
Report to: Audit and Scrutiny Committee

Date of Meeting: 29 October 2026

Subject: IJB Finance Report Month 4 and Month 5

Report by: Chief Finance Officer IJB

1.0 Purpose

- 1.1. The report provides the Month 4 IJB update and Month 5 FAPC on the 2026/27 forecast year-end financial position, and the actions required to work towards achieving financial balance by the end of 2026/27.
- 1.2. The reports highlight the scale of the current financial challenge and the work underway to address this.

2.0 Recommendations

- 2.1. Members are asked to note:
 - The priority being given to the need to deliver savings and a robust recovery plan for the 20226/27 year.
 - The significant financial challenge in year – reporting a £18.434m savings challenge for 2026/27.

3.0 Considerations

- 3.1. Council members are asked to note:
 - The forecast 2026/27 year end position.
 - Work being undertaken to address the in year position.
 - The difficulty in balancing the 2026/27 budget.

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)

No ☒

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

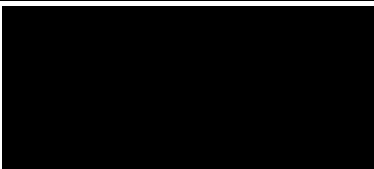
11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

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	

Clackmannanshire & Stirling Integration Joint Board

23 September 2026

Agenda Item 7

Finance Report

For Direction, Decision and Noting

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 a Month 4 update on the 2026/27 forecast year-end financial position, and the actions required to work towards achieving financial balance by the end of 2026/27. The report highlights to the IJB the scale of the current financial challenge and the work underway to address this. <table><tr><td></td><td>Presented Mar'26 £'000</td><td>Reforecast position, M3 £'000</td><td>Reforecast position, M4 £'000</td></tr><tr><td>IJB savings 2026/27</td><td></td><td></td><td></td></tr><tr><td>Budget deficit 2026/27 before savings</td><td>- 19,673</td><td>- 19,736</td><td>- 20,206</td></tr><tr><td>Commissioned services</td><td>6,422</td><td>4,272</td><td>2,096</td></tr><tr><td>Review of day services</td><td>640</td><td>480</td><td>-</td></tr><tr><td>Service efficiency review</td><td>2,745</td><td>1,369</td><td>400</td></tr><tr><td>Reduction in high cost care packages</td><td>1,008</td><td>504</td><td>793</td></tr><tr><td>Proposed budget savings 2026/27</td><td>10,815</td><td>6,625</td><td>3,289</td></tr><tr><td>High cost care package included in base</td><td></td><td></td><td>- 793</td></tr><tr><td>Budget deficit 2026/27 after savings</td><td></td><td>- 13,111</td><td>- 17,710</td></tr><tr><td>Required recovery plan delivery</td><td></td><td>13,111</td><td>17,710</td></tr><tr><td>Budget position after recovery plan</td><td></td><td>-</td><td>-</td></tr></table> Executive summary: At Month 4, the Partnership forecasts a £20.206m deficit, £0.470m higher than at Month 3. Estimated achievable savings for 2026/27 have reduced from £6.625m to £3.289m, including £0.793m already reflected in the forecast. This leaves an estimated £17.710m to be addressed through the Recovery Plan. The £4.599m deterioration in the Recovery Plan requirement during the month reflects several factors, including the need for greater development and consistency across savings plans. Finance has issued guidance, but the information currently available does not provide sufficient clarity on delivery trajectories.				Presented Mar'26 £'000	Reforecast position, M3 £'000	Reforecast position, M4 £'000	IJB savings 2026/27				Budget deficit 2026/27 before savings	- 19,673	- 19,736	- 20,206	Commissioned services	6,422	4,272	2,096	Review of day services	640	480	-	Service efficiency review	2,745	1,369	400	Reduction in high cost care packages	1,008	504	793	Proposed budget savings 2026/27	10,815	6,625	3,289	High cost care package included in base			- 793	Budget deficit 2026/27 after savings		- 13,111	- 17,710	Required recovery plan delivery		13,111	17,710	Budget position after recovery plan		-	-
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	workstream progress or emerging risks, and some plans remain under development. This uncertainty weakens confidence in the forecast outturn and limits timely intervention where delivery is at risk. Improving the quality and consistency of plans prioritising appropriate capacity, strengthening risk assessment and securing collective Senior Leadership Team ownership are therefore essential to support transparent decision-making while maintaining statutory and safe service provision. Teams are now focused on driving savings forward, providing an opportunity to increase in-year savings beyond the current £3.289m estimate. Work is also progressing to strengthen and standardise savings plans and introduce milestones with clear timelines for more accurate reporting. The Recovery Plan Governance Group met for the first time on 15 September 2026 and will support the Chief Officer by providing oversight; reviewing evidence and escalating any material relevant risks. Immediate savings must be progressed at pace alongside longer-term consideration of future models of care, balancing financial recovery with the need to continue to provide effective health and care services for local communities.
Recommendations:	It is recommended that the Integration Joint Board: a) Agrees that the Month 4 financial position and recovery plans should be treated as an immediate Partnership-wide priority. The IJB directs the Chief Officer to progress all credible, lawful and material savings opportunities at pace, prioritising leadership and project capacity prioritised towards the highest-value and most deliverable actions. Given the scale of the financial challenge and the scarcity of available resources, the IJB recognises a material risk that not all services can be sustained at their current level while statutory duties and safe, appropriate care are maintained. This may require explicit prioritisation of resources, informed by legal, clinical, professional and equality considerations. It may also require early engagement with the Partners and formal escalation to the Scottish Government if, after all credible local recovery measures have been pursued, available resources remain insufficient to support statutory functions and safe care.

