



Aberdeen City Health & Social Care Partnership  
*A caring partnership*

# Aberdeen City Integration Joint Board

## Audited Annual Accounts 2025/26





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# Aberdeen City Health & Social Care Partnership

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This publication contains the financial statements of Aberdeen City Integration Joint Board ('IJB') for the year ended 31 March 2026. The Management Commentary provides a structured narrative to support the accounts, setting out the Chief Officer's review of the year, an overview of the IJB's role and operating context, and an assessment of operational and financial performance. It also summarises the key risks, mitigations and outlook, and sets out our priorities and financial plans for the years ahead as we continue to work with partners to meet the needs of the people of Aberdeen.





## **Aberdeen City IJB at a Glance**

Aberdeen City Integration Joint Board (IJB) is a partnership between NHS Grampian and Aberdeen City Council with responsibility for planning and directing adult health and social care services across Aberdeen. Working through the Aberdeen City Health and Social Care Partnership, the IJB is focused on improving outcomes by enabling people to live independently at home, or in a homely setting where it is safe to do so. This approach is underpinned by the Strategic Plan 2025–2029, with its two strategic aims of modernising our approach to service delivery and shifting our focus towards early intervention and prevention.

During 2025/26, the Partnership continued to operate in a challenging environment, shaped by an ageing population, increasing complexity of need and persistent inequalities in health and wellbeing. Alongside these pressures, work continued to strengthen community-based support, improve access to timely care and support, and advance transformation aligned to the Strategic Plan 2025–2029. This included a continued emphasis on prevention and early intervention, while modernising service delivery to improve sustainability and make best use of the resources available.

| <b>Key financial info</b>   | <b>2025/26</b>                                                                                                                             | <b>2024/25</b>                                                                                             |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| Budget (set initially)      | £439.1m                                                                                                                                    | £437.8m                                                                                                    |
| Mainstream outturn          | £11.231m underspend (before earmarking). Additional partner contribution of £10.909m to support service pressures and financial resilience | £19.25m overspend, supported by £9.835m uncommitted reserves and £10.490m additional partner contributions |
| Usable reserves at 31 March | £11.231m in total, comprising £3.527m earmarked reserves and £7.704m uncommitted reserves                                                  | £nil                                                                                                       |

## **Key factors shaping 2025/26**

- Responding to growing demand and increasingly complex needs across the city.
- Strengthening community pathways and supporting improved flow across the wider system.
- Supporting workforce resilience, recruitment and retention.
- Maintaining financial sustainability while delivering recurring savings over time.
- Working with providers to support capacity and sustainability in commissioned services.
- Continuing to modernise services and expand prevention and early intervention.



## **Chair's Foreword**

I am pleased to present the Aberdeen City Integration Joint Board's Annual Accounts for the year ended 31 March 2026.

The financial year 2025/26 was delivered in an exceptionally demanding environment for health and social care. Rising and increasingly complex demand, workforce pressures, inflationary costs and continued uncertainty over future public sector funding placed significant strain on services across the system. In that context, the Board maintained a clear focus on safe, person-centred care, timely access to support, and protecting those with the most complex needs. We also strengthened financial resilience, accountability and decision-making, supported by enhanced scrutiny through the Board and its committees.

Sound financial stewardship is essential to protecting services and enabling improvement. For 2025/26, the IJB delivered an underspend of £11.2 million against the revised budget (prior to earmarking) which included £10.909 million of additional partner contribution and closed the year with an uncommitted reserve balance of £7.7 million.

The Board is clear, however, that the improved year-end position does not remove the underlying challenge of achieving recurring balance. During the year, partner support was provided on a non-recurring basis to help manage volatility and emerging pressures. This provided short-term stability, but it reinforces the need to accelerate transformation and deliver recurring savings.

The year-end position also highlights continuing volatility within the system. While underspends were reported in some service areas, these were offset by sustained pressures elsewhere, including Learning Disabilities, Mental Health and Addictions, prescribing and out-of-area placements. These pressures matter because they can affect people's experience of care and the timeliness of support. The Board recognises that achieving recurring financial balance will require fundamental service redesign and clear prioritisation, rather than reliance on short-term measures.

The reserves position provides limited but important resilience as the Partnership enters a period of heightened financial risk. These reserves will be applied prudently to manage volatility and to support targeted transformation and invest-to-save activity aligned to the Strategic Plan. They are not a substitute for recurring savings, nor can they defer the difficult decisions required on affordability and prioritisation.

Looking ahead, our priority is to improve outcomes by shifting the balance of care towards prevention and early intervention, strengthening community-based support, and ensuring people can access the right support at the right time. The Scottish Government's Programme for Government reinforces the direction set by our Strategic Plan, including prevention, stronger community-based support and sustainable public-service reform. The Board is encouraged by progress already made in areas such as Technology Enabled Care and the continued development of community-based models of support. In 2026/27, we will focus on: maintaining safe services; strengthening performance and financial oversight; and accelerating delivery of transformation and recurring savings aligned to the Strategic Plan 2025–2029 ([Link](#)). Delivering this will require pace, clarity of purpose and sustained collaboration with our partners.

On behalf of the Board, I would like to thank colleagues across Aberdeen City Council and NHS Grampian, our partners, commissioned providers, the third sector and the wider system for their continued commitment during a demanding year, as well as unpaid carers and communities across Aberdeen City. We remain committed to providing strong leadership, transparent decision-making and disciplined financial management as we navigate the challenges ahead. With continued partnership working and a clear focus on prevention, community-based support and sustainability, we are determined to make measurable progress in improving outcomes for the people of Aberdeen.

*Hussein Patwa*

**Hussein Patwa**

Chair, Aberdeen City Integration Joint Board

30 September 2026



## **1. Management Commentary**

### **1.1 Chief Officer's Review of the Year**

In 2025/26, the Partnership made steady progress in strengthening community-based care and sharpening our focus on prevention, improvement and financial resilience. This was achieved in a demanding operating environment, with rising and increasingly complex demand, workforce constraints, capacity limitations within commissioned services, and continued cost inflation. Pressures were particularly evident for people requiring high-intensity packages of care, people with learning disabilities, and people experiencing mental health and addictions challenges. This reinforced the need to accelerate service redesign while maintaining safe, person-centred support.

Alongside these pressures, there were areas of positive progress across 2025/26. We continued to work with partners to strengthen community-based care and support, reduce avoidable admissions and improve system flow. We also maintained a strong focus on improving how we use data and insight to understand demand, outcomes and cost drivers, and to support timely decision-making by the Partnership and the Board.

A Grampian-wide KPMG commission was taken forward through the Northeast System Transformation Group to undertake a time-limited system diagnostic. Its purpose is to identify opportunities for greater efficiency, consistency, collaboration and integration for shared service delivery across NHS Grampian and partner organisations. This builds on earlier cost and value analysis, which highlighted improvement and savings opportunities across services, non-pay expenditure and contract management, and now seeks to determine how these can be progressed at a Grampian-wide scale.

Sub-national planning arrangements are also being developed to strengthen collaboration across the Northeast, aligning partners around shared priorities, service models and use of resources. This is intended to support more coordinated decision-making at scale, enabling partners to plan collectively for sustainable services while maintaining a clear focus on local delivery and population need.

A key feature of 2025/26 was a renewed emphasis on financial resilience, accountability and governance. The experience of 2024/25, when usable reserves were fully utilised and additional partner contributions were required to support the year-end position, underlined the importance of strengthening in-year monitoring, improving forecasting assumptions and ensuring that savings plans are deliverable. Throughout 2025/26, we increased the pace and consistency of financial reporting and reinforced expectations of budget responsibility at all levels, supported by enhanced oversight and scrutiny arrangements.

The year-end financial position for 2025/26 indicates an underspend of £11.2m against the revised budget. The financial position benefited from £10.909m of one-off in-year partner funding provided to support service pressures and financial resilience (Aberdeen City Council £4.2m; NHS Grampian £6.7m). Following earmarking of £3.5m for specific ring-fenced programmes, the year closed with an uncommitted reserve balance of £7.7m.

While the improved year-end position gives us greater resilience entering 2026/27, underlying financial pressures remain. With continued transformation and delivery of recurring savings, the Partnership is better placed to respond to rising demand in Learning Disabilities, Mental Health and Addictions, system flow challenges and commissioned services. By maintaining focus on these key risks and strengthening partnership working, workforce resilience and service sustainability, we can continue to build a more sustainable model of care and reduce reliance on high-cost provision over time.

Looking ahead, our priorities are consistent with the Strategic Plan 2025–2029: modernising our approach to service delivery and shifting our focus towards early intervention and prevention. The Programme for Government provides an important national context for our next phase of delivery, particularly the shift towards care at home and in communities, improved access, prevention and more integrated and productive services.



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Delivering this agenda will require sustained partnership working, clear prioritisation, and a disciplined focus on affordability and value. We will continue to strengthen the foundations that support delivery, workforce, infrastructure, technology and data, while maintaining our focus on safe, person-centred services and improved outcomes for the people of Aberdeen.

I would like to thank colleagues across Aberdeen City Council, NHS Grampian, our commissioned providers and third sector partners for their continued commitment and professionalism and the vital role played by unpaid carers and communities across Aberdeen City throughout a demanding year. Looking ahead, I am encouraged by our clear direction of travel. By continuing to work together, prioritising prevention and community-based support, and making the best use of every pound, we can improve people's experience of care and deliver better outcomes. The progress made in 2025/26 provides a strong foundation for the next phase of transformation, and I am confident that through sustained partnership working and openness we can build a more resilient and sustainable system for the people of Aberdeen.

*Fiona Mitchellhill*

**Fiona Mitchellhill**

Chief Officer, Aberdeen City Health and Social Care Partnership

30 September 2026



## **1.2 Overview**

### **The Role and Remit of the Integration Joint Board (IJB)**

Aberdeen City Integration Joint Board (IJB) is a partnership between NHS Grampian (NHSG) and Aberdeen City Council (ACC) which has overall responsibility for planning health and social care services within the city. The IJB is the formal legal body that makes the decisions about how health and social care services are delivered.

The functions delegated to the IJB are detailed in the Integration Scheme, and in summary include all community health and social care services provided to adults and older people. Some services such as adult social work, GP services, district nursing, and allied health professionals are fully delegated and the IJB has responsibility both for strategic planning and operational delivery of these. Other services are Grampian-wide services which Aberdeen City IJB “host” on behalf of all three IJBs in the NHS Grampian area. Aberdeen City IJB delivers the services they host but they share strategic planning responsibility with Aberdeen, Aberdeenshire and Moray IJBs. There are also hospital-based services which Aberdeen City IJB has responsibility for the strategic planning of. Full details of the delegated and hosted services can be found at the [Health and Social Care Integration Scheme for Aberdeen City](#).

The IJB directs Aberdeen City Council and NHS Grampian to deliver services. Aberdeen City Health and Social Care Partnership (ACHSCP) deliver the services on behalf of the IJB and ultimately ACC and NHSG. ACHSCP is comprised of staff from both organisations. At least every three years the IJB publishes a Strategic Plan which sets out the local challenges and how the IJB intends to make changes to the way delegated services are delivered to improve outcomes for the people of Aberdeen. The policy ambition is to improve the quality and consistency of services to patients, carers, service users and their families; to provide seamless, joined-up, quality health and social care services in order to care for people in their own homes or a homely setting where it is safe to do so; and to ensure resources are used effectively and efficiently to deliver services that meet the increasing number of people with longer-term and often complex needs, many of whom are older.

### **Population Needs of Aberdeen City**

To understand the bigger picture and help to plan services, the IJB gathers and considers information from different sources to build a profile of the city and its needs. A key document is the Population Needs Assessment (PNA) which was last updated in October 2024. A copy of the full report can be found [here](#) but the following paragraphs highlight some of the most relevant information that impacts on the level of demand for health and social care services and, therefore, the pressure on the IJB’s budget. It should be noted that although the PNA was updated in 2024 some of the most up to date information contained within it relates to previous years.

The PNA confirmed that at the time of writing Aberdeen City had a population of 227,750 which is 4.1% of the population of Scotland. Challenges faced in Aberdeen City as a result of poverty, deprivation, ill health and inequality are well documented. ACHSCP understands that there are a whole range of factors that influence people’s health and social care needs. Meeting those needs means considering all these factors and working with our partners to reduce their impact.

There is an ageing population in the city. By 2028, the number of 65–74-year-olds will increase by 14.4% and the number of 75+ will increase by 16.1% - that represents an additional 4,000 people who will potentially require health and social care. In addition, 28% of people report they are living with limiting, long term conditions whilst 11% report living with non-limiting conditions.

The Scottish Burden of Disease study forecasts a 21% increase in the annual disease burden in Scotland over the next 20 years. Applied to the local Aberdeen context this would mean potentially an additional 6% of people reporting limiting, long term conditions.

In terms of physical health, life expectancy in Aberdeen is unchanged from 2012-2014. In 2023, cancer and circulatory diseases (such as coronary heart disease and stroke) together accounted for half (50.4%) of all causes of death and the most prevalent disease overall was hypertension, at an



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incidence of 11.1 patients per 100 population. The incidence of Chronic Obstructive Pulmonary Disease (COPD) and doctor-diagnosed asthma has increased.

In relation to mental health, in 2019-2023, an estimated 18% of people in Aberdeen were deemed to have a potential psychiatric disorder and depression was reported as the second most prevalent condition. In 2023, Dementia and Alzheimer's disease were the leading cause of death for females and the second most common cause of death for males. Also in 2023, in Aberdeen city there were 29 probable suicides.

Individual behaviour has an impact on health. In 2019-2023 23% of adults in Aberdeen were drinking alcohol above the guideline recommendations which is an increase on the previous period. In 2023 there were 54 drug-related deaths, an increase from 42 in 2022. Smoking, obesity, and physical inactivity are risks associated with the deaths from cancers and circulatory diseases mentioned previously. Smoking during pregnancy can have significant consequences for mother and baby, and increases the risk of stillbirth, miscarriage and preterm birth. Around 9% of pregnancies booked in Aberdeen are current smokers. In 2023, 5.6% of 13–18-year-olds reported that they were vaping regularly which could lead to smoking in later life. Obesity rates in 2023 were 32%, a significant increase from 23% in 2016-19. In relation to cancer, the earlier this is detected, the sooner treatment can be considered which can greatly improve chances of survival. Uptake rates for screening are an important factor in early detection. The latest data available indicates that in the Grampian area screening uptake for cervical cancer was 67.3%, for bowel cancer was 67.8% and for breast cancer was 80.3%.

