



REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
20TH AUGUST 2025

REPORT ON: FINANCIAL MONITORING POSITION AS AT JUNE 2025

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB49-2025

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide the Integration Joint Board with an update of the projected financial position for delegated health and social care services for 2025/26.

2.0 RECOMMENDATIONS

It is recommended that the Integration Joint Board (IJB):

- 2.1 Notes the content of this report including the projected operational financial position for delegated services for the 2025/26 financial year end as at 30th June 2025 as outlined in Appendices 1, 2, and 3 of this report.
- 2.2 Note the actions being taken by Officers and Senior Management to address the current projected financial overspend position, with a report on progress and implications to develop a formal Financial Recovery plan to be presented at next IJB meeting (as detailed in section 4.5).

3.0 FINANCIAL IMPLICATIONS

- 3.1 The financial position for Dundee Health and Social Care Partnership for the financial year to 31st March 2026 shows a projected operational overspend of £4,946k after the utilisation of £2,429k from IJB Reserves as agreed at the IJB's budget setting meeting in March 2025.
- 3.2 This unplanned overspend is reflective of the ongoing challenge to fully deliver the significant level of savings and efficiencies totalling £17,500k during 2025/26 while also managing demand and performance expectations. Officers and Senior Management continue to monitor, lead and support service areas to manage and mitigate these pressures and return to overall financial balance.

4.0 MAIN TEXT

4.1 Background

- 4.1.1 As part of the IJB's financial governance arrangements, the Integration Scheme outlines that "The Chief Finance Officer will ensure routine financial reports are available to the Chief Officer and the Integration Joint Board on a timely basis and include, as a minimum, annual budget, full year outturn projection and commentary on material variances."
- 4.1.2 The IJB's budget for delegated services was approved at the meeting of the IJB held on the 26 March 2025 (Article IV of the minute of the meeting of 26 March refers). This set out the cost pressures and funding available with a corresponding savings plan to ensure the IJB had a balanced budget position going into the 2025/26 financial year.

4.1.3 A further report was approved at the meeting of the IJB held on 18 June 2025 (Article IX of the minute of Dundee Integration Joint Board held on 18 June 2025 refers). This updated the 2025/26 plan following confirmation of the 2024/25 financial year-end and reserves position, and details of additional funding received via NHS Tayside at the end of financial year 2024/25.

4.1.4 An updated assessment of the status of the approved savings plan is set out in Appendix 4 of this report.

4.2 Projected Outturn Position – Key Areas

4.2.1 The following sets out the main areas of note from the financial information contained within Appendices 1 (Summary Position) and 2 (Detailed Position) and provides commentary on the reasons for significant variances, actions being taken to manage these and outlines the key elements of risk which may remain.

4.3 Operational Health and Community Care Services Delegated to Dundee IJB

4.3.1 The financial position for services delegated to the IJB details an operational overspend of £4,504k for the financial year.

4.3.2 Older People Services contribute a significant portion of this, with a projected overspend of £2,995k.

- The majority of this is due to Care at Home demands and costs of care packages. This overspend continues to reflect significant levels of activity-led demand that has been experienced during the last 2 financial years. Enhanced pathway models have been further developed in recent months to continue to address the overspend in a controlled and effective way whilst also supporting whole-system performance levels and mitigating the risk of harm to individuals who may be impacted by increased waiting times for packages of care in the community. The projected spend includes assumptions relating to the impact of this ongoing work, which will be continually reviewed as the work progresses.
- Older People Care Home spend incorporates both the 3 Council-run Care Homes and externally commissioned Care Home placements – the projected variance is principally a result of projected levels of supplementary spend during the remaining 9 months and initial assumptions relating to challenges to delivery £500k of savings through reduced overall placement levels.
- Psychiatry of Old Age (In Pat) overspend is mainly related to reduced assumed income levels from neighbouring HSCPs following recent changes to commissioned bed numbers. As part of 2025/26 budget, income was assumed as a result in increased demand for beds during 24/25 but this trend has reversed more recently. Operational leads continue to collaborate with neighbouring HSCPs to assess the local and regional demand for POA beds and ensure resources are managed effectively
- Underspends are recognised in Day Services and Respite, reflecting changing demands in these service areas. Operational reviews of these services are being considered, including potentially realigning resources.

