



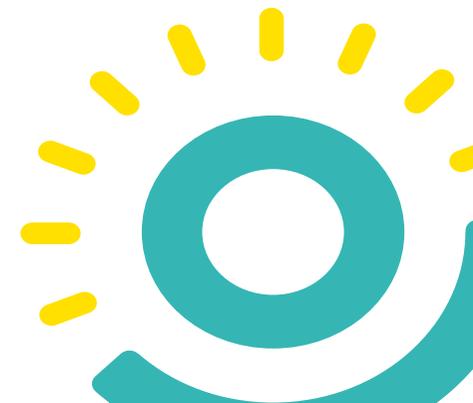
Renfrewshire Integration Joint Board Medium-Term Financial Plan 2025-28



Renfrewshire
Health & Social Care
Partnership

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Executive Summary

The Renfrewshire Integration Joint Board (IJB) Medium-Term Financial Plan (MTFP) 2022-25, approved by the IJB in March 2022, was developed alongside the IJB's Strategic Plan 2022-25, reflecting the impact of COVID-19 and other emerging issues facing the Health and Social Care Partnership (HSCP) at that time.

Throughout the period of the Strategic Plan 2022-25 and MTFP 2022-25, the health and social care sector faced an extremely challenging financial landscape. This was, and continues to be, due to increasing demand for health and social care services, an ageing population and increased costs associated with all aspects of service delivery. The uncertainty associated with these conditions has meant that our recent focus has been to identify options to support a more sustainable financial position and deliver a balanced budget.

At a time when the IJB has fewer resources available to address them, the challenges we face are growing and are projected to be with us for the foreseeable future including an increase in health inequalities, a deterioration in mental health and increased levels of poverty.

Therefore, rather than developing a completely new Strategic Plan within such a financially challenging period, the IJB agreed to refresh the current Strategic Plan for a further two years. This will allow us to continue our focus on the immediate priorities that lie ahead of us and continue to work towards delivering the activities that people told us were most important to them.

Aligned with the Refreshed Strategic Plan 2025-27, the MTFP has also been updated. The new MTFP 2025-28 is designed to complement the Refreshed Strategic Plan, highlighting how the IJB's financial planning principles will support, where possible, the delivery of the IJB's strategic objectives. Whilst this updated MTFP looks ahead to the next three years, it will be updated after two, in line with the planned review of the Refreshed Strategic Plan in 2027.

Similar to previous MTFPs, the MTFP 2025-2028 outlines, in broad terms, specific service and funding issues over the next three year period and how the IJB will strive to achieve financial sustainability and resilience, whilst delivering its priorities. It brings together a range of assumptions on future income and expenditure which allows us to identify where, and when, we can expect to face financial pressures.

This new MTFP estimates a projected gap (prior to any mitigation) within a range of £31.6m to £47.8m over the next three years. It is however important to note that the IJB's financial planning assumptions remain subject to active review, to enable us to continue to plan for a range of potential outcomes and scenarios. This helps us to manage emerging financial risks and challenges and the likely impact these could have on the financial position of the IJB.

Executive Summary (cont.)

It should be noted that the planning assumptions contained in this MTFP are based on current service provision, and are not reflective of emerging and ambitious transformation plans taking shape within both NHS Greater Glasgow and Clyde (NHSGGC) and Renfrewshire Council.

In response to guidance issued by the Scottish Government in December 2024 (NHS Scotland Delivery Plan) – which included a focus on NHS Renewal and Health and Social Care Reform – NHSGGC are currently developing a three-year transformation plan outlining how they intend to further transform the delivery of care, through the re-engineering of care pathways to ensure that every person receives the right care, in the right place, at the right time. Central to this transformation plan will be how NHSGGC aims to better support the urgent care pressures they face, by shifting the balance of care to enable more patients to be safely and effectively cared for at home.

In a similar vein, Renfrewshire Council have also recently reviewed and updated their ongoing transformation programme, Right for Renfrewshire (R4R). The Council advises that the new phase of R4R will continue to focus on the delivery of savings, but will be coupled with a strategically wider outward focused perspective that considers Renfrewshire's geography and its communities. This will include: transforming the Council's asset base, developing long-term funding strategies, driving economic growth and strategic partnerships, and, significant digital transformation to support service delivery.

Within this context, it is important to recognise that the IJB must continue with the current, medium-term approach it has been taking to address its budget gap through the Sustainable Futures Programme. However similar to our partner organisations, going forward, the IJB and HSCP will increasingly focus on the longer term need to transform services. We will look to strengthen this commitment in the final version of the Strategic Plan – setting out clearly how over the next two years, we will develop a vision and roadmap for this transformation. This approach will include strengthening elements of whole system working with our partner organisations and beyond, fostering a culture of innovation, and further exploiting digital opportunities.

It is therefore anticipated that this change of direction will impact on the way in which we deliver our services whilst ensuring the IJB's financial sustainability into the long term.



Purpose

This MTFP sets out the current national and local context within which the IJB will be working over the next three years. However, it is important to note that both the national and local context are likely to change within this period reflecting changes to government priorities and the IJB's financial position. It is therefore important that the IJB remains flexible in its approach to the financial challenges it faces, as well as the strategic aims that it aspires to deliver and the community priorities that it strives to meet.

Renfrewshire IJB is the governing body of the HSCP and agrees an annual budget (in March) following the delegation of funding from its partners each financial year.

Similar to all areas of the public sector the IJB has been operating within ever increasing budget restraints and pressures for a number of years. This means the IJB must consider how it can contain or reduce existing costs. Critical to this, is ensuring the IJB have robust financial arrangements in place to deliver services within the funding available, and effective medium-term financial planning, aligning with the delivery of the Strategic Plan.

The MTFP has a vital role in ensuring:

- ▶ Resources are targeted at the delivery of the priorities of the Strategic Plan,
- ▶ Helping to inform IJB decision making by effectively assessing the financial impact of current and future decisions,
- ▶ Providing a basis for engaging with partner bodies in relation to the annual budget setting process,
- ▶ Supporting the IJB's Sustainable Futures Programme to secure financial sustainability for the foreseeable future, and
- ▶ In line with national direction, supporting the delivery of the Strategic Plan.



About Renfrewshire IJB

The IJB's primary purpose is to set the strategic direction for the delegated functions through its Strategic Plan.

Formally established on 1 April 2016, Renfrewshire IJB has responsibility for the strategic planning and commissioning of a wide range of health and adult social care services within the Renfrewshire area. The functions which are delegated to the IJB, under the Public Bodies (Joint Working) (Scotland) Act 2014, are detailed in the formal partnership agreement between the two parent organisations, Renfrewshire Council and NHSGGC.

This agreement, referred to as the Integration Scheme, is available within the IJB section of the HSCP's website at: Health and Social Care Partnership > About Us > Integration Joint Board.

The IJB is accountable for the stewardship of public funds and ensuring that its business is conducted under public sector best practice governance arrangements, including ensuring that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively.

Our Vision:

Renfrewshire is a caring place where people are treated as individuals and supported to live well

Under the terms of the Integration Scheme, partner organisations should make appropriate arrangements to fund pay awards, contractual uplifts, the impact of demographic changes and determine efficiency targets as part of their respective budget setting processes.

The Role of the Section 95 Officer (Chief Finance Officer)

The role of the Section 95 Officer (Chief Finance Officer) for the IJB includes both the adherence to professional standards as well as compliance with "The Local Government (Scotland) Act 1973 section 95, which clearly states that:

"...every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that the proper officer of the authority has responsibility for the administration of those affairs."

For the IJB, this includes the requirement to ensure a balanced budget is set.



About Renfrewshire IJB

Chief Finance Officer's Responsibility to Set a Balanced Budget

The CIPFA document 'The Role of the Chief Finance Officer in Local Government' sets out how the requirement of the Local Government (Scotland) Act and professional standards should be fulfilled by the Chief Finance Officer (CFO) in carrying out their role as well as the role of the organisation in meeting these requirements.

It confirms that the following key responsibilities should form part of the CFO's role:

- ▶ Lead development of a medium-term financial strategy and the annual budgeting process to ensure financial balance and a monitoring process to ensure its delivery.
- ▶ As holders of the 'red card,' the CFO must exercise a professional responsibility to intervene in spending plans in order to maintain the balance of resources so that the authority remains in sound financial health.
- ▶ Ensuring that opportunities and risks are fully considered, and decisions are aligned with the overall financial strategy.
- ▶ Providing professional advice and objective financial analysis enabling decision makers to take timely and informed business decisions.

IJB's Responsibility to Set a Balanced Budget

In addition, the CIPFA document 'The Role of the Chief Finance Officer in Local Government' also confirms that the organisation's Board in this case, the IJB, has the following key responsibilities:

- ▶ Establish a medium-term business and financial planning process to deliver the organisation's strategic objectives, including:
 - ▶ a medium-term financial strategy to ensure sustainable finances.
 - ▶ a robust annual budget process that ensures financial balance.
- ▶ The IJB is collectively responsible for setting the strategic direction for the organisation, its implementation, and the delivery of public services.
- ▶ The IJB has collective responsibility in relation to the organisation's financial health and long-term viability.
- ▶ The IJB collectively needs to set the tone that financial management is core to achieving strategic aims, and to demonstrate that public money is used well.



About Renfrewshire IJB

Overview of our Services

Renfrewshire HSCP delivers adult social care services, and all community health services for adults and children in the Renfrewshire area. Our service delivery model is structured to deliver the vision and future direction of community health and adult social care services in Renfrewshire as set out in the IJB's Strategic Plan, which in turn aims to deliver the nine National Health and Wellbeing Outcomes as identified by the Scottish Government. Our services include:

- ▶ **Adult and Older People Services** - Including building-based and remote supports, Care at Home, residential care homes and extra care services, adult support and protection, physical disability, sensory impairment, district nursing and rehabilitation services.
- ▶ **Learning Disability Services** - A range of services for adults with a learning disability including assessment and care management and specialist day care, respite and supported living opportunities.
- ▶ **Children's Services** - Including Health Visiting, Family Nurse Partnership, childhood immunisations, breastfeeding support, Home Start and Health 4 All, and supporting children with disabilities across the Renfrewshire area.
- ▶ **Mental Health Services** - A range of community-based services providing access to a multidisciplinary secondary care service for people with mental health problems and inpatient services, including adult acute admission wards and specialist dementia inpatient care, for those over the age of 16 with a mental health diagnosis.
- ▶ **Family Health Services** - General Medical Practice, Community Pharmacy, Prescribing, General Dental Practitioners and Optometrists, as well as services which have been created through the Primary Care Improvement Plan (PCIP) such as Care Home Liaison and Advanced Nurse Practitioners (ANPs).
- ▶ **Alcohol and Drug Recovery Services** - Focus on supporting and enabling recovery for individuals through a range of interventions and therapies.
- ▶ **Health Improvement and Health Inequalities** - Working with partners and our communities to improve health and wellbeing in Renfrewshire and to reduce inequalities.
- ▶ **Unscheduled Care ('Set Aside')** - Functions delegated by the Health Board carried out in a hospital setting. The IJB is responsible for the strategic planning of these, but not their operational delivery.

