Item No: 9

Meeting Date: **Wednesday 19th March 2025**

Glasgow City Integration Joint Board

Report By: **Margaret Hogg, Interim Chief Officer, Finance and Resources**

Contact: **Margaret Hogg**

Phone: **0141 287 8838**

Medium Term Financial Outlook 2025 – 2028

Purpose of Report:	This report outlines the Medium Term Financial Outlook for the Integration Joint Board (IJB) and has been prepared to support financial planning and delivery of the IJB's Strategic Plan.
Background/Engagement:	This plan has been developed to support financial planning and delivery of the IJB's Strategic Plan. This outlook has been developed taking into consideration the context for all services and Partner Bodies.
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) Approve the Medium Term Financial Outlook 2025 – 2028.

Relevance to Integration Joint Board Strategic Plan:

This report outlines the funding and expenditure requirements over the medium term to support delivery of the Integration Joint Board Strategic Plan.

Implications for Health and Social Care Partnership:

Reference to National Health & Wellbeing Outcome(s):	Not applicable at this time.
Personnel:	Any implication for Personnel can only be established once final funding allocations are known from Partner Bodies, and the implications for Personnel can be assessed.
Carers:	Expenditure in relation to Carers' services is included within this draft medium term financial outlook.
Provider Organisations:	Expenditure on services delivered to clients by provider organisations is included within this draft medium term financial outlook.
Equalities:	Not applicable at this time.
Fairer Scotland Compliance:	The expenditure on services supports the delivery of a Fairer Scotland.
Financial:	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 this financial outlook which estimates a funding shortfall of £118m over the next three financial years. A financial framework is required to be put in place which is prudent and ensures that financial commitments are managed within the available resources. This will require the IJB to take difficult, yet proportionate decisions, to ensure that services are sustainable both in terms of meeting the demands of the population of Glasgow City but also be sustainable within the financial envelope which is available.
Legal:	The Integration Scheme requires Glasgow City Council and NHS Greater Glasgow and Clyde to consider budget proposals based on the Strategic Plan as part of their respective annual budget setting processes. This is required to include assumptions on a range of issues including but not limited to: • activity changes • cost inflation • efficiencies

	• performance against outcomes • legal requirements • transfer to or from amounts sets aside by the Health Board • adjustments to address equity of resource allocation

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. The IJB has an opportunity as part of proposed budget smoothing to use the impact of these additional savings to increase General Reserves in 2024-25 and 2025-26. If this crystallises at the end of the financial year 2025-26 and there is no requirement to access reserves during 2025-26, this has the potential to increase general reserves to £23.1m at the end of 2025-26. This would represent 1.5% compared to the targeted 2% for General Reserves. 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 is 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. When setting the budget for 2025-26 the IJB recognises that there are a number of risks which may require access to general reserves to mitigate against these. These include: • The 2025-26 budget includes a savings programme of £44m for delivery. This will be challenging to delivery fully in one year and may require reserves to smooth implementation. A 10% non-delivery represents a risk of £4.4m. • It is estimated that £5.7m of savings will remain outstanding for delivery at the end of the financial year. • At this stage planning assumptions are that full funding from Scottish Government for the changes to national insurance rates and thresholds will be in place for

	Community Health Services. Any shortfall represents a risk to the IJB. • At this stage there is no provision made for the cost of changes to national insurance rates and threshold for commission services. Scottish Government are still pursuing funding from the UK Government. Failure to secure this funding represents a risk of £8m to Glasgow City IJB. • Prescribing budgets remain volatile especially in relation to pricing. Every 1% pressure on this budget represents a risk to the IJB of £1.7m. • There has been no scope to fund demographic/demand pressures within this budget. Services will be asked to manage this within existing budgets. This risk is estimated at £5m. • Planning assumptions for pay awards have been made in line with the public sector pay policy. Every 1% above this assumption would represent a cost of £5.5m.

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

Risk Implications:	The Medium-Term Financial Outlook makes a number of assumptions about funding and expenditure requirements between 2025 and 2028. Sensitivity analysis is used to test the major assumptions made by the model and understand what the implications are if assumptions change. This effectively tests 'what if' scenarios and enables the IJB to determine the potential fluctuation which could exist within the modelling and will assist future planning.

Implications for Glasgow City Council:	The Integration Scheme requires Glasgow City Council to consider draft budget proposals based on the Strategic Plan as part of their annual budget setting processes.

Implications for NHS Greater Glasgow & Clyde:	The Integration Scheme requires NHS Greater Glasgow and Clyde to consider draft budget proposals based on the Strategic Plan as part of their annual budget setting processes.

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. The IJB's Strategic Plan set out the ambitions of Glasgow City IJB. However, it is important that this is set within the context of the funding which is available to support delivery, and medium-term financial planning is an important part of the strategic planning process.

1.2. Audit Scotland recognise that IJBs are facing significant financial sustainability challenges as cost pressures, demand and needs for service continue to increase and become more complex. It also recommends that medium-term financial plans are kept updated to reflect all known cost pressures, to support informed decision-making on the delivery of sustainable service provision and reform in the future.

1.3. Glasgow City IJB Medium Term Financial Outlook for 2025 – 2028 has been developed to support the delivery of the 2023 – 2026 Strategic Plan and the updated plan which is being developed.

2. Financial Context

2.1 The Medium Term Financial Outlook provides an opportunity for the IJB to gain an understanding of the financial climate in which it will operate over the medium term. This has been done by considering the impact of a range of factors, which are illustrated below and reflect the complexity of factors which can impact on IJB financial pressures.

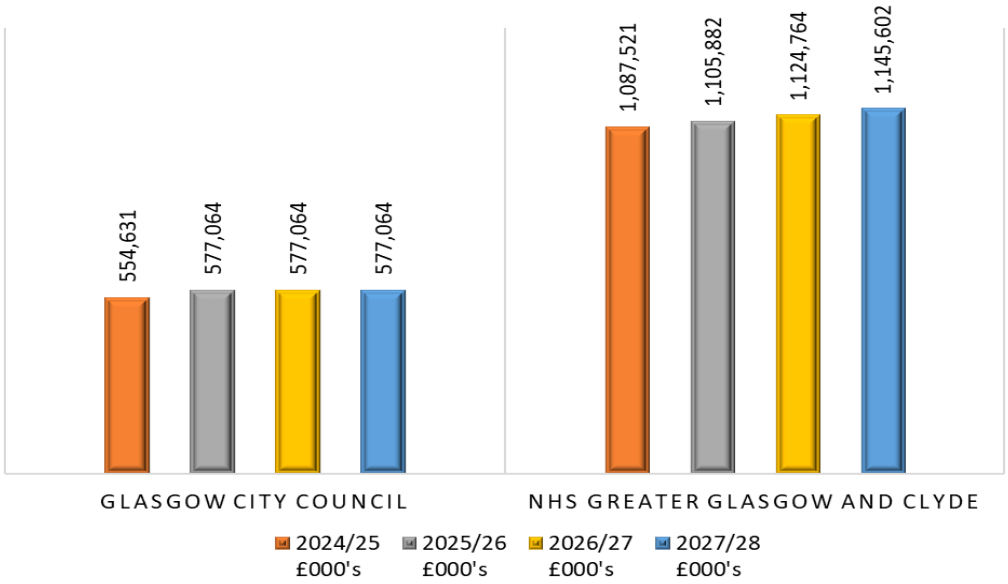


Impact on Funding

2.2 The IJB is reliant on funding from Glasgow City Council and NHS Greater Glasgow and Clyde. These Partners' contributions are contingent on their respective financial planning and budget setting processes, as well as the financial settlements which each body receives from the Scottish Government. The budget setting process will also consider the level of savings which will be applied to the IJB by both Partner bodies.

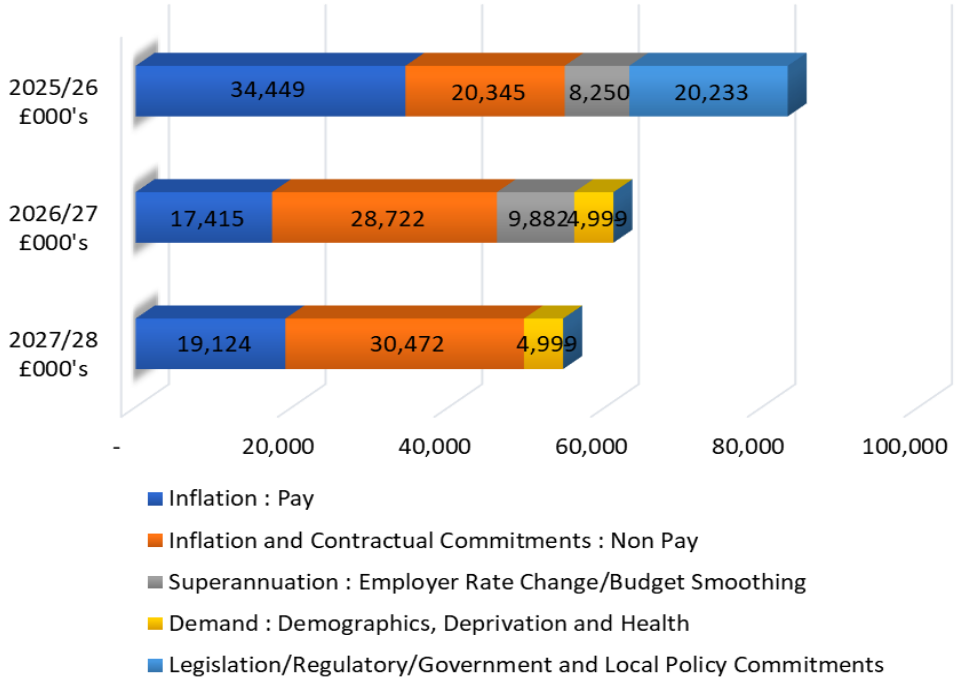
2.3. The Integration Scheme requires Glasgow City Council and NHS Greater Glasgow and Clyde to consider draft budget proposals based on the Strategic Plan as part of their respective annual budget setting processes. The funding which is proposed to be delegated to the IJB from Glasgow City Council and NHS Greater Glasgow and Clyde for 2025-26 is reflected within this document. This is the subject of a separate report to the March IJB.

2.4. Funding assumptions beyond this are based on the best information available at this time. The financial context of partners is challenging and therefore it is deemed prudent to assume that there will be no funding uplift from either the Health Board or the Council over the next three financial years.



