Glasgow City IJB Integration Joint Board

Item No: 8

Meeting Date: Wednesday 18 March 2026

Glasgow City Integration Joint Board

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

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Integration Joint Board
Financial Allocations and Budgets for 2026-27

Purpose of Report:	This report will outline the revenue budget for Glasgow City Integration Joint Board for 2026-27 and the budget available for services commissioned from Glasgow City Council and NHS Greater Glasgow & Clyde.

Background/Engagement:	In line with the Integration Scheme, the Chief Officer has fully engaged in Glasgow City Council's budget setting process for 2026-27, which determined the funding allocations delegated to the IJB for 2026-27. The Chief Finance Officer has had discussions with the Assistant Director of Finance in relation to the interim budget offer from NHS Greater Glasgow and Clyde.

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 Integration Joint Board is asked to: a) Note the contents of this report;

	b) Note the funding allocation from Glasgow City Council and the assurances provided in relation to the funding for the pressures in asylum; c) Note the indicative funding allocation from NHS Greater Glasgow and Clyde, subject to confirmation when the out-turn for the 2025-26 financial year has been finalised including totality and distribution of pay awards and other funding have been determined; d) Agree the balanced budget outlined in section 7 including the savings programme detailed in section 7.5; e) Refer the proposed increases to non-residential charges to the Glasgow City Council City Administration Committee for approval; f) Delegate a budget to NHS Greater Glasgow and Clyde of £1,205,514,000 and direct that this budget is spent in line with the strategic plan of the IJB and the proposals included within this paper at section 7 and as amended per these recommendations; and g) Delegate a budget to Glasgow City Council of £623,976,800 and direct that this budget is spent in line with the strategic plan of the IJB and the proposals included within this paper at section 7 and as amended per these recommendations.

Relevance to Integration Joint Board Strategic Plan:

This report describes the financial allocation and budgets made available to the Integration Joint Board for 2026-27 by Glasgow City Council and NHS Greater Glasgow and Clyde which can be used in support of delivery of the Strategic Plan.

Implications for Health and Social Care Partnership:

Reference to National Health & Wellbeing Outcome(s):	The financial framework for the Partnership contributes to the delivery of the 9 national health and wellbeing outcomes that health and social care partners are attempting to achieve through integration.

Personnel:	There has been significant investment in the workforce which supports delivery of Health and Social Care over the last six years with an increase of 10.2% in the health workforce and 7.4% increase in the social care workforce. The challenging financial climate has required savings options to be considered which will result in a reduction in staffing. This report highlights savings options which will result in a reduction of 21.7 FTE (0.4%) in Council services. There is no FTE impact in Health services for these savings options.

Carers:	Supporting carers to sustain them in their caring role remains a strategic priority for the HSCP. All of the budget

	measures proposed here are informed by that commitment.

Provider Organisations:	Some savings options will have impact on services which are commissioned from provider organisations. In line with the IJB's commitments to Ethical Commissioning the HSCP will provide at least three months notice to providers of any changes to contractual arrangements.

Equalities:	Within this report there is reference to proposals against which projected savings targets have been applied. The activity to achieve any proposed savings will be carried out with a focus on equalities and the extent to which any subsequent changes to policies and/or services may impact on any stakeholders, but in particular stakeholders with protected characteristics. Proposals have been subject to a minimum of a preliminary Equality Impact Assessment to understand impacts, inform the development of the proposals, and to take steps to mitigate any impacts identified, wherever possible. EQIA's have been undertaken and published, wherever possible, however for those proposals that are still subject to ongoing reviews, preliminary assessments have been done and EQIA's will be undertaken and published in line with the completion of the reviews. The outcome of the equality considerations of the proposals within this report can be accessed on our website. https://glasgowcity.hscp.scot/equalities-impact-assessments

Fairer Scotland Compliance:	Overall, the expenditure on services within this budget supports the delivery of a Fairer Scotland, however some of the equality impact assessments have identified that there is potential for a disproportionate impact on those living in poverty. Mitigations are being planned wherever possible.

Financial:	Financial implications are detailed throughout this report.

Legal:	The Chief Finance Officer's duties in Scotland require a balanced budget to be set. This is established in s108(2) of the Local Government (Scotland) Act 1973 and s93(3) of the Local Government Finance Act 1992. Directions are being issued in line with the legislation.

Economic Impact:	Not applicable at this time.

Sustainability:	The financial position of the IJB is dependent on the funding allocations received from the Council and the

	Health Board. The financial pressures facing the IJB is unprecedented and is reflective of both cost and demand pressures. The funding allocations received do not fully meet these pressures. On 1 April 2025 the IJB had a General Unearmarked Reserve of £24.2m (1.4% against a target of 2%). The budget strategy for 2026-27 includes the use of General Reserves to allow for the phasing of Service Prioritisation reviews. The total target for Service Prioritisation in 2026-27 is £20m. It is estimated that £10m of General Reserves will be required to support this strategy. If the IJB closes the 2025-26 outturn on budget, then this will result in a planned contribution to General Reserves of £8.3m due to the final year of the budget smoothing strategy for Council superannuation. This will not crystalise until the accounts are prepared in June and audited in September. Holding General Reserves significantly below the 2% target level represents a significant risk to the IJB with concerns already being expressed by external audit. Reserves are a key component of the IJB's funding strategy. General Reserves are not held to meet any specific liability and offer the IJB some flexibility to deal with unforeseen events or emergencies. It is also important for the long-term financial stability and the sustainability of the IJB that sufficient General Reserves are held in reserve to manage unanticipated pressures from year to year.

