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**Item No: 12**

**Meeting Date: Wednesday 24<sup>th</sup> September 2025**

**Glasgow City  
Integration Joint Board**

**Report By: Duncan Black, Depute Chief Officer - Finance & Resources**

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**Service Prioritisation – Update**

<b>Purpose of Report:</b>	To provide an update on the Service Prioritisation initiative, the work completed to date and next steps.
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<b>Background/Engagement:</b>	During the 2025/26 budget setting process, the Board requested a different approach to identifying savings with which to close the Integration Joint Board's budget gap in future years. A Service Prioritisation approach was proposed in order to meet the anticipated savings over the next three years.
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<b>Governance Route:</b>	<p>The matters contained within this paper have been previously considered by the following group(s) as part of its development.</p> <p>HSCP Senior Management Team <input checked="" type="checkbox"/></p> <p>Council Corporate Management Team <input type="checkbox"/></p> <p>Health Board Corporate Management Team <input type="checkbox"/></p> <p>Council Committee <input type="checkbox"/></p> <p>Update requested by IJB <input checked="" type="checkbox"/></p> <p>Other <input type="checkbox"/></p> <p>Not Applicable <input type="checkbox"/></p>
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<b>Recommendations:</b>	<p>The Integration Joint Board is asked to:</p> <p>a) Note the contents of the report;</p> <p>b) Consider and agree the key principles and critical success factors to be used in the model; and</p>
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	c) Instruct officers to provide regular updates on the model and the outcomes from Service Prioritisation reviews at each Board meeting.
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### Relevance to Integration Joint Board Strategic Plan:

The Service Prioritisation initiative is the main vehicle with which savings are to be identified over the next three years in order to meet the anticipated budget gap for the IJB.

### Implications for Health and Social Care Partnership:

<b>Reference to National Health &amp; Wellbeing Outcome(s):</b>	The impact on National Health and Wellbeing Outcomes, and wider Strategic Priorities will be included in the impact assessment of proposals emerging from the application of the Service Prioritisation approach.
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<b>Personnel:</b>	Any implications for personnel will be included in the impact assessment of proposals emerging from the application of the Service Prioritisation approach.
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<b>Carers:</b>	Any implications for carers will be included in the impact assessment of proposals emerging from the application of the Service Prioritisation approach.
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<b>Provider Organisations:</b>	Any implications for Provider Organisations will be included in the impact assessment of proposals emerging from the application of the Service Prioritisation approach.
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<b>Equalities:</b>	All proposals emerging from the application of the Service Prioritisation approach will be subject to Equality Impact Assessments to understand impacts and inform the development of proposals, and to take steps to mitigate any impacts identified, wherever possible. These will be made available to the Board.
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<b>Fairer Scotland Compliance:</b>	All proposals emerging from the application of the Service Prioritisation approach will be assessed against the Fairer Scotland principles and any areas of disproportionate impact clearly identified and included in future reporting to the Board.
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<b>Financial:</b>	The Medium Term Financial Outlook 2025-2028 outlines the anticipated budget gap of £118m up to 31 March 2028. The Service Prioritisation initiative is intended to identify options through which that gap can be met.
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<b>Legal:</b>	The Chief Finance Officer's duties in Scotland require a balanced budget to be set. This is established in s108(2) of the Local Government (Scotland) Act 1973 and s93(3) of
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	the Local Government Finance Act 1992. The Service Prioritisation initiative will be a key mechanism through which a balanced budget can be achieved in the next three years.
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<b>Economic Impact:</b>	Not applicable at this time.
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<b>Sustainability:</b>	Not applicable at this time.
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<b>Sustainable Procurement and Article 19:</b>	Not applicable at this time.
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<b>Risk Implications:</b>	The Service Prioritisation exercise will become a significant mitigation in a number of strategic risks that currently sit on the IJB risk register, specifically those relating to financial sustainability.
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<b>Implications for Glasgow City Council:</b>	Any savings proposals to emerge from the Service Prioritisation approach will require to be considered by Glasgow City Council as part of their annual budget setting processes.
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<b>Implications for NHS Greater Glasgow &amp; Clyde:</b>	Any savings proposals to emerge from the Service Prioritisation approach will require to be considered by Glasgow City Council as part of their annual budget setting processes.
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<b>Direction Required to Council, Health Board or Both</b>	
<b>Direction to:</b>	
1. No Direction Required	<input checked="" type="checkbox"/>
2. Glasgow City Council	<input type="checkbox"/>
3. NHS Greater Glasgow & Clyde	<input type="checkbox"/>
4. Glasgow City Council and NHS Greater Glasgow & Clyde	<input type="checkbox"/>

### 1. Purpose

- 1.1. The purpose of this report is to provide an update on the Service Prioritisation initiative, the work completed to date and next steps.
- 1.2. During the 2025/26 budget setting process, the Board requested an alternative approach to future budget saving planning. At the April Board Development Session, initial proposals were discussed for a Service Prioritisation approach in order to meet the anticipated savings over the next three years. HSCP Leadership events also sought input from officers on 25 April and 6 May. Presentations have been delivered to the Health Board, Council Leadership and also a national Chief Officers Group attended by the Cabinet Secretary in June.

