

Meeting of South Ayrshire Health and Social Care Partnership	Integration Joint Board
Held on:	11th February 2026
Agenda Item:	7
Title:	Financial Recovery Plan Update - December 2025
Summary:	
To provide an update on the financial recovery plan approved by the IJB on the 10 th of September 2025.	
Author:	Lisa Duncan, Chief Finance Officer
It is recommended that the Integration Joint Board:-	
<ul style="list-style-type: none"> • Note the action taken by teams to reduce spend in 2025-26 • Note the progress made to bring budgets back in line for 1st April 2026 • Note that Management continues to progress with financial recovery actions and will continue to review and scrutinise spend to bring in line with the budget. 	
Route to meeting:	
Directions:	Implications:
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 10th of September.

2. RECOMMENDATION

It is recommended that the Integration Joint Board: -

- Note the action taken by teams to reduce spend in 2025-26.
- Note the progress made to bring budgets back in line for 1st April 2026.
- 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.
- 3.3 The budget monitoring report for period 3 presented to the IJB on the 10th 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.
- 3.4 The IJB approved a financial recovery plan with actions to be taken to reduce the projected overspend, Appendix A provides a summary of action to bring the budget back in line.
- 3.5 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 has been approved by the relevant partnerships.

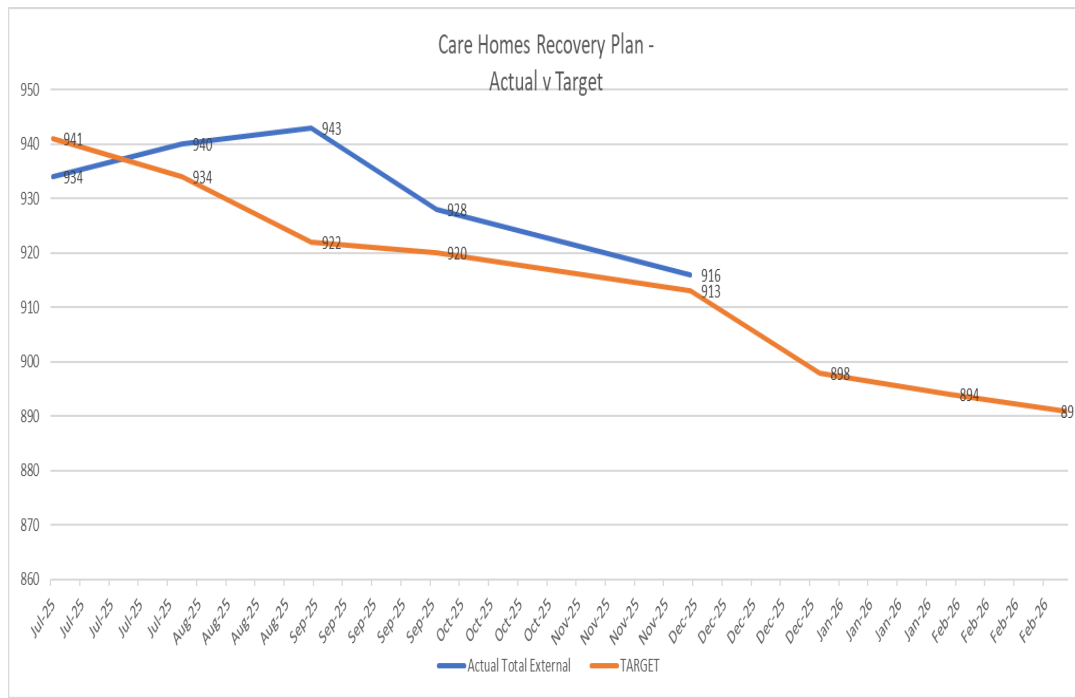
4. REPORT

Financial Recovery Plan Update

- 4.1 The financial recovery plan actions intended to recover £5.171m to balance the budget in 2025-26. These actions included reviewing care packages, staffing levels, use of earmarked and earmarked reserves. Funding allocated from slippage in the Scottish Government's funding allocation to support Whole System Intervention, as detailed in the [Whole System Intervention Approach](#) report presented to IJB on the 10th of December 2025.
- 4.2 The following sections will detail each service and actions taken to recover £5.171m and bring the budget back in line by March 26. Appendix A provides a summary of each service area, action taken and the amount anticipated to be recovered with a further column detailing the amount recovered based on period 8 projections for South Ayrshire Council services, being the most up to date projections provided, and period 9 projections for NHS services. The projected amount recovered is £4.343m, a shortfall of £0.828m.
- 4.3 Significant progress has been made by all services, the balance remaining relates mainly to Payroll Turnover targets and Learning Disability community care packages. Further analysis will be undertaken in payroll turnover to assess what can be progressed to bring in line with budget including the impact to service delivery. Learning Disabilities action is being progressed within the team to reduce spend, the financial impact of this will be recognised in 2026-27.