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

Risk Implications:	Any delays in setting the budget will impact on the IJB's ability to achieve financial balance in 2026-27 and will require recovery plans/emergency budget plans to be put in place which will impact on all services. The IJB faces a number of risks which could require access to general reserves to mitigate against these. This covered more fully in section 8. 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 2026-27 and reported through the financial performance reports to the IJB and IJB Finance, Audit and Scrutiny Committee. The IJB has a statutory duty to deliver a balanced budget within the funding allocations provided by Partner Bodies.

	To achieve this, decisions are required which will result in a number of services being reduced. It is recognised that this comes with a risk in relation to Partner Bodies being able to meet their statutory obligations. There are no other options available to the IJB given the funding available and the pressures being faced.

Implications for Glasgow City Council:	The budget is required to be spent in line with the Strategic Plan and the approved directions.

Implications for NHS Greater Glasgow & Clyde:	The budget is required to be spent in line with the Strategic Plan and the approved directions.

Direction Required to Council, Health Board or Both	
Direction to:	
1. No Direction Required	☐
2. Glasgow City Council	☐
3. NHS Greater Glasgow & Clyde	☐
4. Glasgow City Council and NHS Greater Glasgow & Clyde	☒

1. Purpose

1.1. This report outlined the revenue budget for Glasgow City Integration Joint Board for 2026-27 and the budget available for services commissioned from Glasgow City Council and NHS Greater Glasgow & Clyde.

2. Background

2.1. The Health Board and Local Authority will delegate functions and make payments to the Integration Joint Board (IJB) in respect of those functions as set out in the Integration Scheme. Additionally, the Health Board will also ”set aside” an amount in respect of large hospital functions covered by the Integration Scheme.

2.2. The IJB will make decisions on integrated services based on the strategic plan and the budget delegated to it. The IJB is also required to publish an Annual Financial Statement setting out the total resources included in the Strategic Plan. The IJB will also give directions and make payment where relevant to the Health Board and Local Authority for delivery of the services in line with the Strategic Plan. This should be completed by 1st April each year.

3. IJB and Chief Finance Officer’s Responsibility to Set a Balanced Budget

3.1. The Chief Finance Officer’s duties in Scotland require a balanced budget to be set. This is established in s108(2) of the Local Government (Scotland) Act 1973 and s93(3) of the Local Government Finance Act 1992.

3.2. CIPFA produced the statement 'The Role of the Chief Finance Officer in Local Government'. This sets out how the requirement of this legislation and professional standards should be fulfilled by the Chief Finance Officer in carrying out their role as well as the role of the organisation in meeting these requirements.

3.3. This statement confirms that the IJB has the following responsibilities:

- Establish a medium-term business and financial planning process to deliver the organisation's strategic objectives, including:
  - a medium-term financial strategy to ensure sustainable finances
  - a robust annual budget process that ensures financial balance.
- Ensure that professional advice on matters that have financial implications is available and recorded well in advance of decision making and used appropriately.
- Ensure that those making decisions are provided with information that is fit for purpose – relevant, timely and giving clear explanations of financial issues and their implications.

3.4. This statement confirms that the Chief Financial Officer has the following responsibilities:

- Lead development of a medium-term financial strategy and the annual budgeting process to ensure financial balance and a monitoring process to ensure its delivery.
- CFO deemed to be holder of the 'red card', the CFO must exercise a professional responsibility to intervene in spending plans in order to maintain the balance of resources so that the IJB remains in sound financial health.
- Ensuring that opportunities and risks are fully considered, and decisions are aligned with the overall financial strategy.
- Providing professional advice and objective financial analysis enabling decision makers to take timely and informed business decisions.

4. Financial Allocation from Glasgow City Council

4.1 The Local Government Finance Circular 1/2026 was issued on 13 January 2026 and identified the provisional funding for Glasgow City Council for 2026-27. The settlement from the Scottish Government includes a commitment that funding allocated to Integration Authorities should be additional and not substitutional to each council's 2025-26 recurring budgets.

4.2 On 12 February 2026 the Cabinet Secretary for Finance and Local Government wrote to COSLA advising that an additional £20m would be added to the settlement to support the delivery of the Real Living Wage in commissioned services. This resulted in an additional £2.1m being allocated to the IJB to fund the shortfall in the Scottish Living Wage uplift for commissioned services.

4.3 The Council set its budget on 24 February 2026 and the 2026-27 Budget Report confirmed that additional funding in the settlement for social work activities would be passed on in full to the IJB. The funding uplift included £23.7m to be passed on to providers for Scottish Living Wage (£13.45 per hour). This relates to social care workers in adult and children's commissioned services. This uplift also included £6.7m which was baselining the one-off contribution to pay and employer National Insurance (eNICs) increases that were received in 2025-26. It should be noted that this funding was £2.8m short of the total £6.5m pressure for eNICs in 2025-26, with a recurring pressure of £2.8m included in this 2026-27 budget forecast to ensure a balanced position on a recurring basis.