There is a strong association between deprivation and health outcomes as indicated by the table below. The Healthy Life Expectancy of those living in the most deprived areas in Scotland is 26 years lower than those living in the least deprived areas. According to an analysis of the Scottish Index of Multiple Deprivation (SIMD) in 2020, 19.3% of Aberdeen City's population are in the three most health deprived data zones. This is higher than Edinburgh (16.2%) but considerably lower than both Dundee (48.4%) and Glasgow (54.4%). The neighbourhoods in the 20% most deprived data zones (Quintile 1) include Torry, Woodside, Seaton, Northfield, Middlefield, Tillydrone, Mastrick, Sheddocksley and George Street.

| Health Indicator                                          | Least Deprived | Most Deprived |
|-----------------------------------------------------------|----------------|---------------|
| Life Expectancy Males                                     | 81.1           | 71.7          |
| Life Expectancy Females                                   | 84.8           | 76.4          |
| Alcohol related hospital admissions (per 100,000)         | 300.7          | 1,044.2       |
| Alcohol related deaths (per 100,000)                      | 10.5           | 40.4          |
| Drug related hospital admissions (per 100,000)            | 39.9           | 532           |
| Drug related deaths (per 100,000)                         | 5.2            | 57.3          |
| Psychiatric patient hospital admissions (per 100,000)     | 144            | 343           |
| Prescriptions for anxiety, depression and psychosis       | 12.5%          | 23.8%         |
| Cancer registrations (per 100,000)                        | 571.2          | 768.9         |
| Early deaths from cancer (per 100,000)                    | 98             | 249           |
| Hospitalisations for coronary heart disease (per 100,000) | 256.2          | 443.1         |
| Early death from coronary heart disease (per 100,000)     | 25             | 95.9          |
| Hospitalisations for COPD (per 100,000)                   | 65.4           | 402.9         |
| Incidences of smoking in pregnancy                        | 2.8%           | 25%           |
| Disposable income required to be spent on healthy diet    | 11%            | 50%           |

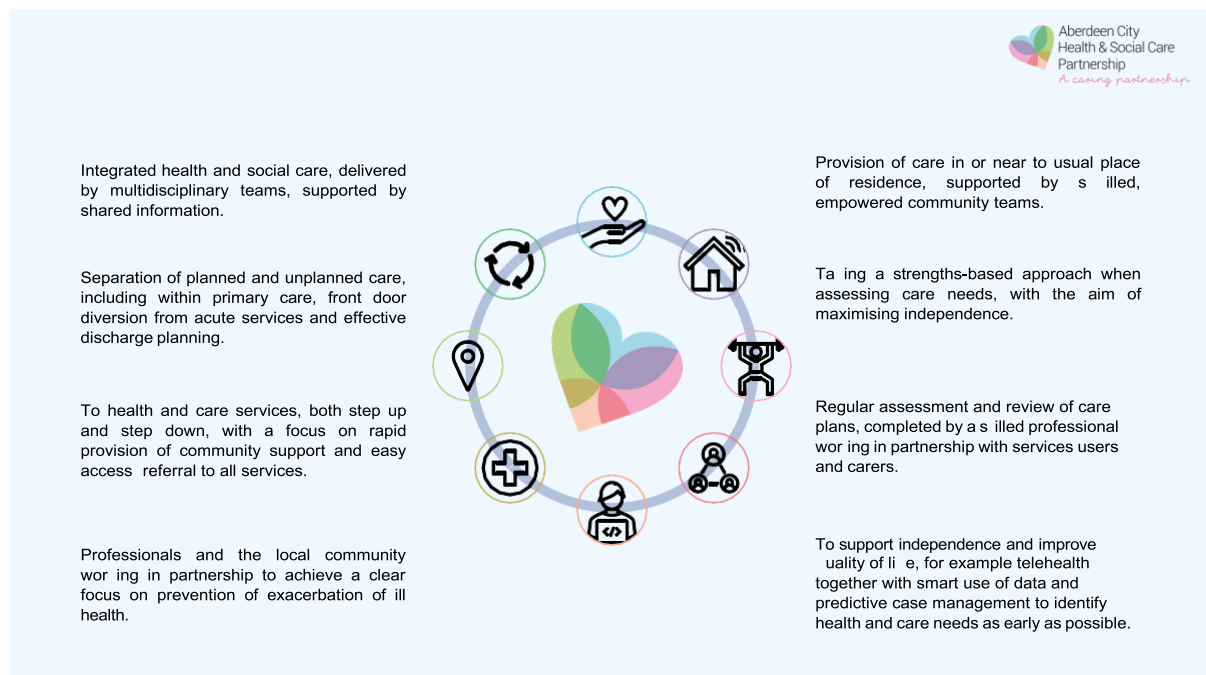
Reducing this impact of inequality and influencing the wider determinants of health will be a focus for the IJB to ensure better outcomes for the population of Aberdeen.



## 1.3 Operational Performance

### 1.3.1 Strategic Plan and Year 1 Delivery Plan

On 1<sup>st</sup> July 2025 Aberdeen City IJB approved a new Strategic Plan and Route Map for Delivery covering four years from 2025 to 2029. This is now published on our website and can be found [here](#). In light of the challenging financial situation and the need to ensure sustainability of service provision the plan focuses on two strategic aims supported by four priorities. Firstly, we aim to **modernise our approach to service delivery** by making best use of resources and implementing transformation. This will be a key focus for us particularly in the first two years of the plan. Secondly, we aim to shift our focus towards **prevention and early intervention** by finding ways to help improve the physical and mental health of the people of Aberdeen and reducing the potential for known harms. By doing this we hope to achieve financial balance and sustainable service provision, improved population health and a reduction in care needs. Below are the key principles to service delivery which underpin the Strategic Plan.



Delivery of the Strategic Plan will be achieved through an annually refreshed Delivery Plan using a programme and project management approach. Delivery is monitored through monthly reporting to the Senior Leadership Team, quarterly reporting to the Risk, Audit and Performance Committee (RAPC) and annual reporting through our Annual Performance Report (APR) which is published on our website. ([Aberdeenshire Health Care Partnership Report 2025-26](#)). There are 32 projects on the 2025/26 delivery Plan, 23 under Modernising our Service Delivery and 9 under Prevention and Early Intervention. The status of the projects was presented to RAPC and the high-level status of these can be seen below grouped by strategic priority area.

| Strategic Priority    | Number of Projects | Status                                                           | Number of projects |
|-----------------------|--------------------|------------------------------------------------------------------|--------------------|
| Best use of Resources | 15                 | Complete                                                         | 8                  |
|                       |                    | Business as Usual                                                | 2                  |
|                       |                    | Complete - Next phase will be delivered in 2026-27 delivery plan | 4                  |
|                       |                    | Implementation delayed                                           | 1                  |
| Transforming Services | 8                  | Complete                                                         | 1                  |
|                       |                    | Business as Usual                                                | 2                  |



| Strategic Priority | Number of Projects | Status                                                           | Number of projects |
|--------------------|--------------------|------------------------------------------------------------------|--------------------|
|                    |                    | Complete - Next phase will be delivered in 2026-27 delivery plan | 4                  |
|                    |                    | Implementation delayed                                           | 1                  |
| Improve Health     | 5                  | Business as Usual                                                | 2                  |
|                    |                    | Complete - Next phase will be delivered in 2026-27 delivery plan | 3                  |
| Reduce Harm        | 4                  | Business as Usual                                                | 4                  |

Over 60% of projects were completed with 34% of these moving on to the next phase of implementation in the 2026/27 Delivery Plan. Ten of the projects undertaken in 2025/26 have moved into Business as Usual. The full paper presented to RAPC in June 2026, can be found [here](#).

10 projects had a budget savings target collectively contributing to the £14.3 million saving target for the IJB. The table below outlines progress against this savings programme for 2025/26. Although delivery was achieved through a combination of planned savings measures and in-year financial management actions, the final outcome of £11.2 million under-spend confirms that savings exceeded the level required to support the year-end financial position.

| Project                                                  | Target Savings | Update                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Status at Year-End        |
|----------------------------------------------------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| Consolidate our use of properties                        | £153,000       | The target savings of £153,000 for this financial year have been achieved through moving Community Treatment and Care (CTAC) services and Children's Immunisations from the former Marywell Practice Building, situated on South College Street, into the newly opened Countesswells Health and Wellbeing Clinic building and the Health Village. South College Street is now fully vacated by ACHSCP. CTAC also moved out of Carden House to give the GP Practice more clinical space allowing them to see more patients. The use of the Woodside Fountain Health Centre building has also been reviewed and these together with utility savings across ACHSCP ensured that the target has been met. | Blue (Closed - Completed) |
| Deliver savings in Utility Costs                         | £50,000        | Implementation of zonal heating in the Health Village and reducing the heating temperatures across sites during spring months has assisted in the successful delivery of this target.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Blue (Closed - Completed) |
| Deliver efficiencies from robust management of vacancies | £1,346,000     | The management of vacancies was one of the IJB agreed budget options to help achieve a balanced budget in 2025-26. Savings have been achieved through the continued use of the Vacancy Management Protocol that was introduced in 2024-25. The Protocol encourages management to consider alternative options to liaise for liaison recruitment when a vacancy occurs. This has led to managers considering skills mixing and the use of digital solutions to help support services to reduce headcount whilst continuing to deliver services.                                                                                                                                                        | Blue (Closed - Completed) |
| Reduce the number of posts in ACHSCP establishment       | £884,000       | The vacancy management protocol, together with other measures, has reduced headcount across NHSG and ACC employed teams by 72 posts across all services.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Blue (Closed - Completed) |
| Modernise care provision                                 | £3,328,000     | In line with the Budget Savings Oversight Group, all reviews of Option 1 and Option 2 care packages                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Blue (Closed - Completed) |



| Project                                                                         | Target Savings | Update                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Status at Year-End                                              |
|---------------------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| for Older People                                                                |                | have been completed, this is now being done as part of business as usual.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                 |
| Review mix of residential care                                                  | £336,000       | Balnagass care home is closing and reviews around other residential care is ongoing. The number of vacancies within care homes has increased since 2024-25. We continue to work to ensure all services meet eligibility criteria.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Blue (Budget saving complete-ongoing work as Business as Usual) |
| Review Use and cost of Out of Area Care                                         | £174,000       | The development of the local Dynamic Support Register allows ACHSCP to understand the population's needs and also to report data to Public Health Scotland. ACHSCP have successfully given presentations on this work and learning around Complex Care to peers across Scotland. Whilst ACHSCP may not have achieved the financial measures outlined within the 2025-26 Delivery Plan, efficiencies in this area take time to arise, particularly as ACHSCP looks to utilise TEC and support individuals to become settled into their new homes, which can take a significant period of time due to their needs. ACHSCP have plans to undertake an evaluation to understand the financial impacts, with anticipated benefits in a number of outcomes such as fewer interventions, people being supported to access community activities, decreasing use of required medication, improved family connections and greater independent living skills. | Amber. Continue into 2026/27 Delivery Plan                      |
| Redesign Day Care Provision for people with Learning Disabilities               | £1,449,000     | Planned reviews of day services have been conducted consistently across providers to clarify the care and support offered and commissioned. Community activities and existing groups have also been explored to minimise gaps where commissioned care is unavailable. Separately, contracted training, skills and development services were reviewed to ensure they align with contractual requirements and local needs, supporting long-term sustainability.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Blue (Closed - Completed)                                       |
| Reduce spend and achieve value for money with key commissioned service provider | £5,634,000     | This programme aims to transform service delivery, maximise resources and support financial sustainability, recognising that some services and commissioning expenditure may need to reduce or cease. Its work streams cover contract review, budget-saving re-provision and wider social care transformation. Providers have been engaged throughout to support collaboration. Progress includes a consistent contract review process, savings and more efficient commissioning, while protecting priority provision. A strategic, evidence-led approach is helping modernise services and align them with current and future needs.                                                                                                                                                                                                                                                                                                              | Amber                                                           |
| Deliver the Discharge Without Delay                                             | £999,000       | The national Discharge Without Delay (DWD) Programme supports people, particularly frail older adults, to receive care in the most appropriate setting and avoid unnecessary hospital stays. By shifting                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Blue (Closed - Completed)                                       |



| Project                   | Target Savings     | Update                                                                                                                                                                                                                                                                                                                                                         | Status at Year-End |
|---------------------------|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Collaborative Commitments |                    | care from hospital to home or community settings, it supports recovery and reduces hospital-related harm. Expanding community services enabled the phased closure of Rosewell House, reduced reliance on intermediate care beds and lowered nursing band costs. ACHSCP's Discharge to Assess project was central to DWD delivery during this reporting period. |                    |
|                           | <b>£14,354,000</b> |                                                                                                                                                                                                                                                                                                                                                                |                    |

## Key highlights from the 2025/26 Delivery Plan:

- Conclusion of the Stoneywood development providing purpose-built homes in Aberdeen for eight people with complex needs most of whom were previously cared for out of area in hospital settings
- Redesign of step-down care closing a bed-based facility and transferring care into the community
- Robust review of social care provision in line with Eligibility Criteria to ensure the needs of the most vulnerable people were met
- Development of a Transitions Pathway from Children's to Adult Social Work increasing communication and early planning to better prepare children, their families, and the social work professionals for the changes ahead and ensure appropriate budget is provided
- Development of Social Work Practitioner App utilising external funding to reduce the time spent on administrative duties and increasing client facing time
- Development of policy and systems to support the implementation of an 'Individual Budget' approach to non-residential social care charging bringing consistency and fairness and enabling the opportunity to maximise income for the IJB in future
- Continued implementation of the GP Vision for Grampian
- Continued implementation of the Primary Care Improvement Plan
- Development of three multi-agency Population Health Action Plans in relation to Mental Health, Active Ageing and Healthy Weight
- Consolidation of premises to reduce operating costs
- Refreshed Carers Strategy
- Refreshed Workforce Plan
- Development of Activity and Governance Dashboards to inform operational and strategic planning

### 1.3.2 Service delivery, activity and outcomes

#### Activity

The Aberdeen City IJB spends its budget delivering the delegated and hosted services listed at the Overview section on page 9. The following table outlines what some of our services have delivered across the financial year.

|                                                                                                                                            |                                                                                                                                                                 |                                                                                                                                                                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>161,823</b></p> <p>Vaccinations administered</p> |  <p>Over <b>97,000</b></p> <p>Community Nursing Interventions undertaken</p> |  <p><b>5,365</b> appointments undertaken by the Occupational Therapy community Rehabilitation Team</p> |
|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



# Aberdeen City Health & Social Care Partnership

*A caring partnership*

|                                                                                    |                                                                                                     |                                                                                    |                                                                                                   |                                                                                      |                                                                                                                                                     |
|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
|   | Public Dental service received <b>3,000</b> referrals and completed over <b>13,000</b> appointments |   | Community Adult Assessment and Rehabilitation (CAARS) service provided <b>11,660</b> appointments |                                                                                      |                                                                                                                                                     |
|   | <b>50,654</b> Sexual Health appointments conducted                                                  |   | <b>1,258</b> Justice Social Work Reports to Court                                                 |   | <b>1,324</b> children referred and supported by the School Nursing Service                                                                          |
|   | <b>8,804</b> children have been supported by the health visiting service                            |   | <b>1,317</b> the average number of people supported in care homes by ACHSCP                       |                                                                                      |                                                                                                                                                     |
|  | <b>722,632</b> in person consultations delivered by GPs.                                            |  | <b>381</b> Adult support and protection referrals to Social Work                                  |  | Over <b>8,000</b> referrals have been received by the MSK Core Physiotherapy service and individuals have attended over <b>28,000</b> appointments. |

## Operational Drivers of 25/26 expenditure

Operational activity during 2025/26 had a direct impact on service delivery and expenditure across several areas. Increasing complexity of need and continued reliance on high-cost care arrangements were particularly evident within Learning Disabilities, out-of-area care, Adult Mental Health and Substance Use. The detailed analysis of budget variances is presented in **section 1.4 Financial Performance**; the narrative below focuses on the underlying operational activity and service pressures.

