



REPORT TO: East Lothian Integration Joint Board

MEETING DATE: 18 December 2025

BY: Chief Finance Officer

SUBJECT: Finance Update and Forecast for 2025/26 and Updated Delegated Functions

1 PURPOSE

This report provides the IJB with an update on the year to date and forecast financial position for 2025/26. It also updates the IJB on changes to the elements of functions delegated to the IJB by East Lothian Council.

2 RECOMMENDATIONS

The IJB is asked to:

- 2.1 Note the updated financial position and forecast for 2025/26.
- 2.2 Note the changes that East Lothian Council are making to the functions delegated to the IJB.

3 BACKGROUND

- 3.1 The Q2 financial review presented a year to date overspend of (£0.262m) and a forecast year end overspend of (£0.651m). The forecast overspend relates to pressures within the Prescribing and Set Aside services within Health delegated functions.
- 3.2 The IJB financial position has been updated for month 7 information and **Table 1** below summarises the year to date and forecast outcome.

East Lothian IJB Year to Date October Financial Position and Forecast 2025/26					
	Budget £m	YTD Budget £m	YTD Actual £m	Variance £m	Forecast £m
Core	106.413	62.925	63.078	(0.152)	0.038
Hosted	20.438	11.204	11.338	(0.134)	(0.102)
Set Aside	24.446	14.282	14.883	(0.601)	(1.010)
Total	151.297	88.411	89.299	(0.888)	(1.075)
Social Care *	81.530	42.636	42.429	0.207	0.000
Overall Total	232.827	131.047	131.728	(0.681)	(1.075)
* Social Care figures are estimates based on M6 figures					

- 3.3 The year to date position, based on the month 7 financial information from Health and an estimate of the month 7 position for Council delegated services, is an overspend of (£0.681m). The Council undertake exception reporting in the months between Quarterly Financial Reviews and their month 7 position reflects a pro rata movement from the year to date month 6 position.
- 3.4 The Core health services position has moved adversely reflecting an above trend movement in the Prescribing overspend. A reduction in the overall number of vacancies and an increase in bank spend are also contributing to the adverse movement.
- 3.5 The Hosted services overspend primarily falls within the Mental Health services where significant demand pressures continue.
- 3.6 The Set Aside forecast is driven by year to date overspends within a range of services including Geriatric Medicine, General Medicine, Respiratory Medicine and the Emergency Department.
- 3.7 The forecast for Council delegated services has not moved from its Q2 position and I am continuing to forecast break even for these services. The forecast year end position for the IJB is an overspend of (£1.075m) which sits entirely in Health delegates services. This is an adverse movement from the Q2 forecast and primarily reflects the impact of the increased monthly overspend in Prescribing. Work is ongoing to identify the drivers of the increase in spend and mitigating actions to bring the spend down.

Efficiencies

- 3.8 The Q2 efficiency update remains the most up to date information available. **Table 2** below provides a high level summary of the in year and forecast delivery for 2025/26.

Q2 Efficiency Delivery Summary 2025/26				
	Original Schemes £m	Updated Schemes £m	YTD Over / (Under) Delivery £m	Forecast Delivery £m
Health	3.369	3.744	(0.267)	3.477
Social Care	0.801	0.801	0.000	0.801
Overall Total	4.170	4.545	(0.267)	4.278

- 3.10 Health schemes are reporting some shortfalls in delivery, particularly within Hosted services and work continues to identify and deliver alternative schemes to close the gap. The IJB will be updated further in the next Finance report.

Transfer of Delegated Services back to East Lothian Council

- 3.11 There are several Council delegated services which have historically formed part of the annual funding offer made to the IJB by the Council. The IJB Integration Scheme does not formally include these services, and they were additional areas that the Council chose to include when the Scheme was established. These services are managed by the Head of Housing and the Head of Communities and Partnerships within the Council.
- 3.12 Following discussions at senior Partnership level it was deemed appropriate to return these budgets to the Council and allow the HSCP Director and the Head of Operations to focus on the services under their influence and control. The budgets are listed below for information.

<u>Other Delegated Budgets</u>	
	£m
Non - HRA Private Sector Housing Grant	0.256
HRA - Disabled Adaptations (Capital)	1.000
HRA - Garden Aid	0.238
Total Other Delegated Budgets	1.494
Telecare Services	(0.095)

- 3.13 The redesignation of these services from delegated to non-delegated will have no impact on the IJB's forecast financial position.

4 ENGAGEMENT

- 4.1 The IJB holds its meetings in public and makes its papers available to the public.

5 POLICY IMPLICATIONS

- 5.1 There are no new policy implications in the above paper.

6 INTEGRATED IMPACT ASSESSMENT

- 6.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

7 DIRECTIONS

- 7.1 This report does not require any new directions or amendments to those directions currently extant.

8 RESOURCE IMPLICATIONS

- 8.1 Financial – Discussed above
- 8.2 Personnel – None
- 8.3 Other – None

9 BACKGROUND PAPERS

- 9.1 IJB Finance Report – presented to the IJB at its October 2025 meeting

Appendices:

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