

Meeting:	NHS Grampian Board Meeting
Meeting date:	October 2026
Item Number:	9.8
Title:	Integration Joint Boards (IJBs) Finance Report
Responsible Executive:	Alex Stephen (Director of Finance)
Report Author:	Grant Burt (Senior Finance Manager)

1 Purpose and recommendations

This is presented to the Board for:

- Assurance

Recommendation(s):

The Board is requested to:

- **Discuss and note** the update on the Integration Joint Boards' revenue financial position and forecasts as at Q1 2026/27.

This report relates to:

- NHS Grampian Strategy: Plan for the Future
- NHS Grampian's Medium Term Financial Framework
- Financial Sustainability

This aligns to the following NHS Scotland quality ambition(s):

- Safe
- Effective
- Person Centred

This subject matter of this report is relevant to the mitigation of the following strategic risks:

- Inability to achieve the aspirations set out in Plan for the Future due to financial resource constraints and inefficiencies.

2 Report summary

2.1 Situation

The purpose of this report is to provide:

1. An overview of the Integration Joint Boards' financial position for the quarter 1 of 2026/27.

2.2 Background

Each year, Aberdeen City Council, Aberdeenshire Council, Moray Council, and NHS Grampian collectively provide a significant level of financial resources to the Integration Joint Boards (IJBs) under the Integration Scheme.

Once delegated, these resources are pooled and lose their individual identity as Council or NHS funding. This arrangement enables each IJB to exercise full discretion in developing and approving financial plans that allocate resources in a manner best suited to meeting local needs and delivering delegated services effectively.

While a significant level of funding is delegated to the Integration Joint Boards (IJBs) and baseline budgets are substantial, the ability to influence expenditure within certain areas remains limited. A considerable proportion of resources is committed to supporting nationally agreed General Medical Services (GMS) contract and community prescribing costs, both of which are largely driven by external factors.

The Integration Schemes set out arrangements should an IJB overspend in any financial year. Any overspend remaining after the use of available reserves is split between the relevant Local Authority and NHS Grampian based on the level of funding passed through by the end of the financial year.

In 2025/26, all three Integration Joint Boards required additional financial support from NHS Grampian and their respective Local Authority. This resulted in NHS Grampian providing a net deficit support contribution of £20.4 million. The financial plan for 2026/27 included £13 million of deficit support contributions from NHS Grampian, in line with the respective financial plans approved by the three Integration Joint Boards.

2.3 Assessment

Discussions with the IJBs indicate the forecast outturn for all three IJBs remain within the £13 million provision for deficit support funding IJBs included within NHS Grampian's financial plan in 2026/27. The financial plan did not include any additional risk provision for financial risk associated with IJB financial positions in 2026/27 beyond £13 million. Two of the three IJBs entered 2026/27 with general reserves, providing a degree of resilience and mitigation against financial risk for the 2026/27 financial year.

Table 1 outlines the latest available forecast financial outturn along with NHS Grampian's deficit support contribution as set out in the Financial Plan.

Table 1: Integration Joint Board Outturn and NHS Grampian contribution

IJB	Date Reported to IJB	2026/27 IJB Budgeted Variance*	2026/27 IJB Forecast Variance**	2026/27 NHS Grampian Contribution to IJBs
Aberdeenshire	2 nd September 2026	£14m	£0.4m	£8m
Aberdeen City	25 th August 2026	£0m	£0.04m	£0m
Moray	24 th September 2026	£9m	£0.02m	£5m
Total		£23m	£0.46m	£13m

* Overspend against budget requiring deficit support funding from the funding partners

** Forecast underspend / (overspend) against approved financial plans incorporating deficit support funding from the funding partners.

All three IJBs have reported their Quarter 1 outturn and forecast outturn for 2026/27 based on the latest available information. All three IJBs are projected to deliver in line with their approved 2026/27 budget, although all three IJBs are noting a degree of risk to the delivery of forecasts with IJBs managing local pressures across service demand, workforce and delivery of local savings initiatives.

