

Perth and Kinross Integration Joint Board Unaudited Annual Accounts 2025/26





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SECTION 1: MANAGEMENT COMMENTARY (DRAFT 2025/26)

INTRODUCTION

This Management Commentary provides an overview of the financial and operational performance of the Perth and Kinross Integration Joint Board (IJB) for the year ended 31 March 2026. It summarises how service delivery, transformation, governance improvements and performance management activity have supported delivery of the IJB's Strategic Plan 2024-27 and the provision of integrated health and social care services across Perth and Kinross.

During 2025/26, the IJB continued to operate in an environment shaped by demographic change, workforce pressures and rising demand. Despite these challenges, progress was made in service redesign, transformation, governance, and performance improvement.

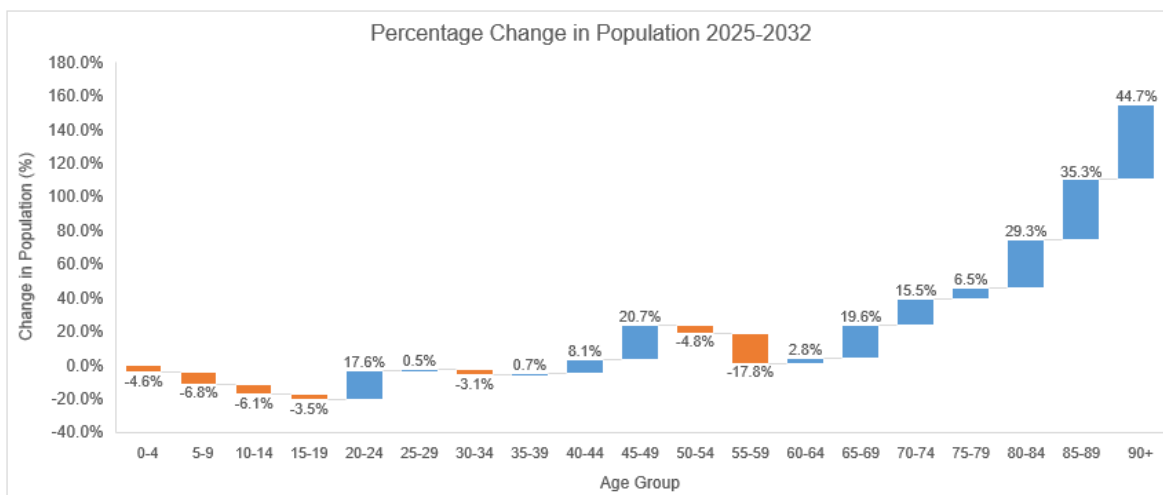
ROLE AND REMIT

The IJB is responsible for the strategic planning and commissioning of a wide range of delegated health and social care services provided by NHS Tayside and Perth & Kinross Council.

These responsibilities are exercised under the revised [Integration Scheme \(2022\)](#), with the [Strategic Plan 2024-27](#) setting the vision, priorities and objectives for delegated services delivered through the Health and Social Care Partnership.

PERTH & KINROSS POPULATION CONTEXT

Perth and Kinross faces significant demographic pressure, characterised by an ageing population and increasing numbers of people living longer with ongoing health and care needs. People aged 65 and over now make up around a quarter of the population and this proportion is projected to increase further over the coming years, particularly among those aged 75 and over. The greatest population growth is expected in the 80+, 85+ and 90+ age groups, with ongoing implications for future demand.



Source: National Records of Scotland

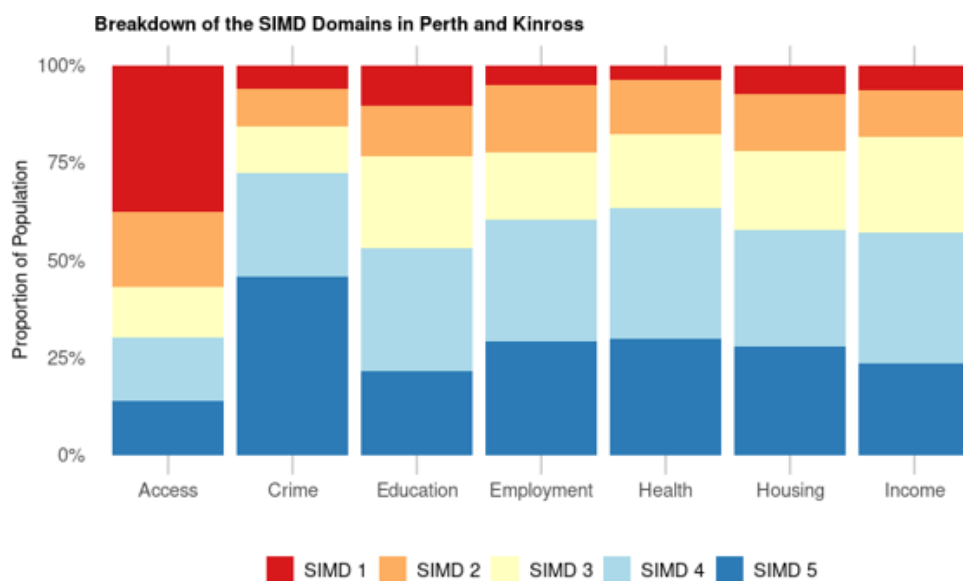
These pressures are shaped by geography and inequality. While a considerable proportion of the population lives in relative affluence, around 6% of residents live in the most deprived communities.

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Perth and Kinross is also classified as a “Mainly Rural” local authority, with dispersed settlements and limited economies of scale. Rurality and deprivation together create variation in access to services and contribute to inequalities across communities.

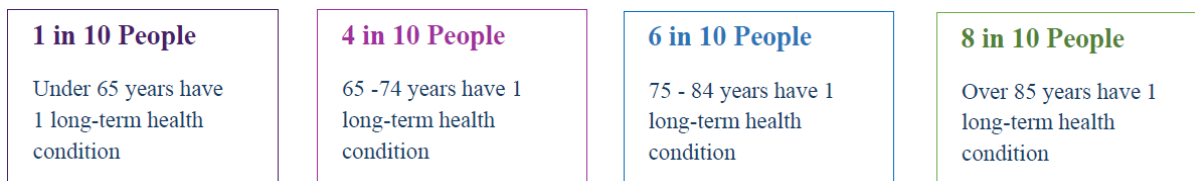
The Scottish Index of Multiple Deprivation (SIMD) assesses levels of deprivation across Scotland using factors such as health, income, employment, housing, education, crime, and access to services. Each local authority area is divided into small areas, each scored on these measures and ranked from most deprived (SIMD1) to least deprived (SIMD5).

The following chart shows the extent to which each SIMD domains impact each quintile of the population with access to services having a major impact on SIMD 1 and 2.



Source: Scottish Government, Public Health Scotland National records of Scotland

Alongside these demographic shifts, a growing proportion of the population is living with one or more long-term conditions. Across Perth and Kinross, over one-fifth of the population is estimated to have at least one long-term physical health condition, with prevalence increasing markedly with age. While around one in ten people under the age of 65 live with a long-term condition, this rises to approximately four in ten among people aged 65-74, six in ten for those aged 75-84, and eight in ten people aged 85 and over. Many older residents are also living with multiple long-term conditions, increasing the complexity and intensity of care and support required over time.



Source: The Scottish Health Survey

These population trends are driving increased demand across a wide range of services, including care at home, urgent and unscheduled care, reablement, mental health services, community nursing and carer support. Although longer life expectancy is a positive outcome, it is also

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associated with longer periods of ill-health, frailty and functional decline, increasing reliance on coordinated health and social care. Rising levels of multimorbidity in older age groups place sustained pressure on community-based services and require high levels of integration across professions and care settings.

Population pressures vary significantly across Perth and Kinross, with higher concentrations of older residents in rural areas and marked differences in deprivation and health outcomes between communities. Despite the area's generally affluent profile, pockets of deprivation persist where poorer health outcomes and higher service use are evident, reinforcing the need for place-based approaches that reflect local need, access challenges and community capacity.

Taken together, these factors continue to place pressure on system resilience. Rising demand linked to population ageing and long-term conditions coincides with workforce and capacity pressures, requiring sustained transformation across health and social care. This context underlines the importance of prevention, anticipatory care and community-based support, alongside continued investment in workforce planning and integration to ensure services remain sustainable and responsive to future need.

STRATEGIC PLAN DELIVERY (2025/26)

[The IJB's Strategic Plan 2024-27](#) sets out seven priorities with significant progress made on delivering on these during 2025/26. The implementation of the **Performance Management Framework** (PMF) has supported this work linking strategic priorities with delivery and operational plans, supported by systematic reporting at each level.

Progress against each of the strategic plan priorities includes the following:

1. Target resources to where people and communities need help most

Targeted redesign and governance improvements during 2025/26 strengthened how services are prioritised and directed toward areas of greatest need, alongside continued transformation activity across older people's and adult services.

2. Make it easier for people to understand and access services

Progress in locality-based working and service navigation continued, with work advancing to simplify pathways and improve access through integrated locality development and the ongoing move towards a Single Point of Contact approach.