4.3.3 Mental Health services contribute an overspend of £1,005k to the position, mainly as a result of demand for Care Home placements and resultant spend.

4.3.4 Learning Disabilities services contribute a further £2,330k overspend to the position, predominantly linked to staffing budgets for Day Services and Accommodation with Support.

4.3.5 Projected spend against Physical Disability budgets is currently projecting an underspend of £744k, mainly as a result of lower spend than budgeted for within Care Home placements.

- 4.3.6 Community Nurse Services / AHP / Other Adult Services and Drug and Alcohol Services are showing a projected overspend of £303k, predominantly linked to ongoing over-recruitment in Community Nursing Teams (£525k) to help alleviate demand and staffing pressures, which is also anticipated to reduce reliance of bank staff to fill gaps. Community Nursing Teams continue to progress operational transformation work to restructure into Locality Teams and further enhance digital technologies to improve their operational efficiencies and address the overspend. Consideration is also being given to recognising the increased community demands being experienced by the service.
- 4.3.7 Lead Partner Services managed by Dundee includes overspends within Specialist Palliative Care Services of £403k and Psychological Therapies of £200k. Both are linked mainly to staffing costs. Palliative Care services continue to progress the operational and strategic review of the Tayside-wide service and shifts towards enhanced community provision. Psychological Therapies continues to experience waiting times pressures with focussed recruitment to address this.
- 4.3.8 Other Support and Management budgets contribute an underspend of (£1,568k) through vacancies and the net impact of budget adjustment balances and anticipated reserves funding currently held in a centralised code.
- 4.3.9 Other Contractors includes General Medical Services and Family Health Services and is currently projecting a combined overspend of £519k. This includes an overspend relating to GP 2C practices.
- 4.3.10 Key drivers of underspends across various services continue to be staffing vacancies, with ongoing challenges of recruitment and retention of staff. This is similar across a number of medical, nursing, Allied Health Professionals (AHPs), social care, social work and other staffing groups and across various bands / grades and skill-mixes. Recruitment activity continues to take place throughout the service areas to ensure patient demand and clinical risk is managed as best as possible, however due to financial constraints, governance procedures continue to be implemented to ensure recruitment is only progressed for critical and essential posts. This ongoing recruitment and retention challenge was recognised during the 2025/26 budget setting process with non-recurring slippages / vacancy factor savings targets implemented to reflect the reality of the current position.
- 4.3.11 In addition to the specific service overspends already highlighted, key drivers of overspends are mainly as a result of the premium cost of supplementary staffing (bank, agency or locum staff) to fill vacancies or cover due to staff sickness where patient acuity and / or safe-staffing levels necessitate the use of these additional staff. In addition, under recovery of income for chargeable social care services is also creating a cost pressure across various service budgets.
- 4.3.12 Supplementary spend during the first 3 months of 2025/26 totals £1,186k. This includes £239k on additional part-time hours and overtime, £290k on agency, and £657k on bank nursing / sessional staffing. Absence rates for NHS employed staff within HSCP have averaged at 6.56% during the 3 months of 25/26. The working days lost for DCC employed staff within the HSCP for 3 months to June 2025 was 10.17%. Efforts are ongoing to support staff wellbeing through return-to-work policies where possible and appropriate, which in turn should address some of the spend relating to supplementary staffing.
- 4.3.14 GP and Other Family Health Services Prescribing continues to be monitored as a local and Tayside-wide basis due to the scale and complexity of the budget. The Prescribing financial plan for 2025/26 indicated a projected cost pressure of £830k as a result of anticipated volume and pricing growth. At this early stage of the financial year, projected spend is reporting better at £416k overspend. (It is normal for data to be received 2 months in arrears to allow for national review and verification, therefore at this stage, the figures include only one month of verified data).

- 4.3.15 2025/26 Pay Awards for both NHST staff and Dundee City Council staff are now known – 4.25% for NHS Agenda for Change, 4.0% for Medical and 4.0% for Council. These figures exceed the 2025/26 budget planning assumptions (which was calculated at 3%). It is assumed additional funding will be provided from Scottish Government to offset these increased costs and passed on in full by the partner bodies to the IJB therefore at this stage no additional cost pressure has been incorporated into the project position. Should it transpire that insufficient funding is received in due course, the impact of this will be highlighted in future reports.

