CLACKMANNANSHIRE COUNCIL	THIS PAPER RELATES TO ITEM 5 ON THE AGENDA

Report to: Audit and Scrutiny Committee

Date of Meeting: 27 August 2026

Subject: IJB Year End Report

Report by: Chief Finance Officer IJB

1.0 Purpose

1.1. The 2025/26 year end for the IJB is presented in draft subject to audit. The paper was presented to IJB members on 24 June 2026. The paper is brought forward for Council Members' information.

2.0 Recommendations

2.1. Members are asked to note:

- The 2025/26 draft outturn position before partner contribution and use of reserves to address an overspend of £12.827m, the expected draft outcome for the IJB is a deficit of £827k.
- The progress on the 2026/27 budget savings work.

3.0 Considerations

3.1. Council members are asked to note:

- The draft 2025/26 year end result is near balanced prior to audit.
- This position is reached following an additional year end contribution from Clackmannanshire Council of £2.444m, already agreed.
- Currently the IJB 2025/26 result is subject to audit.

4.0 Sustainability Implications

4.1. None applicable.

5.0 Resource Implications

5.1. Financial Details

- Financial implications as noted in the paper and at Section 2 above.

5.2. 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 ☒

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

5.4. Staffing – not applicable

6.0 Exempt Reports

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

7.0 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 ☒

8.0 Impact Assessments

8.1 Have you attached the combined equalities impact assessment to ensure compliance with the public sector equality duty and fairer Scotland duty? (All EFSIAs also require to be published on the Council's website)

Yes ☐

8.2 If an impact assessment has not been undertaken you should explain why:

An integrated impact assessment will be undertaken for the IJB savings proposals as appropriate

9.0 Legality

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

10.0 Appendices

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

IJB Finance Report from June 2026.

11.0 Background Papers

11.1 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 ☒

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Amy McDonald	Chief Finance Officer	

Approved by

NAME	DESIGNATION	SIGNATURE
Dr Jennifer Borthwick	Interim Chief Officer	[redacted]

Clackmannanshire & Stirling Integration Joint Board

24 June 2026

Agenda Item 9

Financial Report

For Noting and Decision

Paper Approved for Submission by:	Dr Jennifer Borthwick, Interim Chief Officer
Paper presented by	Amy McDonald, Chief Finance Officer
Author	Amy McDonald, Chief Finance Officer
Exempt Report	No

Directions	
No Direction Required	X
Clackmannanshire Council	☐
Stirling Council	☐
NHS Forth Valley	☐

Purpose of Report:	The report provides: The 2025/26 revenue budget draft outcome, prior to audit, for the delivery of the Integrated Joint Board (IJB) responsibilities; and an update on the 2026/27 year budget savings.
Recommendations:	It is recommended that the Integration Joint Board: a) Notes the 2025/26 draft outturn position before partner contribution and use of reserves to address an overspend of £12.827m, the expected draft outcome for the IJB is a deficit of £827k; b) Notes the progress on the 2026/27 budget savings work;

Key issues and risks:	2025/26 year end outturn position is draft subject to audit. If the 2026/27 savings and the recovery plan are not delivered in year this will worsen the financial position of the IJB with the potential for measures which would be required to reduce costs that could directly compromise the care quality, daily treatments and shift the burden of care onto acute hospitals. There may also be a requirement for a risk share contribution from partners and a longer period elapsing prior to the IJB returning to financial balance.

1. Strategic Plan Context

1.1. The C&S Health and Social Care Partnership (C&SHSCP) must work to provide statutory services but within the funding provided by the IJB from

Clackmannanshire Council, Stirling Council and NHS Forth Valley (the partners).

1.2. The 2025/26 budget supported the delivery of the Strategic Commissioning Plan 2023-2033. The Medium Term Financial Forecast, 2026-2029 underpins the Strategic Commissioning Plan demonstrating how financial balance could be achieved over the next 3 years. Work on a more detailed delivery plan will continue to develop to ensure during this same period additional financial demands being placed on partners are minimised while working towards financial sustainability.

1.3. The budget set out the actions required being:

- Delivering savings of 19.673m – with recurring savings of £10.815m to be achieved in 2026/27 and working to address the funding short fall of £8.858m with partners by way of a recovery plan.

- If the savings and/or the recovery plan does not deliver the required savings there is a potential partners may require to provide further funding to the IJB by way of risk share arrangements.

- A real focus and commitment by the IJB in driving through the work required to underpin these savings and recovery plan.

- To run in parallel to the savings workstream, more transformative projects which look to bring greater efficiency to the delivery of health and care services with the ambition to start developing savings for 2027/28 and future years.

1.4. The budget for 2026/27 and the following 3 years underpins the delivery of the Strategic Plan 2023-33. The medium-term financial forecast recognises the focus of improving health outcomes in Clackmannanshire and Stirling.

1.5. To be successful in this the model of health and care delivery there will require a continued emphasis on prevention with active steps to develop this approach being taken.