3. Provide health and social care support close to home

Service delivery and redesign continued to support a shift towards home and community settings, with key programmes reinforcing the direction of travel away from hospital-based care where safe and appropriate.

4. Work with communities to design the support they need

Community engagement and partnership working continued to shape service redesign and local initiatives, with particular emphasis on strengthening community-based supports and participation across localities.

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5. Improve integrated working

Integrated working progressed across the partnership, with locality approaches and governance arrangements supporting stronger multidisciplinary collaboration and improved coordination between services.

6. Promote self-management and living well

Prevention and early intervention approaches continued to be developed, with increased focus on supporting wellbeing, independence and resilience through redesigned pathways and community-based supports.

7. Value and support the workforce

A significant focus during 2025/26 was strengthening workforce planning and support, including development of the [Perth & Kinross HSCP Workforce Plan 2025-2028](#) to help sustain capacity and capability in the face of rising demand and service complexity.

PRINCIPAL ACTIVITIES & ACHIEVEMENTS (BY CARE GROUP)

During 2025/26, the IJB commissioned and oversaw delivery across three main service portfolios:

- **Older People's services**, including urgent care, community hospitals, care at home, reablement and hospital discharge and broad range of connected community-based services.
- **Adult Services** including Community Mental Health, Psychiatry of Old Age, Learning Disabilities & Neurodiversity, Substance Use, Public Dental Services and Prison Healthcare.
- **Primary Care services**, including Community Treatment and Care (CTAC), First Contact Physiotherapy (FCP), Primary Care Mental Health & Wellbeing Nursing, Social Prescribing, Urgent Care (Advanced Nurse Practitioner) services and GP Clinical Pharmacy. Delivery during the year was guided by the Primary Care Strategic Delivery Plan 2023-26, with an annual progress update presented to the IJB in October 2025, highlighting improvements in access, workforce development, prescribing efficiency and strengthened governance and reporting arrangements across managed primary care services.

The IJB also acted as lead partner for a range of hosted services such as Prison Healthcare, and Public Dental Services where redesign and modernisation programmes continued throughout the year.

Key activities and achievements per care group:

Older People's Services

- Care at Home and Reablement Transformation delivered significant progress, reducing unmet need by 49.5% (hours of unmet need per week), improving efficiency and supporting people to remain at home.

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- Continued implementation of Discharge Without Delay and Discharge to Assess (D2A) models, contributing to improve system flow and strong performance against delayed discharge measures with 98% of people discharged without delay.
- Establishment and development of Integrated Locality Teams and locality hubs, bringing together health, social work, social care and third-sector partners to provide coordinated, preventative support for older people.
- Progress toward a Home First approach to rehabilitation and reablement, shifting the balance away from bed-based care and enabling recovery in home or community settings.
- Roll-out of integrated discharge arrangements, including strengthened hospital and community interfaces and trusted assessor roles to support timely and appropriate discharge to care homes.
- Delivery and expansion of Age-Friendly Communities initiatives, particularly in rural areas, improving participation, inclusion and wellbeing for older residents.
- Early development of community-led care models in rural localities, supporting sustainability of care at home services where traditional provision is challenging.

Adult Services

Key activities and achievements during 2025/26 include:

- Strengthening of governance and accountability through establishment of an Adult Services Board and development of a clear Adult Services Delivery Plan aligned to the IJB Strategic Plan.
- Progression of Community Mental Health redesign, focusing on earlier intervention, preventative approaches, stepped care and improved alignment with substance use services.
- Stabilisation and improvement within Prison Healthcare, including reduced vacancy rates, significantly lower agency use, strengthened clinical leadership and improved inspection readiness.
- Ongoing redesign of Psychiatry of Old Age (POA) services, addressing high levels of acuity and delayed discharge through workforce stabilisation, pathway review and development of enhanced community responses.
- Development of a refreshed Learning Disability and Neurodiversity Strategy, responding to growing complexity, rising costs and increasing demand for autism and ADHD assessment and support.
- Continued transformation of Substance Use Services, including implementation of a Recovery Oriented System of Care (ROSC) through integrated Drug and Alcohol services and improved whole-system working.
- Progress in Public Dental Services modernisation, improving referral pathways, strengthening clinical governance and addressing access challenges for vulnerable and marginalised groups.

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- Increasing focus on prevention, early intervention and community-based support across adult services to reduce avoidable admissions, support independence and manage demand within available resources.

Primary Care:

- Sustained delivery and further development of Community Treatment and Care (CTAC) services, including expansion of the Single Point of Contact model, improved governance structures, and enhanced consistency following transfer of management responsibility to the primary care team. Over 137,000 CTAC appointments were offered during the year, enabling a significant volume of care to be delivered outside general practice and acute settings.
- First Contact Physiotherapy remained well embedded and regarded as business as usual, supporting rapid access to musculoskeletal assessment and reducing reliance on GP appointments.
- Prescribing quality, safety and efficiency improved through targeted initiatives delivered by the Quality, Safety and Efficiency in Prescribing (QSEP) team which helped to deliver recurring savings and mitigated cost pressures.
- Continued development of Primary Care Mental Health & Wellbeing Nursing services, supporting earlier intervention and improved access to community-based support, alongside group-based wellbeing and recovery interventions across all localities.
- Strengthened support for general practice sustainability, including proactive engagement following the transfer of The Carse Medical Practice, delivery of Primary Connections engagement events, sustainability surveys, and development of a three-year primary care workforce plan.
- As part of the transition to the new HSCP Performance Framework, Primary Care reporting arrangements are being aligned to ensure greater consistency between strategic delivery planning, quarterly performance reporting and local GP Practice indicator monitoring.

Despite these achievements, Primary Care services continued to experience significant system pressures linked to workforce shortages, increasing demand, premises constraints and digital infrastructure challenges. These risks are being actively managed through governance, workforce planning and the transition to new HSCP-wide performance reporting arrangements.

PERFORMANCE MANAGEMENT

The Audit and Performance Committee has delegated authority for scrutiny and oversight of Performance, Risk and Audit. The committee met 5 times in 2025/26 and considered the following performance reports:

The [IJB Performance Framework](#) which was approved by the IJB on 4th of June and then considered by the A&PC on the 23rd June.

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The [Annual Performance Report for 2024/25](#) was approved with the agreement of the Chief Officer and the Chair and was published accordingly within the statutory deadline of the 31st July. It was then reviewed and formally approved by the Committee on the 25th of August.

[Key Strategic Performance Report](#) – covering the first quarter of 2025/26. This report expanded the breadth and depth of measures included in routine reporting following the approval of the IJBs Performance Framework.

[Key Strategic Performance Report](#) – covering quarters two and three of 2025/26. This report continued the breadth of measures used from quarter one and noted targets against some measures. The further development of other measures, targets and delivery plans was noted as developing.

Latest Performance

Integration Authorities are required by legislation to report on the Core Suite of Integration Indicators annually. The indicators were developed in consultation with a wide range of stakeholders and are intended for consideration within the wider context of health and social care. The Ministerial Strategic Group developed a further set of measures referred to MSG and these are used to supplement the core suite.

Table 1 summarises performance for 2025/26, including trend against the previous year and comparison with Scotland where data is available. The most recent published data has been used, consistent with Public Health Scotland Guidance.

Table 1

Ref	Indicator Description	Perth and Kinross 2025/26 Latest data	How we compare to 2024/25	Scotland 2025/26 Latest data	How we compare to Scotland
NI - 11	Premature mortality rate per 100,000 persons	n/a	n/a	n/a	n/a
NI - 12	Emergency admission rate (per 100,000 population)	14,949	1%	11,462	30%
NI - 13	Emergency bed day rate (per 100,000 population)	109,852	-6%	106,455	3%
NI - 14*	Emergency readmissions to hospital within 28 days of discharge (rate per 1,000 discharges)	154	-3%	n/a	n/a
NI - 15	Proportion of last 6 months of life spent at home or in a community setting	90.5%	1%	89.3%	1%
NI - 16	Falls rate per 1,000 population aged 65+	25.3	-3%	22.9	10%
NI - 17	Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections	n/a	n/a	n/a	n/a
NI - 18	Percentage of adults with intensive care needs receiving care at home	n/a	n/a	n/a	n/a
NI - 19	Number of days people spend in hospital when they are ready to be discharged (per 1,000 population)	568	-13%	952	-40%
MSG 1a	Emergency admissions per 100,000 population 65+	25,458	2%	22,931	11%
MSG 2a	Unscheduled hospital bed days per 100,000 65+ (acute specialties)	210,678	-9%	231,680	-9%
MSG 3a	A&E attendances per 100,000 population 65+	20,622	2%	33,267	-38%
MSG 4	Delayed discharge bed days per 100,000 population 75+	52,897	-14%	87,344	-39%
Notes	1. This data is unpublished and is provided for management information purposes only. It is subject to change and validation as more information and data becomes available 2. Latest data in most instances covers calendar year 2025 as a proxy to 2025/26 as full year data is not yet available. 3. Data for indicators 1 to 9 has not yet been release. 4. *NI 14 readmissions cannot be compared to elsewhere due to data recovering differences		Exceeding our comparator or within 3%	Between 3% and 6% from comparator	More than 6% from comparator

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The rate of emergency admissions (NI12) has remained broadly stable, showing only a small increase of 1% (from 14,781 to 14,949 per 100,000 population). As in previous years, this reflects the older and more frail population of Perth and Kinross and the related impact that has on the need for emergency care. Continued development of integrated, locality-based support is intended to help people access the right help earlier and reduce avoidable escalation to emergency care.