Older People Care Home Beds

- 4.4 The projected overspend in period 3 for care home beds was £2.347m, this was based on 951 care home beds being occupied for the full year, the budget can afford 891 beds.
- 4.5 Recovery action was put in place to reduce the beds back to budgeted level of 891 on a phased basis to the end of the year. Actions taken include additional scrutiny of the budget by the Senior Manager North Locality who now reviews and approves all admissions to older people care homes for South Ayrshire. This provides tighter control and ensures consistency in applying care home admission criteria. The number of people in care homes is monitored on a weekly basis by the Senior Manager with information provided by Finance.
- 4.6 The financial recovery actions expected the projected overspend to reduce by £0.601m this was based on a phased targeted plan of reduction. The chart below shows the actual care home beds in use versus targeted care home beds agreed as part of the recovery plan. On 15th Dec 25, there was 916 beds in use compared to targeted level of 913. The team are on track to get to the reduced level of 891 budgeted beds for March 26.



4.7 The current projected overspend for care homes is £0.160m, a reduction of £2.187m from original projection and an improvement of £1.586m from financially recovery plan action plan. The £1.586m improvement includes £0.597m allocated from uncommitted general reserves as approved by the IJB on the 10th of Sep. Scottish Government Whole System Intervention funding of £0.360m kept beds open for longer to minimise the impact on whole system and avoid delays in hospital relating to care home waits.

4.8 The care home budget for 2026-27 will be able to sustain 891 beds, this will be managed through the current scrutiny process and supported by the additional beds within the intermediate care and rehabilitation unit in South Lodge and additional advanced nurse practitioners within community nursing.

Learning Disabilities Care Packages

4.9 The financial recovery plan within Learning Disabilities was to focus on SDS options to ensure the financial projection was accurate, and services were to review care packages to ensure they meet the critical and substantial care criteria and ensure best value. The targeted review was anticipated to reduce the projection on community care packages by £1m this financial year.

4.10 The Learning Disability team have undertaken an extensive exercise reviewing all care packages alongside financial information provided. This has resulted in an overall reduction in projected spend of £0.727m.

4.11 The table below shows the financial recovery within each SDS option, projected to the end of the year.

Option	Budget	Period 3 Projection		Period 8 Projection		Financial Recovery
		Projection 25-26	(Over)/Under spend	Projection 25-26	(Over)/Under spend	
Option 1 - DP	£864,079	£926,886	(£62,807)	£960,809	(£96,730)	(£33,923)
Option 2 - ISF	£1,996,147	£3,457,468	(£1,461,321)	£3,634,566	(£1,638,419)	(£177,098)
Option 3 - LA commissioned	£14,532,519	£14,242,756	£289,763	£13,304,638	1,227,881.00	938,118
TOTAL	£17,392,745	£18,627,110	(£1,234,365)	£17,900,013	(£507,268)	727,097

- 4.12 The budget monitoring report to the IJB on the 11th of February has requested approval to vire budget from Option 3 to Option 2 this ensures the budget is aligned to actual spend.
- 4.13 Further recovery actions within Learning Disabilities include reviewing clusters of care to assess where shared support can meet needs and implementation of technology to assist with health and care needs where appropriate. Working in collaboration with housing to identify opportunities for core and cluster accommodation. Optimising the use of Kyle Street Community Based services to provide day opportunities for adults with learning disabilities in South Ayrshire.
- 4.14 The Community Care and Health Principal Social Workers and Policy Officer have updated the social care eligibility criteria and fair access to care policy, this has included 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. The policy has been approved by the Social Work Care and Governance Group.

