



Item No. 11

Meeting Date: Wednesday 10th September 2025

**Glasgow City
Integration Joint Board
Finance, Audit and Scrutiny Committee**

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**Glasgow City Integration Joint Board Budget Monitoring for
Month 3 and Period 4 2025/26**

Purpose of Report:

This report outlines the financial position of the Glasgow City Integration Joint Board as at 27th June 2025 for Council and 30th June 2025 for Health and highlights any areas of budget pressures and actions to mitigate these pressures.

Background/Engagement:

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

Governance Route:

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

- HSCP Senior Management Team ☐
- Council Corporate Management Team ☐
- Health Board Corporate Management Team ☐
- Council Committee ☐
- Update requested by IJB ☐
- Other ☐
- Not Applicable ☒

Recommendations:

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

- a) Note the contents of this report.

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Relevance to Integration Joint Board Strategic Plan:

This report outlines expenditure against budget in delivery of the range of Health and Social Care services described within the Integration Joint Board Strategic Plan 2023-26.

Implications for Health and Social Care Partnership:**Reference to National Health & Wellbeing Outcome:**

Not applicable at this time.

Personnel:

Not applicable at this time.

Carers:

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

Provider Organisations:

Expenditure on services delivered to clients by provider organisations is included within this report.

Equalities:

Not applicable at this time.

Fairer Scotland Compliance:

The expenditure on services supports the delivery a Fairer Scotland.

Financial:

All financial consequences are detailed within this report.

Legal:

Not applicable at this time.

Economic Impact:

Not applicable at this time.

Sustainability:

Not applicable at this time.

Sustainable Procurement and Article 19:

Not applicable at this time.

Risk Implications:

The volatility of the drugs supply market, demand for services, cost of living crisis, acceleration of UK Government Home Office asylum decisions, and inflation continues to represent a significant financial risk to the IJB. This level of risk will require the IJB to keep its financial strategy under review to ensure services are delivered within the funding available. This financial risk will be monitored during 2025-26 and reported through the financial performance reports to the IJB and IJB Finance, Audit and Scrutiny Committee.

The IJB is required to hold a contingency which is sufficient to enable the IJB to respond and continue to remain financially viable. The IJB will start 2025-26 with a general reserve of £24.279m which is 1.4% of net expenditure and below the target set at 2%.

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Implications for Glasgow City Council:	<p>The Integration Scheme clearly outlines the responsibilities of Partners and the IJB if spending exceeds budget plans. Partners will be kept updated on financial performance during the year.</p> <p>Within Homelessness, the net additional cost arising from the impact of Home Office asylum decisions to date is £6.996m. The Council has provided the IJB with a commitment that the additional costs linked to asylum will be fully funded. This report builds in the funding from the Council.</p>
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Implications for NHS Greater Glasgow & Clyde:	<p>The Integration Scheme clearly outlines the responsibilities of Partners and the IJB if spending exceeds budget plans. Partners will be kept updated on financial performance during the year.</p>
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1. Purpose

- 1.1. This monitoring statement provides a summary of the financial performance of Glasgow City Integration Joint Board for the period 1 April 2025 to 27th June for Council and 30th June 2025 for Health.
- 1.2. It is based on information contained in the respective financial systems and includes accruals and adjustments in line with its financial policies.

2. Summary Position

- 2.1. Net expenditure is £0.912m lower than budget to date.
- 2.2. Appendix 1 shows the current budget variance by both care group and subjective analysis.

3. Budget Changes

- 3.1 Throughout the financial year, adjustments are made to the original approved budget as a result of additional funding allocations and service developments. To Month 3/Period 4 the net expenditure budget has increased by £7.735m. The changes to the gross expenditure and income budgets are analysed in the table below.

