

<b>NHS Greater Glasgow and Clyde</b>	<b>Paper No. 25/46b</b>
<b>Meeting:</b>	<b>NHSGGC Board Meeting</b>
<b>Meeting Date:</b>	<b>29 April 2025</b>
<b>Title:</b>	<b>IJB Financial Plan 2025/26 Summary Overview</b>
<b>Sponsoring Director:</b>	<b>Colin Neil, Director of Finance</b>
<b>Report Author:</b>	<b>Fiona McEwan, Assistant Director of Finance- Financial Planning &amp; Performance</b>

## 1. Purpose

**The purpose of this report is to:** to provide the Board with an update on the IJB Financial Plans for 2025/26.

## 2. Executive Summary

**The paper can be summarised as follows:**

The paper is split into 2 sections, the first section is looking at the 2024/25 outturn followed by the overall 2025/26 consolidated position. The final section is a breakdown by each IJB.

All the IJB finance plans have now been approved by the IJB Boards.

### Section 1

#### 2024/25 Forecast Outturn

- All IJB's are experiencing year-end overspends / pressures.
- All IJB's, with the exception of East Renfrewshire, are forecasting break-even at the financial year end, due to the achievement of 2024/25 savings plans and utilisation of reserves.
- To achieve a balanced position, £55.4m of reserves are forecast to be utilised in 2024/25. The forecast year end reserves position is shown below which displays this level of movement

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- East Renfrewshire are forecasting an overspend of circa £0.8m, this is after fully utilising all general reserves. It has been agreed the NHSGGC will provide the required level of support at year end.

### 2025/26 – Financial Plans Consolidated Overview

- All IJB's have approved finance plans which demonstrate break-even for 2025/26.
- In total, for all IJBs, the financial challenge following income is c£86.6m, this is at a similar level to the £86m challenge reported in 2024/25.
- The financial challenge is covered in full by the following
  - Savings Plans c£69.83m
  - Utilisation of Reserves c£15.31m
  - Management of Pressures c£1.5m
- The overall financial challenge of £86.6m is around 3.3% of the total budget excluding set aside
- The savings plans of £69.8m represents around 2.7% of the total budget excluding set aside
- Variation in values and percentages are included in the paper
- For context, the challenges in setting these budgets are not unique to the Greater Glasgow and Clyde IJB's as the budget settlement is resulting in difficult decisions across the country, not only for IJBs but also for our respective partners.
- NHSGGC has passed over a 3% uplift as per Scottish Government (SG) requirements and have also given a sustainability payment to fund the remaining 40% of National insurance payroll pressures as SG are only providing direct funding for 60% of the costs.

### Section 2

Summary by IJB can be seen in the attached report, links have also been provided with the full detail for each of the IJB's Financial Plans.

## 3. Recommendations

The Board is asked to note the financial challenge that the IJB's face in 2025/26.

## 4. Response Required

This paper is presented for awareness.

## 5. Impact Assessment

The impact of this paper on NHSGGC's corporate aims, approach to equality and diversity and environmental impact are assessed as follows:

- |                        |                        |
|------------------------|------------------------|
| • Better Health        | <u>Positive impact</u> |
| • Better Care          | <u>Positive impact</u> |
| • Better Value         | <u>Positive impact</u> |
| • Better Workplace     | <u>Positive impact</u> |
| • Equality & Diversity | <u>Positive impact</u> |
| • Environment          | <u>Positive impact</u> |

## **6. Engagement & Communications**

**The issues addressed in this paper were subject to the following engagement and communications activity:**

This report has been previously presented and scrutinised by the Corporate Management Team and the Finance, Planning and Performance Committee.

