the coming years to ensure financial sustainability. Transformation of services will therefore be a key feature in financial year 2025/26 and in the medium term. A three-year efficiency programme has been agreed which shows a shortfall in 2025/26 of £3.962m, which Falkirk Council and NHS Forth Valley have recognised in their budgets as a potential risk share.

The updated Medium Term Financial Plan (MTFP) was approved on 21 March 2025 covering financial years 2025/26 to 2027/28. The plan details an expected funding gap throughout this period, the expected ongoing financial pressures, and the proposed savings delivery and approach to achieve a balanced budget.

The expected funding gap before savings delivery is set out in the table below:

Projections (£M)	2025/26	2026/27	2027/28
Expenditure	333.629	342.498	351.886
Funding	312.301	317.886	323.502
<b>Shortfall before savings</b>	<b>21.328</b>	<b>24.612</b>	<b>28.384</b>
Impact of savings achieved	17.366	22.624	27.226
<b>Shortfall after prior years savings achieved</b>	<b>3.962</b>	<b>1.988</b>	<b>1.158</b>

A number of assumptions have been used in the projections, including pay and social care provider uplifts, inflation rates and expected demographic changes.

It's clear from the table that Falkirk IJB continues to face financial challenges with funding not increasing at the same pace as the demand for services and increased costs.

A comprehensive efficiency and transformation programme has been identified for the medium term which aims to provide more sustainability over the next three years of the plan, without the reliance on non-recurring

reserves, with some further efficiencies required to close the overall budget gap in the medium term. Due to the reserves position now showing that, excluding future commitments the balance will be only marginally higher than the recommended contingency level, it is unsustainable to use these reserves as a mechanism to balance budgets moving forward.

In terms of the medium-term financial plan approach to reserves, the current working assumptions are:

- Contingency reserves will be maintained at 0.75% of the total partnership budget where possible dependant on outturn positions and risk share arrangements which will be discussed regularly with partners;
- Service Pressure and Development Fund reserves which are held to support increased capacity whilst longer-term initiatives are developed will be used to manage the in year position as required.
- It is no longer possible to utilise non-recurring reserves as a means to balance annual budgets and measures will continue to identify efficiencies and transformation on a permanent basis.

### **Risks and Uncertainties**

The public sector continues to face an extremely challenging financial future. The IJB and both partner bodies, Falkirk Council and NHS Forth Valley, will be required to identify savings over the coming years in order to balance their revenue budgets.

Demand on health and social care services continues to increase leading to a greater challenge in managing the financial position and the updated Medium Term Financial Plan highlights the budget gaps for which the IJB requires to achieve efficiencies and transformation.

Falkirk IJB has its own Strategic Risk Register to record the risks it faces, and this is regularly presented to and scrutinised by the Performance, Audit and Assurance Committee. Individual services retain their own operational risk registers and as services are integrated, work is undertaken to combine the operational risk registers into a Partnership wide register, ensuring interdependencies are recognised and mitigating actions recorded.

The Strategic Risk Register recognises that funding and demographic pressures could result in a failure to deliver the Strategic Plan. Given the increasingly challenging financial environment the IJB is operating in, this risk was changed from high to very high during 2023/24 and has remained at this level during 2024/25.

Other key risks which could create significant financial pressures include:

- Failure to deliver agreed efficiencies and transformation proposals agreed
- Pressure on beds within both the acute hospital and community hospitals continues with occupancy levels remaining high. This drives costs in health budgets and impacts on demand for social care. A number of workstreams are being taken forward to consider whole system change over the medium term.
- Demand and cost pressures for home care have increased significantly over recent years. Work has begun to mitigate the effect on budgets and additional commissioning capacity has been identified to allow more collaborative and efficient commissioning of services.
- Falkirk HSCP has a mix of internal and external care providers for both residential and non-residential care. This has advantages in that it provides some flexibility in a sector which also faces uncertainty with rising pay and non-pay costs and workforce challenges. However, the Partnership is vulnerable to inflationary uplift demands from external care providers. In some cases, such rates are negotiated nationally, for example the National Care Home Contract. Funding from Scottish Government cover only the pay element of provider uplifts therefore this creates a risk to provider sustainability.
- The prescribing budget has overspent for a number of years due in part to rising demand, new medicines and short supply issues. The cost of drugs and the agreement to introduce new drugs are national decisions which can impact on local budgets. The medium-term financial plan includes uplifts in relation to the prescribing budget to mitigate the effects however this budget is still subject to some volatility.
- Prison Healthcare and Children's Services budgets will transfer to the IJB in due course, and it is expected these services will be formally delegated during 2025/26 subject to approval by Scottish Ministers. It is not yet clear what impact this will have to the overall financial position and therefore presents a potential financial risk at this time. Our partners have agreed to accept the risk for 2025/26 financial year in the meantime, and close monitoring will take place in relation to these services.
- As part of the 2022/23 pay deal, the Scottish Government agreed to scope a phased reduction to a 36-hour NHS working week. The first phase of this was a 30-minute reduction to a 37-hour working week, effective from 1 April 2024, with the remaining reduction now delayed until April 2026. The full financial and service capacity impact of these changes are not yet clear.

