

INTEGRATION JOINT BOARD QUARTER 1 BUDGET MONITORING – SOCIAL WORK DELEGATED BUDGET

REPORT APPROVED BY INTERIM CHIEF FINANCE OFFICER of the IJB

1. Reason for Report

1.1 This report provides Members with an overview of the current monitoring position against the Social Care budgets that have been delegated by the Council to the Integration Joint Board (IJB) for the current financial year as at the end of June 2025 (Quarter 1)

2. Recommendations

Members are asked to: -

- 2.1 Note the significant financial pressure the delegated services are under (Appendix 1)
- 2.2 Note the unprecedented amount of savings that need to be delivered to achieve a balanced position in 2025/26
- 2.3 Note the financial position at the end of June 2025 Qtr. 1 (Appendix 3)
- 2.4 Note the current progress of delivering identified savings (Appendix 2), and the level of additional savings that still need to be identified and delivered in 2025/26 to avoid overspending.
- 2.5 the arrangements currently being progressed to provide enhanced Council support to the IJB in addressing this challenge including: -
 - The provision of non-recurring spend to save funding to support service change and cost reduction measures.
 - Greater direct involvement of senior Council officers in providing support to the IJB, the IJB Interim Chief Officer, Interim Chief Financial Officer and their wider management team in the identification, development and progression of the required changes.
 - Enhanced levels of Council Committee reporting and engagement with Council Members in relation to IJB financial monitoring and progress on the service change and cost reduction measures that require to be progressed.

3. Executive Summary (What is the report about?)

- 3.1 In previous years, budget monitoring reports for services delegated to the IJB by both the Council and the NHS have been reported to the IJB as the responsible body for budgetary control for these services. However, given the extent of IJB overspending incurred in 2024/25, and the projected position for the current year, it has been agreed that in addition to ongoing reporting to the IJB, monitoring reports for services delegated to the IJB by the Council will from now on also be reported to this Committee.

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3.2	This report therefore provides Members with an overview of Social Care budgets that have been delegated to the Integration Joint Board (IJB) for the current financial year as at the end of June 2025 (Quarter 1), the report also includes details of the Service's forecast revenue position for 2025/26, and the potential financial risks and pressures which are subject to ongoing monitoring and review.	
3.3	Overall, the report acknowledges that there are unprecedented financial pressures. As reported to the IJB at its meeting of 3 June 2025, the savings required to address these pressures cannot be delivered without significantly impacting on service delivery.	
3.4	The report contains details of the significant levels of pressure as previously reported to the IJB (£12.5M), that had been identified on top of the delegated budget (£117.93M) and acknowledges that other pressures are continuing to emerge.	
3.5	The report also acknowledges that a significant amount of work to identify and implement savings have been undertaken and are continuing, however, these are currently not enough to return the service to a balanced position and the current forecast deficit in year is currently £6.65m thus requiring the identification and progression of further measures to avoid overspending.	
3.6	Responsibility for decision making, and budgetary control, for delegated services is the responsibility of the IJB and this report is therefore presented for Members information purposes only. However, arrangements to provide enhanced Council support to the IJB are being progressed and a report to the upcoming meeting of the Council's Enabling & Customer Services Committee sets these out including: -	
	<ul style="list-style-type: none"> <li data-bbox="189 1113 1485 1189">• The provision of non-recurring spend to save funding to support service change and cost reduction measures. <li data-bbox="189 1227 1485 1339">• Greater direct involvement of senior Council officers in providing support to the IJB, the IJB Interim Chief Officer, Interim Chief Financial Officer and their wider management team in the identification, development and progression of the required changes. <li data-bbox="189 1377 1485 1482">• Enhanced levels of Council Committee reporting and engagement with Council Members in relation to IJB financial monitoring and progress on the service change and cost reduction measures that require to be progressed. 	

4. Detail and Analysis

Background Information

- 4.1 Health and social care services across Dumfries and Galloway are facing unprecedented financial pressures.
- 4.2 A report presented to the IJB at its meeting of 3 June 2025 indicated a 2025/26 projected deficit (before savings) of £56.1 Million of which £12.5 Million relates to services delegated by the Council.
- 4.3 These pressures have prompted communications to be issued advising that the quality and breadth of service provision is likely to be affected in the months ahead.

4.4 An extract from the IJB Press release/briefing issued 28th July States that , we need to be honest that the scale of the financial challenge means we will not be able to provide everything that people might want or, in some cases, might previously have been entitled to. We are having to focus on critical care and essential supports.”