When people have been admitted to hospital in an emergency their stay is likely to be shorter compared to 2024/25, as the rate of emergency bed days (NI13) has reduced (improved) by 6% (from 116,629 to 109,852 per 100,000 population). This demonstrates continued commitment to discharge people as early as it is safe to do so when their care can be continued in their home or within a homely setting. This is supported by ongoing implementation of Discharge Without Delay and Discharge to Assess approaches and progress toward a Home First model of rehabilitation and reablement.

The number of readmissions within 28 days of discharge per 1,000 discharges (NI14) has reduced slightly (improved) by 3%, from 159 to 154. This indicates greater stability following discharge and is consistent with strengthened and more consistent discharge arrangements to support timely and appropriate onward care.

In the last six months of life (NI15) people in Perth and Kinross spend 90.5% of their time at home (rather than within inpatient settings). This represents a small improvement compared to last year (89.6%) and remains marginally better than Scotland (89.3%), providing good evidence of people being supported to remain at home in accordance with their wishes.

The risk of falls increases with age and given the growing older population in Perth and Kinross, higher admission rates due to falls (NI16) are to be expected. This is reflected in the current rate of 25.3 admissions per 1,000 people aged 65 and over in Perth and Kinross, compared to 22.9 per 1,000 for Scotland; however, performance has improved by 3% compared to last year (25.9 to 25.3), reinforcing the importance of continuing preventative, community-based support for older people.

Supporting people to remain at home as their care needs increase can be challenging. Current national data for the proportion of adults with intensive care needs receiving care at home (NI18) is not yet available for this reporting period. The most recent data shows Perth and Kinross at 63.9%, compared with 64.7% for Scotland, indicating broadly similar performance. This measure is expected to be updated for inclusion in the Annual Performance Report. Continued Care at Home and Reablement transformation remains important to sustain and expand capacity, particularly in rural areas where traditional models can be harder to provide.

Delayed discharge performance continues to demonstrate improvement and remains a relative strength. The number of days people spend in hospital when they are ready to be discharged (NI19) has reduced by 13% (from 654 to 568 per 1,000 population) and remains substantially better than Scotland (40% better than 952). In addition, delayed discharge bed days for people aged 75+ (MSG4) have reduced by 14% (from 61,755 to 52,897 per 100,000), and remain 39% better than Scotland (87,344), indicating improved system flow consistent with the continued focus on integrated discharge arrangements.

For people aged 65 and over, emergency admissions (MSG) increased by 2%, from 24,977 to 25,458 per 100,000 population. While this is a modest year-on-year increase, the rate remains 11%

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higher than Scotland (22,931). In contrast, unscheduled hospital bed days for this age group fell by 9%, from 231,012 to 210,678 per 100,000, and remain 9% lower than Scotland (231,680), suggesting continued progress in reducing length of stay and supporting timely discharge.

The rate of A&E attendances for people aged 65+ (MSG) has remained broadly stable, with a slight increase of 2% (20,141 to 20,622 per 100,000). However, it remains substantially better than Scotland overall (38% better than 33,267). As wider service redesign continues, alongside community and primary care developments intended to support access to the right care in the right place, A&E attendance rates will continue to be closely monitored.

FINANCIAL OVERVIEW

Financial Performance

The 2025/26 Financial Plan, approved by the IJB in March 2025, projected a break-even position across Health and Social Care. Achieving this required recurring savings and a recurring funding increase from funding partners, recognising the growing volume and complexity of need across Perth and Kinross. The financial plan reflected pressures based on a mid-level scenario, however it was also recognised that there was a risk that the assumptions could be underestimated, with a high-level scenario requiring a further recurring funding allocation of c£5.0m in 2025/26.

Regular financial updates outlining the projected in-year position were presented to the IJB throughout the year.

Early financial reports to the IJB in 2025/26 indicated higher than anticipated spending in response to demand and complexity of needs, leading to the need for financial recovery actions to be developed in accordance with the Perth and Kinross Integration Scheme.

A formal Financial Recovery Plan was first presented to the IJB as part of the Month 5 Financial Update on 8 October 2025 ([Report G/25/158](#)). This plan set out immediate actions (Part A) and identified further, more strategic options (Part B) that would require detailed assessment and consultation before implementation. The IJB approved the Part A actions and agreed to scope out the potential impact of Part B, recognising that these measures would be challenging and could not guarantee a balanced position by year-end.

A report was then taken to Perth & Kinross Council on 29 October 2025 ([Report 25/278](#)), which outlined the demographic and population pressures driving increased demand for social care, the resulting financial gap, and the IJB's approved recovery approach. The Council approved an additional allocation of up to £4.180m from its Uncommitted General Fund Balance for 2025/26 to meet existing costs associated with high service demand and to support the completion of work outlined in both Parts A and B of the Financial Recovery Plan.

The IJB's financial performance, compared to the 2025/26 Financial Plan, is summarised in Table 1 below.

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Table 1

	2025/26 Financial Plan Position Over/(Under)	2025/26 Year- End Out-Turn Over/(Under)	Movement from Plan Over/(Under)
	£m	£m	£m
Health	-	1.067	1.067
Social Care	-	3.228	3.228
Financial Recovery Actions	-	(0.950)	(0.950)
Sub-Total	-	3.345	3.345
PKIJB General Reserve	-	(0.164)	(0.164)
Total	-	3.181	3.181
Contribution to Inpatient Mental Health Overspend	-	1.180	1.180
Total	-	4.361	4.361

The main movements from plan are as follows:

- Within Older People's Services, increased Care at Home capacity, driven by demographic growth and rising demand, has resulted in higher costs. Lower levels of unmet need for most of the year added further financial pressure. Continued reliance on supplementary staffing in community hospitals and inpatient wards, due to sickness absence and patient acuity, also contributed to the overspend.
- Within Adult Services, higher than planned expenditure resulted from growing demand and the complexity of needs throughout the year.
- A financial recovery plan was developed and approved by the IJB in 2025/26, with Part A of this plan being focused on immediate actions to reduce expenditure in year. A target of £0.950m approved has been fully achieved and reflected within the 2025/26 position.
- Budget has not been delegated to the Perth & Kinross IJB for Inpatient Mental Health in 2025/26. However, given the IJB have strategic planning responsibility for the services, there is a requirement to show a delegated budget and spend position within the annual accounts. On 18 March 2026, the IJB authorised the Chief Finance Officer and Chief Officer to finalise an agreement on contributions towards the 2025/26 Inpatient Mental Health Service overspend. A total of £1.180m in relation to Inpatient Mental Health has been reflected within the 2025/26 position.

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Reserves

During 2025/26, earmarked reserves were used for specific priorities or carried forward for future use, resulting in a balance remaining at 31 March 2026.

The total reserves at year end were £6.923m, all of which are earmarked for national priorities, local initiatives and specific commitments. There are no remaining general reserves, which does not align with the recommended general reserves balance outlined within the IJB's Reserves Policy. The policy advises holding general reserves of 2% of net expenditure (c£6.8m) to help manage unexpected financial pressures.

FINANCIAL STATEMENTS

The 2025/26 Annual Accounts comprise:

(a) Comprehensive Income and Expenditure Statement

This statement shows a reported surplus of £3.375m, meaning that, on an accounting basis, total income exceeded expenditure by this amount. This surplus is primarily driven by the receipt of £3.000m of non-recurring Scottish Government System Pressures funding, which has been earmarked at year end to support future sustainable service models in relation to delegated services. As this funding has not been applied in-year, it results in an increase in earmarked reserves rather than offsetting current operational pressures.

Therefore, this overall position reflects the net impact of non-recurring funding and reserve movements and does not represent the underlying financial performance.

Underlying position:

After the delivery of in-year financial recovery actions, the IJB incurred an operational overspend of £3.345m.

Use of General Reserves:

In line with the Integration Scheme, this was partially offset by the application of £0.164m of general reserves.

Partner funding:

Of the underlying operational overspend, £2.814m relates to Social Care. Perth & Kinross Council approved the funding of this from its Uncommitted General Fund Balance for 2025/26.

The remaining Health Services overspend of £0.368m, together with the £1.180m contribution to Tayside Inpatient Mental Health, was balanced through non-recurring increase in funding from NHS Tayside.

These funding contributions are reflected within the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement for 2025/26.

The reported surplus in the Comprehensive Income and Expenditure statement of £3.375m relates to the net increase in earmarked reserves, rather than an in-year underspend. Further detail is provided in section (b) and (c) below and in Note 6 to the financial statements.