The IJB receives updates on these areas through regular finance and

performance reports, as well as updates to the Strategic Risk Register.

### **Sustainability**

The IJB monitors and reports on Greenhouse Gas Emissions via Falkirk Council's Public Bodies Climate Change Duty Reporting (PBCCDR), as much of the IJB estate is owned and operated by the Council bringing those emissions within the scope of Falkirk Council's emissions. A separate IJB PBCCDR is prepared and submitted with information relevant to the IJB such as financial and governance information; however, the greenhouse gas emissions reporting and carbon reduction projects information is reported through Falkirk Council's PBCCDR. Previous reports can be found via [sustainablecotlandnetwork.org](https://sustainablecotlandnetwork.org).

### **Conclusion**

The 2024/25 Annual Accounts reflect the ongoing financial challenges faced not only by the IJB but the public sector in general. The Scottish Government acknowledge that reform is essential within the health and social care sector in order to manage the increasing pressures within budget. The IJB is committed to driving forward change over the coming years to ensure services are delivered in a sustainable way, with a medium-term financial plan agreed in March 2025 which moves towards achieving longer term stability. The updated management structure and governance arrangements will allow better oversight of the financial position and transformation programme.

### **Where to Find More Information**

If you would like more information, please visit our website at: [www.falkirkhscp.org](http://www.falkirkhscp.org)

**Gordon Johnston**  
Chair

**Gail Woodcock**  
Chief Officer

**Marie Keirs**  
Chief Finance Officer

# Statement of Responsibilities

## Responsibilities of the Integration Joint Board

The Integration Joint Board is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the board has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this authority, that officer is the Chief Finance Officer.
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets.
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far, as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- Approve the Annual Accounts.

I confirm that these Annual Accounts were approved for signature at a meeting of the Integration Joint Board Performance, Audit and Assurance Committee on 21 November 2025 (expected date).

Signed on behalf of the Falkirk IJB

**Gordon Johnston**  
Chair

## Responsibilities of the Chief Finance Officer

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

In preparing the Annual Accounts, the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the accounting code (in so far as it is compatible with legislation)

The Chief Finance Officer has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities

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

**Marie Keirs**  
Chief Finance Officer

# Remuneration Report

## Introduction

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

The information provided 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.

## Voting Membership of the IJB in 2024/25

Membership of the IJB is comprised of 6 voting members (3 elected members appointed from Falkirk Council and 3 Non-Executive Directors appointed from NHS Forth Valley). The Chair and Vice Chair of the IJB are appointed for a 2-year term by the constituent authorities of Falkirk Council and NHS Forth Valley on a rotational basis.

During financial year 2024/25 the IJB voting Membership of the IJB was as follows:

### NHS Forth Valley

Gordon Johnston, Non-Executive Member of Forth Valley NHS Board (Vice-Chair) \*\*

Stephen McAllister, Non-Executive Member of Forth Valley NHS Board

Dr Michele McClung, Non-Executive Member of NHS Forth Valley Board

### Falkirk Council

Councillor Fiona Collie (Chair)

Councillor Anne Hannah

Councillor Jim Flynn

\*\* On 1 January 2025 Gordon Johnston, Non-Executive Member of Forth Valley NHS Board was appointed as the new Vice Chair, replacing Stephen McAllister, Non-Executive Member of Forth Valley NHS Board.

## Remuneration: IJB Chair and Vice Chair

The IJB does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. Neither the Chair or Vice Chair of the IJB received additional remuneration or taxable expenses.

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

Section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 stipulates that a Chief Officer must be appointed on a formal secondment basis to the IJB through the employing partner (in this case the employing partner is Falkirk Council). The employment contract for the Chief Officer will therefore adhere to the legislative and regulatory framework of the employing partner organisation. The remuneration terms of the Chief Officer's employment are approved by the IJB.

### Chief Finance Officer

The tables below identify a change in Chief Finance Officer during 2024/25. The new Chief Finance Officer was appointed on 27 May 2024. Prior to this time, Mark Fairley was appointed on a formal secondment basis to the IJB through the employing partner (in this case the employing partner was NHS Forth Valley). His employment ended on 24 May 2024 and Marie Keirs was employed from 27 May 2024.

### Other Officer

No other staff are appointed by the IJB under a similar legal regime. Other non-voting board members who meet the criteria for disclosure are included in the disclosures below.

Total remuneration 2023/24 £	Name	Designation	Salary, fees and allowances£	Taxable expenses £	Total remuneration 2024/25 £
125,990	Patricia Cassidy*	Chief Officer	1,750	-	1,750
-	Gail Woodcock**	Chief Officer	128,933	-	128,933
20,699	Mark Fairley***	Interim Chief Finance Officer	12,395	-	12,395
-	Marie Keirs****	Chief Finance Officer	86,940	-	86,940
<b>146,689</b>			<b>230,018</b>	<b>-</b>	<b>230,018</b>

\*Retired 5 April 2024

\*\*Commenced 8 April 2024

\*\*\*Commenced 5 January 2024/Left 24 May 2024

\*\*\*\*Commenced 27 May 2024

In respect of officers' pension benefits, the statutory liability for any future contributions to be made rests with the relevant employing partner organisation. On this basis there is no pensions liability reflected on the IJB

balance sheet for the Chief Officer or any other officers.