Further information on the financial performance and forecast outturn is provided in the appendixes to this report along with links to the IJBs papers.

The Board continues to monitor and evaluate the risk and mitigating actions in place for the IJBs' financial position. The latest assessment and mitigations are summarised in table 2.

Table 2: Risk & mitigating actions of IJBs' financial positions

Risk	Risk Level	Mitigation(s)
There is provision in the Board's financial plan for a Contribution to any overspends incurred by three IJBs however there remains a risk should IJBs overspend beyond this level.	Medium (no change)	Regular review of IJB positions. Monthly meetings discussing IJB financial positions in place with IJB Chief Finance Officers and NHS Grampian Director of Finance. Regular meetings between the IJB Chief Officers and NHS Grampian Chief Executive. Enhanced monitoring to NHS Grampian Board.

2.3.1 Quality / Patient Care

Each IJB is required to consider the impact of their decisions on quality and patient care.

2.3.2 Workforce

Each IJB is required to consider the impact of its decisions on the workforce, having due regard to the policies for the IJB.

2.3.3 Financial

The financial position and risks are highlighted throughout this report.

2.3.4 Risk Assessment / Management

- Relates to Corporate Risk 3130: An Inability to achieve the aspirations set out in Plan for the Future due to financial resource constraints and inefficiencies.
 - There is a requirement to recover the financial position by redesigning services and implementing cost control measures to achieve savings.
 - Failure to do so may result in:
 - Further escalation on the Scottish Government's performance framework.
 - Inability to financially support current levels of service provision and workforce size.
 - Inability to meet financial targets and resources prioritised to deal with operational pressures at the expense of delivering the annual delivery programme.
 - Impact on the delivery of programmes and patient care.
 - Inability to create the conditions for sustainable change.
 - Exacerbating health inequalities and population health outcomes.
 - This risk is recognised as a high risk on the NHS Grampian risk register and was formally reviewed at the Performance, Assurance, Finance and Infrastructure Committee in September.

2.3.5 Equality and Diversity, including health inequalities

Each IJB is required to consider any equality, diversity and health inequalities implications when making decisions.

2.3.6 Other impacts

All are outlined above.

2.3.7 Communication, involvement, engagement and consultation

Each IJB is responsible for considering communication, involvement, and engagement and consultation requirements of its decisions.

2.3.8 Route to the Meeting

Regular information is exchanged between the IJBs and the Councils / NHS Grampian at quarterly and monthly meetings.

2.4 Recommendation(s)

The Board is asked to:

- **Note and discuss –**
 - the update on the update on the Integration Joint Boards' revenue financial position and forecasts as at Q1 2026/27.

3. Appendix/List of appendices

The following appendix/appendices are included with this report:

- Appendix 1 – Aberdeenshire IJB
- Appendix 2 – Aberdeen City IJB
- Appendix 3 – Moray IJB

Appendix 1 Aberdeenshire IJB

The Integration Joint Board (IJB) reviewed the financial position to 30 June 2026, considered the forecast outturn for 2026/27, assessed the emerging in-year pressures for 2026/27, and noted at its meeting on 2 September 2026.

Performance & Forecast Outturn

The IJB has delivered a year to date £2.956 million underspend as of 30 June 2026, compared to the approved budget. The year end forecast projects an underspend of £0.358 million. The budget as approved at the IJB includes a deficit support contribution of £8 million from NHS Grampian. Table 1 summarises the forecast outturn by service line for the IJB.