## **7. Governance Route**

**This paper has been previously considered by the following groups as part of its development:** As above.

## **8. Date Prepared & Issued**

Prepared on 14 April 2025

Issued on 17 April 2025

**IJB - High Level Financial Consolidations –2025/26 Financial Plans**

The paper provides a high-level summary of the IJB’s financial plans for 2025/26

**Section 1 - High Level Financial Summary**

**2024/25 Forecast Outturn**

- All IJB’s are experiencing year-end overspends / pressures.
- All IJB’s, with the exception of East Renfrewshire, are forecasting break-even at the financial year end, due to the achievement of 2024/25 savings plans and utilisation of reserves.
- To achieve a balanced position, £55.4m of reserves are forecast to be utilised in 2024/25. The forecast year end reserves position is shown below which displays this level of movement
- East Renfrewshire are forecasting an overspend of circa £0.8m, this is after fully utilising all general reserves. It has been agreed the NHSGGC will provide the required level of support at year end.

**Table 1: Forecast Reserves position at 31<sup>st</sup> March 2025**

Reserves	East Dunbartonshire	East Renfrewshire	Glasgow	Inverclyde	Renfrewshire	West Dunbartonshire	Total
	£m	£m	£m	£m	£m	£m	£m
Earmarked Reserves	15.6	0.9	15.4	12.6	15.8	13.1	73.2
General Reserves	1.8	0.3	17.8	1.0	3.8	1.9	26.6
<b>Total Reserves as at 31st March 2025</b>	<b>17.4</b>	<b>1.1</b>	<b>33.1</b>	<b>13.6</b>	<b>19.6</b>	<b>15.0</b>	<b>99.8</b>
<b>Total Reserves as at 31st March 2024</b>	<b>22.4</b>	<b>1.9</b>	<b>66.9</b>	<b>19.3</b>	<b>26.1</b>	<b>18.7</b>	<b>155.2</b>
<b>Movement in Year</b>	<b>(5.0)</b>	<b>(0.7)</b>	<b>(33.8)</b>	<b>(5.7)</b>	<b>(6.5)</b>	<b>(3.7)</b>	<b>(55.4)</b>

**2025/26 – Financial Plans Consolidated Overview**

- All IJB’s have approved finance plans which demonstrate break-even for 2025/26.
- In total, for all IJBs, the financial challenge following income is c£86.6m, this is at a similar level to the £86m challenge reported in 2024/25.
- The financial challenge is covered in full by the following
  - Savings Plans c£69.83m
  - Utilisation of Reserves c£15.31m
  - Management of Pressures c£1.5m
- The overall financial challenge of £86.6m is around 3.3% of the total budget excluding set aside
- The savings plans of £69.8m represents around 2.7% of the total budget excluding set aside
- Variation in values and percentages are noted in the table below

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- For context, the challenges in setting these budgets are not unique to the Greater Glasgow and Clyde IJB's as the budget settlement is resulting in difficult decisions across the country, not only for IJBs but also for our respective partners.
- NHSGGC has passed over a 3% uplift as per Scottish Government (SG) requirements and have also given a sustainability payment fund the remaining 40% of National insurance payroll pressures as SG are only providing direct funding for 60% of the costs.

**Table 2: 2025/26 Financial Summary**

2025/26	East Dunbartonshire	East Renfrewshire	Glasgow	Inverclyde	Renfrewshire	West Dunbartonshire	Key Totals
	£m	£m	£m	£m	£m	£m	£m's
<b>Financial Challenge after Income</b>	9.5	5.9	42.5	2.7	18.3	7.8	86.60
<b>Financial Coverage</b>							
Savings Identified	9.4	4.4	39.7	2.5	9.3	4.5	69.83
Planned utilisation of Reserves	0.1		2.8	0.2	9.0	3.2	15.31
Management of Pressures		1.5	0.0				1.50
<b>Total Coverage Identified</b>	<b>9.5</b>	<b>5.9</b>	<b>42.5</b>	<b>2.7</b>	<b>18.3</b>	<b>7.8</b>	<b>86.6</b>
<b>2025/26 Net Financial Plans</b>	<b>0.0</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.0)</b>
Unidentified Savings							
	0.0	(0.0)	0.0	0.0	0.0	0.0	(0.0)