Impact on Expenditure

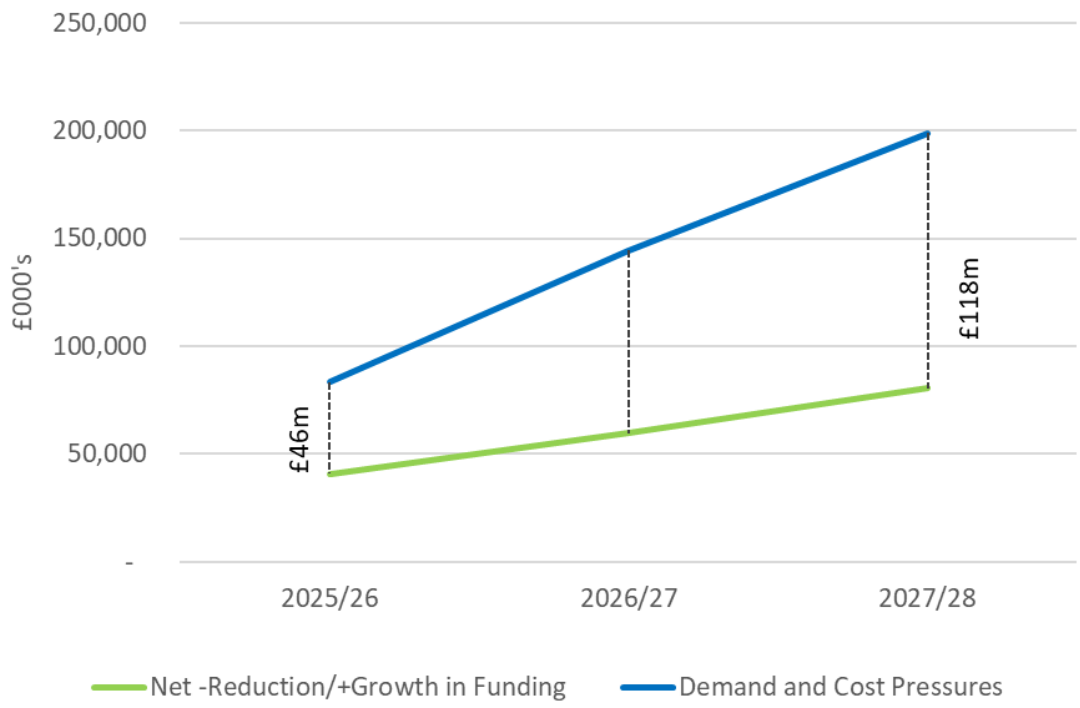
2.5 Each year the IJB will face cost pressures as a result of range of factors including demand, inflation and changes in legislation/regulations. This outlook has assessed the key factors likely to impact over the medium term and estimates that the IJB will face cost and demand pressures of £199m over the next three years.



2.6 The Medium Term Financial Outlook also reflects the recurring and non-recurring saving which took effect in 2024-25 following a reduction to employers' superannuation contribution rates from 19.3% to 6.5% for 2024-25 and 2025-26, increasing to 17.5% from 2026-27. This results in a recurring and a non-recurring reduction in 2024-25. With costs increasing by £27.5m in 2026-27 when rates are increased. The budget smoothing strategy agreed by the IJB to smooth this pressure is reflected in the graph above.

Impact on Financial Position

2.7 The assessment of both funding and expenditure identifies a shortfall in funding of £118m and represents the scale of the challenge facing the IJB over the medium term.



2.8 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 this financial outlook which estimates a funding shortfall of £118m over the next three financial years, which increases to £259m if the costs of asylum are included in 2026-27 and 2027-28.

2.9 A financial framework is required to be put in place which is prudent and ensures that financial commitments are managed within the available resources. This will require the IJB to take difficult, yet proportionate decisions, to ensure that services are sustainable both in terms of meeting the demands of the population of Glasgow City but also be sustainable within the financial envelope which is available.

2.10 A financial strategy is proposed within this context. The scale of the financial challenge in 2025-26 is significant and has required a nuanced response which deliver the least worst proposals which in some cases may not be attractive but is the best of the available options. The overriding principle will be to protect core services which deliver care and protection to those who are assessed as requiring it and uphold our statutory responsibilities wherever possible.

2.11 The scale of the financial challenge in future years is such that a more fundamental review of service provision is required so that decisions can be taken on what the future shape of service provision looks like. This work will commence during 2025-26 and will be the subject of future updates to the IJB.

3 Recommendations

3.1 The Integration Joint Board is asked to:

a) Approve the Medium Term Financial Outlook 2025 – 2028.

Direction from the Glasgow City Integration Joint Board

1	**Reference number**	190325-9
2	**Report Title**	Medium Term Financial Outlook 2025 - 2028
3	**Date direction issued by Integration Joint Board**	19 March 2025
4	**Date from which direction takes effect**	19 March 2025
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)**	Yes (reference number: 200324-8) - supersedes
7	**Functions covered by direction**	All functions as outlined in the Medium-Term Financial Outlook.
8	**Full text of direction**	The Integration Scheme requires Glasgow City Council and NHS Greater Glasgow and Clyde to consider draft budget proposals based on the Strategic Plan as part of their annual budget setting processes. Both Partners are requested to consider this Medium-Term Financial Outlook as part of their annual budget process for 2026–27 and 2027–28.
9	**Budget allocated by Integration Joint Board to carry out direction**	Not relevant at this stage.
10	**Performance monitoring arrangements**	In line with the agreed Performance Management Framework of the Glasgow City Integration Joint Board and the Glasgow City Health and Social Care Partnership.
11	**Date direction will be reviewed**	31 March 2026

Glasgow City IJB
Integration Joint Board

Glasgow City Integration Joint Board

MEDIUM TERM FINANCIAL OUTLOOK 2025-2028



NHS
Greater Glasgow and Clyde

Glasgow
CITY COUNCIL

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Executive Summary

Glasgow City Integration Joint Board (IJB) Medium Term Financial Outlook provides a medium-term view of the challenges and opportunities which face the IJB and considers what the implications of this are for the finances of the organisation. This is an essential piece of the strategic planning process which underpins the delivery of the IJB's ambitions and priorities. A robust medium term financial outlook will support strategic planning, balancing the financial impact of IJB policies and objectives whilst ensuring that the organisation remains financially sustainable.

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 this financial outlook which estimates a funding shortfall of £118m over the next three financial years.

A financial framework is required to be put in place which is prudent and ensures that financial commitments are managed within the available resources. This will require the IJB to take difficult, yet proportionate decisions, to ensure that services are sustainable both in terms of meeting the demands of the population of Glasgow City but also be sustainable within the financial envelope which is available.

A financial strategy is proposed within this context. The scale of the financial challenge in 2025-26 is significant and has required a nuanced response which will deliver the least worst proposals which in some cases may not be attractive but is the best of the available options. The overriding principle will be to protect core services which deliver care and protection to those who are assessed as requiring it and uphold our statutory responsibilities wherever possible.

The scale of the financial challenge in future years is such that a more fundamental review of service provision is required so that decisions can be taken on what the future shape of service provision looks like. This work will commence during 2025-26 and will be the subject of future updates to the IJB. This financial strategy estimates the scale of the change which will be required to maintain financial balance over the short-medium term and will be used to inform this work.

There remains a high level of volatility across a number of areas including and not limited to demand, global price markets, inflation, and the cost-of-living crisis. For that reason, we will need to keep our financial strategy under review and make changes where necessary to ensure it is relevant and reflective of the environment in which we operate.

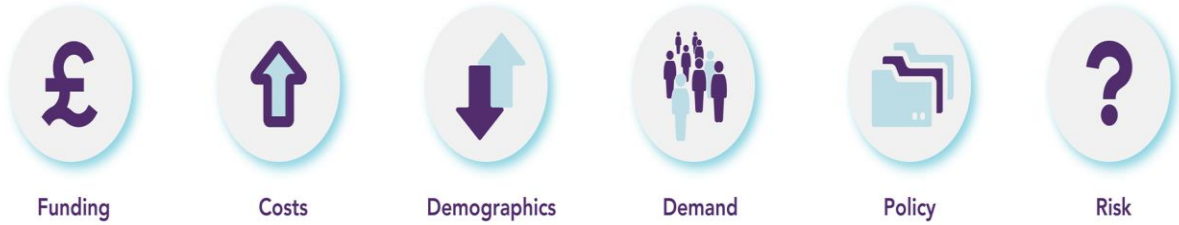
Purpose

Glasgow City Integration Joint Board (IJB) Medium Term Financial Outlook provides a medium-term view of the challenges and opportunities which face the IJB and considers what the implications are for the finances of the organisation. This is an essential piece of the strategic planning process which underpins the delivery of the ambitions and priorities as outlined in IJB's Strategic Plan. A robust medium term financial outlook will support strategic planning, balancing the financial impact of IJB policies and objectives whilst ensuring that the organisation remains financially sustainable.

The IJB is clear on what it wants to deliver, and this is focused on the key strategic priorities outlined below.



The IJB updates its Medium-Term Financial Outlook on an annual basis to support the delivery of its Strategic Plan. This Outlook is key to translating the organisation's ambitions and constraints into deliverable options for the future. This update will consider the impact of a range of factors, which are illustrated below and reflect the complexity of factors which can impact on IJB financial pressures.



External Impacts

The Medium-Term Financial Outlook cannot be completed in isolation and needs to be cognisant and responsive to a number of external factors which will impact on the IJB.

Economic

The Global, UK and Scottish economy impacts on the IJB in a number of ways. This includes the impact on what we pay for goods and services, the impact it has on the citizens of Glasgow and therefore the demand for services and the impact it has on the funding made available to us to deliver services.

(i) The Global Economy

Global growth is projected to be resilient with the Office for Economic Co-operation and Development forecasting global GDP growth of 3.3% in 2025 up from 3.2% in 2024 and 3.3% in 2026, however it varies significantly across regions, with the US projecting 2.8% in 2025 and then slowing to 2.4% in 2026. In the euro area growth is projected at 1.3% in 2025 and 1.5% in 2026. Inflation is expected to ease further due to further falls in food, energy and goods price inflation however, services inflation remains high, as does wage growth. It is acknowledged that uncertainty remains in relation to the ongoing conflicts in the Middle East which could disrupt energy markets and hit confidence and growth[1].

The biggest risk of the global economy for the IJB is on its prescribing budget. The procurement of drugs is subject to national UK contracts, with purchases taking place across global markets, with a range of factors impacting on price. This is set to continue in 2025-26 with planning assumptions assuming a 2.4% increase to price in 2025-26, which is significant on a £150m budget.

(ii) The UK Economic Outlook

The UK economy is predicted to grow by just 1% in 2024 rising to 2% in 2025 and the Office for Budget Responsibility has concluded that recent budget policies following a temporary boost in the near term will leave GDP largely unchanged in five years. Household consumption trends have continued below expectations. Recent weakness in demand reflects a combination of factors, including the past squeeze on real incomes from higher global prices, restrictive monetary policy and the unwinding of previous fiscal support and weak supply growth [2].

The labour market remains tight. The UK employment rate for people aged 16 to 64 was estimated at 74.8% in the period September – November 2024 which is largely unchanged from the previous year.

[1] Office for Economic Co-Operation and Development: Economic Outlook Vol 2024 Issue 1
[2] Office for Budget Responsibility: Economic and Fiscal Outlook October 2024

The UK unemployment rate of 4.4% in the same period was an increase on the previous year [3]. Indicators suggest that nominal wage growth is still very high and could remain as high as between 4% to 5%[4] [5].

(iii) Inflation

UK and Global economic conditions impact on inflation which affect households who experience increases to bills including fuel, energy and food. Like households we are facing increasing prices as a result of inflation, energy prices and fuel costs which impacts not only on what we pay for goods and services but also the pay increases which are set nationally and applied to our employees. This has a direct impact on the people we support across the City and the services we deliver.