Explanation	Changes to Expenditure Budget	Changes to Income Budget	Net Expenditure Budget Change
Children's Services - Training Funding	£270,000		£270,000
Criminal Justice Funding	£100,000	-£100,000	£0
Drug Funding - Apremilast 2025/26	£1,150,000		£1,150,000
Glasgow City Council Funding For Post	£140,000	£0	£140,000
Home Office Funding- Devolved Decision Making Pilot Co-Ordinators	£89,476	-£89,475	£1

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Liaison Psychiatry Service Income	£109,000	-£109,000	
NES income - Psychology trainees	£2,771,376	-£2,771,376	£0
NES Income: Psychology programs	£700,654	-£700,654	£0
NES Income: Trainee Doctors	£300,000	-£300,000	£0
Other Funding - Secondments	£479,741	-£479,741	£0
Scottish Government Funding - Gender Service	£545,100		£545,100
Scottish Government Funding - HMP Lillias Community Custody Unit	£566,000		£566,000
Scottish Government Funding - NHS GG&C National Insurance Employers Uplift	£4,656,000		£4,656,000
Scottish Prison Service Funding	£33,800	-£33,800	£0
Service Level Agreement West of Scotland Services 25/26	£319,478	-£319,478	£0
Trauma Service Income (Future Pathways & Redress)	£327,133	-£327,133	£0
Whole Family Wellbeing Fund (WFWF) Funding - Section 22 Payments	£313,728	£0	£313,728
Whole Family Wellbeing Fund (WFWF) Funding - Transforming Practice	£150,000	£0	£150,000
Other Adjustments	£224,892	-£280,000	-£55,108
Total	£13,246,378	-£5,510,657	£7,735,721

4. Transformation Programme

- 4.1 The Integration Transformation Board continues to meet to secure the delivery of in-year savings. The overall savings target for 2025/26 is £39.683m. At this stage of the year, it is anticipated that actual savings realised will be £38.032m representing 95% of the target. Part year implementation will impact on in year savings and will be reflected within future forecasts. The Integration Transformation Board continues to monitor delivery of these savings and agree actions to ensure delivery of the proposals agreed by the IJB.
- 4.2 The unachieved savings target from prior years is £1.462m. At this stage of the year, it is anticipated that £1.151m is forecast to be achieved. The gap is in relation to a review of community health services within Children and Families which is still underway and a review and redesign of Primary Care and Health Improvement Teams which is ongoing.
- 4.3 The savings realised are reflected in the overall financial position reported in this monitoring statement.
- 4.4 The Integration Transformation Board has also been monitoring the transformation agenda to support future year budget planning. This includes the following areas of work:
- Updates on delivery of prior year and current year savings programmes
 - Updates on recovery planning in significant areas of budget pressure including inpatient staffing and direct assistance
 - Transformation programmes including Learning Disability Workforce Integration, Day Care Service Review, Admin Review and a review of the Mental Health Strategy

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5. Reasons for Major Budget Variances

5.1 Children and Families

- 5.1.1 Net expenditure is overspent by £0.891m.
- 5.1.2 Employee costs are overspent by £0.408m. Health Visiting is overspent by £0.607m primarily due to lower than budgeted turnover and 82% of staff at the top of the salary scale. There is an overspend within the Central Parenting Team of £0.071m due to unachieved savings and an overspend of £0.176m due to the overtime requirement for absence cover in the Children's Houses. This is offset by an underspend of £0.584m due to a number of vacancies across the service. Recruitment plans continue to be progressed to fill vacancies as quickly as possible, however this is proving challenging in the current market.
- 5.1.3 Third Party Payments are overspent by £0.322m. There is an overspend in Residential Schools of £0.482m and Personalisation of £0.251m. This is offset by underspends in Kinship of £0.177m, Provided Fostering £0.115m and Adoption £0.100m, all based on placement numbers and service demand.
- 5.1.4 Transfer Payments are overspent by £0.494m. There is an overspend in Direct Assistance of £0.409mm which reflects the level of demand and support required in these areas including supporting families with no recourse to public funds. Direct Payments are overspent by £0.059m in relation to Children with Disabilities.
- 5.1.5 There is an over-recovery in income of £0.244m, £0.064m of which relates to UASC (Unaccompanied Asylum-Seeking Children) income from the Home Office and £0.135m in relation to the recovery of Direct Payment surpluses.