However, the IJB is required to fund employer contributions for the current year in respect of the officer time spent on discharging their role on the IJB. The below table presents 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 position held	In year pension contribution year to 31 March 2024 £	In year pension contribution year to 31 March 2025 £	Accrued pension benefits		
				As at 31 March 2025 to nearest £000	Difference from March 2024 to nearest £000s
<b>Patricia Cassidy*</b> Chief Officer	28,978	341	Pension	50,000	0
			Lump Sum	25,000	0
<b>Gail Woodcock**</b> Chief Officer	-	25,142	Pension	51,000	n/a
			Lump Sum	59,000	n/a
<b>Mark Fairley***</b> Interim Chief Finance Officer	4,326	-	Pension	25,000	3,000
			Lump sum	66,000	8,000
<b>Marie Keirs****</b> Chief Finance Officer A transfer of pension rights from SPPA is pending	-	16,953	Pension	2,000	n/a
			Lump sum	-	n/a
<b>Total</b>	<b>33,304</b>	<b>42,436</b>		<b>278,000</b>	<b>11,000</b>

\*Retired 5 April 2024

\*\*Commenced 8 April 2024

\*\*\*Commenced 5 January 2024/Left 24 May 2024

\*\*\*\*Commenced 27 May 2024

### Disclosure by Pay Bands

Pay information has not been separately disclosed as all relevant details are already included in the information above.

### Exit Packages

There were no exit packages in relation to the Falkirk IJB in 2024/25 or 2023/24.

## Appointment of Senior Officers

Since the end of the financial year, Patricia Cassidy, Chief Officer retired on 5 April 2024. Gail Woodcock was subsequently appointed and took up position on 8 April 2024. Mark Fairley left the Interim Chief Finance Officer role on 24 May 2024, and Marie Keirs was appointed as Chief Finance Officer on 27 May 2024.

**Gordon Johnston**  
Chair

**Gail Woodcock**  
Chief Officer

# Annual Governance Statement

As specified in the Local Authority Accounts (Scotland) Regulations 2014, the IJB is required to conduct a review of the effectiveness of its internal control systems at least once in each financial year and must also include an annual governance statement as part of the annual accounts. This is consistent with the Code of Practice on Local Authority Accounting in the United Kingdom and guidance developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) entitled "*Delivering Good Governance in Local Government: a framework (2016 Edition)*".

## Scope of Responsibility

The IJB is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards and that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively in order to secure best value.

In discharging these responsibilities, the Chief Officer has established a system of internal control and arrangements for the governance of the IJB's affairs and the effectiveness of its functions (including risk management). It is recognised that any system of internal control can only provide reasonable and not absolute assurance of effectiveness.

As part of the overall governance arrangements, the Chief Officer also places reliance on the systems of internal control operated by Falkirk Council and NHS Forth Valley (recognising that these systems ensure compliance with both organisations' policies and procedures and support achievement of each organisation's aims and objectives, as well as those of the IJB).

## The Purpose of the Governance Framework

The governance framework refers to the systems, processes, culture, and values by which the IJB is directed and controlled. The governance framework enables the IJB to deliver its strategic objectives and perform effectively whilst maintaining public confidence in IJB processes and decision making. The governance framework is regularly reviewed to ensure it reflects best practice and new legislative requirements, supporting continuous improvement and better outcomes, whilst striking an appropriate balance between quality and cost.

As part of the overall governance framework, the system of internal control is designed to identify, prioritise, and manage risk to an acceptable level. This includes evaluation of the risk of failure to achieve the IJB's policies, aims and objectives, the likelihood of those risks being realised, and the impact of those risks should they be realised. The system aims to help manage risks as efficiently, effectively, and economically as possible.

## **The Governance Framework and Internal Control System**

During 2024/25, the Board of the IJB comprised the Chair, Vice-Chair and 4 other voting members. Of the 6 voting members in total, 3 are appointed by NHS Forth Valley and 3 by Falkirk Council. The Board also includes 14 non-voting members, comprised of the Chief Officer, Chief Finance Officer, other Officers appointed by virtue of their professional role including the Chief Social Work Officer, Medical Director, and Director of Nursing, as well as employee representatives, service users, carers and third sector representatives. The IJB is the key decision making body in respect of the planning, resourcing and operational delivery of all integrated health and social care services within its geographical boundary area.

The main features of the governance framework in existence during 2024/25 are summarised below:

- Strategic decision making was governed by the IJB's key constitutional documents including the Integration Scheme, Standing Orders, Scheme of Delegation, Financial Regulations, and Reserves Policy.
- A code of conduct was in place for all IJB Board members, including a register of interests.
- The IJB's vision, outcomes and priorities are set out in the IJB's Strategic Plan for 2023-2026, which contributes to the strategic priorities and outcomes contained in the Community Planning Partnership's Local Outcomes Improvement Plan (LOIP) and the national health and well-being outcomes framework.
- An Audit Committee was in place with a remit which includes risk management, corporate governance and all matters relating to internal and external audit. Terms of reference are regularly reviewed and an annual workplan agreed.
- The Clinical and Care Governance Committee provided assurance to the IJB on the systems in place for delivery of safe, effective, person-centred care in line with the IJB's statutory duty for the quality of health and care services. An annual work plan is in place to ensure all key pieces of work are covered.
- Both of the above committees were stood down on 17 January 2025 and replaced by the new Performance, Audit and Assurance Committee following approval by IJB on 29 November 2024, which brings together the assurance functions and remits of the previous committees.

