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Report Title	Year End Report 2024/25
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Directions Required	No
Exempt	No
Appendices	<i>n/a</i>
Terms of Reference	<i>1a</i>

1. Purpose of the Report

1.1 This report provides; the 2024/25 revenue budget draft outcome, prior to audit, for the delivery of the Integrated Joint Board (IJB) responsibilities; and an update on the 2025/26 year budget savings.

2. Recommendations

It is recommended that the Integration Joint Board:

- 2.1 Notes the 2024/25 IJB draft outturn position before partner contribution of an overspend of £10.490m;
- 2.2 Notes additional in year funding of £10.490m has been provided by the partners, with Aberdeen City Council providing £4.043m and NHS Grampian providing £6.447m, in order to allow the IJB to balance the 2024/25 budget;

- 2.3 Notes the progress on the 2025/26 budget savings work;
- 2.4 Notes NHS Grampian Health Board considered the NHS Grampian 2025/26 budget on the 10th of April 2025 which included provision for IJB overspends; and
- 2.5 Approves the transfer of £5.931m from the 2025/26 Prescribing budget to the Adult Social Care budget. The overall budget of the IJB is unchanged.

3. Strategic Plan Context

- 3.1. The Aberdeen City Health and Social Care Partnership (AC HSCP) must work to provide statutory services within the funding provided by Aberdeen City Council and NHS Grampian (the partners).
- 3.2. The 2024/25 budget supported the delivery of the final full year of the current strategy. The new strategy, being brought forward to the 1st July 2025 IJB meeting, sets the future direction for the IJB. Unpinning this strategy will be the Medium Term Financial Forecast demonstrating how financial balance will be achieved during this same period thus minimising additional financial demands being placed on partners. To do this will require;
- Delivering savings of £14.354m in the current financial year 2025/26.
 - A real focus and commitment by the IJB in driving through the work required to underpin these savings.
 - Developing and planning savings workstreams for delivery in 2026/27, being more transformative projects which look to bring greater efficiency and financial sustainability to the delivery of health and care services.
- 3.3 To be successful in the model of health and care delivery there will require to be a continued emphasis on early intervention and prevention with active steps to develop this approach.

4. Summary of Key Information

Budget Outturn 2024/25

- 4.1 The IJB draft year end outturn:
- Delivery of year end overspend before partner contribution in line with the quarter 3 forecast which was an overspend of £10.454m after the use of reserves.
 - The actual overspend was £10.490m, a slight deterioration of £0.036m on the forecast position.

- All remaining uncommitted and committed reserves have been used in full. The IJB has no reserves remaining at the end of 2024/25.

IJB Year End Outturn Summary	Q4 £'000	Q3 £'000	Variance
	- 17,036	- 16,573	- 463
Offset uncommitted reserves	6,546	6,119	427
Deficit 2024/25	- 10,490	- 10,454	- 36

- Partner contributions as agreed at the IJB meeting of the 28th of February 2025 have been requested and applied to the year-end overspend of £10.490m to balance the budget to zero.

Partnership contribution to deficit	Agreet % Split	Qtr 4 £m	Qtr 3 £m	Variance £m
NHSGrampian	61.46%	6.447	6.426	-0.021
Aberdeen City Council	38.54%	4.043	4.029	-0.014
Total	100.00%	10.490	10.455	-0.035

The movement on reserves is shown below. On review of all reserve balances a further balance of £0.427m of unallocated reserves balances were used to reduce the year end overspend position prior to requesting financial support from partners.

	Q4 £m	Qtr 3 £m	Variance £m
Allocated reserves	3.289	3.716	-0.427
Unallocated reserves	6.546	6.119	0.427
General Fund	9.835	9.835	0.000
Reserves used - allocated	-3.289		
Reserves used - unallocated	-6.546		
Remaining reserves	0		

4.2 The 2024/25 budget outturn:

The overspend of £17.035m is anticipated, in the main, to be recurring in 2025/26 year. Year-end work is still on-going which will allow a greater understanding of recurring and non-recurring expenditure in 2025/26. The 2024/25 year end outturn is not expected to have any detriment on the 2025/26 budget.

4.3 The table below shows the mainstream funding and expenditure for the IJB:

	Full Year				
	Revised	Period	Period	Period	Variance
Period 12	Budget	Budget	Actual	Variance	Percent
	£'000	£'000	£'000	£'000	%
Mainstream:					
Community Health Services	47,748	47,748	49,889	2,141	4.5%
Aberdeen City share of Hosted Services (health)	31,541	31,541	30,364	(1,177)	(3.7)%
Learning Disabilities	41,204	41,204	51,664	10,460	25.4%
Mental Health and Addictions	27,321	27,321	31,367	4,046	14.8%
Older People & Physical and Sensory Disabilities	100,177	100,177	108,117	7,940	7.9%
Directorate	2,694	2,694	1,523	(1,171)	(43.5)%
Criminal Justice	173	173	164	(9)	(5.2)%
Housing	1,771	1,771	1,794	23	1.3%
Primary Care Prescribing	51,180	51,180	47,429	(3,751)	(7.3)%
Primary Care	50,218	50,218	49,805	(413)	(0.8)%
Out of Area Treatments	2,750	2,750	3,039	289	10.5%
Set Aside Budget	59,238	59,238	59,238	0	-
City Vaccinations	2,851	2,851	2,527	(324)	(11.4)%
Transforming Health and Wellbeing	3,665	3,665	3,386	(279)	(7.6)%
Uplift Funding	740	740	0	(740)	(100.0)%
	423,271	423,271	440,306	17,035	4.0%

4.4 The 2024/25 outturn shows:

Community Health Services, over budget by £2.141m. During the year savings targets had been applied to the staff cost budget, of these £0.910m were not achieved. The savings target set at the beginning of the year was too high and these savings have not been achieved. The non-staff costs saw an overspend on equipment and property costs. There are actions being taken to address these overspends.