4.4 The Scottish Government have confirmed the Free Personal and Nursing Care rates, uplifting them by 2.2%. From 1 April 2026 these rates will increase from £254.60 to £260.30 per week for personal care and from £114.55 per week to £117.10 per week for nursing care. The Scottish Government funding has yet to be allocated to local authorities. This Budget forecast assumes that the costs will be fully funded and a further report will be brought back to the Board once the allocation has been determined and notified by the Scottish Government.

4.5 The total Council funding for the IJB in 2026-27 included in the Council's approved budget is therefore £623.977m. The Council's Budget Report also included a commitment to continue to underpin homelessness overspends resulting from Home Office decision-making in 2026-27. This is estimated to be in the region of £56m and will be met by the Council through a variation to the conditions on the use of the General Capital Grant, which has been granted by the Scottish Government. Therefore, this IJB Budget forecast reflects a fully-funded position for homelessness pressure in 2026-27, which will be in addition to the £623.977m. The HSCP continues to work closely with Council officers to mitigate these significant homelessness pressures.

5. Financial Allocation from NHS Greater Glasgow and Clyde Health Board

5.1 The Scottish Government wrote to Health Boards on 13 January 2026 confirming a funding uplift of 2% for Health Boards for non-pay costs to support inflationary pressures. The letter also sets out additional funding to be provided to meet the costs for 2026-27 pay deals. Further pay funding will be passed through to the HSCP if pay deals are agreed in excess of current planning assumptions and funding flows to NHSGGC from Scottish Government. This IJB Budget forecast therefore assumes that Health pay awards will be fully funded.

5.2 NHS Greater Glasgow and Clyde Health Board have provided the IJB with an indicative budget proposal on this basis for 2026-27, which totals £1,205.514m, inclusive of £285.136mm for set aside allocations. This is subject to confirmation once the 2026-27 NHSGGC financial plan has been approved by the Board.

5.3 The Health Board has also confirmed that additional funding will be passed on for Agenda for Change reform, including 2026-27 actual Band 5 to Band 6 costs. Similarly, a separate ring fenced allocation for Reduced Working Week will be provided during 2026-27 based on actual costs incurred and completion of tracking returns. The indicative allocation for Reduced Working Week costs is £4.3m and represents 75% of the £5.7m anticipated costs to the IJB. This Budget forecast assumes that any residual pressure relating to Reduced Working Week will be accommodated within existing budgets, which may impact on service delivery in some areas.

5.4 The Health Board has confirmed that no additional funding will be provided for the outcome of the District Nurses' job evaluation which resulted in the re-bandings from Band 6 to Band 7. The HSCP estimates that this will result in additional unfunded costs in the region of £1m. This Budget forecast assumes that this budget pressure will be accommodated within existing budgets, which may impact on service delivery in some areas. The backdated element of the re-banding totals £2.8m and this has been allowed for in the reported 2025-26 forecast outturn position.

5.5 The set aside budget included within the 2026-27 indicative budget proposal letter continues to be notional budget based on estimated actual usage of in scope. This will continue to be a notional allocation.

5.6 The Health Board has also advised that the Scottish Government have reduced the NHSGGC baseline NRAC figure by £30m from 2026-27. This will also impact allocations in year and nationally shared costs. The Health Board has confirmed at this time, there is no plan to pass on the NRAC baseline reduction to HSCPs in 2026-27. However, the IJB has been advised to plan for a share of the reduction in 2027-28, and this has been built into the Medium Term Financial Plan.

6. Financial Strategy

6.1 The scale of the financial challenge facing the IJB remains significant. It has been recognised for a number of years that funding settlements are not keeping pace with the demand and inflationary pressures which are being faced within the health and social care system. This is borne out by the IJB's updated medium term financial outlook, which is the subject of a separate paper to the IJB and forecasts a funding deficit of £103m over the next three years.

6.2 In response, the IJB has agreed a more strategic response to this scale of financial challenge with the development of the Service Prioritisation programme. The Board has received reports in September, November and January outlining the approach. The Service Prioritisation programme is designed to meet the financial deficit outlined in the Medium Term Financial Outlook.

6.3 The programme commenced the first tranche of reviews in quarter 4 2025-26, in keeping with the governance approach approved in November. Therefore, it was recognised that a prudent estimate needed to be taken as to the levels

of savings the programme was likely to achieve from 1 April 2026 relating to the 2026-27 Budget forecast. As a result, the financial strategy for setting the 2026-27 Budget incorporates a hybrid approach of assumed savings from the Service Prioritisation programme, utilisation of reserves and specific target savings in order to meet the residual budget gap.

7. Proposed Budget for 2026-27

Budget Pressures and Funding Uplifts

7.1 The cost pressures and associated funding uplifts from Partners and the Scottish Government are outlined in the table below. These result in a net budget gap of £33.835m.