About Renfrewshire IJB

Hosted Services

On behalf of the six HSCPs within NHSGGC, Renfrewshire is the host partnership for Podiatry services and Primary Care Support and Development. In addition, from September 2022, Renfrewshire HSCP also assumed lead responsibility on behalf of NHSGGC for the management of GP Out of Hours services, on an interim basis and continues to do so.

The following table provides details of the services hosted by the remaining IJBs within NHSGGC:

Host	Service
East Dunbartonshire	Oral Health Specialist Children's Services
East Renfrewshire	Augmentative & Alternative Communications Learning Disability In-patient Services
Glasgow	Alcohol & Drugs Hosted Continence Healthcare in Police Custody Mental Health Specialist Services Prison Healthcare Sexual Health General Psychiatry Old Age Psychiatry
Inverclyde	General Psychiatry Old Age Psychiatry
West Dunbartonshire	Musculoskeletal (MSK) Physiotherapy Retinal Screening Old Age Psychiatry



Governance and Guiding Principles

The IJB is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively. The IJB also aims to foster a culture of continuous improvement in the delivery of the IJB's functions and to make arrangements to secure best value. In carrying out these responsibilities, the IJB has adopted governance arrangements consistent, where appropriate, with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) framework "Delivering Good Governance in Local Government" and the CIPFA Financial Management Code (FM Code).

The budget delegated by the two partner bodies is used by the IJB to commission services which are delivered by Renfrewshire Health and Social Care Partnership (HSCP). The principles of the funding allocated by the two partner organisations is set out in the Integration Scheme, however, utilisation of this funding is delegated to the IJB.

In June 2023 the IJB reviewed and updated its [Financial Governance Arrangements](#). These include **the requirement that the IJB sets a balanced budget by 31 March each year**, together with a set of guiding principles which are applied within the context of the established budget and service planning process currently operated by Renfrewshire Council and NHSGGC, and which take into account the IJB's Strategic Plan. These are as follows:

Renfrewshire IJB - Guiding Principles of Integrated Budget Management

- ▶ Budget responsibility should where possible, follow the ability to commit resources/control expenditure. The CFO will have a key responsibility in ensuring that budget holders are fully aware of their responsibilities,
- ▶ The requirement for policies and procedures in respect of control, routine monitoring and reporting of performance in line with IJB and partner expectations. Financial performance will be a standing item on the IJB agenda,
- ▶ The need to provide for budget flexibility in the event of changes in demand,
- ▶ Where ring-fencing restrictions are in place, there may be limited scope for virement of these resources,
- ▶ The need to have clear and proportionate arrangements which support effective service delivery within the budget available,
- ▶ The need to manage the business of the IJB and the implementation of its Strategic Plan ensuring best value in the use of its resources and safeguarding its assets, and
- ▶ The Standing Financial Instructions (SFIs) and/or Financial Regulations of each partner organisation and those of the IJB will cover virements within and across agency boundaries.

Through the adoption of the above principles and governance arrangements, the IJB ensures that its systems of internal control, risk management and governance are both fit for purpose and operating effectively.

Planning Context

National Context

Similar to the IJB's Strategic Plan, the MTFP must be cognisant of, and responsive to, the national context taking into consideration any new government directives/initiatives and policy changes, identifying the impact of these on our ability to deliver services and how we deliver them, within the resources available.

The period leading up to the publication of the IJB's Refreshed Strategic Plan 2025-27 and MTFP 2025-28 saw a number of key economic and political developments.

Economic Developments

In 2024/25, global instability, with the ongoing wars in Ukraine and the Middle East, continued to impact both the UK and Scottish economy through supply chain disruptions, and volatility in energy and financial markets.

The cost of borrowing remained high in comparison to pre-pandemic levels – the base rate is currently 4.5% at the time of publication – and the cost-of-living crisis continued to have a significant impact on those who were already struggling to cope with increased costs.

The long-term effects of Brexit are having an enduring effect, particularly in trade and labour markets, and the backlog of care built up during the pandemic continues to grow in its impact on the already pressured health and care sector.

At the time of publishing our previous MTFP, Consumer Prices Index (CPI) inflation was 5.5% – its highest level in almost 30 years – and predicted to peak at 7.25% in April 2022. At that time, we noted that such pressure would impact the sustainability of providers and, as a result, the IJB directly.

The reality, however, was a more severe than predicted rise. CPI inflation reached a peak of 11.1% in October 2022 following the COVID-19 pandemic, reducing to 1.7% by September 2024 driven, in part, by continued high interest rates. However, the Bank of England currently forecasts that the level of CPI inflation will increase to c3.7% in late 2025, falling back to around the 2% target thereafter.

Looking ahead, in its [February 2025 assessment of the Scottish Budget 2025/26](#), the Institute for Fiscal Studies concluded that funding and spending growth are set to slow, and, that:

“After £1.5 billion of in-year top-ups in 2024-25, the plans for day-to-day health and social care spending in 2025-26 represent a real-terms freeze.”

Planning Context

National Context

Political and Legislative Developments

In 2024 the UK elected a change of government, and Scotland saw a change of First Minister.

In September 2024, the Scottish Government published their “Programme for Government 2024-25: Serving Scotland”, the first under the leadership of First Minister John Swinney. It underpinned the Scottish Government’s commitment to the Verity House Agreement, the partnership agreement signed in June 2023 between the Convention of Scottish Local Authorities (CoSLA) and the Scottish Government, setting out a vision for greater collaboration in delivering shared priorities for the people of Scotland. It also confirmed the government’s focus on four key priority areas: eradicating child poverty, growing the economy, tackling the climate emergency, and ensuring high quality and sustainable public services.

How this will be achieved remains unclear. In the 14 years since the [Christie Report](#) which concluded Scotland’s public services were “*in need of urgent and sustained reform to meet unprecedented challenges*”, there has been little change.

In its [Fiscal Sustainability and Reform in Scotland](#) report of November 2024, Audit Scotland observed:

“The Scottish Government has not provided the necessary leadership to public sector bodies to help deliver a programme of reform. It has not yet fully established effective governance arrangements for reform, and it is unclear what additional funding is required.”

The need for sector-wide reform is clearly acknowledged, but as yet there is no clear vision on how such reform will be achieved and the IJB awaits clarity on how, and when, such reforms will be implemented.

However, in February 2025 the Scottish Government renewed their commitment to change in the public sector, stating it is willing to make “radical” reforms. Public Finance Minister Ivan McKee MSP identified a merger of councils and health boards – the single authority model – as one of his preferred models for reform. Included with the Scottish Budget for 2025/26 is a £30m “invest to save” scheme, which ministers say will fund the costs of reform, improve efficiency and productivity.

Planning Context

National Context

National Care Service

Following the recommendations of the [Independent Review of Adult Social Care](#) in September 2020, the **National Care Service (Scotland) Bill** was introduced in the Scottish Parliament in June 2022.

The uncertainty of how and when these changes would impact IJBs, and of the final form and implementation timeline of the National Care Service, had the unintended consequence of suppressing the progression of health and social care integration across Scotland.

In acknowledging opposition to some parts of the proposals, in January 2025 the Scottish Government proposed a series of amendments at Stage 2 of the Bill. What remains is a proposal for a non-statutory advisory board, coupled with proposals to strengthen the rights of people living in care homes (“Anne’s law”).

Whilst the immediate impact on the IJB and the services it provides now appear less significant given the proposed changes to the Bill, there remains uncertainty over the future for integrated health and social care over the medium-term.

Other Legislative and Policy Changes

Other key legislative and policy changes since our last MTFP which may impact the IJB over the medium term include:

- ▶ **The Health and Care (Staffing) (Scotland) Act 2019**, the provisions of which came into force on 1 April 2024. The Act makes statutory provision about appropriate staffing by the National Health Service and by providers of care services to enable safe and high-quality care and improved outcomes for service users.
- ▶ NHSGGC’s **Working Together to Stem the Tide** report which sets out the contemporary public health challenge, recognising increasing health inequalities, and proposes an obligation on public services to radically reinvent how we support our population in order to achieve more with less.
- ▶ NHSGGC’s **Primary Care Strategy 2024-2029**, which sets out how the Board intends to maximise their contribution to the health and wellbeing of the people of NHSGGC through collaborative action.
- ▶ The Scottish Government’s **Public Sector Pay Policy for 2025/26**, which sets out a multi-year framework spanning 2025/26 to 2027/28 for staff pay remits and public appointments.
- ▶ The **National Insurance Contributions (Secondary Class 1 Contributions) Bill**, which aims to increase employers National Insurance Contributions (eNICs).

Planning Context

National Context

Audit Scotland and the Accounts Commission

The Accounts Commission published its annual report on [Integration Joint Boards: Finance and Performance](#) in July 2024.

Their report found that IJBs throughout Scotland are facing complex pressures, challenges, and uncertainties, within a deteriorating financial outlook. It noted a real-terms decrease in funding in 2022/23 and an almost tripling in the projected funding gap for 2023/24, from figures reported in 2022/23. It concluded that IJBs are increasingly having to make unsustainable savings alongside relying on reserves to achieve financial balance, and highlighted that a whole system approach is needed to meet the scale of the challenges facing IJBs.

“The pressures facing social care and community healthcare are complex, with health inequalities widening. These issues can’t easily be resolved, and the situation is getting worse. We’re already at the point of increasing levels of unmet need and tightening eligibility to access services. This could be impacting people’s quality of life but data quality is insufficient to fully assess this.

Integration Joint Boards can’t tackle these challenges alone – they need the support of councils, health boards, Scottish Government and other partners to help them make the urgent changes that are needed now. Without this collaborative approach to change, the pressures facing Integration Joint Boards will get worse.”