Not all households are equally affected by rising prices with the households that earn the least feeling the effects of rising prices more keenly. Resolution Foundation's[6] forecast estimate that incomes in the lower percentiles are set to be poorer in 2029-30 than in 2023-24 and that under current benefit policy assumptions the current number of children living in relative poverty is projected to rise by 1.5 million to reach 4.6 million by the end of the decade. Absolute poverty is set to stagnate at 18% of the total population estimated. The impact of this has been experienced within the City, with more families than ever seeking support from a range of services.

Inflation has significantly reduced and is close to the Bank of England target of 2% falling from a peak of 11% in 2022. The majority reduction in CPI has been as a result of the reduction in household gas and electricity bills over the last year with energy prices around 25% lower than their recent peaks, and food price inflation slowed from just below 20% 18 months ago to less than 2% in September. The Bank of England note that there could be further global shocks that keep inflation high such as developments in the Middle East and that despite overall inflation being at target, the prices of some services are still rising too quickly.

(iv) The Scottish Economic Outlook

The first half of 2024 saw an improvement in Scotland across a range of key economic indicators with GDP growth strengthening modestly and inflation coming down close towards its target rate. This was mainly driven by the services sector with relatively weak output from the production and construction industries [7].

Economists are forecasting growth[8] of 0.7% in 2024, 1.1% in 2025 and 1.2% in 2026. The wider assessment of business and consumer sentiment shows

[3] Office for National Statistics: Labour Market Overview UK: January 2025
[4] Bank of England, Monetary Policy Report, November 2024
[5] National Institute of Economic and Social Research: July 2024

[6] Resolution Foundation, The Living Standards Outlook 2024
[7] Scottish Government Scottish Economic Insights: October 2024
[8] Fraser of Allander Institute, Economic Commentary 2024 Q2

steady improvement as Scotland moves into 2025. The outlook for growth and inflation is more stable than recent years but face risks from the geopolitical landscape and an outlook for slower grown in the US and China over the coming year.

(v) Scottish Government Medium Term Financial Strategy

The Global, UK and Scottish economy impacts on the funding which is available for the Scottish Government to support delivery of services in the public sector.

The Scottish Government Medium Term Financial Strategy was published in May 2023 and provides a medium-term view of public finances in Scotland over the period 2023-24 to 2027-28. This outlook reflects that economic conditions are set to remain challenging as inflationary pressures continue impacting on households. Relatively subdued growth is forecast through 2023, and households are set to see record falls in living standards that are not anticipated to recover to pre-pandemic levels until 2026-27. The outlook for inflation and the indirect impact that this has on tax revenue growth and spending pressures over the medium term remains highly uncertain.

Overall resource funding was expected to grow by 6.8% in real terms from £45.26 billion in 2023-24 to £50.971 billion by 2027-28. This is due to increases in the Block Grant and significant growth in the forecast net tax position. However, the funding outlook cannot be considered in isolation. High inflation experienced in 2023-24 is expected to have a long-lasting impact on public spending in Scotland, yet funding has not kept pace with this. As a result, public spending in Scotland is currently projected to grow at a faster rate than central forecasts of funding. Scottish Governments modelling indicates that their resource spending requirements could exceed central funding projections by 2% (£1 billion) in 2024-25 rising to 4% (£1.9 billion) in 2027-28. An updated Scottish Government Medium Term Financial Strategy has still to be published for 2025.

Audit Scotland in its November 2024[9] report has noted that although the Scottish Government has identified a growing gap between its medium-term funding and spending position it has not yet set out a clear vision of how it will change public service delivery models to better support sustainable public finances and services and the delay to the publication of their Medium Term Financial Framework and the Infrastructure Investment Plan pipeline reset is making planning for the uncertain financial environment more difficult. The Scottish Government has committed to publishing a Fiscal Sustainability Delivery Plan and Medium-Term Financial Strategy in 2025.

UK and Scottish Legislative and Policy Changes

The IJB will also be impacted by UK and Scottish Government legislative and policy changes and the impact of these need to be considered over the medium term.

[9] Audit Scotland: Fiscal Sustainability and Reform in Scotland November 2024

(i) National Care Service

The Independent Review of Adult Social Care, published in February 2021, recommended the establishment of a National Care Service with a commitment for this to be functioning by the end of the parliamentary term in 2026. The National Care Services (Scotland) Bill was introduced to the Scottish Parliament on 20 June 2022. Initial plans had been for local Care Boards to be established which would be accountable to the National Care Service for local service delivery.

On Thursday, 23 January 2025, the Minister for Social Care, Mental Wellbeing and Sport gave a statement to Parliament which outlined the Scottish Governments revised proposals for the National Care Service Bill.
The Scottish Government will no longer legislate for structural reform. Integration Joint Boards will continue to oversee social care and health, with a focus on increasing accountability and transparency. Part 1 of the Bill and the June draft amendments, which proposed reforming IJBs and establishing a NCS National Board, will be removed. The Scottish Government will instead establish a National Care Service Advisory Board, on a non-statutory basis.

A National Care Advisory Board will be established by March 2025. The Advisory Board will include people with lived experience of accessing care services, unpaid carers, those who work in the sector, care providers, the third sector, trade unions, the NHS and local government. The Minister's preference is to have a person with lived experience as the Board's independent chair. The Board will support the review of Health and Social Care Standards and offer targeted assistance to areas that fail to meet agreed standards. As well as, advising on various national programmes, including the Carers and Dementia Strategies, the Getting It Right For Everyone (GIRFE) initiative, and addressing Delayed Discharge and the Drugs Mission.

The Bill as amended at Stage 2 will be published following the Stage 2 debate.

(ii) Safe and Effective Staffing

The Health and Care Staffing (Scotland) Act 2019 was enacted in June 2022 and sets out duties for Health and Social Care Providers to provide safe, high-quality services to achieve the best outcomes for service users. In order to achieve high standards of care there is a requirement to ensure there are suitably qualified and competent staff working to provide the right care at the right time. These duties went live in 2024.

Implementation of the Act is underway and a Board Wide Safer Staffing Implementation Group reporting into a Health Board Oversight Group has been created to support developments, co-ordinate and implement changes to ensure compliance with the legislation. Examples of mechanisms to monitor staffing levels across sites include 'safe to start' meetings, daily site huddles and weekly system wide huddles to aid early detection and early resolution to the dynamic factors impacting safe staffing. A range of different recruitment

approaches has also been undertaken to establish a range of recruitment pathways to secure the staffing required. Investment in staff retention is also key to secure staff over the longer term.

(iii) Primary Care

We use the term 'primary care' to describe those services that people often use as the first NHS point of contact for their health needs. These are usually provided by general practice, pharmacy, dentistry, optometry (the four main independent contractor and practitioner groups) in our local communities. In addition, primary care includes a range of professionals working in wider multi-disciplinary teams e.g., community link workers, pharmacy professionals, allied health professionals e.g. physiotherapists, occupational therapists, dieticians, podiatrists, advance nurse practitioners (ANPs), health support workers, practice managers, care co-ordinators, and social prescribers.

The Scottish Government has forecast that demand for primary care services is predicted to continue to grow, and if the system does not adapt or change, there will be a net increase in costs, driven by growth in the population, public demand and price pressures. The Scottish Government has committed to enhance primary care services.

NHSGGC's Primary Care Strategy: 2024 -2029 [10] sets out the health board's long-term vision and approach to primary care transformation across NHSGGC. The strategy provides a set of principles and commitments which will support the long-term future of primary care services to maintain and improve patient care. The health board's strategy is supported by Glasgow HSCP's primary care action plan [11], which is focusing on the following five areas of work:

- Support the longer-term sustainability of primary care services, for example by focusing on workforce planning to promote recruitment and retention.
- Within our overall Scottish Government funding, implement the requirements of the 2018 GP contract through our primary care improvement fund.
- Respond to the demographic changes in our patient population, for example, by working with city council planners to shape the future City Development Plan.
- Continue to improve the quality of services, for example by maximising the opportunities offered by technological innovation.
- Respond to the significant inflationary pressures that are affecting the global prices for medicines, by continuing to improve the efficiency and effectiveness of our approach to prescribing

(iv) Mental Health

The IJB approved a refresh to Mental Health Strategy (2023-2028). The level of demand/need increased over the pandemic and although there is no evidence to date on the medium to longer term impact on psychiatric mental health services, the current and projected socio-economic factors will continue to have a negative effect on the non-psychiatric mental health of individuals suggesting

[10] NHS Greater Glasgow & Clyde Primary Care Strategy 2024-29 – May 2024
[11] Glasgow City IJB Primary Care Action Plan – September 2023

a continued increase in overall demand for services. The scope of the strategy was expanded to include the wider complex of mental health services, addressing interdependencies and to better realise the benefits in adopting a whole-system approach across all client groups.

A financial framework is being developed in parallel to support a redirection of resource from the remodelling of inpatient beds to bolster development of community services in support of maximising independence / increasing community capacity and to further support development of planned public engagement following staff / public surveys and in-person sessions carried out through 2024, and will lead to appraisal of options and public consultation.

(v) Home Office Asylum Seeking Decisions

Glasgow has been a proud dispersal city for more than two decades and Glasgow City Council has repeatedly affirmed its belief that asylum seekers are welcome in Glasgow and have added to the diversity of our city.

In 2024/25 Glasgow is accommodating 95% of all asylum cases in Scotland (4,108) with Refugees making up 41% of Glasgow homelessness applications (6,605.) Glasgow is seeing unprecedented numbers of refugees traveling to Glasgow from out with the city from mainly Belfast, Manchester and London, with 650 recorded by Jan 2024. No additional funding has been provided from the UK government to support these households. In addition UK reunification visas are being granted to single refugees to enable families to be reunited and many bring multiple family members, which accounted for 67 households between July 2024 and February 2025 making a homelessness application to the city. This pathway isn't funded by either the UK Government or the Scottish Government

The full year implications of this in 2025/26 is estimated to be £45m and will be closely monitored. If demand continues at the same levels, this is forecast to increase to £62m and £79m in 2026/27 and 2027/28 and is reflective of demand being higher than capacity within the City to offer permanent housing offers.

(vi) Minimum Pay Settlement – Adult and Children Social Care Workers in Commissioned Services

In recent years the Scottish Government has recommended minimum pay settlement for adult and children social care workers in commissioned services. This has been supported by additional funding. It has been assumed if the Scottish Government continues with this policy commitment that funding will be put in place to meet the associated costs.

(vii) UK Government Changes to Employer National Insurance Rates and Thresholds

The UK Government made changes to employer national insurance rates and thresholds effective from 6 April 2025. The Cabinet Secretary in Scottish Government has announced that she will provide Local Government with and additional £144m in funding, this represents 60% of direct staffing costs to meet

the cost of these changes. A commitment was also given that should more funding be forthcoming than anticipated from UK Government for this it would be passed on. The implications of this are included within this medium-term financial forecast.

Similar to Local Government, Scottish Government will fund 60% of planned increase to employer National Insurance contributions for Health. In addition, a sustainability payment will be made available which must be ringfenced and used to assist with the pressures arising from the shortfall in funding for national insurance. This budget assumes that full provision will be made across these two funding streams.