Pressures	Total £millions
2025-26 Pressure Funded Non-Recurringly Through Turnover	10.152
Superannuation - Increased Employer Superannuation Rates - Council Services – Budget Smoothing	8.025
Pay Inflation – 2026-27 Award - Council and Health Services	22.638
Pay Inflation - Changes to Employer NI Thresholds and Rates - Council Services	2.800
Cost Pressure - Inflation (Contractual and Economic)	9.579
Scottish Government Funding - Adult and Children and Families Scottish Living Wage	22.284
Unachieved Savings from Prior Years	5.400
Cost Pressure - Homelessness (Asylum)	56.000
Total Pressures	**136.878**

Funding	Total £millions
NHS Funding indicative budget proposal	17.965
Council Funding: supplementary budget approval	5.400
Scottish Government Funding: Adult and Children and Families Scottish Living Wage	22.284
Scottish Government Funding: Children and Families Scottish Living Wage	1.394
Council Funding – Homelessness (Asylum)	56.000
Total Funding	**103.043**

Funding Gap	**33.835**

7.2 This budget includes the budget smoothing strategy agreed in 2024-25 to smooth the impact of Strathclyde Pension Fund employer contributions increasing from 6.5% to 17.5% from 2026-27.

Funding Gap

7.3 The IJB has a statutory responsibility to deliver a balanced budget each year. As outlined in Section 6 of this report, the Service Prioritisation programme represents the main strategy to meet the budget challenge over the next 3 years. However, given the programme only commenced in Q4 2025-26, a hybrid approach to is required to be adopted in 2026-27 to deliver financial balance and meet the £33.835m funding gap. This will include:

- In year savings from the first tranches of Service Prioritisation reviews.
- Specific savings proposals identified within this report for approval.
- The replacement of non-recurring turnover savings with recurring turnover savings within employee costs.
- Pressures which will require to be managed within existing budgets.
- Use of general unearmarked reserves to allow time for additional Service Prioritisation savings to take effect through the year.

7.4 Whilst the use of General Unearmarked Reserves as part of the year-1 Service Prioritisation programme is being proposed, the Board should note that this will still require a total Service Prioritisation saving of £20m to have been identified by the end of 2026-27 in order to move into 2027-28 in financial balance. The Medium Term Financial Outlook projects budget gaps of £36m and £34m in 2027/28 and 2028/29 respectively, therefore it is important that the 2026/27 budget is delivered as outlined.

Savings Proposed

7.5 The next table highlights £33.385m of savings and other measures which have been developed as part of this hybrid approach.

Savings Proposals	26-27 Total £millions	26-27 Health FTE	26-27 Council FTE
Review of Intensive Services - Team Leader Post	0.075		1.0
Merging of Host Family Services / 16+ Management Structure	0.031		1.0
Reprovisioning Whole Family Wellbeing Fund (Commissioned Support)	0.150		
Realigning Family Nurse Partnership Spend	0.200		
Review of Family Functional Therapist Services - 1 Post and License	0.038		1.0
Realigning Adoption Services	0.150		
Review of Glasgow Emergency Out of Hours Services	0.018		
De-registration of Services within Operations & Governance	0.600		
Review of Health & Social Care Connect and Health Services	0.081		4.0
Review of Justice Social Work - Positive Outcomes Project	0.155		3.0
Review of Care Home Management Structure	0.350		7.4
Review of Alcohol and Drug Services	0.221		
Alcohol and Drug Services Posts Realigned to Justice Services	0.190		
Maximising Income from Third Parties	0.400		
Review of Local Area Co-ordination Teams	0.245		5.3
Review of Commissioned Services within Adult Services	0.309		
Review of Budgeted Establishment Within Support Services	0.423		6.0
Spend to Save - Net Income Recovery within Support Services	0.100		-7.0
Increase Charges to Service Users by 4.8% 2026-/27	0.070		
Total Savings Proposals	**3.806**	**0.0***	**21.7***

*FTE identified to date (prior to Service Prioritisation reviews)

7.6 Appendix 1 provides high level details of these savings proposals for reference. EQIA assessments are included at the link below: https://glasgowcity.hscp.scot/equalities-impact-assessments

7.7 The Service Prioritisation Programme is subject to the approved governance framework which was agreed at the November Board meeting. However, all financial savings outlined above will be tracked and scrutinised by the Integration Transformation Board (ITB). The ITB also tracks any recovery actions taken by senior management to offset slippages in agreed savings or other cost pressures. This meeting is chaired by the Chief Finance Officer and comprises the HSCP Assistant Chief Officers and other staff as required and relevant to the actions being developed and implemented. Updates on delivery of programs are included in each budget monitoring report presented to IJB and IJB Finance, Audit and Scrutiny Committee.

7.8 The savings proposals outlined in section 7.5 include a proposal to increase non-residential services to reflect the increased cost of delivery. Most charges will see a 4.8% uplift and there are no increases to aids and adaptations or blue badge administration. Charges for the transition from analogue to digital telecare have also been reviewed with the differential between the anticipated costs and actual costs not being as high as originally anticipated. It is proposed to increase the existing Community Alarm unit cost by 4.8% in 2026-27 to £4.34. This unit cost will be reviewed for 2027-28 to ensure future cost recovery. These changes will require a change to the Council's charging policy. The IJB does not have the legal powers to introduce or change charges. This legal power lies with the Council. If approved by the IJB, Glasgow City Council will require to be directed to revise their charging policy to secure the additional income which these savings will generate.