Angela Leitch, Accounts Commission, July 2024

The report was clear in its assessment of the financial position and performance of IJBs across Scotland, highlighting the need for urgent changes to support IJBs. Although it should be noted that the report reiterated many of the recommendations of previous years’ reports, suggesting that there has been little evidence of change having been delivered as a result.

The aforementioned Fiscal Sustainability and Reform in Scotland report (November 2024), highlighted that greater transparency is needed on spending risks and plans for public services, and that a clear and costed vision for public service reform is required urgently. The Scottish Government last published a Medium-Term Financial Strategy (MTFS) in May 2023. An updated MTFS was originally due to be published in early 2024 but was initially delayed due to the appointment of a new First Minister in May 2024, and then further delayed following the announcement of the UK general election. As at March 2025 it remains outstanding:

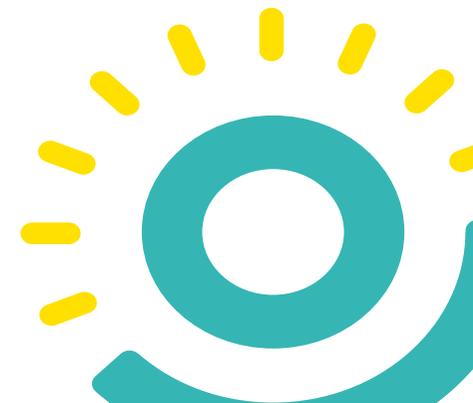
“The absence of up-to-date information on the fiscal position makes scrutiny more challenging and prolongs key decision-making processes, which increases uncertainty.”

Audit Scotland, Fiscal Sustainability and Reform in Scotland, November 2024

Audit Scotland and the Accounts Commission (cont.)

On 6 March 2025, on behalf of the Accounts Commission, Audit Scotland published a Finance Bulletin comprising of an analysis of IJB annual accounts for 2023/24 and the corresponding annual audit reports undertaken by local auditors. The bulletin summarised the ongoing challenging financial position in which IJB's across Scotland continue to operate and highlighted a number of key points including:

- ▶ Of the 29 IJBs included within the report, 24 (83%) reported a deficit on the cost of providing services in 2023/24, with 11 receiving additional contributions from partner bodies and 16 making unplanned drawdowns from reserves to cover year-end overspends.
- ▶ There was a 154% increase in the savings target between 2022/23 and 2023/24, and a substantial proportion of this was achieved on a non-recurring basis. Only seven IJBs achieved their full savings target, of which Renfrewshire IJB was one.
- ▶ Financial sustainability risks were identified by auditors in 26 out of 27 (96%) of IJBs where Annual Audit Reports were available, and over half of all IJBs reported turnover in senior officer roles (Chief Officer/Chief Finance Officer).
- ▶ The projected funding gap is expected to worsen, with IJB annual accounts and budget papers identifying a 28% increase in the overall projected funding gap between 2023/24 and 2024/25.
- ▶ The bulletin concluded – consistent with the narrative of previous Audit Scotland reports – that the reliance on non-recurring sources of income to fund recurring budget pressures is unsustainable in the medium to long term, and the identification and delivery of recurring savings and a reduced reliance on drawing from reserves to fund revenue expenditure will be key to ensuring long-term financial sustainability.



Planning Context

Local Context

External Audit of Renfrewshire IJB Annual Accounts

The Accounts Commission for Scotland appointed Ernst & Young LLP (EY) as the external auditor of Renfrewshire IJB for the five year period to 2026/27.

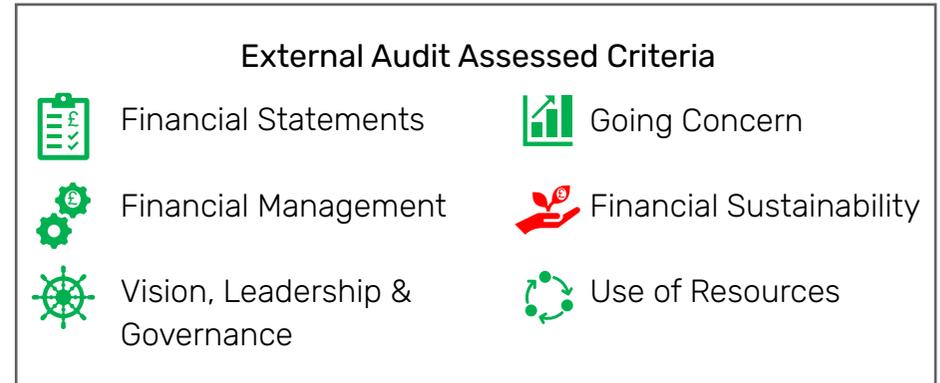
In their most recent Annual Audit of Renfrewshire IJB (September 2024), EY provided their assessment against a number of key criteria, using a RAG rating based on their assessment of the adequacy of the IJB's arrangements throughout the year, as well as the overall pace of improvement and future risk associated with each area. All but one criteria were assessed as **Green**.

With a **Red** audit assessment, EY highlighted the IJB's financial sustainability as a Grade 1 risk (a Grade 1 classification being defined as key risks and / or significant deficiencies which are critical to the achievement of strategic objectives. Consequently management needs to address and seek resolution urgently).

Their assessment was based on multiple factors, including the significant fall in the IJB's reserve balances, the sizeable cumulative recurring funding gap identified in the period from 2024/25 to 2026/27, significant unfunded pressures and a potential for slippage in the delivery of prescribing savings. The singular recommendation resulting from the audit was:

- ▶ **There is an urgent need to develop a sustainable financial plan in advance of the 2025/26 budget process**

In response, and in line with its established planning cycle, the IJB has updated its Strategic and Financial Plans, and continues to progress and accelerate its savings plans.



Internal Audit Opinion

In January 2025, further to a request from the CFO to ensure that the IJB's financial plans are: aligned with the Strategic Plan; supported by reasonable assumptions; regularly reviewed to adapt to existing and emerging financial risks; based on consultation with appropriate people and teams, and; reported to the appropriate senior managers and Boards, an internal audit was undertaken.

Echoing the EY audit, the internal audit found that the arrangements in place in Renfrewshire IJB were robust, noting one key risk:

- ▶ **If appropriate savings or reductions in services are not identified, there is a risk that Renfrewshire IJB will have insufficient funding to achieve a balanced budget.**

Planning Context

Local Context

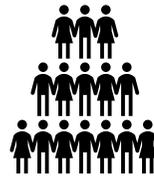
9th

largest Council in Scotland by head of population



186,540

people live in Renfrewshire (approx.)



Our population is becoming increasingly diverse. The population in Asian, African, Caribbean or Black, Mixed or Other ethnic groups is **5.5%** of the overall local population.



Life expectancy (LE) is below the Scottish average

80.6

Female LE compared to 80.8 nationally



76.1

Male LE compared to 76.8 nationally



Life expectancy (LE) at age 65-69 is below the Scottish average

19.6

Female LE aged 65-69 compared to 19.7 nationally



17.0

Male LE aged 65-69 compared to 17.6 nationally



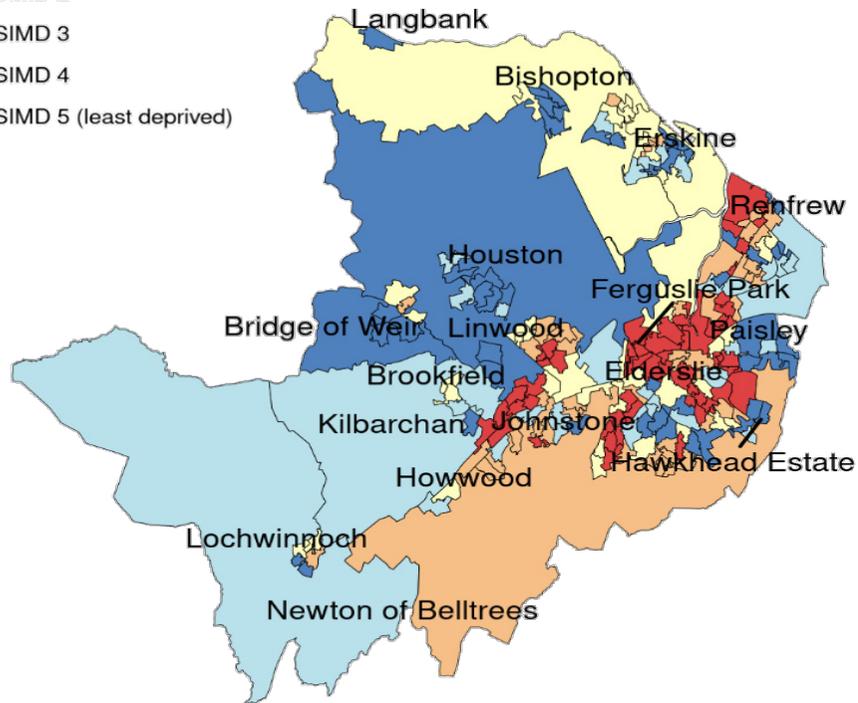
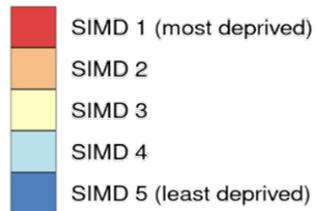
Source: National Records for Scotland

Since the publication of the last MTFP, Renfrewshire's demographic profile has seen faster than expected changes. Previous predictions from National Records for Scotland (NRS) had estimated our population would increase from around 177,790 in 2018 to 182,256 by 2028. However, the most recent NRS estimates suggest that the population had increased to 186,540 in 2023 (an annual increase almost four times faster than previously predicted), moving Renfrewshire up from 10th to the 9th largest local authority in Scotland by population.

Crucially, within this significant demographic shift is an increase in older age groups, coupled with a decline in younger age groups. While the number of people receiving social care in Renfrewshire has remained relatively stable over the past five years, the changes in Renfrewshire's demographic profile will undoubtedly put additional pressure on health services and adult social care.

Based on population projections it is estimated that, by 2043, the number of people in Renfrewshire over the age of 65 requiring adult social care support will grow by 49.6%. Accounting for the majority of this significant increase is the estimated growth in support requirements for those aged 74-84 (56.4%) and those aged 85+ (58.3%).