4.4 Tayside-wide Delegated Services

- 4.4.1 Members of the IJB will be aware that Angus and Perth and Kinross IJBs provide Lead Partner (formerly referred to as Hosted Services) arrangements for some services on behalf of Dundee IJB and a number of services are led by Dundee on behalf of Angus and Perth and Kinross. These are subject to a risk sharing agreement whereby any over or underspends are reallocated across the three Tayside IJBs at the end of the financial year. The financial monitoring position of these services in their totality are reflected in each of the Lead IJB's financial monitoring reports and for information purposes the projected net impact of these services on each IJB's budgeted bottom line figure is noted. More detail of the recharges from Angus and Perth and Kinross IJBs to Dundee IJB are noted in Appendix 3. This shows net impact of these adjustments to Dundee being an increased cost implication of £506k which mainly relates to a significantly higher spend within GP Out of Hours Medical Service led by Angus IJB. The Out of Hours overspend is as a direct result of changes to the patient pathway now embedded in the service model following Covid-19 pandemic and subsequent recovery. Work continues within the service to develop a financial recovery plan and future sustainable service delivery model, however the scale of the challenge to address the overspend has been recognised as a potential whole-system pressure and additional non-recurring funding has been provided by NHS Tayside to support the required time-scales to facilitate the required work in a sustainable manner. The benefit of this additional funding is incorporated into the financial report.
- 4.4.2 Members will also be aware that In-Patient Mental Health services are also a delegated function to Tayside IJB's, having previously been hosted by Perth & Kinross IJB. In early 2020/21, the operational management of these services was returned to NHS Tayside, however under health and social care integration legislation the strategic planning of these services remains delegated to the 3 Tayside Integration Joint Boards. Currently, there is no budget delegated to the IJBs for 2025/26. Due to the IJB's having strategic planning responsibility for the services, there is a requirement to show a delegated budget and spend position in the IJB's annual accounts. Given the unusual governance position around In-Patient Mental Health Services whereby there is a separation between strategic planning and operational delivery of the service, ongoing discussions are taking place to agree financial risk sharing arrangements amongst the 3 IJB's and NHS Tayside for the current financial year.

4.5 Actions to resolve Projected Financial Gap

- 4.5.1 The 2025/26 Financial Plans and Budget setting report reflected a significant financial challenge with a funding shortfall of £17.5m. Significant progress is being made to address this gap with this report highlighting a projected overspend of £4.9m, indicating that around 70% of savings and efficiencies are currently anticipated to be met.
- 4.5.2 At this stage of the financial year, the projected position is based on known spend and activity during the first 3 months of the year only, with projections based on anticipated trends and spend patterns for the remaining 9 months. This highlights a degree of uncertainty and estimation in the projections, but also allows time for actions to be taken to help address some of the financial challenges in a planned and managed way.
- 4.5.3 The current financial position continues to be closely monitored at Senior and Extended Management Meetings, with actions being progressed to ensure both a robust understanding of financial drivers as well as implementing actions to improve the projected financial position.
- 4.5.4 Under the IJB's Integration Scheme, where an unplanned year end overspend is projected, a Recovery Plan must be presented to address the in-year overspends and any recurring overspends for future years. The key features of the 2024/25 Financial Recovery Plan alongside the 2025/26 Budget Proposals continue to be the key principals determining overall financial

management and these alongside other identified actions will be brought to the next IJB meeting as a formal 2025/26 Financial Recovery Plan.

- 4.5.5 It should be recognised that the IJB currently holds £644k of uncommitted general reserve funding (as detailed below in Table 1 of 4.6) and this will likely need to be utilised to offset any unplanned overspend that cannot be resolved through financial recovery action. Under the IJB's Integration Scheme, any overspend that cannot be resolved through financial recovery and use of reserves will invoke the risk share agreement with the IJB's Partner Bodies (NHS Tayside and Dundee City Council) to proportionately fund the remaining overspend.