At this stage there is no provision made for the cost of changes to national insurance rates and threshold for commission services. Scottish Government are still pursuing funding from the UK Government. Failure to secure this funding represents a risk of £8m to Glasgow City IJB. If funding is not secured this will reduce the levels of services which can be procured within the funding envelope available.

(viii) Getting it Right for Every Child (GIRFEC)

Getting It Right for Every Child means ensuring that children, young people and their families receive the right help at the right time from the right person, and that needs are met at the earliest point, in line with the recommendations of the Christie Commission and the emphasis on shifting the balance of care from crisis response to earlier intervention. The publication of the refreshed Policy Statement in 2022 illustrates the continued commitment to implementing GIRFEC and strengthening early and effective responses to meet children, young people and families' individual needs, with the Child Poverty Pathfinder and Whole Family Wellbeing work providing an opportunity to further strengthen the full and effective implementation of GIRFEC.

(ix) The Promise

The Promise of the Independent Care Review suggests that transformational change is key to fulfilling the commitment to providing effective early intervention and prevention approaches to support children, young people and their families, which involves shaping services round families' needs, perspectives and preferences. Keeping the Promise fundamentally means supporting families – and brothers and sisters – to live together within their homes and communities, maintaining connections with peers, schools, using strengths-based and trauma informed approaches. This involves working with families' strengths, and seeing families as experts in their own lives, as a basis for promoting meaningful change to support families to stay together. Where this is not possible, these principles are being applied to identify the changes which would help families to get back together to maximise extended families' wellbeing outcomes through support for kinship carers, the Nurture programme in Children's Houses, and the development of the Families for Children service. The principles of the Promise fully align with GIRFEC and the aim to deliver effective earlier intervention and prevention approaches.

(x) United National Convention on the Rights of the Child (UNCRC)

The United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 means that UNCRC is now incorporated into Scottish law, with the need to embed and uphold children's rights across all public services and progress the "best interests of the child" in all situations. The principles of UNCRC are reflected in GIRFEC and the Promise.

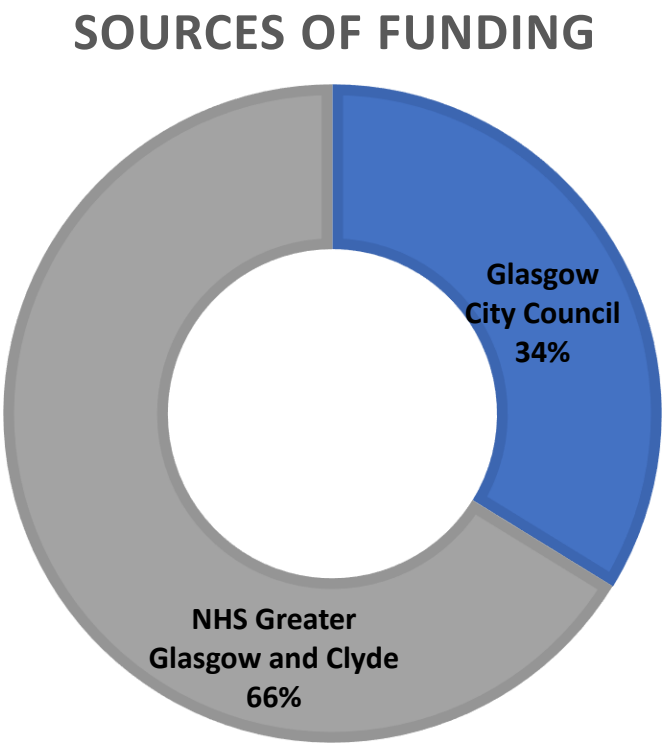
(xi) Scottish Child Abuse Enquiry

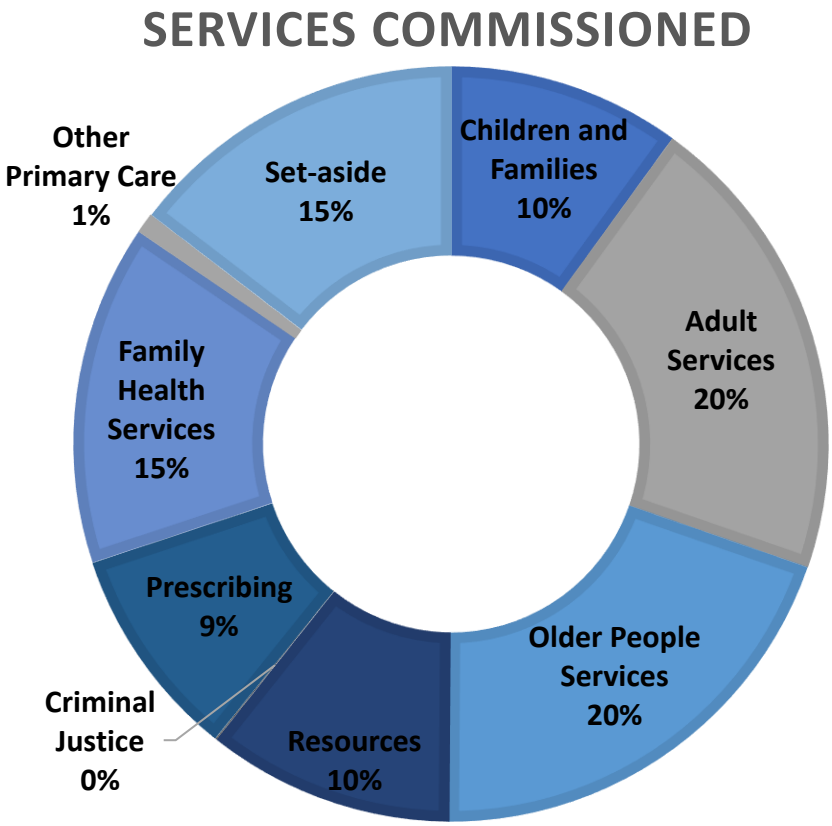
The Scottish Child Abuse Inquiry is reviewing the abuse of children in care. The inquiry was set up in October 2015 and continues to hear evidence with Phase 8 underway and Phase 9 expected to begin in Spring 2025 and Phase 10 planned to commence in the second half of 2025. The Limitation (Childhood Abuse) (Scotland) Act 2017 provides victims of alleged child abuse, which includes sexual abuse, physical abuse, physical abuse and emotional abuse dating back to September 1964, the right to pursue personal injury claims. The Redress for Survivors of (Historical Child Abuse in Care) (Scotland) Act 2021 also established a financial redress scheme to provide tangible recognition, acknowledgment, and apology relating to the harm resulting from historical child abuse in residential care settings in Scotland. The financial implications of the recommendation of the inquiry and any personal injury claims continue to be monitored however they are unable to be quantified at this time. As a result, it is difficult to make financial provision, which represents a risk for Glasgow City Council. This will continue to be kept under review and financial provision will be made when more information becomes available.

Local Impacts

Our Budget

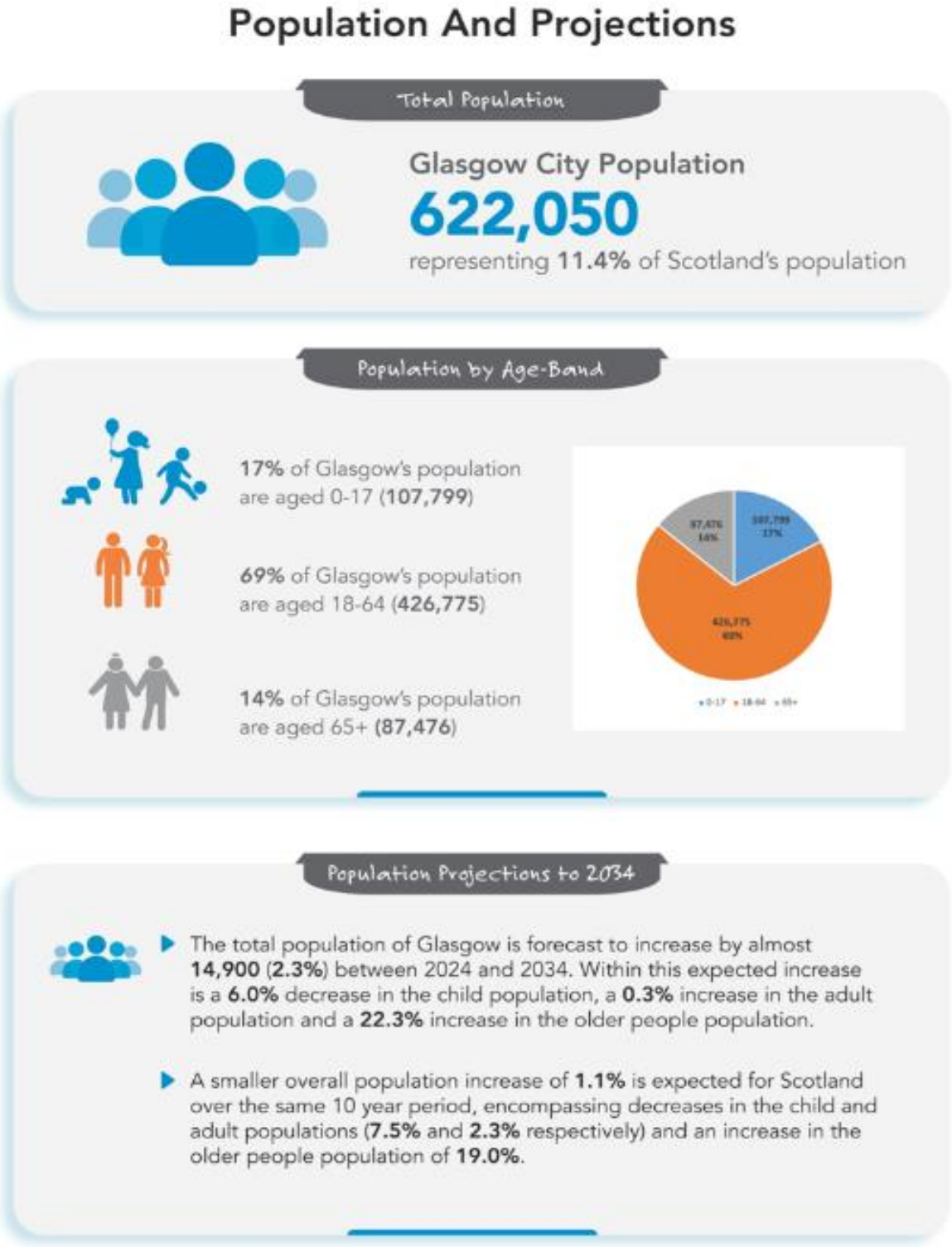
Glasgow City IJB delivers and commissions a range of health and social care services to its population. This is funded through budgets delegated from both Glasgow City Council and NHS Greater Glasgow and Clyde. The funding available to the IJB in 2024/25, to take forward its commissioning intentions in line with the Strategic Plan, is £1.6bn. The following charts provide a breakdown of where this funding comes from, and how it is split over the range of services the IJB commissions.