SIMD Quintile

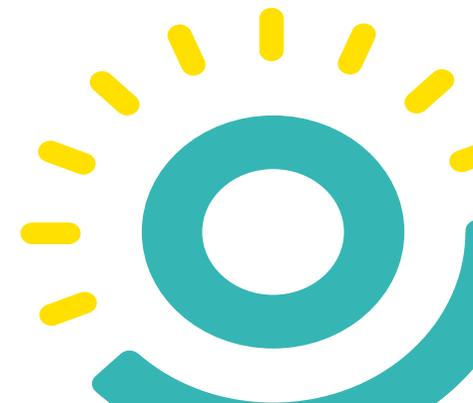


Deprivation and Inequalities

The Scottish Index of Multiple Deprivation (SIMD) assesses 6,976 small areas known as 'data zones'. 2020 figures show:

- ▶ There are 2 'data zones' in Renfrewshire within the 10 most deprived zones nationally.
- ▶ Almost 25% of all data zones in Renfrewshire are in the 20% most deprived nationally (24.1% of 2020 population).
- ▶ Renfrewshire has the 9th highest share of deprived data zones nationally (of 32 areas).
- ▶ Renfrewshire is more deprived compared to the Scotland average for Employment, Crime, Housing and Income.
- ▶ These social and economic inequalities can impact on self-esteem, happiness and participation in local communities and lead to poorer physical and mental health. In Renfrewshire, 28.9% of residents are in the 20% most-deprived areas nationally within health indicators.

Source: Scottish Government SIMD 2020, National Records for Scotland



Strategic Objectives

As noted at the outset of this MTFP, rather than develop a completely new Strategic Plan during such a financially challenging period, the IJB agreed to refresh the existing Strategic Plan for a further two years. As such, the Refreshed Strategic Plan 2025-27 is largely similar to the Strategic Plan 2022-25.

The key difference between the previous and refreshed plan is the consolidation of two of the previous five themes, reflecting that **Healthier** and **Connected** Futures are both focused on prevention, early intervention, and enabling people to live independently. This approach underpins our Strategic Plan and will be facilitated by the way we use our financial resources, by investing in Healthier & Connected, Enabled, Empowered and Sustainable futures for the people of Renfrewshire.

However, as also noted at the outset, the IJB must be reflective of, and responsive to, the developing transformation plans of our funding partners, whilst also progressing our own longer term service transformation aims. As a result, a change of direction is anticipated in the near future at which point our strategic and financial planning approach will be updated accordingly.



Healthier & Connected futures
People can live independently in their own home or community and experience reduced health inequalities through early intervention and prevention.



Enabled futures
Our services are clinically safe, and people have access to the appropriate specialist support to aid them in their recovery and rehabilitation, where possible.



Empowered futures
People are empowered to better manage their health and conditions and shape the support they need at every stage of life.



Sustainable futures
Our available resources are prioritised effectively, and we deliver integrated services by working collaboratively with people and partners.

How our Strategic Objectives Link to our Financial Planning

Outlined below is a summary of how our refreshed strategic objectives link to our financial planning:



We will continue to aim, where possible, to shift the balance of spend over time towards preventative support from reactive support. We will continue to contribute to early intervention by developing the support available to unpaid carers and people in need, such as through the appointment of Community Link Workers, Mental Health and Wellbeing Workers and Welfare Rights Workers. Investing in services which provide care and support 'up stream', to reduce or delay the requirement for more serious interventions. This 'invest to save' approach is essential and can reduce future costs however the impact of investment now may not be realised for several years.



We will continue to invest in specialist roles and where possible, support the provision of specialist and multi-disciplinary care in community settings. We will also continue to support the delivery of joint plans across NHSGGC, such as the Joint Commissioning Plan for Unscheduled Care, and, we will build on the reforms to urgent care achieved during the pandemic.



We are committed to investing in a broader range of community-based models of support which will give people more choice, control and flexibility over when and where they access services including how they use their Self-Directed Support budgets. This will include widening access to digital solutions, where appropriate, and new financial and commissioning processes which are flexible enough to adapt to meeting individual and collective needs.



We will continue to take a structured, risk assessed and prioritised approach, which remains critical given the level of uncertainty we face going forward. We will deliver best value by modernising our services and reducing the financial gap in a sustainable way, with the least possible impact, through our **Sustainable Futures** savings programme.

Further service prioritisation and transformation will be essential. We will consider how services are delivered and how our workforce is supported to deliver them, in changing circumstances, and we will consider how Renfrewshire's resources, as a whole, can contribute to improving outcomes.

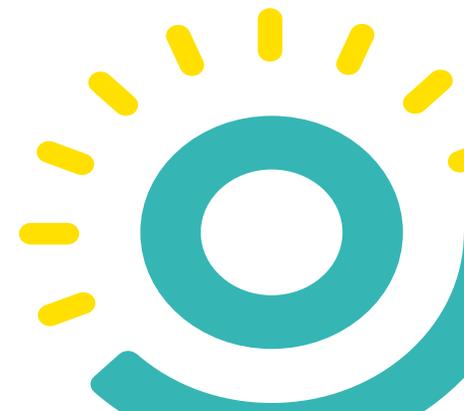
Successive reports to the IJB over the past months have highlighted the increasingly challenging financial and economic environment the IJB is facing, principally linked to continually increasing costs and the impact of high levels of inflation.

It is likely that the level of cost pressure uncertainty will remain high over the short to medium term reflecting continuing factors including the war in Ukraine, the outcome of pay settlements, and the impact of UK and Scottish Government spending and taxation decisions. This continually evolving and volatile operating environment, coupled with potential demand spikes for services, continues to place significant pressure on operational delivery and finances and the ability for the IJB to deliver on its Strategic and Workforce plans.

Through regular financial updates and variance analyses from the CFO, the IJB maintains visibility over this rapidly shifting situation ensuring decisions are taken to support medium and long-term financial sustainability.

Since its introduction the IJB has successfully managed to deliver year on year financial balance. This has been achieved through a combination of:

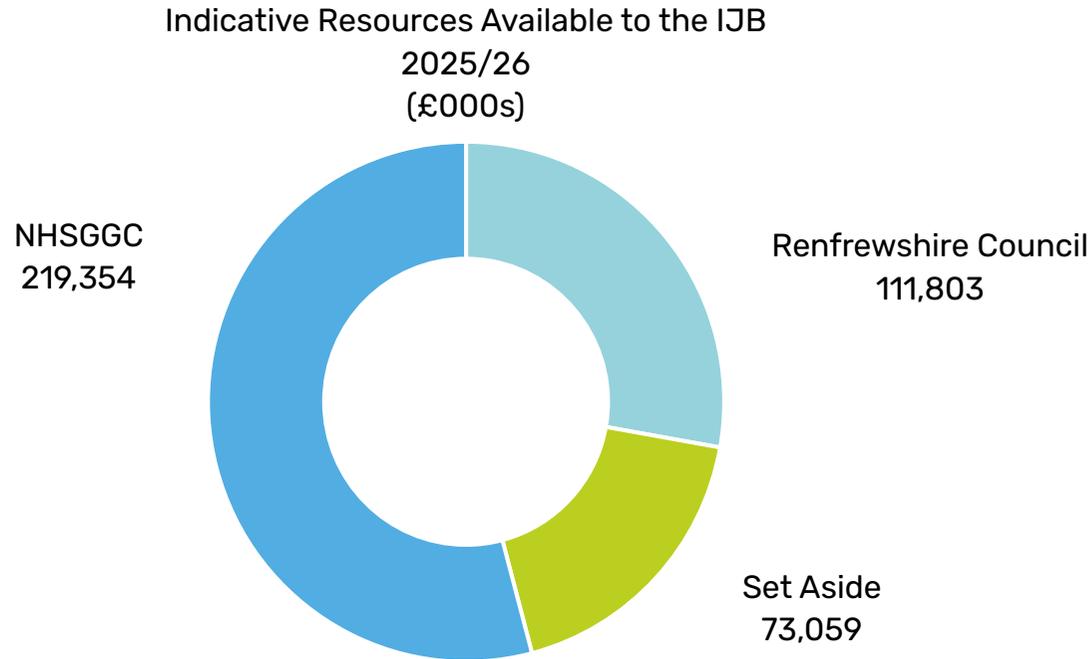
- ▶ Flexible use of recurring and non-recurring resources,
- ▶ Drawdown of earmarked reserves in order to deliver on specific commitments,
- ▶ Delivery of approved savings initially through the Change and Improvement Programme; and latterly the Sustainable Futures programme, and
- ▶ In-year management action to reduce spend through a range of measures designed to protect the IJB's reserves which will continue to be required to support the budget position in 2025/26 as the IJB takes forward the Sustainable Futures programme of savings.



Budget Assumptions

Resources Available to Renfrewshire IJB

Renfrewshire IJB delivers and commissions a range of health and adult social care services to the population of Renfrewshire. This is funded through annual budgets delegated from both Renfrewshire Council and NHSGGC. The resources available to the IJB in 2025/26 to take forward the commissioning intentions of the IJB, in line with the Refreshed Strategic Plan 2025-27, are circa £404m.



Included within the Resources Available to the IJB is a 'Large Hospital Services' (Set Aside) budget totalling £73m. This budget is in respect of those functions delegated by the Health Board which are carried out in a hospital within the Health Board area. The Set Aside resource for delegated services provided in acute hospitals is determined by analysis of hospital activity and actual spend for that year. The IJB is responsible for the strategic planning of these services but not their operational delivery.

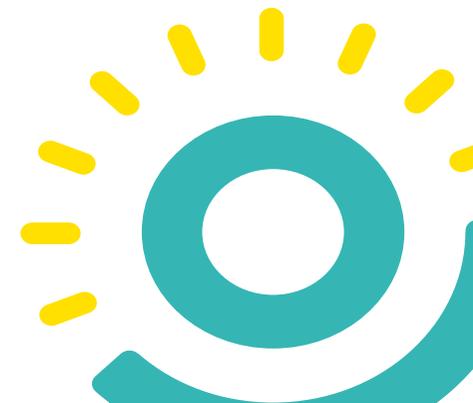
It is very clear that the public sector in Scotland will continue to face a very challenging short and medium-term financial outlook with significant uncertainty over what the scale of the likely reduction in available funding will be over the medium term. It therefore remains important that the IJB ensures sufficient flexibility to manage, in a sustainable manner, the position which emerges over the next few years – with the likely scenario that a significant level of further recurring savings will be required.

The IJB's financial planning arrangements remain subject to active review using a scenario-based approach in recognition of the scale of variability in the potential funding for the IJB. As a result, it is essential that the IJB continues to plan for a range of potential outcomes across its key financial risks and challenges, and the likely impact these could have on the financial sustainability of the IJB. This will mean that the IJB needs to consider what can safely be delivered. We must work to deliver both a balanced budget and continue to deliver accessible and safe services. After many years of budget reductions, it is fair and reasonable to state that these dual objectives can no longer be assured.

