
Report to: Clackmannanshire Council

Date of Meeting: 2 October 2025

Subject: Integrated Joint Board Budget

Report by: Chief Executive

1.0 Purpose

- 1.1. This paper has been prepared to update Council on the report previously considered on the 20 March 2025, which set out a request from the IJB Interim Chief Officer for financial support, following the completion of a series of workshops aimed at addressing the financial deficit in 2025/26. It also sought confirmation of any available financial assistance, to mitigate the forecast adverse outturn for 2024/25.
- 1.2. The paper also provides an interim update on the work and progress in taking forward the Dispute Resolution process instigated by Stirling and Clackmannanshire Councils.

2.0 Recommendations

Council is recommended to:

- 2.1. Allocate £0.417m from the Council's planned 2024/25 £3.643m operating surplus to provide total additional financial support of £1.744m to the Clackmannanshire and Stirling 2024/25 Integrated Budget, noting that this reflects a voting share contribution in line with the historic precedent (paragraphs 4.1 to 4.7 and 4.11 to 4.13)
- 2.2. Confirm whether or not Council requires the sum of £1.744m in respect of the 2024/25 Integrated Budget to be repaid, in full or in part, to the Council in 2026/27 (paragraphs 4.11 to 4.14)
- 2.3. Monitor the position closely in respect of both the IJB and Council 2025/26 outturn positions to allow for a fuller and more reliable consideration of affordability and risk factors with regards any potential additional financial contributions at the end of the 2025/26 financial year (paragraph 4.18)
- 2.4. Delegate to the Section 95 Officer the authority to approve any non-material variation in the figures requested in recommendation 2.1 as a consequence of the IJB Integrated Budget outturn moving from draft to final and to ensure the voting share contribution is maintained.

Council is also asked to note:

- 2.5. The background and financial context to the operation of the Health and Social Care Partnership (paragraphs 3.1 to 3.4)
- 2.6. Positive progress being made in respect of the resolution of the Dispute(s) instigated by Stirling and Clackmannanshire Councils (Section 5).

3.0 Background and Financial Context

- 3.1. The Clackmannanshire Health and Social Care Partnership (HSCP) was established with a shadow year of operation in 2015/16 and became fully operational in 2016/17. Prior to its inception a significant amount of due diligence work was undertaken to clarify that all relevant in scope services were transferred along with the associated budgets from each partner, in line with the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014.
- 3.2. Table 1 below sets out the budget allocations transferred by the Council to support the delivery of in-scope services. Over this period the Council has consistently prioritised these services through Council budget setting, with no requirement being imposed to make significant savings, as has been required of other Council portfolios. Since 2016/17, the Clackmannanshire Council HSCP Budget has grown by 98%.

Table 1: Annual Budget allocations to the Health and Social Care Partnership

Financial Year	Clackmannanshire Approved HSCP Transfer £000	Financial Year	Clackmannanshire Approved HSCP Transfer £000
2016/17	15,200	2021/22	21,583
2017/18	15,341	2022/23	25,167
2018/19	16,041	2023/24	26,209
2019/20	17,085	2024/25	28,853
2020/21	19,041	2025/26	30,047

- 3.3. Since its inception, the total Integrated Budget and the financial outturn of each constituent partner have varied significantly. Table 2 below provides an overview of the outturn position for each partner by financial year, updated for the recently reported 2024/25 draft outturn position.

Table 2: Annual Integrated Budget outturn by Constituent partners

Financial Year	Clackmannanshire Council Over (Underspend)	Stirling Council Over (Underspend)	NHS FV Over (Underspend)	IJB Reserve utilisation	Risk Share required Y/N
	£000	£000	£000	£000	
2016/17	685	(25)	663		N
2017/18	1,198	779	624	1,477	Y
2018/19	1,095	1,741	(384)		Y
2019/20	(897)	1,642	1,012	800	Y
2020/21	(1,715)	(672)	(599)		N
2021/22	0	0	0		N
2022/23	(923)	(1,903)	1,751		N
2023/24	3,719	1,348	2,955	8,022	N
204/25	1,622	3,073	2,281		Y

- 3.4. The report to Council on the 20 March 2025 provided narrative on the key trends in these figures and proposed some potential rationale for the trends.

4.0 Request for financial support in 2024/25 and 2025/26

- 4.1. In March 2025, following the setting of the Council's 2025/26 budget, a request to provide additional financial support was received in respect of:
- the forecast overspend of £11.029m in the 2024/25 financial year
 - the remaining £8.032m gap in the IJB's proposed budget for 2025/26 after taking account of the £10.922m of proposed savings.
- 4.2. The combined request to Clackmannanshire Council, across the six options presented by the IJB Chief Officer and Chief Finance Officer, fell within a range of additional contributions from £2.291m to £9.585m. These are considerable sums both in terms affordability and when considered relative to the agreed Council contribution to the Integrated Budget of £30.047m for 2025/26.