4.5 The table below summarises the Adult Social Care service’s budget and the pressures identified.

	£M
Original Budget	117.93
Pressures Presented to IJB board on 3rd June 25 (Appendix 1)	12.5 *
Adjustments identified during a realignment of budgets	-0.47
Revised Spend before Q1 and planned savings	129.96
Less	
Delegated Budget	-117.93
Initial Pressure - before savings	12.03

*A breakdown of the additional £12.5m pressure can be found in Appendix 1

4.6 A total of 256 additional packages of care have been put in place since 2023/24, a summary by category is provided below - further information on package movements is provided in Appendix 5

Older People	179
Physical Disability Support	47
Learning Disability Support	8
Mental Health Support	22
Total movement in Packages	256

Savings identified and progress in Q1

- 4.7 Work has been undertaken and is ongoing to identify savings and drive efficiencies. However, the scale of the savings needed to return the service to financial balance is far beyond anything that can be solved through marginal cuts.
- 4.8 Reviews have been and continue to be undertaken to identify areas that have the potential to deliver additional savings, due to the nature and time scales involved some of the potential savings will not deliver in 2025/26 but will contribute to 2026/27 requirements.
- 4.9 Within social care, new restrictions have already been introduced on the authorisation of care packages, with high-cost support requiring sign-off from the most senior officers—including the IJB Chief Officer and Chief Social Work Officer.
- 4.10 Sample testing of a selection of existing packages of care has been undertaken within ‘Complex Care’ which has identified savings, it is planned that these reviews will continue and are expected to deliver additional savings throughout the rest of the year.
- 4.11 Plans are in progress to put in place a specific team to undertake reviews of existing packages of ‘Complex Care’. The Council has agreed to fund this from its Change Fund for the next 18months (total cost £0.447M). These reviews are expected to result in

additional savings being identified and where appropriate and practical revised or alternative packages of Care being implemented.

- 4.12 A long list of potential savings has been identified, these are currently being looked at and worked through, however due to the time lag for some of these and the requirements to undertake various reviews and impact studies only schemes that can clearly be delivered in 2025/26 have been included in the table below.

	Identified	Delivered in Q1	Identified savings - yet to be delivered
	£m	£m	£m
Care Schemes/package reviews	-3.56	-0.50	-3.06
Vacancies	-0.21	-0.21	0.00
CASS	-0.24		-0.24
Aids & Adaptations	-0.10	-0.05	-0.05
Digital Solutions	-0.56		-0.56
Placements, Interim and Fleible beds	-0.67	-0.04	-0.63
Total Saving identified	-5.34	-0.80	-4.54

*This table is also included as Appendix 2

Service Delivery - Quarter 1

- 4.13 At the end of Quarter 1 the projected deficit of the service is £6.65M, in relation to the funding provided by the Council (£117.93M).

- 4.14 The table below summaries the movements and the projected deficit of £6.65M

	£M
Original Budget	117.93
Pressures Presented to IJB board on 3rd June 25 (Appendix 1)	12.5
Adjustments identified during a realignment of budgets	-0.47
Revised Spend before Q1 and planned savings	129.96
Qtr 1 - Outturn	-0.84
Identified savings - yet to be delivered	-4.54
Forecast Spend at the end of Q1	124.59
Less	
Delegated Budget	-117.93
Forecast overspend at end of Q1	6.65

*Further information can be found in Appendix 3

Additional pressures impacting Q1 performance

- 4.15 The overall performance of the service when compared against the revised forecast spend (£129.96M) would be an improved position of **-£0.838M** in the Quarter, excluding the savings which have been identified but not yet delivered.

- 4.16 Areas that are continuing to put pressure on the overall position have been identified, these are: -

- The forecast overspend within CASS has continued to increase and is now forecast to be £0.502m overspent when compared to the original budget.
 - This overspend has increased in Q1 by £0.262m causing additional pressure on the overall service position
- Carers costs, currently the costs of Carers are not monitored separately, however the costs can be seen over all areas that care is provided.
 - It was then identified that the projected overspend against the various budgets is currently circa £0.85m
 - This is an area that will be monitored to understand and assess the ongoing implications this may have on the service.
- Continued pressures are being seen in both Older People and Mental Health Support, even though (as mentioned in 4.8) new restrictions have already been introduced on the authorisation of care packages.

4.17 Information for all types of Care have been reviewed and summarised in the table below, further information is provided in Appendix 4.

<u>Actuals Q1</u>	Decreased		Total Cost	New		Total Cost	Net Movement
	Ended	Care	Reduction	Packages of	Increased	Increases	
	£	£	£	£	£	£	£
Older People	4,045,757	629,076	4,674,833	4,606,007	617,853	5,223,860	549,027
Physical Disability Support	654,317	228,612	882,929	361,583	260,739	622,322	- 260,607
Learning Disability Support	1,119,087	1,641,108	2,760,195	1,266,359	846,109	2,112,468	- 647,727
Mental Health Support	72,869	119,443	192,312	577,029	112,996	690,025	497,713
	5,892,030	2,618,239	8,510,269	6,810,978	1,837,697	8,648,675	138,406

4.18 There is ongoing pressure and increasing demand being placed on the service with a nett movement of 105 additional packages of care being provided during Quarter 1 alone.