	The IJB is responsible for planning and directing delegated functions, while resources are provided through the NHS Forth Valley and Clackmannanshire Council and Stirling Council. Partner engagement is therefore the immediate financial and delivery route. Engagement with Scottish Government provides national-level escalation and escalation and transparency where the residual risk may affect statutory provision. b) Requires the Recovery Plan to include best-case, expected and downside delivery scenarios for the remainder of 2026/27, together with quantified contingency actions and trigger points. These should show the effect on the year-end deficit, IJB reserves and potential partner contributions if savings are delayed or not delivered as planned. c) Requires focused reviews of the key areas of overspending, including older people and physical disabilities residential and non-residential care, learning disability day care services, residential and non-residential care, mental health residential and non-residential and prescribing. Each review should identify the cause of the variance, immediate expenditure controls, savings opportunities, required decisions and the expected financial impact in 2026/27 and future years. d) Agrees that available leadership, finance, analytical and project capacity should be prioritised to support the delivery of the Recovery Plan. The Chief Officer will report any key capacity gaps; action being taken to address these and any activities that could be paused or deprioritised to support the delivery of the highest-value savings. e) Agrees that the Chief Officer and Chief Finance Officer will provide a joint monthly assurance statement to the Finance, Audit and Performance Committee and the IJB on the progress of the Recovery Plan, the adequacy of controls, impact of actions being taken, the forecast financial position and any emerging risks to statutory duties, safe care or partner affordability. f) Notes that additional partner contributions should not be treated as a substitute for delivery
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	of savings. The IJB's financial challenge is considerable, and savings planning across the approved budget savings programme and the recovery plan must progress at pace. The aim is to provide partners, by the end of October, with a sufficiently robust assessment of the likely 2026/27 outturn to inform their own financial planning. During this period, the Recovery Plan Governance Group will support the Chief Officer's review of all savings proposals to ensure that the underlying planning assumptions are well founded, deliverable and appropriately evidenced. In parallel, consideration will be required as to the prioritisation of expenditure. Any request for partner support must be supported by evidence that all reasonable savings and mitigation options have been assessed and progressed, the proposed use of available IJB reserves has been clearly set out, and the residual requirement has been calculated in accordance with the Integration Scheme and agreed risk-sharing arrangements. g) Confirms that savings proposals may proceed only after appropriate professional, financial, legal, and care-quality assurance factors have been carefully assessed and considered. Any proposals outside delegated authority would be referred to the appropriate decision-making body before implementation. h) Notes the forecast 2026/27-year end position at Month 4, including the scale of savings required and the significant amount of work required to deliver savings both in the 2026/27 financial year and on an ongoing basis. i) Note that the Finance, Audit and Performance Committee is now meeting monthly to monitor the HSCP financial position and progress in delivering the Recovery Plan.
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Key issues and risks:	The 2026/27 budget position presents a serious and escalating financial risk for the IJB and partner organisations. Delivery of approved savings and a credible Recovery Plan is essential. However, a number of savings schemes are behind plan/delayed which will
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	be challenging to recover before the end of the financial year. Without additional action, the Partnership is unlikely to close the financial gap through savings alone, increasing the likelihood of further cost reduction measures, use of reserves where available, or additional partner financial contributions. This could also impact on future service and financial sustainability, partner affordability and the wider health and social care system.
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1. Strategic Plan Context

- 1.1. Clackmannanshire and Stirling Health and Social Care Partnership must deliver its statutory functions within the resources directed by the IJB and provided by Clackmannanshire Council, Stirling Council and NHS Forth Valley.
- 1.2. The 2026/27 budget supports the delivery of the Strategic Commissioning Plan 2023–2033. The Medium-Term Financial Forecast 2026–2029 underpins the Strategic Commissioning Plan and sets out the route to help achieve financial balance over the next three years.

A review of the priorities and planned activities within the Strategic Commissioning Plan is required to ensure that they remain aligned with the HSCP's statutory duties, available resources and delivery capacity. This should identify which commitments must be maintained, which can be rephased or redesigned, and which may need to be deprioritised, thereby establishing an affordable, sustainable and deliverable framework for the HSCP.

Delivery depends on detailed savings plans for each required savings area. These plans are needed to test whether the financial assumptions are deliverable and to provide clear ownership, timescales, activity, risk assessment and governance.

The immediate priority for 2026/27 is to reduce expenditure and focus on financial recovery. This must not delay planning for future years. Work on 2027/28 savings and transformation needs to start now, as sustainable financial balance cannot be achieved through short-term cost control alone. Future planning must focus on service transformation, efficiency and redesign around the needs of people who use services.

This work is essential to reduce the level of additional financial demand placed on partner organisations and to move the Partnership towards a more sustainable medium-term financial position.

1.3 To reaffirm the actions arising from the March 2026 presentation of the 2026/27 budget:

- Deliver the £10.815m approved savings and a clearly governed recovery plan for the remaining £8.858m shortfall.
- Where delivery falls short, pursue further mitigation, including review of reserves and partner risk-share arrangements, once all feasible savings have been explored.
- Maintain strong IJB focus, ownership and pace in delivering the savings and recovery plan.
- Progress transformation alongside in-year savings to support recurring sustainability, manage demand and develop future-year savings.

1.4. The financial position has changed materially since March 2026. It is therefore critical that:

- The proposed use of all available IJB reserves, and the resulting impact on financial resilience, must be clearly set out and reviewed by partners through the Recovery Plan Governance Group before consideration by the Finance, Audit and Performance Committee and the IJB.
- By the end of October, partners must receive a sufficiently robust assessment of the likely 2026/27 outturn to inform their own financial planning. Any request for additional partner contributions must be supported by clear evidence that all reasonable savings, recovery and other mitigation options have been fully assessed and progressed.

1.5. Given the significant challenge in achieving financial balance in the current year, the immediate priority must be to deliver the approved savings and recovery actions, alongside developing a robust and affordable budget for 2027/28. This work should inform a review of the priorities and commitments within the Strategic Commissioning Plan to ensure that it provides an affordable, sustainable and deliverable framework for the HSCP. The revised plan should maintain a clear focus on prevention and early intervention, reducing avoidable demand and strengthening community-based support as essential means of improving outcomes for people who use Partnership services and supporting long-term sustainability.

2. Summary Key Information

- 2.1. The table below shows the mainstream funding and expenditure position for the IJB at Month 4 of 2026/27.

