

<b>Meeting of South Ayrshire Health and Social Care Partnership</b>		<b>Integration Joint Board</b>	
<b>Held on:</b>		<b>8<sup>th</sup> October 2025</b>	
<b>Agenda Item:</b>		<b>8</b>	
<b>Title:</b>		<b>Financial Recovery Plan - Update</b>	
<b>Summary:</b>			
To provide an update on the financial recovery plan approved by the IJB on the 10 <sup>th</sup> of September 2025.			
<b>Author:</b>		<b>Lisa Duncan, Chief Finance Officer</b>	
<b>It is recommended that the Integration Joint Board:-</b>			
<ul style="list-style-type: none"> <li><b>I. Note the updated projected outturn including underlying assumptions.</b></li> <li><b>II. Note the Period 6 Budget Monitoring report to be presented to IJB on the 12<sup>th</sup> of November, will provide more detail.</b></li> <li><b>III. Note that Management continues to the financial recovery actions and will continue to review and scrutinise spend to bring in line with the budget.</b></li> </ul>			
<b>Route to meeting:</b>			
<b>Directions:</b>		<b>Implications:</b>	
1. No Directions Required	<input type="checkbox"/>	Financial	<input type="checkbox"/>
2. Directions to NHS Ayrshire & Arran	<input type="checkbox"/>	HR	<input type="checkbox"/>
3. Directions to South Ayrshire Council	<input type="checkbox"/>	Legal	<input type="checkbox"/>
4. Directions to both SAC & NHS	<input type="checkbox"/>	Equalities	<input type="checkbox"/>
		Sustainability	<input type="checkbox"/>
		Policy	<input type="checkbox"/>
		ICT	<input type="checkbox"/>

## FINANCIAL RECOVERY PLAN UPDATE

### 1. PURPOSE OF REPORT

- 1.1 To provide an update to the financial recovery plan approved by the IJB on the 10<sup>th</sup> of September.

### 2. RECOMMENDATION

It is recommended that the Integration Joint Board: -

- I. Note the updated projected outturn including underlying assumptions.
- II. Note the Period 6 Budget Monitoring report to be presented to IJB on the 12<sup>th</sup> of November, will provide more detail.
- III. Note that Management continues to the financial recovery actions and will continue to review and scrutinise spend to bring in line with the budget.

### 3. BACKGROUND INFORMATION

- 3.1 The Integration Scheme states that where there is a projected overspend in year, the Chief Officer and the Chief Finance Officer of the Integration Joint Board and the appropriate officers must agree a recovery plan to balance the overspending budget, the recovery plan shall be subject to the approval of the Integration Joint Board.
- 3.2 The budget monitoring report for period 3 presented to the IJB on the 10<sup>th</sup> of September projected an overspend of £5.171m, broken down as follows: -
- Social care services delivered by South Ayrshire Council are projected to be overspent by £5.288m
  - Services delivered by NHS Ayrshire and Arran are projected to be underspent by £0.578m
  - Lead Partnership arrangements are projecting an overspend of £0.461m, this includes our share of East Ayrshire's overspend £0.160m and North Ayrshire's overspend £1.819m combined with their contribution of £0.092m to our lead partnership services overspend.
- 3.3 The IJB approved a financial recovery plan with actions to be taken to reduce the projected overspend, Appendix A (see page 6) provides a summary of action to bring the budget back in line.
- 3.4 In respect of Lead Partnership overspends recovery plans have been developed and are subject to approval by East and North Ayrshire IJB's. The recovery plans in relation to Lead Partnership overspends will be presented to the IJB in due course.

3.5 A detailed budget monitoring report for period 6 will be presented to the IJB on the 12<sup>th</sup> of November.

#### 4. REPORT

##### Financial Recovery Plan Update

4.1 A review of the actions and significant areas of spend has been undertaken and the projected overspend at the end of period 5 is £1.133m, a favourable movement of £4.039m. This projection is based on a set of underlying assumptions and is subject to further analysis and review of all expenditure to be included in the budget monitoring report for period 6 presented to the IJB in November.

4.2 The favourable movement of £4.039m can be summarised as follows: -

- Allocation of Unearmarked Reserves to Care Homes - £0.597m
- Allocation of Care at Home Capacity Earmarked Reserve - £0.820m
- Assumption Payroll Turnover will be achieved - £1.331m
- Favourable movement on actual projected spend - £1.291m

4.3 The favourable movement on actual projected spend of £1.291m, is a combination of review of financial projections and action taken by management to reduce costs. The timing of this update has not allowed for detailed scrutiny of the movement in all areas, further analysis will be presented in the budget monitoring report.

