



INTEGRATION JOINT BOARD

Date of Meeting	30 th September 2025
Report Title	Q1 – 2025 / 2026 Financial Performance; and Indicative results for Q2 – 2025 / 2026
Report Number	HSCP.25.070
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Consultation Checklist Completed	No
Directions Required	No
Exempt	No
Appendices	None
Terms of Reference	The IJB shall consider the any other matter that the Chief Officer determines appropriate to report to the IJB (clause 1c); <i>and</i> Remit and Responsibilities duly noted under “Financials” (clause 15 – 19)

1. Purpose of the Report

- 1.1. To present the forecasted financial performance of the Integration Joint Board (IJB) for the period Q1 – 2025/2026.
- 1.2. To provide an indicative status of the Integration Joint Board’s Q2 – 2025 / 2026 financial performance.



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2. Recommendations

2.1. It is recommended that the Integration Joint Board (IJB) notes the following:

- a) The financial performance of the IJB in Q1 – 2025/2026 in relation to the 2025-2026 funding availability;
- b) The purpose of the presentation of prior fiscal year results to monitor the trajectory of IJB's service costs, and how it can be used to further evaluate the financial data alignment to the IJB's Strategic Plan.
- c) The indicative financial performance of the IJB for the period Q2 – 2025 / 2026.

3. Strategic Plan Context

On-going work is being carried out to update the Budget Protocol. This entails the clarity on the Budget setting and monitoring process inclusive of the timelines regarding team and public engagement, alignment with the Strategic Plan and Workforce Plan, refresh of the Medium Term Financial Framework, and overall schematics on financial performance safeguarding.

4. Summary of Key Information

4.1. The Q1 – 2025/2026 results are noted hereunder.

- 4.1.1. The funding reported is at £442.863million considering the updated level of the set aside funding from the NHSG amounting to £59.238m. This was increased by £3.738m from the reported value when the Medium Term Financial Framework was presented in July 2025¹.
- 4.1.2. The Q1 – 2025/2026 results show a surplus between funding and spending amounting to £197k. Specific analysis of each care line is elaborated in section 4.2 and 4.3 below warranting the safeguarding of the 2025 – 2026 financial position by the IJB Team² in collaboration with the Risk, Audit, and Performance Committee.

¹ [HSCP.25.053 IJB MTFF paper.pdf](#)

² The IJB Team is understood to include the Chief Officer, the Care Team and its management, the Interim Chief Finance Officer for the IJB, the NHSG Finance Team, and the Aberdeen City Council Finance Team



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	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

4.2. The Q1 spendings against budget is further analysed below. Although the total shows a SURPLUS of £197k, each individual Service or Care Lines show some overspends. Some causes of overspends are due to the following matters:

- 4.2.1. Staffing issues: ranging from absence factors such as role covers for permanent staff who are currently on leave or are off ill, to cost uplifts the percentage of which are finalised from government later than the budget finalisation stage.
- 4.2.2. Commissioning costs increase resulting from revised contractual rates from suppliers and amended care package costs of clients.
- 4.2.3. Delayed funding commitments from the UK government. This is exemplified in the succeeding table for Mental Health, Primary Care, and City Vaccinations where the funding letters from the government are still pending as of end of Q1.
- 4.2.4. Transition costs for children moving into adult care brought about by the assessment timings not aligning with the budget finalisation



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timeframe. This is noted by the overspend forecast for Learning Disabilities in the table below.

PARTICULARS (SERVICE LINES SPENDS)	Budget (A) TOTAL 25/26 £'000	Outturns after Q1 (B) 2025 - 2026 £'000	(Over) / Underspend A - B £'000
Criminal Justice	172	-222	-50
Adult Social Care Directorate	2,093	-2,256	-163
Learning Disabilities	47,847	-49,742	-1,896
Mental Health & Subs Misuse	29,002	-30,200	-1,198
Adult Svcs OP & Physical Dis	111,733	-109,769	1,964
Strategy & Transformation	3,589	-3,295	294
Transformation Projects	128	-174	-46
Housing (Set Aside)	1,771	-1,771	00
Community Health Services	47,290	-50,069	-2,779
Aberdeen City share of Hosted Services (health)	31,749	-31,013	735
Primary Care Prescribing	45,217	-46,477	-1,260
Primary Care	50,820	-50,067	753
Out of Area Treatments	2,750	-3,170	-420
Set aside Budget	63,036	-59,238	3,798
City Vaccinations	1,496	-2,136	-640
Uplift Funding	5,447	-4,342	1,105
Resource Transfer	-1,276	1,276	00
TOTAL BUDGET (SPENDS LESS SAVINGS)	442,863	-442,666	197