7.9 The savings above will result in a reduction of 21.7 FTE across a range of Council services, which is a reduction of 0.4%. A range of options will be used to minimise the impact on employees, including the non-filling of vacancies, the use of natural attrition and redeployment of staff where appropriate. Where delivery cannot be delivered through these options, voluntary redundancies/early retirements may be required, and these will be considered on a case-by-case basis.

7.10 Appendix 2 provides a summary of the proposed 2026/27 budgets split per client group and spend type. This summary incorporates all actions referenced in section 7.

Summary of Proposed Budget

7.11 The above proposals deliver a balanced budget for the IJB, and this is summarised as follows:

Summary Proposed Strategy	£millions
Funding Gap	33.835
Service Prioritisation Programme	10.000
Recurring Turnover Savings	9.000
Savings Previously Approved by the IJB	0.449
Savings Proposed Within This Report	3.806
Use of General Reserves	10.580
Balanced Budget	**0.000**

8. Reserves and Risks to be Managed

8.1 The table below summarises the current unearmarked General Reserves position of the IJB:

Unearmarked General Reserves	£millions
Balance 1 April 2025	24.2
Budgeted contribution 2025-26	8.3
2025/26 forecast adverse outturn variance	-3.6
Projected balance 31/3/26	28.9
Use of balances proposed in this report*	-10.0
Projected Unearmarked General Reserve 31/3/27	**18.9**

*Assumption: As part of the 2025-26 year end outturn and annual accounts process the IJB will utilise non-recurring carry forwards from Health services anticipated to be £0.580m.

8.2 The IJB has a policy to hold general unearmarked reserves of 2% to protect against unforeseen events and pressures. 2% of net expenditure equates to around £34m.

8.3 The in year movements for 2025-26 will not crystallise until the accounts are prepared in June and audited in September but could result in a revised general reserve of £28.9m reserve for 2026-27. The proposed utilisation of £10m to support the balanced budget for 2026-27 would result in projected closing reserves in 2026-27 of £18.9m (1.1%).

8.4 Holding General Unearmarked Reserves significantly below the 2% target level represents a significant risk to the IJB with concerns already being expressed by external audit. Reserves are a key component of the IJB's funding strategy. General Unearmarked Reserves are not held to meet any specific liability and offer the IJB some flexibility to deal with unforeseen events or emergencies. It is also important for the long-term financial stability

and the sustainability of the IJB that sufficient General Reserves are held in reserve to manage unanticipated pressures from year to year.

8.5 However, as outlined in this proposed budget, the IJB has a clear approved strategic approach to addressing the medium term funding gap identified in the Medium Term Financial Outlook through the Service Prioritisation Programme. The one-off utilisation of reserves to support the delivery of this programme is preferable to a less strategic approach to annual budget setting. It is also noted that the Service Prioritisation Programme will seek to stretch its overall three year target over that period in order to deliver contributions to reserves, allowing the IJB to work towards the 2% target by 2028-29.

8.6 When setting the budget for 2026-27 it should be noted there are a number of risks and matters of material uncertainty which may require access to general reserves to mitigate against these during 2026-27:

- The budget includes a savings programme of £22m for delivery (excluding draw from reserves). This will be challenging to deliver fully in one year.
- Prescribing budgets remain volatile especially in relation to pricing. Every 1% pressure on this budget represents a risk to the IJB of £1.6m. Given the current projected underspend position of the prescribing budget of £8m, and the current projections on price and volume not materially changing in the short term modelling, no uplift in prescribing budgets have been provided for as a pressure in the 2026-27 budget. However, there is an earmarked prescribing reserve of £2.7m which would be used in the first instance to offset any overspends.
- It is estimated that £3.0m of 2025-26 savings will remain outstanding for delivery as per the latest ITB tracker report.
- There has been no scope to fund demographic/demand pressures within this budget. Services will be asked to manage this within existing budgets.
- There is no specific allowance for significant general inflationary pressures, for example due to geopolitical developments.
- Planning assumptions for pay awards have been made in line with the public sector pay policy and the budget assumes any additional pay award within health will be fully funded by the Health Board.
- There is an ongoing review of the Greater Glasgow and Clyde Integration Schemes, which includes a review of hosted services, including how the financial risk and reward is accounted for. The outcome of this review is not yet known.

9. Statement from Chief Social Work Officer

9.1 £19.6m of reductions to Social Work Services budgets are required as part of this proposed budget. In fulfilling the statutory Chief Social Work Officer (CSWO) role, I am required to provide assurance that Glasgow City Council and the IJB continue to meet their legislative duties and professional standards in relation to social work services. In line with statutory guidance, I am assured that the proposals within this budget enable the local authority and the IJB to continue the safe, effective and lawful discharge of their social work functions,

including the delivery of core public protection duties and the management of risk for individuals and communities with the highest levels of need and vulnerability, wherever possible. Robust governance and professional oversight arrangements remain in place, reported through the IJB Finance and Audit Scrutiny Committee, to ensure services are delivered in accordance with legal requirements, national guidance, and professional standards, and that risk is identified, assessed and actively managed.