## **System of Internal Control**

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

- Financial regulations and codes of financial practice;
- Management information systems and regular monitoring reports, including performance and financial reporting;

- A risk management strategy and regular monitoring and updating of risks;
- Annual assurance statements prepared by each IJB committee to provide assurance that the committee structure supports delivery of IJB strategic priorities and ensures that operational and strategic risks are being managed effectively;
- Comprehensive budgeting systems and a formal budget setting process;
- Regular reporting to both the IJB Audit Committee and the newly formed Performance, Audit and Assurance Committee including internal audit progress reports;
- Regular reporting to Falkirk Council's External Scrutiny Committee, NHS Board and committees and the Community Planning Partnership;
- Publication of the IJB annual performance report.

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

The IJB is required to conduct, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of the effectiveness of the framework is informed by the work of the Chief Officer and Senior Management who have responsibility for development and maintenance of the governance environment together with reports by the Chief Internal Auditor and reports from External Auditors and other review bodies as appropriate.

The IJB internal Audit Service operates in accordance with Public Sector Internal Audit Standards (PSIAS) which require the Chief Internal Auditor to deliver an annual opinion and report to inform the IJB's governance statement.

The Chief Internal Auditor reports directly to the Performance, Audit and Assurance Committee (previously IJB Audit Committee) on all audit matters, with the right of access to the Chief Officer, Chief Finance Officer, and Chair of the Performance, Audit and Assurance Committee (previously IJB Audit Committee) on any matter, and agrees a risk based internal audit work plan targeted to the highest risk areas in order to ensure that all proposed audit activity is focussed on key areas and is sufficient in order to provide an appropriate level of assurance.

The annual internal audit and assurance report for 2024/25 will be presented to the August 2025 PAAC and will include summaries of the issues arising in relation to each system or activity covered by Internal Audit work in 2024/25.

Appropriate responses to the findings in internal audit reports have been obtained. Action completed in response to findings from Internal Audit reports should provide management with additional comfort that the system of control operates as intended. It is therefore imperative that the agreed actions are implemented by management. A follow up process is in place which ensures that all actions arising from internal audit reviews are

captured within a follow up database and are subject to follow up and validation by the Internal Audit on a regular basis, with reporting on progress to the Performance, Audit and Assurance Committee.

The annual internal audit report will confirm that reliance can be placed on the IJB's governance arrangements and systems of internal control for the year to 31 March 2025.

## Areas for improvement

The IJB adopts a continuous improvement approach as part of our ongoing effort to enhance our governance arrangements and system of internal control. A number of areas for improvement were identified during 2024/25 and a summary of actions taken is included in the table below.

Area Identified for Improvement	Current Status
<b>Progress with Integration Scheme / MSG Self-Assessment</b>	<p>During 2024/25 the revised Falkirk Health and Social Care Integration Scheme was issued for public consultation and subsequently approved by the NHS Forth Valley Board, Falkirk Council and the Integration Joint Board incorporating Falkirk Council's Children's and Justice Service into the partnership. The Integration Scheme has been submitted to the Scottish Government for approval with initial feedback received in May 2025.</p> <p>Baseline set aside activity metrics have not progressed recently and require to be progressed during 2025/26. The revised Integration Scheme sets out how set aside will be managed with an ambition towards the IJB having a greater role and influence in this regard. Risk sharing arrangements have been agreed for 2024/25.</p> <p>A development session was held with IJB members in June 2025 to update the self-assessment ratings against the Ministerial Strategic Group (MSG) recommendations, previously assessed in May 2019. Scottish Government have confirmed that no further reporting is required against these indicators and the final two 'partly established' items will be reported regularly to the Performance, Audit and Assurance Committee. These are in relation to set side arrangements implementation and support for S95 officers from partners.</p>
<b>Implementation of the CIPFA Financial Management code</b>	<p>Self-assessment of IJB financial management arrangements against CIPFA recommended standards has been completed and a Medium-Term Financial Plan was prepared for, presented to, and approved by the IJB in March 2024 meeting. An updated 2025-26 Business Case and Medium-Term Financial Plan was approved by the IJB in March 2025.</p>
<b>Audit Committee self-assessment</b>	<p>The outstanding external audit recommendation was completed and finalised with the approval of the Performance, Audit and Assurance Committee Terms of</p>