5.2 Adult Services

- 5.2.1 Net expenditure is overspent by £2.056m.
- 5.2.2 Employee Costs are overspent by £1.462m. This is mainly attributable to Mental Health services, where employee costs are overspent by £1.766m. Within Inpatient services, expenditure of £3.98m on bank nursing staff has been incurred due to consistently high numbers of enhanced observations, sick leave and vacancy cover, and is partly offset by the high number of trained nursing vacancies (£2.373m). The implementation of the Continuous Intervention Policy from 1st April is expected to impact favourably on supplementary staffing costs over the next few months and is being monitored by senior management on a monthly basis. Community and Specialist Services are underspent (£0.254m) attributable to turnover.
- 5.2.3 Public Protection is overspent by £0.267m, mainly because of unachieved savings linked to Connect Services. These overspends are partly offset by underspends within Sexual Health Services (£0.309m) and Criminal Justice & Prison Healthcare (£0.201m) which are attributable to turnover of staff.

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- 5.2.4 Supplies and Services are underspent by £0.084m with minor underspends throughout most client groups; the exceptions are Prison Healthcare, overspent by £0.018m mainly due to cost pressures associated with the pharmacy services contract, and Homelessness-related costs of £0.127m for legal expenses.
- 5.2.5 Purchased services is overspent by £2.184m. Within this, Learning Disabilities and Mental Health are reflecting an overspend of £0.833m due to demand for SDS options 2 & 3 exceeding the available budget which is partly offset by underspends within residential & non-residential services (£0.086m). Extra Contractual Referrals are overspent by £0.446m and is reflective of demand.
- 5.2.6 Transfer payments are underspent by £0.670m. Within Homelessness, Housing Benefit payments to service users in temporary accommodation is overspent (£6.270m) which is offset by additional funding from GCC (£6.996m) to partly cover asylum expenditure. Public Protection is overspent by £0.096m due to spend on direct assistance and is reflective of demand.
- 5.2.7 These overspends are partly offset by an income over-recovery of £1.265m mainly due to Home Office asylum funding of £1.102m and the recovery of Learning Disability direct payment surpluses of £0.131m.
- 5.2.8 Within Homelessness, the Council has provided a commitment that the additional costs linked to asylum will be fully funded. Homelessness is therefore reflecting a continued phasing of asylum income to offset cost pressures.

5.3 Older People and Physical Disability

- 5.3.1 Net expenditure is underspent by £0.175m.
- 5.3.2 Employee costs are overspent by £0.478m. Health staff salary costs are overspent within Mental Health Inpatients and Elderly Mental Health due to the use of bank and agency to cover staff sickness and vacancies. Care Services and Locality front line services are underspending by £0.280m which includes overspends in agency and overtime to cover vacancies and staff absence. Recruitment plans continue to be progressed to fill vacancies as quickly as possible to reduce the use of agency and overtime, however this underspend reflects the challenges of recruiting in the current market.
- 5.3.3 There is an overspend of £0.226m in Transport mainly due to increased repair costs.
- 5.3.4 Purchased services are underspent by £0.863m. This reflects current commitment and assumed activity around demand for services.

5.4 Resources

- 5.4.1 Net expenditure is underspent by £0.202m.
- 5.4.2 Employee costs are underspent by £0.380m due to vacancies. Recruitment plans continue to be progressed to fill these as quickly as possible, however this is proving challenging in the current market.