The complexity of demand within Learning Disability services continues to grow, and the number of people supported in high-cost out-of-area placements remains higher than intended. The development of eight bespoke bungalows at Stonewood for people with complex needs enabled some individuals to return to Aberdeen. During the transition, existing care arrangements had to continue while the new provider assessed individuals, developed personalised support arrangements and prepared for each move. This involved extensive travel and accommodation because of the individuals' previous locations.

Self-directed support (SDS) provides people with choice and control over how their social care needs are arranged and delivered. Under self-directed support legislation, people must be offered four options for arranging eligible support: Option 1, a direct payment; Option 2, where the person chooses the support and ACHSCP manages the budget; Option 3, where ACHSCP arranges the support; and Option 4, a combination of Options 1, 2 and 3. Further information about SDS can be found [here](#). In 2025/26, 4,680 people accessed support through these options.



# Aberdeen City Health & Social Care Partnership

*A caring partnership*

Overall, the number of people accessing community support decreased by 1.08% between 2024/25 and 2025/26, while the recorded cost of care increased by £10.84 million.

Option 1 showed the largest percentage increase, but this should be read in the context of a small group: client numbers rose from 160 to 197, while recorded costs increased from £5.92 million to £9.19 million.

Option 2 client numbers increased from 628 to 749, and recorded costs increased from £15.73 million to £20.36 million.

Option 3 remained the main route to support, with 3,734 clients in 2025/26, a decrease of 209 from the number of clients seen in 2024/25. Costs increased by 8.5% over the same period from £34.57 million to £37.51 million.

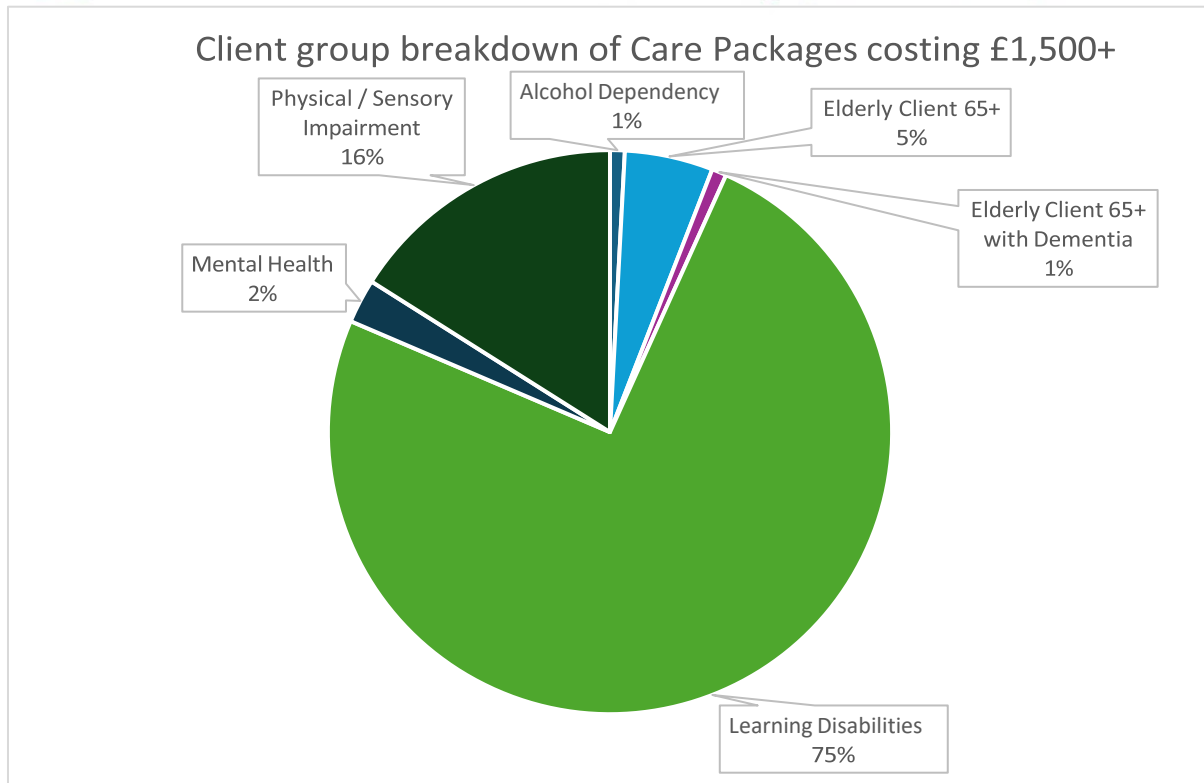
## SDS Options: client and cost breakdown, 2024/25 and 2025/26

| <b>SDS Option</b> | <b>Clients 2024/25</b> | <b>Clients 2025/26</b> | <b>% change</b> | <b>Cost 2024/25 (m)</b> | <b>Cost 2025/26 (m)</b> | <b>% change</b> |
|-------------------|------------------------|------------------------|-----------------|-------------------------|-------------------------|-----------------|
| Option 1          | 160                    | 197                    | 23.10%          | £5.92                   | £9.19                   | 55.20%          |
| Option 2          | 628                    | 749                    | 19.30%          | £15.73                  | £20.36                  | 29.40%          |
| Option 3          | 3,943                  | 3,734                  | (5.30%)         | £ 34.57                 | £37.51                  | 8.50%           |
| <b>Total SDS</b>  | 4,731                  | 4,680                  |                 | £56.22                  | £67.06                  |                 |

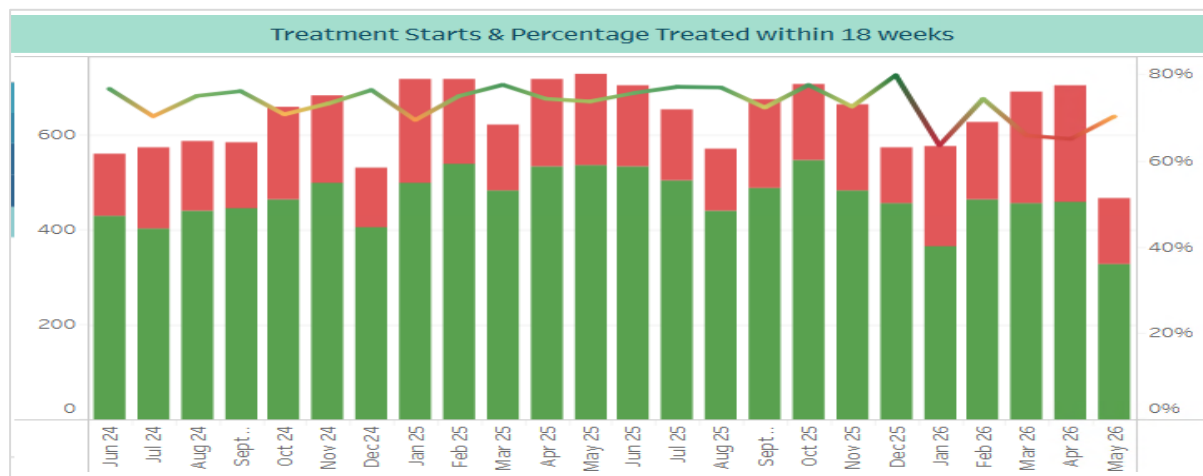
The increase in recorded expenditure may reflect several factors, including changes in client numbers and support needs, workforce pay uplifts, provider operating costs and the timing of invoice processing.

The clearest indicator of Learning Disability cost pressure is the concentration of high-cost packages. Of the packages costing more than £1,500 weekly, 75% relate to people with learning disabilities. This shows that the principal pressure is the cost and complexity of support rather than the overall number of people receiving services.

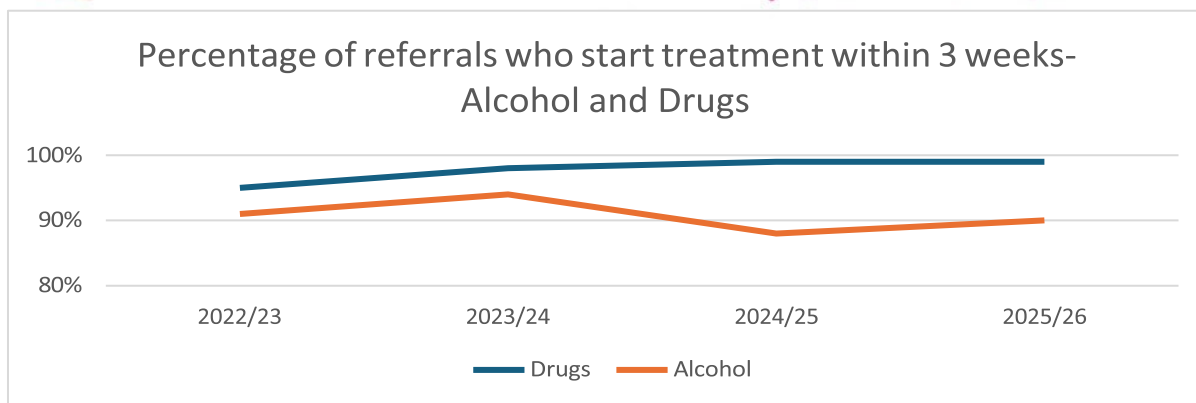
The chart below demonstrates that 75% of the highest-cost packages (over £1,500 per week) are for clients with learning disabilities.



#### Psychological therapies 18-week referral to treatment times



The target time for people referred to Psychological Therapies to be treated is 18 weeks. The above graph indicates the fluctuating numbers of treatments starts (green bars) and the percentage of those that received treatment within 18 weeks (red bars) between June 2024 and May 2026. Demand was high in the early part of 2025/26.



The graph above shows the consistently high percentage of referrals to the substance use service who started treatment within three weeks for drugs. Although at a lower rate, the percentage of referrals who started treatment for alcohol use within three weeks increased between 2024/25 and 2025/26.

Operational efficiencies were supported by strengthened reviews of social care provision, changes to step-down care and increased use of community-based models. These changes were intended to ensure that support remained aligned with eligibility criteria, individual need and the IJB's strategic aim of providing care closer to home.

### Wider Operational Performance

Aberdeen City IJB is committed to delivering on the Planning and Delivery Principles as set out by the Scottish Government when health and social care integration came into being. IJBs are held to account in relation to delivery against the nine National Health and Wellbeing Outcomes which are measured using a suite of National Indicators, as well as a set of indicators prescribed by the Ministerial Steering Group (MSG). Most of the data in relation to these indicators is provided by Public Health Scotland (PHS) and we are constrained by when the data is made available for wider publication. Some of the indicators are derived from the Health and Care Experience (HACE) Survey which is undertaken every two years. The latest HACE Survey for 2025/26 was published on 26<sup>th</sup> May 2026.

In addition to national data the Aberdeen City IJB has developed a suite of local performance indicators mainly to assist with the management of day-to-day operations and the identification of areas for improvement. Some of these local indicators are relevant indicators of overall performance of the IJB. The availability of good data remains an issue. A recent Audit Scotland report on Community Health and Social Care Performance (January 2026) concluded that there is a lack of comprehensive and consistent national performance information about community health and social care demand, workload, quality of care and outcomes. The report confirmed that limitations of the performance information make it difficult to fully assess the performance and progress of Integration Authorities and Health and Social Care Partnerships towards improving the quality of life for people using health and social care services.

In the latest Strategic Plan, Aberdeen City IJB has committed to eight key principles to service delivery (see 1.3.1 Strategic Plan and Year 1 Delivery Plan on page 11). Not all of these are measurable with data. Together with some of the Integration Principles we have identified seven key areas for performance reporting with a mix of available local and national performance data which we have deemed relevant to provide analysis of performance and inform future decision making in relation to strategic direction and transformation activity. Where performance reporting is supported by national performance indicators strategic benchmarking can be undertaken. Our revised Performance Framework is under development and due to be completed by September 2026. This will contain a narrative on the definition, purpose, source and calculation method of each of the indicators.



The table below details performance against the seven key areas. It shows the indicators under each area with a comparison against previous period and the Scottish average (where this is available). Where data is not available the boxes are greyed out. A RAG Status is also provided based on these two comparisons. If the performance is improved on previous period and better than the Scottish average the status is Green. If performance is static or if it is better against only one of the comparisons the status is Amber. If performance has worsened from the previous period and does not compare favourably with the Scottish average the status is Red.

The data shown below comes from a variety of sources that report on different timescales. Unless identified by an asteris (\*), the data reported as 'Current Performance' relates to 2025/26 and is compared with the most recent comparable reporting period. In most cases, measures identified by an asterisk (\*) relate to 2024/25, with a small number, as highlighted, relating to 2023/24.

The National Indicators are taken from the July 2026 publication.

## Aberdeen City IJB 7 Key Areas of Operational Performance Reporting

| <b>Area 1: Quality and Safety</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                         |                            |                             |                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|----------------------------|-----------------------------|-------------------|
| <b>Measure</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Scottish Average</b> | <b>Current Performance</b> | <b>Previous Performance</b> | <b>RAG Status</b> |
| NI-1: Percentage of adults able to loo after their health very well or uite well                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 91%                     | 91%                        | 90%                         | Green             |
| NI-3: Percentage of adults supported at home who agree that they had a say in how their help, care or support was provided                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 64%                     | 66%                        | 57%                         | Green             |
| NI-4: Percentage of adults supported at home who agree that their health and social care services seemed to be well co-ordinated                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 65%                     | 71%                        | 63%                         | Green             |
| NI-5: Percentage of adults receiving any care or support who rate it as excellent or good                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 72%                     | 72%                        | 75%                         | Amber             |
| NI-6: Percentage of people with positive experience of care at their GP practice                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 71%                     | 62%                        | 60%                         | Amber             |
| NI-7: Percentage of adults supported at home who agree that their services and support had an impact in improving or maintaining their uality of life                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 72%                     | 71%                        | 74%                         | Red               |
| NI-8: Percentage of carers who feel supported to continue in their caring role                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 32%                     | 33%                        | 37%                         | Amber             |
| NI-9: Percentage of adults supported at home who agree they felt safe                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 75%                     | 77%                        | 72%                         | Green             |
| NI-16: Falls rate per 1,000 population aged 65+ (*)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 22.2                    | 16.2                       | 21.2                        | Green             |
| NI-17: Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 83%                     | 78%                        | 72%                         | Amber             |
| <b>Overall Assessment of Performance</b><br>The majority of the Quality and Safety Indicators are Green and Amber which is an improvement on the previous period when the majority were Amber and Red. NI1, NI3 and NI4 have all moved from Amber to Green reflecting the focus of the Adult Social Wor teams on well-coordinated, person-centred care. Whilst the percentage of those rating their care and support as excellent or good has fallen from the previous reporting period it is on a par with the Scottish average. The percentage of those reporting a positive experience of care at their GP practice has risen by 2% from the previous reporting period. It remains at Amber only because the rate is below the Scottish average. The GP Wal -in Centres being trialled from summer 2026 may help improve this indicator. NI7 however has moved from Amber to Red and seems to be at odds with the positive reporting of experience of social care services via NI1, NI3, and NI4 above. This will need further investigation, but it is perhaps reflective of the complexity of need that the social care teams are managing and the fact that only those with high or critical need meet the Eligibility Criteria for |                         |                            |                             |                   |