Budgets	East Dunbartonshire	East Renfrewshire	Glasgow	Inverclyde	Renfrewshire	West Dunbartonshire	Key Totals
	£m	£m	£m	£m	£m	£m	£m's
Baseline Budget for IJB	275.4	201.4	1,743.1	219.9	405.3	256.6	3,101.8
Set Aside Budget	42.5	31.9	271.5	37.7	73.1	46.3	502.9
Budget Excluding Set Aside	232.9	169.4	1,471.6	182.3	332.2	210.3	2,598.8
Financial Challenge as a % of Total Budget	3.4%	2.9%	2.4%	1.2%	4.5%	3.0%	2.8%
Financial Challenge as a % of Budget less set aside	4.1%	3.5%	2.9%	1.5%	5.5%	3.7%	3.3%
Savings Identified as a % of Budget less set aside	4.0%	2.6%	2.7%	1.4%	2.8%	2.2%	2.7%

The financial plans highlight that the scale of the financial challenge will have an impact on service provision and the need to redesign delivery of services.

Significant savings are having to be identified and the main goal of the IJBs is to protect core services that provide care and protection to those who are assessed as needing it and fulfil statutory responsibilities.

The level of challenge across each IJB has been noted below to provide context on the challenge, key areas and financial gap required to be covered by savings, or where applicable mitigation of pressures or reserves. Links to each individual finance plan have been included for ease of reference to the full detail.

It should be noted that this paper is looking at the position for 2025/26 however the financial sustainability of the IJB's going forward is going to be extremely challenging due to the depletion of reserves, pressures being faced, financial settlements being allocated and the increase in the cost of living.

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There are a number of risks that may have impact on the financial plans of the IJB's which have been summarised below:-

- Pay Awards for both Health and Local Authorities are still to be agreed, plans have been compiled on the assumption of the public sector pay policy, however any deviation that isn't funded will have an impact
- National Insurance increase on provider payments, if no funding is provided for these costs then the potential impact is c£18m
- Prescribing is a volatile area with prices and volumes continuing to increase
- High level of savings programmes required to be delivered
- Demographic/ demand pressures are increasing without any additional funding

### **Section 2 – Extracts on IJB Budgets 2025/26**

Detailed below are extracts from the budgets for 2025/26 for the six IJB's. All are facing similar pressures and challenges which can be seen in the following sections.

#### **East Dunbartonshire**

East Dunbartonshire are reporting a funding gap of £9.5m and this is covered by savings of £9.4m and utilisation of reserves of £0.1m.

The Council is giving a flat cash settlement plus passing over additional SG funding to support free personal and nursing care, the living wage for adult social care and children and young people. There was a redetermination of budget from the HSCP to the Council in 2024/25 of £4.69m due to the adult social care uplift for 24/25 being included in the Council's revenue grant allocation and not being an additional allocation to be passed over to the HSCP which was what had originally been assumed. This will be offset in part by an additional one-off funding allocation in 25/26 of £2.345m.

The key net pressures contributing to the £9.5m gap are as follows:

- Demographics £1.9m
- Prescribing £3.1m
- Demand pressures £2.9m
- Contractual Inflation £1.6m

The link below provides access to the full financial plan report and details on savings plans.

East Dunbartonshire (Item 5 pages 91 – 143)

<https://eastdunbarton.moderngov.co.uk/ieListDocuments.aspx?CId=148&MId=1158>

#### **East Renfrewshire**

The East Renfrewshire budget is showing a funding gap of £5.9m. This is funded by £4.4m of savings and there is a commitment from the council to fund up to £1.5m related to deferring charging for non-residential care.

The key areas of pressures impacting on the funding gap are highlighted below:-

- Prescribing £3.8m
- Demographics & Demand £2.4m

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The contribution from East Renfrewshire Council includes £1.199m as a share of the additional funding received by the council from the national gain of £289m, a further £0.110m recognising in part the increase on support costs. The council has also agreed to support the IJB with the impact of deferring non-residential charging until April 2026, with up to £1.5m as required. The Council are passing over the funding in relation to free personal and nursing care, the living wage for adult social care and children and young people

The link below provides access to the full financial plan report and details on savings plans.

