



Item No. 7

Meeting Date: Wednesday 10th December 2025

Glasgow City Integration Joint Board Finance, Audit and Scrutiny Committee

Report By: Duncan Black, Depute Chief Officer, Finance and Resources

Contact: Amanda Clarke, Assistant Chief Officer, Finance

Phone: 0141 420 5756

Glasgow City Integration Joint Board Budget Monitoring for Month 7 and Period 8 2025/26

Purpose of Report:

This report outlines the financial position of the Glasgow City Integration Joint Board as at 17th October 2025 for Council and 30th October 2025 for Health and highlights any areas of budget pressures and actions to mitigate these pressures.

Background/Engagement:

The financial position of Glasgow City Integration Joint Board is monitored on an ongoing basis throughout the financial year and reported to each meeting of the Board.

Governance Route:

The matters contained within this paper have been previously considered by the following group(s) as part of its development.

HSCP Senior Management Team ☐

Council Corporate Management Team ☐

Health Board Corporate Management Team ☐

Council Committee ☐

Update requested by IJB ☐

Other ☐

Not Applicable ☒

Recommendations:

The IJB Finance, Audit and Scrutiny Committee is asked to:

a) Note the contents of this report.

OFFICIAL

Relevance to Integration Joint Board Strategic Plan:

This report outlines expenditure against budget in delivery of the range of health and social care services described within the Integration Joint Board Strategic Plan 2023-28.

Implications for Health and Social Care Partnership:

Reference to National Health & Wellbeing Outcome:	Not applicable at this time.
--	------------------------------

Personnel:	Not applicable at this time.
-------------------	------------------------------

Carers:	Expenditure in relation to carer's services is included within this report.
----------------	---

Provider Organisations:	Expenditure on services delivered to clients by provider organisations is included within this report.
--------------------------------	--

Equalities:	Not applicable at this time.
--------------------	------------------------------

Fairer Scotland Compliance:	The expenditure on services supports the delivery a Fairer Scotland.
------------------------------------	--

Financial:	All financial consequences are detailed within this report.
-------------------	---

Legal:	Not applicable at this time.
---------------	------------------------------

Economic Impact:	Not applicable at this time.
-------------------------	------------------------------

Sustainability:	Not applicable at this time.
------------------------	------------------------------

Sustainable Procurement and Article 19:	Not applicable at this time.
--	------------------------------

Risk Implications:	The volatility of the drugs supply market, demand for services, cost of living crisis, acceleration of Home Office asylum decisions and inflation continue to represent a significant financial risk to the IJB. This level of risk will require the IJB to keep its financial strategy under review to ensure services are delivered within the funding available. This financial risk will be monitored during 2025-26 and reported through the financial performance reports to the IJB and IJB Finance, Audit and Scrutiny Committee. The IJB is required to hold a contingency which is sufficient to enable the IJB to respond to unforeseen events and emergency situations and continue to remain financially viable. The IJB will start 2025-26 with a general reserve of £24.279m which is 1.4% of net expenditure and below the target set at 2%.
---------------------------	--

OFFICIAL

OFFICIAL

Implications for Glasgow City Council:	The Integration Scheme clearly outlines the responsibilities of Partners and the IJB if spending exceeds budget plans. Partners will be kept updated on financial performance during the year. Within Homelessness, the additional net cost arising from the impact of Home Office asylum decisions to date is £18.999m. The Council has provided the IJB with a commitment that the additional costs linked to asylum will be fully funded. This report builds in the funding from the Council.
Implications for NHS Greater Glasgow & Clyde:	The Integration Scheme clearly outlines the responsibilities of Partners and the IJB if spending exceeds budget plans. Partners will be kept updated on financial performance during the year.

1. Purpose

- 1.1. This monitoring statement provides a summary of the financial performance of Glasgow City Integration Joint Board for the period 1st April 2025 to 17th October for Council and 30th October 2025 for Health.
- 1.2. It is based on information contained in the respective financial systems and includes accruals and adjustments in line with its financial policies.

2. Summary Position

- 2.1. Net expenditure is £0.297m lower than budget to date.
- 2.2. Appendix 1 shows the current budget variance by both care group and subjective analysis.