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- 5.4.3 Transport costs are overspent by £0.111m mainly in relation to Transport and Support Service (TASS) in Technical Care and is linked to costs which include higher taxi usage due to current staff vacancies. This will reduce as recruitment progresses.
- 5.4.4 Supplies and Services are underspent by £0.318m. Technical Care Services are underspent by £0.137m based on activity levels and demand for equipment and this is offset by the income charged to partners. There is an underspend of £0.264m across various lines including purchase of services and commitments linked to inflation pressures.
- 5.4.5 Income is under-recovered by £0.375m. This is mainly within Technical Care Services where there is a net under-recovery of £0.343m in respect of EquipU, Stairlifts, and Linguistics.

5.5 Criminal Justice

- 5.5.1 Net expenditure is underspent by £0.115m. This relates to the non-Section 27 grant funded element of the service and is due to turnover in employee costs.

5.6 Primary Care

- 5.6.1 Primary Care is showing an underspend position of £3.367m.
- 5.6.2 There is an underspend within Prescribing Support Services, Clinical Directors and Health Improvement Teams of £0.154m, which is mainly as a result of vacancies
- 5.6.3 Prescribing is currently reporting an underspend of £3.636m. Volumes and prices are trending lower than anticipated when budgets were set, albeit it is early in the year, and as more data is received this will be factored into forecasted figures. A savings target of £4.6m has been set for 2025-26. Pharmacy teams and GPs are working hard to secure these savings, and progress will continue to be monitored by the relevant management teams.

6. Reserve Balances

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

7. Action

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

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8. Conclusion

- 8.1 Net expenditure is £0.912m lower than budget to date.

9. Recommendations

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

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Appendix 1

Glasgow City Integration Joint Board

Budget Monitoring Statement to end June /Period 4 2025/26

1. Budget Variance by Care Group

Annual Net Expenditure Budget £000		Actual Net Expenditure to Date £000	Budgeted Net Expenditure to Date £000	Variance to Date £000
166,482	Children and Families	42,116	41,225	891
405,321	Adult Services	106,522	104,466	2,056
384,085	Older People (incl Dementia)	84,052	84,227	-175
43,227	Resources	-33,072	-32,870	-202
60	Criminal Justice	358	473	-115
464,454	Primary Care	112,303	115,670	-3,367
1,463,628	Total	312,280	313,192	-912
Funded By :-				
577,259.16	Glasgow City Council	86,448	86,448	0
900,879	NHS Greater Glasgow & Clyde	231,189	231,189	0
205	Drawdown of Earmarked Reserves	63	63	0
1,478,343		317,699	317,699	-
14,715	Transfer +to/-from Reserves	5,420	4,507	912
-	Net Balance	-	-	-

2. Reserve Position at End June/Period 04 2025/26

	Balance at 01.04.25 £000	- Drawdown to Date/+Upload £000	Balance at End May/P3 £000
General Reserves	24,279	5,420	29,699
Earmarked Reserves	37,564	-205	37,359

3. Forecasted Reserve Position at 31st March 2026

	Balance at 01.04.24 £000	Net Forecasted -Drawdown/ Upload £000	Forecasted Balance at 31.03.25 £000
General Reserves	24,279	14,715	38,994
Earmarked Reserves	37,564	-17,000	20,564

4. Budget Variance by Subjective Analysis

Annual Budget £000		Actual to Date £000	Budget to Date £000	Variance to Date £000
633,822	Expenditure	£000	£000	£000
27,440	Employee costs	156,003	153,855	2,149
6,271	Premises Costs	3,795	3,271	524
62,008	Transport Costs	1,607	1,514	93
435,883	Supplies and Services	17,509	17,770	-260
64,852	Third party Costs	97,497	95,686	1,810
529	Transfer Payments	24,489	24,813	-324
167,137	Capital Financing Costs	230	230	0
270,477	Prescribing	37,399	41,011	-3,611
1,668,419	Family Health Services	69,075	68,990	84
	Total Expenditure	407,605	407,140	466
204,790	Income	95,325	93,948	1,377
1,463,629	Net Expenditure	312,280	313,192	-912