<b>Area Identified for Improvement</b>	<b>Current Status</b>
<b>against good practice principles</b>	Reference on 17 January 2025.
<b>Other Internal &amp; External Audit Reviews</b>	<p>Risk Management – The annual Risk Management Performance Report has been presented to the June 2025 Performance, Audit and Assurance Committee. A review of the IJB Strategic Risk Register was undertaken during 2024/25 with an updated action plan to be progressed during 2025/26 financial year including several focussed reviews, planned changes to the current risks recorded and progression of recording risks on the Council’s Pentana system.</p> <p>Directions – Progress has been made during 2024/25 in relation to more regular and detailed issue of appropriate Directions. A review of the Directions Policy will take place during 2025/26 and will be considered alongside the appropriate Governance arrangements. Directions are issued directly following each IJB meeting.</p> <p>Resilience &amp; Business Continuity – Internal Audit recommendations and management Action plan were presented to the September 2022 Audit Committee. Recommendations in relation to tracking and monitoring business continuity plans (BCPs) and ensuring periodic reviews and recording of BCPs are now completed. Several recommendations remain outstanding in relation to governance arrangements, Covid 19 &amp; Brexit recognition of ongoing risks and the discharging of mandatory duties of the Civil Contingencies Act 2004. These will be progressed by the Business and Governance Lead when they take up post this year with a target date for completion of all actions by March 2026.</p> <p>Development of Strategic Plan - The HSCP management structure has been revised and is currently being implemented including the creation of a Head of Strategic Planning and Transformation and a Strategic Planning Lead post who will support the development of a revised IJB Strategic Plan.</p> <p>Governance arrangements - The 2023/24 Internal Audit Annual Assurance report highlighted 10 recommendations from previous reports that remained</p>

**Area Identified  
for  
Improvement**

**Current Status**

outstanding as follows:

- Gaps in governance arrangements – now completed. IJB and PAAC updated arrangements now agreed.
- Annual assurances from partners – Assurance for Audit Committee, PAAC and Clinical and Care Governance will be reported to IJB at their June meeting
- Risk management deep dives - now replaced by updated action plan noted above in relation to strategic risk register
- Clinical and Care Governance updated framework - reported to PAAC on 7 March 2025 and will be remitted to IJB on 20 June 2025.
- Workforce - Work has been completed to identify the baseline staffing and work is progressing to implement the new management structure giving greater clarity of responsibility for this area of work which will be progressed during 2025/26
- Directions - As noted above the review of Directions will be progressed during 2025/26.
- Savings/MTFP. Updated Business Case and MTFP approved by IJB March 2025.
- Year-end disclosure checklists – Chief Finance Officer takes the annual CIPFA checklist into account where applicable to the IJB when completing year end reporting.
- The Internal Audit Internal Control Evaluation findings were issued in June 20205 and agreed actions are planned for implementation during 2025/26,

### **Emerging Governance Issues**

As noted above, the IJB revised Integration Scheme has been submitted to Scottish Government for approval. Previous governance arrangements for Children's and Justice Services via Falkirk Council and Prison Healthcare via NHS Forth Valley remain in place until the Integration Scheme has been approved by the Scottish Government. Budgets continue to be reported by the partners in the meantime. The financial risk for these services for 2025/26 remains with the partner bodies.

### **Conclusion and Opinion on Assurance**

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

**Gordon Johnston**  
Chair

**Gail Woodcock**  
Chief Officer

# Comprehensive Income and Expenditure Statement

This statement shows the cost of providing services for the year according to accepted accounting practices. Where the impact on the General Fund is amended by statutory adjustments this is shown in the Movement in Reserves Statement.

Gross Expenditure 2023/24 £000s	Gross income 2023/24 £000s	Net expenditure 2023/24 £000s	Comprehensive income and expenditure statement	Gross Expenditure 2024/25 £000s	Gross income 2024/25 £000s	Net expenditure 2024/25 £000s
42,952	0	42,952	Large hospital services	46,194	0	46,194
170,528	0	170,528	Community health and social care services	183,930	0	183,930
92,745	0	92,745	Primary healthcare services	94,676	0	94,676
543	0	543	IJB Running costs	568	0	568
306,768	0	306,768	Subtotal	325,368	0	325,368
(299,200)	0	(299,200)	Taxation and non-specific grant income – see note 4	(319,822)	0	(319,822)
7,568	0	7,568	(Surplus) or deficit on provision of services	5,546	0	5,546
<b>7,568</b>	<b>0</b>	<b>7,568</b>	<b>Total comprehensive income and expenditure</b>	<b>5,546</b>	<b>0</b>	<b>5,546</b>

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

# Movement in Reserves Statement

This statement presents the movement during the year on the IJB's reserves. The movements which arise due to statutory adjustments which affect the General Fund balance will be separately identified from the movements due to accounting practices, if required. See note 8.