3. Budget Changes

- 3.1 Throughout the financial year, adjustments are made to the original approved budget as a result of additional funding allocations and service developments. To Month 7/Period 8 the net expenditure budget has increased by £0.208m. The changes to the gross expenditure and income budgets are analysed in the table below.

OFFICIAL

OFFICIAL

Explanation	Changes to Expenditure Budget	Changes to Income Budget	Net Expenditure Budget Change
Care Home Funding	£251,750		£251,750
Health Improvement Funding - Young Persons Guarantee	£65,911	-£65,911	£0
Drug Checking Service Grant	£91,186	-£91,186	£0
Other Miscellaneous Adjustments	£29,376	-£73,406	-£44,030
Total	£438,223	-£230,503	£207,720

4 Transformation Programme

- 4.1 The Integration Transformation Board continues to meet to secure the delivery of in-year savings. The overall savings target for 2025/26 is £39.683m. At this stage of the year, it is anticipated that actual savings realised will be £35.609m, representing 90% of the target. Part-year implementation will impact on in-year savings and will be reflected within future forecasts. The Integration Transformation Board continues to monitor delivery of these savings and agrees to take actions to ensure delivery of the proposals agreed by the IJB.
- 4.2 The unachieved savings target from prior years is £1.462m. At this stage of the year, it is anticipated that £1.162m is forecast to be achieved. The gap is in relation to a review of community health services within Children and Families which is still underway and a review and redesign of Primary Care and Health Improvement Teams which is ongoing.
- 4.3 The savings realised are reflected in the overall financial position reported in this monitoring statement.
- 4.4 The Integration Transformation Board has also been monitoring the transformation agenda to support future year budget planning. This includes the following areas of work:
- Updates on delivery of prior year and current year savings programmes
 - Updates on recovery planning in significant areas of budget pressure including inpatient staffing and direct assistance
 - Transformation programmes including Learning Disability Workforce Integration, Day Care Service Review, Admin Review and the Mental Health Strategy.

5 Reasons for Major Budget Variances

5.1 Children and Families

- 5.1.1 Net expenditure is overspent by £1.670m.

OFFICIAL

- 5.1.2 Employee costs are overspent by £0.117m. Health Visiting is overspent by £1.337m primarily due to lower than budgeted turnover and 81% of staff at the top of the salary scale. Overtime requirements for absence cover in Children's Houses has resulted in a further overspend of £0.738m. This is offset by an underspend of £1.849m in vacancies across the service. Recruitment plans continue to be progressed to fill vacancies as quickly as possible, however this is proving challenging in the current market.
- 5.1.3 Third Party Payments are overspent by £1.114m. There is an overspend in Residential Schools (£1.367m) and Personalisation (£0.587m). This is partly offset by underspends in Kinship (£0.245m), Provided Fostering (£0.294m), Shared Care and Short Breaks (£0.104m) and Adoption (£0.148m), all based on placement numbers and service demand.
- 5.1.4 Transfer Payments are overspent by £1.140m. This is primarily within Direct Assistance (£1.032m) and reflects the level of demand and support required in these areas including supporting families with no recourse to public funds.
- 5.1.5 There is an over-recovery in income of £0.648m, £0.143m of which relates to UASC (Unaccompanied Asylum-Seeking Children) income from the Home Office and £0.422m in relation to the recovery of Direct Payment surpluses.

5.2 Adult Services

- 5.2.1 Net expenditure is overspent by £4.471m.
- 5.2.2 Employee costs are overspent by £4.181m. This is mainly attributable to Mental Health services, where employee costs are overspent by £4.588m. Within Inpatient services, expenditure of £9.375m on bank nursing staff has been incurred due to consistently high numbers of observations, sick leave and vacancy cover. This is partly offset by an underspend of £5.299m associated with the high number of trained nursing vacancies. Now that the newly qualified nurse recruitment process is complete and approximately 70wte posts have been filled, a reduction in supplementary staffing costs is expected from November. There is a further overspend on the medical budget (£0.944m) which includes agency/bank costs incurred due to vacancies, absence with recruitment to vacancies is ongoing. This overspend is partly offset by turnover within Community and Specialist Services (£0.634m).
- 5.2.3 Public Protection employee costs are overspent by £0.601m, mainly due to unfunded health posts within Management & Support (£0.039m) and unachieved savings linked to Connect Services. These overspends are partly offset by underspends within Sexual Health Services (£0.786m) and Criminal Justice & Prison Healthcare (£0.368m) which are attributable to turnover of staff. Homelessness Services is overspent by £0.401m which is the net effect of refugee staffing overspends and core employee cost underspends due to vacancies.
- 5.2.4 Supplies and Services are overspent by £0.717m mainly due to high drug costs and equipment purchases within Mental Health Services (£0.449m) and Homelessness related costs (£0.286m) for legal expenses and interpreting costs.