	Annual Budget £'000	Forecast Expenditure M4 2026/27 £'000	Forecast Variance £'000	Forecast Expenditure M3 2026/27 £'000	M4-M3 Variance £'000
Community Nursing	5,818	5,391	427	5,487	96
Complex Care Adults	1,397	1,758	-362	1,519	-239
Clackmannanshire Community Healthcare Centre	3,419	3,571	-152	3,535	-36
The Bellfield Centre	9,322	8,930	392	10,067	1,136
Palliative Care in the Community	28	0	28	-2	-2
Older People/Physical Disabilities - Residential	27,022	30,081	-3,060	30,058	-23
Older People/Physical Disabilities - Non Residential	25,675	33,286	-7,611	32,553	-734
Learning Disabilities - Residential	6,811	6,784	27	6,655	-129
Learning Disabilities - Non Residential	27,007	31,224	-4,217	31,297	74
Mental Health - Residential	2,265	3,839	-1,575	3,778	-61
Mental Health - Non Residential	9,424	8,767	658	8,730	-37
Assessment & Care Management	10,804	10,943	-139	10,695	-248
Reablement	13,797	13,120	677	13,107	-13
Housing Aids & Adaptations	835	835	0	835	0
Health Promotion, Health Improvement & Corporate Services	2,831	2,602	229	2,661	59
Substance Misuse	4,339	3,775	564	3,775	-0
Public Dental Service	1,418	1,397	22	1,302	-95
					0
Management Other	4,051	1,985	2,065	1,932	-53
Community Admin	1,843	1,592	250	1,577	-15
Transformation Funds	2,658	2,658	-0	2,658	-0
Leadership Funds	0	0	0	0	0
Cs Community Living Change Fund	0	0	0	0	0
Resource Transfer & Pass Through Funds	-552	-1,064	512	-1,064	-0
					0
Family Health Services	59,832	59,961	-129	59,905	-57
GP Out of Hours Services	3,169	2,827	342	2,815	-12
Primary Care Improvement Plan	33	33	0	33	0
Prescribing	33,008	41,803	-8,795	41,803	0
Vaccinations (Women's & Children's Team)	0	6	-6	6	0
Prison Health Care	4,530	4,882	-352	4,801	-81
GP Walk in Centre	1,986	1,986	0	1,986	0
Total	262,769	282,975	-20,206	282,505	-470

- 2.2. The Month 4 forecast outturn is a £20.206m deficit, an increase of £0.470m from the £19.736m deficit reported at Month 3. Finance and service teams are undertaking a thorough review of monthly financial movements to understand changes on both a month-on-month and year-on-year basis. This analysis will strengthen expenditure control and enable teams to monitor more effectively the activity and demand driving cost increases. Although the development and delivery of savings remain critical, the benefits achieved must be sustained through robust routine cost control and ongoing activity monitoring.
- 2.3. The £0.470m deterioration since Month 3 reflects several movements. Forecast care-at-home costs increased by £0.973m, while forecast annual running costs for the Bellfield Centre reduced by £1.136m. Other movements

across the budget account for the remaining net change to the Month 4 forecast.

2.4. As reported last month significant overspends are forecast in 2026/27 across the same areas as was seen in 2025/26;

- Older people/physical disabilities – residential - £3.060m, up £23k in month
- Older people and physical disabilities – non-residential: £7.611m, up £0.734m in the month.
- Learning disabilities – non-residential - £4.291m – down £74k in month but residential costs increased £129k.
- Prescribing - £8.795m – unchanged.

The 2026/27 mental health forecast is currently under review. On the basis of information available at Month 4, no material change to the overall forecast position is anticipated when the review is complete.

Prescribing is forecast to overspend by £8.795m. Expenditure was £39.624m in 2025/26 and, with forecast inflation of 5.5%, is projected to rise to £41.803m in 2026/27. Prescribing efficiencies have been identified, and work is underway to secure the capacity required to deliver them during the remainder of the year alongside the existing programme of activity. Further review of prescribing expenditure and the associated budget is continuing and will be reported to the IJB in due course.

3. Budget update and recovery plan 2026/27

3.1. Financial Recovery and Savings

At Month 4, the Partnership is forecasting a £20.206m deficit for 2026/27, compared with £19.736m at Month 3. Savings estimated to be achievable during the financial year have reduced from £6.625m at Month 3 to £3.289m at Month 4, of which £0.793m is already included in the current £20.206m forecast overspend. Teams are now focused on driving savings delivery forward, creating an opportunity to increase in-year savings beyond the current £3.289m estimate.

The 2026/27 forecast position does not include Clackmannanshire Council's £1.748m repayment of the additional contribution made to support the IJB's 2024/25 outturn, as disclosed in the IJB's 2024/25 annual accounts.

Available leadership and project capacity should now be focused on the highest-value and most deliverable savings options directly linked to financial recovery. Workstreams with limited financial impact should be paused,

deprioritised or brought within recovery governance arrangements. Strengthening the quality and consistency of plans will therefore require appropriate capacity and access to the relevant professional skill sets, including dedicated social care leadership and operational expertise to drive forward social care workstreams. This should be supported by appropriate risk assessment and collective SLT ownership to improve transparency, support effective decision-making and maintain statutory and safe service provision.

Some programmes required to deliver the Strategic Commissioning Plan and meet the HSCP's clinical and statutory duties must continue even where they do not generate immediate savings. These essential commitments reduce the leadership and project capacity available for financial recovery and must be reflected in recovery planning and prioritisation.

A strengthened recovery framework is required, with clear ownership, senior oversight and regular reporting to the IJB and partners. This should provide visibility of the financial position, maturity of savings plans, delivery risk and actions required to move from broad intentions to deliverable plans.

Work continues on Activity Based Savings Plans to improve forecast accuracy and make delivery easier to track. Each project plan should use a consistent format that links completed activity and milestones to the savings achieved. Where savings are not delivered, reporting should identify which milestones were missed, why they were missed, and what decisions or corrective actions are required. This will focus attention on delivery barriers, resource priorities and project gaps, while clearly distinguishing confirmed savings, savings under development and savings at risk.

The IJB is asked to note the seriousness of the position and agree that savings delivery plans should be completed at pace. The consolidated programme should set out the activity supporting each budget saving, expected benefits, required decisions, delivery issues and risks. This will provide a clear view of savings status and support accurate reporting for 2026/27 and future years. The programme should be presented to the Finance, Audit and Performance Committee on 7 October 2026.

