



Item No. 7

Meeting Date: Wednesday 4th February 2026

Glasgow City Integration Joint Board Finance, Audit and Scrutiny Committee

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Glasgow City Integration Joint Board Budget Monitoring for Month 9 and Period 10 2025/26

Purpose of Report:

This report outlines the financial position of the Glasgow City Integration Joint Board as at 12th December 2025 for Council and 31st December 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.

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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.
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Personnel:	Not applicable at this time.
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Carers:	Expenditure in relation to carer's services is included within this report.
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Provider Organisations:	Expenditure on services delivered to clients by provider organisations is included within this report.
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Equalities:	Not applicable at this time.
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Fairer Scotland Compliance:	The expenditure on services supports the delivery a Fairer Scotland.
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Financial:	All financial consequences are detailed within this report.
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Legal:	Not applicable at this time.
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Economic Impact:	Not applicable at this time.
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Sustainability:	Not applicable at this time.
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Sustainable Procurement and Article 19:	Not applicable at this time.
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Risk Implications:	<p>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.</p> <p>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%.</p>
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Implications for Glasgow City Council:	<p>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.</p> <p>Within Homelessness, the additional net cost arising from the impact of Home Office asylum decisions to date is £29.722m. 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.</p>
Implications for NHS Greater Glasgow & Clyde:	<p>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.</p>

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 12th December for Council and 31st December 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 £1.815m greater 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 9/Period 10 the net expenditure budget has increased by £3.044m. The changes to the gross expenditure and income budgets are analysed in the following table.

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Explanation	Changes to Expenditure Budget	Changes to Income Budget	Net Expenditure Budget Change
Scottish Government: Children's Social Care Pay Uplift 2025/26	£1,261,000	£0	£1,261,000
Scottish Government: Safer Drug Consumption Facility Funding (Tranche 2)	£1,173,000	£0	£1,173,000
Scottish Government Care Experienced Fund	£768,668	-£768,668	£0
NHS Education for Scotland: Psychology Trainees	£504,329	-£504,329	£0
NHS Education for Scotland: Pay Award for Resident Doctors in Training 2025/26	£462,000	-£462,000	£0
NHSGGC Acute: Alcohol & Drug Recovery Service (ADRS)	£248,432	£0	£248,432
Other Income: Mental Health and ADRS Cross Boundary Flow Income Uplift	£378,000	-£378,000	£0
NHSGGC: Open University Student Backfill	£162,500	£0	£162,500
NHSGGC: Older People Research and Development Sessions for Consultants	£89,419	-£89,419	£0
Scottish Government: Enhanced Services in the Community	£81,023	£0	£81,023
NHSGGC Acute: Care Home Lead Nurse Funding	£64,033	£0	£64,033
GCC: Young Persons Guarantee – Health Improvement	£63,296	-£63,296	£0
Police Scotland Partnerships: Post Interview Support Service	£52,797	-£52,797	£0
Public Health Scotland: Cervical Screening in Mental Health Inpatient Wards	£35,000	£0	£35,000
Other Miscellaneous Adjustments	£70,743	-£51,743	£19,000
Total	£5,414,240	-£2,370,252	£3,043,988

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 £35.208m, representing 89% 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 the ongoing review of the Connect service provision within Adult Services.
- 4.3 The savings realised are reflected in the overall financial position reported in this monitoring statement.

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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 £1.398m.

5.1.2 Employee costs are overspent by £0.253m. Health Visiting is overspent by £1.706m primarily due to lower than budgeted turnover and 80% of staff being at the top of their salary scale. Overtime requirements for absence cover in Children's Houses has resulted in a further overspend of £1.035m. This is offset by an underspend of £2.488m 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 (£1.318m) and Personalisation (£0.805m). This is partly offset by underspends in Provided Fostering (£0.396m), Shared Care and Short Breaks (£0.126m), Public Agencies (£0.245m) and Adoption (£0.208m) based on placement numbers and service demand.

5.1.4 Transfer Payments are overspent by £0.905m. This is primarily within Direct Assistance (£0.800m) and reflects the level of demand and support required in these areas including supporting families with no recourse to public funds. Direct Payments are overspent by £0.107m in relation to Children with Disabilities.

5.1.5 There is an over-recovery in income of £0.858m. £0.184m of which relates to UASC (Unaccompanied Asylum-Seeking Children) income from the Home Office and £0.612m is in relation to the recovery of Direct Payment surpluses.

5.2 Adult Services

5.2.1 Net expenditure is overspent by £7.359m.

5.2.2 Employee costs are overspent by £6.105m. Within Mental Health Inpatient services, expenditure of £11.771m has been incurred on bank nursing staff due to consistently high numbers of observations, sick leave and vacancy cover. This is partly offset by an underspend of £6.597m associated with the high number of trained nursing vacancies. Supplementary nursing costs have reduced over the last 3 months due to the appointment of newly qualified nurses and the additional controls put in place by senior management. Public

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Protection employee costs are also overspent by £0.677m, mainly due to unachieved savings linked to Connect Services.