| Area 1: Quality and Safety                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                  |                     |                      |            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------------|----------------------|------------|
| Measure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Scottish Average | Current Performance | Previous Performance | RAG Status |
| <p>support. NI8 has moved from Green to Amber which is an area of concern and at odds with the feedback from unpaid carers engaging with the Adult Carers Support service in the city. Our Carers Strategy has just been refreshed, and its single aim is to increase carer engagement in the city by 50% by 2030. A Delivery Plan has been developed in conjunction with our Carers Reference Group, and it is hoped the implementation of this will positively impact on this indicator in future. NI9 has moved from Red to Green. It is difficult to understand what makes people feel safe as there are so many different and individual aspects to be considered, however it is good to see this positive change which is likely to be linked in part to the support provided by social care teams in the city. In relation to NI16, the Falls Rate in Aberdeen continues to improve. NI17 has moved from Red to Amber. Although in the city the rate of care services graded good or better increased significantly from 72% to 78% reflecting the hard work of our commissioned providers in the main, the rate is still below the Scottish average.</p> |                  |                     |                      |            |

| Area 2: Access                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                  |                     |                      |            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------------|----------------------|------------|
| Measure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Scottish Average | Current Performance | Previous Performance | RAG Status |
| HACE03 - Ease of contacting GP Practice                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 78%              | 72%                 | 73%                  | Red        |
| HACE06 – Experience of booking appointments (advance booking)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 52%              | 48%                 | 46%                  | Red        |
| HACE12b - Satisfaction with arrangements to getting to see a GP                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 65%              | 57%                 | 56%                  | Amber      |
| Psychological Therapies 18-week referral to treatment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 80%              | 66%                 | 94%                  | Red        |
| Percentage of people who wait less than three weeks from referral received to appropriate drug or alcohol treatment that supports their recovery                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 93%              | 88%                 | 94%                  | Red        |
| <p><b>Overall Assessment of Performance</b><br/> The 'Ease of contacting GP Practices' and 'Experience of booking appointments' indicators have both reduced slightly from previously and are lower than the Scottish average. The work in progress on delivering the Grampian wide GP Vision to 2030 is aimed at improving these. Although lower than the Scottish average the level of satisfaction with arrangements to getting to see a GP has increased slightly on the previous year. Access to both Psychological Therapies and treatment for drug and alcohol use has reduced from previously and is lower than the Scottish average. These are both areas of focus for improved performance going forward.</p> |                  |                     |                      |            |

| Area 3: Improving System Flow                                                                              |                  |                     |                      |            |
|------------------------------------------------------------------------------------------------------------|------------------|---------------------|----------------------|------------|
| Measure                                                                                                    | Scottish Average | Current Performance | Previous Performance | RAG Status |
| NI-12: Emergency admission rate (per 100,000 population) (*)                                               | 11,470           | 8,747               | 9,805                | Green      |
| NI-13: Emergency bed day rate (per 100,000 population) (*)                                                 | 108,988          | 89,201              | 97,032               | Green      |
| NI-14: Emergency readmissions to hospital within 28 days of discharge (rate per 1,000 discharges) (*)      | 104              | 114                 | 126                  | Amber      |
| NI-19: Number of days people spend in hospital when they are ready to be discharged (per 1,000 population) | 873              | 458                 | 655                  | Green      |
| MSG1b. - Percentage admitted from A&E all ages (average for year)                                          |                  | 23                  | 23                   | Amber      |
| MSG2a. – Unscheduled bed days, acute specialities                                                          |                  | 115,203             | 123,626              | Green      |



| <b>Area 3: Improving System Flow</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                         |                            |                             |                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|----------------------------|-----------------------------|-------------------|
| <b>Measure</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>Scottish Average</b> | <b>Current Performance</b> | <b>Previous Performance</b> | <b>RAG Status</b> |
| MSG2b. – Unscheduled bed days- Geriatric long stay                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                         | 5,900                      | 7,175                       | Green             |
| MSG2c. – Unscheduled bed days, Mental Health                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                         | 52,576                     | 50,111                      | Amber             |
| MSG3a. – A&E attendances                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                         | 43,145                     | 42,179                      | Amber             |
| MSG3b. – Percentage seen in A&E within 4 hours all ages (average for year)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                         | 51                         | 56                          | Red               |
| MSG4. – Delayed Discharge bed days (age 18+)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                         | 15,225                     | 18,066                      | Green             |
| Delayed Discharges – Standard Delays                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 72%                     | 91%                        | 91%                         | Amber             |
| Delayed Discharges – Adults with Incapacity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 21%                     | 11%                        | 23%                         | Green             |
| Delayed Discharges – Complex Other                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 7%                      | 6%                         | 8%                          | Green             |
| <b>Overall Assessment of Performance</b><br><p>The majority of the 'Improving System Flow' indicators are Green and Amber and this is as a result of our focus on unscheduled care and the introduction of new initiatives such as Discharge without Delay and Discharge to Assess as well as our Hospital at Home and Social Work Teams' focus on Admission Avoidance. The RAG status of two indicators has deteriorated with MSG2c (Mental Health Unscheduled Bed Days) moving from Green to Amber and MSG3b (Percentage of people seen in A&amp;E within 4 hours) moving from Amber to Red. The former is an indication of the increasing complexity of need. Performance on the 4-hour target is dependent on a range of factors not just the contribution from Aberdeen city IJB services and the other indicators in this section reflect the positive impact these services are having on unscheduled care. The RAG status of MSG4. Delayed Discharge Bed Days (age 18+) has moved from Amber to Green. Delayed Discharges for adults with incapacity and complex and other reasons have reduced from previously and are lower than the Scottish average. In the case of adults with incapacity the rate of delayed discharges has more than halved from the previous period and are significantly less than the Scottish average.</p> |                         |                            |                             |                   |

| <b>Area 4: Care Closer to Home</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                         |                            |                             |                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|----------------------------|-----------------------------|-------------------|
| <b>Measure</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Scottish Average</b> | <b>Current Performance</b> | <b>Previous Performance</b> | <b>RAG Status</b> |
| NI-15: Proportion of last 6 months of life spent at home or in a community setting (*)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 89%                     | 91%                        | 90%                         | Green             |
| NI-18: Percentage of adults with intensive care needs receiving care at home (* 2024 data)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 65%                     | 56%                        | 56%                         | Amber             |
| MSG5. - End of life care (% in community all ages) (*)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                         | 91.7%                      | 90.0%                       | Green             |
| MSG6. - Balance of Care- %65+ living at home (supported and unsupported) (* 2023 24 data)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                         | 95.9%                      | 95.9%                       | Amber             |
| Number of Care Home Placements (per 1,000 population) (* 2023 24 data)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                         | 9                          | 9.5                         | Green             |
| Number of Care at home Hours delivered (per 1,000 population) (* 2023 24 data)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 17.8                    | 23.3                       | 12.7                        | Green             |
| <b>Overall Assessment of Performance</b><br><p>All of the 'Care Closer to Home' indicators are Green and Amber. Most are relatively stable with an improvement in previous performance achieved in NI-15: the proportion of the last 6 months of life spent at home or in a community setting, and MSG5. the percentage of end-of-life care delivered in the community. NI18, the percentage of adults with intensive care needs receiving care at home whilst stable is lower than the Scottish average however the overall amount of care at home hours delivered is increasing and our use of Care Homes is decreasing so this would indicate a reflection of the needs in Aberdeen City rather than 'poor' performance. This stable position is reflective of</p> |                         |                            |                             |                   |



the amount of work undertaken in an environment where demand is growing and care needs are more complex.

| Area 5: Strength Based Approach                                                                                                                                                                                                                                                                                                      |                  |                     |                      |            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------------|----------------------|------------|
| Measure                                                                                                                                                                                                                                                                                                                              | Scottish Average | Current Performance | Previous Performance | RAG Status |
| NI-2: Percentage of adults supported at home who agree that they are supported to live as independently as possible                                                                                                                                                                                                                  | 74%              | 76%                 | 77%                  | Amber      |
| NB: it is intended to develop performance data in relation to the provision of specialist Equipment and Adaptations which will be added to this area for future reports.                                                                                                                                                             |                  |                     |                      |            |
| <b>Overall Assessment of Performance</b><br>The percentage of adults supported at home who agree that they are supported to live as independently as possible has reduced from the previous reporting period, but it is higher than the national average. This is reflective of growing workloads and increasing complexity of need. |                  |                     |                      |            |

| Principle 6: Assessment and Review                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                  |                     |                      |            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------------|----------------------|------------|
| Measure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Scottish Average | Current Performance | Previous Performance | RAG Status |
| Number of people waiting for Social Care Assessment (as at end March)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  | 175                 | 116                  | Red        |
| Total number of people assessed and waiting for a care at home package in the community (as at end March)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                  | 23                  | 32                   | Green      |
| Total number of people assessed and waiting for a care at home package in hospital                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                  | 13                  | 12                   | Amber      |
| <b>Overall Assessment of Performance</b><br>There is a mixed picture in relation to the assessment and review indicators. The number of people waiting for a social care assessment has increased indicating the continued increase in demand for social care services. The total number of people assessed and waiting for a care at home package in the community has reduced significantly by 28% but those assessed and waiting in hospital has increased very slightly by one patient. This demonstrates the continued efforts by the social work teams and our commissioned social care service providers to ensure assessments and reviews are undertaken timely and that there is capacity in the community to provide the necessary care. |                  |                     |                      |            |

| Principle 7: Focus on Prevention                          |                  |                     |                      |            |
|-----------------------------------------------------------|------------------|---------------------|----------------------|------------|
| Measure                                                   | Scottish Average | Current Performance | Previous Performance | RAG Status |
| NI-11: Premature mortality rate per 100,000 persons       | 426              | 440                 | 448                  | Amber      |
| Suicide Rates per 100,000 population (* 2024 data)        | 14.0             | 12.1                | 12.2                 | Green      |
| Suspected Drugs Deaths (* 2024 data)                      | 22.5             | 23.3                | 23.7                 | Amber      |
| Childhood Immunisations                                   | 90.9%            | 92.8%               | 89.2%                | Green      |
| School Immunisations                                      | 74.3%            | 72.6%               | 73.2%                | Red        |
| COVID Vaccinations                                        | 78.1%            | 68.2%               |                      | Red        |
| Flu Vaccinations                                          | 80.0%            | 80.0%               |                      | Amber      |
| Pneumococcal Vaccinations                                 | 24.6%            | 16.1%               |                      | Red        |
| RSV Vaccinations                                          | 68.1%            | 70.0%               |                      | Green      |
| Shingles Vaccinations                                     | 76.0%            | 77.0%               |                      | Green      |
| Health Visitor Contacts per age range (eligible children) | 89.0%            | 70.0%               | 68.0%                | Amber      |
| Primary 7 Dental Health (*)                               | 81.5%            | 85.0%               | 75.7%                | Green      |



## **Overall Assessment of Performance**

Performance against the indicators in the Prevention principle is mainly Green and Amber. The premature mortality rate in Aberdeen city is higher than the Scottish average but has improved from the previous reporting period. The suicide rate has decreased slightly and is lower than the Scottish average. Health Visitor Contacts have increased but are lower than the Scottish average. The rate of Primary 7 pupils showing no obvious dental decay has increased significantly and is above the Scottish average. The uptake of School Immunisations, Covid Vaccinations and Pneumococcal Vaccinations are all lower than the Scottish average although the School Immunisation rate is only slightly lower. We will focus on improving uptake rates in future years increasing awareness of the benefits to health and improving access by introducing more local pop-up clinics.

Performance against six of the areas is predominantly Green and Amber with Access reporting a Red status. This will be an area for the Aberdeen City IJB to focus on in future years. There are areas requiring continued focus and these include improvement in Care inspectorate Grades for commissioned social care services improving quality of service provision; creating capacity within adult social work through deployment of the Social Work Practitioner App to improve assessment times; redesigning service delivery to make more of a shift to community based provision; and continued focus on initiatives under Discharge without Delay to further improve performance in relation to Delayed Discharges.

## **1.4 Financial performance**

### **2025/26 Financial Overview**

#### **Annual accounts**

The annual accounts report the financial performance of Aberdeen City Integration Joint Board (IJB). Their main purpose is to demonstrate the stewardship of the public funds that have been entrusted to us for the delivery of our vision and strategic priorities. The requirements governing the format and content of IJBs' annual accounts are contained in The Code of Practice on Local Authority Accounting in the United Kingdom (the Code). These annual accounts have been prepared in accordance with the Code.

#### **2025/26 financial plan**

Each year we update our Medium-Term Financial Framework (MTFF) and agree our budget for the following financial year. The MTFF quantifies the projected financial gap over a multi-year period and sets out how we will target resources to maximise contribution to our strategic aims. For 2025/26, the IJB set a balanced budget for the year of £439m with £14.354m savings options embedded and was supported by one-off in-year partner funding of £10.909m (Aberdeen City Council £4.200m; NHS Grampian £6.709m), provided to enable the IJB to deliver a balanced budget position and to manage volatility and emerging pressures across the portfolio.

#### **Financial performance**

The IJB's financial performance for the year is presented in the Comprehensive Income and Expenditure Statement (CIES) [page 56]. The Balance Sheet [page 58] sets out the liabilities and assets at 31 March 2026.

The balanced budget set by the IJB for the financial year was £439m. The revised budget and outturn position of £475m reflect the full cost of services on the reporting basis used for year-end budget monitoring, including in-year funding changes, partner contributions, set-aside and other technical adjustments. The reported outturn is therefore compared with the revised budget rather than the budget originally approved at the start of the year.

The £36 million increase from the original budget of £439 million to the revised funding and outturn position of £475 million is explained by the following in-year movements:

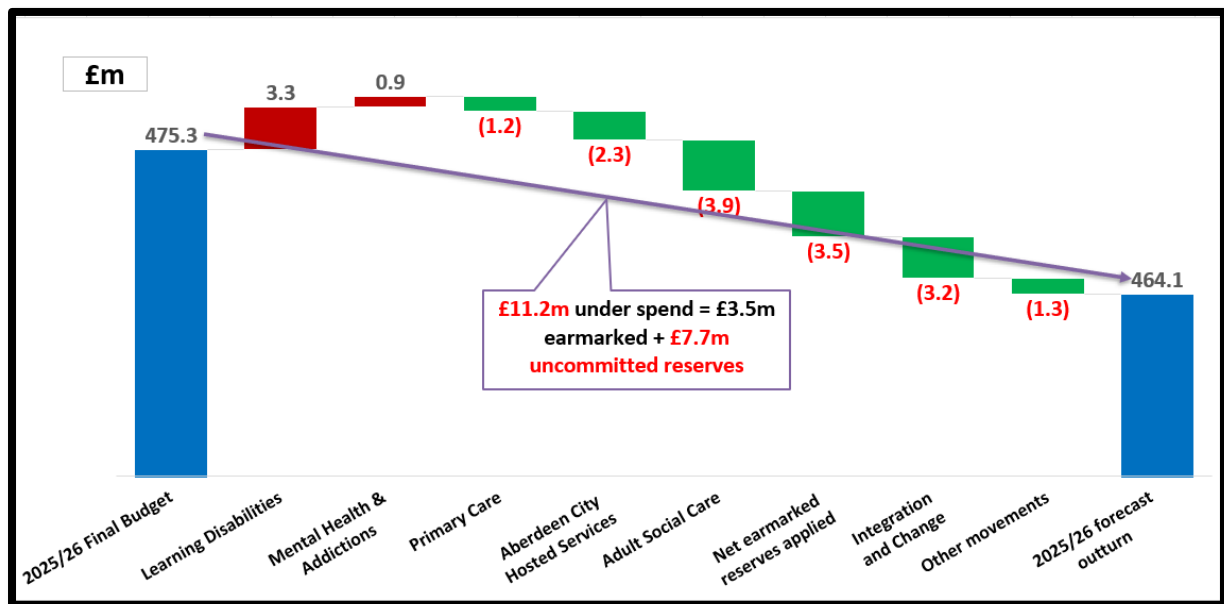


# Aberdeen City Health & Social Care Partnership

*A caring partnership*

- £7.088m increase in the NHSG set-aside year-end funding (Outturn £62.588m as against £55.550m assumed during Budget).
- £17.269m ring-fenced programmes funding, mainly relating to PCIP, ADP, Unscheduled Care Operational Improvement Programme, Action 15 and HSCP Digital Innovation fund. £3.527m of this funding is carried forward to the next financial year. Please refer to Section 4.4.10 providing an analysis of carried forward earmarked funds.
- £11.260m other funding allocations mainly for vaccinations, DDRB uplifts (Doctors and Dentist Review Body), MDT (Multi-Disciplinary Team), and pay uplifts.