Population, Health, and Deprivation

Population, health, and deprivation impact on demand that is experienced in all of our services and can often result in higher support levels than experienced in other parts of Scotland. Some of the key characteristics which distinguish Glasgow City from the rest of Scotland are shown below.



Life Expectancy And Mortality

Life Expectancy is the average number of years a person would expect to live from birth:

Life Expectancy at Birth

73 years ♂

Life Expectancy for a Glasgow male

compared to **76.5** for a Scottish male (a difference of **3.5** years)

78.2 years ♀

Life Expectancy for a Glasgow female

Compared to **80.7** years for a Scottish female (a difference of **2.5** years)

Healthy Life Expectancy is the average number of years a person would expect to live in a state of self-assessed good or very good health from birth:

Healthy Life Expectancy

The number of years lived in self assessed good health.

54.8 years ♂

Healthy Life Expectancy for a Glasgow male

Compared to **60.4** years for a Scottish male (a difference of **5.6** years)

56 years ♀

Healthy Life Expectancy for a Glasgow female

Compared to **61.1** years for a Scottish female (a difference of **5.1** years)

Poverty And Deprivation

Scottish Index of Multiple Deprivation

- A disproportionately high percentage (**43.7%**) of all people in Glasgow live in areas that are among the **20%** most deprived data zones in Scotland.
- The percentage of Glasgow children aged 0-17 living in these areas is higher than for all people, with **51.8%** living in the **20%** most deprived data zones.

Income

- **33.5%** of Glasgow children aged 0-15 are living in relative low income families compared to **21.3%** of children in all Scottish families.
- **19.3%** of all Glasgow people are classed as income deprived compared to **12.1%** of all Scots.

Service Demand

All People

- Glasgow has a higher healthy birth weight rate (**87.1%**) than Scotland (**84.6%**).

  61.0% of Glasgow adults are overweight (BMI of 25 or higher) whilst **27.0%** are obese (BMI of 30 or higher) compared to the respective figures for Scotland of **65.0%** (overweight) and **29.0%** (obese).
- **8,117** people or **2.2%** of the Glasgow adult population aged 30+ are estimated to have dementia.
- **53.5%** of Glasgow P5-S6 pupils (excl. S4) eat breakfast every weekday, with **57.9%** of boys doing so compared to **49.4%** of girls. The figures for Scotland are higher with **56.9%** P5-S6 pupils having breakfast daily (**62.3%** boys and **51.3%** girls).
- **30.8%** of Glasgow P5-S6 pupils (excl. S4) do vigorous physical activity every day compared to **26.7%** for Scotland. Rates for males are higher than for females both for Glasgow (males **34.6%** and females **27.2%**) and Scotland (males **30.2%** and females are **23.3%**).
- **29.0%** of adult males, **16.0%** of adult females and **22.0%** overall in Glasgow, have hazardous / harmful levels of alcohol consumption, lower than the Scotland figures of **31.0%** (males), **16.0%** (females) and **23.0%** overall.
- There are an estimated **11,869** to **18,060** problem drug users within Glasgow (aged 15-64). This represents approximately **20%** of the Scottish total, which is disproportionately high when compared to Glasgow's **12.6%** share of Scotland's 15-64 population.
- **25.0%** of Glasgow adult males and **18.0%** of Glasgow adult females are current smokers.
- Almost a third of P5-S6 Glasgow school pupils (**31.7%**) report getting the recommended nine hours or more of sleep per night – slightly more than the comparative rate of **29.6%** for Scotland.
- The Glasgow rate of teenage pregnancies of **31.5** per **1,000** population (females aged 15-19) is higher than the Scotland rate of **25.0** per **1,000**.
- The Glasgow looked after children rate of **1.7%** children aged 0-17 is **42%** higher than the Scotland rate of **1.2%**.
- **37.9%** of Glasgow's older people aged 65+ who have high levels of care needs, live at home. This is **1.2** percentage points higher than the **36.7%** for Scotland overall.
- **2,855** Glasgow children were homeless and living in temporary accommodation, representing a disproportionately high **29.8%** of the national total (compared to Glasgow's **10.7%** share of Scotland's child population).

The Prioritising Clinical Pathways in Primary Care Report (September 2024) noted that the size of the NHS Greater Glasgow and Clyde population has increased more rapidly than Scotland as a whole. Within Glasgow over the next 20 years there is expected to be a 6% increase. Although population projections across all the Board areas predict a negative change resulting from more deaths than births (reduction of 45,543 residents) the overall Scottish population is forecast to increase due to net inward migration from the rest of the UK (+20,715) and from overseas (92,689) with Glasgow City seeing the majority of the projected overseas migration. This suggests there will be a dramatic shift in the population demographics.

Projections estimate a 21% increase in people aged 65 – 74 years, and a 62% increase in over-75s between 2018 and 2043. Expected population ageing will result in additional burdens on services that must be planned for and resourced.

Areas with ageing populations are likely to have higher burdens of disease. Areas with a higher burden of premature mortality, including areas of increased deprivation will also demonstrate higher disease burden. Glasgow City has the highest rates within Scotland, reflecting both demographics and the size of its population, accounting for 52.8% of the population, despite having the lowest population of over 65s in Scotland which indicates a significant burden of premature morbidity and mortality.

Impact on Demand

The above data on population, health and deprivation demonstrates the increasingly challenging environment within which the IJB operates. This translates into increased demand for services and also an increase in the complexity of presenting needs. This is exacerbated by funding levels which are not keeping pace with the increased levels of demand for service which the IJB is being asked to meet.

What Impact Does This Have on Our Finances Over the Medium Term?

The financial position for public services continues to be challenging, a clear strategy is imperative to ensure that the IJB remains financially sustainable over the medium term. Audit Scotland[12] recognise that IJBs are facing significant financial sustainability challenges as cost pressures, demand and needs for service continue to increase and become more complex. It also recommends that medium-term financial plans are kept updated to reflect all known cost pressures, to support informed decision-making on the delivery of sustainable service provision and reform in the future.

This only increases the importance of medium and long-term financial planning for making well-informed decisions aligned to strategic priorities. It also can be used as a tool to assist with effectively managing services in an environment of continuing financial challenge.

Recognising the Local and National Context highlighted in this document, this section translates this for the IJB into the financial context that it will operate in over the Medium Term, and how this should be considered throughout the decision-making process.

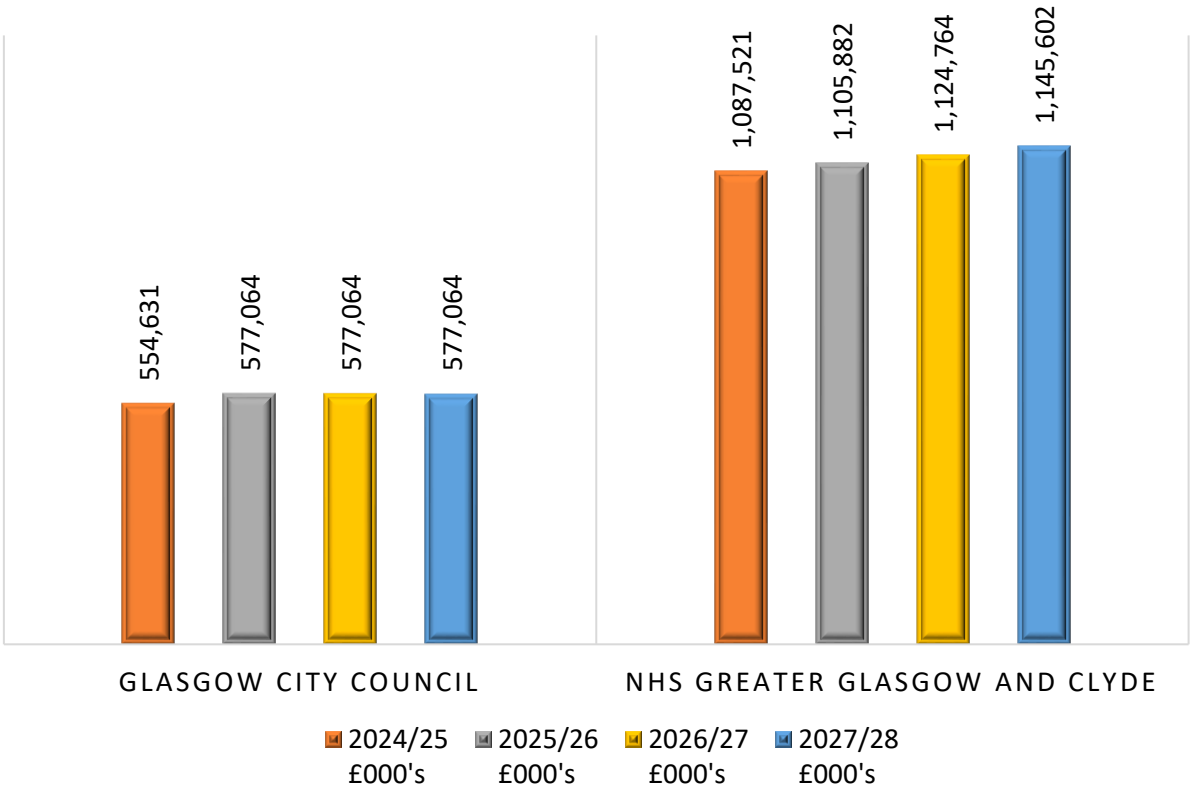
Funding Estimates

The two main sources of funding for the IJB are NHS Greater Glasgow and Clyde and Glasgow City Council. This funding will be impacted by their respective financial planning and budget setting processes, and the funding settlements that they receive from the Scottish Government.

The Medium-Term Financial Outlook makes assumptions about future funding contributions from Partners based on information which is currently available. Using this information, it is forecast that Health Board funding is likely to increase by £58m between 2025-26 and 2027-28, with Council funding expected to increase by £22m over the same period, which reflects the additional Scottish Government funding awarded and the £4m uplift approved by Glasgow City Council in 2025-26, with no further increase anticipated for 2026-27 or 2027-28. In 2025-26 Scottish Government funding of £16m was awarded to the city to support payment of Scottish Living Wage to adult and children's services providers and the uplift of free personal care. No assumptions about future funding or commitments have been made in relation to this.

The IJB has recently experienced short notice reductions to funding for specific Scottish Government programmes. This is difficult to predict and therefore cannot be factored into this medium-term financial forecast but does represent a risk in relation to medium term forecasting of funding levels.