Of the £3.289m savings currently estimated to be achievable in 2026/27, £1.423m is assessed as assured and £1.866m remains to be secured. Of the total £3.289m estimate, £0.793m is already reflected in the £20.206m forecast deficit. Delivery of the remaining savings will depend on detailed plans with clear milestones, ownership and regular reporting. Greater visibility of progress, emerging risks and corrective action will be essential to maintain momentum and strengthen confidence in the forecast position.

- 3.2. Savings achievable have been updated to reflect the savings plan to date as well as the reduced time in the remainder of the financial year to make the outstanding savings required.

	Presented Mar'26 £'000	Reforecast position, M3 £'000	Reforecast position, M4 £'000
IJB savings 2026/27			
Commissioned Services			
Review of care provision of older people	2,310	1,540	850
Review of care provision learning disability	3,364	2,243	1,099
Residential care older people	660	444	102
Respite care self funders	88	45	45
Review of day care provision			
Review of day care provision	640	480	-
Service Efficiency Review			
Provision short term care beds	2,645	1,369	400
Review of residential care learning disability	100		
Reduction in high cost care package			
Reduction in high cost care package	1,008	504	793
Savings 2026/27	10,815	6,625	3,289

3.3. The estimated deficit position before further Recovery Plan savings is £17.710m. This is therefore the estimated level of savings now required from the Recovery Plan, compared with £13.111m reported last month. The current £3.289m in-year savings estimate may improve as teams intensify their focus on delivering further savings.

3.4. The Partnership will undertake focused recovery reviews of the principal areas of financial pressure including:

- Older people and physical disabilities residential and non-residential care;
- Mental health;
- Learning disability services; and
- Prescribing.

The reviews will examine the causes of overspending, opportunities to reduce social care costs including implementation of eligibility criteria, the delivery of prescribing efficiencies and the financial impact of the revised arrangements for respite care.

Each review will identify further potential expenditure controls, significant in-year and recurring savings opportunities, decisions required, accountable leads, delivery milestones and any workforce or project capacity needed to

progress action at pace. Proposals will be supported by appropriate levels of professional and governance assessment and assurance.

4. Actions Required to Strengthen Financial Recovery Arrangements

Work has progressed on the savings plans. Further work is under way to present all plans consistently and clearly show the relationship between project progress and savings delivered. Dates will be added to each milestone so that actual progress can be compared with planned activity and expected financial delivery. This will provide the Partnership with a clearer and more accurate view of performance against plan.

While the proposed cost reductions and service adjustments will be progressed, where appropriate, through established business-as-usual processes, the HSCP recognises that this does not remove the requirement to understand and manage their potential impacts.

Given the scale of the financial challenge, the IJB is unlikely to be presented with options that have no adverse impact. Instead, members will be required to consider and select from a range of difficult but necessary choices, balancing financial sustainability against the potential impact on services, outcomes, statutory duties and people who rely on Partnership support.

Savings proposals that require approval through partner governance arrangements will be discussed with the relevant partners at the earliest opportunity so that the necessary assurance and decisions can be secured without avoidable delay to delivery.

5. Recovery Plan Governance and Requirement

The first meeting of the Recovery Plan Governance Group took place on 15 September 2026. The Group agreed its terms of reference and operating arrangements. Its role is to support the Chief Officer in delivering the Recovery Plan by providing oversight, reviewing evidence, supporting delivery and escalating material risks. The Group will consider the social care savings actions set out above at its next meeting.

The Partnership must develop and implement a Recovery Plan, bringing forward savings when an overspend is forecast, currently £17.710m. Partners have sought assurance that all reasonable savings options have been identified, assessed and progressed before any further financial contribution is considered. The Recovery Plan Governance Group supports the Recovery Plan delivery required through the Integration Scheme.

The requirement for a robust Recovery Plan has become increasingly pressing. At Month 4, savings estimated to be achievable during 2026/27 have reduced from £6.625m at Month 3 to £3.289m. As £0.793m is already

reflected in the current £20.206m forecast overspend, the estimated deficit before further Recovery Plan savings is £17.710m. The estimated Recovery Plan requirement has therefore increased by £4.599m from £13.111m last month.

The Recovery Plan should be based on a realistic assessment of deliverability, clearly distinguishing between confirmed savings, savings under development, savings at risk and any residual gap requiring partner consideration. This will give the IJB and partners a transparent view of the financial risk and support decisions based on deliverability rather than aspiration.

The £17.710m requirement is estimated and will be kept under review as teams progress savings delivery. The increased focus on driving plans forward provides an opportunity to improve in-year savings beyond £3.289m.

	Presented Mar'26 £'000	Reforecast M3 position £'000	Reforecast M4 position £'000
IJB savings 2026/27			
Budget deficit 2026/27 before savings	- 19,673	- 19,736	- 20,206
Proposed budget savings 2026/27	10,815	6,625	2,496
Budget deficit 2026/27 after savings	- 8,858	- 13,111	- 17,710
Required recovery plan delivery	8,858	13,111	17,710
Further measures			
Use of reserves			949
Stirling Council contribution			1,280
NHS Forth Valley contribution			7,311
			9,540
Budget position after further measures			- 8,170

Once the Financial Recovery Plan has been fully applied, available IJB reserves could be used to reduce any remaining deficit. Forecast reserves total approximately £8.260m, of which £7.311m relates to an advance contribution from NHS Forth Valley towards the 2026/27 risk share, leaving £0.949m otherwise available at the end of the financial year. Applying the £0.949m balance to the £17.710m forecast residual deficit would reduce it to £16.761m. After also recognising NHS Forth Valley's £7.311m advance contribution and Stirling Council's additional £1.280m contribution, the remaining forecast residual deficit would be £8.170m. If no further savings are delivered, that balance would require to be met through additional partner contributions in accordance with the agreed risk-sharing arrangements.

It is critical to note that the application of additional support from Partners does not remove the requirement to address the Partnership's underlying deficit of £17.710m.

Partner support cannot be assumed. Clackmannanshire Council, Stirling Council and NHS Forth Valley are each managing significant financial pressures in 2026/27 and future years and may be unable to meet additional contributions arising from the agreed risk-sharing arrangements. Additional partner funding alone cannot resolve the position. The Partnership must therefore deliver substantial recurring savings, take urgent action to reduce the forecast overspend and minimise any call on partners. Decisions on the future scale, configuration and prioritisation of health and care provision are now critical to securing affordable and sustainable services.