In this context, in June 2023 the IJB approved the implementation of the Sustainable Futures programme, intended to identify, and develop savings options to address the projected budget gap. Further details on the Sustainable Futures programme are provided later in this document.

In March 2024, recognising that not all cost pressures identified for 2024/25 would be funded from approved savings, the IJB approved the 2024/25 Delegated Health and Social Care Budget which included the drawdown of (£10,765k) in reserves, in order to deliver a balanced budget.

Given the projected budget gap for 2025/26, the IJB will require to further draw on its remaining reserves to achieve financial balance.



Medium-Term Financial Outlook

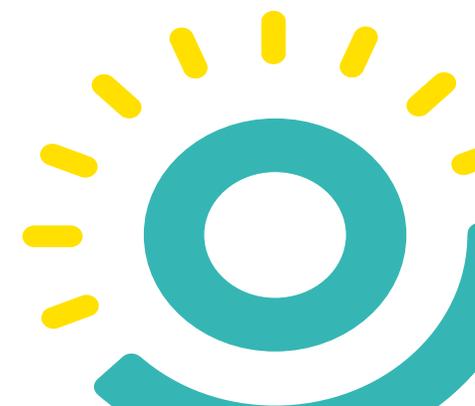
Projected Budget Gap

Since the previous MTFP 2022-25 was published, the CFO has revised the format of the MTFP to include assumptions in respect of Scottish Government and other funding and this has been projected forward over 10 years. However, this is heavily caveated and may be subject to significant change depending on a range of factors including the economic climate, the potential outcome of national elections and other global factors.

It is important to note that the reliability of projections decreases over time, and projections tend to be less reliable in periods of rapid change. Similarly, annual budgets are based on the economic situation and information available at the time.

The new MTFP 2025-28 models a range of potential fiscal outlooks from 2025/26 to 2034/35. Using this range of scenarios, current projections for the medium-term include a wide range of assumptions in respect of key cost pressures and demand, highlighting a potential budget gap of between £7.8m to £11.8m for 2025/26, as shown in the table below. This reflects a number of significant changes to initial projections including prescribing price and volume increases, and the impact of changes to eNICs. It also reflects a range of new recurring unfunded pressures arising from overspends in: Care at Home, Adult Supported Living, Prescribing and Respite.

TOTAL GAP	
In Year Recurring Gap	2025/26 £000s
Low Scenario	7,816
Medium Scenario	8,989
High Scenario	10,408
Worse Scenario	11,824



Medium-Term Financial Outlook

On the basis of this estimated budget gap, and subject to clarification over the coming months and years, the CFO recommends that the IJB progresses with a financial planning strategy based on the medium scenario of a budget gap of circa £36.6m, over this three-year period.

TOTAL GAP				
In Year Recurring Gap	2025/26 £000s	2026/27 £000s	2027/28 £000s	TOTAL £000s
Low Scenario	7,816	7,908	15,913	31,636
Medium Scenario	8,989	9,529	18,086	36,604
High Scenario	10,408	11,352	20,444	42,205
Worse Scenario	11,824	13,176	22,814	47,814

In addition, it is important to note that these projections are prior to any mitigating action being taken. Although the medium-term financial outlook focusses on the likely cost pressures that the IJB can expect over the next three years, this can be further extrapolated to a longer period such as 10 years, where (using the same wide range of assumptions) it is estimated that the cumulative cost pressures could be in the range of £284m to £428.4m (Appendix 2). However, the further into the future we look, the less assurance we can take from these assumptions.

TOTAL GAP											
In Year Recurring Gap	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	2029/30 £000s	2030/31 £000s	2031/32 £000s	2032/33 £000s	2033/34 £000s	2034/35 £000s	TOTAL £000s
Low Scenario	7,816	7,908	15,913	21,113	25,469	30,137	35,418	41,503	46,378	52,421	284,075
Medium Scenario	8,989	9,529	18,086	23,957	29,074	34,604	40,968	48,436	54,190	61,563	329,395
High Scenario	10,408	11,352	20,444	27,013	32,930	39,378	46,847	55,569	62,582	71,496	378,019
Worse Scenario	11,824	13,176	22,814	30,101	36,856	44,278	52,932	62,985	71,419	82,061	428,445

The main areas of cost pressures and demand on the IJB's budget - based on the budget position and assumptions as at February 2025 - are as follows:



Future **funding allocations** from parent organisations. The continuation of single-year settlements at this time is challenging for the IJB and continues the uncertainty for our future medium term financial planning, as well as that of our parent organisations. There is also a risk in future years that it might not be possible for Renfrewshire Council to pass over additional funding to the IJB, given the requirement to balance future Council budgets. Likewise, Health budgets across Scotland remain pressured and there will be no brokerage mechanism available to Health Boards including NHS GGC for 2025/26.



Significantly increasing **prescribing** costs; reflecting the impact of volume and cost increases moving adversely. The IJB has limited control over this budget, as it is unable to control the price of drugs which are set nationally and influenced by factors such as supply and demand, currency movements and patents. It is also unable to control demand as it is a clinical decision to prescribe a medicine.



Employee costs represent circa 32% of the IJB's net budget and any increase in **pay awards** impacts directly on cost pressures for the IJB. Inflationary pressure in this area also represents a significant pressure for the IJB. Assumptions for pay reflect the inflationary assumptions of both partner bodies, however pay awards in recent years have exceeded projections.



Previous planning assumptions regarding anticipated annual increases to third parties for **contractual commitments** such as the Supported Living Framework and the National Care Home Contract (NCHC) rate have been overridden by the fluctuation in inflation and continues to be a source of pressure on the IJB's resources.



Ongoing pressure on the **Care at Home** service in relation to increased patient acuity of need on hospital discharge, and in shifting the balance of care by supporting people to live safely at home for as long as possible. At the time of publication Renfrewshire IJB maintains a leading position in delayed discharge, though the costs associated with facilitating this are significant.



Increasing number and complexity of **care packages** required to support adult clients to live as independently as possible in the community.

Pressures - employers National Insurance Contributions

In addition to the pressures outlined on the previous page, the IJB faces a new pressure. Within the UK Government's Autumn Budget 2024, Chancellor Rachel Reeves announced £40 billion of tax raising measures, including a 1.2% increase in **employers' National Insurance Contributions (eNICs)** coupled with a lowering of the threshold at which employers are required to pay this. This will have a significant financial impact for the Scottish Government, which funds a proportionally larger public sector workforce than in the UK as a whole, and consequently, for public services.

Partial funding is anticipated from the UK Treasury, however there is expected to be a significant shortfall in the amount allocated versus the estimated costs associated with the implementation of the increase. In February 2025, the Scottish Government announced it will provide £144m to cover 60% of the extra costs faced by councils, but that the public sector will have to 'absorb' a shortfall of more than £200m to fully offset the rise. Similarly, 60% of the extra eNICs costs faced by NHS Boards are anticipated to be funded. Discussions are ongoing regarding the funding of the remaining 40% via a sustainability payment from the Scottish Government, however the risk remains that the IJB will be required to absorb the shortfall to offset the rise.

The eNICs increase will also significantly impact the third sector as well as small and medium-sized enterprises (SMEs), through which an increasing amount of social care is delivered, as the proposed partial funding of the eNICs rise for the public sector will not extend to SMEs, charities and not-for-profit organisations:

"Adding the double whammy announcement yesterday of increased employer NI contributions and a reduction in the NI threshold will be catastrophic for CCPS members and many other charities, unless some form of exemption is set, or contracts are increased to fully fund the policy."

Rachel Cackett, CEO Coalition of Care and Support Providers in Scotland,
31 October 2024

At the time of publication, the proposed changes to eNICs - contained within the **National Insurance Contributions (Secondary Class 1 Contributions) Bill** - remain in flux, with the House of Lords having voted through amendments to exempt the vast majority of the health and social care sector from the increases. However, whether the Lords amendments will be accepted in the final form of the Bill remains unclear and as such it remains a considerable risk to the IJB. Furthermore, should the IJB be required to support providers with additional eNICs costs, the financial risk to the sustainability of the IJB will increase yet further.

Sensitivity Analysis

In order to test the assumptions used in the modelling of our four scenarios (low, medium, high and worse case), sensitivity analysis was carried out to determine the impact of any material changes on our current assumptions.

The following tables show the impact if our assumptions in relation to key pressures were to increase. Varying percentage increases have been applied, reflecting the most likely scenarios based on recent activity and known variables. For example:

- ▶ every 1% increase in pay would be an additional £1,010k
- ▶ every 1% increase in prescribing would be an additional £480k
- ▶ every 1% increase in the NCHC would be an additional £270k

Type of Pressure	Sensitivity Analysis			
	1% £000s	2% £000s	3% £000s	5% £000s
Pay	1,010	2,019	3,029	5,048
TOTAL	1,010	2,019	3,029	5,048

Type of Pressure	Sensitivity Analysis			
	1% £000s	5% £000s	8% £000s	10% £000s
Prescribing	480	2,400	3,840	4,800
TOTAL	480	2,400	3,840	4,800

Type of Pressure	Sensitivity Analysis			
	1% £000s	2% £000s	5% £000s	7% £000s
National Care Home Contract	270	540	1,350	1,890
TOTAL	270	540	1,350	1,890

Impact on Funding

The IJB is reliant on funding from Renfrewshire Council and NHSGGC. These contributions from our parent organisations are contingent on their respective financial planning and budget setting processes, as well as the financial settlements which each body receives from the Scottish Government.

Using the IJB's 2025/26 budget as a baseline, the following table shows the impact of a change of 1% in the contribution from our partner organisations.

Sensitivity Analysis - Change in Partnership Contributions	2025/26 Base Budget	Impact of 1% change in Partnership Contributions
	£000s	£000s
Renfrewshire Council Contribution	111,803	1,118
NHSGGC Contribution	219,354	2,193
NHSGGC Set Aside	73,059	731
TOTAL	404,216	4,042

Based on cost and demand growth pressures used in the sensitivity analysis, it remains clear that in order to meet the rapidly increasing demand and associated costs there is an urgent need to reshape existing services as the likelihood of investment from either the Scottish Government or our partner organisations to even partially fund the gap is minimal.

Medium-Term Financial Strategy

Our Medium-Term Financial Strategy is designed to support the achievement of financial balance, whilst delivering safe and sustainable services, and the IJB's strategic objectives.