[12] Integration Joint Boards, Finance and Performance 2024, Audit Scotland July 2024

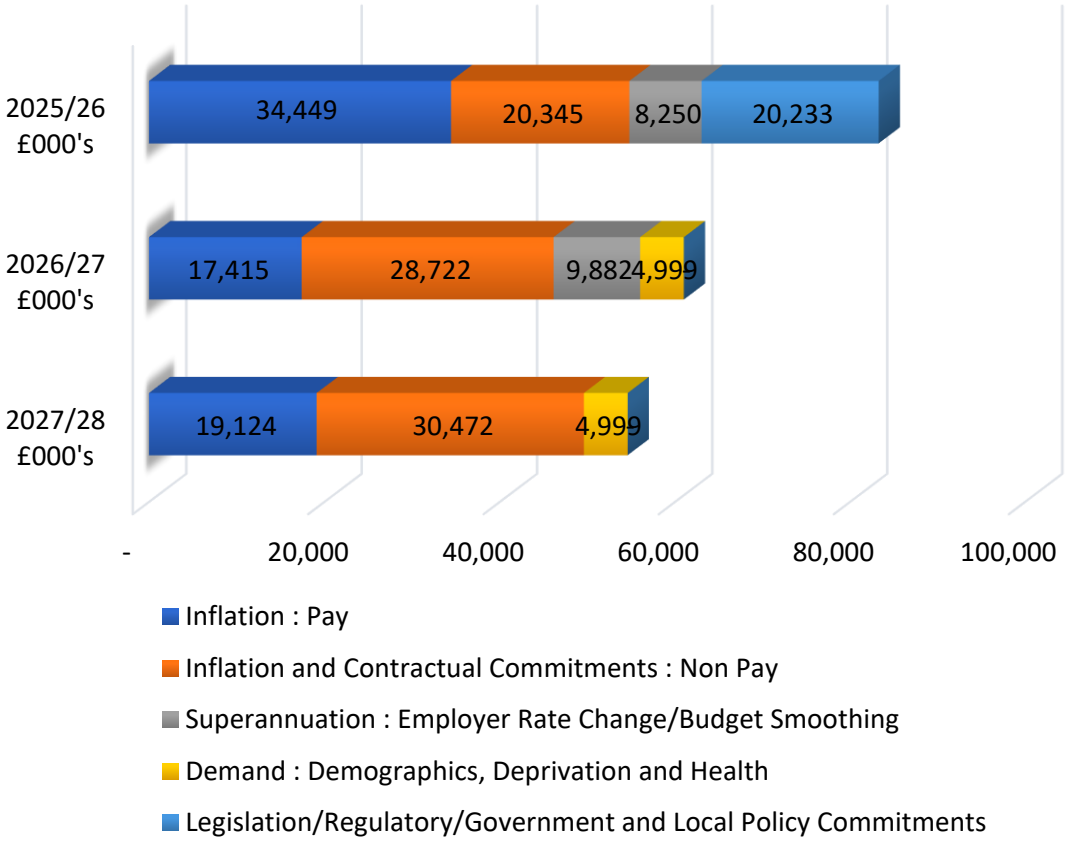


Expenditure Requirements

IJBs are currently facing a range of cost pressures which need to be considered over the medium term: -

- rising demand and increasing complexity of care as a result of the impact of demographic, health, poverty and deprivation challenges in the City.
- cost-of-living crisis and inflationary cost pressures such as prescribing costs, making it more expensive to maintain the same level of services
- ongoing legacy cost impacts of Covid-19
- the impact on costs because of changes in legislation and/or national decisions

Evaluating the key factors likely to impact over the medium term it is estimated that the IJB will face cost and demand pressures of £199m.



The key areas are: -

(i) Inflation – Pay

Employee costs represent 41% of the IJBs gross budget, excluding set aside. Inflationary pressure in this area is a significant pressure for the IJB. Pay inflation has been built in over the medium term reflecting the public sector pay policy which was outlined by Scottish Government as part of their 2025/26 budget. This policy does not apply to all services but represents the best estimate for forecasting across the medium term.

Changes to national insurance employer contributions come into effect from 1st April 2025. There has been some funding provided by Scottish Government and this is still subject to discussions between Scottish Government and the UK Government. The gap in funding for Council services is built into this forecast.

At this stage the IJB is being advised to assume full funding for community health services. Any shortfall in funding represents a significant risk to the IJB.

Glasgow City Council have made payments in respect of Equal Pay Negotiations. Work continues on the Equality Act compliant Job Evaluation scheme and pay structure. It is assumed any financial consequences arising from the settlement of the job evaluation scheme and pay structure will be fully met by Glasgow City Council.

(ii) Inflation and Contractual Commitments – Non-Pay

Inflationary pressures reflect anticipated annual increases to payments to third parties and in the main reflect anticipated increases linked to contracts including the cost of prescriptions within primary care services. Current planning assumptions are that non pay inflation and contractual commitments equates to £20m in 2025-26. Thereafter there is an average of £26m per annum for 2026-27 and 2027-28. Inflationary and contractual pressures continue to be volatile which represents a risk to the IJB which is further explored in the risk section of this outlook.

This forecast does not include any provision for the implications to contracted rates/prices for commissioned services because of the changes to employer national insurance contributions from 1 April 2025. Discussions continue between Scottish Government and the UK Government. The outcome of this is required to allow an assessment of the implications for the IJB. The financial risk if rates increase and funding is not forthcoming will be explored in the risk and sensitivity section.

(iii) Superannuation – Employer Rate Change

The IJB agreed budget smoothing arrangements as part of its 2024-25 budget to smooth the impact of the pressure which will impact in 2026-27 when employer superannuation rates for council services increase to 17.5%. This is estimated to result in a pressure of £27m. The 2024-25 budget agreed a budget strategy which delivers £9m of this pressure. The budget for 2025-26 proposes a further contribution of £8m, which leaves a balance of £10m required in 2026-27 and this is reflected in the medium-term financial outlook.

(iv) Demand

This outlook has considered the local and national context of Glasgow City and how this is impacting on demand for services. Historically services have managed this demand, through the transformation of services, which has enabled gains in productivity and effectiveness to secure delivery of more services from the money they have received. Services will continue to transform. However, it is unlikely that demand can be funded purely from transformation.

Longer term modelling considers demographic projections, increases in demand and complexity of need being experienced in services and identifies a forecasted 4% increase per annum in demand over the medium term. If financial settlements continue to lag behind inflationary and demand pressures, then the ability to meet this demand represents a significant risk to the IJB. This pressure is further explored in the risk section.

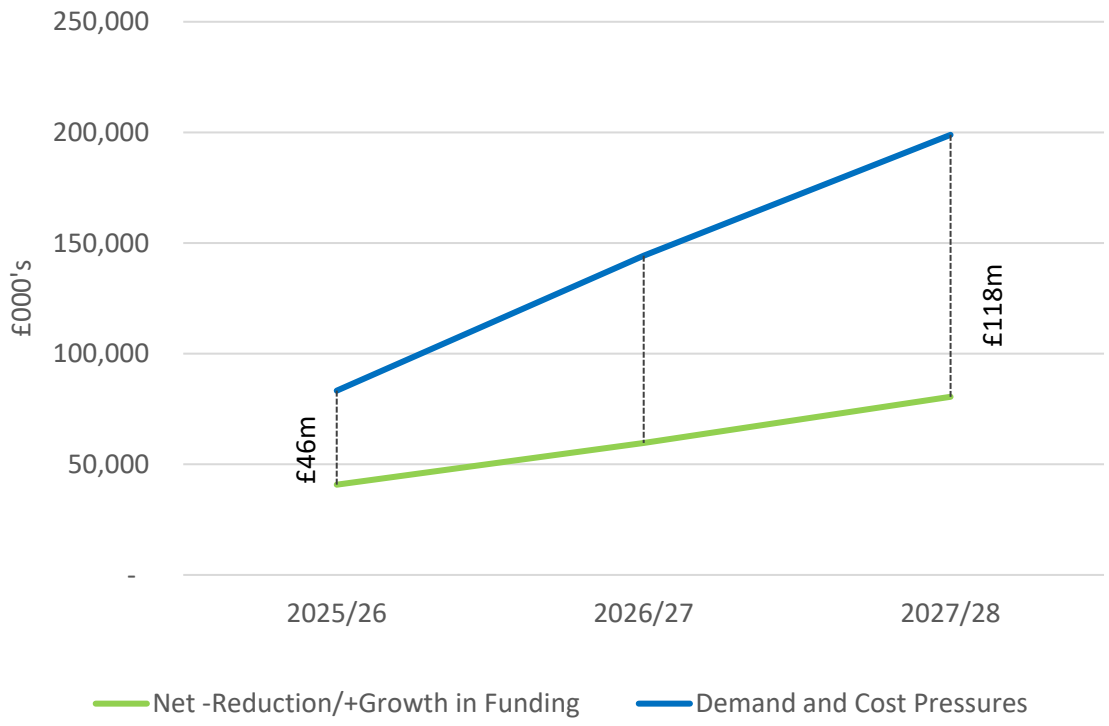
(v) Legislation/Regulation/Government and Local Policy Commitments

The IJB is subject to legislation, regulation, government, and local policy changes which can have cost implications and have been explored in detail in Chapter 3. This outlook assumes that any new statutory or policy burdens during the lifetime of this outlook will be fully funded by the Scottish Government, although this is not guaranteed. Funding known at this stage has been reflected in forecasts.

The cost of Home Office decision making is estimated to be £49m for 2025-26, of which only £4m is recoverable from the Home Office. If demand continues at the same levels, this is forecast to increase to £62m and £79m in 2026/27 and 2027/28 and is reflective of demand being higher than capacity within the City to offer permanent housing offers. This medium-term financial outlook assumes that funding will be put in place to meet these costs by Glasgow City Council and therefore it has been excluded from this outlook.

Impact on Our Financial Position

This assessment provides a forecast of the financial position for the IJB over the medium term and identifies a shortfall in funding of £118m.



Our Response

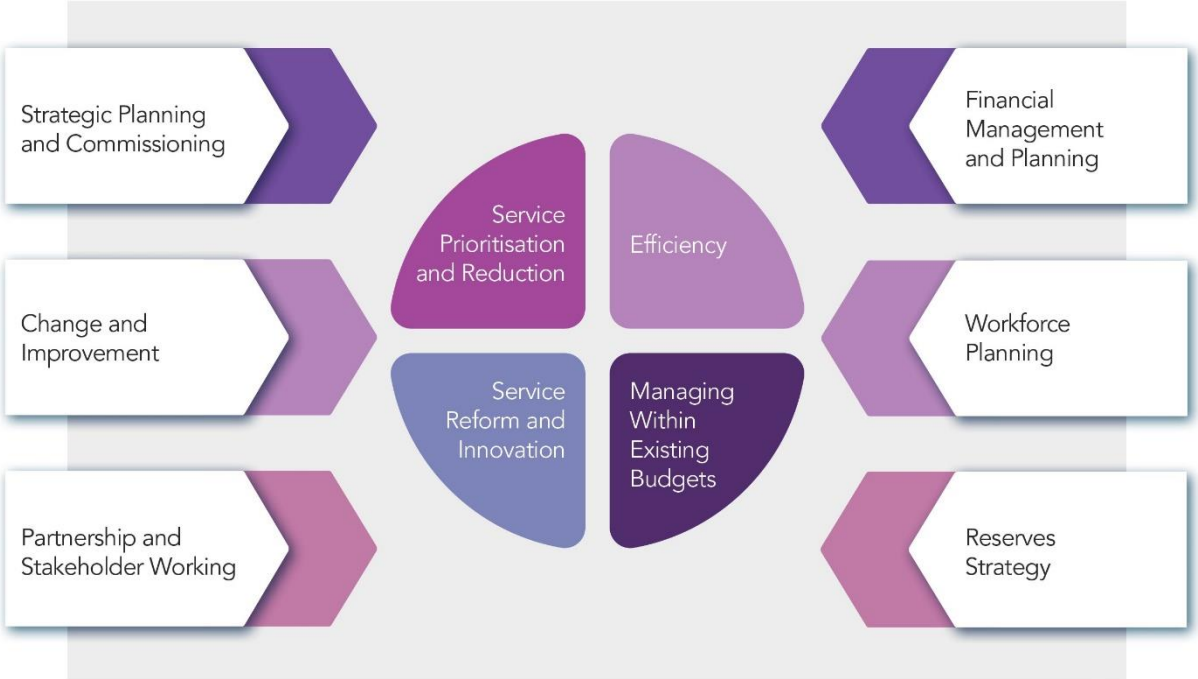
It has been recognised for a number of years that funding settlements are not keeping pace with the demand and inflationary pressures which are being faced within the health and social care system. This is borne out by this financial outlook which estimates a funding shortfall of £118m over the next three financial years.