Request for additional contribution in respect of 2024/25 forecast outturn

- 4.3. As set out in section 3, the Council and partners have made additional contributions in the past where there has been an overspend in a financial year. Table 4 sets out the details of these previous additional contributions, all of which were made on the basis of the voting shares option (50% NHSFV and 25% each for Stirling and Clackmannanshire Councils).

Table 4: Summary of prior year risk share contributions made by constituent partners

Financial Year	Clackmannanshire Council contribution £000	Stirling Council contribution £000	NHS FV contribution £000
2017/18	289	289	577
2018/19	613	613	1,226
2019/20	239	239	479
Total additional contribution	1,141	1,141	2,282

- 4.4. On the 7 March 2025, the Chief Executive received three potential risk sharing options in respect of the £11.029m 2024/25 overspend. These are set out in Table 5.

Table 5: 2024/25 Risk share options for 2024/25 forecast outturn

OPTIONS	Clackmannanshire Council £000	Stirling Council £000	NHS FV £000	Total £000
Option 1- Per Directions	4,187	2,913	3,928	11,029
Option 2- Voting shares	2,757	2,757	5,515	11,029
Option 3- Per share of Integrated Budget	1,327	2,575	7,127	11,029

- 4.5. When setting the Council's Budget on 27 February, the financial planning assumptions which underpinned the General Service Pressures Reserve provided for a potential contribution to the 2024/25 overspend. In line with paragraph 8.5.4 of the Integration Scheme, '*subject to the financial capacity of relevant partners*', Clackmannanshire Council assumed a contribution in line

with Option 3 set out in Table 5. This would result in the Council offering an additional £1.327m for 2024/25. Following discussion with the Chief Officer it was proposed that this would be on the basis that this sum would be repaid to Clackmannanshire Council in 2026/27.

- 4.6. Following consideration of a range of options and risks on 20 March 2025, Council formally agreed the offer in line with the financial planning assumption set out in paragraph 4.5.
- 4.7. It should be noted that this assumption was made, whilst acknowledging that the precedent of previous years' additional contributions had been in line with Option 2, voting shares. Adopting the voting shares option for 2024/25, based on the anticipated outturn at 20 March, would result in a total contribution of £2.757m, £1.430m over the figure assumed for within the 2025/26 budget, which was not considered to be affordable.

Request for financial support in respect of the 2025/26 integrated Budget

- 4.8. On the 6th March, the IJB Chief Officer met with the Chief Executive to discuss progress with the preparation of the Integrated Budget, in particular to share the outcome of the significant work that has been progressed since taking up their role, to identify tangible savings and efficiencies in support of presenting a balanced Integrated Budget to the IJB on the 26th March 2025. At this meeting, the IJB Chief Officer offered an elected member briefing which subsequently took place on the 10th March for all Clackmannanshire elected members.
- 4.9. The position discussed with the Chief Executive represented good progress towards identifying a range of tangible savings in support of the Integrated Budget, totalling £10.922m in 2025/26 and the Delivery Plan sets out an anticipated surplus of £4.324m in 2026/27. However, there remained a residual gap of £8.032m in 2025/26 and £1.499m in 2027/28. Partners were asked to contribute to bridging the 2025/26 residual gap. To facilitate this request, a further three options were presented by the Chief Officer as the potential basis of additional financial contributions from the constituent partners (Table 6).

Table 6: 2025/26 Integrated Budget residual gap and risk share options

OPTIONS	Clackmannanshire Council £000	Stirling Council £000	NHS FV £000	Total £000
Option 1- Net savings requirement	5,398	1,844	790	8,032
Option 2- Voting shares	2,008	2,008	4,016	8,032

Option 3- Per share of Integrated Budget	964	1,847	5,221	8,032
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- 4.10. Council noted the significant additional potential sum(s) being suggested as Clackmannanshire's contribution to the 2025/26 Integrated Budget: a range of £0.964m to £5.398m (a range of 3.2% to 18% of additional financial contributions to the approved 2025/26 budget of £30.047m), and which reflected significant risk to the Council in terms of affordability. As a consequence of this, and ongoing uncertainty in relation to a range of Council-wide pressures, Council did not approve any further funding in respect of the 2025/26 shortfall.

Updated request based on 2024/25 outturn and 2025/26 forecast at August 2025

- 4.11. At its meeting on the 13 August 2025, the IJB received updated financial information in respect of both 2024/25 and 2025/26 financial years. Tables 7 and 8 summarise the current position for 2024/25 and 2025/26 respectively.