SAC Payroll Turnover

- 4.15 At period 3 payroll projections made assumptions that current vacant posts would be filled during the year following meetings with managers who provide information on recruitment status of vacancies and estimated start dates. The financial recovery target assumed that a further £1.418m could be achieved through vacancy management.
- 4.16 Based on the payroll projections for Council employees at end of November, there is a shortfall of £0.801m. Payroll turnover is 5% of the payroll budget. In previous years this has been achieved and overachieved in years 22-23 and 23-24, as shown in Appendix B.
- 4.17 This year services have been able to recruit to posts easier than previous years with the recruitment process commencing earlier. Within front line services such as respite, day care and care homes delivered within learning disabilities and older people, payroll turnover has not been achieved as any

vacancies are filled through use of bank staff and overtime to cover shifts to ensure capacity is available to meet the needs of the service users.

- 4.18 Within Physical Disabilities the payroll turnover in Occupational Therapy services is being used to pay for agency staff to undertake occupational therapy tasks to ensure waiting times can be minimised and service delivery is improved.

Service	Payroll Turnover Target £'000's	Allocated to Turnover £'000's	Over/(Under) £'000's
Learning Disability	278	184	(94)
Older People	922	106	(817)
Children & Families Social Wo	757	875	118
Physical Disability	110	4	(106)
Directorate	402	479	77
Mental Health	53	73	20
TOTAL PAYROLL TURNOVER	2,523	1,721	(801)

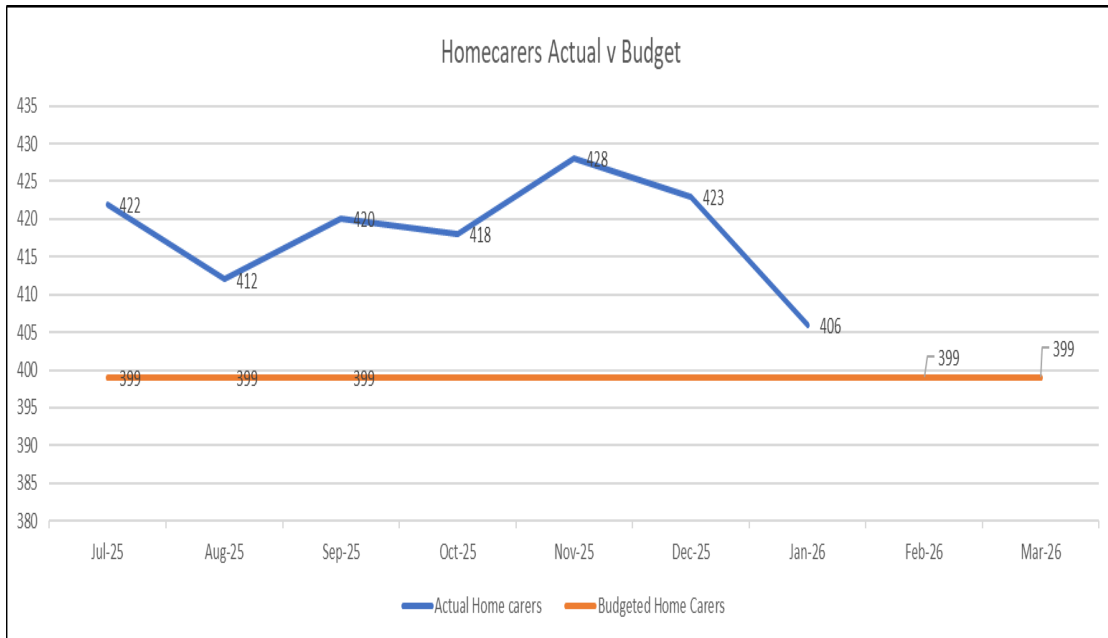
- 4.19 The £0.801m payroll turnover not achieved, needs to be reviewed by each service to ascertain the risk of achievement in future years. If services are not able to manage payroll turnover due to resource capacity required to meet safe standards of care and care inspectorate staffing levels then a budget pressure needs to be identified and included within the budget planning for 2026-27.

Care at Home

- 4.20 Financial recovery actions for care at home included allocation of £0.820m earmarked reserves to increase care at home capacity. The reserves were allocated as follows based on the period 3 projected overspend: -

- Care at Home employees £0.300m
- Care at Home purchased £0.155m
- Care at Home Transport £0.365m

- 4.21 The Care at Home employee recurring budget can afford 399 @ 21-hour care at home posts. The care at home manager had an action to reduce the posts to this level by 1st of April 2026. The table below shows the progress made and at the 12th of Jan 2026, there was 406 posts in place, with a reduction of 7 required. This is expected to be achieved by February based on turnover of 8%. The table below highlights the progress made on reducing the posts back to the budgeted level.