## Headline outturn and reserves



The IJB reported an underspend of £11.231m against the revised budget of £475m (2.4% of cost of services). Of this, £3.527m was earmarked for specific purposes, leaving £7.704m added to uncommitted reserves at 31 March 2026.

The favourable position was mainly driven by underspends across Older People and Physical and Sensory Disabilities, Integration and Change, Community Health Services, Hosted Services and Primary Care, partly offset by ongoing demand and complexity pressures within Learning Disabilities, Out-of-Area Treatments, and Mental Health and Addictions. A detailed analysis of the service-level variances and key financial risks is provided in the IJB's 2025/26 outturn report, [City IJB - 2025/26 Outturn vs Budget](#)

Ten projects were identified through the 2025/26 budget-setting process to contribute to the IJB's savings target of £14.354 million. Further details on these projects and their year-end status are provided in section 1.3.1, Strategic Plan and Year 1 Delivery Plan. Delivery was achieved through a combination of planned savings measures and wider in-year financial management actions, contributing to the IJB reporting an underspend of £11.231 million against the revised budget. This does not indicate that the IJB has achieved a recurrently balanced financial position. The 2025/26 outturn was materially supported by £10.909m of one-off in-year partner funding, and significant underlying pressures remain within demand-led and high-cost services.



## Funding

The funding contribution / allocation from each of the partners during 2025/26 is as follows;

| Income / Funding for FY 2025-26 | ACC<br>£'000     | NHSG<br>£'000    | TOTAL<br>£'000   |
|---------------------------------|------------------|------------------|------------------|
| Funding commitments 2025-2026   | (137,831)        | (261,014)        | (398,844)        |
| Set asides                      | (1,771)          | (62,588)         | (64,359)         |
| eNIC                            | (303)            | (929)            | (1,232)          |
| Additional contribution         | (4,200)          | (6,709)          | (10,909)         |
| <b>Total – Income / Funding</b> | <b>(144,105)</b> | <b>(331,240)</b> | <b>(475,344)</b> |

## Reserves

At 31 March 2026, the IJB held total usable reserves of £11.231 million, compared with £nil at 31 March 2025. Of this balance, £3.527 million was earmarked for specific purposes and £7.704 million was held as uncommitted reserves. Details of these reserves are given in note 4.4.10. The uncommitted reserve balance of £7.704m provides important but limited short-term resilience as the Partnership enters 2026/27. It supports management of in-year volatility and targeted transformation and invest-to-save activity, but it is modest relative to the overall scale of expenditure and is not a substitute for recurring savings, service redesign or prioritisation decisions.

## **Year-on-year changes and key drivers**

The CIES shows that the cost of services increased by £7.062m year on year, from £457.051m in 2024/25 to £464.113m in 2025/26. This reflects a mixed picture across the portfolio: expenditure increased in a number of areas because of pay uplifts, inflation, additional workforce support, and continuing demand and complexity pressures, while other services delivered reductions through stronger commissioning control, vacancy management, contract review activity and service redesign.

## **Key drivers**

- Pay and non-pay inflation across both partner-delivered and commissioned services.
- Continuing demand growth and increasing complexity of need, particularly in high-cost packages of care, including Learning Disabilities and Mental Health & Addictions.
- Volatility in prescribing costs and volumes.
- System-flow impacts, including delayed discharge and associated commissioned capacity pressures, which can shift cost between settings and increase reliance on interim solutions.

## **Most material movements**

- **Primary Care** increased by **£3.408m (6.8%)**, driven mainly by a 45% rise in Board Administered Funds, reflecting Scottish Government workforce payments to support GP practice recruitment, retention and increased service capacity. Expenditure was also influenced by the 2025 26 Doctors' and Dentists' Review Body (DDRB) pay uplift, alongside increased utilisation of GP services. Aberdeen City GP practice lists grew by 3% compared to the previous year, contributing to higher demand for primary care services.
- **Set Aside Services** increased by **£3.350m (5.7%)**, consistent with Scottish Government baseline uplifts and wider inflationary pressures during the year. It also reflects higher staffing costs within Unscheduled Care pathways, partly driven by requirements associated with the Health and Care (Staffing) Act.
- **Learning Disabilities** increased by **£3.102m (6.0%)**, reflecting higher staffing and commissioning costs, including safe staffing requirements, long-term absence cover, Real Living Wage uplifts and delays in achieving planned savings from service changes and care package reviews. However, savings are expected to begin flowing from early 2026/27 as



service closures and care transitions are completed and the full impact of redesigns is realised, with continued governance, scrutiny and review activity supporting the delivery of efficiencies going forward.

- **Aberdeen City share of Hosted Services (health)** increased by **£1.189m (3.6%)**. The year-on-year movement is primarily attributable to an increased City share of ongoing cost pressures within the Aberdeenshire-hosted Continence and HMP Grampian services. This was partially offset by a 9% reduction in costs within the City-hosted Specialist Older Adults and Rehabilitation Service (SOARS), reflecting efficiency measures and the planned wind-down of activity ahead of the cessation of service provision at Rosewell House.
- **Older People & Physical and Sensory Disabilities** reduced by **£5.211m (4.7%)**. Significant savings were delivered, mainly through reduced commissioning costs, supported by an equivalency model that improved consistency in care provision and stronger oversight to ensure eligibility criteria were applied consistently. Enhanced governance, including strengthened panel arrangements and increased review activity across care services, alongside closer collaboration with providers, contract renegotiation and clearer communication with service users, also contributed. Improvements in charging practices and a wider cultural shift towards stronger financial awareness among frontline staff reinforced these measures. These savings were achieved alongside operational benefits, including reduced unmet need, improved management of care home capacity and fewer delayed discharges, with additional staffing savings arising from tighter recruitment controls, voluntary severance and early retirement.

Overall, the year-on-year movement demonstrates that, while some reductions were achieved through stronger controls, review activity and tighter workforce management, the underlying cost base remains under pressure from inflation, pay awards, prescribing volatility, demand growth and increasing complexity of need. In several areas, particularly Learning Disabilities, Primary Care, and Hosted Services, expenditure growth reflects structural factors that will continue to require close monitoring and active management in 2026/27.

Financial performance is not only about achieving budget balance; it is also about whether resources are being used effectively to deliver Best Value and improve outcomes. During 2025/26, strengthened financial resilience, vacancy management, commissioning review activity and tighter scrutiny of expenditure contributed to improved control of the year-end position. The continuing requirement is to ensure that financial decisions support safe, person-centred services, enable transformation aligned to the Strategic Plan, and shift resources over time towards prevention, community-based support and sustainable models of care.

Taken together, the 2025/26 outturn demonstrates improved in-year financial control, but it also confirms that the IJB continues to face significant underlying affordability pressures that will require recurring savings, service redesign and careful management of demand if financial sustainability is to be achieved over the medium term.

## **1.5 Key risks, mitigations and outlook**

### **Overview**

The IJB operates in a challenging and interdependent environment in which rising demand, increasing complexity of need, workforce pressures, market fragility and continuing financial constraint all affect the Partnership's ability to deliver its strategic objectives. Effective risk management is therefore central to the IJB's governance framework and supports safe service delivery, sound decision-making, financial stewardship and delivery of the Strategic Plan 2025–2029.

The IJB maintains a Strategic Risk Register to identify and monitor the principal risks to delivery of its objectives. The register is reviewed regularly by the Senior Leadership Team and reported through the Risk, Audit and Performance Committee to the IJB. This is supported by the Board Assurance and Escalation Framework, which helps to clarify the IJB's risk appetite, assurance sources, controls and escalation routes. During 2025/26, the IJB continued to strengthen the link between risk management, financial oversight, performance reporting and transformation governance, recognising that these are closely connected and must be considered together if risks are to be understood and managed effectively.



The principal risks described below are not standalone issues. Financial sustainability is affected by demand growth, prescribing pressures, workforce capacity, the resilience of commissioned services, and whole-system flow. In turn, those factors influence the pace at which transformation can be delivered and the extent to which resources can be shifted towards prevention and community-based support. While the improved year-end financial position for 2025/26 provided some short-term resilience, it does not remove the underlying structural pressures facing the IJB. The section below therefore summarises the most significant risks facing the IJB, the action taken during the year to mitigate them, the key sources of assurance available to the Board, and the outlook for 2026/27 and beyond. **A summary extract of the register as at March 2026 is below:**



| Risk ID                                  | Risk Appetite dimension                 | Risk Description                                                                                                                                                                                                                                                                                                                  | Current RAG Score | Target RAG Score | Risk Owner                                          |
|------------------------------------------|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------|-----------------------------------------------------|
| <b>SRR 1 -</b><br>Commissioned Services  | <b>Commissioned and Hosted Services</b> | Risk of commissioned third sector and independent provider services may not be effectively coordinated to meet the needs of local communities.                                                                                                                                                                                    | 16                | 12               | Chief Officer Social Work and Lead for Primary Care |
| <b>SRR 2 –</b> Financial Sustainability  | <b>Finance</b>                          | Financial sustainability risk that demands for services will exceed the available budget, and delegated resources from partners may be insufficient to deliver the IJB's strategic objectives.<br><b>Note:</b> The risk score was reduced from 20 to 16, reflecting the £11.2 million underspend reported to the IJB in May 2026. | 20                | 16               | Chief Finance Officer                               |
| <b>SRR 3 -</b> Hosted Services           | <b>Commissioned and Hosted Services</b> | Risk that hosted services do not deliver the expected outcomes, fail to deliver transformation of services, or face service failure resulting in reputational damage.                                                                                                                                                             | 16                | 12               | Strategy and Transformation Lead                    |
| <b>SRR 4 –</b> Performance and Standards | <b>Regulation and Compliance</b>        | Risk that the services that IJB directs and has operational oversight of, fails to meet the national, regulatory and local standards                                                                                                                                                                                              | 12                | 6                | Strategy and Transformation Lead                    |
| <b>SRR 5 -</b> Transformation            | <b>Quality and Innovation</b>           | Risk of failure to deliver transformation and sustainable systems change.                                                                                                                                                                                                                                                         | 12                | 6                | Strategy and Transformation Lead                    |



|                                     |                                                 |                                                                                                                                                                                       |           |          |                                  |
|-------------------------------------|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------|----------------------------------|
| <b>SRR 6 – Community Engagement</b> | <b>Safety/Quality and Innovation/Reputation</b> | Risk of IJB fails to maximise the opportunities created for engaging with our communities                                                                                             | <b>6</b>  | <b>4</b> | Strategy and Transformation Lead |
| <b>SRR 7 - Workforce</b>            | <b>Finance/Regulation and Compliance</b>        | Risk of failure to manage staffing budgets within forecasted predictions.                                                                                                             | <b>16</b> | <b>8</b> | Lead for People and Organisation |
| <b>SRR 8 -Premises</b>              | <b>Finance/Regulation and Compliance</b>        | Risk that buildings across the city, operated by, or overseen by, the IJB/ACHSCP are not being used to maximum efficiency and are not in line with statutory/regulatory requirements. | <b>8</b>  | <b>6</b> | Strategy and Transformation Lead |

## Risk management and internal control - Summary

The IJB's system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve strategic and operational objectives and can provide reasonable, not absolute, assurance. Key elements include: clear lines of accountability and delegated authority; financial planning and budgetary control; performance management and reporting; commissioning and contract management controls; clinical and care governance arrangements (where applicable); information governance; business continuity and emergency planning; and policies and procedures embedded across partner organisations. The effectiveness of controls is supported through routine management reporting to the Partnership Senior Leadership Team and the IJB's committees, alongside planned internal audit activity and other sources of assurance (for example, inspections, contract monitoring and performance reviews).

The IJB's Board Assurance and Escalation Framework (BAEF) is reviewed annually and sets out the regulatory framework of the IJB to support its vision, values and principles, within which the IJB and its Committees will work. Fundamental to the framework are the IJB's strategic priorities and the appetite for risk that exists across these priorities. The BAEF presents and populates a model where individuals, groups and committees, plans, reports, and reporting processes are mapped at different organisational levels, against two broad assurance requirements - compliance and transformation.

During 2025/26 the IJB and ACHSCP received internal audits on various service areas, including Financial Sustainability, which provided recommendations for the SLT to implement, whilst giving the IJB moderate assurance based on the findings of the audit.

## Principal risks

The most significant strategic risks for the IJB are summarised below. These risks are inter-related and reflect the current operating context of rising demand, constrained resources, workforce challenges, reliance on commissioned capacity, and whole-system dependencies.

## Financial sustainability

The IJB faces a continuing risk that demand and cost pressures may exceed available resources and that planned savings may not be delivered in full or at the required pace. If this risk were to materialise, it would create in-year financial pressure and reduce the IJB's financial resilience.



During 2025/26, this risk was mitigated through strengthened in-year financial reporting, enhanced budget accountability and closer governance of delivery and transformation activity. Scenario planning supported the early identification of emerging variances and informed corrective action where required. Alignment between the Strategic Plan and the Medium-Term Financial Framework also supported a more coherent and deliverable multi-year approach to financial sustainability.

Key controls and sources of assurance included established budget-setting arrangements, routine in-year budget monitoring, variance escalation and corrective action, and oversight of reserves. Governance over savings delivery was further strengthened through the Budget Savings Oversight Group (BSOG), which provided focused oversight of savings and transformation activity, monitored delivery risks and mitigating actions, considered slippage and non-delivery, and supported escalation where further intervention or decision-making was required. This provided an additional level of scrutiny and assurance over the pace, robustness and deliverability of savings proposals and their alignment with the IJB's wider financial planning.

Further assurance was provided through internal audit coverage of key financial controls and governance, including an internal audit review of the IJB's financial sustainability during 2025/26. The IJB also received regular financial monitoring reports throughout the year.