A financial framework is required to be put in place which is prudent and ensures that financial commitments are managed within the available resources. This will require the IJB to take difficult, yet proportionate decisions, to ensure that services are sustainable both in terms of meeting the demands of the population of Glasgow City but also be sustainable within the financial envelope which is available.

A financial strategy is proposed within this context. The scale of the financial challenge in 2025-26 is significant and has required a nuanced response which will deliver the least worst proposals which in some cases may not be attractive but is the best of the available options. The overriding principle will be to protects core services which deliver care and protection to those who are assessed as requiring it and uphold our statutory responsibilities wherever possible.

The scale of the financial challenge in future years is such that a more fundamental review of service provision is required so that decisions can be taken on what the future shape of service provision looks like. This work will commence during 2025-26 and will be the subject of future updates to the IJB.

Our Medium-Term Financial Strategy has 4 core components which collectively support the transformational change required to deliver financial balance whilst delivering safe and sustainable services. This strategy is set out in the diagram below and cannot be delivered without working closely with all our partners and stakeholders to secure a future which is sustainable and meets the needs of our communities. This is underpinned by strategic planning and commissioning, robust financial management, a prudent reserves policy and work force planning to ensure our resources are used in the most effective way to deliver services and the vision for the IJB.



Efficiency and Income Maximisation

The IJB has a statutory duty to deliver Best Value in its use of public funds and as part of this remains committed to keeping under review the cost-of-service delivery and the sources of income which are available to fund services. Over the Medium Term this will include maximising income opportunities, considering spend to save opportunities and keeping our cost base under review to identify opportunities for efficiencies.

In 2025/26 this will secure £6m of savings for the IJB, with a target of £6m and £6m set for 2026/27 and 2027/28 respectively.

Service Reform and Innovation

The IJB continues to pursue transformational change in how it supports individuals, families and communities to live independently from statutory services for as long as they can safely do so. This means increasingly focusing our resources and our energies on prevention and early intervention approaches in partnership with the people we support, local communities, third sector, independent sector, housing sector and community planning partners.

The IJB is clear about its overall commitment to service reform and innovation. This is not just about changing the ways in which services are structured. It is a significant change in how they are planned and delivered.

In 2025/26 service reform and innovation will secure £3m of savings for the IJB, with a target of £3m and £3m set for 2026/27 and 2027/28 respectively.

Service Prioritisation and Reduction

The scale of the financial challenge in 25/26 is significant and has required a nuanced response which deliver the least worst proposals which in some cases may not be attractive but is the best of the available options. This will require the IJB to

take difficult, yet proportionate decisions, to ensure that services are sustainable both in terms of meeting the demands of the population of Glasgow City but also be sustainable within the financial envelope which is available. The overriding principle will be to protects core services which deliver care and protection to those who are assessed as requiring it and uphold our statutory responsibilities wherever possible. This will result in some services being reduced.

The scale of the financial challenge in future years is such that a more fundamental review of service provision is required so that decisions can be taken on what the future shape of service provision looks like. This will confirm the services where disinvestment is required to secure financial sustainability over the medium term.

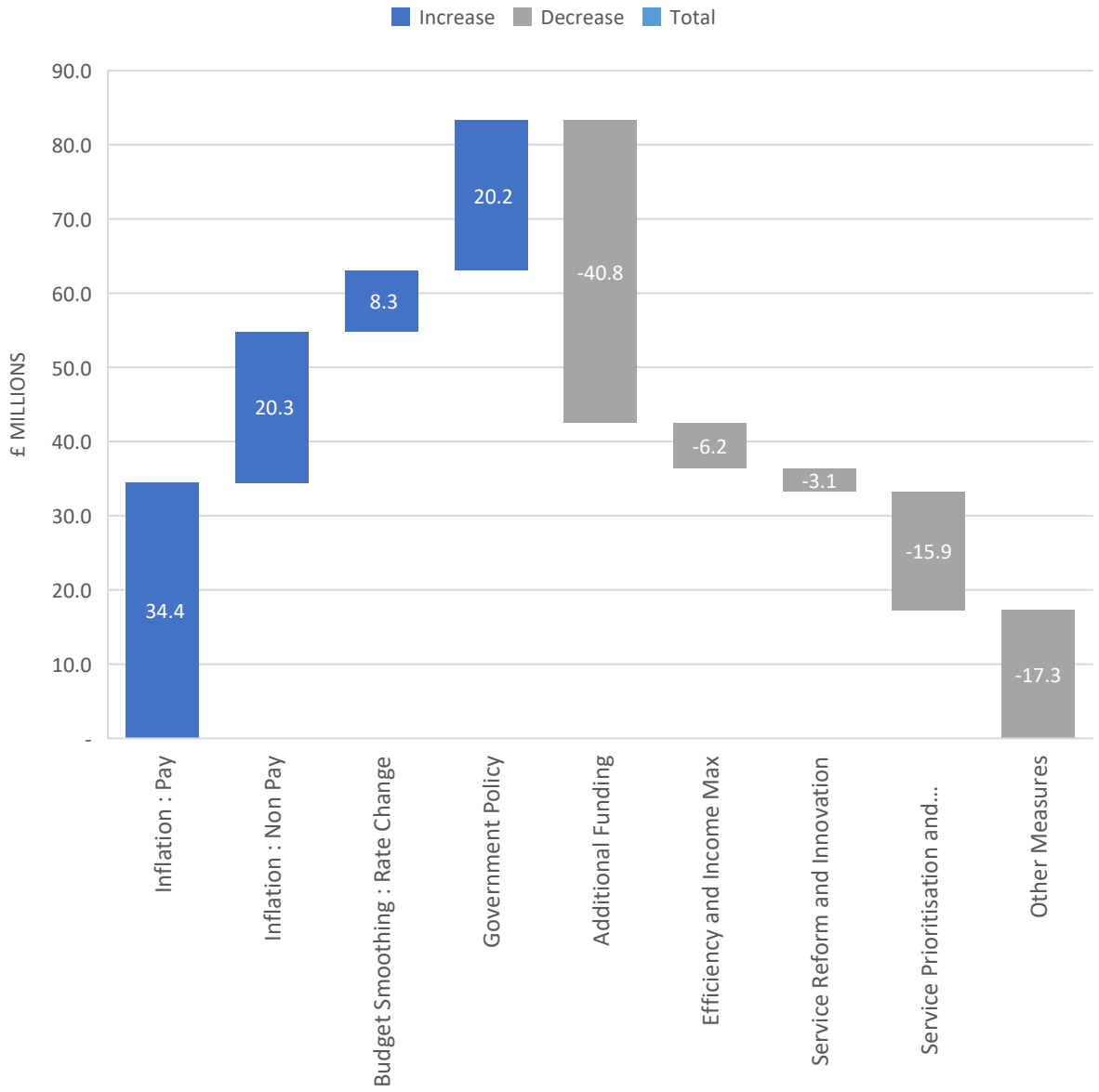
Based on financial settlements received and current planning assumptions, service reductions of £16m will be required to deliver financial balance in 2025/26. Thereafter a further £21m and £14m will be required in each of the next two financial years.

Manage Within Existing Budgets/Other Measures

In recent years it has not been possible to fully bridge the funding gap with savings alone. This has required a number of pressures to be managed within existing budgets or secured through other measures such as turnover savings or use of general reserves.

In 2025/26 this will equate to £17m, with a target of £12m and £10m for 2026/27 and 2027/28 respectively, the plan being to reduce the need for this over time.

Overall Budget Strategy



Reserves

On 31st March 2024 the IJB had a General Reserve of £8.4m. The budget strategy for 2025-26 includes the use of £2.8m to offer a non-recurring funding solution for the shortfall in the national insurance funding for Council services. This leaves a revised balance of £5.6m.

If the IJB achieves full recovery in 2024-25 and closes with a break-even position, this will release £9.3m into reserves because of the budget smoothing strategy for superannuation. This will not crystalise until the accounts are prepared in June and audited in September but could result in a revised general reserve of £14.9m (1%).

The budget smoothing strategy proposed for superannuation will deliver a further planned underspend in 2025-26 of £8.250m. It is proposed as part of this budget smoothing that this is taken to General Reserves in 2025-26. If this crystallises at the end of the financial year and there is no requirement to access reserves during 2025-26, this has the potential to increase general reserves to £23.1m at the end of 2025-26. This would represent 1.5% compared to the targeted 2% for General Reserves.

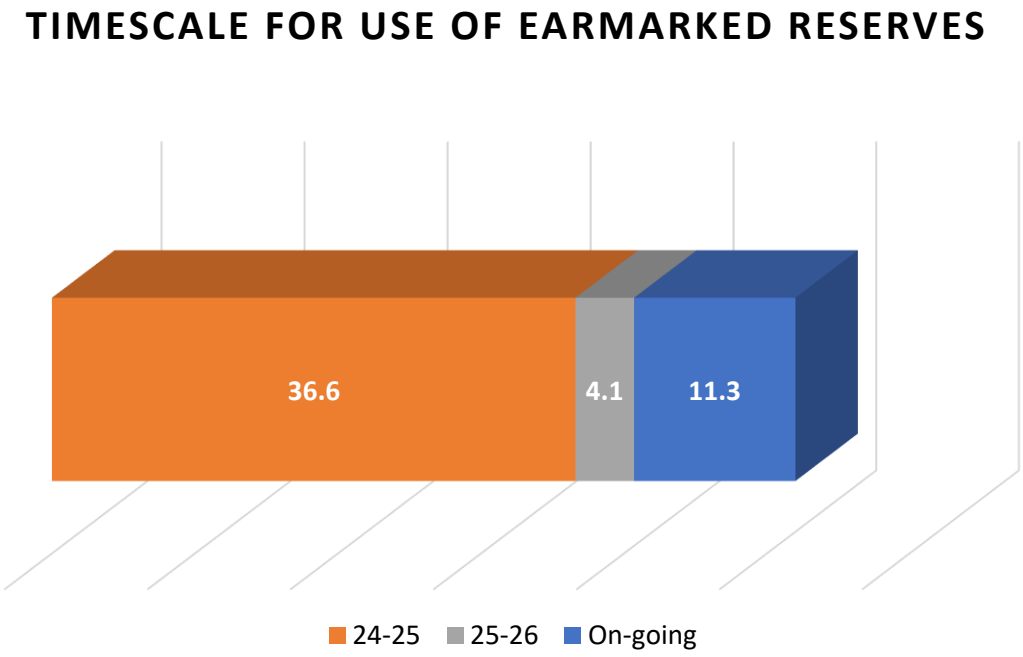
Holding General Reserves significantly below the 2% target level represents a significant risk to the IJB with concerns already being expressed by external audit. Reserves is a key component of the IJB's funding strategy. General Reserves are not held to meet any specific liability and offer the IJB 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.