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(b) Movement in Reserves

In 2025/26, total reserves increased from £3.548m to £6.923m, a net increase of £3.375m. This increase is primarily attributable to £3.000m of non-recurring NHS Tayside System Pressures funding allocated to Perth & Kinross IJB. The purpose of this funding is to support the development of future sustainable service models in relation to delegated services, specifically through whole system redesign, including rehabilitation and frailty pathways, with an expectation of delivering longer term sustainability and recurring benefit. NHS Tayside has confirmed that the Scottish Government is aware of and supportive of this allocation and that the funding may be held as an earmarked reserve by the IJB at year end to support delivery of these programmes.

(c) Balance Sheet

In terms of routine business, the IJB does not hold assets, however the balance of £6.923m of reserves is reflected in the year-end balance sheet.

(d) Notes

Comprising a summary of significant accounting policies, analysis of significant figures within the Annual Accounts and other explanatory information.

The Annual Accounts for 2025/26 do not include a Cash Flow Statement as the IJB does not hold any cash or cash equivalents.

FINANCIAL OUTLOOK

In March 2026, the IJB approved a budget for 2026/27, along with provisional budgets for 2027/28 and 2028/29.

The 2026/27 Budget was developed and discussed with IJB members during the IJB's Development Sessions, which all members attend. These focused sessions took place in December 2025, January 2026, and February 2026. Given the significant financial challenges, particularly in social care, and building on reports presented to the Council in October 2025, December 2025, and January 2026 regarding financial recovery and demographic pressures within adult social care in Perth & Kinross, an outcome of these budget development sessions was the IJB's request to escalate the financial situation to Perth & Kinross Council. This was due to the inability to set a deliverable budget, leading to the submission of an increased budget requisition to the Council's Chief Finance Officer.

At its meeting on 4 March 2026, Perth & Kinross Council approved an increase of £10.046 million to the IJB's delegated budget to support essential health and social care services. Of this, £9.046 million is recurring and £1.000 million is non-recurring. This additional funding reflects the increasing volume and complexity of need across Perth & Kinross and demonstrates the Council's commitment to protecting vulnerable residents.

The Council and NHS Tayside are similarly facing significant financial challenges. While the funding allocations from partners will maintain essential health and care services, they do not fully meet the IJB's pressures. Therefore, while the IJB is committed to supporting the Strategic Plan through prioritisation and ensuring best use of available resources, reductions in services will have to be considered to balance the budget over the 3 years.

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The above additional funding, combined with an ambitious savings plan, allowed for the approval of a balanced budget for 2026/27, however the provisional budget for 2026/27 and 2027/28 identified considerable funding gaps. This is a result of identified pressures across all care groups, including drug costs and prescribing. The IJB will need to consider additional funding solutions and reductions in overall expenditure to ensure the budget can be balanced in future years.

STRATEGIC RISKS AS AT 31 MARCH 2026

The IJB has identified a number of principal strategic risks and uncertainties which may impact on the delivery of its objectives:

- **Financial Resources** remained the most significant strategic risk throughout 2025/26 and outwith appetite. Although a balanced budget was approved, this relied on ambitious savings, use of reserves and non-recurring funding. Rising demand, pay pressures, prescribing costs and workforce expenditure continue to present a structural challenge that cannot be resolved through local action alone. This risk has been consistently escalated through Audit & Performance Committee, IJB and partner discussions.
- **Service Demand and Capacity** pressures were evident across older people's services, adult services and primary care. While transformation programmes reduced unmet need and supported improved system flow, allowing the risk to be within appetite, overall demand continues to rise, particularly linked to ageing, frailty, and mental health needs.
- **Workforce Capacity** remains a key constraint on delivery. Despite some stabilisation and progress through the Workforce Plan 2025–2028, recruitment and retention challenges—particularly in specialist and rural services—continue to impact resilience, although this risk is currently within appetite.
- **Performance and Outcomes** evolved during the year. While implementation of the Performance Management Framework represents a significant mitigation, reliance on multiple source systems, data gaps and digital constraints (including Mosaic performance and data maturity) mean this risk remains outwith appetite.
- **Primary Care Sustainability** has remained stable and within appetite, with progress across workforce, premises and service delivery supported by strong system engagement and targeted improvement activity. This provides assurance that the risk is being actively managed, although it remains an area of ongoing focus.
- **Mental Health and Wellbeing** risk reflects the scale and complexity of whole-system change required. Progress has been made through redesign, governance strengthening and early intervention activity, however demand growth, workforce pressures and interface challenges across care settings mean this remains rated as very high and outwith appetite.

The IJB will continue to use its Risk Management Framework, Performance Management Framework and strengthened committee reporting to monitor these risks, ensure mitigating actions are progressed, and escalate issues where risks exceed the IJB's appetite or require partner level intervention.

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Signed on behalf of the Perth and Kinross IJB

Brian Jones

IJB Chair

Date: 28 September 2026

TBC

Chief Officer

Date: 28 September 2026

Donna Mitchell

Chief Finance Officer

Date: 28 September 2026

SECTION 2: STATEMENT OF RESPONSIBILITIES

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

RESPONSIBILITIES OF THE 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. Responsibility for approving the annual accounts has been delegated to the Audit and Performance Committee of the Integration Joint Board.*

I confirm that these Annual Accounts were approved for signature at a meeting of the Integration Joint Board's Audit & Performance Committee on 28 September 2026.

Signed on behalf of the Perth and Kinross IJB

Brian Jones

IJB Chair

Date: 28 September 2026

SECTION 2: STATEMENT OF RESPONSIBILITIES

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;*
- *complied with the local authority Code (in so far as it is compatible with legislation).*

The Chief Finance Officer has also:

- *kept proper accounting records which were up-to-date;*
- *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 Perth and Kinross Integration Joint Board as at 31 March 2026 and the transactions for the year then ended.

Donna Mitchell
Chief Finance Officer
Date: 22 June 2026

SECTION 3: REMUNERATION REPORT

INTRODUCTION

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

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

BOARD MEMBERS

At 31 March 2026, Perth and Kinross IJB had seven voting members, one vacant voting member position and 15 non-voting members.

There were three changes in voting positions in 2025/26. Brian Jones was appointed to the position of Chair from 3rd October 2025 for a period of two years, filling the position previously held by Councillor Colin Stewart. Councillor Colin Stewart was appointed to the position of Vice Chair from 3rd October 2025 for a period of two years, this was the position previously held by Brian Jones who had replaced the previous Vice Chair, Beth Hamilton on the 1st of April 2025.

The position as at 31st March 2026 was as follows:

Voting Members:

Brian Jones (Chair)

Councillor Colin Stewart (Vice-Chair)

Councillor Sheila McCole

Councillor Michelle Frampton

Councillor David Illingworth

Heather Dunk (Non-Executive Member)

Martin Black (Non-Executive Member)

Vacant (Non-Executive Member)

Non-voting Members:

Jacqueline Pepper (Chief Officer) retired 10th April 2026

Donna Mitchell (Chief Finance Officer)

Arun Singh (Chief Social Work Officer)

Dr Monica Doyle (Secondary Practitioner Representative)

Keith Russell (Associate Nurse Director) appointed 4th June 2025

Dr Daniel Smith (GP Representative) appointed 4th June 2025

SECTION 3: REMUNERATION REPORT

Heidi Douglas (Public Health Representative)

Lyndsay Hunter (Staff Representative)

Stuart Hope (Staff Representative)

Dave Henderson (Independent Sector Representative)

Roisin Smith (Third Sector Representative) Appointed 8th October 2025

Bernie Campbell (Carer Public Partner)

Maureen Summers (Carer Public Partner)

Nettie Sutherland (Service User Public Partner)

Sandra Auld (Service User Public Partner)

IJB CHAIR AND VICE-CHAIR

The voting members of the IJB are appointed through nomination by Perth & Kinross Council and NHS Tayside. Nomination of the IJB Chair and Vice-Chair postholders alternates between a Councillor and a Health Board representative.

The IJB does not provide any additional remuneration to the Chair, Vice-Chair or any other board members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. There were no taxable expenses paid by the IJB to either the Chair or the Vice-Chair in 2025/26.

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.

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 requires the IJB to appoint a Chief Officer, who must be formally seconded by the employing partner organisation. The Chief Officer's employment contract is governed by that organisation's legislative and regulatory framework.

The Chief Officer post is currently vacant. Jacqueline Pepper, who was appointed in May 2022, retired on 10 April 2026. Recruitment is underway for both an interim and a permanent Chief Officer.

SECTION 3: REMUNERATION REPORT

CHIEF FINANCE OFFICER

The IJB is required to appoint a proper officer who has responsibility for the administration of its financial affairs in terms of Section 95 of the 1973 Local Government (Scotland) Act. The employing contract for the Chief Finance Officer adheres to the legislative and regulatory governance of the employing partner organisation.

OTHER OFFICERS

No other staff are appointed by the IJB under a similar legal regime and no other non-voting board Members of the IJB meet the criteria for disclosure. All Partnership officers are employed by either Perth and Kinross Council or NHS Tayside, and remuneration to senior staff is reported through the employing organisation.