Working together

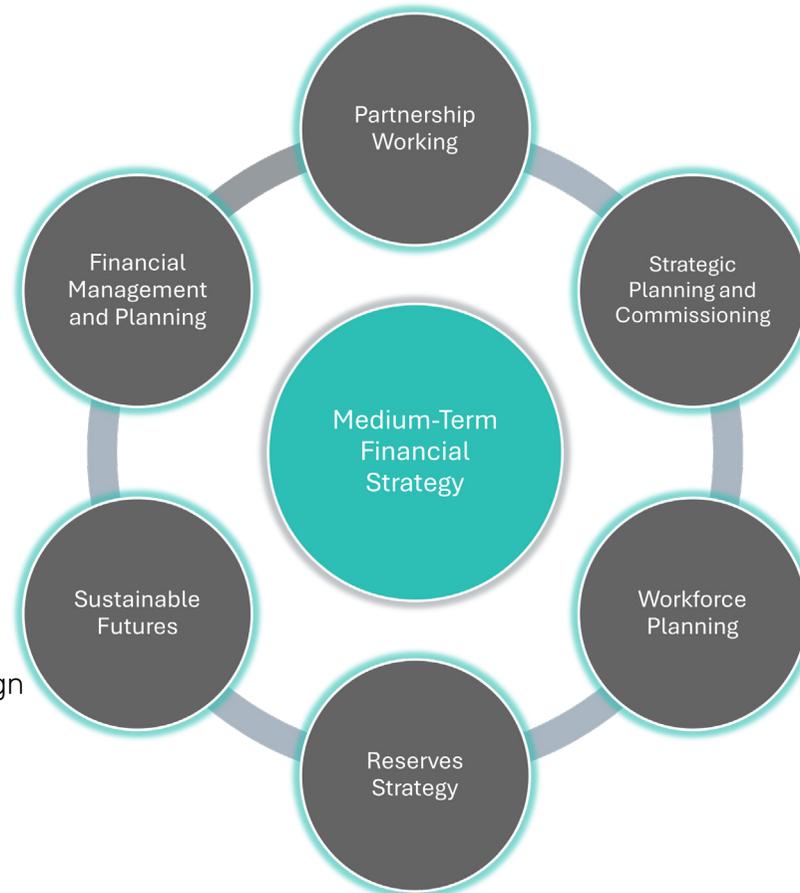
- ▶ Building capacity in our communities
- ▶ Strengthening partner connections

Better value

- ▶ Financial management embedded in organisational culture
- ▶ Facilitating savings programmes
- ▶ Robust financial planning process
- ▶ Sound financial governance

Achieving financial sustainability

- ▶ Ensuring effective use of resources
- ▶ Supporting service reviews and redesign
- ▶ Ensuring delivery of approved savings



Financial stability

- ▶ Prudent planning for the future
- ▶ Mitigating budget pressures
- ▶ Providing financial protection and resilience

Aligning our resource to outcomes

- ▶ Planning and commissioning services in the most cost effective way
- ▶ A commitment to Ethical Commissioning and Human-Rights based approaches
- ▶ Proactive, collaborative working with provider organisations

Shaping our workforce

- ▶ Delivering the National Workforce Strategy for Health and Social Care to deliver the recovery, growth and transformation of our workforce
- ▶ Investing in staff development and succession planning

Medium-Term Financial Strategy

Sustainable Futures

The IJB needs to ensure that the services it provides are financially and environmentally sustainable and provide value for money. This will require difficult, and pressing, decisions to ensure that resources are effectively targeted.

Key to the success of its Medium-Term Financial Strategy is the continued delivery of the IJB's savings programme: **Sustainable Futures**.

The Sustainable Futures programme aims to deliver best value by modernising our services and reducing the financial gap in a sustainable way with the least possible impact. This is enabled by adopting a number of key principles as agreed by the IJB in June 2023.



Key Principles

- Promotes equity and fairness: We apply consistency and equity as part of a person-centred approach to service access and delivery.
- Maximises the impact of our people and available resources: We support our staff's health and wellbeing and skills development, ensuring we have an appropriately skilled and resilient workforce, and we make best use of the resources available to us within local services and our communities.
- Maintains safe services and delivers on statutory requirements: We continue to ensure that services provided are clinically safe and meet legislative and statutory requirements, whilst protecting the most vulnerable in Renfrewshire.
- Is evidence-based: We prioritise robust data and an evidence-based approach to future planning, decision making and evaluation.
- Reflects ongoing engagement: We continue to engage with partners, communities and all other relevant stakeholders to determine the broader impact of proposals and obtain feedback.
- Enables innovation and improvement: We develop an organisational culture which embraces further innovation and continuous improvement through digital technology, maximising the impact of existing tools and systems, and emerging opportunities.

Medium-Term Financial Strategy

Sustainable Futures

During 2023/24 and 2024/25, the Sustainable Futures programme delivered approximately **£6m** of recurring savings for the IJB, through Phases 1 and 2 of the programme.

Looking ahead over the medium-term, taking into account the projected recurring budget gap, in December 2024 the IJB agreed a proposed approach to identifying future savings through Sustainable Futures Phase 3. In order to ensure an equitable approach to all service areas, with the exception of three areas, savings covering 10% of all influenceable spend within the IJB's budget were identified.

Exceptions to 10% savings target

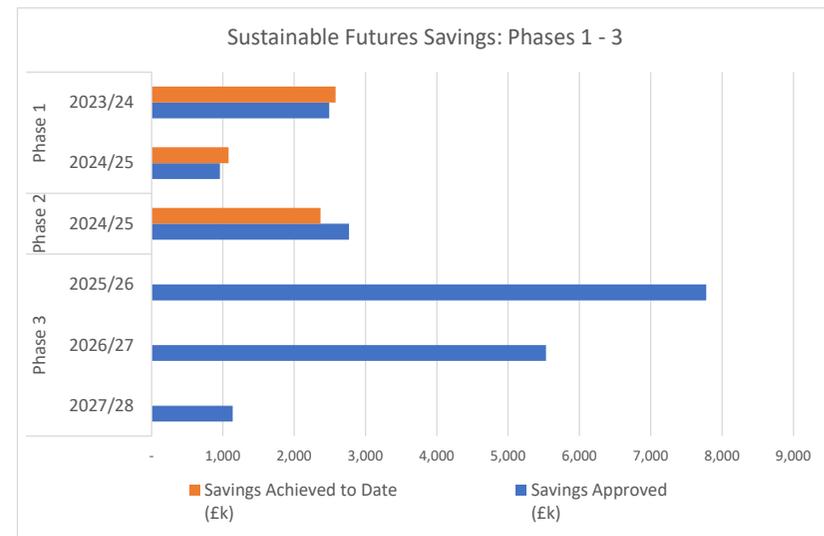
Prescribing: The budget and 10% savings target relating to the IJB's prescribing budget were not included. This is due to the limited control the IJB has over this budget. A local Prescribing Cost Management Group has been in place since 2023/24 which continues to identify local and board-wide opportunities to robustly manage prescribing costs, including the minimisation of waste and over-prescribing.

Alcohol and Drug Recovery Services: In addition, the budget and 10% savings target relating to Alcohol and Drug Recovery Services (ADRS) was not included. Historically a number of ADRS services have been supported with funding through the Alcohol and Drug Partnership (ADP) and work is underway to review and agree how to address this position in future years. The HSCP's Chief Officer and Chief Finance Officer therefore feel it would be prudent for this review to be completed prior to savings ideas being brought forward.

Podiatry: Podiatry has contributed significantly to overall savings delivered by the HSCP in recent years. The service is captured within the Hosted Services client group and delivers across the NHSGGC Board area. Taking these considerations into account, an adapted approach to delivering savings within this service area was felt to be appropriate, with savings equating to approximately 5% of the influenceable budget identified.

In addition, at their meeting of 19 February 2025, Renfrewshire Council Leadership Board approved changes to the non-residential social care charging policy from 1 April 2025, resulting in increased income of circa £633k.

Through this approach, a further **£14.5m** of savings were approved for delivery over the next three financial years, to support the sustainability of Renfrewshire IJB. The graph below shows the savings proposals agreed by the IJB for delivery across Phases 1-3 of Sustainable Futures, together with their achievement as at February 2025.



Medium-Term Financial Outlook

Going Concern and Financial Recovery

In accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code), the IJB is required to prepare its Financial Statements on a going concern basis unless informed by the relevant national body of the intention of dissolution without transfer of services or function to another entity.

The IJB's Annual Accounts 2023/24 were prepared on the assumption that the IJB will continue in operational existence for the foreseeable future until 31 March 2026.

In carrying out its assessment, the IJB took into account a number of key considerations, including its financial position and indicative financial planning, and, its current and projected reserves balances to 31 March 2026.



In addition, the IJB noted the requirement to implement a financial recovery plan, should a balanced budget not be possible in future years. This would include:

- ▶ Suspension, where necessary, of ongoing development initiatives,
- ▶ The possibility that waiting lists may require to be established,
- ▶ Overtime restricted to critical cover only,
- ▶ Holding, on a temporary basis, any 'non-frontline' service vacancies. In doing so, only appointing to those posts which the Chief Officer considers to be a service priority. These decisions would be taken on an individual and fully risk-assessed basis; and
- ▶ Reviewing all non-recurring monies and other budgets to determine where these can be used in-year to fund the budget shortfall.

Taking into account these considerations and the governance structures in place both within the IJB and its parent organisations the IJB forecast that it would have adequate resources to continue in operational existence to the end of 2026/27.

For this reason, a going concern basis was adopted in preparing the 2023/24 financial statements, and is anticipated to be again in preparation of the 2024/25 financial statements.

However, the IJB recognises that significant pressures will continue to impact the Board's financial planning and considerable uncertainty exists beyond March 2026.

Risk Management

The IJB's Risk Management Framework sets out the principles by which the HSCP and IJB identify and manage strategic and operational risks impacting upon the organisation. This framework is a key strand of the IJB's overall governance mechanisms. It sets out how risks and issues should be identified, managed, and reported. The policy and strategy are underpinned by supporting written and online risk management guidance and training for HSCP staff.

