



Integration Joint Board

3rd June 2025

This Report relates to
Item 9 on the Agenda

Finance Update Year End 2024/25

Paper presented by Katy Kerr

For Discussion and Noting

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List of Background Papers:	Not required
Appendices:	None

Direction Required to Council, Health Board or Both	Direction to:	
	1. No Direction Required	X
	2. Dumfries and Galloway Council	
	3. NHS Dumfries and Galloway	
	4. Dumfries and Galloway Council and NHS Dumfries and Galloway	

1. Introduction

- 1.1 This report presents the summary financial performance of the budgets delegated to the Integrated Joint Board (IJB) as at 31 March 2025 for the financial year 2024/25.

2. Recommendations

2.1 The Integration Joint Board is asked to note:

- An additional payment of £22.6m was released from the NHS Board to the IJB, part of which was additional financial support the NHS received from Scottish Government (SG) for 2024/25 which is part of the repayable brokerage provided.
- An additional payment of £1.819m has been requested from Dumfries and Galloway Council to support the year end overspend position in line with the Integration Scheme.
- All numbers are draft subject to external audit scrutiny of the NHS, Council and IJB accounts.

3. Background and Main Report

3.1 Background

- 3.2 This consolidated report brings together the financial reporting of all services delegated to the IJB from the NHS and the Council. It presents the draft final position for the IJB as a whole for the year ending 2024/25. The annual accounts process for the year ended 31 March 2025 is now underway.

3.3 Main Body of the Report

Services Delegated to IJB

- 3.4 The final position of the IJB reports an overspend position of £24.4m prior to any additional in year support from NHS Board and Dumfries and Galloway Council. This a worsening of the opening position which projected a year end deficit at that stage of £20.079m and recognised in the opening plan that delivery of a breakeven position for 2024/25 was unachievable without additional financial support.
- 3.5 A share of the NHS Board brokerage funding has been agreed with the NHS Board for 2024/25. Similar discussions are ongoing with the local authority in relation to the overspend on the delegated social work budget as the integration scheme requires that each party provides an additional payment to the IJB in the event that the financial recovery plan doesn't deliver a balanced financial position.
- 3.6 Table 1 summarises the position for the Integrated Joint Board as a whole with the further detail provided for both NHS and Council delegated budgets included later in the report.

Table 1 – Overall IJB Year End Position 2024/25

IJB Year End Position 2024/25	NHS £m	Council £m	Total £m
Original Financial Plan Position	20.079	0.000	20.079
Overall deficit position before additional payment	22.600	1.819	24.419
Additional Financial Support Agreed/ TBC	(22.600)	(1.819)	(24.419)
Projected In-Year Position	0.000	0.000	0.000

NHS Delegated Services

- 3.7 At the end of month 12, the overall position for the NHS delegated budgets has been summarised and included in table 2 below.

Table 2 – Year End Position NHS Delegated 2024/25

IJB at Mth 12	YTD Budget £000	YTD Actuals £000	YTD Variance £000
Acute Directorate	160,138	167,658	(7,520)
Facilities & Clinical Support	44,107	45,749	(1,642)
Mental Health Directorate	35,463	33,903	1,560
Community Health + Social Care	77,011	81,540	(4,529)
Primary Care Services	57,825	57,626	199
Womens & Childrens Directorate	31,994	31,964	30
Strategic Services	25,869	25,340	528
Directorates	432,407	443,781	(11,373)
Centrally Held being released	7,084	0	7,084
	439,491	443,781	(4,290)
£20m Target deficit	(20,124)	0	(20,124)
overachieved Savings against £16.39m	1,800	0	1,800
	(18,324)	0	(18,324)
	421,167	443,781	(22,614)
Brokerage	22,614	0	22,614
	443,781	443,781	(0)

- 3.8 Scottish Government has provided brokerage for 2024/25 to support the full extent of the forecast NHS overspend position for 2024/25 with an additional payment being made to the IJB to cover the NHS element of the overspend.
- 3.9 At Month 12 NHS Dumfries and Galloway delegated budgets reported a £0.1m underspend (subject to external audit) after the receipt of brokerage required to meet the statutory break-even requirement. The outturn position reflects a £2.6m worsening against the opening financial plan and the table below sets out the movement.