6. Financial Risk

- 6.1. The scale of the forecast deficit represents an exceptionally serious and unsustainable financial position for the IJB. The significant reduction in anticipated in-year savings, together with the limited reserves available after recognising the NHS Forth Valley advance contribution, means that the remaining gap cannot reasonably be absorbed without substantial further savings, service and expenditure action, or significant additional pressure on partner organisations. Failure to act decisively would increase the risk to financial sustainability, statutory service delivery, safe care and partner affordability. The recommendations in this report therefore form an essential package of mitigation and should be implemented with urgency, clear accountability, robust assurance and regular escalation to the IJB where delivery is off track.
- 6.2. **Section 95 Officer assessment:** Given the scale of the forecast overspend, the reduced level of savings now expected in 2026/27 and the limited scope to meet the remaining gap from reserves, it is important that financial recovery is treated as a Partnership-wide priority. The IJB should support a sustained focus on progressing all credible and material savings opportunities at pace, with leadership and project capacity directed towards the highest-value and most deliverable actions. This should be supported by clear ownership, regular evidence-based reporting and timely escalation of barriers, while ensuring that proposed measures are assessed through appropriate professional, legal and governance processes and continue to protect statutory duties and safe, appropriate care.
- 6.3. **Budget assumptions** are based on estimations which may not reflect future actual events and therefore carry a degree of risk.
- 6.4. **Delivery of savings** – the risk of failing to deliver savings is noted and requires to be managed through improved governance arrangements. The governance arrangements should be overseen by the Finance, Audit and Performance Committee and reported to the IJB.
- 6.5. **Draft outturn 2025/26** – the figures presented are unaudited. The 2025/26 outturn may require adjustment if the audit identifies a material error.

- 6.6. **Commissioned service providers** may experience financial pressure during the year.
- 6.7. **IJB reserves** can be used to manage in year budget fluctuations however they are insufficient to cover the current budget gap.
- 6.8. **Transitions workstream** there is a risk of additional cost pressures as a result of some young adults transferring to adult care services who have packages of care which exceed the additional budget estimated for these care requirements.
- 6.9. Prescribing costs have increased in recent years and are forecast to continue rising. Market volatility and inflation above the 5.5% assumption could increase the overspend beyond the current forecast. The 5.5% inflation allowance provides a reasonable basis for the Month 4 estimate, but actual expenditure will require continued monitoring.
- 6.10. **Budget recovery plan** - the recovery plan is required to support delivery of financial balance by the end of 2026/27 and will be updated following further assessment of in year savings being delivered. Delivery risk remains significant given the scale of the requirement, the need to maintain statutory services and the likelihood of further in-year pressures emerging.
- 6.11. **The Chief Finance Officer** will continue to work with partner organisation Chief Officers - Finance/ Director of Finance to develop the recovery plan, monitor delivery of approved savings, assess the use of IJB reserves and identify any residual requirement for partner support through agreed risk-share arrangements. Reporting to the IJB and FAPC will be essential during the 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:	The report sets out the financial implications for 2026/27, including delivery of the approved Budget Savings Programme and the Recovery Plan required to move towards financial balance. Clackmannanshire Council, Stirling Council and NHS Forth Valley should note the scale of the challenge, the importance of delivering approved savings and the likelihood that further mitigation will be required. Given the scale of savings required the current Recovery Plan may not close the residual budget gap.
Other Resources:	Delivering the strengthened financial recovery arrangements will require leadership, finance, analytical, operational and project capacity to be prioritised towards the highest-value and most deliverable actions. Any material capacity gaps, resource requirements or activities proposed for pause or deprioritisation should be reported through the Recovery Plan governance arrangements.
Legal:	The IJB is required to develop a Recovery Plan to address the budget gap remaining after achievable savings have been delivered; at Month 4, this requirement is estimated at £17.710m. The current focus on accelerating savings provides an opportunity to increase in-year delivery beyond the £3.289m estimate and reduce the residual requirement. Failure to deliver the 2026/27 savings and Recovery Plan would worsen the IJB's financial position and could increase risks to statutory service delivery, care quality and the wider health and care system. If all reasonable savings and mitigation options are exhausted, the IJB may need to consider the use of reserves and seek additional partner contributions through the risk-sharing arrangements in the Clackmannanshire and Stirling Integration Scheme.
Risk & mitigation:	The principal risks and current mitigations are set out in the report. Further work is underway to strengthen mitigation plans, define accountable owners and trigger points, and

	report progress and emerging risks to future meetings of the IJB.
Equality and Human Rights:	This report presents the current financial position and seeks agreement on the governance and development of recovery actions; it does not itself approve a specific service change. An Equality Impact Assessment is therefore not required at this stage. Any savings proposal or service change progressed through the Recovery Plan will require proportionate equality and human rights assessment before a decision is taken.
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.

Clackmannanshire & Stirling Finance, Audit and Performance Committee

7 October 2026

Agenda Item 5

Finance Report

For Noting

Paper Approved for Submission by:	Amy McDonald, Chief Finance 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:

This report provides the Finance, Audit and Performance Committee with the Month 5 forecast year-end financial position for 2026/27, explains the principal movements since Month 4 and sets out the actions required to strengthen financial recovery.

	Presented Mar'26 £'000	Reforecast position, M3 £'000	Reforecast position, M4 £'000	Reforecast position, M5 £'000
IJB savings 2026/27				
Budget deficit 2026/27 before savings	- 19,673	- 19,736	- 20,206	- 19,831
Commissioned services	6,422	4,272	2,096	997
Review of day services	640	480	-	-
Service efficiency review	2,745	1,369	400	400
Reduction in high cost care packages	1,008	504	793	793
Proposed budget savings 2026/27	10,815	6,625	3,289	2,190
High cost care package included in base			- 793	- 793
Budget deficit 2026/27 after savings		- 13,111	- 17,710	- 18,434
Required recovery plan delivery		13,111	17,710	18,434
Budget position after recovery plan		-	-	-

Executive summary:
The forecast deficit has decreased by £0.375m since Month 4, this net movement masks significant changes within the forecast. Gross cost pressures increased by approximately £4.176m, offset by the release of £4.551m of provisions.