## Movement in Reserves during 2024-2025

Movement in reserves (£000s)	General fund balance	Earmarked Reserves	Total reserves
Opening balance at 31 March 2024	(21,261)	-	(21,261)
Total comprehensive income and expenditure	5,546	-	5,546
Increase or decrease in 2024-25	(15,715)	-	(15,715)
<b>Closing balance at 31 March 2025</b>	<b>(15,715)</b>	<b>-</b>	<b>(15,715)</b>

## Movement in Reserves during 2023-2024

Movement in reserves (£000s)	General fund balance	Earmarked Reserves	Total reserves
Opening balance at 31 March 2023	(28,829)	-	(28,829)
Total comprehensive income and expenditure	7,568	-	7,568
Increase or decrease in 2023-24	(21,261)	-	(21,261)
<b>Closing balance at 31 March 2024</b>	<b>(21,261)</b>	<b>-</b>	<b>(21,261)</b>

# 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	Balance sheet (£000s)	31 March 2025
21,261	Short term debtors – see note 5	15,715
<b>21,261</b>	<b>Current Assets</b>	<b>15,715</b>
<b>21,261</b>	<b>Net assets</b>	<b>15,715</b>
<b>(21,261)</b>	Useable reserves: General fund – see note 8	<b>(15,715)</b>
<b>0</b>	Useable reserves – see note 8	<b>0</b>
<b>(21,261)</b>	<b>Total reserves</b>	<b>(15,715)</b>

The unaudited financial statements were issued on 16 June 2025, and the audited financial statements were authorised for issue by Marie Keirs (Section 95 officer) on 21 November 2025.

**Marie Keirs**  
Chief Finance Officer

# Notes to the Financial Statements

## 1. Significant Accounting Policies

### 1.1. General Principles

The 2024/25 Financial Statements have been prepared on a going concern basis and summarise the IJB's transactions for financial year 2024/25 and its financial position at 31 March 2025.

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

### 1.2. Going Concern

The Financial Statements are prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 supported by International Financial Reporting Standards (IFRS). The IJB is required to prepare its financial statements on a going concern basis unless informed by the relevant national body of the intention for dissolution without transfer of services or function to another entity.

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

The IJB's funding from and commissioning of services to partners has been confirmed for 2025/26 and an updated medium term financial plan has been developed covering the period through to financial year 2027/28. The IJB considers there are no material uncertainties around its going concern status.

### 1.3. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when settlement in cash occurs. In particular:

- Expenditure is recognised when goods or services are received, and their benefits are used by the IJB.
- Income is recognised when the IJB has a right to the income, for instance by meeting any terms and conditions required to earn the income, and receipt of the income is probable.
- Where income and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the Balance Sheet.
- Where debts may not be received, the balance of debtors is written down.

### 1.4. Funding

The IJB is primarily funded through contributions from the statutory funding partners, Falkirk Council and NHS Forth Valley which includes the pass through of funds from Scottish Government for the specific use of the IJB.

Expenditure is incurred as the IJB commissions specified health and social care services from the funding partners for the benefit of service recipients in Falkirk.

### **1.5. Cash and Cash Equivalents**

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

### **1.6. 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. Charges from funding partners for other staff are treated as administration costs.

### **1.7. 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 and can be reliably measured.

### **1.8. 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. The IJB has no unusable reserves.

### **1.9. Indemnity Insurance**

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Forth Valley and Falkirk Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide. Unlike NHS Boards, the IJB does not have any 'shared risk' exposure from participation in CNORIS. The IJB participation in the CNORIS scheme is therefore similar to normal insurance arrangements for clinical and care services.

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, are 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.

There were no claims or costs incurred during 2024/25 or the previous financial year 2023/24.

### **1.10. VAT**

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

The IJB is not registered for VAT and as such VAT is settled or recovered by the partner agencies. The VAT treatment of expenditure in the IJB's accounts depends on which of the partner agencies is providing the service as these agencies are treated differently for VAT purposes.

Where the Council is the provider, income and expenditure exclude any amounts related to VAT, as all VAT collected is payable to HMRC 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 HMRC.

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

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

In accordance with the requirements of International Accounting Standards 10 (IAS 10), events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date that the accounts were certified by the Chief Finance Officer following

approval by the Performance, Audit and Assurance Committee.

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. Two types of events can be identified namely:

- Adjusting events: Those that provide evidence of conditions that existed at the end of the reporting period. The Annual Accounts is adjusted to reflect such events.
- Non-adjusting events: Those that are indicative of conditions that arose after the reporting period and the Statements are not adjusted to reflect such events. Where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

From our assessment we have not identified any material financial impact on the 31 March 2025 financial position.

## 2. Critical Judgements and Accounting Estimates

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

- Both partner organisations have considered their exposure to possible losses and made adequate provision where it is probable that an outflow of resources will be required and the amount of the obligation can be measured reliably. Where it has not been possible to measure the obligation, or it is not probable in the partner organisations' opinion that a transfer of economic benefits will be required, material contingent liabilities have been disclosed (there are none).
- The Annual Accounts contain estimated figures that are based on assumptions made by the IJB about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends, and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.
- There are no items in the IJB's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year.

### 3. Expenditure and Income Analysis by Nature

2023 – 2024	Expenditure and Income Analysis by Nature (£000s)	2024 - 2025
109,415	Services commissioned from Falkirk Council	118,770
196,810	Services commissioned from NHS Forth Valley	206,030
507	Other IJB operating expenditure	531
3	Insurance and related expenditure	3
33	Auditor fee: External audit work	34
(299,200)	Partners funding contribution and non-specific grant income	(319,822)
<b>7,568</b>		<b>5,546</b>

Other IJB Operating Expenditure relates to shared costs for the Chief Officer, Chief Finance Officer, Senior Service Manager and supporting administration posts plus associated non-pay costs. Equal contributions to these costs are made by the constituent authorities to reflect the costs of running the Integration Authority.