- 4.22 When the 399 @ 21-hour care at home post level has been reached, a recurring advert for recruitment to future vacancies will be posted, this will ensure that vacancies can be recruited to on a timely basis and the 399 budgeted level of care at home posts can be maintained.
- 4.23 Care at Home Purchased hours were to reduce to the 5,902 hours budgeted, this has been achieved at period 8 this is the level that is being commissioned.
- 4.24 The team are on track to transfer hire cars to lease cars, with budget pressure of £0.216m included in the budget pressures for 2026-27, this is the recurring costs of use of lease cars within the service.

Community Equipment Store

- 4.25 The community equipment store was projecting an overspend of £0.080m at period 3, this was based on the current spend levels continuing to the end of the year. The service has been provided with a monthly budget that can be spent on equipment and supplies, this is after taking account of contracted service and maintenance costs that are fixed amounts required to ensure equipment is maintained and serviced in line with relevant legislation
- 4.26 The service was working to maintaining spend in line with budget available for equipment supplies. Communication and guidance to teams who access the store has been provided to ensure requests for items of equipment are relevant to the purpose of what the community equipment store supplies.
- 4.27 Funding from the Whole System Intervention allocation will be used this financial year to ensure equipment supplies are available for timely discharge from hospital. This will ensure there are no delays waiting on supplies due to lack of budget. The funding is non-recurring and is available in 2025-26 due

to the inability in being able to spend the full allocation for the specified service areas as detailed in the Whole System Intervention Approach report presented to IJB on the 10th of December 2025.

Family Nurse Partnership

- 4.28 The Family Nurse Partnership budget has a projected overspend of £0.101m, the budget has now been baselined by Scottish Government with the allocation of £1.7m unchanged from inception of the project. Since then, annual pay awards and increments in relation to staff progressing the pay scales have increased the base costs.
- 4.29 Action to be taken was to ask Scottish Government to increase the baseline allocation to meet the additional costs. Confirmation has been received that no additional funding will be forthcoming. The service will need to reduce its operations in line with the budgeted capacity, this may breach the licence requirements of the programme. The licence is held between the Scottish Government, NHS Boards and University of Denver, Colorado.
- 4.30 The budget is being managed in year through holding of vacancies with a projected underspend of £0.029m, a favourable movement of £0.072m.

Hospital at Home

- 4.30 The IJB Budget 2022-23 approved £0.316m of funding to be allocated to acute to deliver a hospital at home service. This service was funded from contributions from by East and South IJB's and Ayrshire and Arran Health Board. The Scottish Government have now provided specific funding to increase the hospital at home service on a national basis, this will provide the service to all Ayrshire's. The funding East and South IJB's will now be returned.

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.

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 categories the level of financial risk as high and notes mitigating actions taken to address the level of risk.

APPENDICES

[Appendix A – page 10](#)

[Appendix B – page 11](#)

REPORT AUTHOR AND PERSON TO CONTACT

Name: Lisa Duncan

Phone number: 01292- 612392

Email address: lisa.duncan2@south-ayrshire.gov.uk

Appendix A

Service Area	Action	Recovery Plan in 25-26 £'000'S	Projected Recovery in 25-26 £'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	989
Uncommitted Reserves	Allocate £597k from Uncommitted Reserves to offset care home commitments this financial year	597	597
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	722
SAC Payroll Turnover	Review Vacancies and progressing with essential posts Hold vacancies where appropriate to ensure payroll target is achieved	1,418	617
Care at Home	Employees - Allocate £300K from Earmarked Reserves Employee's to return to budgeted establishment by Apr 26	300	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	365
	Review of Transport projection £130k in 25-26 Transfer to Lease Vehicles £134k by Apr 26	130	130
Community Equipment Store	Manage within the monthly budgeted allowance Communicate to services CES products on offer	80	80
Family Nurse Partnership	Request Funding from SG to ensure baseline budget is covered	101	72
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	316
	Balance to be identified	266	
TOTAL RECOVERY		5,171	4,343

Appendix B