4.6 Reserves Position

- 4.6.1 The IJB's reserves position was reduced at the year ended 31st March 2025 as a result of the unplanned operational overspend of £3,216k during 2024/25. This resulted in the IJB having total committed reserves of £11,091k and uncommitted reserves of £644k at the start of 2025/26 financial year. This provides the IJB with limited flexibility to respond to unexpected financial challenges and provides the opportunity for transition funding for transformation of services. The reserves position is noted in Table 1 below:

Table 1

Reserve Purpose	Closing Reserves @ 31/3/25
	£k
Mental Health	240
Primary Care	1,933
Drug & Alcohol	926
Strategic Developments	1,998
Revenue Budget Support	2,429
Service Specific	449
Systems Pressures funding	2,959
Other Staffing	155
Total committed	11,091
General	644
TOTAL RESERVES	11,734

- 4.6.2 Scottish Government funding in relation to specific allocations including Primary Care Improvement Fund, Mental Health Strategy Action 15 Workforce and Alcohol and Drugs Partnerships can only be spent on these areas and reserve balances have been taken into consideration for these funds by the Scottish Government when releasing further in-year funding.
- 4.6.3 The IJB's Reserves Policy seeks to retain Reserves of 2% of budget (approximately £6.5m) however it is recognised that this is particularly challenging to maintain within the current financial climate with many IJB's across the country having no reserves or below their respective reserves policies.

5.0 POLICY IMPLICATIONS

- 5.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

6.0 RISK ASSESSMENT

Risk 1 Description	There is a significant risk that the IJB is unable to deliver a balanced budget over the financial year.
Risk Category	Financial
Inherent Risk Level	Likelihood 5 x Impact 5 = Risk Scoring 25 (which is an Extreme Risk Level)
Mitigating Actions (including timescales and resources)	Regular financial monitoring reports to the IJB will highlight issues raised. Actions to be taken by Officers, Senior Management and Budget holders to manage overspending areas. Transformation and Strategic Delivery Plan to drive forward priorities towards a sustainable financial position
Residual Risk Level	Likelihood 3 x Impact 4 = Risk Scoring 12 (which is a High Risk Level)
Planned Risk Level	Likelihood 3 x Impact 3 = Risk Scoring 9 (which is a Moderate Risk Level)
Approval recommendation	While the inherent risk levels are high, the impact of the planned actions reduce the risk and therefore the risk should be accepted.

7.0 CONSULTATIONS

7.1 The Chief Officer and the Clerk were consulted in the preparation of this report.

8.0 DIRECTIONS

8.1 The Integration Joint Board requires a mechanism to action its strategic commissioning plans and this is provided for in sections 26 to 28 of the Public Bodies (Joint Working) (Scotland) Act 2014. This mechanism takes the form of binding directions from the Integration Joint Board to one or both of Dundee City Council and NHS Tayside.

Direction Required to Dundee City Council, NHS Tayside or Both	Direction to:	
	1. No Direction Required	✓
	2. Dundee City Council	
	3. NHS Tayside	
	4. Dundee City Council and NHS Tayside	

9.0 BACKGROUND PAPERS

9.1 None.

Christine Jones
Acting Chief Finance Officer

Date: 25/07/25

		Appendix 1
DUNDEE INTEGRATED JOINT BOARD - HEALTH & SOCIAL CARE		
PARTNERSHIP - FINANCE REPORT 2025/26		Jun-25
	Partnership Total	
	Net Budget £,000	Year End Overspend / (Underspend) £,000
Older Peoples Services	78,108	2,995
Mental Health	13,670	1,005
Learning Disability	36,884	2,330
Physical Disabilities	8,733	(744)
Drug and Alcohol Recovery Service	6,425	150
Community Nurse Services/AHP/Other Adult	19,302	154
Lead Partner Services	29,060	183
Other Dundee Services / Support / Mgmt	30,642	(1,308)
Centrally Managed Budgets	5,484	(261)
Total Health and Community Care Services	228,307	4,504
Prescribing & Other FHS Prescribing	36,363	314
General Medical Services	33,492	709
FHS - Cash Limited & Non Cash Limited	27,586	(88)
Large Hospital Set Aside	21,850	0
In-Patient Mental Health	0	0
Total	347,598	5,439
Net Effect of Lead Partner Services*	(5,494)	(493)
Grand Total	342,104	4,946
*Lead Partner Services (formerly known as 'Hosted Services') - Net Impact of Risk Sharing Adjustment		