OFFICIAL

OFFICIAL

- 5.2.5 Purchased services are overspent by £6.687m. Learning Disabilities and Mental Health Services are reporting an overspend of £1.322m due to demand for SDS options 2 & 3 exceeding the available budget. Extra Contractual Referrals are overspent by £0.755m and is reflective of demand. Homelessness is overspent by £4.739m, due to the increasing usage of B&B as an alternative source of temporary accommodation during the Housing Emergency and increase in Home Office decision-making in asylum cases.
- 5.2.6 Transfer payments are underspent by £2.103m. Within Homelessness, Housing Benefit payments to service users in temporary accommodation is overspent (£16.732m) offset by additional funding from GCC (£19.000m) to partly cover asylum expenditure. Public Protection is overspent by £0.285m due to spend on direct assistance and is reflective of demand.
- 5.2.7 These overspends are partly offset by an income over-recovery of £5.670m in Home Office asylum funding (£3.708m), the recovery of Learning Disability direct payment surpluses (£0.316m) and Mental Health Inpatients unplanned activity (£1.277m).
- 5.2.8 Within Homelessness, the Council has provided a commitment to fully fund the additional costs linked to asylum. Homelessness Services is therefore reflecting a continued phasing of asylum income to offset cost pressures.

5.3 Older People and Physical Disability

- 5.3.1 Net expenditure is overspent by £0.394m.
- 5.3.2 Employee costs are overspent by £0.500m. Health staff costs are overspent (£1.467m) within Mental Health Inpatients and Elderly Mental Health due to the use of bank and agency staff to cover staff sickness and vacancies. Care Services and Locality front line services are underspending by £0.967m which includes overspends for agency and overtime to cover vacancies and absences. Recruitment plans continue to be progressed to fill vacancies as quickly as possible to reduce the use of agency and overtime, however this underspend reflects the challenges of recruiting in the current market.
- 5.3.3 Purchased services are underspent by £0.825m, this reflects current commitment and assumed activity around demand for services.
- 5.3.4 Supplies & Services are overspent by £0.814m within Health, mainly because of demand on the EquipU budget.
- 5.3.5 Income is over recovered by £0.265m because of direct payment recoveries.

5.4 Resources

- 5.4.1 Net expenditure is underspent by £0.616m.
- 5.4.2 Employee costs are underspent by £0.743m due to vacancies. Recruitment plans continue to be progressed to fill these as quickly as possible, however this is proving challenging in the current market.

OFFICIAL

OFFICIAL

- 5.4.3 Transport costs are overspent by £0.110m mainly in relation to Transport and Support Service (TASS) in Technical Care and this is linked to transport costs which include higher taxi usage due to current staff vacancies. This will reduce as recruitment progresses.
- 5.4.4 Supplies and Services are underspent by £0.156m. There are overspends due to recruitment fees and within Technical Care service which reflects the activity. There is an underspend of £0.542m across various lines including purchase of services and commitments linked to inflationary pressures.
- 5.4.5 Income is under-recovered by £0.120m. This is mainly within Technical Care Services where there is a net under-recovery of £0.245m in respect of Stairlifts and Linguistics.

5.5 Criminal Justice

- 5.5.1 Net expenditure is underspent by £0.434m. This relates to the non-Section 27 grant funded element of the service and is due to turnover in employee costs.

