



RISK, AUDIT AND PERFORMANCE COMMITTEE

Date of Meeting	27 August 2025
Report Title	Q1 – 2025/2026 Budget and Savings Monitoring Update
Report Number	HSCP.25.063
Lead Officer	Fiona Mitchelhill Chief Officer - IJB
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Consultation Checklist Completed	No
Directions Required	No
Exempt	No
Appendices	None

1. Purpose of the Report

- 1.1. To summarise the financial performance, in reference to the budget approved for 2025-2026 fiscal year, of the first quarter (Q1) ending 30th June 2025 for the services within the remit of the Integration Joint Board (IJB); and
- 1.2. to advise on any areas of risk and management mitigating action.

2. Recommendations

- 2.1. It is recommended that the Risk, Audit, and Performance Committee:
 - a) Notes this report in relation to the IJB budget and its quarter 1 / 2025-2026 status, and the information on areas of risk and management action



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3. Summary of Key Information

- 3.1. With due consideration to the Medium Term Financial Forecast (MTFF) approved last 01 July 2025¹, the budget funding for 2025-2026 was valued at £439.094million with savings (as broken down in Section 6.2) considered within this value. However, the Q1 2025-2026 results for the IJB is presented in the table below showing a funding of £442.863m. The variation of £3.769m is further explained in the subsequent point 3.2 hereunder.

	ACC £'000	NHS £'000	TOTAL £'000
Funding commitments 2025-2026	135,958	233,755	369,713
Set Asides	1,771	59,238	61,009
eNIC	303	929	1,232
Additional contribution	4,200	6,709	10,909
TOTAL FUNDING	142,232	300,631	442,863
LESS: SPENDINGS (OUTTURNS 2025-2026)			
Criminal Justice			-222
Adult Social Care Directorate			-2,256
Learning Disabilities			-49,742
Mental Health & Subs Misuse			-30,200
Adult Svcs OP & Physical Dis			-109,769
Strategy & Transformation			-3,295
Transformation Projects			-174
Housing (Set Aside)			-1,771
Community Health Services			-50,069
Aberdeen City share of Hosted Services (health)			-31,013
Primary Care Prescribing			-46,477
Primary Care			-50,067
Out of Area Treatments			-3,170
Set aside Budget			-59,238
City Vaccinations			-2,136
Uplift Funding			-4,342
Net Resource Transfer			1,276
TOTAL PROJECTED SPENDS (2025 - 2026)			-442,666
PROJECTED FUND SURPLUS (DEFICIT) - 2025 - 2026			197

- 3.2. The causes of the variation between the MTFF funding value of £439.094m and the one noted in the table above are as follows:

3.2.1. The adjustment on the NHSG set aside value tying up with the carried forward 24-25 value of £59.238m² which was reported as £55.500m (taken from footnote 1)

¹ [HSCP.25.053 IJB MTFF paper.pdf](#)

² [GUIDE TO SCOTTISH LOCAL GOVERNMENT PENSION SCHEME \(LGPS\) FINANCIAL STATEMENTS](#)



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3.2.2. A slight adjustment on the eNIC value from £1.232m as per table above to the MTFF's £1.201m

- 3.3. Being that the Q1 results show a projected net funding surplus at the end of the year, this will be monitored by the IJB management in collaboration with the Risk, Audit, and Performance Committee particularly noting that continuous demand for the comprehensive spectrum of adult care services is seen to go with an upward trajectory. The regular monitoring is coupled with risk mitigation measures in section 6.2 below.
- 3.4. Noting the upward trend in demand for the services commissioned by the IJB, and for comparative reference purposes, the funding and expenditure development of IJB is shown hereunder with audited figures from 2018 – 2024, the unaudited figure for 2024-2025, and the Q1 outturns of 2025-2026. This is indicative of the dynamic and variable demands the adult health sector present amidst a dwindling funding mechanism.