The Quarter 4 financial position for 2025/26 was reported to the IJB in May 2026 and recorded an underspend of £11.2 million. In light of that reported position, the strategic risk score was reduced to 16, reflecting an assessment that the likelihood of occurrence is likely and the potential impact is major.

## **Commissioned service capacity and performance (market fragility)**

The IJB faces a continuing risk that commissioned providers may be unable to fully meet contractual requirements or sustain sufficient service capacity. If this risk were to materialise, it could lead to unmet need, increased delayed discharge pressures, greater reliance on out-of-area placements and higher overall costs.

During 2025/26, this risk was mitigated through active contract management and ongoing market engagement, with a continued focus on commissioning for outcomes and value. Targeted capacity planning was undertaken in higher-risk service areas, including homecare, care home provision and complex care, and escalation routes were in place where service continuity risks emerged. These arrangements were intended to support provider sustainability, maintain continuity of care and reduce the risk of disruption to key commissioned services.

Key controls and sources of assurance included commissioning strategies and market management arrangements, contract key performance indicators, quality monitoring processes and routine provider review meetings. Additional assurance was provided through escalation and business continuity arrangements in relation to potential provider failure, alongside financial and quality due diligence where required and sampling or audit of contract compliance. Together, these controls supported oversight of provider performance, quality and resilience across the commissioned market.

During the year, current initiatives included the return of Bon Accord Care services to an in-house model, which is expected to support greater efficiency and improved control over service delivery. In addition, a test of change was undertaken in relation to Scotland-wide GP Walk-in Services. These developments formed part of the wider response to managing market fragility, improving sustainability and strengthening the IJB's oversight of commissioned service capacity and performance.

## **Hosted services**

The IJB faces a continuing risk that hosted services may not deliver the expected outcomes, may be unable to deliver required transformation, or may experience service failure, with consequent implications for performance, reputation and affordability. This risk reflects the complexity of governance and assurance arrangements where services are delivered across organisational and geographical boundaries.



During 2025/26, this risk was mitigated through established hosted service governance arrangements, routine performance and financial reporting, and continued engagement with partner Integration Joint Boards and host authorities. Oversight focused on service performance, affordability, delivery of planned change and escalation of risks where service delivery or transformation progress was a concern.

Key controls and sources of assurance included hosted service governance groups, service-level performance and finance reporting, formal partnership and host governance arrangements, and escalation routes through the IJB and its committees where required. These arrangements were intended to provide assurance over accountability, performance, risk and the delivery of expected outcomes across hosted services.

## **Workforce capacity, wellbeing and productivity**

The IJB faces a continuing risk that workforce shortages, recruitment and retention challenges, and rising sickness absence may reduce service capacity and increase reliance on agency and bank staffing. If this risk were to materialise, it could undermine service performance and affordability and place additional pressure on the sustainability of service delivery.

During 2025/26, this risk was mitigated through workforce planning aligned to the Strategic Plan and the Medium-Term Financial Framework, alongside targeted actions to support recruitment and retention. Vacancy control arrangements linked to service redesign also remained in place, supported by a continued focus on staff wellbeing and the application of safe staffing models where required. These arrangements were intended to support workforce resilience, maintain service continuity and ensure that staffing resources were deployed as effectively as possible within the available budget.

Key controls and sources of assurance included the refreshed Workforce Plan, establishment control data, recruitment and retention monitoring, sickness absence management arrangements and staff wellbeing initiatives. Additional assurance was provided through safe staffing escalation processes, where applicable, agency controls and approval arrangements, and regular workforce KPI reporting. The Senior Leadership Team also considered Governance Dashboard data on a monthly basis, including workforce information, to support oversight of emerging pressures, trends and mitigating actions.

During the year, Aberdeen City Health and Social Care Partnership continued to operate the Vacancy Assessment Protocol, which encourages services to consider alternatives to filling vacancies on a like-for-like basis. This approach operated throughout 2025/26 and has become embedded in routine practice. In addition to supporting vacancy management and redesign, it contributed to savings and strengthened the Partnership's ability to manage workforce capacity in a more planned and sustainable way.

## **Deliverability of transformation and pace of change**

The IJB faces a continuing risk that transformation benefits, including savings and service redesign, may not be delivered at the required pace or within the planned timescales. If this risk were to materialise, it could result in continued reliance on short-term measures and reduce the IJB's ability to protect preventative services and other high-impact forms of support.

During 2025/26, this risk was mitigated through clear programme governance and a continued focus on benefits realisation. Integrated Impact Assessments were undertaken for material change proposals, alongside engagement with communities and stakeholders to inform planning and decision-making. Regular reporting on programme milestones, delivery risks and dependencies also supported oversight of progress and enabled emerging issues to be identified and addressed at an early stage.

Key controls and sources of assurance included the Programme Management Office governance approach, with defined Senior Responsible Officers for individual programmes, a benefits realisation methodology, milestone reporting and exception escalation arrangements, Integrated Impact Assessments, and the management of dependencies and risks within each programme. Together,



these controls supported a more structured and disciplined approach to transformation delivery and provided assurance over progress, governance and the management of implementation risks.

During the year, a significant development was the establishment of the Social Work Transformation Programme Board. This strengthened governance and oversight of transformation activity within social work services and provided a clearer structure for managing programme delivery, tracking progress and escalating issues where required. This is expected to support a more coordinated and sustainable approach to delivering change and securing the intended benefits of transformation over time.

## **Performance and standards**

The IJB also faces a continuing risk that services it directs, or over which it has operational oversight, may not consistently meet required national, regulatory or local standards. If this risk were to materialise, it could adversely affect quality, safety, user experience, compliance and public confidence.

During 2025/26, this risk was mitigated through established performance management and governance arrangements, including routine monitoring of service performance, quality and compliance, alongside scrutiny through the IJB's governance structures. Improvement activity was progressed where performance issues or areas of non-compliance were identified.

Key controls and sources of assurance included performance dashboards, regulatory and quality monitoring, clinical and care governance arrangements, service reviews, internal audit activity where relevant, and reporting through the Senior Leadership Team, Clinical and Care Governance structures, the Risk, Audit and Performance Committee and the IJB. Together, these arrangements supported oversight of service quality, standards and improvement activity across the Partnership.

## **Additional assurance and horizon scanning**

In addition to the principal risks above, the IJB continues to receive assurance and oversight in relation to other important areas, including system flow, health and safety, emergency planning, information governance, cyber security, fraud prevention and wider compliance matters. In many of these areas, the IJB draws assurance from Aberdeen City Council and NHS Grampian as partner organisations, alongside its own governance processes.

The Senior Leadership Team also undertakes horizon scanning to identify emerging risks. This is important in a volatile external environment where national, economic or supply-related disruption could affect service continuity. Emerging risks are considered through established governance routes and escalated where appropriate.

Community engagement and involvement in decision-making also remains an important area of strategic risk. In a period of financial constraint and service redesign, the IJB recognises that effective engagement with communities, carers, providers, staff and people with lived experience is essential to transparent decision-making, impact assessment and the successful delivery of change. During 2025/26, this was supported through structured engagement activity linked to transformation, budget development and Integrated Impact Assessments.

## **Outlook (2026/27 and beyond)**

Looking ahead, the IJB's overall risk profile remains heightened. While the improved 2025/26 year-end position has provided some short-term resilience and enabled the rebuilding of uncommitted reserves, this does not remove the underlying requirement to achieve recurring financial balance through sustained savings delivery, service redesign and tighter management of demand-led pressures. The most material risks entering 2026/27 remain financial sustainability, workforce capacity, commissioned service resilience, whole-system flow and the deliverability of transformation at the pace required.

These risks are closely interrelated. For example, constraints in community workforce capacity or commissioned provision can increase delayed discharge and whole-system pressure; delays in



transformation can prolong reliance on short-term measures; and sustained demand and cost pressures in high-cost and complex services can undermine financial resilience and reduce the scope to invest in prevention and earlier intervention. The key challenge for the IJB in 2026/27 will therefore be not only to maintain effective oversight of individual risks, but to ensure that mitigating actions across the system translate into measurable improvement in affordability, service sustainability and outcomes.

The Scottish Government's Programme for Government reinforces the national direction towards prevention, early intervention, community-based care, and public-service reform. These priorities align with the IJB's Strategic Plan 2025–2029 and its focus on modernising services and shifting care closer to home. The IJB will continue to assess the local delivery and financial implications as further funding and implementation detail becomes available.

In response, the IJB will continue to focus on maintaining safe, person-centred services while strengthening in-year financial control, improving forecasting, accelerating recurring savings, stabilising and reshaping commissioned services, supporting workforce resilience, improving system flow and strengthening programme governance for transformation. This will require clear prioritisation, difficult decisions and sustained collaboration with partner organisations, providers and wider stakeholders.

The IJB also recognises the need to maintain oversight of emerging external risks that could affect service continuity, operating costs or delivery capacity during 2026/27. This includes the potential for supply-side disruption, such as fuel availability, which could have implications for transport-dependent and community-based services. Such risks will continue to be monitored through horizon scanning, business continuity and emergency planning arrangements, with critical services identified and prioritised where necessary through established local and national resilience arrangements, including the UK Government's National Emergency Plan for Fuel.

## **Continuous improvement of risk reporting**

An audit of the Strategic Risk Register was undertaken by NHS Grampian's Corporate Risk Management Adviser during 2025/26, with the findings informing a programme of improvements to be implemented in 2026/27. These improvements will include clearer review dates for each risk, a more explicit articulation of risk appetite, and clearer assurance routes and reporting arrangements. They will also strengthen the linkage between principal risks, key controls, available sources of assurance, including internal audit activity, and any identified assurance gaps.

As a result, the Strategic Risk Register will be updated to reflect the audit findings. This work is led by the Business, Resilience and Communications Lead, working with risk owners, and started in July 2026. The revised format will then be reported to the Risk, Audit and Performance Committee in November 2026.

## **1.6 Our priorities and plans for the years ahead**

Looking ahead to 2026/27 and beyond, our priorities are set out in the Strategic Plan 2025–2029 and its Route Map for Delivery. Over the coming years, the Partnership will focus on modernising our approach to service delivery and shifting further towards prevention and early intervention, while maintaining safe, person-centred services and improving outcomes. Delivering this will require sustained transformation, strong financial resilience and clear prioritisation to ensure services remain sustainable and deliver best value.

In 2025/26, the improved year-end position provided welcome resilience, but it does not remove the underlying requirement for recurring savings and service redesign; the MTFF sets out the outlook and the scale of change required from 2026/27 onwards.

## **Medium-Term Financial Framework (MTFF): priorities, delivery approach and outlook**

Approved by the IJB in March 2026, the Medium-Term Financial Framework (MTFF) for 2026/27–2030/31 sets out the scale of the medium-term financial challenge and the approach required to



achieve sustainability through recurring savings and service redesign, aligned to the Strategic Plan 2025–2029.

The MTFF indicates a persistent underlying funding gap, with a requirement for £17.128m of recurring savings in 2026/27, rising to £36.519m by 2030/31. In parallel, the IJB must reduce reliance on non-recurring measures and strengthen financial resilience over time.

To respond to this, the MTFF sets out a four-pillar savings and reform programme that focuses on shifting capacity and spend towards the right care, in the right place, at the right time—while protecting core statutory services and high-impact preventative support.

## Four-pillar savings and reform programme

- **Pillar A – Right care, right place: shifting the balance sustainably:** scaling community alternatives to admission and supporting earlier discharge (including Hospital at Home / urgent care at home, urgent community response for frailty, and intermediate care and reablement).
- **Pillar B – Commissioning for outcomes and value:** improving value and outcomes in commissioned services, including learning disability and complex care redesign (reducing reliance on out-of-area placements), and home care modernisation (outcomes-based commissioning, stabilising supply and productivity).
- **Pillar C – Prescribing and clinical effectiveness:** reducing unwarranted variation and containing prescribing inflation through formulary adherence, medication reviews at scale, and stronger management of high-cost drug pathways.
- **Pillar D – Corporate efficiency and enablers:** improving productivity through vacancy and skill mix control linked to redesign, estate and digital rationalisation, and shared services/back-office efficiencies.

## Reserves, non-recurring reliance and financial resilience

The MTFF sets an intent to rebuild contingency reserves over the medium term (targeting 2–4% of net expenditure across the planning period) and to reduce reliance on non-recurring solutions (including a stated ambition to cap non-recurring “plugs” to below 0.5% of net budget by 2027/28). We will set realistic budgets that minimise reliance on in-year partner contributions and non-recurring interventions, recognising that these cannot provide a sustainable solution to the underlying funding gap. This reinforces the importance of disciplined in-year financial management and delivery of recurring savings at pace. Reserves provide limited but important resilience, but they are not a substitute for recurring savings or the affordability and prioritisation decisions required to achieve sustainable services.

Given the scale of the financial challenge, delivering the MTFF will require timely decisions on affordability and prioritisation, including changes to service models and, where necessary, reducing or stopping lower-impact activity to protect statutory duties and services for people with the greatest need.

## Key dependencies and risks

The MTFF highlights that successful delivery is dependent on whole-system improvement and a sustained pace of change, including:

- **Demand growth and complexity**, including frailty, learning disability transitions/complex care, mental health demand patterns, and high-cost packages.
- **Acute system flow**, including delayed discharge and avoidable admissions, with community cost pressures strongly influenced by hospital flow and capacity constraints.



- **Commissioned services inflation and market fragility**, including Real Living Wage impacts and national contract uplifts (including National Care Home Contract pressures).
- **Prescribing volatility**, where relatively small deviations from assumptions can create significant in-year pressure.
- **Deliverability and timing of savings**, recognising that delays in implementation can create material in-year pressures.

## Governance and engagement

The MTFF also emphasises the need for strong programme governance, routine performance and finance reporting, and continued use of Integrated Impact Assessments for material changes, alongside engagement with communities, carers, third sector and people with lived experience to support transparent decision-making and mitigate adverse impacts. Delivery will be supported through strengthened oversight arrangements, including the Budget Savings Oversight Group (BSOG), which monitors savings delivery, risks, mitigations and escalation requirements alongside regular reporting on programme milestones and benefits realisation to the Board and its committees. We will communicate clearly and transparently with communities, staff and partners about why changes are required, the options considered, and the likely impacts, and we will use Integrated Impact Assessments and engagement to inform decisions and identify mitigations.

## Priorities for 2026/27

- Maintain safe, person-centred services while delivering a balanced budget and strengthening in-year financial resilience and forecasting.
- Improve system flow by expanding community alternatives to admission and accelerating discharge (including Hospital at Home/urgent care at home, urgent community response and intermediate care/reablement).
- Stabilise and reshape commissioned services, with a focus on homecare modernisation and market capacity/sustainability (including managing Real Living Wage and national contract uplift pressures through improved productivity and commissioning for outcomes).
- Reduce the growth in high-cost packages and placements by progressing learning disability and complex care redesign (including reducing reliance on out-of-area placements where possible).
- Contain prescribing inflation and volatility through clinical effectiveness and medicines optimisation, including formulary adherence and scaled medication review programmes.
- Strengthen programme governance and benefits realisation, ensuring Integrated Impact Assessments and engagement are embedded for material change and that delivery risks are actively managed.