Total	Senior Employees	Salary, Fees & Allowances	Total
2024/25			2025/26
£		£	£
140,396	Jacqueline Pepper Chief Officer	146,012	146,012
102,630	Donna Mitchell Chief Finance Officer	106,735	106,735
243,026	Total	252,747	252,747

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

The IJB however has responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the IJB. The following table shows the IJB's funding during the year to support officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

SECTION 3: REMUNERATION REPORT

Senior Employee	In Year Pension Contributions		Accrued Pension Benefits		
	For Year to 31/03/25 £	For Year to 31/03/26 £		Difference from 31/03/25 £	As at 31/03/26 £
Jacqueline Pepper Chief Officer	22,042	22,924	Pension	4,815	65,162
			Lump sum	1,462	38,013
Donna Mitchell Chief Finance Officer	16,061	16,701	Pension	2,910	28,968
			Lump sum	530	13,847
Total	38,103	39,625	Pension	7,725	94,130
			Lump Sum	1,992	51,860

SECTION 3: REMUNERATION REPORT

DISCLOSURE BY PAY BANDS

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

Number of Employees in Band	Remuneration Band	Number of Employees in Band
2024/25		2025/26
1	£100,000 - £104,999	0
0	£105,000 - £109,999	1
1	£140,000 - £144,999	0
0	£145,000 - £149,999	1

EXIT PACKAGES

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

Brian Jones

IJB Chair

TBC

Chief Officer

Date: 28 September 2026

SECTION 4: ANNUAL GOVERNANCE STATEMENT

INTRODUCTION

This Annual Governance Statement sets out the governance arrangements of Perth and Kinross Integration Joint Board (IJB) and reports on the effectiveness of its system of internal control during the year.

SCOPE OF RESPONSIBILITY

The Perth and Kinross Integration Joint Board (IJB) is responsible for ensuring that its business is conducted in accordance with relevant legislation and proper standards and that public funds are safeguarded, properly accounted for and used to secure Best Value.

Under the [Local Government in Scotland Act 2003](#), the IJB has a statutory duty to make arrangements to secure Best Value. This requires the IJB to pursue continuous improvement in the way its functions are exercised, with due regard to economy, efficiency and effectiveness, equality requirements, and contribution to sustainable development. This duty aligns with Audit Scotland's definition of Best Value, which emphasises strong governance and effective stewardship of resources, underpinned by a focus on improvement to achieve the best possible outcomes for the public.

To meet these responsibilities, the Chief Officer has established governance arrangements for the IJB's affairs which includes a system of internal control designed to manage risk and support achievement of the IJB's aims and objectives. The IJB also places reliance on the systems of internal control operated by its statutory partners in respect of delegated and lead partner services and seeks assurance on the effectiveness of these arrangements through established governance and reporting mechanisms.

The governance arrangements are broadly consistent with the principles of CIPFA and the Society of Local Authority Chief Executives (SOLACE) framework "[Delivering Good Governance in Local Government](#)" and the "[Delivering Good Governance in Local Government: Addendum](#)" published in May 2025.

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

PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems, processes, culture and values through which the IJB is directed and controlled to support delivery of its strategic objectives.

The framework is kept under review to reflect best practice and legislative change, supporting continuous improvement while maintaining an appropriate balance between quality and cost.

As part of this framework, the system of internal control is designed to identify, assess and manage risks to an acceptable level. This includes evaluating and prioritising risks to the achievement of the IJB's aims and objectives, the likelihood of those risks occurring and their potential impact. The system seeks to ensure that risks are managed in an efficient, effective and proportionate manner.

SECTION 4: ANNUAL GOVERNANCE STATEMENT

GOVERNANCE FRAMEWORK

The Perth & Kinross Integration Joint Board is the principal decision-making body responsible for the strategic planning and resourcing of delegated health and social care services within its geographical area. Through delegation from NHS Tayside and Perth & Kinross Council, the IJB sets the strategic direction and issues formal directions, while partner organisations remain responsible for delivering services.

Perth and Kinross IJB comprises eight voting members, four nominated from Perth and Kinross Council and four from NHS Tayside. IJB membership also includes non-voting members including a Chief Officer, Chief Finance Officer, professional advisers for health, social work and social care along with stakeholder members from carers groups, service user representatives, the third sector, the independent sector and staffside representation. The IJB met six times during 2025/26.

The IJB has one Committee supporting the Board, the Audit and Performance Committee, which is chaired by an IJB voting member. The Audit and Performance Committee met five times during 2025/26.

The IJB recognises the following as fundamental elements of good governance within public sector organisations. These elements broadly relate to the core principles included in the CIPFA and the Society of Local Authority Chief Executives (SOLACE) Delivering Good Governance in Local Government Framework:

- Leadership, culture and values
- Stakeholder engagement
- Vision, direction and purpose
- Decision-making
- Organisational development
- Scrutiny and accountability
- Financial controls
- Internal Controls

KEY FEATURES OF THE GOVERNANCE FRAMEWORK

- **Leadership, Culture and Values**

A code of conduct for members and employees is in place along with a register of interests. The IJB has an appointed Standards Officer and Standing Orders are established, regularly reviewed and operate effectively. Ongoing Member development sessions continue to support constructive working relationships between Members and Officers, reinforcing the IJB's commitment to promoting ethical values and a positive organisational culture. These arrangements provide assurance that leadership and organisational culture are aligned with the values of the Partnership.

SECTION 4: ANNUAL GOVERNANCE STATEMENT

The IJB Chair, Vice Chair and Chief Officer meet regularly. The Chief Officer for Perth and Kinross IJB retired in April 2026. Interim leadership arrangements were established, with the Head of Integrated Health and Social Care for Adults and the Head of Older People jointly covering the role. A permanent Chief Officer, Zoe Robertson, was appointed and took up post on 15 June 2026.

The IJB's [Strategic Plan](#) provides a shared vision and direction across the IJB and the Perth and Kinross Health and Social Care Partnership (HSCP) Senior Management Team.

The IJB Chair is supported to carry out the role with independent legal and governance support and effective committee secretariat services. The Chief Officer is a Director in the partner organisations and a member of their Executive Leadership Teams, attends NHS Board and Perth and Kinross Council meetings and is directly accountable to both Chief Executives.

The Chief Officer benefits from the support of Perth and Kinross Council's Chief Social Work Officer, who is also a member of the IJB providing professional advice on social work and social care matters. Healthcare professionals also provide professional advice and support to the IJB, helping to align oversight and assurance.

During 2025/26, the IJB reviewed and approved a revised set of Equality Outcomes for 2025-2028 aligned to its statutory role and governance responsibilities which includes an action plan to oversee delivery and monitor progress.

- **Stakeholder Engagement**

The IJB conducts meetings in public and online and includes wide stakeholder representation, including service users, carers, the third and independent sectors. A dedicated Community Engagement Team supports participation across the Partnership.

The Strategic Planning Group (SPG), co-chaired by a senior officer and an IJB Public Partner, continued to strengthen its role in reviewing and shaping strategies prior to IJB decision-making. During the year, strengthened governance arrangements-including refreshed terms of reference, enhanced public partner leadership, improved meeting effectiveness and dedicated administrative support-have delivered a more resilient and inclusive stakeholder forum, providing the IJB with effective and meaningful engagement to inform decision-making and assurance.

During 2025/26, the SPG has contributed to the development and update of various IJB strategies including the Joint Carer's Strategy and the Community Mental Health Strategy.

- **Vision, Direction and Purpose**

The Strategic Plan 2024-27 sets out an ambitious vision "to live in the place they call home with the people and things they love, in good health and with the care and support they need, in communities that look out for one another and doing the things that matter most to them."

The introduction of a Performance Framework aligned to the Strategic Plan during 2025/26 strengthens the IJB's ability to monitor progress, scrutinise performance and assess impact. This demonstrates how the IJB's vision and priorities are translated into action, supporting informed decision-making and continuous improvement.

SECTION 4: ANNUAL GOVERNANCE STATEMENT

Collectively, these arrangements provide assurance that the IJB's vision, direction and purpose are clearly articulated and supported by robust performance management and assurance processes, consistent with the expectations set out in the [CIPFA/SOLACE Addendum](#).

• Decision Making

Decision-making is supported by a standardised reporting template, annual work plans for the IJB and Audit and Performance Committee and a programme of member development sessions. During the year, a revised Board and Committee reporting template was implemented. This new template now improves clarity, accessibility and transparency and includes strengthened Equality and Fairness Impact Assessment requirements. These improvements have strengthened the quality and consistency of information presented to the Board, supporting informed decision-making and proportionate assurance.

The HSCP Senior Management Team provides regular oversight of finance, performance, workforce and care governance. A planned programme of HSCP management meetings facilitates regular and appropriate SMT decision making.

Throughout the year, Members take part in a structured programme of development sessions designed to support and inform their decision-making. To ensure Members remain up to date on key issues and emerging developments, a comprehensive programme is planned in advance and reviewed regularly. The development programme is presented at each IJB meeting and updated as needed to reflect changing priorities and the wider operating environment.