Table 3 – movement on year end position NHS

2024/25 Financial Plan	Local impact	SG Funding / impact	Forecast Variance
Financial Plan Deficit Approved by IJB	-20.0	0.0	-20.0
MYR: Directorate Pressures (Prescribing)	-5.6	0.0	-5.6
MYR: Shortfall on number of allocation anticipated in year	0.0	-1.5	-1.5
Brokerage Requested at Mid Year Review	-25.6	-1.5	-27.1
Q3 – Additional SG allocation for Afc Reform	0.0	0.9	0.9
Q3 reported forecast	-25.6	-0.6	-26.2
Q4 – Overachievement on CRES - further red'n in locum expenditure	1.8	0.0	1.8
Q4 – Mgmt of directorate position, inc.targeted approach on vacancies & non pays	1.8	0.0	1.8
Closing Draft Position	-22.0	-0.6	-22.6
SG Repayable Brokerage	0.0	0.0	22.6
Provisional Year End Outturn			0.0

- 3.10 Pressures continued in Month 12 across the majority of expenditure types within non pays and medical and support services. Pressures being experienced in pays are being offset by vacancies across the whole organisation. Non Pays conversely have limited offsets and are therefore showing larger levels of overspends, mainly in primary and secondary care drugs.
- 3.11 The NHS Board has an agreed savings programme to deliver savings of £18.3m of which £16.4m form part of the delegated budget. Savings of £20.1m of savings have been delivered for 2024/25. Although having delivered the target in year, £6.6m were delivered on a recurring basis, leaving a shortfall of £4.3m carried forward into 2025/26 impacting on the b/fwd deficit.
- 3.12 Agency expenditure continues to be an area of significant pressure for the NHS Board. Expenditure to the end of March is £13.7m, compared to £17.4m for the same period in 2023/24; a reduction of £3.7m. the primary shift is within medical staffing. The main areas of medical expenditure continue to be GCH, General Surgery, General Medicine, Cardiology, Emergency Care Centre, Urology & Ophthalmology and within Nursing and AHPs: Emergency Care Centre, Critical Care, Acute Physio and SLT and Imaging.
- 3.13 Expenditure on medicines both within primary and secondary care continues to be an area of significant pressure. Expenditure to the end of March is £74.2m, compared to £71.9m for the same period in 2023/24. There are always delays in reporting Primary Care prescribing expenditure and a financial estimate is used for this cost based on the opening forecast, this therefore brings a level of uncertainty into the financial position at this time. The year-end ledger position of £4,111k overspent is due to a larger than expected growth against both volume (4%) and price (3%) throughout 2024/2025. Medicine prices have remained very stable, and volume increases steady since September 2024, resulting in the final outturn position being aligned to the mid-year forecast of £4,225k overspent. Savings of £3.5m were delivered against medicines budgets for 2024/25.

Council Delegated Services

3.14 The year end position for the delegated local authority Social Work budget was a £6m overspend position which was partially offset by £4.2m of available reserves leaving a year end overspend position of 1.8m.

3.15 The position is summarised in the table below:

Table 4 2024/25 Year End Position Council Delegated Services

Delegated Social Work Services	2024/25 Budget	2024/25 Outturn	24/25 Outturn Variance
	£000	£000	£000
Community Health & Social Care			
Adult Services (Regional) Total	21,356	20,342	1,014
Adult Support & Protection Total	1,237	1,237	0
Management & Governance Total	1,279	1,139	140
Physical Disability Support Total	8,078	9,839	(1,762)
Short Term Care (Older People) Total	43,136	43,542	(406)
Community Health & Social Care Total	75,086	76,099	(1,013)
Mental Health Directorate			
In House Complex Care & Support Total	6,652	6,380	272
Learning Disability Support Total	29,414	33,470	(4,057)
Mental Health Support Total	2,170	3,036	(866)
Mental Health Directorate Total	38,235	42,886	(4,650)
Drawdown of Reserves	4,204	0	4,204
Bad Debt Provision	0	359	(359)
Grand Total	117,525	119,344	(1,819)

3.16 The original budget for 2024/25 projected a £5.7m deficit with plans for £4.7m of cost reductions and £1m use of reserves to balance. The estimate for cost reductions achieved early in the year was £2.4m. Whilst further cost reductions were achieved, they were more than offset by further increases in the cost of care alongside new and increased care purchased. There was no allowance in the budget assumptions for any demographic or other activity increases.

3.17 Whilst the service had been projecting an overspend of £800k at end of Q3, the position worsened in Q4 due to increased expenditure within care groups and the need to provide for potential bad debts linked to non-collection of income. There were underspends across centralised services due to expired contracts and staff vacancies which partially offset the increased costs and volumes associated with care levels.