Table 1: Quarter 1 Forecast Outturn for Aberdeenshire IJB

Area	Quarter 1 Forecast Outturn		
	Budget £'000	Actual spend £'000	Outturn £'000
Alcohol & Drugs Partnership	3,743	3,743	0
Aberdeenshire Drug and Alcohol Service	2,905	2,691	214
Allied Health Professionals	12,722	11,707	1,015
Frailty Pathway	349	346	3
Aberdeenshire Pharmacy Service	1,248	1,195	53
Joint Equipment Service	1,462	1,461	1
Community Hospitals	22,843	23,151	(-308)
Inverurie HUB Project	1,572	1,621	(-49)
Dental	3,408	3,245	163
District Nursing	8,463	8,525	(-62)
Health Centres Management	-429	-190	(-239)
Health Visiting	7,222	7,193	29
Other Direct Patient care	1,060	897	163
Public Health	578	605	(-27)
Specialist Nursing	1,130	985	145
Support services	4,885	4,634	251
Primary Care	52,705	52,318	387
Prescribing	55,661	55,380	281
Community Mental Health	11,630	12,291	(-661)
Aberdeenshire Share of Hosted Services	21,707	21,089	618
Services Hosted by Aberdeenshire	0	0	0
Out of Area	3,253	3,558	(-305)
Subtotal - NHS Core Services	218,117	216,445	1,672
Headquarters	4,698	4,752	(-54)
Business Services	2,433	2,411	22
Out of Hours service	301	319	(-18)
Criminal Justice Service - Grant Funded Services	186	186	0
Criminal Justice Service - Prison Social Work	0	0	0
Adult Services - Community Care	66,388	68,494	(-2,106)
Adult Services - Day Care	4,804	4,425	379
Adult Services - Residential Care	3,547	3,347	200
Adult Services - Mental Health	7,097	7,026	71
Adult Services - Substance Misuse	2,257	2,257	0
Physical Disabilities - Community Occupational Therapy Service	5,740	5,740	0
Physical Disabilities - Joint Equipment Service	-471	-523	52
Specialist Services & Strategy	2,183	2,126	57
Adult Support Network	622	611	11
Older people - Day Care	0	0	0
Older People - Care management	87,838	87,356	482
Integrated Care Fund /Participatory Budgeting	0	0	0
Older People - Home care	15,569	15,569	0
Older People - Residential care	10,107	10,565	(-458)
Older People - Very Sheltered Housing	6,333	6,333	0
Subtotal - IJB Costs	219,632	220,994	-1,362
Mental Health Outcomes Framework funding	2,601	2,601	0
Integrated Care Fund	543	428	115
Primary Care Improvement fund - Scottish Government funding	8,774	8,775	(-1)
NESTRANS funded Greenways Project	0	18	(-18)
Scottish Care Home funding	474	369	105
Shire Winter Pressure allocation for MDTs	11	11	0
Covid-19	(-11)	0	(-11)
Psychological Therapies (dementia post diagnostic support) funding (earmarked)	97	0	97
Covid and Extended Flu Vaccination Funding	3,024	3,262	(-238)
Subtotal - Funds	15,513	15,464	49
Set Aside Budget	54,161	54,161	0
Total	507,423	507,064	359

The forecast position includes several service specific variances with significant pressures observed across services due to demand pressures and workforce pressures.

Forecast underspends are reported across several services, including Allied Health Professionals (£1.015 million), reflecting a phased recruitment of posts, Aberdeenshire Drug and Alcohol Service (£0.214 million), Support Services (£0.251 million) and Specialist Nursing (£0.145 million), are projected to underspend due to staffing vacancies; and Primary Care (£0.387 million), where underspends within premises costs are expected to offset pressures from the provision of enhanced services. Further underspends are anticipated within GMED through Hosted Services for Aberdeenshire (£0.618 million), Adult Services Day Care (£0.379 million), Adult Services Residential Care (£0.200 million), and GP Prescribing (£0.281 million), although prescribing expenditure continues to be volatile.

These favourable forecast variances are offset by forecast overspends within Adult Services Community Care (£2.106 million), due to increasing demand for complex care packages and non delivery of savings, Community Mental Health (£0.661 million), driven by locum medical staffing costs, Older People Residential Care (£0.459 million), due to agency staffing and overtime costs whilst implementing different models of care, Community Hospitals (£0.308 million), resulting from nursing and medical staffing pressures and Out of Area Treatments (£0.305 million), from high-cost placements along with increases in the cost of placements from care providers.