Table 7: 2024/25 Draft Outturn

	Clackmannanshire Council £000	Stirling Council £000	NHS FV £000	Total £000
Outturn: Over/ (underspend)	2,694	4,145	4,425	11,264
Reserve utilisation	(987)	(987)	(1974)	7,317
Further recovery measures	(85)	(85)	(170)	341
Overspend before risk shares	1,622	3,073	2,281	6,976

- 4.12. The 2024/25 draft outturn reflects a significant change in the Clackmannanshire Council position reported to the Council meeting in March 2025. For instance, a voting share of the £6.976m 2024/25 draft outturn overspend equates to £1.744m which is £0.417m more than the Council's budgeted sum of £1.327m, rather than the additional £1.430m requested for the equivalent option in March 2025.
- 4.13. Council is, therefore asked to approve £0.417m from the Council's 2024/25 planned surplus of £3.643m to finalise a voting share additional contribution to the 2024/25 Integrated Budget.
- 4.14. Council is also asked to confirm whether or not the sum should be repaid in full or in part, to the Council in 2026/27.

Table 8: 2025/26 Integrated Budget Forecast

	Clackmannanshire Council	Stirling Council	NHS FV	Total
	£000	£000	£000	£000
Outturn Over/ (underspend)	6,928	5,993	1,439	14,360

- 4.15. The 2025/26 forecast summarised in Table 8 does not take account of the £4m NHS FV advance risk share contribution for 25/26. Therefore, after taking this into account, there is a projected net overspend of £10.360m for 2025/26.
- 4.16. The projected outturn does not, as yet, reflect the impact of planned savings in the Delivery Plan which totalled £11.163m (updated August 2025), though as anticipated, some elements are progressing more rapidly than planned, and other proposals less so. A savings delivery tracker is being implemented from August which will facilitate greater transparency over the forecast net expenditure position allowing the Delivery Plan savings progress to be taken into account.
- 4.17. Additionally, the IJB CFO reports that current projections and care commitments suggest that there was little, if any, material net downward trend on a recurrent basis. As a consequence of these and other trends, the IJB CFO has highlighted the need to identify an additional c£4m savings during 2025/26. A private session of the IJB Finance, Audit and Performance Committee was scheduled for 20 August to consider proposals before they are presented to the IJB for consideration.
- 4.18. As a consequence of the volatility of the Integrated Budget outturn forecasts in 2024/25, especially in respect of the Clackmannanshire locality, which saw the most significant movement of all partners between March and August reporting, as well as the as yet unquantified savings impact and ongoing uncertainty in respect of certain Council pressures, it is recommended that the Council continues to monitor the position closely in respect of both the IJB and the Council outturn positions to allow for a fuller and more reliable consideration of affordability and risk factors with regards any potential additional financial contributions at the end of the 2025/26 financial year.

5.0 Clackmannanshire and Stirling IJB Dispute Update

- 5.1. On 6th May 2025, Stirling Council raised a formal dispute via letter to partners setting out that:

“Council agrees that the Chief Executive Officer will invoke and progress the dispute resolution procedures as detailed in Section 14 of the Integration Scheme and will report developments back to elected members as and when considered appropriate.”

- 5.2. This was followed on 15th May by a formal dispute letter from Clackmannanshire Council, which noted:

“Council instructs the Chief Executive to initiate the dispute resolution process as set out in Section 14 of the Clackmannanshire and Stirling Health and Social Care Integration Scheme.

The dispute concerns two key issues:

- a) the process and governance arrangements for reviewing the Integration Scheme; and*
- b) the need to formalise partner arrangements for reviewing the Integration Joint Board’s Strategic Commissioning Plan.*

The Chief Executive is further instructed to explore opportunities to align this process with the dispute initiated by Stirling Council, in order to maximise efficiency across all partners.”

- 5.3. The first dispute meeting was held on 16th May, within the 14-day timescale for the formal process, at which it was agreed to merge the disputes into one single approach. Four key areas of dispute were identified:

- 2024/25 outturn position
- 2025/26 projected outturn
- Review the process around the formation of the updated Integration Scheme
- Review of the Strategic Commissioning Plan.

- 5.4. Following a further four meetings, significant progress has been made following positive and constructive dialogue between all parties. This is summarised in the remainder of this section.

2024/25 Outturn position

- 5.5. In March 2025, the IJB Integrated Budget was forecasting an £11.039m overspend for the 2024/25 financial year. By the outset of the dispute, the projected overspend had reduced to c £9m deficit and following significant progress within the IJB, a further reduction in the projected overspend had been achieved, resulting in the draft outturn position of £6.976m reported in Table 7 of this report.