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

The funding contribution from the two partner bodies is shown below.

2023 - 2024	Taxation and non-specific grant income (£000s)	2024 - 2025
92,567	Funding contribution from Falkirk Council	100,874
206,633	Funding contribution from NHS Forth Valley	218,948
<b>299,200</b>		<b>319,822</b>

The funding contribution from the NHS Board shown above includes £46.194m in respect of 'set aside' resources relating to acute hospital and other resources (£42.952m 2023/24). These are provided by the NHS Forth Valley which currently 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.

### 5. Debtors

At 31 March 2025 the IJB had debtors relating to reserves held by the two partner bodies, as shown in the table below.

2023 – 2024	Debtors (£000s)	2024 - 2025
10,253	Falkirk Council	2,955
11,008	NHS Forth Valley	12,760
<b>21,261</b>		<b>15,715</b>

## 6. Creditors

There are no current year or prior year creditor balances.

## 7. Provisions

There are no provisions held in the balance sheet of the IJB.

## 8. Useable 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 element of the IJB's financial risk management framework.

This financial year has seen a further reduction in contingency funds amidst a challenging national picture for IJB finances.

The table overleaf illustrates the movements on the General Fund balance, analysed between those elements earmarked for specific planned future expenditure, and the amount held as a general contingency.

Balance at 31 March 2024 £000s	Reserves (£000s)	Transfers Out £000s	Transfers In £000s	Balance at 31 March 2025 £000s
(33)	Services for Survivors	33	0	0
(54)	Sensory Strategy	2	0	(52)
(496)	Dementia Innovation Fund	496	0	0
(70)	Choose Life	70	0	0
(691)	Capital Grant	87	0	(604)
(1,004)	Housing Revenue Account	450	0	(554)
(2,159)	Carers Strategy	1935	(270)	(494)
(1,500)	Early Intervention & Prevention Programme	1500	0	0
(209)	Self-Directed Support	228	(19)	0
(278)	Leadership Funds	278	0	0
(12)	JDI Building Work	12	0	0
(30)	MHO Training	30	0	0
(14)	Appropriate Adults	14	0	0
(28)	MECS Fire Safety	28	0	0
(178)	HSC Grant – Workforce Capacity	208	(30)	0
(665)	HSC Grant – Cost of Living	659	0	(6)
0	DBI	0	(93)	(93)
(584)	Partnership Funding	620	(36)	0
(173)	Innovation / Invest to save	173	0	0
(250)	Technology enabled care	0	0	(250)
(92)	PC Transformation Fund	92	0	0
(563)	GP Out of Hours Fund	0	(118)	(681)

Balance at 31 March 2024 £000s	Reserves (£000s)	Transfers Out £000s	Transfers In £000s	Balance at 31 March 2025 £000s
(45)	GP Sub Committees	3	0	(42)
(37)	GMS Premises	4	(10)	(43)
(439)	Community Living Change Fund	115	0	(324)
(530)	Drugs Death Task Force Funding	169	(29)	(390)
(59)	Perinatal Mental Health	39	0	(20)
(12)	GP Practice Exclusion Incident Audit	12	0	0
(39)	GDS Electric Speed Adjusting Hand Pieces	1	0	(38)
(14)	GDS Ventilation Improvement allowance	13	0	(1)
(46)	Public Dental Service remobilisation	0	0	(46)
(99)	Emergency COVID funding for eating disorders	0	(34)	(133)
(21)	Mental Health Recovery & Renewal Phase 2 PDS	0	(1)	(22)
(54)	Primary Care Digital Improvement	54	0	0
(113)	Mental Health Premises Improvement	75	0	(38)
(10)	GP Practice telephony systems funding	10	0	0
(200)	Prescribing HSCP invest to save	11	0	(189)
(256)	Primary Care Pay Earmarked Reserves	42	(353)	(567)
(79)	Long COVID Support fund	79	(75)	(75)
(114)	MH outcomes framework – general	26	(254)	(342)
(93)	Learning Disability Health Checks	18	(58)	(133)
(87)	District Nurse Posts	44	0	(43)
(38)	Global Sum and Correction Factor	38	(81)	(81)
(56)	NHS Board funds (PMS)	0	(28)	(84)
(44)	MH Strategy (Action 15)	0	(24)	(68)
(44)	Interim Care Home Beds	44	0	0
(31)	Digital Therapy posts	31	(46)	(46)
(133)	Health Improvement Fund	0	0	(133)
0	Vaccinations Adult Flu & Shingles	0	(233)	(233)
0	AWI Delays	0	(57)	(57)
0	FV Contribution to Falkirk IJB Risk Share	0	(1,981)	(1,981)
0	Value Based H&C Programme (Whole System)	0	(500)	(500)
0	Shifting the Balance of Care	0	(2,027)	(2,027)
0	Weight Loss Medication	0	(75)	(75)
0	Whole System Prevention Project	0	(520)	(520)
0	Care Home Nursing Support	0	(200)	(200)
0	National Recruitment Campaign B2-4	0	(286)	(286)
<b>(11,776)</b>	<b>Total Earmarked reserves</b>	<b>7,743</b>	<b>(7,438)</b>	<b>(11,471)</b>
(5,015)	Service Pressures	3,849	(407)	(1,573)
(779)	Development Funds	479	0	(300)
<b>(5,794)</b>	<b>Total Service Pressures and Development funds</b>	<b>4,328</b>	<b>(407)</b>	<b>(1,873)</b>
(2,245)	Contingency Reserve	269	0	(1,976)
(1,446)	General Reserve	1,146	(95)	(395)
<b>(3,691)</b>	<b>Total Contingency Reserve and General Reserve</b>	<b>1,415</b>	<b>(95)</b>	<b>(2,371)</b>
<b>(21,261)</b>	<b>Grand Total</b>	<b>13,486</b>	<b>(7,940)</b>	<b>(15,715)</b>