4.18.1.1 A summary of movement in overall packages by category is provided below, additional details can be found in (Appendix 5)

Older People	82
Physical Disability Support	20
Learning Disability Support	-5
Mental Health Support	8
Total movement in Packages	105

4.19 Older Peoples

- A total of 82 additional packages of care have been put in place in Qtr1.
- This is an additional pressure of £0.549M over what had been identified and included in the revised spend forecast of (£129.96M)
- Sustained demand in this area is being monitored and steps are being put in to try and mitigate/reduce the number of new packages.

4.20 Physical Disability Support

- A total of 20 additional packages of care have been put in place in Qtr. 1.
- Overall Qtr1 has seen a reduction in the forecast outturn of **-£0.261M** when considered against the revised spend forecast of (£129.96M)

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- Two high-cost packages of care have ceased these packages had been costing (£0.513M) per year
- The ongoing reviews of existing packages coupled with the removal of 2 high-cost packages has helped to mitigate the cost of providing an additional 20 packages of care.

4.21 Learning Disability Support

- An overall reduction of 5 packages of care have been seen in Qtr. 1.
- Overall Qtr1 has seen a reduction in the forecast outturn of **-£0.648M** when considered against the revised spend forecast of (£129.96M)
 - One high-cost packages of care have ceased this package had been costing (£0.560M) per year
 - The cost of providing one high-cost package of care has been reduced by (£0.145M), this is now being provided under a care at home package
 - Two new high-cost packages of care have been put in place totalling (£0.455M)
 - Ongoing reviews of existing packages have contributed to the reduction in forecasted outturn in Qtr. 1.

4.22 Mental Health Support

- A total of 8 additional packages of care have been put in place in Qtr. 1.
- This is an additional pressure of £0.498M over what had been identified and included in the revised spend forecast of (£129.96M)
 - One new package has been put in place that will cost £20k per week for 3 weeks (commencing in July) then £8.8k per week – ongoing

5. Council Plan Outcomes and Principles (How do the proposals contribute to the delivery of the Council's strategic outcomes and impact the principles as published?) [Themes and Strategic Outcomes](#)

5.1 Health & Social Care Services contribute to the delivery of a number of the Council's outcomes and principles in relation to Health & Wellbeing including the following areas: -

- Prevention and early intervention to assist people to have independent lives.
- Access to personal support and care helps keep people safe.
- People are active, resilient and improving their health and wellbeing.
- Help is provided to tackle the causes and effects of poverty, inequality and increased cost of living.
- People have access to high quality, affordable housing that supports their independence, prosperity and wellbeing

6. Implications and Risk

Financial:

The report provides an update and overview of the current and forecast financial position of the delegated budget to the IJB. The report identifies the significant financial challenges that the delegated service is facing and that at present these services are currently forecasting a

significant deficit for the year of £6.65m thus requiring the identification and progression of further measures to avoid overspending.

While responsibility for decision making, and budgetary control, for delegated services is the responsibility of the IJB, this forecast position represents a significant financial risk to the Council as, under the agreed Integration Scheme, the IJB would seek an additional payment from the relevant party (i.e. the delegating body) where there is an overspend. It is therefore important that the IJB identify, progress and deliver further savings measures to address the currently projected overspend.

Legal:

All legal and statutory requirements will be fully considered by the IJB as part of determining the measures required to address currently projected overspending.

Workforce:

There are no direct workforce implications associated with the recommendations in this report.

Equality and Diversity Impact Assessment:

The report does not propose a change in policy, the formal adoption of a plan, policy or strategy or propose a service change and it is therefore not necessary to complete an impact assessment.

7. Governance Assurance

7.1 The IJB Board have been made aware of the increased financial pressure on 3rd June. Due to the significant financial risks, identified additional pressures and the associated risks of not achieving financial balance in year a new 'round table of senior representatives from the Council and the IJB has been set up, they have been made aware of the current forecast position.

Author

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Approved by

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Appendices – 5

- Appendix 1 – Initial Cost Pressures
- Appendix 2 – Identified Savings and delivered in Q1
- Appendix 3 – Qtr. 1 Financial Details – Summary
- Appendix 3a – Qtr. 1 Financial Details – Details
- Appendix 4 – Movements in Care Qtr. 1
- Appendix 5 – Movement in number of Care Packages

Background Papers and Relevant Committee Decisions

None