2026/27 Budget Monitoring

The IJB approved a savings programme of £5.703 million in 2026/27 across a range of initiatives, which are critical to delivering in line with the MTFS. A summary of the 2026/27 savings programme and associated risk rating is outlined in table 2 below.

Table 2 – Summary of Savings for Aberdeenshire IJB

Saving Area	RAG	Planned Saving £'000
Review of Learning Disability and Mental Health Resource Allocation System	Yellow	700
Learning Disability and Mental Health Commissioning for Outcomes and Technology Enabled Care	Yellow	225
24/7 Accommodation review	Green	100
Locum Spend	Red	500
SDS & Carers Support team	Green	100
Public Health	Yellow	85
Estate Rationalisation	Red	316
Vacancy management	Green	50
Pool Cars	Green	10
Support Services	Green	100
Service Redesign	Green	1000
Community Hospital Efficiencies	Yellow	700
GP with Specialist interest	Green	105
Macmillan Nurses	Yellow	150
Forensic Medical Examiner	Green	100
Prescribing efficiencies	Green	1000
Care Home Efficiencies	Green	28.5
Older People & Physical Disabilities Budget Review	Yellow	255
Older People and Physical Disabilities - tech enabled care	Yellow	50
ARCH Contract	Green	28
Care at Home Redesign	Yellow	100
Total		5,703

These are actively monitored by the HSCP's Senior Leadership Team (SLT). Where a savings scheme has been identified as being at risk of limited or non delivery with an Amber or Red risk rating; the SLT are working with service managers to validate its deliverability. Where required, alternative measures or mitigations will be developed to ensure a balanced budget is delivered. An update on these mitigations including alternative savings schemes will be brought to a future meeting of Aberdeenshire's IJB.

Budget setting 2027/28

The budget for the 2027/28 financial year is in the process of being developed, with the approach now being implemented. This represents a change from recovery into a sustainable planning cycle. A two pronged approach is being taken. The first strand focuses on response, redesign and savings development with the second focusing on financial intelligence to support decision making. The work will ensure that a balanced approach is taken, ensuring that the costs of services, workforce requirements and demographic pressures are aligned with the strategic priorities set out in the Medium Term Financial Strategy to ensure demands continue to be met. This programme of work will take place through quarters 2 and 3 and will involve engagement with the IJB's partners.

Further information can be found in the links to the full budget monitoring report presented to Aberdeenshire IJB on 2nd September 2026:

[Aberdeenshire Integration Joint Board \(2026\) Financial Performance 2026/27 \(2 September 2026\).](#)

[Aberdeenshire Integration Joint Board \(2026\) Appendix 1 – Financial Position by Service \(2 September 2026\).](#)

[Aberdeenshire Integration Joint Board \(2026\) Appendix 2 – Variance explanations \(2 September 2026\).](#)

[Aberdeenshire Integration Joint Board \(2026\) Appendix 3 – Budget Movements \(2 September 2026\).](#)

[Aberdeenshire Integration Joint Board \(2026\) Appendix 4 – Savings Delivery Update \(2 September 2026\).](#)

Appendix 2 Aberdeen City IJB

At its meeting on 25 August 2026, the Risk, Audit and Performance Committee reviewed the financial position to 30 June 2026 and considered the forecast outturn for 2026/27.

Performance & Forecast Outturn

The IJB has delivered a year to date £2.48 million underspend as of 30 June 2026 compared to the approved budget. The year-end forecast is projecting an underspend of £0.04 million. This forecast assumes no additional contributions from funding partners as the IJB set a balanced budget for 2026/27. Table 1 summarises the forecast outturn by service line for the IJB.