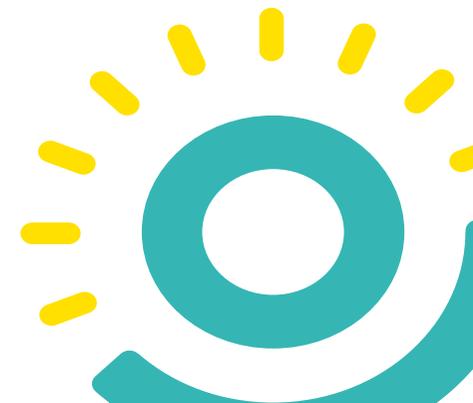
The current framework was last reviewed in March 2024 following completion of the internal audit of the IJB's risk management arrangements. The review resulted in a number of changes including:

- ▶ Refinement of the description of the IJB's risk tolerance to reflect the difference between 'very high' risks within the IJB's control and those which are not controllable,
- ▶ An overview of how issues will be assessed as well as risks, noting that whilst the Policy and Strategy refer to 'risk management' this is intended to cover both risks and issues, and
- ▶ The inclusion of a statement on the IJB's risk appetite. The IJB currently demonstrates a cautious appetite for risk, whilst promoting the pursuit of opportunities which will benefit delivery of the Strategic Plan and the IJB's associated Medium-Term Financial Plan.

Looking ahead to 2025/26 and beyond, with a reduction in the level of reserves available to draw from to balance the budget, and assuming no significant increase in funding and/or decrease in costs, the biggest risk to be managed will be the financial sustainability of the IJB.

The IJB's Vision for risk management:

Appropriate and effective risk management practice will be embraced throughout the IJB as an enabler of success, whether delivering better outcomes for the people of Renfrewshire, protecting the health, safety and wellbeing of everyone who engages with the IJB or for maximising opportunity, delivering innovation and best value, and increasing performance.



Reserves Policy

It is important for the long-term financial stability and the sustainability of the IJB that sufficient funds are held in reserve to manage unanticipated pressures from year to year. The requirement for financial reserves is acknowledged in statute and is part of a range of measures in place to ensure that s106 public bodies do not over-commit themselves financially.

In line with national guidance and good financial governance, the IJB's Reserves Policy (revised in June 2020) proposes 2% as an optimum level of general reserves to drive transformation and, if required, to ensure the IJB has the financial flexibility to draw on non-recurring support to balance the annual revenue budget position each year over the medium-term.

It remains important that the IJB maintains sufficient general reserves to provide an appropriate degree of financial protection and immediate financial resilience and that the level of general reserves held is guided by the risk profile faced by the IJB.

The financial risk profile for the IJB has increased significantly over the past number of years. In this context the IJB previously agreed to work towards maintaining a level of general reserves of 2% of the net budget (including set aside), this being an optimum level of reserves recognising prudent financial planning and budgetary constraints.

At the time of writing the 2024/25 outturn is yet to be established; though is projected to be approximately 1% of the IJB's budgeted net expenditure, significantly below the level which is both prudent and appropriate for the IJB's circumstances.

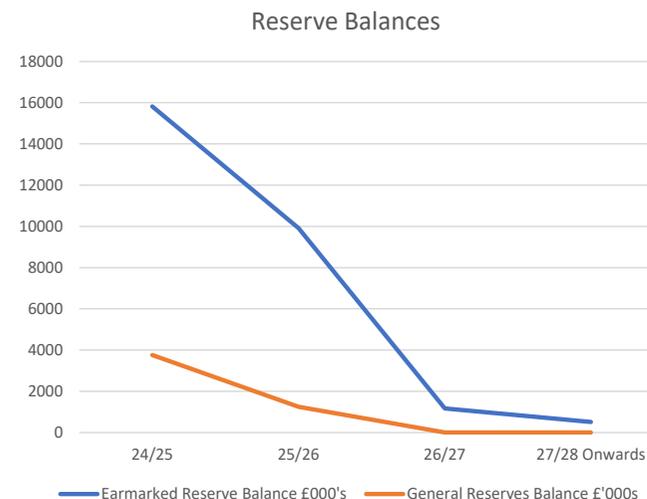
Going forward, the IJB's ability to create or maintain reserves will be very limited, which in turn impacts further on the risk profile for the IJB.

"The increased reliance on non-recurring sources of income to fund recurring budget pressures is unsustainable in the medium to long term. The identification and delivery of recurring savings and a reduced reliance on drawing from reserves to fund revenue expenditure will be key to ensuring long-term financial sustainability."

Audit Scotland,
Integration Joint Boards Finance and Performance 2024.

As always, the Accounts Commission will continue to closely monitor the IJB's position in respect of general reserves as part of its wider assessment of the IJB's financial stability and resilience.

The following graph illustrates how the IJB's reserves are projected to deplete over the medium-term:



Workforce Planning

The IJB and HSCP's approach to workforce planning is driven by national, regional, and local strategies and policies which set the context and direction of travel for the provision of health and social care in Renfrewshire.

In November 2022 the IJB approved the HSCP's Workforce Plan 2022-25, and subsequently provided updates on progress made on delivery of the actions contained therein.

Latterly, these updates noted that the uncertain and challenging operating context for the IJB and HSCP could potentially have a knock-on impact on the HSCP's ability to deliver all of the actions identified when the Workforce Plan was developed.

Throughout 2024/25 it became evident that the necessary focus on sustainability and the ongoing refresh of the IJB's Strategic Plan, alongside continued pressures within operational services, limited the capacity available to deliver on the actions identified within the Workforce Plan.

The HSCP's Workforce Planning Group are currently undertaking a review of the actions within the Workforce Plan and are working to agree a reduced set of priorities which will have greatest impact and can be delivered within the HSCP's available resources.

Separately, in December 2024 the Scottish Government wrote to Chief Officers, recognising the workload pressures facing NHS Boards and HSCPs, as well as the difficulty in planning for the workforce in the current environment. As a result, it was accepted that flexibility in workforce planning methodologies, timeframes and structures would be required in line with organisational needs.

To enable development of their understanding of the challenges faced, the Scottish Government are currently engaging with NHS Boards and HSCPs to set out their position in relation to a range of aspects of workforce planning. Alongside this activity, NHS GGC are currently drafting a refreshed Workforce Plan for 2025-28 and Renfrewshire Council's Workforce Planning Group is developing several workstreams to deliver on agreed workforce priorities. This ongoing work will be captured as part of consideration of the next steps for the HSCP's Workforce Plan beyond 2025.



Enabling Strategies

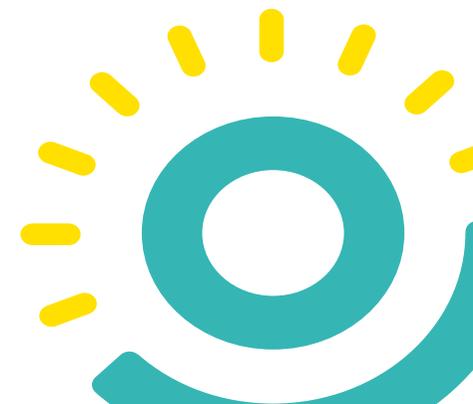
Strategic Commissioning and Market Facilitation

Renfrewshire HSCP is dedicated to providing effective, efficient, and responsive health and social care services that meet individual needs, deliver person-led outcomes, and protect vulnerable individuals. While many services are directly provided by the HSCP, a significant number are delivered under contract by other agencies within the voluntary and independent sectors. Ensuring these services meet our required standards is crucial, and we have a dedicated Contracts and Commissioning Team to support this.

The team ensures all areas of the Strategic Commissioning Cycle are delivered in Renfrewshire, either by performing the function themselves or in partnership with colleagues. This helps ensure the delivery of outcomes for people who use our services, and compliance with relevant regulatory requirements.

Market facilitation is the relationship between market intelligence, market intervention and market structure. Market facilitation plans aim to inform, influence and adapt service delivery to ensure the right services are available at the right time. The IJB's new Market Facilitation Plan 2025-27 outlines our approach to shaping a diverse and responsive social care market in Renfrewshire.

This MTFP is a key enabler of our Strategic Plan and should be read alongside the Market Facilitation Plan 2025-2027. Both Plans reflect our ongoing commitment to delivering outcomes for Renfrewshire communities within the context of the current extremely challenging financial climate.



Based on Recurring Budget 2024/25	25-26 £	26-27 £	27-28 £
LOW SCENARIO			
Opening Unfunded Pressures Carried Forward	9,721,562	7,815,538	15,723,114
Contractual Pressures	1,093,178	419,828	411,347
Pay Pressures	4,739,954	2,333,276	2,224,917
Demand Pressures	4,009,756	4,213,900	4,435,875
Living Wage	4,453,837	4,804,115	5,030,242
Prescribing	4,152,348	10,400,760	13,949,760
Set Aside	3,836,560		
Council Recharges	(29,165)	41,019	42,250
Total In Year Pressures	22,256,468	22,212,898	26,094,390
Total Pressures	31,978,030	30,028,436	41,817,504
Assumed Funding	(24,162,492)	(14,305,322)	(10,181,679)
Cumulative Unfunded Gap (after recurring mitigation)	7,815,538	15,723,114	31,635,825
In Year Funding Gap	7,815,538	7,907,576	15,912,710
MEDIUM SCENARIO			
Opening Unfunded Pressures Carried Forward	9,721,562	8,989,212	18,518,124
Contractual Pressures	1,115,402	424,272	411,347
Pay Pressures	5,597,209	3,151,980	3,033,430
Demand Pressures	4,009,756	4,213,900	4,435,875
Living Wage	4,748,032	5,128,302	5,375,815
Prescribing	4,152,348	10,874,760	14,968,760
Set Aside	3,836,560		
Council Recharges	(29,165)	41,019	42,250
Total In Year Pressures	23,430,142	23,834,234	28,267,477
Total Pressures	33,151,704	32,823,446	46,785,601
Assumed Funding	(24,162,492)	(14,305,322)	(10,181,679)
Cumulative Unfunded Gap (after recurring mitigation)	8,989,212	18,518,124	36,603,922
In Year Funding Gap	8,989,212	9,528,912	18,085,798