East Renfrewshire [https://www.eastrenfrewshire.gov.uk/media/11272/IJB-Item-6-26-March-2025/pdf/IJB\\_Item\\_6\\_-\\_26\\_March\\_2025.pdf?m=1741958660940](https://www.eastrenfrewshire.gov.uk/media/11272/IJB-Item-6-26-March-2025/pdf/IJB_Item_6_-_26_March_2025.pdf?m=1741958660940)

### **Glasgow City Summary**

The Glasgow City budget is showing a funding gap of £42.5m. This gap is being covered by £39.7m of savings and utilisation of reserves of £2.8m.

The key areas of net pressures after allowing for funding uplifts are highlighted below:-

- |  |        |
|--|--------|
| • 2024/25 Pressures                                  | £15.3m |
| • Pay inflation                                      | £7.8m  |
| • 23/24 & 24/25 shortfall in pay award               | £1.3m  |
| • Prescribing  | £9.2m  |
| • Employer NI Thresholds and Rates Council shortfall | £2.8m  |
| • Inflation  | £3.4m  |
| • Other Pressures                                    | £2.7m  |

The IJB will receive an additional £4m to reduce the impact of the reduction in services from the Council and the Council are passing over the funding in relation to free personal and nursing care, the living wage for adult social care and children and young people.

The link below provides detail to the full financial plan and savings identified.

Glasgow [Item No 08 - IJB Financial Allocations and Budgets 2025-2026 0.pdf](#)

### **Inverclyde**

Inverclyde is reporting a gap of £2.7m for 2025/26 and has identified savings of £2.5m leaving £0.2m to be funded from existing reserves.

Inverclyde Council will pass over in full the share of the extra Scottish Government funding relating to the 2024/25 pay award. In addition, the Council will pass over an additional £1.1m to fund the full impact of estimated Employers National Insurance increase and an additional £0.700m for the initial contribution to the current children's services pressure. The Council has also agreed to pass over the funding in relation to free personal and nursing care, the living wage for adult social care and children and young people.

The key pressures being highlighted by Inverclyde are as follows:-

- |                         |         |
|-------------------------|---------|
| • Demographic pressures | £0.750m |
| • Prescribing           | £2.067m |

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The link below provides access to the Inverclyde Budget and details of savings plan.

Inverclyde Budget [05 Inverclyde IJB Budget 2025-26.pdf](#)

### Renfrewshire

Renfrewshire is reporting a gap of £18.3m for 2025/26, after taking into account funding, and has identified savings of £9.3m leaving £9.0m to be funded from existing reserves.

The Council have agreed to pass over the funding in relation to free personal and nursing care, the living wage for adult social care, and proportionate share of NI allocation.

A number of key pressures have been highlighted in the plans and the pressures are detailed below:

- Demand £4.0m
- Prescribing £4.1m
- Other Pressures £9.7m

Other pressures include recurring unfunded pressures associated with prescribing, care at home, increased National Insurance charges and increased demand across a number of areas.

The link below provides access to the full plan including details on all savings.

Renfrewshire [8 2025-26 Delegated Health and Social Care Budget COMBINED.pdf](#)

### West Dunbartonshire

West Dunbartonshire is reporting a gap of £7.8m for 2025/26 and has identified savings of £4.6m and the remaining £3.2 funded from existing reserves.

At their budget meeting on 5 March 2025 the Council agreed to pass on a share of additional Scottish Government funding received in relation to the 2024/25 local government pay uplift and this is included within the 2025/26 flat cash settlement. In addition the Council has passed on the full allocation of the Scottish Government funding for social care policy commitments along with providing additional funding for Grant Aided Expenditure indicator changes and partial funding for national insurance pressures.

The net key pressures have been highlighted in the plan which are detailed below:

- Prescribing pressures in excess of 3% funding uplift £2.7m
- Non pay inflationary pressures £0.3m
- Children and Families Social Care Demographic Pressures £1.3m
- Social Care Unfunded pay pressures £2.7m
- Social Care Unfunded national insurance pressures £0.7m
- Shortfall in Scottish Living Wage Funding £0.1m

The link below provides access to the full plan including details on all savings.

West Dunbartonshire [supplementary-document-pack-hscp-board-24-march-2025.pdf](#)