2. Summary Key Information

Budget Outturn 2025/26

2.1. The IJB draft year end outturn:

- Delivery of year end overspend before partner contribution in line with the quarter 3 forecast was an overspend of £15.496m. The actual overspend was £12.827m however this figure is inclusive of an additional one-off budget uplift from the NHS of £1.601m to support prescribing pressures. Therefore the recurring brought forward deficit for 2025/26 was £14.428m, an improvement of £1.068m on forecast position.

- The improvement in the draft year end result was due to net improvement across adult packages of care for older people and people with learning disabilities.

IJB Draft Year End Outturn Summary	Q4 £'000	M8 £'000	Variance
Year end deficit	- 12,827	- 15,496	2,669
One off funding adjustment - non-recurring	1,601	-	1,601
Adjusted recurring deficit 2025/26	- 14,428	- 15,496	1,068

- Partner contributions, as agreed by risk sharing agreements, have been requested and applied to the year-end overspend after the use of reserve balances.

- The year end partner contributions, per agreed risk sharing arrangements are as follows to balance the budget to zero.

Partner contributions requested	£'000	Notes
NHS Forth Valley	4,889	Contributed
Stirling Council	2,444	To contribute
Clackmannanshire Council	2,444	To contribute
	9,778	

- The movement on reserves is shown below.

IJB reserve balances	Q4 £m
Opening balance 1 April 2025	10,253
Additions in year	9,311
Reserves used in year	- 10,139
Closing reservces 31 March 2026	9,426

The reserves balances are earmarked to support the IJB position in the 2026/27 year. The budget plan for 2026/27 recognises the underlying deficit from 2025/26 and subsequent years must be addressed. The reserve balances assist in smoothing this position over the coming year.

2.2. The 2025/26 draft outturn: Is a recurring overspend of £14.428m. The forecast budget gap for 2026/27 is not impacted by the year end outturn for 2025/26.

2.3. The table below shows the mainstream funding and expenditure for the IJB in 2025/26:

	Annual Budget £'000	Draft Expenditure £'000	Variance £'000
Community Nursing	5,583	5,189	394
Complex Care Adults	1,435	1,763	-328
Clackmannanshire Community Healthcare Centre	3,339	3,448	-109
The Bellfield Centre	9,236	8,364	872
Palliative Care in the Community	50	32	18
Older People/Physical Disabilities - Residential	25,995	27,497	-1,502
Older People/Physical Disabilities - Non Residential	25,095	31,222	-6,127
Learning Disabilities - Residential	6,553	6,352	201
Learning Disabilities - Non Residential	26,086	29,683	-3,598
Mental Health - Residential	2,221	3,778	-1,556
Mental Health - Non Residential	9,206	8,724	482
Assessment & Care Management	10,190	10,292	-102
Reablement	13,371	12,229	1,142
Housing Aids & Adaptations	835	835	0
Health Promotion, Health Improvement & Corporate Services	2,740	2,378	362
Substance Misuse	3,960	3,583	377
Public Dental Service	1,412	1,343	68
Management Other	2,053	1,939	114
Community Admin	1,775	1,417	358
Transformation Funds	2,658	2,023	635
Leadership Funds	0	0	0
Cs Community Living Change Fund	0	0	0
Resource Transfer & Pass Through Funds	-930	-1,256	326
Family Health Services	60,442	60,432	10
GP Out fo Hours Services	3,172	2,522	650
Primary Care Improvement Plan	5,409	5,409	0
Prescribing	34,109	39,624	-5,516
Vaccinations (Women's & Children's Team)	411	411	0
			0
Integrated Budget Total	**256,405**	**269,232**	**-12,827**

2.4. The 2025/26 outturn shows:

Significant overspends in older people/physical disabilities – residential of £1.502m and older people/physical disabilities – non-residential of £6.127m and learning disabilities – non-residential of £3.598m – this is due to the volume of care exceeding budget in these areas. The overspend relates to the higher cost of commissioned services than was budgeted for in both areas. This level of expenditure is not sustainable and has been recognised in the savings work required as part of the 2026/27 budget delivery. The 2026/27 budget recognises the requirement to protect frontline services and therefore savings in older people/physical disabilities and learning disabilities will be phased across the next two to three financial years.

Mental Health - Residential overspend £1.556m, the majority of this expenditure relates to an overspend on commissioned services. More care is being provided than there is sufficient budget for.

Prescribing expenditure is over budget in year with an overspend of £5.516m – the 2026/27 budget allowed for an increase in the prescribing budget of £2.090m or 5.5%. This budget may not be sufficient to cover in year costs and therefore will be kept under close review.

Savings delivery 2026/27

2.5. Work to deliver the 2026/27 savings is progressing, being overseen by the Budget Savings Oversight Group. Work to develop detailed delivery plans is to be completed. The SLT have a development session at the beginning of July 2026 when this work will be progressed.