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DUNDEE INTEGRATED JOINT BOARD - HEALTH & SOCIAL CARE PARTNERSHIP - FINANCE REPORT 2025/26		Appendix 2
		Jun-25
	Partnership Total	
	Annual Budget £,000	Projected Year End Overspend / (Underspend) £,000
1		
Psych Of Old Age (In Pat)	5,218	571
Older People Serv. - Ecs	312	-40
Integrated Discharge Team	1,116	-90
Ijb Medicine for Elderly	5,923	525
Stoke Neuro Rehab Unit (ward 4)	1,457	-10
Medical (P.O.A)	928	115
Psy Of Old Age - Community	3,006	-50
Medical (MFE)	2,680	-88
Care at Home	29,508	1,102
Care Homes	29,743	1,401
Day Services	1,300	-322
Respite	540	-521
Accommodation with Support	1,194	16
Other	-4,818	385
Older Peoples Services	78,108	2,995
2		
Community Mental Health Team	4,745	110
Tayside Adult Autism Consultancy Team	406	97
Care at Home	1,152	-81
Care Homes	643	787
Day Services	65	-2
Respite	-3	49
Accommodation with Support	5,818	153
Other	844	-107
Mental Health	13,670	1,005
3		
Learning Disability (Dundee)	1,795	-40
Care at Home	-320	513
Care Homes	3,321	446
Day Services	9,802	945
Respite	480	-106
Accommodation with Support	23,975	811
Other	-2,169	-239
Learning Disability	36,884	2,330
4		
Care at Home	1,101	190
Care Homes	2,238	-606
Day Services	76	44
Respite	-43	-29
Accommodation with Support	813	66
Other	4,548	-409
Physical Disabilities	8,733	-744
5		
Dundee Drug Alcohol Recovery	4,929	100
Care at Home	0	0
Care Homes	380	169
Day Services	70	-27
Respite	0	0
Accommodation with Support	350	-133
Other	696	41
Drug and Alcohol Recovery Service	6,425	150

		Partnership Total	
		Annual Budget £,000	Projected Year End Overspend / (Underspend) £,000
6			
	A.H.P.S Admin	543	-18
	Physio + Occupational Therapy	8,320	-265
	Nursing Services (Adult)	9,657	525
	Community Supplies - Adult	343	65
	Anticoagulation	531	-50
	Other Adult Services	-93	-104
	Community Nurse Services / AHP / Other Adult Services	19,302	154
7			
	Palliative Care - Dundee	3,867	245
	Palliative Care - Medical	1,800	120
	Palliative Care - Angus	493	13
	Palliative Care - Perth	2,336	25
	Stroke Neuro Rehab Unit (ward 5)	2,244	-40
	Dietetics (Tayside)	4,685	200
	Sexual & Reproductive Health	2,851	73
	Medical Advisory Service	88	-8
	Homeopathy	43	13
	Tayside Health Arts Trust	88	0
	Psychological Therapies	7,410	125
	Psychotherapy (Tayside)	1,320	-55
	Perinatal Infant Mental Health	221	0
	Learning Disability (Tay Ahp)	987	-150
	Lead Partner Centrally Managed	627	-377
	Lead Partner Services	29,060	183
8			
	Working Health Services	0	45
	The Corner	697	-10
	Ijb Management	908	-65
	Partnership Funding	25,100	0
	Urgent Care	1,823	-70
	Community Health Team	213	-65
	Health Inclusion	1,407	-110
	Primary Care	852	10
	Support Services / Management Costs	-359	-1,043
	Other Dundee Services / Support / Mgmt	30,642	-1,308
	Centrally Managed Budget	5,484	-261
	Total Health and Community Care Services	228,307	4,504
	Other Contractors		
	FHS Drugs Prescribing	36,486	416
	Other FHS Prescribing	-123	-102
	General Medical Services	33,028	509
	Dundee 2c (gms) Services	463	200
	FHS - Cash Limited & Non Cash Limited	27,586	-88
	Large Hospital Set Aside	21,850	0
	In-Patient Mental Health	0	0
	Grand H&SCP	347,598	5,439
	Lead Partner Services Recharges Out	-17,610	-111
	Lead Partner Services Recharges In	12,016	506
	Hosted Recharge Cost Pressure Investment	100	-888
	Hosted Services - Net Impact of Risk Sharing Adjustment	-5,494	-493
	Grand Total	342,104	4,946