- 5.2.3 Supplies and Services are overspent by £0.734m mainly due to high drug costs and equipment purchases within Mental Health Services (£0.731m)
- 5.2.4 Purchased services are overspent by £9.250m. Learning Disabilities and Mental Health Services are reporting an overspend of £3.096m due to demand for SDS options 2 & 3 exceeding the available budget. Homelessness is overspent by £6.190m, 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.
- 5.2.5 Transfer payments are underspent by £2.347m. Within Homelessness, Housing Benefit payments to service users in temporary accommodation is overspent by £22.265m, offset by additional funding from GCC of £24.098m to cover asylum expenditure. Public Protection is overspent by £0.367m due to spend on Direct Assistance and is reflective of demand.
- 5.2.6 These overspends are partly offset by an income over-recovery of £6.604m in Home Office asylum funding (£4.730m), the recovery of Learning Disability direct payment surpluses (£0.398m), Mental Health Services unplanned activity (£0.934m).
- 5.2.7 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 underspent by £0.029m.
- 5.3.2 Employee costs are overspent by £0.978m. Health staff costs are overspent by £1.852m 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 £0.874m which includes overspends for agency and overtime to cover vacancies, absences and lower occupancy levels. 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 £1.585m, this reflects current commitment and assumed activity around demand for services.
- 5.3.4 Supplies & Services are overspent by £0.919m within Health, mainly because of demand on the EquipU budget.
- 5.3.5 Income is over recovered by £0.408m because of direct payment recoveries.

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5.4 Resources

- 5.4.1 Net expenditure is overspent by £0.283m.
- 5.4.2 Employee costs are underspent by £1.224m 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.
- 5.4.3 Premises costs are overspent by £1.680m due to repairs and ongoing works on refurb projects.
- 5.4.4 Transport costs are overspent by £0.248m 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.
- 5.4.5 Supplies and Services are underspent by £0.415m. This is across various lines including purchase of services and commitments linked to inflationary pressures.

5.5 Criminal Justice

- 5.5.1 Net expenditure is underspent by £0.545m. 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 £6.651m.
- 5.6.2 Prescribing is currently reporting an underspend of £6.893m. Volumes have been lower than anticipated with current growth forecasts sitting at 2.1% 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 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 In December 2025 a forecasted overspend of £6.9m was reported. To reduce this projected overspend, spending controls have been strictly applied, and recovery planning implemented for areas of overspend, with particular focus on Mental Health Inpatients and the pressures within Children and Families.
- 6.2 A further review of outturns has been undertaken and projected spend has decreased from £6.9m to an overspend of £3.6m. This is largely due to a decrease in prescribing costs of £3.5m. £2.2m of this decrease relates to the anticipated savings from Dapagliflozin becoming generic. £0.7m is due to volumes being lower than budgeted and the remaining balance relates to increases in projected rebates/discounts due.

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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.

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 £1.815m 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.

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Appendix 1

Glasgow City Integration Joint Board

Budget Monitoring Statement to End December/Period 10 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
172,740	Children and Families	124,768	123,370	1,398
411,219	Adult Services	327,596	320,237	7,359
392,425	Older People (incl Dementia)	265,250	265,279	-29
82,067	Resources	47,742	47,459	283
181	Criminal Justice	1,143	1,688	-545
458,315	Primary Care	339,499	346,150	-6,651
1,516,947	Total	1,105,998	1,104,183	1,815

	Funded By :-			
584,780	Glasgow City Council	353,526	353,526	0
938,807	NHS Greater Glasgow & Clyde	753,837	753,837	0
1,610	Drawdown of Earmarked Reserves	1,239	1,239	0
1,525,197		1,108,602	1,108,602	0

8,250	Transfer +to/-from Reserves	2,604	4,419	-1,815
0	Net Balance	0	0	0

2. Reserve Position at End December/Period 10 2025/26

	Balance at 01.04.25 £000	Drawdown to Date/+Upload £000	Balance at End December/ P10 £000
General Reserves	24,279	2,604	26,883
Earmarked Reserves	37,564	-1,239	36,325

3. Forecasted Reserve Position at 31st March 2026

	Balance at 01.04.25 £000	Net Forecasted -Drawdown/ Upload £000	Forecasted Balance at 31.03.26 £000
General Reserves	24,279	8,250	32,529
Earmarked Reserves	37,564	-8,142	29,422

4. Budget Variance by Subjective Analysis

Annual Budget £000		Actual to Date £000	Budget to Date £000	Variance to Date £000
650,615	Employee costs	476,794	472,610	4,184
31,914	Premises Costs	12,346	10,303	2,043
6,465	Transport Costs	4,780	4,520	260
93,328	Supplies and Services	58,282	56,330	1,952
443,610	Third party Costs	309,432	300,010	9,422
71,627	Transfer Payments	74,136	75,914	-1,778
529	Capital Financing Costs	0	0	0
160,341	Prescribing	113,808	120,701	-6,893
270,475	Family Health Services	205,672	205,201	471
1,728,904	Total Expenditure	1,255,250	1,245,589	9,661
211,957	Income	149,252	141,406	7,846
1,516,947	Net Expenditure	1,105,998	1,104,183	1,815

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