Taken together, these arrangements provide the Board with assurance that decision-making is informed by timely, consistent and high-quality information and that equality, risk and financial implications are appropriately considered.

• Organisational Development

IJB Members receive ongoing development and training, including service visits which enhance understanding of service pressures and good practice. Members also met during the year to support informed budget prioritisation.

During 2025/26, significant focus was placed on the development of the Perth & Kinross [HSCP Workforce Plan 2025-2028](#), which sets out the IJB's strategic response to sustaining and supporting its workforce in the context of rising demand and increasing service complexity. Building on the achievements of the previous workforce plan, the new plan establishes a clear and structured programme of actions to attract, develop and retain a resilient and skilled workforce, providing the Board with assurance that workforce capacity and capability are being addressed to support future service delivery. The plan was approved by the IJB in December 2025.

Actions arising from the Workforce Planning internal audit were completed, strengthening workforce governance and oversight arrangements. These improvements provide assurance that organisational development is supported by clearer accountability, more effective monitoring and improved capacity to manage workforce risks and support sustainable service delivery.

• Scrutiny & Accountability

SECTION 4: ANNUAL GOVERNANCE STATEMENT

The Audit and Performance Committee of the IJB ensures that good governance arrangements are in place for the IJB. It provides independent assurance and robust scrutiny of the internal control environment including the risk management arrangements, improvement and performance activity and the annual governance processes. The Committee provides the IJB with an annual report with a conclusion of whether it has fulfilled its obligations over the year.

During the year, improved alignment between strategic delivery reporting, performance reporting and financial scrutiny strengthened the Board's ability to oversee progress, manage risk and ensure value for money.

Performance against integration indicators is scrutinised quarterly, with service user feedback captured through [Care Opinion](#) informing improvement activity and the ability to proactively build on successes.

Enhancements to the Partnership's web presence during the year will further enhance transparency and accountability by improving access to IJB governance information for stakeholders and the public.

These arrangements provide assurance that effective scrutiny and accountability arrangements are in place, enabling the IJB to robustly oversee performance, manage risk, ensure value for money and demonstrate good governance to stakeholders and the public.

• Financial Controls

The IJB's governance framework is underpinned by a system of internal controls including financial regulations, management reporting, delegation and accountability arrangements. During 2025/26, financial performance and budget development were subject to regular scrutiny through IJB Member Budget Development Sessions and financial performance reporting to each meeting of the IJB.

The IJB's financial management arrangements conform to the governance requirements of the CIPFA statement: 'The Role of the Chief Finance Officer in Local Government (2016)'. The IJB complies with the CIPFA Financial Management Code.

In relation to managing the risk of fraud and corruption the IJB relies upon the regulations, processes and procedures put in place and operated by both of the IJB's partners, NHS Tayside and Perth and Kinross Council. These arrangements are considered to provide adequate assurance on the management of fraud risk and are compliant with CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption.

During 2025/26, the IJB responded to significant demand-led financial pressures through the implementation of a Financial Recovery Plan. Financial sustainability remains as a continuing high strategic risk which is reviewed regularly. However, assurance can be taken that underlying financial management arrangements remained effective throughout the year.

The IJB has a statutory duty to secure Best Value and monitors compliance with the seven Best Value themes through self-assessment and reporting. To strengthen this, the Integration Joint Board implemented an annual rotational self-assessment programme during 2025/26 against these Best Value themes. This provides a structured approach to evaluating governance arrangements, supports effective resource management and delivers ongoing assurance that public funding is

SECTION 4: ANNUAL GOVERNANCE STATEMENT

deployed appropriately to achieve the best possible outcomes for the people of Perth and Kinross. Any improvements and actions are captured and reported to the Audit and Performance Committee for scrutiny and approval via the Partnership Improvement Plan.

- **Internal Control Framework**

Risk management arrangements operated in line with the Tayside IJB Risk Management Strategy which is underpinned by the Perth and Kinross IJB Risk Management Framework, with strategic risks overseen and scrutinised on behalf of the IJB by the Audit and Performance Committee and the Senior Management Team. The Perth and Kinross Risk Management Framework and the level of risk faced dictates the frequency of Senior Management Team Strategic Risk reviews. The Board takes assurance that risks to the delivery of strategic objectives are identified, assessed and managed appropriately.

Assurance was further supported through established audit arrangements, directions and partnership governance processes, business continuity planning and joint working across Tayside lead partner services.

Regular reviews by IJB partners of service quality against recognised clinical and care standards provide assurance that effective and robust care and governance arrangements are in place across the Perth and Kinross Health and Social Care Partnership.

During 2025/26:

- The Tayside Risk Management Strategy was reviewed, updated and approved by all 3 Tayside IJBs.
- An internal audit of the IJB's Risk Maturity was concluded with the 7 recommendations included in the assignment being completed, leading to the level of assurance provided moving from reasonable to substantial.
- A review of the IJB's Directions policy was undertaken ensuring it remains relevant and confirming that Directions remain well-articulated, achievable and measurable and that the IJB is able to continue to comply fully with its legal obligations. The IJB receive an annual report on the progress of the implementation of Directions issued.
- IJB Members completed a Blueprint for Good Governance Self-Assessment. This was intended to assess how well governance arrangements support integrated working, strategic planning, financial oversight, and improved outcomes for local communities. The results from this fed into an IJB Member Development Session and improvement actions.

REVIEW OF ADEQUACY AND EFFECTIVENESS

Perth and Kinross IJB is responsible for undertaking, at least annually, a review of the effectiveness of its governance framework, including its system of internal control. This review is informed by the work of the Chief Officer and the Partnership's Senior Management Team, who have oversight of and responsibility for the development and maintenance of the governance environment. It also draws on the Chief Internal Auditor's annual report, reports from Audit Scotland and other review bodies and inspectorates and progress against the Partnership Improvement Plan.

SECTION 4: ANNUAL GOVERNANCE STATEMENT

The Internal Audit function within Perth and Kinross IJB operates in accordance with the Global Internal Audit Standards (GIAS), which came into effect from April 2025, replacing the former Public Sector Internal Audit Standards (PSIAS). These standards set out the requirements for an independent, objective internal audit function, covering governance, professional practice, performance, and quality assurance.

The Chief Internal Auditor reports directly to the IJB Audit and Performance Committee on all audit matters, with the right of access to the Chief Officer, Chief Finance Officer and Chair of the Audit and Performance Committee on any matter.

Regular Internal Audit reports were made to each meeting of the IJB's Audit and Performance Committee during 2025/26. The approved IJB internal audit plan for 2025/26 focussed on a review of the IJB's performance framework, with the assignment currently underway.

Internal Audit has an independent role in reviewing, assessing, and reporting on the adequacy and effectiveness of internal control arrangements. The Chief Internal Auditor is responsible for providing an annual conclusion on the overall adequacy and effectiveness of the framework of governance, risk management, and internal control.

The arrangements continue to be regarded as fit for purpose in accordance with the governance framework, as confirmed in the Chief Internal Auditors' annual report, which include an assurance statement containing a view on the adequacy and effectiveness of the systems of internal control.

SIGNIFICANT ISSUES DURING 2025/26

During 2025/26, the IJB implemented a Financial Recovery Plan to manage significant in-year financial pressures arising from increased demand and service complexity. Strengthened financial monitoring, regular reporting and close partnership working delivered expenditure reductions beyond original expectations

These financial challenges require to be understood in the context of an ageing population, increasing prevalence of long-term conditions and rising levels of multimorbidity. These trends have driven sustained growth in demand across health and social care services and are a key driver of the strategic and financial sustainability pressures described above.

Assurance is derived from responsive governance arrangements, including strengthened risk oversight, integrated financial planning and targeted transformation activity.

However, demographic change and increasing service demand continue to represent a material strategic financial risk for the IJB's strategic plan, requiring continued oversight and improvement activity during 2026/27.

UPDATE ON IMPROVEMENT PRIORITIES FOR 2025/26

Nine governance improvement actions were identified for 2024/25 to strengthen arrangements; all have now been completed except one, which will be carried forward into the 2026/27 plan. Progress was monitored through the Partnership Improvement Plan by the Senior Management Team, with regular scrutiny and assurance provided to the IJB via the Audit and Performance Committee.

SECTION 4: ANNUAL GOVERNANCE STATEMENT

IMPROVEMENT PRIORITIES FOR 2026/27

Following the review of the adequacy and effectiveness of the IJB's governance arrangements and taking account of improvement actions already in progress from 2025/26, further actions will be taken forward during 2026/27 to strengthen governance and internal control arrangements. These actions are set out in the table below.