- Costs have increased by approximately £4.176m however provisions have been released of £4.551m which reduces the overall impact to positive movement of £0.375m.
- The principal increases in forecast expenditure, after taking account of savings, are:
 - Older People and Physical Disabilities, £1.313m
 - Learning Disability, £1.572m
- Prescribing costs have been reduced by £2.179m reflecting a reduction in the growth of demand.

	• Mental health expenditure has been reduced by £1.184m reflecting an update on the year end forecast position noted in the Month 4 finance paper. • Estimated savings achievable in 2026/27 have reduced by £1.099m, from £3.289m at Month 4 to £2.190m at Month 5 as Learning Disability savings are replanned. This reduction increases the residual Recovery Plan requirement and reinforces the need for urgent action to identify and deliver further in-year and recurring savings. The Recovery Plan Governance Group met for the second time on 29 September 2026. Further savings proposals will be brought forward by the Senior Leadership Team at the third meeting of the Group. Immediate savings must be progressed at pace alongside longer-term consideration of future models of care, balancing financial recovery with the need to continue to provide effective health and care services for local communities.
Recommendations	a) The Finance, Audit and Performance Committee is asked to: note the Month 5 forecast deficit of £19.831m and the principal movements since Month 4; note that estimated achievable savings in 2026/27 have reduced to £2.190m and that the resulting Recovery Plan requirement is £18.434m; endorse the focused recovery reviews and strengthened governance arrangements set out in this report; and agree that progress, delivery risks, decisions required and any residual requirement for reserves or partner support will be reported regularly to the Committee and the IJB.
Key issues and risks:	The 2026/27 budget position presents a serious and escalating financial risk for the IJB and its partner organisations. A number of savings schemes are delayed or behind plan and are unlikely to recover fully before the end of the financial year. Further cost pressures may also emerge as the health and care system continues to support those most in need. It is unlikely that the Partnership will close the financial gap through savings alone, increasing the

	likelihood of further expenditure reductions, use of available reserves or additional partner contributions. This position creates material risks to future service and financial sustainability, partner affordability and the wider health and social care system.
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1 Strategic Plan Context

- 1.1. Clackmannanshire and Stirling Health and Social Care Partnership must deliver its statutory functions within the resources directed by the IJB and provided by Clackmannanshire Council, Stirling Council and NHS Forth Valley.
- 1.2. The 2026/27 budget supports the delivery of the Strategic Commissioning Plan 2023–2033. The Medium-Term Financial Forecast 2026–2029 underpins the Strategic Commissioning Plan and sets out the route to help achieve financial balance over the next three years.

A review of the priorities and planned activities within the Strategic Commissioning Plan is required to ensure that they remain aligned with the HSCP's statutory duties, available resources and delivery capacity. This should identify which commitments must be maintained, which can be rephased or redesigned, and which may need to be deprioritised, thereby establishing an affordable, sustainable and deliverable framework for the HSCP.

Delivery depends on detailed savings plans for each required savings area. These plans are needed to test whether the financial assumptions are deliverable and to provide clear ownership, timescales, activity, risk assessment and governance.

The immediate priority for 2026/27 is to reduce expenditure and focus on financial recovery. This must not delay planning for future years. Work on 2027/28 savings and transformation needs to start now, as sustainable financial balance cannot be achieved through short-term cost control alone. Future planning must focus on service transformation, efficiency and redesign around the needs of people who use services.

This work is essential to reduce the level of additional financial demand placed on partner organisations and to move the Partnership towards a more sustainable medium-term financial position.

- 1.3. To reaffirm the actions arising from the March 2026 presentation of the 2026/27 budget:

- Deliver the £10.815m savings programme approved in March 2026 and maintain a clearly governed Recovery Plan. The financial position has since deteriorated materially, and the current estimated Recovery Plan requirement is set out in section 5.
- Where delivery falls short, pursue further mitigation, including review of reserves and partner risk-share arrangements, once all feasible savings have been explored.
- Maintain strong IJB focus, ownership and pace in delivering the savings and recovery plan.
- Progress transformation alongside in-year savings to support recurring sustainability, manage demand and develop future-year savings.

1.4. The financial position has changed materially since March 2026. It is therefore critical that:

- The proposed use of all available IJB reserves, and the resulting impact on financial resilience, must be clearly set out and reviewed by partners through the Recovery Plan Governance Group before consideration by the Finance, Audit and Performance Committee and the IJB.
- By the end of October, partners must receive a sufficiently robust assessment of the likely 2026/27 outturn to inform their own financial planning. Any request for additional partner contributions must be supported by clear evidence that all reasonable savings, recovery and other mitigation options have been fully assessed and progressed.

1.5. Given the significant challenge in achieving financial balance in the current year, the immediate priority must be to deliver the approved savings and recovery actions, alongside developing a robust and affordable budget for 2027/28. This work should inform a review of the priorities and commitments within the Strategic Commissioning Plan to ensure that it provides an affordable, sustainable and deliverable framework for the HSCP. The revised plan should maintain a clear focus on prevention and early intervention, reducing avoidable demand and strengthening community-based support as essential means of improving outcomes for people who use Partnership services and supporting long-term sustainability.