Further information on some of more significant reserves is provided below:

- Capital Grant Council: This is funding received as part of the Falkirk Council financial settlement and is tied to private sector housing grants. It is used to fund aids and adaptations to privately owned houses.

- Housing Revenue Account Council: This is funding received as part of the Falkirk Council financial settlement and is derived from council house rents. As such it is ringfenced for aids and adaptations within council house properties.
- GP Out of Hours funds are related to annual funding from Scottish Government. During 2024/25 Scottish Government gave their agreement to earmarking of £0.5m of this reserve being utilised for short term assessment beds in the community.
- NHS Forth Valley have passed through funds for a number of areas including the following more significant balances: -
  - Risk Share 2025/26 £1.981m– contribution to Falkirk IJB Risk Share recognised in Business case agreed in March 2025
  - Shifting the Balance of Care - £2.027m has been provided towards a test of change programme aimed at rebalancing care to the community, reducing delayed discharges and facilitating reducing the use of unfunded beds in Forth Valley Royal Hospital

## 9. Related Party Transactions

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

### Transactions with NHS Forth Valley

2023 – 2024	Transactions with NHS Forth Valley (£000s)	2024 - 2025
(206,633)	Funding contributions received from NHS Forth Valley	(218,948)
196,810	Expenditure on services provided by the NHS Board	206,032
10,881	Integration Funding passed through to Falkirk Council	10,881
282	Key management personnel: non-voting Board members	284
<b>1,340</b>		<b>(1,751)</b>

### Balances with NHS Forth Valley

2023 – 2024	Balances with NHS Forth Valley (£000s)	2024 - 2025
11,008	Debtor balances: amounts due from the NHS Board	12,760
0	Creditor balances: amounts due to the NHS Board	0
<b>11,008</b>		<b>12,760</b>

Key Management Personnel: The Chief Officer and Chief Finance Officer are employed by Falkirk Council. The cost of the posts are recharged to the IJB and funded via equal contributions from the constituent authorities based on voting shares. Details of the remuneration for the Chief Officer and the Chief Finance Officer are provided in the Remuneration Report.

Support services were not delegated to the IJB through the Integration Scheme and are instead provided free of charge as a 'service in kind'. The support services provided by NHS Forth Valley mainly consist of performance management, human resources, financial management, risk management, information services, information technology and payroll.

#### Transactions with Falkirk Council

2023 – 2024	Transactions with Falkirk Council (£000s)	2024 - 2025
(92,567)	Funding contributions received from Falkirk Council	(100,874)
109,415	Expenditure on services provided by Falkirk Council	118,770
(10,881)	Integration Funding passed through to Falkirk Council	(10,881)
261	Key management personnel: non-voting Board members	284
<b>6,228</b>		<b>7,299</b>

#### Balances with Falkirk Council

2023 – 2024	Balances with Falkirk Council (£000s)	2024 - 2025
10,253	Debtor balances: amounts due from Falkirk	2,955
0	Creditor balances: amounts due to Falkirk	0
<b>10,253</b>		<b>2,955</b>

Support services were not delegated to the IJB through the Integration Scheme and are instead provided free of charge as a 'service in kind'. The support services provided by Falkirk Council mainly consist of governance services, human resources, financial management, information services, risk management, information technology and payroll.

# Independent Auditor's report to Members of Falkirk Integration Joint Board and the Accounts Commission

## Reporting on the audit of the financial statements

### Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Falkirk 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 body 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 body 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 body. 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 body'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 body's current or future financial sustainability. However, I report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

### **Risks of material misstatement**

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

### **Responsibilities of the Chief Finance Officer and the Performance, Audit and Assurance Committee for the financial statements**

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

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the body'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 body's operations.

The Performance, Audit and Assurance 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 body;
- inquiring of the Chief Finance Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Chief Finance Officer concerning the body'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 body'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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

## **Reporting on other requirements**

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

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

### **Other information**

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

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

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

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

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

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

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

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

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

I have nothing to report in respect of these matters.

### **Conclusions on wider scope responsibilities**

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

### **Use of my report**

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

Pauline Gillen  
Audit Director  
Audit Scotland  
4th Floor  
The Athenaeum Building  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

# Glossary

While the terminology used in this document is intended to be self-explanatory, a glossary of definitions and interpretation of financial terms and common terms used within health and social care can be found at [FalkirkHSCP.org/glossary](https://FalkirkHSCP.org/glossary)