9.2 Notwithstanding this assurance, it is important to acknowledge that the scale of savings required in this budget, and over the period of the Medium Term Financial Outlook, will have an impact on the capacity of services to respond to increasing and emerging demand. In some areas this may result in longer waiting times or a reduced level of non-statutory support. However, available resources will continue to be targeted towards those with the greatest need across children's, adult and older people's services. This will be supported through continued transformation activity via the Service Prioritisation programme and evidence-based methodology, proportionate and flexible assessment and care planning, and by maximising the contribution of partnership working.

9.3 I would note that the Integration Joint Board continues to invest significantly in prevention, early intervention and harm reduction approaches which support individuals, families and carers, both through directly delivered services and purchased services, to reduce longer term demand on statutory services and contribute to improved outcomes. This approach remains critical to managing risk, maintaining public protection responsibilities, and ensuring that statutory social work duties can be discharged safely and effectively within the available financial envelope.

9.4 As CSWO, I want to highlight that not agreeing a balanced budget comes with serious risks. Failure to do so would undermine the ability of services to prioritise individuals with the highest levels of need and risk and would materially impact the Partnership's capacity to meet its statutory responsibilities. The budget proposals put forward reflect extensive consideration of how best to minimise and mitigate the impact of reductions wherever possible. A departure from this approach would inevitably lead to reduced access to services and increased levels of unmanaged risk within communities.

9.5 The use of reserves to avoid direct impact on services is welcomed, to allow time for Service Prioritisation to embed and realise savings, based on best value, maximising independence and prioritising those at the greatest risk of health and social care decline. As a member of the Service Prioritisation Executive Steering Group, the CSWO role includes providing assurance throughout decision-making and implementation of any changes. As noted above, it is the responsibility of the CSWO to ensure that the IJB remains compliant with statutory responsibilities and promptly identify and report any issues to the IJB, which forms part of the governance arrangements for Service Prioritisation.

10. Implications of Not Setting a Balanced Budget

10.1 If the IJB does not approve a balanced budget this will require a recovery plan to be put in place immediately to ensure that the IJB remains in financial balance and does not enter into expenditure which cannot be met from the funding which is available. This would result in a freeze on all new expenditure until financial balance is secured and would impact on all services delegated to the IJB. This would impact on all expenditure including recruitment and approval of care packages. The recommendation of the Chief Officer and the Chief Finance Officer is the budget strategy which has been summarised at section 7.

11. Criminal Justice

11.1 The funding for Community Justice Authorities comes to IJB's from Scottish Government and continues to be ring-fenced solely for the provision of criminal justice social work services.

11.2 A letter was received from Scottish Government on 6th March 2026 which confirms an allocation of £25,599,234. Plans will now be developed to manage this service within the funding available.

12 Recommendations

12.1 The Integration Joint Board is asked to:

a) Note the contents of this report;
b) Note the funding allocation from Glasgow City Council and the assurances provided in relation to the funding for the pressures in asylum;
c) Note the indicative funding allocation from NHS Greater Glasgow and Clyde, subject to confirmation when the out-turn for the 2025-26 financial year has been finalised including totality and distribution of pay awards and other funding have been determined;
d) Agree the balanced budget outlined in section 7 including the savings programme detailed in section 7.5;
e) Refer the proposed increases to non-residential charges to the Glasgow City Council City Administration Committee for approval;
f) Delegate a budget to NHS Greater Glasgow and Clyde of £1,205,514,000 and direct that this budget is spent in line with the strategic plan of the IJB and the proposals included within this paper at section 7 and as amended per these recommendations; and
g) Delegate a budget to Glasgow City Council of £623,976,800 and direct that this budget is spent in line with the strategic plan of the IJB and the proposals included within this paper at section 7 and as amended per these recommendations.

Direction from the Glasgow City Integration Joint Board

1	**Reference number**	180326-8
2	**Report Title**	Integration Joint Board Financial Allocations and Budgets for 2026-27
3	**Date direction issued by Integration Joint Board**	18 March 2026
4	**Date from which direction takes effect**	18 March 2026
5	**Direction to:**	Glasgow City Council and NHS Greater Glasgow and Clyde jointly
6	**Does this direction supersede, revise or revoke a previous direction – if yes, include the reference number(s)**	No
7	**Functions covered by direction**	Budget 2026-27
8	**Full text of direction**	Glasgow City Council is directed to spend the delegated net budget of £623,976,800 in line with the Strategic Plan and the budget outlined within this report. NHS Greater Glasgow and Clyde is directed to spend the delegated net budget of £1,205,514,000 in line with the Strategic Plan and the budget outlined within this report.
9	**Budget allocated by Integration Joint Board to carry out direction**	The budget delegated to NHS Greater Glasgow and Clyde is £1,205,514,000 and Glasgow City Council is £623,976,800 as per the report.
10	**Performance monitoring arrangements**	The budget will be monitored through standard budget monitoring arrangements.
11	**Date direction will be reviewed**	1 April 2027