2. Summary Key Information

2.1. The table below shows the mainstream funding and expenditure position for the IJB at Month 5 of 2026/27.

	Annual Budget £'000	Forecast Expenditure M5 2026/27 £'000	Forecast Variance £'000	Forecast Expenditure M4 2026/27 £'000	M5-M4 Variance £'000
Community Nursing	5,818	5,527	290	5,391	-136
Complex Care Adults	1,397	1,766	-369	1,758	-7
Clackmannanshire Community Healthcare Centre	3,419	3,634	-214	3,571	-62
The Bellfield Centre	9,322	8,965	357	8,930	-35
Palliative Care in the Community	28	-7	35	0	7
Older People/Physical Disabilities - Residential	27,022	31,289	-4,267	30,081	-1,208
Older People/Physical Disabilities - Non Residential	25,675	33,391	-7,716	33,286	-105
Learning Disabilities - Residential	6,811	7,377	-566	6,784	-593
Learning Disabilities - Non Residential	27,007	32,202	-5,196	31,224	-979
Mental Health - Residential	2,265	2,693	-428	3,839	1,146
Mental Health - Non Residential	9,424	8,825	600	8,767	-58
Assessment & Care Management	10,804	11,289	-485	10,943	-346
Reablement	13,797	13,075	721	13,120	44
Housing Aids & Adaptations	835	835	0	835	0
Health Promotion, Health Improvement & Corporate Services	2,831	2,552	279	2,602	50
Substance Misuse	4,339	3,841	498	3,775	-66
Public Dental Service	1,418	1,330	89	1,397	67
					0
Management Other	4,051	1,940	2,111	1,985	45
Community Admin	1,843	1,622	220	1,592	-30
Transformation Funds	2,658	2,661	-4	2,658	-4
Leadership Funds	0	0	0	0	0
Cs Community Living Change Fund	0	0	0	0	0
Resource Transfer & Pass Through Funds	-552	-1,064	512	-1,064	0
					0
Family Health Services	59,832	59,852	-20	59,961	109
GP Out of Hours Services	3,169	2,801	367	2,827	26
Primary Care Improvement Plan	33	54	-21	33	-21
Prescribing	33,008	39,624	-6,616	41,803	2,179
Vaccinations (Women's & Children's Team)	0	8	-8	6	-2
Prison Health Care	4,530	4,530	0	4,882	352
GP Walk in Centre	1,986	1,986	0	1,986	0
Total	262,769	282,600	-19,831	282,975	375
	0	0	0		
Integrated Budget Total	262,769	282,600	-19,831	282,975	375
Set Aside Budget for Large Hospital Services	40,154	43,425	-3,271	42,814	-611
Set Aside Total	40,154	43,425	-3,271	42,814	-611
Strategic Plan Budget Total	302,923	326,025	-23,102	325,789	-235

2.2. The Month 5 forecast outturn is a £19.831m deficit, a decrease of £0.375m from the £20.206m deficit reported at Month 4.

- Costs have increased by approximately £4.176m however provisions have been released of £4.551m which reduces the overall impact to a movement of £0.375m.

- Increases in cost have occurred across after savings of;

2.2..1. Older People and Physical Disabilities, £1.313m

2.2..2. Learning Disability, £1.572m

- Prescribing costs have been reduced by £2.179m reflecting a reduction in the growth of demand reducing the forecast overspend to £6.616m.
 - Mental health expenditure has been reduced by £1.184m reflecting an update on the year end forecast position noted being under review in the Month 4 finance paper.
 - Anticipated savings in the year have reduced from £3.289m to £2.190m pending review of the Learning Disabilities savings.
- 2.3. Finance and service teams are reviewing the movements between Month 4 and Month 5 to identify the activity, demand, price and delivery factors driving each material change. The findings will inform targeted expenditure controls, improve forecast assurance and enable accountable leads to take corrective action during the remaining months of 2026/27.
- 2.4. Care costs for Older People have increased for a number of reasons;
- Long-term care placement costs have significantly increased, with most individuals placed directly from hospital following full assessment. There is a clear rise in clinical complexity, particularly from community hospitals, where patients present with high-level, ongoing needs. This reflects wider system pressures and the increasingly complex requirements of those moving through care.
 - Existing care costs have risen in a small number of cases where unpaid carers, who provided complementary support, required planned hospital admission, necessitating temporary adjustments to maintain safe care.
- 2.5. Learning Disability are also seeing a rise in the complexity of cases and in service users moving through the transitions process from children to adult care. Further in-depth review is being carried out across Learning Disabilities to understand the impact of complexity and how this is managed. The current year savings of £1.099m will be assessed during this process.

3. Budget update and recovery plan 2026/27

3.1. Financial Recovery and Savings

	Presented Mar'26 £'000	Reforecast position, M3 £'000	Reforecast position,M4 £'000	Reforecast position,M5 £'000
IJB savings 2026/27				
Commissioned Services				
Review of care provision of older people	2,310	1,540	850	850
Review of care provision learning disability	3,364	2,243	1,099	-
Residential care older people	660	444	102	102
Respite care self funders	88	45	45	45
Review of day care provision				
Review of day care provision	640	480	-	-
Service Efficiency Review				
Provision short term care beds	2,645	1,369	400	400
Review of residential care learning disability	100			
Reduction in high cost care package				
Reduction in high cost care package	1,008	504	793	793
Savings 2026/27	10,815	6,625	3,289	2,190

- 3.2. The estimated deficit position before further Recovery Plan savings is £18.434m. This is therefore the estimated level of savings now required from the Recovery Plan, compared with £17.710m reported last month. The current £2.190m in-year savings estimate may improve as teams intensify their focus on delivering further savings.
- 3.3. The Partnership will undertake focused recovery reviews of the principal areas of financial pressure including:
- Older people and physical disabilities residential and non-residential care;
 - Mental health;
 - Learning disability services; and
 - Prescribing.

The reviews will examine the causes of overspending, opportunities to reduce social care costs including implementation of eligibility criteria, the delivery of prescribing efficiencies and the financial impact of the revised arrangements for respite care.

Each review will identify further potential expenditure controls, significant in-year and recurring savings opportunities, decisions required, accountable leads, delivery milestones and any workforce or project capacity needed to progress action at pace. Proposals will be supported by appropriate levels of professional and governance assessment and assurance.

4. Actions Required to Strengthen Financial Recovery Arrangements

Work has progressed on the savings plans. Dates have been added to milestone so progress can be compared with planned activity and expected financial delivery. This will provide the Partnership with a clearer and more accurate view of performance against plan.

While the proposed cost reductions and service adjustments will be progressed, where appropriate, through established business-as-usual processes, the HSCP recognises that this does not remove the requirement to understand and manage their potential impacts.

Given the scale of the financial challenge, the IJB is unlikely to be presented with options that have no adverse impact. Instead, members will be required to consider and select from a range of difficult but necessary choices, balancing financial sustainability against the potential impact on services, outcomes, statutory duties and people who rely on Partnership support.

Savings proposals that require approval through partner governance arrangements will be discussed with the relevant partners at the earliest opportunity so that the necessary assurance and decisions can be secured without avoidable delay to delivery.

The HSCP Chief Officer has also reviewed staffing requirements across the Senior Leadership Team to bolster teams to provide the necessary support for further savings delivery.