PARTICULARS	FY (April to March)							
	25-26 Q1 OT	24-25	23-24*	22-23*	21-22*	20-21**	19-20*	18 - 19*
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
FUNDING / INCOME	442,863	451,383	417,035	379,663	399,937	370,878	332,075	320,169
SPENDS / EXPENDITURES	- 442,666	- 461,218	- 434,347	- 403,909	- 366,780	- 355,244	- 335,051	- 322,897
SURPLUS (DEFICIT)	197	- 9,835	- 17,312	- 24,246	33,157	15,634	- 2,976	- 2,728
NET INCOME (EXPENDITURES)								
BALANCE OF RESERVES		-	9,835	27,147	51,393	18,236	2,602	5,578

4. Implications for IJB

Every organisation must manage the risks inherent in the operation of large and complex budgets. These risks are minimised by the regular review of financial information by budget holders and collectively by the Board and the Risk Audit & Performance Committee. This report is part of that framework and has been produced to provide an overview of the current financial operating position.

4.1. Equalities, Fairer Scotland and Health Inequality

There are no implications arising from this report.



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4.2. Financial

The financial implications are contained within this report.

4.3. Workforce

There are no major direct workforce implications arising from the recommendations of this report. The IJB's Chief Finance Officer vacancy has not yet been filled, but an interim arrangement is put in place by the Chief Officer and the ACC management, tasked with the steering of the IJB's financial position monitoring.

4.4. Legal

There are no direct legal implications arising from this report.

4.5. Unpaid Carers

There are no direct implications relating to unpaid carers arising from the recommendations of this report.

4.6. Information Governance

There are no direct information governance implications arising from the recommendations of this report.

4.7. Environmental Impacts

There are no direct environmental implications arising from the recommendations of this report.

4.8. Sustainability

There are no direct sustainability implications arising from the recommendations of this report.

4.9. Other

There are no other direct implications arising from the recommendations of this report.

5. Management of Risk



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5.1. Identified risks(s)

- a) Financial sustainability: Not alone in this situation with other IJBs in the country having the same challenge³, the IJB is awash with ever increasing care demands amidst a tight funding fuselage⁴. If not kept under watch, this would lead to a going concern challenge due to poor management and use of its funding particularly noting that FY 2024-2025 ended with no reserves carried forward.
- b) NHS Grampian or NHSG Level 4 scrutiny intervention brought about by its on-going financial challenges. The impact to the IJB is obvious in context of the funding necessities it requires to carry out its services to the public. The IJB annually receives 61% of its funding from the NHSG and expects the same level of support regardless of the result of this scrutiny exercise. Further, the result of this Level 4 investigation is expected to define the corrective actions to be taken collectively by NHSG and IJB further onwards.

6.2 How might the content of this report impact or mitigate the known risks:

- a) To mitigate future financial risk the IJB will work together to deliver the financial savings plan as summarised below.
These savings, as agreed by the IJB at their budget meeting in March 2025⁵, have been aligned and budget adjusted accordingly. A programme plan is in place to deliver the required change that informed the above savings, and ensure services continue to operate within their new financial envelope. This plan is overseen by an internal Budget Savings Oversight Group.

³ [Scotland's social care system finances 'precarious' | Public Finance](#)

⁴ [IJBs face almost half a billion funding gap](#)

⁵ [Budget 25-26 Report.pdf](#)



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Budget Saving Category	Budget Saving £'000
Managing staff vacancies	1,346
Anticipated savings from post reduction	884
Reducing bank nursing expenditure	999
Estates savings - consolidation of properties	153
Utility savings	50
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
TOTAL	14,353

- b) In addition to the savings plan, there is an extensive work being carried out to monitor client and care package status along with financial assessment updated review requirements. These comprehensive data is then shown live as it comes on a dashboard allowing for further financial, statistical, analytical, and decision-making clarity.
- c) Onward analysis of spends year on year, and periodic comparative spends review of each care and service lines will be carried out along with the current Budget against Actuals review. This will ensure that we not only scrutinize our current fiscal performance against targeted values but also statistically and tactically appraise our financial results against our strategic plans.