APPENDIX 1: Savings Proposals 2026/27

Saving Proposal	Description	26/27 £millions
Review of Intensive Services - Team Leader Post	Temporary savings proposal to hold 1 team leader vacancy for 2026-27. This will permit a full service review to take place and deliver permanent savings.	0.075
Merging of Host Family Services / 16+ Management Structure	Merging of Host Families/ 16+ management structure (from October 2026), pending a planned retirement.	0.031
Reprovisioning Whole Family Wellbeing Fund (Commissioned Support)	Proposal is to seek approval to divert this spend into augmenting the 'as is' system given current operational pressures. Commissioned support from an external provider was intended to develop family support and align learning across the Child Poverty Programme & Public Sector Reform agenda.	0.150
Realigning Family Nurse Partnership Spend	Removal £0.200m from the annual Family Nurse Planning Partnership underspend on a temporary 1 year basis. This will permit a full service review to take place and deliver permanent savings.	0.200
Review of Family Functional Therapist Services - 1 Post and License	Removal of 1 Family Functional Therapist post (part year Grade 7). This programme is coming to an end, and the Team Leader has indicated plans to retire. As the programme end the current licence will not be renewed.	0.038
Realigning Adoption Services	Removal of £0.150m recurring underspend from the Adoption services budget on a temporary 1 year basis. This will permit a full service review to take place and deliver permanent savings.	0.150
Review of Glasgow Emergency Out of Hours Services	To meet the savings target, mandatory manager pre-authorisation all overtime (except in emergency or statutory situations) and regular monitoring/ reporting will be introduced.	0.018

APPENDIX 1: Savings Proposals 2026/27

Saving Proposal	Description	26/27 £millions
De-registration of Services within Operations & Governance	Removal of £0.600m recurring underspend from the Commissioned services budget within Operations & Governance.	0.600
Review of Health & Social Care Connect and Health Services (HSCC)	Review of the staffing composition within HSCC to convert 4 Qualified Social Worker posts into Social Care Worker posts. Removal of £0.038m recurring underspend from the Health budget within Operations & Governance.	0.081
Review of Justice Social Work - Positive Outcomes Project	The Positive Outcomes Project (POP) is a joint partnership between Glasgow HSCP, Police Scotland, and third-sector partners. POP works with some of the city's most persistent offenders who are affected by substance or alcohol misuse and complex needs. Police Scotland withdrew their personnel from the project last year due to budget pressures. This has significantly affected the operational viability of POP and has limited the ability to continue delivering the model as originally intended. On this basis and given that the service cannot continue in its original partnership model, the decision to consider closing the project is being considered and is aligned to the HSCP's responsibility to protect statutory service delivery.	0.155
Review of Care Home Management Structure	This proposal aims to deliver recurring financial savings by reducing the number of geographical areas that home care support and management. The number of areas will reduce from 25 to 24.	0.350
Review of Alcohol and Drug Services	Applying a target to services that consistently deliver on their core outcomes but also have significant	0.221

APPENDIX 1: Savings Proposals 2026/27

Saving Proposal	Description	26/27 £millions
	recurring underspends against their budgets, which can be due to a number of factors including high turnover. The proposal is to release budget without reducing the funded establishment of the service, effectively utilising turnover and other uncommitted funding, without impacting on service delivery.	
Alcohol and Drug Services Posts Realigned to Justice Services	Prioritisation of core/statutory service by identifying posts not actively delivering on statutory duties. These posts will be redeployment/realignment to funded vacancies within Justice Services.	0.190
Maximising Income from Third Parties	Under current arrangements income is recoverable from third party organisations who access services. This in the main relates to other Health Boards. Additional income is being recovered as a result of increased activity and more detailed recording of activity levels. This additional income will now be baselined.	0.400
Review of Local Area Co-ordination Teams	Reduction of staffing establishment in both Local Area Coordination Team and Inclusion Officer Team. This is reflective of current vacancies and planned retirements.	0.245
Review of Commissioned Services within Adult Services	Savings will be secured through a targeted review of Residential Supported Living and Non-Residential commissioned services. Ongoing care planning with individual service users, ensuring throughput where possible, and moving from block purchasing to a housing benefit model. Learning Disability specific work is ongoing to improve our shared services and clustered supported living	0.309

APPENDIX 1: Savings Proposals 2026/27

Saving Proposal	Description	26/27 £millions
	model which will generate savings and optimise on the throughput and flow for service users moving from hospital or within the community to longer term, sustainable placements. Through the new Alcohol and Drug tender there will be efficiencies achieved as part of the best value modelling. This includes bringing together outreach services into one citywide outreach service and reviewing the standalone abstinence community recovery programme.	
Review of Budgeted Establishment Within Support Services	A review of support services functions within Resources is proposed. This is to ensure that support services remain proportionate to the size of the organisation and is in recognition of the financial challenges facing the HSCP. This will result in some reductions to services however opportunities for reforming services to deliver integrated support services have also been taken where they are available. Services within scope include Business Administration, Finance, HR and Commissioning.	0.423
Spend to Save - Net Income Recovery within Support Services	The Finance team has identified opportunities for streamlining processes and generating additional income across multiple client groups. These opportunities include dedicating additional resources to financial assessment reviews, direct payment surplus recoveries and recoveries of debt secured via charging orders for clients in care homes.	0.100