5. Recovery Plan Governance and Requirement

At Month 5, the forecast deficit is £19.831m. Of the £2.190m savings currently estimated to be achievable in 2026/27, £0.793m is already reflected in the forecast. The remaining £1.397m forecast savings would reduce the deficit to £18.434m if delivered in full. The estimated Recovery Plan requirement is therefore £18.434m, an increase of £0.724m from the £17.710m reported at Month 4.

	Presented Mar'26 £'000	Reforecast M3 position £'000	Reforecast M4 position £'000	Reforecast position, M5 £'000
IJB savings 2026/27				
Budget deficit 2026/27 before savings	- 19,673	- 19,736	- 20,206	- 19,831
Proposed budget savings 2026/27	10,815	6,625	2,496	1,397
Budget deficit 2026/27 after savings	- 8,858	- 13,111	- 17,710	- 18,434
Required recovery plan delivery	8,858	13,111	17,710	18,434
Further measures				
Use of reserves			949	949
Stirling Council contribution			1,280	1,280
NHS Forth Valley contribution			7,311	7,311
			9,540	9,540
Budget position after further measures			- 8,170	- 8,894

Partner support cannot be assumed. Clackmannanshire Council, Stirling Council and NHS Forth Valley are each managing significant financial pressures in 2026/27 and future years and may be unable to meet additional contributions arising from the agreed risk-sharing arrangements. Additional partner funding alone cannot resolve the position. The Partnership must therefore deliver substantial recurring savings, take urgent action to reduce the forecast overspend and minimise any call on partners. Decisions on the future scale, configuration and prioritisation of health and care provision are now critical to securing affordable and sustainable services.

6. Financial Risk

- 6.1. **The scale of the forecast deficit represents an exceptionally serious and unsustainable financial position for the IJB. The significant reduction in anticipated in-year savings, together with the limited reserves available, means that the remaining gap cannot reasonably be absorbed without substantial further savings, service and expenditure action, or significant additional pressure on partner organisations. Failure to act decisively would increase the risk to financial sustainability, statutory service delivery, safe care and partner affordability. The recommendations in this report therefore form an essential package of mitigation and should be implemented with urgency, clear accountability, robust assurance and regular escalation to the IJB where delivery is off track.**
- 6.2. **Section 95 Officer assessment:** The current forecast position is not financially sustainable. The scale of the £19.831m forecast deficit, the reduction in estimated achievable savings to £2.190m and the limited availability of reserves mean that financial recovery must be treated as a Partnership-wide priority. Leadership, finance, analytical, operational and

project capacity should be directed towards the highest-value and most deliverable actions, supported by clear ownership, evidence-based reporting and immediate escalation where delivery is off track. All proposals must continue to be assessed through appropriate professional, legal and governance processes to protect statutory duties and safe, appropriate care.

- 6.3. **Budget assumptions** are based on estimations which may not reflect future actual events and therefore carry a degree of risk.
- 6.4. **Delivery of savings** – the risk of failing to deliver savings is noted and requires to be managed through improved governance arrangements. The governance arrangements should be overseen by the Finance, Audit and Performance Committee and reported to the IJB.
- 6.5. **Commissioned service providers** may experience financial pressure during the year.
- 6.6. **IJB reserves** can be used to manage in year budget fluctuations however they are insufficient to cover the current budget gap.
- 6.7. **Transitions workstream** there is a risk of additional cost pressures as a result of some young adults transferring to adult care services who have packages of care which exceed the additional budget estimated for these care requirements.
- 6.8. Prescribing costs have increased in recent years and are forecast to continue rising. Costs will be kept under continuous review to ensure that the year-end outturn position is adequately assured.
- 6.9. **Budget recovery plan** - the recovery plan is required to support delivery of financial balance by the end of 2026/27 and will be updated following further assessment of in year savings being delivered. Delivery risk remains significant given the scale of the requirement, the need to maintain statutory services and the likelihood of further in-year pressures emerging.
- 6.10. **The Chief Finance Officer** will continue to work with the Chief Officers - Finance and Director of Finance of the partner organisations to develop the Recovery Plan, monitor delivery of approved savings, assess the potential use of IJB reserves and identify any residual requirement for partner support through the agreed risk-sharing arrangements. Reports to the Finance, Audit and Performance Committee and the IJB will set out forecast movements, savings delivered, delivery risks, corrective action, decisions required and any emerging requirement for reserves or partner support.

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:	The report sets out the financial implications for 2026/27, including delivery of the approved Budget Savings Programme and the Recovery Plan required to move towards financial balance. Clackmannanshire Council, Stirling Council and NHS Forth Valley should note the scale of the challenge, the importance of delivering approved savings and the likelihood that further mitigation will be required. Given the scale of savings required the current Recovery Plan may not close the residual budget gap.
Other Resources:	Delivering the strengthened financial recovery arrangements will require leadership, finance, analytical, operational and project capacity to be prioritised towards the highest-value and most deliverable actions. Any material capacity gaps, resource requirements or activities proposed for pause or deprioritisation should be reported through the Recovery Plan governance arrangements.
Legal:	The IJB must take appropriate action to address the budget gap remaining after achievable savings have been delivered; at Month 5, this requirement is estimated at £18.434m.

	Accelerating savings delivery may improve the current £2.190m in-year estimate and reduce the residual requirement. Failure to deliver the 2026/27 savings and Recovery Plan would worsen the IJB's financial position and could increase risks to statutory service delivery, care quality and the wider health and care system. If all reasonable savings and mitigation options are exhausted, the IJB may need to consider the use of reserves and seek additional partner contributions through the risk-sharing arrangements in the Clackmannanshire and Stirling Integration Scheme.
Risk & mitigation:	The principal risks and current mitigations are set out in the report. Further work is underway to strengthen mitigation plans, define accountable owners and trigger points, and report progress and emerging risks to future meetings of the IJB.
Equality and Human Rights:	This report presents the current financial position and seeks agreement on the governance and disability of recovery actions; it does not itself approve a specific service change. An Equality Impact Assessment is therefore not required at this stage. Any savings proposal or service change progressed through the Recovery Plan will require proportionate equality and human rights assessment before a decision is taken.
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