Projected Budget Gap 2025 - 2028: High and Worse Scenario

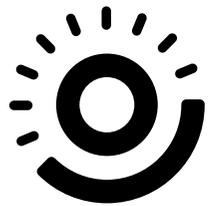
Based on Recurring Budget 2024/25	25-26 £	26-27 £	27-28 £
HIGH SCENARIO			
Opening Unfunded Pressures Carried Forward	9,721,562	10,407,776	21,760,103
Contractual Pressures	1,118,513	424,895	411,347
Pay Pressures	6,718,466	4,177,586	4,019,550
Demand Pressures	4,009,756	4,213,900	4,435,875
Living Wage	5,042,227	5,452,489	5,721,389
Prescribing	4,152,348	11,347,760	15,995,760
Set Aside	3,836,560		
Council Recharges	(29,165)	41,019	42,250
Total In Year Pressures	24,848,706	25,657,649	30,626,170
Total Pressures	34,570,268	36,065,425	52,386,274
Assumed Funding	(24,162,492)	(14,305,322)	(10,181,679)
Cumulative Unfunded Gap (after recurring mitigation)	10,407,776	21,760,103	42,204,594
In Year Funding Gap	10,407,776	11,352,327	20,444,491
WORSE SCENARIO			
Opening Unfunded Pressures Carried Forward	9,721,562	11,823,617	24,999,815
Contractual Pressures	1,118,902	424,972	411,347
Pay Pressures	7,839,723	5,203,192	5,005,685
Demand Pressures	4,009,756	4,213,900	4,435,875
Living Wage	5,336,422	5,776,676	6,066,963
Prescribing	4,152,348	11,821,760	17,033,760
Set Aside	3,836,560		
Council Recharges	(29,165)	41,019	42,250
Total In Year Pressures	26,264,547	27,481,520	32,995,879
Total Pressures	35,986,109	39,305,137	57,995,694
Assumed Funding	(24,162,492)	(14,305,322)	(10,181,679)
Cumulative Unfunded Gap (after recurring mitigation)	11,823,617	24,999,815	47,814,014
In Year Funding Gap	11,823,617	13,176,198	22,814,199

Projected Budget Gap 2025 - 2035: Low and Medium Scenario

Based on Recurring Budget 2024/25	25-26 £	26-27 £	27-28 £	28-29 £	29-30 £	30-31 £	31-32 £	32-33 £	33-34 £	34-35 £
LOW SCENARIO										
Opening Unfunded Pressures Carried Forward	9,721,562	7,815,538	15,723,114	31,635,825	52,749,267	78,217,935	108,354,739	143,773,177	185,276,366	231,654,592
Contractual Pressures	1,093,178	419,828	411,347	414,057	416,849	419,725	699,636	1,423,332	550,852	432,116
Pay Pressures	4,739,954	2,333,276	2,224,917	2,286,443	2,349,687	2,414,700	2,481,530	2,550,229	2,620,849	2,693,445
Demand Pressures	4,009,756	4,213,900	4,435,875	4,677,317	4,940,015	5,225,928	5,537,195	5,876,155	6,245,368	6,647,632
Living Wage	4,453,837	4,804,115	5,030,242	5,291,427	5,566,856	5,857,344	6,163,751	6,527,468	6,908,863	7,275,941
Prescribing	4,152,348	10,400,760	13,949,760	17,746,760	21,809,760	26,156,760	30,808,760	35,785,760	41,111,760	46,810,760
Set Aside	3,836,560									
Council Recharges	(29,165)	41,019	42,250	43,517	44,823	46,167	47,553	48,979	50,448	51,962
Total In Year Pressures	22,256,468	22,212,898	26,094,390	30,459,521	35,127,991	40,120,624	45,738,424	52,211,923	57,488,141	63,911,855
Total Pressures	31,978,030	30,028,436	41,817,504	62,095,345	87,877,259	118,338,559	154,093,163	195,985,100	242,764,507	295,566,447
Assumed Funding	(24,162,492)	(14,305,322)	(10,181,679)	(9,346,078)	(9,659,324)	(9,983,820)	(10,319,986)	(10,708,734)	(11,109,915)	(11,490,978)
Cumulative Unfunded Gap (after recurring mitigation)	7,815,538	15,723,114	31,635,825	52,749,267	78,217,935	108,354,739	143,773,177	185,276,366	231,654,592	284,075,469
In Year Funding Gap	7,815,538	7,907,576	15,912,710	21,113,443	25,468,667	30,136,804	35,418,438	41,503,189	46,378,226	52,420,876
MEDIUM SCENARIO										
Opening Unfunded Pressures Carried Forward	9,721,562	8,989,212	18,518,124	36,603,922	60,561,400	89,635,275	124,238,801	165,206,727	213,642,257	267,831,920
Contractual Pressures	1,115,402	424,272	411,347	414,057	416,849	419,725	810,415	1,822,369	599,641	432,116
Pay Pressures	5,597,209	3,151,980	3,033,430	3,119,106	3,207,218	3,297,837	3,391,035	3,486,885	3,585,464	3,686,849
Demand Pressures	4,009,756	4,213,900	4,435,875	4,677,317	4,940,015	5,225,928	5,537,195	5,876,155	6,245,368	6,647,632
Living Wage	4,748,032	5,128,302	5,375,815	5,659,799	5,959,533	6,275,929	6,609,955	7,003,115	7,415,896	7,816,433
Prescribing	4,152,348	10,874,760	14,968,760	19,389,760	24,164,760	29,321,760	34,891,760	40,906,760	47,402,760	54,418,760
Set Aside	3,836,560									
Council Recharges	(29,165)	41,019	42,250	43,517	44,823	46,167	47,553	48,979	50,448	51,962
Total In Year Pressures	23,430,142	23,834,234	28,267,477	33,303,556	38,733,198	44,587,346	51,287,913	59,144,264	65,299,578	73,053,751
Total Pressures	33,151,704	32,823,446	46,785,601	69,907,478	99,294,599	134,222,621	175,526,713	224,350,991	278,941,835	340,885,672
Assumed Funding	(24,162,492)	(14,305,322)	(10,181,679)	(9,346,078)	(9,659,324)	(9,983,820)	(10,319,986)	(10,708,734)	(11,109,915)	(11,490,978)
Cumulative Unfunded Gap (after recurring mitigation)	8,989,212	18,518,124	36,603,922	60,561,400	89,635,275	124,238,801	165,206,727	213,642,257	267,831,920	329,394,693
In Year Funding Gap	8,989,212	9,528,912	18,085,798	23,957,479	29,073,874	34,603,526	40,967,927	48,435,530	54,189,664	61,562,773

Projected Budget Gap 2025 - 2035: High and Worse Scenario

Based on Recurring Budget 2024/25	25-26 £	26-27 £	27-28 £	28-29 £	29-30 £	30-31 £	31-32 £	32-33 £	33-34 £	34-35 £
HIGH SCENARIO										
Opening Unfunded Pressures Carried Forward	9,721,562	10,407,776	21,760,103	42,204,594	69,217,185	102,146,944	141,524,602	188,371,908	243,940,733	306,522,328
Contractual Pressures	1,118,513	424,895	411,347	414,057	416,849	419,725	865,805	1,934,068	606,472	432,116
Pay Pressures	6,718,466	4,177,586	4,019,550	4,133,846	4,251,425	4,372,384	4,496,820	4,624,835	4,756,532	4,892,019
Demand Pressures	4,009,756	4,213,900	4,435,875	4,677,317	4,940,015	5,225,928	5,537,195	5,876,155	6,245,368	6,647,632
Living Wage	5,042,227	5,452,489	5,721,389	6,028,172	6,352,209	6,694,514	7,056,159	7,478,762	7,922,930	8,356,925
Prescribing	4,152,348	11,347,760	15,995,760	21,061,760	26,583,760	32,602,760	39,163,760	46,314,760	54,109,760	62,606,760
Set Aside	3,836,560									
Council Recharges	(29,165)	41,019	42,250	43,517	44,823	46,167	47,553	48,979	50,448	51,962
Total In Year Pressures	24,848,706	25,657,649	30,626,170	36,358,669	42,589,082	49,361,478	57,167,292	66,277,559	73,691,510	82,987,413
Total Pressures	34,570,268	36,065,425	52,386,274	78,563,263	111,806,268	151,508,422	198,691,894	254,649,467	317,632,243	389,509,741
Assumed Funding	(24,162,492)	(14,305,322)	(10,181,679)	(9,346,078)	(9,659,324)	(9,983,820)	(10,319,986)	(10,708,734)	(11,109,915)	(11,490,978)
Cumulative Unfunded Gap (after recurring mitigation)	10,407,776	21,760,103	42,204,594	69,217,185	102,146,944	141,524,602	188,371,908	243,940,733	306,522,328	378,018,763
In Year Funding Gap	10,407,776	11,352,327	20,444,491	27,012,591	32,929,758	39,377,658	46,847,306	55,568,825	62,581,595	71,496,435
WORSE SCENARIO										
Opening Unfunded Pressures Carried Forward	9,721,562	11,823,617	24,999,815	47,814,014	77,914,765	114,770,505	159,048,465	211,980,414	274,965,034	346,384,118
Contractual Pressures	1,118,902	424,972	411,347	414,057	416,849	419,725	921,195	2,015,883	607,326	432,116
Pay Pressures	7,839,723	5,203,192	5,005,685	5,148,633	5,295,731	5,447,101	5,602,870	5,763,169	5,928,133	6,097,900
Demand Pressures	4,009,756	4,213,900	4,435,875	4,677,317	4,940,015	5,225,928	5,537,195	5,876,155	6,245,368	6,647,632
Living Wage	5,336,422	5,776,676	6,066,963	6,396,544	6,744,886	7,113,099	7,502,363	7,954,408	8,429,963	8,897,417
Prescribing	4,152,348	11,821,760	17,033,760	22,766,760	29,072,760	36,009,760	43,640,760	52,034,760	61,267,760	71,424,760
Set Aside	3,836,560									
Council Recharges	(29,165)	41,019	42,250	43,517	44,823	46,167	47,553	48,979	50,448	51,962
Total In Year Pressures	26,264,547	27,481,520	32,995,879	39,446,829	46,515,064	54,261,780	63,251,936	73,693,354	82,528,998	93,551,787
Total Pressures	35,986,109	39,305,137	57,995,694	87,260,843	124,429,829	169,032,285	222,300,400	285,673,768	357,494,032	439,935,905
Assumed Funding	(24,162,492)	(14,305,322)	(10,181,679)	(9,346,078)	(9,659,324)	(9,983,820)	(10,319,986)	(10,708,734)	(11,109,915)	(11,490,978)
Cumulative Unfunded Gap (after recurring mitigation)	11,823,617	24,999,815	47,814,014	77,914,765	114,770,505	159,048,465	211,980,414	274,965,034	346,384,118	428,444,927
In Year Funding Gap	11,823,617	13,176,198	22,814,199	30,100,751	36,855,740	44,277,959	52,931,950	62,984,620	71,419,084	82,060,809



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