3.18 The overspend position is wholly due to the purchase of care across all service groups and care delivery modes. The following table demonstrates the activity across those care groups with the care purchase overspends:

Table 5 – Care Purchase Overspends

	2024/25 Outturn	23/24 Average Clients	24/25 Average Clients
Mental Health			
Care at Home	(245,593)	116	119
Direct Payment	31,431	20	20
Residential & Nursing	(818,546)	14	23
	(1,032,708)	150	162
Older People			
Care at Home	620,637	1222	1260
Direct Payment	(1,168,403)	318	364
Residential & Nursing	(487,587)	940	942
	(1,035,353)	2,480	2,566
People with Learning Disability			
Care at Home	(1,486,716)	425	441
Direct Payment	(1,816,623)	214	221
Residential & Nursing	(1,335,907)	36	35
	(4,639,246)	675	697
People with Physical Disability			
Care at Home	(1,056,023)	177	191
Direct Payment	(462,647)	129	140
Residential & Nursing	(82,559)	10	10
	(1,601,229)	316	341
Total	(8,308,536)	3,621	3,766

- 3.19 With Community Services the main cost pressure areas are within Physical Disability Services across care at home and SDS Option 1 Direct Payments. There has been a net increase in client numbers of 8%.
- 3.20 The main area of cost within community Services is Older People services with a nett budget of £43m. Overspends within residential and nursing placements were offset by increased income. The main pressure area of SDS Option 1 Direct payments was overspent by £1.2m and was partially offset by care at home underspend and vacancies within the social work teams within the Home Teams structure, leaving a £406k overspend overall.
- 3.21 The main cost overspends reside within the Mental Health directorate, within the Learning Disability and Mental Health Services. Learning Disability Services overspend has been increasing over the last few years with the overspend across all modes of care delivery. The overspend is £4.6m and is partially offset by vacancies within internal services.
- 3.22 Within Mental Health Services, the main pressure area is within the Residential placements service with increased client income partially reducing the nett overspend to £866k.

Reserves

3.23 The IJB carried forward reserves of £8.8m into 2024/25 relating to the balance of the ringfenced allocations received but unspent at the 31 March 2024. The level of reserves has significantly reduced to £4.1m as we move 2025/26 reflecting the use of reserves to support the in year financial position. Table 3 below summarises the position.

Table 6 – Summary of IJB Reserves

Summary of IJB Reserves	31/03/2024	31/03/2025
	£m	£m
Adults Social Care Winter Planning	0.2	0
Alcohol and Drugs Partnership	0.2	0.2
Community Living Change Fund	0.3	0.3
Mental Health Recovery and Renewal	0.5	0.9
Primary Care Improvement Fund	0.2	0
Social Care Fund	4.3	0
Winter Planning Health and Social Care	3.1	2.7
TOTAL	8.8	4.1

3.24 The reserves noted above are ringfenced allocations and are fully committed and remain set aside for the purposes they were originally allocated to. The IJB has no general reserves.

4. Conclusions

4.1. This report provides an update of the 2024/25 position as at 31 March 2025 (subject to external audit).

5. Resource Implications

5.1. Funding implications are considered as part of the overall Financial Plan and budget setting for the IJB. The IJB strategic risk in relation to resources

6. Impact on Integration Joint Board Outcomes, Priorities and Policy

6.1. The Financial Plan has a key role in supporting the delivery of the Strategic Plan.

7. Legal and Risk Implications

7.1. There are no legal or risk implications identified.

8. Consultation

8.1. Consultation with Senior Finance Team across NHS and Council.

9. Equality and Human Rights Impact Assessment

9.1. As this report does not propose a change in policy/strategy/plan/project, it is not necessary to complete an impact assessment. Individual savings schemes and difficult decisions will be impact assessed.

10. Glossary

IJB	Integration Joint Board
SG	Scottish Government

Dumfries and Galloway Integration Joint Board



DIRECTION

(ISSUED UNDER SECTIONS 26-28 OF THE PUBLIC BODIES (JOINT WORKING) (SCOTLAND) ACT 2014)

1.	Title of Direction and Reference Number	
2.	Date Direction Issued by Integration Joint Board	
3.	Date from which Direction takes effect	
4.	Direction to	
5.	Does this direction supersede, amend or cancel a previous Direction? If yes, include the reference number(s)	
6.	Functions covered by Direction	
7.	Full text of Direction	
8.	Budget allocated by Integration Joint Board to carry out Direction	
9.	Desired Outcomes	
10.	Performance Monitoring Arrangements	
11.	Date Direction will be Reviewed	