NHS Tayside - Lead Partner Services Hosted by Integrated Joint Boards			Appendix 3
Recharge to Dundee IJB			
Risk Sharing Agreement - Jun 25			
	Annual Budget £000s	Projected End Over / (Underspend) £000s	Dundee Share of Variance £000s
Lead Partner Services - Angus			
Forensic Service	1,376	28	11
Out of Hours	10,391	1,912	753
Tayside Continence Service	1,627	521	205
Locality Pharmacy	2,417	0	0
Speech Therapy (Tayside)	1,651	92	36
Sub-total	17,462	2,553	1,006
Apprenticeship Levy & Balance of Savings Target	18	48	19
Total Lead Partner Services - Angus	17,480	2,601	1,025
Lead Partner Services - Perth & Kinross			
Prison Health Services	5,718	(512)	(202)
Public Dental Service	3,349	(458)	(180)
Podiatry (Tayside)	4,121	(344)	(136)
Sub-total	13,188	(1,314)	(518)
Apprenticeship Levy & Balance of Savings Target	(170)	(2)	(1)
Total Lead Partner Services - Perth&Kinross	13,018	(1,316)	(519)
Total Lead Partner Services from Angus and P&K	12,016		506

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	Dundee IJB - Budget Savings List 2025-26		Appendix 4
	Agreed Savings Programme		
	Efficiency / Management Action	2025/26 Value £000	Risk of non-delivery
	Recurring Actions		
1)	Dundee City Council Review of Charges – Additional Income	374	Low
2)	Additional Community Alarm Charge to DCC Housing	34	Low
3)	Removal of long-term vacant posts (staff slippage / vacancy factor)	1,300	Low
4)	Joint commissioning of POA beds with neighbouring IJB	971	Medium
5)	Review and reduction of High-Cost care packages and additional 1:1 support spend	200	Medium
6)	Maximising opportunities through alternative funding	200	Low
7)	Reduction in supplementary staffing spend (3% target)	225	Low
8)	Review and reduction of Senior Management Structure	500	Low
9)	Admin efficiency review	100	Medium
10)	Benefits from Pharmacy transformation workstream within NHST	500	Medium
11)	Care at Home Efficiencies (to address existing overspend)	0	Medium
	Total Recurring Operational Efficiency Initiatives	4,404	
	Non-Recurring Proposals		
12)	Further 0.25% operational efficiency target	507	Medium
13)	Management of natural staff turnover / vacancy management	200	Low
14)	Restructuring of funding to ADP	500	Low
	Total Non Recurring Initiatives	1,207	
	Total Operational Efficiencies and Non-Recurring Initiatives	5,610	
	Savings	2025/26 Value £000	Risk of non-delivery
	Recurring Proposals		
1)	Remove Demographic growth investment	2,046	Low
2)	Reduction in uplift funding provision to external providers	1,492	Low
3)	Reduction of Commissioned Care Home beds	500	Medium
4)	Third Party Commissioned Service	1,000	Medium
5)	Housing with Care review	300	Low
6)	Community Meals Service review	100	Low
7)	Palliative Care and MfE service review	200	Medium
8)	Digital Transformation and Agile Working opportunities	1,000	High
9)	Charging policy review	200	High
10)	Whole system charging process, eligibility criteria and income maximisation	500	Medium
	Total Recurring Savings Proposals	7,338	
11)	Utilisation of IJB Reserves	550	Low
12)	Reduction of Transformation Reserve	1,500	Low
13)	Further utilisation of IJB Reserves	379	Low
14)	Whole-system cost pressure funding	2,171	Low
	Total Non-Recurring Proposals	4,600	
	Total Savings Proposals	11,938	

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