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### 2. Background

- 2.1. The 2025-2028 Medium Term Financial Outlook was approved by the Board on [19 March 2025](#). This included an estimated budget gap of £118m up to 31 March 2028.

	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
<b>Total</b>	<b>1,642,152</b>	<b>1,725,429</b>	<b>1,786,447</b>	<b>1,841,043</b>
<b>Funding</b>				
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
<b>Total</b>	<b>1,642,152</b>	<b>1,682,946</b>	<b>1,701,828</b>	<b>1,722,666</b>
<b>Estimated Funding Gap (Cumulative)</b>	<b>-</b>	<b>42,483</b>	<b>84,619</b>	<b>118,377</b>
<b>Estimated Funding Gap (In Year)</b>		<b>42,483</b>	<b>42,136</b>	<b>33,758</b>

- 2.2. The 2025/26 budget was also approved at that meeting and outlined specific savings to meet the gap of £42.4m in the current financial year.
- 2.3. The outlook will be updated as soon as sufficient information is available with which to update the key assumptions, in particular those around Council and Health Board funding from the Scottish Government. The UK Chancellor recently announced that the UK budget would be published on 26 November. This means that the Scottish Government financial settlement detail may not be available until late December or January 2026.
- 2.4. This paper is therefore based on the original assumptions underpinning the original forecast from March 2025.
- 2.5. The Medium Term Financial Outlook noted the following in relation to Service Prioritisation:

*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*

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*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 protect 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.*

- 2.6. The Board also approved the new Executive Team structure on [25 June 2025](#). Good progress has been made to implement the new structure, which is designed to support the application of the Service Prioritisation approach.

### **3. Proposed approach**

- 3.1. Officers have developed an outline approach through which to assess and prioritise funding for services in this way. Elements of the [UK Treasury Green Book](#) have been consulted to inform the outline approach, and the University of Strathclyde are also providing support. A workshop was held at the University of Strathclyde Technology and Innovation Centre on 19 August.
- 3.2. The Service Prioritisation approach will assess individual service areas against a set of Critical Success Factors (CSFs). The current draft set of CSFs that will be applied to each service area are summarised below:
- a) It supports delivery of the IJBs strategic plan objective.
  - b) The anticipated outcome for the budget spend in this area and what evidence exists to demonstrate delivery of outcomes either locally or based on research models.
  - c) Which statutory requirements does this spend support delivery of and what is the scale/impact of the contribution.
  - d) The proportion of service users are assessed as critical and substantive needs.
  - e) What evidence exists that this service is the most cost-effective model for the IJB? For example, cost-avoided needs to be greater than cost of service delivery model or use of benchmarking data.
  - f) Does spend reduce demand for more expensive health and social care services in the future, and can this be quantified.
  - g) Is spend because of failure demand? If so where should spend be directed to prevent it.

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- h) How well does this service utilise digital first principles and are there opportunities being missed?
- 3.3. A slightly different lens may be required for the assessment of support functions.
- 3.4. Pro forma templates have been drafted to capture the scoring from these assessments against the CSFs.
- 3.5. Given the scale of the projected funding gap for 2026/27 and the three year timeline for reviewing all IJB activity, it is likely that a hybrid approach to identifying savings for the 2026/27 budget will be required. Therefore, services will simultaneously be asked to identify budget savings options over the coming months, which will be available for consideration by the Board alongside the outcomes from the Service Prioritisation work as it progresses. This is a prudent approach, which will ensure that there are sufficient options identified prior to the Board's budget setting meeting in March 2026.
- 3.6. Now that the Service Prioritisation approach has been outlined in principle, a separate session with Staffside and Trades Unions will be arranged. The model will then be tested on a small number of service areas to identify any amendments or adaptations that may be required. It is intended that these initial reviews will be completed by 31 December 2025.
- 4. Other considerations**
- 4.1. Any areas identified for service change, transformation or reduction will be subject to Equality Impact Assessment in line with prior budget savings options.
- 4.2. Staffside and Trade Union engagement will be central to the approach. Any areas identified for service change, transformation or reduction will be subject to full engagement with staff representatives. The scale of the reviews over the next three years is significant and the capacity to ensure effective engagement will need to be carefully considered.
- 4.3. Initial reviews of budget lines have identified anomalies and the requirement for general ledger budget corrections. This work is underway and needs to be completed prior to the commencement of Service Prioritisation assessments.
- 4.4. Given the scale and importance of the Service Prioritisation reviews, a comprehensive governance structure will be established to ensure appropriate levels of senior management oversight and scrutiny prior to any proposals being finalised. Full details of these governance arrangements will be reported back to the Board in November once the new Depute Chief Officer – Strategy, Innovation & Best Value is in post. The Finance, Audit and Scrutiny Committee also approved amendments to the Internal Audit Plan at its meeting on [10 September](#), which included time to review the governance of the Service Prioritisation work.

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**5. Recommendations**

5.1 The Integration Joint Board is asked to:

- a) Note the contents of the report;
- b) Consider and agree the key principles and critical success factors to be used in the model; and
- c) Instruct officers to provide regular updates on the model and the outcomes from Service Prioritisation reviews at each Board meeting.