2.6. Supporting workplans are required for each identified savings area, the progress of which will be tracked. Performance information will be used to show non-financial information which can be used to understand current levels of activity, predict what future demands may look like and targets around levels of affordability mapped to this. It is anticipated that the objectives of the strategy can be captured in a similar way which will allow greater clarity of the targets which are being sought and progress against those.

2.7. The savings which were brought forward from the March 2026 IJB are shown below:

IJB savings 2026/27	**£'000**	**£'000**
Commissioned Services		
Review of care provision of older people	2,310	
Review of care provision learning disability	3,364	
Residential care older people	660	
Respite care self funders	88	
		6,422
Review of day care provision		
Review of day care provision	640	
		640
Service Efficiency Review		
Provision short term care beds	2,645	
Review of residential care learning disability	100	
		2,745
Reduction in high cost care package		
Reduction in high cost care package	1,008	
		1,008
Savings 2026/27		**10,815**

Reduction in commissioned services is the largest area of savings delivery and so will require the most work. The teams in Social Care will be required to be involved in the process of reviewing existing services and approaches and teams have and will be further established to do this.

3. Financial Risk

3.1. **Budget assumptions** are based on estimations which may not reflect future actual events and therefore carry a degree of risk.

3.2. **Delivery of savings** – the risk of failing to deliver savings is being managed by the Budget Savings and Oversight Group – this group will drive forward projects overseen by the Finance, Audit and Performance Committee.

3.3. **Draft outturn 2025/26** - figures presented are draft pre audit, there is a risk the 2025/26 may be adjusted if a material error is found. The year end outturn for 2025/26 was favourable for the IJB by approximately £1m and therefore there is a little flexibility when emerging budget pressures are fully assessed.

3.4. **Commissioned service providers** will experience financial pressure during the year.

3.5. **IJB reserves** can be used to manage in year budget fluctuations however they are insufficient to cover the current budget gap.

3.6. **Transitions workstream** there is a risk that some young adults transferring to adult care services have packages of care exceeding the additional budget estimated for these care requirements.

3.7. **Prescribing costs** have grown in recent years with growth forecast to continue. There is a risk, owing to greater inflation and market volatility, that costs may grow beyond the afforded budget.

3.8. **Budget Recovery plan** - over the coming quarter there will be a considerable amount of work required to map out the delivery of in year savings of £10.815m, and to assess the feasibility of delivering further savings which will reduce the amount of additional savings of £8.858m required to balance the budget. This will require close working with partners to understand what this may be mean in reality. Further to the savings budget pressures are likely to emerge, and, as some of these pressures become more evident, additional action will be required to mitigate the risk of these potential costs too.

3.9. The Chief Finance Officer will continue to work with the CFO's of partner organisations to develop and implement finance plans and identify how financial balance can be achieved in 2026/27 - this will include review of the recovery plan options, consideration of the use of IJB reserves before any consideration of further partner contribution via recommended risk share arrangements for the 2026/27 year.

Appendices

None.

Fit with Strategic Priorities:	
Prevention and Early Intervention	☒
Independent Living through Choice and Control	☐
Achieve Care Closer to Home	☐
Supporting People and Empowering Communities	☒
Reducing Loneliness and Isolation	☐
Enabling Activities	
Medium Term Financial Plan	☒
Workforce Plan	☐
Commissioning Consortium	☐
Transforming Care	☐
Data and Performance	☐
Communication and Engagement	☐

Implications	
Finance:	Financial implications are noted throughout the report for the 2025/06 year end outturn and 2026/27 budget. Clackmannanshire Council, Stirling Council and NHS Forth Valley should be aware that there are significant challenges in balancing the budget for the 2026/27 financial year.
Other Resources:	There are no direct implications as a result of this report.
Legal:	The recommendations within this report note that the IJB is required to develop a Recovery Plan to close the £8.858m budget gap, net £7.358m after consideration of the additional contribution to the IJB by Stirling Council of £1.5m. If this gap is not closed the budget will not be balanced in 2026/27. If the 2026/27 savings and the recovery plan are not delivered in year this will worsen the financial position of the IJB with the risk of not providing statutory services as a consequence of budget pressures. This could mean the potential for measures which would be required to reduce costs that directly compromise the care quality, daily treatments and shift the burden of care onto acute hospitals. If this is the case it may also be necessary for the IJB to seek additional partner contributions by way of the risk sharing arrangements compliant with the Clackmannanshire and Stirling Integration Scheme but only after all other options for savings have been exhausted.

Risk & mitigation:	Outlined in the report. Work is ongoing surrounding mitigation risk and will be progressed and brought back to subsequent IJB meetings.
Equality and Human Rights:	The content of this report **does not** require a EQIA
Data Protection:	The content of this report **does not** require a DPIA
Fairer Duty Scotland	Fairer Scotland Duty places a legal responsibility on public bodies in Scotland to actively consider ('pay due regard' to) how they can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. The Guidance for public bodies can be found at: Fairer Scotland Duty: guidance for public bodies - gov.scot (www.gov.scot) **Please select the appropriate statement below:** This paper **does not** require a Fairer Duty assessment.