Requiring Collaboration with Statutory Partners :	
1	Strengthen engagement with Perth and Kinross Council and NHS Tayside on strategy and performance developments.
Internal Controls :	
2	Take forward targeted governance improvements arising from the Blueprint for Good Governance self-assessment.
Organisational Development :	
3	Develop a bi-annual formal self-assessment process for IJB members to support continuous improvement in governance effectiveness and to map the collective skills, knowledge and training gaps of members
4	Review and regularly update the induction process for new Members to ensure it remains robust, relevant, and effective.
Scrutiny and Accountability :	
5	Develop and implement appropriate governance arrangements to support the transparent and accountable use of AI across IJB business.
6	Prepare a new Governance Improvement Plan which aligns directly with the core principles included in the CIPFA and the SOLACE Delivering Good Governance in Local Government Framework.
7	Develop a local Code of Corporate Governance aligned to the seven CIPFA principles, ensuring robust systems, culture, and controls that promote integrity, openness, accountability, and effective risk and performance management.
8	Develop arrangements to ensure IJB governance and decision-making reflect the requirements of the UNCRC (Incorporation) (Scotland) Act 2024, including children's rights reporting duties.
Financial Controls	
9	Self-assess compliance with the CIPFA Financial Management Code.

Progress against these actions will be monitored through the Partnership Improvement Plan, with regular reporting and scrutiny by the Audit and Performance Committee on behalf of the IJB.

FORWARD LOOK ON GOVERNANCE

Looking ahead, it is recognised that governance arrangements will need to remain resilient and adaptive in response to ongoing demographic change, financial constraint, workforce pressures and increasing service complexity. During 2026/27, the IJB will continue to strengthen governance through further embedding of the Performance Management Framework, closer alignment between strategic priorities, financial planning and delivery and sustained scrutiny of strategic risks.

SECTION 4: ANNUAL GOVERNANCE STATEMENT

Governance arrangements will also continue to evolve ensuring that it remains fit for purpose and responsive to future challenges.

Legislative changes relating to IJB voting rights will come into effect during 2026/27. The IJB will consider the implications through a report to the Board in June 2026 and will update its governance arrangements as required.

CONCLUSION AND OPINION ON ASSURANCE

Whilst recognising that some further improvements are required, the IJB considers that its governance arrangements operated effectively during the year and that reasonable assurance can be placed on their adequacy and effectiveness.

The internal control environment provides reasonable assurance that significant risks to the achievement of the IJB's principal objectives are identified and managed appropriately. Arrangements are in place to support continuous improvement, with progress against the Partnership Improvement Plan subject to ongoing monitoring and scrutiny.

Brian Jones
IJB Chair

28 September 2026

Zoe Robertson
Chief Officer

28 September 2026

SECTION 5: ANNUAL ACCOUNTS

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

2024/25				2025/26		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000		£000	£000	£000
51,314	0	51,314	Community and Hospital Health Services	54,514	0	54,514
33,121	0	33,121	Lead Partner Arrangements	34,611	0	34,611
31,180	0	31,180	GP Prescribing	31,168	0	31,168
56,325	0	56,325	General Medical/Family Health Services	60,472	0	60,472
28,180	0	28,180	Large Hospital Set aside	29,598	0	29,598
362	0	362	IJB Operating Costs	381	0	381
115,807	0	115,807	Community Care	126,968	0	126,968
316,289	0	316,289	Cost of Services	337,712	0	337,712
0	(311,543)	(311,543)	Taxation and Non-Specific Grant Income (Note 4)	0	(341,087)	(341,087)
316,289	(311,543)	4,746	(Surplus) or Deficit on Provision of Services	337,712	(341,087)	(3,375)
316,289	(311,543)	4,746	Total Comprehensive (Income) and Expenditure (Note 3)	337,712	(341,087)	(3,375)

This statement shows a surplus of £3.375m. This surplus has been included within reserves at 31st March 2026 (as per Movement in Reserves Statement and Note 6 below).

SECTION 5: ANNUAL ACCOUNTS

MOVEMENT IN RESERVES STATEMENT

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

Movements in Reserves During 2025/26	General Fund Balance	Usable Reserves
	£000	£000
Opening Balance at 1 April 2025	(3,548)	(3,548)
Total Comprehensive (Income) / Expenditure (Transferred to the General Fund Balance)	(3,375)	(3,375)
Closing Balance at 31 March 2026	(6,923)	(6,923)

Movements in Reserves During 2024/25	General Fund Balance	Usable Reserves
	£000	£000
Opening Balance at 1 April 2024	(8,294)	(8,294)
Total Comprehensive (Income) / Expenditure (Transferred to the General Fund Balance)	4,746	4,746
Closing Balance at 31 March 2025	(3,548)	(3,548)

SECTION 5: ANNUAL ACCOUNTS

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 2025		Notes	31 March 2026
£000			£000
3,548	Short Term Debtors	5	6,923
3,548	Current Assets		6,923
-	Short-Term Creditors		-
-	Current Liabilities		-
-	Provisions		-
-	Long-Term Liabilities		-
3,548	Net Assets		6,923
(3,548)	Usable Reserve: General Fund	6	(6,923)
(3,548)	Total Reserves		(6,923)

The unaudited annual accounts were issued on 22 June 2026, and the audited annual accounts were authorised for issue on 28 September 2026.

Donna Mitchell

Chief Finance Officer

22 June 2026

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: ACCOUNTING POLICIES

A. GENERAL PRINCIPLES

The Financial Statements summarise the Integration Joint Board's transactions for the 2025/26 financial year and its position at the year-end date of 31 March 2026.

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

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

The Chief Finance Officer is responsible for making an annual assessment of whether it is appropriate to prepare the accounts on a going concern basis. In accordance with the Code of Practice on Local Authority Accounting in the United Kingdom, an authority's financial statements shall be prepared on a going concern basis; that is, the accounts should be prepared on the assumption that the functions of the authority will continue in operational existence for at least twelve months from the date of approval of the financial statements and it can only be discontinued under statutory prescription.

B. 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.

C. FUNDING

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

D. 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.

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

E. 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 and a Chief Finance 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.

F. 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. Details of contingent liabilities for 2025/26 can be found in note 11 to the accounts.

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

G. 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.

H. INDEMNITY INSURANCE

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Tayside and Perth & Kinross 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 Clinical Negligence and Other Risks Indemnity Scheme (CNORIS). The IJB participation in the CNORIS scheme is therefore analogous to normal insurance arrangements.

Known claims are assessed as to the value and probability of settlement. Where it is material

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

the overall expected value of known claims taking probability of settlement into consideration is provided for in the IJB's Balance Sheet.

The likelihood of receipt of an insurance settlement to cover any claims is separately assessed and, where material, presented as either a debtor or disclosed as a contingent asset.

I. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

In applying the accounting policies set out above, the Integration Joint Board has had to make certain judgments about complex transactions or those involving uncertainty about future events. The critical judgments made in the Annual Accounts are:

The Integration Scheme sets out the process for determining the value of the resources used in Large Hospitals, to be Set-Aside by NHS Tayside and made available to the IJB.

An estimate is used for the expenditure and is based on 2025/26 activity and direct cost per occupied bed day, uplifted for inflation.

The figure of £29.598m for 2025/26 has been agreed with NHS Tayside and is included in both the NHS Tayside and Perth & Kinross IJB annual accounts. This is consistent with the treatment of Large Hospital Set-Aside in the 2024/25 financial statements. Work is progressing at a national and local level to refine the methodology for calculating and planning the value of this in the future.

J. RELATED PARTY TRANSACTIONS

Related parties are organisations that the IJB can control or influence or who can control or influence the IJB. As partners in the Joint Venture of Perth and Kinross Integration Joint Board, both Perth & Kinross Council and NHS Tayside are related parties and material transactions with those bodies are disclosed in Note 8 in line with the requirements of IAS 24 Related Party Disclosures.

K. SUPPORT SERVICES

Support services were not delegated to the IJB and are provided by the Council and the Health Board free of charge as a 'service in kind'. These arrangements were outlined in the report of Corporate Supporting Arrangements to the IJB on 23 March 2016.

NOTE 2: EVENTS AFTER THE REPORTING PERIOD

The Annual Accounts were authorised for issue by the Chief Finance Officer on 28 September 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: EXPENDITURE AND INCOME ANALYSIS BY NATURE

2024/25				2025/26		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000		£000	£000	£000
115,807	0	115,807	Services commissioned from Perth and Kinross Council	126,968	0	126,968
200,120	0	200,120	Services commissioned from NHS Tayside	210,363	0	210,363
325	0	325	Other IJB Operating Expenditure	343	0	343
3	0	3	Insurance and Related Expenditure	3	0	3
34	0	34	External Audit Fee	35	0	35
316,289	0	316,289	Cost of Services	337,712	0	337,712
0	(311,543)	(311,543)	Partner Funding Contributions and Non-Specific Grant Income	0	(341,087)	(341,087)
316,289	(311,543)	4,746	(Surplus) or Deficit on the Provision of Services	337,712	(341,087)	(3,375)

Costs associated with the Chief Officer and Chief Finance Officer are included within “other IJB operating expenditure”. The insurance and related expenditure relates to CNORIS costs (see note 1,H). Auditor fees related to fees payable to Audit Scotland with regard to external audit services carried out by the appointed auditor.