## Chief Officers

There were two Chief Finance Officers and a Deputy Chief Finance Officer during the year. Amy McDonald was appointed as CFO in December 2024 and resigned in July 2025 and Jonathan Belford, Chief Officer – Finance, Aberdeen City Council was appointed as interim CFO. Jonathan Belford took up the post in July 2025 in addition to his council responsibilities and was the CFO as at 31 March 2026. Lakshmi Kudlur joined as Deputy Chief Finance Officer with effect from 16 February 2026.

*Hussein Patwa*

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**Hussein Patwa**  
IJB Chair



*Fiona Mitchellhill*

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**Fiona Mitchellhill**  
Chief Officer



*Jonathan Belford*

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**Jonathan Belford**  
Interim Chief Finance Officer



30 September 2026



**2. Independent auditor's report to the members of Aberdeen City Integration Joint Board and the Accounts Commission**

**Independent auditor's report to the members of Aberdeen City Integration Joint Board and the Accounts Commission**

**Reporting on the audit of the financial statements**

**Opinion on financial statements**

I certify that I have audited the financial statements in the annual accounts of Aberdeen City Integration Joint Board for the year ended 31 March 2026 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the 2025/26 Code).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the board as at 31 March 2026 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2025/26 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

**Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 3 April 2023. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard was not provided to the board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Conclusions relating to going concern basis of accounting**

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the board's current or future financial sustainability. However, I report on the board's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).



### **Risks of material misstatement**

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

### **Responsibilities of the Chief Finance Officer and Aberdeen City Integration Joint Board for the financial statements**

As explained more fully in the Statement of Responsibilities, the Chief Finance Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the board's operations.

The Aberdeen City Integration Joint Board is responsible for overseeing the financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of the board;
- inquiring of the Chief Finance Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the board;
- inquiring of the Chief Finance Officer concerning the board's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the board's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.



A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

## **Reporting on other requirements**

### **Opinion prescribed by the Accounts Commission on the audited parts of the Remuneration Report**

I have audited the parts of the Remuneration Report described as audited. In my opinion, the audited parts of the Remuneration Report have been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

### **Other information**

The Chief Finance Officer is responsible for the other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited part of the Remuneration Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

### **Opinions prescribed by the Accounts Commission on the Management Commentary and Annual Governance Statement**

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

### **Matters on which I am required to report by exception**

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.



### **Conclusions on wider scope responsibilities**

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in my Annual Audit Report.

### **Use of my report**

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

*Michael Oliphant*

### **Michael Oliphant FCPFA**

Audit Director  
Audit Scotland  
4th Floor  
102 West Port  
EDINBURGH  
EH3 9DN

30 September 2026



### 3. Governance and Accountability

#### 3.1 IJB and Sub Committees Membership

| <b>IJB and Sub Committees Membership</b> |                                                        |                                                                                                |
|------------------------------------------|--------------------------------------------------------|------------------------------------------------------------------------------------------------|
| <b>Integration Joint Board</b>           |                                                        |                                                                                                |
| Hussein Patwa, <u>Chair</u>              | NHSG <b>voting</b> member                              | Appointed Chair 26 April 2025<br>(Appointed as Member 22 August 2023; VC from 10 October 2023) |
| Councillor John Cooke, <u>Vice Chair</u> | ACC <b>voting</b> member                               | Appointed Vice Chair 26 April 2025<br>(Chair 25 April 2023; VC from 7 June 2022)               |
| Prof. David Blackburn                    | NHSG <b>voting</b> member                              | Nominated July 2024, noted 24 September 2024                                                   |
| Ritchie Johnson                          | NHSG <b>voting</b> member                              | Nominated July 2024, noted 24 September 2024                                                   |
| Mark Burrell                             | NHSG <b>voting</b> member                              | Appointed 22 August 2023                                                                       |
| Councillor Lee Fairfull                  | ACC <b>voting</b> member                               | Appointed 22 August 2023; Last meeting 6 February 2024, reappointed 19 November 2024           |
| Councillor Martin Greig                  | ACC <b>voting</b> member                               | Appointed 7 June 2022                                                                          |
| Councillor M. Tauqeer Malik              | ACC <b>voting</b> member                               | Appointed 11 March 2025                                                                        |
| Amanda Foster<br>Kenneth McAlpine        | Patient/Service User Reps                              | Appointed 9 July 2024                                                                          |
| Jamie Donaldson                          | NHSG Staff Rep                                         | Appointed 22 August 2023                                                                       |
| Brenda Massie                            | ACC Union Rep                                          | Appointed 31 July 2025                                                                         |
| Jenny Gibb                               | NHSG Nursing Rep                                       | Appointed 5 February 2020<br>(Resigned 5 August 2026)                                          |
| Stephen Friar/ Joy Miller                | Senior Leadership Team - Medicine and Unscheduled Care | Appointed 12 Feb 2025                                                                          |
| Maggie Hepburn (ACVO)                    | Third Sector Rep                                       | Term extended - Reappointed 19 November 2024                                                   |
| Dr Caroline Howarth                      | Clinical Director                                      | Appointed January 2019                                                                         |
| Vicki Johnstone                          | Carer Rep                                              | Appointed 12 May 2026                                                                          |
| Phil Mackie                              | NHSG Depute Director of Public Health                  | Appointed 7 June 2022                                                                          |
| Fiona Mitchelhill                        | Chief Officer                                          | Appointed 23 February 2024<br>(first meeting 26 March 2024)                                    |
| Jonathan Belford                         | Interim Chief Finance Officer                          | Appointed July 2025                                                                            |
| Graeme Simpson                           | ACC, Chief Social Work Officer                         | Appointed 28 August 2018                                                                       |
| <b>Resigned:</b>                         |                                                        |                                                                                                |
| Jim Currie                               | ACC Union Rep                                          | Resigned 31 July 2025                                                                          |
| Amy McDonald                             | Chief Finance Officer                                  | Appointed December 2024; resigned 2 July 2025                                                  |
| Shona McFarlane                          | Carer Rep                                              | Appointed March 2020<br>Resigned 12 May 2026                                                   |



| <b>Risk, Audit and Performance Committee</b> |             |                                                                     |
|----------------------------------------------|-------------|---------------------------------------------------------------------|
| Ritchie Johnson                              | Chair, NHSG | Appointed Chair 30 November 2025 (Member from July 2024)            |
| Hussein Patwa                                | NHSG        | Appointed 22 August 2023                                            |
| Councillor John Cooke                        | ACC         | Appointed 7 June 2022                                               |
| Councillor Martin Greig                      | ACC         | Chair 17 November 2022 – 30 November 2025 (Member from 7 June 2022) |

| <b>Clinical Care &amp; Governance Group</b> |            |                                                                 |
|---------------------------------------------|------------|-----------------------------------------------------------------|
| Councillor Lee Fairfull                     | Chair, ACC | Appointed Chair 30 November 2025 (Member from 19 November 2024) |
| Councillor M.Tauqeer Malik                  | ACC        | Appointed 18 March 2025                                         |
| Professor David Blackburn                   | NHSG       | Appointed 24 September 2024                                     |
| Mark Burrell                                | NHSG       | Chair to November 2025 (Member from 22 August 2023)             |



### **3.2 Statement of Responsibilities**

#### **3.2.1 Responsibilities of the Integration Joint Board**

The Integration Joint Board is required to:

- make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the board has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973); in this authority, that officer is the Chief Finance Officer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far, as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland act 2003).
- approve the Annual Accounts.

I confirm that these Annual Accounts were approved for signature by the Integration Joint Board at its meeting on **29 September 2026**.

Signed on behalf of the Aberdeen City Integration Joint Board

*Hussein Patwa*

**Hussein Patwa**  
IJB Chair

30 September 2026



### 3.2.2 Responsibilities of the Chief Financial Officer

The Chief Financial Officer is responsible for the preparation of the Integration Joint Board's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code).

In preparing the Annual Accounts, the Chief Financial Officer is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with applicable legislation
- comply with the Accounting Code, so far as it is compatible with legislation.

The Chief Financial Officer is also responsible for ensuring that:

- proper accounting records are maintained and kept up to date;
- appropriate and effective systems of internal control are in place;
- financial risks are identified, assessed and managed;
- reasonable steps are taken for the prevention and detection of fraud and other irregularities;

I certify that the financial statements give a true and fair view of the financial position of the Aberdeen City Integration Joint Board as at 31 March 2026 and the transactions for the year then ended.

*Jonathan Belford*

**Jonathan Belford**  
Interim Chief Finance Officer

30 September 2026



### 3.3 **Remuneration Report**

#### **Introduction**

This Remuneration Report is provided in accordance with the Local Authority Accounts (Scotland) Regulations 2014. It discloses information relating to the remuneration and pension benefits of specified members and senior officers of the IJB.

For the purposes of this report, remuneration includes salary, fees and allowances, taxable expenses and any compensation for loss of office, where applicable, but excludes employer pension contributions. Pension benefits are disclosed separately where required.

The information in the tables below is subject to external audit. The explanatory text in the Remuneration Report is reviewed by the external auditor to ensure it is consistent with the financial statements.

#### **Remuneration: IJB Chair and Vice-Chair**

The voting members of the IJB are appointed through nomination by Aberdeen City Council and NHS Grampian. The positions of IJB Chair and Vice-Chair alternate between a Councillor and a Health Board representative every two years.

The IJB does not provide any additional remuneration to the Chair, Vice-Chair or any other board members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. The details of the Chair and Vice-Chair appointments and any taxable expenses paid by the IJB are shown below.

| <b>Taxable Expenses<br/>2024/25<br/>£</b> | <b>Name</b>           | <b>Post(s)<br/>Held</b> | <b>Nominated by</b>   | <b>Taxable Expenses<br/>2025/26<br/>£</b> |
|-------------------------------------------|-----------------------|-------------------------|-----------------------|-------------------------------------------|
| Nil                                       | Hussein Patwa         | Chair                   | NHS Grampian          | Nil                                       |
| Nil                                       | Councillor John Cooke | Vice Chair              | Aberdeen City Council | Nil                                       |
| <b>Nil</b>                                | <b>Total</b>          |                         |                       | <b>Nil</b>                                |

*\*Note: The Chair and Vice Chair were appointed to their roles on 26 April 2025. Prior to that Cllr John Cooke was the Chair and Hussein Patwa as the Vice Chair.*

The IJB does not have responsibilities, either in the current year or in future years, for funding any pension entitlements of voting IJB members. Therefore, no pension rights disclosures are provided for the Chair or Vice-Chair.

#### **Remuneration: Officers of the IJB**

The IJB does not directly employ any staff in its own right, however specific post-holding officers are non-voting members of the Board.

##### Chief Officer

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014, a Chief Officer for the IJB must be appointed and the employing partner must formally second the officer to the IJB. The employment contract for the Chief Officer will adhere to the legislative and regulatory framework of the employing partner organisation. The remuneration terms of the Chief Officer's employment are approved by the IJB.

##### Other Officers

No other staff are appointed by the IJB under a similar legal regime. Other non-voting board members who meet the criteria for disclosure are included in the disclosures below.

Where annualised remuneration is shown for senior officers, it is intended to support comparability where an individual served for only part of the year or on a basis that requires annualisation under the



Regulations. No bonuses were paid by the IJB during 2025/26. No benefits in kind were provided by the IJB other than taxable expenses disclosed in this report, and those taxable expenses were nil. No compensation for loss of office, no ex-gratia payments and no exit packages requiring disclosure were paid directly by the IJB during the year.

| <b>Total<br/>Remuneration<br/>2024/25<br/>£</b> | <b>Senior<br/>Employees</b>                                                         | <b>Full Time<br/>Equivalent<br/>Salary<br/>£</b> | <b>Salary<br/>Fees &amp;<br/>Allowances<br/>£</b> | <b>Taxable<br/>Expenses<br/>£</b> | <b>Total<br/>Remuneration<br/>2025/26<br/>£</b> |
|-------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------|---------------------------------------------------|-----------------------------------|-------------------------------------------------|
| 108,294                                         | <b>Fiona Mitchelhill</b><br>Chief Officer<br>From 19/02/24                          | 113,731                                          | 115,713                                           | -                                 | 115,713                                         |
| 25,197                                          | <b>Amy McDonald</b><br>Chief Finance<br>Officer<br>From 19/12/2024<br>To 02/07/2025 | 103,913                                          | 27,914                                            | -                                 | 27,914                                          |
| -                                               | <b>Lakshmi Kudlur</b><br>Depute Chief<br>Finance Officer<br>From 16/02/2026         | 86,605                                           | 10,568                                            | -                                 | 10,568                                          |
| <b>133,491</b>                                  | <b>Total</b>                                                                        | <b>304,249</b>                                   | <b>154,194</b>                                    | <b>-</b>                          | <b>154,194</b>                                  |

Jonathan Belford acted as Interim Chief Finance Officer for the Partnership from July 2025 while continuing in his substantive post as Chief Officer - Finance for Aberdeen City Council. In undertaking the interim role, he continued to provide direct support to the IJB's governance and financial management arrangements, including oversight of financial reporting, budget monitoring, year-end accounts and wider financial advice to the Board and its committees, thereby maintaining continuity of financial leadership during the period of transition. Going forward, the Deputy Chief Finance Officer will support the day-to-day financial management and governance requirements of the IJB, with Jonathan Belford's continuing involvement focused on providing strategic oversight, continuity and support during the transition of responsibilities. No recharge was made by Aberdeen City Council to the Partnership in respect of the time he contributed in carrying out the interim Chief Finance Officer role.

## Pension benefits

In respect of officers' pension benefits the statutory liability for any future contributions to be made rests with the relevant employing partner organisation. On this basis there is no pensions liability reflected on the IJB balance sheet for the Chief Officer or any other officers.

The IJB however has responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the IJB.

The following table shows the IJB's funding during the year to support officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.



| Officer Name             | Responsibility                                                   | Accrued Pension Benefits    |                                     |                               |                                            | In-year Pension Contribution |               |
|--------------------------|------------------------------------------------------------------|-----------------------------|-------------------------------------|-------------------------------|--------------------------------------------|------------------------------|---------------|
|                          |                                                                  | Pension as at<br>31/03/2026 | Pension Difference<br>from 31/03/25 | Lump sum<br>as at<br>31/03/26 | Lump sum<br>difference<br>from<br>31/03/25 | 2025/26                      | 2024/25       |
|                          |                                                                  | £                           | £                                   | £                             | £                                          | £                            | £             |
| <b>Fiona Mitchelhill</b> | <b>Chief Officer</b><br>From 19/02/24                            | 40,670                      | 4,702                               | 96,164                        | 6,375                                      | 26,035                       | 24,491        |
| <b>Amy McDonald</b>      | <b>Chief Finance Officer</b><br>From 19/12/2024<br>To 02/07/2025 | 1,051                       | 569                                 | -                             | -                                          | 6,281                        | 5,669         |
| <b>Lakshmi Kudlur</b>    | <b>Depute Chief Finance Officer</b><br>From 16/02/2026           | 216                         | 216                                 | -                             | -                                          | 1,110                        | -             |
| <b>Total</b>             |                                                                  |                             |                                     |                               |                                            | <b>33,426</b>                | <b>30,161</b> |

The IJB does not have its own pension scheme, however, details of the Northeast of Scotland Pension scheme can be found in Aberdeen City Council's accounts and details of the NHS pension scheme can be found in NHS Grampian's accounts. Both documents are available on their respective websites.