- 5.6. Agreement has been reached with both NHS Forth Valley and Stirling Council to make additional contributions to the IJB 2024/25 Integrated Budget based on the precedent of the voting share methodology (50% NHS Forth Valley, 25% Clackmannanshire Council, 25% Stirling Council). Clackmannanshire Council had agreed a sum of £1.327m, proportionate to the Council’s contribution to the Integrated Budget (Option 3 from the IJB CFO in March 2025).

- 5.7. This report seeks to increase Clackmannanshire's budgeted sum to reflect the voting share methodology in line with previous year's precedent and noting the fact that there is a small financial difference between the Clackmannanshire locality outturn and this additional investment. If approved, this element of the dispute has the potential to be fully resolved.

2025/26 Outturn position

- 5.8. Through the dispute process, it has been agreed that the IJB is making strong progress with regards to implementation of identified savings, including significant work programmes such as the closure of Menstrie House, which should have a meaningful impact on the end of year position.
- 5.9. NHS Forth Valley has already agreed to cover 50% of the projected overspend and it has been agreed that this will be reviewed again towards the end of the financial year as has been done in the past. Importantly, the IJB has been able to approve a budget for the 25/26 year.

Review the process around the formation of the updated Integration Scheme

- 5.10. The main outstanding elements relate to:
- the process undertaken to update the Integration Scheme, and
 - feedback from Clackmannanshire Council which had not been reflected into the updated document, including significant considerations re the provision of non-financial support to the Partnership and specific financial provisions, including risk share.
- 5.11. A pan-Forth Valley review process was agreed, facilitated by a jointly commissioned Consultant to undertake a review of both FV IJB Integration Schemes, with a view to signing both off in parallel. The Dispute has arisen due to concerns raised by Clackmannanshire Council.
- 5.12. A Short Life Working Group has now been established, with senior representation from all partners, to revisit the drafting of the integration scheme (which was agreed by NHS Forth Valley and Stirling Council) to seek to agree a version that all parties can approve.
- 5.13. The Short Life Working Group (SLWG) is already making positive progress and have agreed that the Council Solicitors for Clackmannanshire and Stirling Council will redraft certain elements of the scheme for presentation to the SLWG. The group has identified that drafting on risk share has not been progressed and requires further discussion with colleagues across the partnership.

Review of the Strategic Commissioning Plan

- 5.14. The IJB's Strategic Commissioning Plan is a 10 year strategic document that is reviewed every 3 years. Following discussion around the concerns noted by Elected Members on the lack of transparency between strategy and delivery, the HSCP has since developed a 3 year delivery plan to run alongside the SCP, which has been presented to all partners.

- 5.15. This provides a much clearer alignment between strategy and delivery and while not in itself removing a number of areas of budget and demand pressure, will assist the IJB to deliver services more in line with budget. Most importantly, the increased transparency over the relationship between strategy, investment and delivery is critical in supporting all partners in making investment decisions when operating in a constrained resourcing environment.
- 5.16. The next formal review of the Strategic Commissioning Plan is also now commencing, with plans in place to ensure the full engagement of all partners.
- 5.17. All partners remain fully committed to resolving the current dispute, to support the IJB to fully focus on the delivery and future planning of health and social care services for the people of Clackmannanshire and Stirling.

6.0 Sustainability Implications

- 6.1. There are no direct sustainability implications arising from this report.

7.0 Resource Implications

7.1. Financial Details

- 7.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes ☒

- 7.3. Finance have been consulted and have agreed the financial implications as set out in the report. Yes ☒

7.4. Staffing

- 7.5. No staffing implications.

8.0 Exempt Reports

- 8.1. Is this report exempt? Yes ☐ (please detail the reasons for exemption below) No ☒

9.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) Our Priorities

- Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all ☐
- Our families; children and young people will have the best possible ☐

start in life

Women and girls will be confident and aspirational, and achieve their full potential

☐

Our communities will be resilient and empowered so that they can thrive and flourish

☐

(2) **Council Policies**

Complies with relevant Council Policies

☒

10.0 Equalities Impact

10.1. Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes ☐

No ☒

11.0 Legality

11.1. It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes ☒

12.0 Appendices

Please list any appendices attached to this report. If there are no appendices, please state "none".

NONE

13.0 Background Papers

13.1. Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes ☒ (please list the documents below) No ☐

Clackmannanshire and Stirling Integration Scheme

Integrated Joint Board Budget report to Clackmannanshire Council 20 March 2025

Financial Report Clackmannanshire and Stirling IJB 13 August 2025

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