Significant overspends in Adult Social Care and Learning Disabilities of £7.94m and £10.46m respectively – this is due to the volume of care exceeding budget in these areas. The overspend relates to the higher cost of commissioned services than was budgeted for in both areas. This level of expenditure is not sustainable and has been recognised in the savings work required as part of the 2025/26 budget delivery.

The 2025/26 budget recognises the requirement to protect frontline services and therefore savings in Adult Social Care and Learning Disabilities will be phased across 2 financial years. Both IJB partners have been supportive of this approach.

Mental Health and Addictions overspend £4.046m, the majority of this expenditure, £3.356m, relates to an overspend on commissioned services. More care is being provided than there is sufficient budget for. How this is managed down is being considered as part of the IJB Strategy work and will be built into the underpinning financial plan to be delivered to the July Board meeting.

Prescribing expenditure is less than budgeted in year with an underspend of £3.751m. Prescribing costs have grown 4.8% in year however the prescribing budget was increased by £5.931m or 13.1% during 2024/25 via a budget transfer from Adult Social Care to Prescribing. If this transfer had not occurred prescribing would have overspent by £2.18m and the overspend in Adult Social Care would have reduced to £2.009m. It is proposed this budget transfer is reversed in 2025/26 with the prescribing budget transfer of £5.931m being reversed, with this funding being returned to the Adult Social Care budget. IJB members are asked to approve this suggested budget transfer.

Prescribing is a reactive service, providing medicines to keep people well in the community. The nature of the service can be difficult to manage financial cost pressures however there has been work carried out across different classes of medication and how these costs can be managed down, this work continues. Prescribing costs are forecast to increase by 4.5% in 2025/26.

- 4.5** The year end position reported is draft and subject to annual audit by Audit Scotland. This audit work starts in June 2025, with the draft statutory accounts to be presented to the auditor at this time.

Savings delivery 2025/26

- 4.6** Work to deliver the 2025/26 savings is progressing, being overseen by the Budget Savings Oversight Group. Workstreams have been established for each savings area with a supporting workplan, the progress of which is being tracked.

To assist with the development of budget savings core system information is being built into performance reports. This will help support the review work necessary as part of the commissioned services review. Further to this the development of performance information should create a dashboard of non-financial information which can be used to understand current levels of activity, predict what future demands may look like and targets around levels of affordability mapped on to this.

It is anticipated that the objectives of the strategy can be captured in a similar way, through use of this dashboard, which will allow greater clarity of the targets which are being sought and progress against those.

- 4.7** The savings which were brought forward to the March IJB are shown below:

IJB Savings 2025/26	£'000	£'000
Managing staff vacancies	1,346	
Anticipated savings from post reduction	884	
Reducing bank nursing expenditure	999	
Staff savings		3,229
Estates savings - consolidation of properties	153	
Utility savings	50	
Property savings		203
Review of care provision older people and learning disability	3,328	
Review of day care provision	1,449	
Key commissioned service provider review	4,599	
Reviewing mix of residential care provision	336	
Review out of area care	174	
Supplier review	1,035	
Commissioned Services		10,921
Savings 2025/26		14,354

The staff savings are being applied to budgets and actions taken to reduce expenditure. Bank nursing expenditure has been reduced and that saving will be realised in full.

Property savings are in progress – there is good confidence these will be achieved in full.

Reduction in commissioned services is the area of savings delivery which requires the most work. The teams in Social Care have started this process and review of current expenditure has started. It is hoped the majority of this work will be completed by the end of June 2025.

Financial Risk

5.1 Budget assumptions are based on estimations which may not reflect future actual events and therefore carry a degree of risk.

5.2 Delivery of savings – the risk of failing to deliver savings is being managed by the Budget Savings and Oversight Group – this group will drive forward projects overseen by the Risk Audit and Performance Committee.

5.3. Draft outturn 2024/25 - figures presented are draft pre audit, there is a risk the 2024/25 may be adjusted if a material error is found.

5.4 Commissioned service providers will experience financial pressure during the year partly due to increased eNIC.

5.5 All IJB reserves have now been exhausted and therefore there is no risk reserve to manage in year budget fluctuations.

5.6. Additional funding from partners of £10.909m is requested to balance the 2025/26 budget. ACC have approved their share of IJB additional funds, NHS Grampian Health Board have agreed their budget which provides additional IJB funding support.

6. Equalities, Fairer Scotland and Health Inequality

There are no direct equalities implications from this report however there will be an equality impact assessment completed as required for all budget savings and future projects as these are brought forward.

6.1. Financial

Financial implications are noted throughout the report for 2024/25 year end and 2025/26 budget.

6.2. Workforce

There are no direct implications as a result of this report.

ACHSCP work with ACC and NHS G when considering all vacancy and post management. The IJB are represented on the vacancy governance groups of both employers and work in collaboration around the decision making for positions which are part of the remit of the IJB.

6.3. Legal

The Aberdeen City Integration Scheme sets out that the Chief Officer and Chief Finance Officer will provide an integrated budget based on the Strategic Plan. This report complies with that requirement.

6.4. Unpaid Carers

There are no direct implications as a result of this report.

6.5. Information Governance

There are no direct implications as a result of this report

6.6. Environmental Impacts

There are no direct implications as a result of this report

6.7. Sustainability

There are no direct implications as a result of this report.