4.3. Additional analysis:

4.3.1. Noting the upward trend in demand for the services commissioned by the IJB, and for comparative reference purposes, the funding and expenditure year on year movement of the IJB is shown hereunder with audited figures (marked with * and **) 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



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4.3.2. Breakdown of the costs lines year on year with the outturns for Q1 / 2025-2026 shows the upward trajectory of spends for each care line, year on year since 2018. Current fiscal year 2025 – 2026 funding and spends trajectory will be assessed as the year progresses including the accrual process (i.e., recognition of spends and outstanding dues to providers / suppliers; delayed funding commitments from both the Scottish and UK governments) ensuring the integrity of the numbers being presented.

Care and Service Lines	Q1 - 25/26 £'000	Unaudited accounts 24/25 £'000	Audited accounts 23/24 £'000	Audited accounts 22/23 £'000	Audited accounts 21/22 £'000	Audited accounts 20/21 £'000	Audited accounts 19/20 £'000	Audited accounts 18/19 £'000
Community Health Services	50,069	49,958	46,116	40,237	36,817	36,773	34,797	31,595
Aberdeen City Share of hosted services (health)	31,013	30,351	31,323	29,126	26,329	22,695	24,234	22,330
Learning disabilities	49,742	51,304	45,015	40,665	34,690	34,345	35,147	34,621
Mental health & addictions	30,200	31,459	26,985	24,965	22,857	21,098	20,240	19,993
Older people & physical and sensory disabilities	109,769	108,117	107,204	97,907	84,433	79,025	78,466	74,255
Head office / admin	2,430	1,523	2,373	1,890	0,707	0,326	1,783	0,171
Covid	-	0,000	0,000	10,012	11,978	17,240	0,000	
Criminal Justice	222	6,549	5,262	5,119	4,932	5,047	4,734	5,110
Housing	1,771	1,794	2,258	2,139	1,863	0,746	1,477	1,861
Primary Care prescribing	46,477	47,429	46,349	42,928	40,166	40,447	40,843	40,317
Primary Care	50,067	49,805	45,095	41,544	43,058	42,513	41,141	38,885
Out of area treatments	3,170	3,039	2,503	2,515	2,495	2,751	2,001	1,690
Set aside services	59,238	59,238	55,550	52,719	49,408	47,802	46,410	46,416
City Vaccinations	2,136	2,530	3,058					
Transformation	3,295	17,017	15,254	12,144	7,049	4,437	3,779	5,653
Uplift funding	4,342	1,105						
SPENDS YEAR ON YEAR	443,942	461,218	434,347	403,909	366,780	355,244	335,052	322,897

4.4. Heading towards completion of Q2 – 2025 / 2026, the net results still show a surplus comparing its fundings against outlays indicating that the IJB is on track achieving breakeven status at the end of month 5, i.e., August 2025. Caution is advised though as there are areas of concerns as noted in point 4.2 above along with a thorough review of its costs for six (6) months ending and quarter end, i.e., Sept 2025.

5. 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 IJB and the



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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.

5.1. Equalities, Fairer Scotland and Health Inequality

There are no implications arising from this report. However, as the work on the Budget Protocol is on-going, alignments with areas feeding into the financial reporting element of the IJB will be proceeded at the same time.

5.2. Financial

The financial implications are contained within this report.

5.3. Workforce

There are no major direct workforce implications arising from the recommendations of this report. However, as noted in the Strategic Plan Context section, on-going work is being carried out to align all financial reporting works with the Strategic Plan and any workforce plans are duly noted. In addition, 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 performance monitoring.

5.4. Legal

There are no direct legal implications arising from this report.

5.5. Unpaid Carers

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

5.6. Information Governance

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



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5.7. Environmental Impacts

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

5.8. Sustainability

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

5.9. Other

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

6. Management of Risk

6.1. 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 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. However, certain collaborative actions resulting from this investigation have commenced, taken collectively by NHSG and IJB with a view to regularly monitor the financial performance management of the IJB.

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

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

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



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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 which meet on a bi-monthly basis.

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

7. 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.

7.1. 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 plan.

⁵ [Budget 25-26 Report.pdf](#)