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

NOTE 4: TAXATION AND NON-SPECIFIC GRANT INCOME

2024/25		2025/26
£000		£000
(92,223)	Funding Contribution from Perth and Kinross Council	(105,639)
(219,320)	Funding Contribution from NHS Tayside	(235,448)
(311,543)	Taxation and Non-specific Grant Income	(341,087)

The funding contribution from NHS Tayside shown above includes £29.598m in respect of 'set aside' resources relating to acute hospital and other resources. These are provided by the NHS which retains responsibility for managing the costs of providing the services. The IJB however has responsibility for the consumption of, and level of demand placed on these resources.

NOTE 5: DEBTORS

2024/25		2025/26
£000		£000
3,316	NHS Tayside	6,912
232	Perth & Kinross Council	11
3,548	Debtors	6,923

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

NOTE 6: USABLE RESERVE: GENERAL FUND

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

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

As at March 2026, the IJB's Annual Accounts showed that Perth and Kinross IJB had reserves totalling £6.923m. The following table sets out the reserve balances as at 31 March 2026.

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

	Balance as at 31 March 2025	Transfers In/(Out)	Balance as at 31 March 2026
	£000	£000	£000
Primary Care Improvement Fund	13	479	492
Primary Care Reserve	183	(183)	0
Alcohol and Drug Partnership Fund	510	(102)	408
Mental Health Recovery and Renewal Fund	263	(145)	118
Service Specific Reserves	1,320	1,482	2,802
Acute/Whole System Pressures	1,095	(992)	103
Sustainability and Improvement Reserve	0	3,000	3,000
Sub-total Earmarked Reserves	3,384	3,539	6,923
General Reserves - Health	0	0	0
General Reserves - Social Care	164	(164)	0
Sub-total General Reserves	164	(164)	0
Closing Balance at 31 March	3,548	3,375	6,923

The above table shows the remaining balance of each funding stream as at 31 March 2026. The Transfers In/(Out) column represents the movement in funding i.e. the net of budget received and expenditure incurred in 2025/26.

NOTE 7: AGENCY INCOME AND EXPENDITURE

On behalf of all IJBs within the NHS Tayside area, Perth and Kinross IJB acts as the lead partner for Public Dental services/Community Dental services, Prison Healthcare and Podiatry.

The IJB directs services on behalf of Dundee and Angus IJBs and reclaims the full costs involved. The payments that are made on behalf of the other IJBs, and the consequential reimbursement, are not included in the Comprehensive Income and Expenditure Statement (CIES) since the IJB is not acting as principal in these transactions.

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

2024/25		2025/26
£000		£000
7,455	Expenditure on Agency Services	7,905
(7,455)	Reimbursement for Agency Services	(7,905)
-	Net Agency Expenditure excluded from the CIES	-

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: RELATED PARTY TRANSACTIONS

The IJB has related party relationships with NHS Tayside and Perth & Kinross 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.

Income – payments for integrated functions

2024/25		2025/26
£000		£000
92,223	Perth and Kinross Council	105,639
219,320	NHS Tayside	235,448
311,543	Total	341,087

Expenditure – payments for delivery of integrated functions

2024/25		2025/26
£000		£000
115,844	Perth and Kinross Council	127,006
200,120	NHS Tayside	210,363
325	NHS Tayside: Key Management Personnel Non-Voting Board Members	343
316,289	Total	337,712

This table shows that expenditure within Perth and Kinross Council is £21.367m greater than Perth and Kinross Council funding contributions. This represents IJB funding received from NHS Tayside being directed into Perth and Kinross Council (£21.311m), the PKC contribution towards IJB key management personnel (-£0.164m) and the transfer from reserves (£0.221m) included in note 5.

Key Management Personnel: The non-voting board members employed by the NHS Board and Perth and Kinross Council and recharged to the IJB include the Chief Officer and the Chief Finance Officer. Details of the remuneration for these specific post-holders are provided in the Remuneration Report.

Perth and Kinross Council employs the council staff and Chief Social Work Officer representatives on the IJB but there is no discrete charge for this representation. Similarly, NHS Tayside employs the health board representatives and there is also no charge for this.

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

Balances with Perth and Kinross Council

2024/25		2025/26	
£000		£000	
232	Debtor balances: Amounts due from Perth and Kinross Council	11	
-	Creditor balances: Amounts due to Perth and Kinross Council	-	
232	Total	11	

Balances with NHS Tayside

2024/25		2025/26	
£000		£000	
3,316	Debtor balances: Amounts due from NHS Tayside	6,912	
-	Creditor balances: Amounts due to NHS Tayside	-	
3,316	Total	6,912	

NOTE 9: VAT

The IJB is not VAT registered and as such the 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 excludes any amounts relating to VAT, as all VAT collected is payable to HM Revenue and Customs and all VAT paid is recoverable from it. The Council is not entitled to fully recover VAT paid on a very limited number of items of expenditure and for these items the cost of VAT paid is included within service expenditure to the extent that it is not recoverable from HM Revenue and Customs.

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

SECTION 6: NOTES TO THE FINANCIAL STATEMENTS

NOTE 10: INPATIENT MENTAL HEALTH

During 2020/21, the Scottish Government actioned the transfer of operational management responsibility for Inpatient Mental Health Services in Tayside from the Integration Joint Boards (previously hosted by Perth and Kinross) to NHS Tayside. This meant that NHS Tayside managed the budget and associated variances in 2020/21 and beyond.

The IJB is responsible for the planning of Inpatient Mental Health Services. This means that £12.620m has been included within the Lead Partner Arrangements line in the CIES in 2025/26, which constitutes Perth & Kinross IJB's share of Inpatient Mental Health.

2024/25		2025/26
£000		£000
20,793	Share of Lead Partner Arrangements	21,991
12,328	Share of Inpatient Mental Health	12,620
33,121	Total share of Lead Partner Arrangements	34,611

NOTE 11: CONTINGENT ASSETS AND LIABILITIES

A review of contingent assets and liabilities has been undertaken on behalf of the IJB by Legal Services. As at 31 March 2026, the following contingent liabilities have been identified:

There are contingent liabilities relating to legal disputes surrounding the funding of packages of care where Perth & Kinross Council could be liable for costs incurred.

As part of the pay deal for 2023/24 it was agreed to look at modernisation of Agenda for Change staff terms and conditions. The three commitments were:-

- Protected learning time
- Review of the working week
- Review of Band 5 nursing profiles

NHS Circular PCS(AFC)2024/3 issued by the Scottish Government in June 2024 gave clarity on the review of Band 5 nursing roles. To the extent that related costs can be accounted for with an accrual or provision, there remains an unquantifiable contingent liability associated with the Band 5 nursing review at the year end. There is no end date for applications, and data on the likely outcome of reviews is not yet available.

NOTE 12: ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. There are no such standards which would have a significant impact on the P&K IJB annual accounts.

**SECTION 7: INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PERTH AND KINROSS INTEGRATION JOINT BOARD AND THE
ACCOUNTS COMMISSION**

SECTION 8: GLOSSARY OF TERMS

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

Accounting Period

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

Accruals

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

Asset

An item having value to the IJB in monetary terms. Assets are categorised as either current or non-current. A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock). A non-current asset provides benefits to the IJB and to the services it provides for a period of more than one year.

Audit of Accounts

An independent examination of the IJB's financial affairs.

Balance Sheet

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

CIPFA

The Chartered Institute of Public Finance and Accountancy.

Consistency

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

Contingent Asset/Liability

A Contingent Asset/Liability is either:

- *a possible benefit/obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly within the IJB's control; or*
- *a present benefit/obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.*

Creditor

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

Debtor

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

Defined Benefit Pension Scheme

Pension scheme in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

Entity

A body corporate, partnership, trust, unincorporated association or statutory body that is delivering

SECTION 8: GLOSSARY OF TERMS

a service or carrying on a trade or business with or without a view to profit. It should have a separate legal personality and is legally required to prepare its own single entity accounts.

Post Balance Sheet Events

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

Exceptional Items

Material items which derive from events or transactions that fall within the ordinary activities of the IJB and which need to be disclosed separately by virtue of their size or incidence to give a fair presentation of the accounts.

Government Grants

Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the IJB. These grants may be specific to a particular scheme or may support the revenue spend of the IJB in general.

IAS

International Accounting Standards.

IFRS

International Financial Reporting Standards.

IRAG

Integration Resources Advisory Group

LASAAC

Local Authority (Scotland) Accounts Advisory Committee

Liability

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

Provisions

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

PSIAS

Public Sector Internal Audit Standards

Related Parties

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

Remuneration

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

SECTION 8: GLOSSARY OF TERMS

Reserves

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

Revenue Expenditure

The day-to-day expenses of providing services.

Significant Interest

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

SOLACE

Society of Local Authority Chief Executives.

The Code

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

If you or someone you know would like a copy of this document in another language or format, (on occasion only a summary of the document will be provided in translation), this can be arranged by contacting the Customer Service Centre on 01738 475000

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Nam bu mhath leat fhèin no neach eile as aithne dhut lethbhreac den phàipear seo ann an cànan no ann an cruth eile (uaireannan cha bhi ach geàrr-iomradh den phàipear ri fhaotainn ann an eadar-theangachadh), gabhaidh seo a dhèanamh le fios a chur gu Ionad Sheirbheis Theachdaichean air 01738 475000.