When setting the budget for 2025-26 the IJB recognises that there are a number of risks which may require access to general reserves to mitigate against these. These include: -

- The 2025/26 budget includes a savings programme of £44m for delivery. This will be challenging to delivery fully in one year and may require reserves to smooth implementation. A 10% non-delivery represents a risk of £4.4m.
- It is estimated that £5.7m of savings will remain outstanding for delivery at the end of the financial year.
- At this stage planning assumptions are that full funding from Scottish Government for the changes to national insurance rates and thresholds will be in place for Community Health Services. Any shortfall represents a risk to the IJB.
- At this stage there is no provision made for the cost of changes to national insurance rates and threshold for commission services. Scottish Government are still pursuing funding from the UK Government. Failure to secure this funding represents a risk of £8m to Glasgow City IJB.
- Prescribing budgets remain volatile especially in relation to pricing. Every 1% pressure on this budget represents a risk to the IJB of £1.7m.
- There has been no scope to fund demographic/demand pressures within this budget. Services will be asked to manage this within existing budgets. This risk is estimated at £5m.

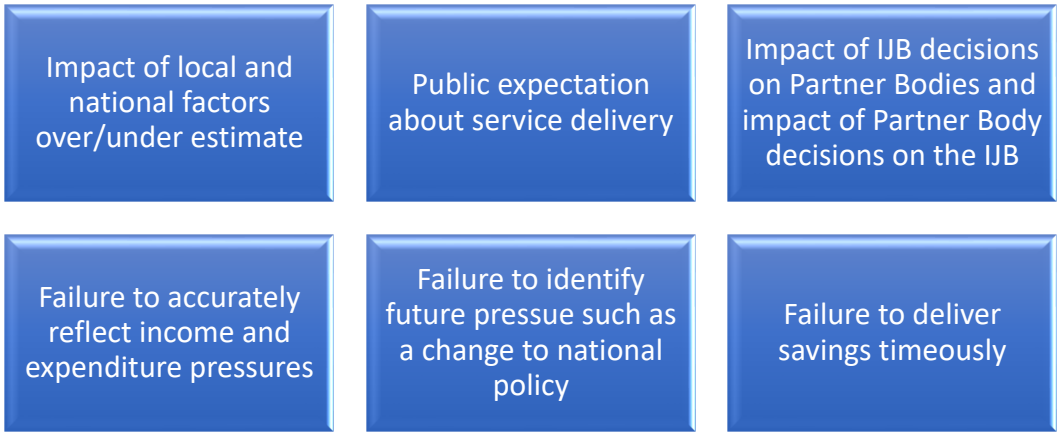
- Planning assumptions for pay awards have been made in line with the public sector pay policy. Every 1% above this assumption would represent a cost of £5.5m.

The IJB held £58.5m of earmarked reserves on 31 March 2024. During 2024-25 the IJB agreed to redistribute £6.5m of these to General Reserves. The remaining balance are earmarked to support the future delivery of projects which span financial years and are required to enable the IJB to deliver on national outcomes. The graph below provides a forecast of when earmarked reserves are anticipated to be used over the medium term.



Risk and Sensitivity Analysis

The medium-term financial plan is a financial model and as such has risks associated with it.



As an organisation the IJB needs to be aware of these risks but should not become risk adverse when developing its future plans. The IJB recognises strategic risks through the IJB risk register. This is used to ensure significant risk is identified and effective actions implemented that reduces these risks to acceptable levels whilst securing service delivery within available resources.

Sensitivity analysis is used to test the major assumptions made by the model and understand what the implications are if assumptions change. This effectively tests "what if" scenarios and enables the IJB to determine the potential fluctuation which could exist within the modelling and will assist future planning.

It should be recognised that the current operating climate for IJBs is extremely volatile, and this does increase the risks associated with the forecasting within this model. The table below shows the low, medium and high forecasts which exist within the modelling. The financial forecasts within this plan are based on the medium scenario.

Sensitivity Analysis - Low Scenario	2025/26 £000's	2026/27 £000's	2027/28 £000's
Inflation : Pay	34,449	17,415	19,124
Inflation and Contractual Commitments : Non Pay	16,276	22,978	24,377
Superannuation : Employer Rate Change/Budget Smoothing	8,250	9,882	-
Demand : Demographics, Deprivation and Health	-	4,166	4,166
Legislation/Regulatory/Government and Local Policy Commitments	20,233	-	-
Total	**79,208**	**54,441**	**47,668**

Sensitivity Analysis - Medium Scenario	2025/26 £000's	2026/27 £000's	2027/28 £000's
Inflation : Pay	34,449	17,415	19,124
Inflation and Contractual Commitments : Non Pay	20,345	28,722	30,472
Superannuation : Employer Rate Change/Budget Smoothing	8,250	9,882	-
Demand : Demographics, Deprivation and Health	-	4,999	4,999
Legislation/Regulatory/Government and Local Policy Commitments	20,233	-	-
Total	**83,277**	**61,019**	**54,595**

Sensitivity Analysis - High Scenario	2025/26 £000's	2026/27 £000's	2027/28 £000's
Inflation : Pay	45,932	23,220	25,499
Inflation and Contractual Commitments : Non Pay	31,233	41,080	43,691
Superannuation : Employer Rate Change/Budget Smoothing	8,250	9,882	-
Demand : Demographics, Deprivation and Health	6,666	6,666	6,666
Legislation/Regulatory/Government and Local Policy Commitments	20,233	-	-
Total	**112,314**	**80,848**	**75,856**

Appendix One

	2024/25 £000's	2025/26 £000's	2026/27 £000's	2027/28 £000's
Children and Families	164,150	175,862	184,417	187,441
Adult Services	334,001	356,362	375,421	388,552
Older People Services	325,460	345,956	373,958	387,953
Resources	174,146	185,320	173,660	178,822
Criminal Justice	- 889	- 889	- 889	- 338
Prescribing	150,417	167,025	183,727	202,100
Family Health Services	239,959	239,959	239,959	239,959
Other Primary Care	14,602	15,529	15,888	16,249
Set-aside	240,305	240,305	240,305	240,305
Total	**1,642,152**	**1,725,429**	**1,786,447**	**1,841,043**
Funding				
Glasgow City Council	554,631	577,064	577,064	577,064
NHS Greater Glasgow and Clyde	1,087,521	1,105,882	1,124,764	1,145,602
Total	**1,642,152**	**1,682,946**	**1,701,828**	**1,722,666**
Estimated Funding Gap (Cumulative)	**-**	**42,483**	**84,619**	**118,377**
Estimated Funding Gap (In Year)		**42,483**	**42,136**	**33,758**

Appendix Two

	2025/26 Proposals	2026/27 Target	2027/28 Target
	£000's	£000's	£000's
Efficiency and Income Maximisation			
Savings Approved As Part of 24-25 Recovery Planning	132		
Review of Linguistic Service - Result of New Tender	112		
Increase Charges to Service Users by 5% 25/26	80		
Income Maximisation	93		
Increase to Equipu Management Fee	4		
HR Training Income Generation	40		
Support Services: Budget Realignment Following Review of Budget and Establishment and Staff Turnover Application	292		
Realigning Future Care Planning Work	56		
Continence Products Spend	200		
Maximisation of Funding Sources Available for Treatment Rooms and Pharmacy Staff	370		
Review of Commissioned Services Teams	85		
Prescribing Efficiency Programme (including full year impact of 24-25)	4,592		
Maximisation on Income from Third Party Organisations	100		
Efficiency and Income Maximisation : Total	**6,156**	**6,000**	**6,000**
Service Reform and Innovation			
Savings Approved As Part of 24-25 Recovery Planning	2,486		
Review of Support to Carer and Integration of Carers Service within Localities	604		
Service Reform and Innovation : Total	**3,090**	**3,000**	**3,000**
Service Prioritisation and Reduction			
Sa vings Approved As Part of 24-25 Budget Approval	1,737		
Savings Approved As Part of 24-25 Recovery Planning	810		
Review of Commissioned Services In Adult Mental Health Services	175		
Review of Commissioned Services in Alcohol and Drug Recovery Services	400		
Reduction in Complex Needs Service	200		
Termination of Test of Change of Scottish Ambulance Service Triage Car Operation in Mental Health Assessment Unit	165		
Review of Psychotherapy Service	500		
Reduction in Trauma Service, Aligned to Review Outcomes	200		
Reduction in Primary Care Mental Health Service	600		
Reduction in Mental Health Employability Commissioned Services	221		
Consolidation of Crisis and Outreach Services	200		
Reduction in Alcohol and Drug Partnership Programmes	200		
Removal of Counselling Service current sitting within Sandyford Sexual Health Service	200		
Removal of Vacant Posts in Learning Disability	159		

	2025/26 Proposals	2026/27 Target	2027/28 Target
	£000's	£000's	£000's
Service Prioritisation and Reduction			
Maximising Independence/Access to Social Care - Reduction to SDS/Purchased Services Budgets	1,791		
Cessation of Funding of Care and Repair Service	88		
Closure of Dementia Resource Centre	38		
Removing the provision of a Supported Living Service within Glasgow HSCP Care at Home Services	2,823		
Cease funding of Independent Sector Lead Funding - Scottish Care	31		
Reduction in Aids and Adaptation Equipment Spend	354		
Older People Community Mental Health Team - Removal of Vacant OT Post	55		
Reduction to non-pay budgets	688		
Older People Mental Health - Removal of Vacant Psychology Post	44		
Cessation of Wellbeing for Longer Fund	487		
Home First Response Service	33		
Cessation of Huntington's Service	46		
Reduction in Post Diagnostic Support Link Workers	137		
Removal of Practice Development Nursing Post	44		
Review of Commissioned Services in Homelessness	1,000		
Cease Financial Advice Patient Referral Service	190		
Reduction in GP Engagement Budgets	16		
Review of Health Improvement Services	1,057		
Review of Support Services	330		
Reduction in Health Visiting Service	530		
Review of Central Parenting Team	388		
Service Prioritisation and Reduction : Total	**15,937**	**21,136**	**14,758**
Managing Within Existing Budgets/Other Measures			
All Health Services - Non Recurring Turnover Savings to be Delivered Through Vacancy Management Processes	11,000	-	-
New Additional 2.3% Turnover Savings for Council (6.8%)	3,500	-	-
Use of General Reserves	2,800	-	-
Managing Within Existing Budgets : Total	**17,300**	**12,000**	**10,000**
Total Proposals	**42,483**	**42,136**	**33,758**