4.4 Areas where spend has reduced include older people care homes, purchased care at home, care at home transport, community care nursing, learning disability community care packages and children services out with authority and family placements.

4.5 However there has also been an increase in spend and demand within Adult Residential care home placements, that has offset some of the improvements made.

4.6 The demand pressures within adult residential is a concern and further analysis including investigation into identifying the underlying reasons for this increase in demand will be conducted this will then inform proposals to be included in the budget planning process.

4.7 The Community Care and Health Principal Social Workers and Policy Officer are currently updating the social care eligibility guidance, this includes engagement with focus groups to ensure the guidance is relevant, clear, and concise. The guidance is key to ensuring application of social care support is fair and equitable and based on assessment of need.

4.8 The application of the guidance can assist in financial planning, and ensure resources are allocated based on need.

- 4.9 Whilst recognising the improving financial position, management are committed to the financial recovery plan and continue to review and scrutinise expenditure. To ensure the budget can be brought in line by the end of the financial year.

## **5. STRATEGIC CONTEXT**

- 5.1 The IJB is expected to operate within the resources available. This report contributes to the IJB Strategic Priorities “we are an ambitious and effective partnership,” and “we make a positive impact beyond services we deliver.”

## **6. IMPLICATIONS**

### **6.1 Financial Implications**

- 6.1.1 Financial Implications are included in this report, with further detail to be provided in Period 6 Budget Monitoring report to be presented to IJB in November.

### **6.2 Human Resource Implications**

- 6.2.1 There are no specific human resource implications arising directly from this report, however, to achieve payroll turnover targets vacancies may need to be held, this will be on a case-by-case basis.

### **6.3 Legal Implications**

- 6.3.1 The Financial Recovery Plan ensures compliance with the terms of the Integration Scheme.

### **6.4 Equalities implications**

- 6.4.1 There are no specific impacts at present to equalities. Individual actions will be subject to appropriate impact assessments where necessary.

### **6.5 Sustainability implications**

- 6.5.1 There are no environmental sustainability implications arising from the contents and recommendations of the report.

### **6.6 Clinical/professional assessment**

- 6.6.1 The report has been completed by the IJB Chief Finance Officer in their professional role as officer to the IJB.

## **7. CONSULTATION AND PARTNERSHIP WORKING**

- 7.1 The recovery plan has been developed with Head of Service Community Care, Service and Team Leaders and both NHS and SAC Finance colleagues. The recovery plan has been scrutinised and reviewed by the HSCP Directorate Management Team and the IJB Budget Working Group.

## 8. RISK ASSESSMENT

- 8.1 The IJB Risk Management Strategy categorises the level of financial risk as high and notes mitigating actions taken to address the level of risk.

### **APPENDICES**

*Appendix A – see page 6*

### **BACKGROUND PAPERS**

*IJB Budget Monitoring Report Month 3 – 30<sup>th</sup> June 2025*

### **REPORT AUTHOR AND PERSON TO CONTACT**

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## Appendix A

Service Area	Action	Recovery in 25-26 £'000'S	Recovery in 26-27 £'000'S
Older People Care Homes	By March 26 care home beds to be in line with budget 891 Senior Manager to approve all admissions	601	
Learning Disabilities Care Packages	Review Community Care Packages Develop commissioning proposals including use of Tech Scrutiny of over £100k packages Develop CBS Kyle Street service	1,000	638
SAC Payroll Turnover	Review Vacancies and progressing with essential posts Hold vacancies where appropriate to ensure payroll target is achieved	1,418	
Care at Home	Employees - Allocate £300K from Earmarked Reserves Employee's to return to budgeted establishment by Apr 26	300	
	Care at Home Purchased - allocate £155k from Earmarked Reserves Care at Home hours purchased to reduce to 5,902 hours by April 26	155	155
	Transport - allocate £365k from Earmarked Reserves	365	
	Review of Transport projection £130k in 25-26 Transfer to Lease Vehicles £134k by Apr 26	130	134
Community Equipment Store	Manage within the monthly budgeted allowance Communicate to services CE S products on offer	80	
Family Nurse Partnership	Request Funding from SG to ensure baseline budget is covered	101	
Hospital at Home	Service now funded from SG specific allocation Acute to 6 months of funding in 25-26 Acute to return 6 months balance in 26-27	158	158
Uncommitted Reserves	Allocate £597k from Uncommitted Reserves to offset care home commitments this financial year	597	
	Balance to be identified	266	
<b>TOTAL RECOVERY</b>		<b>5,171</b>	<b>927</b>