Table 1: Quarter 1 Forecast Outturn for Aberdeen City IJB

Area	Quarter 1 Forecast Outturn		
	Budget £'000	Actuals £'000	Outturn £'000
Criminal Justice	172	192	(20)
Directorate	1,885	1,919	(34)
Learning Disabilities	54,087	54,302	(215)
Mental Health & Addictions	34,899	35,129	(230)
Older People & Physical and Sensory Disabilities	105,723	105,702	21
Strategy and Transformation	4,303	4,119	184
Housing (Set Aside)	1,771	1,771	–
Community Health Services	50,235	51,499	(1,264)
Aberdeen City share of Hosted Services (health)	33,781	31,799	1,982
Primary Care Prescribing	50,696	50,696	–
Primary Care	62,793	62,653	140
Out of Area Treatments	3,738	4,278	(540)
Set Aside Budget	62,588	62,588	–
City Vaccinations	2,567	2,553	14
Uplift Funding	2,192	2,192	–
Total	471,430	471,392	38

The Quarter 1 position includes several transitional and timing-related variances that are not currently considered recurrent savings. The full-year forecast also contains material favourable and adverse service variances, as outlined below.

Out of Area Treatments are forecasting an overspend of £0.540 million, reflecting the full-year impact of a high-cost placement that commenced during 2025/26. Mental Health and Learning Disabilities Health budgets are forecasting an overspend of £0.445 million, primarily due to continued agency locum expenditure required to maintain safe clinical services and mitigate workforce risks. Recruitment to substantive posts continues, with recent recruitment expected to reduce reliance on temporary staffing.

Hosted Services is forecast to deliver an underspend of £1.98 million, principally reflecting savings of £1.26 million arising from the closure of Rosewell House. Further favourable variances are expected within GMED (£0.5 million), Sexual Health Services (£0.3 million) and Marie Curie Nursing (£0.3 million).

Strategy and Transformation is forecast to report an underspend of £0.184 million, primarily due to vacancy management and recruitment controls. Primary Care is forecasting an underspend of £0.140 million, reflecting lower than anticipated expenditure across enhanced services.

These favourable variances are partially offset by several service pressures. Community Health Services is forecasting an overspend of £1.26 million, driven by pay and non-pay pressures across Community Nursing, Business Support and Central Management. The pressure is partly offset by forecast underspends within Primary Care, Executive Management and Allied Health Professions.

2026/27 Budget and Savings monitoring

The full-year forecast assumes delivery of the £14.5 million savings programme. The Budget Savings Oversight Group provides the main forum for scrutiny of savings delivery, financial risks arising from budget monitoring, forecast assumptions and management actions. The latest validated Q1 savings position, together with any available Q2 progress, will be reported to the next RAPC cycle.

Budget holders are required to identify the causes of variances, the actions being taken, the expected financial impact and any residual risks requiring escalation. Progress will continue to be monitored through the Group and reported to future meetings of the Risk, Audit and Performance Committee.

Further information can be found in the link to the full budget monitoring report presented to Aberdeen City IJB at its Audit Risk and Performance Meeting on 25th August 2026:

[Aberdeen City Integration Joint Board Risk Audit and Performance Committee \(2026\) Q1 2026/27 Financial Update Report \(period 30 June 2026\). \(25 Aug 2026\)](#)

Appendix 3 Moray IJB

The Integration Joint Board (IJB) considered the financial position to June 2026, reviewed the forecast outturn for 2026/27, assessed the emerging in-year pressures, and noted progress on delivery of the IJB's Recovery Plan at its meeting held on 24 September 2026.

Performance & Forecast Outturn

The IJB has delivered a year to date overspend of £2.0 million as of 30 June 2026, excluding partner deficit support funding. The year-end forecast is projecting a £8.96 million deficit, within the £9.0 million partner deficit support funding agreed as part of the 2026/27 budget setting process. This assumes £5 million of deficit support funding from NHS Grampian.

Figure 1 summarises the forecast outturn by service line for the IJB.