APPENDIX 1: Savings Proposals 2026/27

Saving Proposal	Description	26/27 £millions
	This proposal builds on lessons learned from a temporary pilot within the Direct Payment (DP) Team which evidenced the benefits of supporting this type of work on an ongoing basis. To support this, additional staffing will be required within the DP Team, Financial Assessment & Income Team (FAIT) and the Care Home Finance Team (CHF).	
Increase Charges to Service Users by 4.8% 2026-27	Fees and charges should be subject to annual increases each year to reflect the inflationary increases which are experienced to the cost of delivering services which are subject to charges. It is proposed to increase charging by 4.8%. Costs of service delivery have been running at higher than inflation and to support cost recovery a 4.8% increase in charges is recommended. As is normal, these fees and charges will be subject to financial assessment, where this is relevant, and service users will be income maxed to mitigate the impact on service users.	0.070

APPENDIX 2: Budgeted Expenditure and Income for the Year ending 31 March 2027

Budget 2025/26 £	Expenditure	Budget 2026/27 £	Budget 2025/26 £	Income	Budget 2026/27 £
414,253,093	**Older People/Physical Disability**	**433,530,706**	**60,341,232**	**Older People/Physical Disability**	**60,341,232**
214,604,318	Employee costs	223,480,902	60,341,232	Income	60,341,232
5,960,833	Premises costs	5,960,833			
16,786,999	Supplies and services	16,786,999			
2,348,324	Transport and plant	2,348,324			
7,887,058	Transfer payments	7,887,058			
166,665,561	Third party payments	177,066,590			
182,275,274	**Children and Families**	**190,174,903**	**7,486,671**	**Children and Families**	**7,486,671**
98,963,299	Employee costs	103,910,747	7,486,671	Income	7,486,671
2,769,700	Premises costs	2,769,700			
4,351,502	Supplies and services	4,351,502			
767,800	Transport and plant	767,800			
13,342,475	Transfer payments	13,342,475			
62,080,498	Third party payments	65,032,679			
204,279,075	**Operations & Governance**	**208,668,286**	**113,806,860**	**Operations & Governance**	**113,806,860**
58,178,538	Employee costs	60,540,399	113,806,860	Income	113,806,860
15,805,351	Premises costs	15,805,351			
12,357,654	Supplies and services	12,357,654			
308,324	Transport and plant	308,324			
35,455,302	Transfer payments	35,455,302			
82,173,906	Third party payments	84,201,256			

APPENDIX 2: Budgeted Expenditure and Income for the Year ending 31 March 2027

Budget 2025/26 £	Expenditure	Budget 2026/27 £	Budget 2025/26 £	Income	Budget 2026/27 £
349,933,902	**Adults**	**370,321,514**	**81,740,013**	**Adults**	**82,140,013**
199,597,206	Employee costs	208,437,097	81,740,013	Income	82,140,013
687,755	Premises costs	687,755			
8,329,122	Supplies and services	8,329,122			
1,533,645	Transport and plant	1,533,645			
14,215,057	Transfer payments	14,215,057			
125,571,117	Third party payments	137,118,838			
259,932,967	**Resources**	**255,459,428**	**88,640,107**	**Resources**	**92,465,317**
62,752,832	Employee costs	75,473,092	88,640,107	Income	92,465,317
6,676,335	Premises costs	6,676,335			
14,929,253	Supplies and services	14,929,253			
1,455,834	Transport and plant	1,455,834			
174,042,613	Resource Transfer	177,422,823			
76,100	Third party payments	82,091			
0	Service Prioritisation	-10,000,000			
0	Use of Reserves	-10,580,000			
710,601,370	**Primary Care & Set Aside**	**711,008,596**	**11,155,052**	**Primary Care & Set Aside**	**11,155,052**
10,232,726	Employee costs	10,639,952	11,155,052	Income	11,155,052
150	Premises costs	150			
0	Supplies and services	0			
3,261	Transport and plant	3,261			
51,723	Third party payments	51,723			
158,387,893	Prescribing	158,387,893			
270,441,617	Family Health Services	270,441,617			
271,484,000	Set Aside	271,484,000			

APPENDIX 2: Budgeted Expenditure and Income for the Year ending 31 March 2027

Budget 2025/26 £	Expenditure	Budget 2026/27 £	Budget 2025/26 £	Income	Budget 2026/27 £
2,121,275,681	**Gross Expenditure**	**2,169,163,433**	**363,169,935**	**Gross Income**	**367,395,145**
			1,758,105,746	**Net Expenditure Before Funding**	**1,801,768,288**
			1,758,105,746	**Funding**	**1,801,768,288**
			583,519,304	Glasgow City Council;	612,597,304
			1,174,586,442	NHS Greater Glasgow and Clyde	1,189,170,984
			0	**Total After Funding**	**0**