5.6 Primary Care

- 5.6.1 Primary Care shows an underspend position of £5.782m.
- 5.6.2 Prescribing is currently reporting an underspend of £6.213m. Prescribing volumes have been lower than anticipated with current volume growth forecasts sitting at 2% against a budget of 3%. Price per item is also lower due to price tariff adjustments, the lower cost of Apixaban, aggressive market conditions and other global factors. The impact of Dapagliflozin recently becoming generic is also anticipated to reduce the price per item further. A savings target of £4.592m has been set for 2025-26. Pharmacy teams and GPs are working hard to secure these savings, and progress will continue to be monitored by the relevant management teams.

6. Forecast Position

- 6.1 A review of the outturn has been undertaken and a projected overspend of £6.9m is forecast. To reduce this projected overspend position, spending controls are being strictly applied through the weekly Business Meeting and recovery planning is in place for areas of overspend, with a particular focus on Mental Health Inpatients and pressures within Children and Families.

7. Reserve Balances

- 7.1 On 1st April the IJB had a balance of £24.279m in general reserves. The 2025-26 budget strategy plans to deliver an underspend of £8.3m to support budget smoothing in relation to the planned increase in superannuation rates in 2026-27. If this is secured during 2025-26 this will increase general reserves to £32.6m, which would be 1.8% of net expenditure. The current forecast overspend position represents a risk to this strategy.

OFFICIAL

8. Action

- 8.1 The Chief Officer, along with the HSCP Senior Management Team continues to manage and review the budget across all areas of the Partnership.
- 8.2 This will be the subject of updates to future IJB meetings.

9 Conclusion

- 9.1 Net expenditure is £0.297m higher than budget to date.

10. Recommendations

- 10.1 The IJB Finance, Audit and Scrutiny Committee is asked to:
 - a) Note the contents of this report.

OFFICIAL

Appendix 1

Glasgow City Integration Joint Board

Budget Monitoring Statement to end October /Period 8 2025/26

1. Budget Variance by Care Group

Annual Net Expenditure Budget £000		Actual Net Expenditure to Date £000	Budgeted Net Expenditure to Date £000	Variance to Date £000
171,141	Children and Families	96,655	94,984	1,670
409,733	Adult Services	254,281	249,810	4,471
392,186	Older People (incl Dementia)	204,234	203,841	394
74,927	Resources	29,891	30,507	-616
182	Criminal Justice	343	777	-434
458,478	Primary Care	270,277	276,059	-5,782
1,506,647	Total	855,681	855,977	-297

	Funded By :-			
583,519	Glasgow City Council	276,412	276,412	0
937,024	NHS Greater Glasgow & Clyde	588,013	588,013	0
885	Drawdown of Earmarked Reserves	230	230	0
1,521,428		864,655	864,655	-

14,781	Transfer +to/-from Reserves	8,974	8,678	297
-	Net Balance	-	-	-

2. Reserve Position at End September/Period 07 2025/26

	Balance at 01.04.25 £000	- Drawdown to Date/+Upload £000	Balance at End August/P6 £000
General Reserves	24,279	8,974	33,253
Earmarked Reserves	37,564	-885	36,679

3. Forecasted Reserve Position at 31st March 2026

	Balance at 01.04.24 £000	Net Forecasted -Drawdown/ Upload £000	Forecasted Balance at 31.03.25 £000
General Reserves	24,279	8,250	32,529
Earmarked Reserves	37,564	-17,000	20,564

4. Budget Variance by Subjective Analysis

Annual Budget £000		Actual to Date £000	Budget to Date £000	Variance to Date £000
	Expenditure			
646,870	Employee costs	371,764	367,772	3,992
31,907	Premises Costs	9,039	7,843	1,196
6,464	Transport Costs	3,590	3,535	55
92,332	Supplies and Services	44,991	44,663	327
437,833	Third party Costs	235,946	228,414	7,532
64,852	Transfer Payments	57,531	58,735	-1,204
529	Capital Financing Costs	162	161	1
160,341	Prescribing	88,239	94,452	-6,213
270,477	Family Health Services	166,353	165,878	474
1,711,605	Total Expenditure	977,615	971,453	6,161
204,957	Income	121,934	115,476	6,458
1,506,647	Net Expenditure	855,681	855,977	-297