Table 1: Quarter 1 Forecast Outturn for Moray IJB

Area	Quarter 1 Forecast Outturn		
	Budget £'000	Spend £'000	Outturn £'000
Community Hospitals	7,671	8,564	(892)
Community Nursing	6,906	7,151	(245)
Learning Disabilities	21,126	21,347	(221)
Mental Health	12,416	13,179	(762)
Addictions	1,370	1,511	(141)
Adult Protection & Health Improvement	293	289	4
Care Services provided in-house	26,300	27,097	(798)
Older People & PSD Services	28,912	31,472	(2,560)
Intermediate Care & OT	2,215	2,814	(599)
Other Community Services	10,960	10,923	37
Admin & Management	4,351	4,790	(440)
Other Operational Services	1,412	1,320	92
Primary Care Prescribing	22,827	22,827	0
Primary Care Services	22,764	22,948	(185)
Hosted Services	5,900	6,174	(274)
Out of Area	1,780	1,633	147
Improvement Grants	951	951	0
Childrens & Justice Services	21,972	22,152	(180)
Other non-recurring Strategic Funds in the ledger	4,874	5,332	(458)
Other resources not included in ledger under core and strategic:	8,185	9,685	(1,500)
Set Aside Budget	20,092	20,092	0
Total	233,275	242,251	(8,976)

The IJB continues to experience significant financial pressures across operational areas. Mental Health services report a year-to-date overspend of £0.31 million, mainly due to ongoing reliance on locum medical staffing, Mental Health Act-related activity, and spend relating to Assessment and Care packages, with a forecast year-end overspend of £0.76 million.

Older People and Physical Sensory Disability services show a year-to-date overspend of £0.64 million, driven by increased nursing-level care home placements compared to residential care, with associated higher costs, along with growth in externally commissioned care at home and short-break services; the position is forecast to increase to £2.56 million by year-end reflecting continuing demand pressure.

The Community hospital budget is overspent by £0.25m to June 2026, with a year end overspend of £0.89m forecast. This position is driven by costs associated with surge capacity in two of the hospitals, alongside pressure on property costs.

Primary care prescribing budgets are reporting a year-to-date underspend of £0.42 million. This is largely driven by prescribing costs and volumes remaining below the levels assumed within the budget, together with the reintroduction of the prescription discount from the start of the financial year. Given the inherent volatility within prescribing budgets, the full-year forecast remains at breakeven.

Delivery of Savings

As part of the 2026/27 budget-setting process, the IJB approved an efficiencies programme totalling £5.72 million, across a range of initiatives. Delivery of saving is monitored by the Budget Savings Oversight Group chaired by the Chief Officer and members of the senior management team. These are summarised below in Table 2.

Table 2 – Summary of Savings for Moray IJB.

Efficiencies	Full Year Target £'000	Savings expected progress at 30 June 2026 £'000	Savings actual progress at 30 June 2026 £'000	Reduction in overspend expected at 30 June 2026 £'000	Full Year Forecast Savings £'000
Building Resilience	1,957	76	76	77	1,464
Home first	279	17	17	5	79
Partners in Care	1,197	68	68	85	640
Already implemented	2,285	311	311	22	1,935
Total	5,718	472	472	189	4,118

Against the full-year plan of £5.72 million, £0.47 million of savings and a £0.19 million reduction in overspend has been achieved by 30 June 2026. The full year forecast savings total £4.12 million. All projects have been risk assessed with detail of the RAG status reported to the IJB. The risk around under-delivery of savings is reflected in the reported forecast position.

The Budget Savings Oversight Group continues to meet regularly to support delivery of the IJB's Financial Recovery Plan, providing enhanced governance and oversight of savings initiatives. Robust grip and control measures remain in place, including monthly senior management reviews of financial performance and ongoing scrutiny of high-cost care packages through the Resource Management Group. A comprehensive review of savings delivery will be undertaken during Quarter 2, with any new or additional savings proposals reported to the MIJB in November 2026.

Further information can be found in the links to the full budget monitoring report presented to Moray IJB Board on 24th September 2026:

[Moray Integration Joint Board \(2026\) Revenue Budget Monitoring Quarter 1 for 2026/27 \(24 September\).](#)