### Disclosure by Pay Bands

As required by the regulations, the following table shows the number of persons whose remuneration for the year was £50,000 or above, in bands of £5,000.

| Number of Employees in Band – 2024/25 | Remuneration Band   | Number of Employees in Band – 2025/26 |
|---------------------------------------|---------------------|---------------------------------------|
| 1                                     | £105,000 - £109,999 | -                                     |
| -                                     | £115,000 - £119,999 | 1                                     |
| 1                                     | £120,000 - £124,999 | -                                     |



## Exit Packages

No exit packages requiring disclosure were paid during 2025/26 or 2024/25 in respect of officers included in this Remuneration Report.

*Fiona Mitchelhill*

Fiona Mitchelhill

Chief Officer

*Hussein Patwa*

Hussein Patwa

Chair

30 September 2026



### **3.4 Annual Governance Statement**

#### **Scope of responsibility**

Aberdeen City Integration Joint Board (IJB) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and that resources are used economically, efficiently, effectively and sustainably. In discharging this responsibility, the IJB is required to put in place appropriate arrangements for governance, risk management and internal control, and to review the adequacy and effectiveness of those arrangements at least annually.

As an Integration Joint Board, Aberdeen City IJB operates within a shared and interdependent governance environment with Aberdeen City Council and NHS Grampian. Many governance, operational and control arrangements are delivered through partner systems, officers and hosted structures. The IJB therefore relies on a combination of its own governance arrangements and assurance from partner bodies in order to form a balanced view on the overall effectiveness of its governance framework. This shared assurance model means that significant control issues arising within one partner body may have implications for the wider assurance environment and, where material, may require to be reflected across the governance statements of the partner organisations as well as the IJB. This statement explains the framework in place, summarises the assurances considered during 2025/26, highlights the principal governance issues identified, and sets out the improvement actions that will be taken in 2026/27.

#### **The governance framework**

The governance framework comprises the systems, processes, culture, values and assurance arrangements through which the IJB directs and controls its business and engages with communities, service users, carers, staff, providers and partner organisations. The framework is informed by the CIPFA/SOLACE Delivering Good Governance in Local Government Framework and the 2025 addendum on annual reviews of governance and annual governance statements, together with the IJB's local code of corporate governance, integration scheme, standing orders, financial regulations, committee terms of reference and scheme of delegation. It is further supported by the IJB's Assurance and Escalation Framework and by review of the governance environment against the relevant CIPFA principles on the role of the Chief Financial Officer. The IJB has also reflected the learning arising from Audit Scotland's work on Integration Joint Boards, including the need for realistic financial planning, transparent decision-making, stronger performance information, robust savings governance and clearer whole-system collaboration on service redesign and sustainability.

During 2025/26, the key elements of this framework included: strategic leadership through the IJB and its committees; public and transparent reporting; oversight of finance, performance, clinical and care governance, and risk; governance arrangements for hosted and large hospital services; internal audit review; external audit scrutiny; standards and ethical governance arrangements; structured engagement with stakeholders; and formal reporting from officers and partner organisations. The IJB continues to operate in a challenging environment characterised by significant financial pressure, workforce constraints, increasing complexity of need, and the requirement to make difficult decisions about prioritisation, redesign and the pace of change. In that context, good governance has remained essential to ensuring that decisions are evidence-based, lawful, transparent and focused on outcomes for the people of Aberdeen.

#### **Assessment against the core principles of good governance**

In reviewing its governance arrangements for 2025/26, the IJB has assessed the extent to which the seven core principles of good governance remained embedded and effective in a year characterised by sustained financial pressure, recurring savings requirements, workforce constraints, changes in key finance leadership capacity, increasing complexity of need, and the need to progress service redesign with partner bodies. The IJB's assessment against each principle is set out below.



## **Principle 1 – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

During 2025/26, the IJB continued to place weight on lawful, ethical and transparent decision-making at a time when financial pressure and difficult prioritisation decisions increased the need for clarity, fairness and disciplined governance. This principle was reflected through formal decision-making in public, adherence to standing orders and delegated authorities, oversight of declarations of interest and member conduct, maintenance of standards arrangements including registers of interests and gifts and hospitality, and access to governance and legal advice from partner bodies. The IJB considers that, in a year of material savings requirements and service change, maintaining public confidence depended not only on formal compliance but also on ensuring that decisions were evidence-based, properly documented and consistent with the principles of stewardship, equity and accountability.

## **Principle 2 – Ensuring openness and comprehensive stakeholder engagement**

During 2025/26, the IJB continued to promote openness and accountability through public and hybrid meetings, published papers, recorded decision-making, and online access to meeting recordings. Complaints arrangements remained aligned with Scottish Public Services Ombudsman guidance, alongside ongoing structured engagement with stakeholders including staff-side representatives, trade unions, service users, carers and providers.

Building on this, savings options within the Medium-Term Financial Framework (MTFF) were developed through a structured programme of collaborative public engagement, primarily undertaken in Quarter 3. This ensured proposals were shaped by both early public priorities and more detailed feedback, with a clear focus on meaningful two-way communication. Feedback was systematically analysed to refine savings proposals and associated Integrated Impact Assessments (IIAs), with particular emphasis on engaging those most affected by service changes, including seldom-heard communities.

Publicly accessible digital channels, including a YouTube video following the budget meeting, further supported transparency and accessibility. In a period of financial pressure and service redesign, the IJB recognised that transparency requires not only publication but also clear communication of the rationale, implications and potential impacts of decisions. Timely, proportionate and meaningful engagement therefore remained essential, with this approach directly informing the IIAs underpinning IJB decision-making.

## **Principle 3 – Defining outcomes in terms of sustainable social, economic and environmental benefit**

In 2025/26, the IJB continued to frame its work around improving outcomes for the people of Aberdeen but did so in a context where the affordability and sustainability of existing service models required closer scrutiny. The IJB recognises that securing positive outcomes increasingly depends on explicit choices about prioritisation, prevention, demand management and long-term sustainability. This reinforced the need to align strategic planning, performance information, financial planning and impact assessment more closely, supported by the Medium-Term Financial Framework and by governance arrangements for transformation and hosted and large hospital services, so that decisions reflect both immediate operational pressures and longer-term objectives relating to inequality, wellbeing, community resilience and best value.

## **Principle 4 – Determining the interventions necessary to achieve intended outcomes**

During 2025/26, the IJB considered a range of interventions in response to recurring financial pressures, increasing demand and the need for service redesign. In that context, effective governance required proposals to be supported by robust options appraisal, affordability analysis, risk assessment, implementation planning and, where appropriate, integrated impact assessment. The IJB also recognises that it is often difficult to demonstrate a direct correlation between a particular intervention and the intended outcome, particularly in the short term, given the complexity of need, the



influence of wider system factors and the time often required for the impact of change to become evident. The IJB therefore recognises that the effectiveness of this principle was increasingly linked to the pace and realism of transformation planning and to the extent to which proposed interventions could be translated into deliverable actions with clear ownership, milestones and anticipated benefits.

## **Principle 5 – Developing the entity’s capacity, including the capability of its leadership and the individuals within it**

The IJB recognises that organisational capacity remained a material governance consideration during 2025/26. Workforce pressures, recruitment and retention challenges, and changes in key finance leadership roles all had potential implications for resilience, pace of delivery and the depth of assurance available to members. In particular, changes in the Chief Finance Officer role increased the importance of maintaining continuity of financial leadership and ensuring that financial advice, reporting and stewardship remained effective throughout the transition. Continuity was supported through interim Chief Finance Officer arrangements following the departure of the previous postholder in July 2025, and the appointment of a Deputy Chief Finance Officer in February 2026 was an important step in strengthening resilience within the finance function. Capacity and leadership development were also supported through workforce planning, organisational development activity and continued attention to IJB development and culture. The IJB’s assessment is that governance arrangements remained in place, but that sustaining leadership and organisational capacity, particularly in key finance roles, will remain essential if the IJB is to deliver the scale of change required in the period ahead.

## **Principle 6 – Managing risks and performance through robust internal control and strong public financial management**

This principle was particularly significant during 2025/26. The IJB continued to receive reports on finance, performance and risk, maintained committee scrutiny arrangements and oversight of internal control through its established governance structures, and drew assurance from both strategic and operational risk arrangements and from statutory and local performance reporting. In response to the scale of the financial challenge and the requirement to deliver recurring savings, the Senior Leadership Team established the Budget Savings Oversight Group to strengthen oversight of in-year savings delivery, support implementation of agreed budget measures and provide governance over the development of proposals to support future financial balance. The Budget Protocol, introduced in 2024/25 and continued in 2025/26, further strengthened the governance framework by formalising expectations around early identification of savings, integrated impact assessment, engagement with partners and communities, and structured reporting of progress to the IJB. The IJB therefore recognises that, whilst arrangements remained in place and were broadly effective, further strengthening is still required to improve the integration, timeliness and strategic value of finance, performance and risk reporting and to support more proactive financial oversight and risk management.

## **Principle 7 – Implementing good practice in transparency, reporting, and audit to deliver effective accountability**

During 2025/26, the IJB continued to rely on a combination of public reporting, committee scrutiny, internal audit, external audit and partner-body assurance to support accountability. In a year of heightened scrutiny over financial sustainability, the quality of reporting, governance of hosted and large hospital services, and follow-through on audit findings assumed increased importance. The IJB recognises that effective accountability depends not only on the availability of reports, but on whether reporting is clear, balanced and sufficiently integrated to support informed challenge and timely decisions. The annual review concluded that these arrangements remained in place and functioning, while also identifying the need for continued improvement in assurance mapping, the quality assurance of financial reporting and annual accounts preparation, and the systematic follow-up of recommendations and agreed actions.



## **Review of effectiveness**

The annual review of effectiveness has been informed by a range of assurance sources, including reports to the IJB and its committees; the work of the Senior Leadership Team; the IJB's strategic and operational risk arrangements; the annual internal audit opinion and individual internal audit reports; external audit findings; governance and finance reviews undertaken by partner bodies; performance and financial monitoring reports; and management assurances relating to compliance, stewardship and control, including reliance on partner-body assurances on the soundness of internal control arrangements and embedded standards for countering fraud and corruption. The review has also considered the findings and recommendations emerging from national audit and inspection activity relevant to Integration Joint Boards and health and social care integration in Scotland.

The review found that the IJB had in place an established framework of governance, risk management and internal control which operated throughout 2025/26. The IJB maintained regular public meetings, committee scrutiny, financial and performance reporting, and oversight of key risks and improvement activity. These arrangements supported lawful and transparent decision-making and provided an appropriate basis for accountability. However, the review also confirmed that the governance environment remains under significant strain from recurring financial pressures, the scale of savings required, workforce fragility, the pace of transformation and reliance on partner-body systems and capacity. In that context, effective governance requires not only compliance with established processes, but earlier strategic challenge, clearer integration of finance, performance and risk, and stronger assurance that agreed savings and redesign actions are deliverable and sustainable.

The review also considered progress in implementing audit recommendations. As at 31 March 2026, 17 audit recommendations remained open, of which 12 were not yet due for implementation or had agreed revised timescales. During 2025/26, 17 recommendations were raised and 20 were closed. Specific audit work during the year included financial sustainability and adherence to the Health and Care Staffing Act, with further follow-up activity planned during 2026/27.

## **Internal audit opinion**

Internal Audit concluded that the IJB had an adequate and effective framework for governance, risk management and control during 2025/26. The opinion was based on the Chief Internal Auditor's risk-based audit work, follow-up of previous recommendations, wider engagement with senior officers, and consideration of relevant assurance from Aberdeen City Council and NHS Grampian arrangements.

The opinion recognised that the IJB continued to operate in a challenging environment, with ongoing pressures relating to financial sustainability, workforce assurance, commissioning maturity and delivery of strategic priorities. Internal Audit completed reviews covering Financial Sustainability, Health and Care Staffing, and Commissioning, each of which provided reasonable assurance and assessed the net level of risk as moderate. The reviews identified areas for further improvement, particularly around strategic alignment, forward planning, use of data, consistency of assurance reporting and embedding documented processes.

No fundamental breakdowns in governance, risk management or control were identified. Internal Audit also confirmed that there were no limitations on the scope of its work during the year and that it remained organisationally independent. Management has agreed timebound actions in response to recommendations, and progress is being monitored through normal governance routes.

## **Governance priorities and areas of continued strengthening in 2025/26**

During 2025/26, the IJB maintained a clear focus on the areas of governance most critical to sustainable and effective delivery. Financial sustainability remained a central priority for the IJB. In its 2024 national report on Integration Joint Boards, Audit Scotland highlighted the importance of achievable and sustainable annual budgets and savings, up-to-date financial plans, stronger data and performance information, and clearer whole-system collaboration on redesign and commissioning. These themes remained directly relevant to Aberdeen City IJB during 2025/26 in the context of sustained service demand, constrained resources, workforce pressures and the need to deliver recurring savings while maintaining safe and effective services. The IJB therefore continued to



# Aberdeen City Health & Social Care Partnership

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prioritise strong governance over budget setting, savings delivery, service redesign, risk escalation and decision-making, supported by clear evidence of affordability, impact and deliverability.

The IJB also continued to strengthen governance in relation to leadership and finance capacity, the pace and complexity of transformation, and the integration of finance, performance, risk and outcomes reporting. The appointment of a Deputy Chief Finance Officer in February 2026 provided additional resilience within the finance function, and work continued to ensure that members are supported by timely and integrated assurance. Taken together, these areas remain important to maintaining a clear line of sight from strategic priorities to operational delivery and financial sustainability and will continue to inform the IJB's improvement focus during 2026/27.

The following table sets out status update on priority governance actions identified in respect of financial year 2024/25 expected to be completed in 2025/26.

| Actions                                                                                                                | Progress Update                                                                                                                                                                                                                                                     | Status                                                                                                            |
|------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Budget monitoring and increased scrutiny of financial information, delivering savings and achieving financial balance. | The Budget Savings Oversight Group and Senior Leadership Team have overseen this in 2025/26, as per the financial results reported to the IJB.                                                                                                                      | Complete                                                                                                          |
| Scheme of Governance Annual Review.                                                                                    | The Team Leader, Governance (Aberdeen City Council) undertook the annual review of the Scheme for 2025/26 and reported to the IJB                                                                                                                                   | Complete                                                                                                          |
| IJB Financial Sustainability Internal Audit                                                                            | Audit undertaken and reported through Risk, Audit and Performance Committee (and Council's Audit, Risk and Scrutiny Committee).<br>Recommendations from the audit have either been implemented or there are agreed dates for the implementation of them in 2026/27. | Recommendations have either been implemented or there are agreed dates for the implementation of them in 2026/27. |
| Implement onboarding plan for Deputy CFO (training & mentoring)                                                        | ACC's Chief Finance Officer (CFO) in collaboration with NHSG Director of Finance and the Chief Officer of the Partnership and her Senior Leadership Team have undertaken the induction and onboarding of the                                                        | Complete                                                                                                          |



|                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                     |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
|                                   | Deputy CFO (start date February 2026)                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                     |
| Social Care Financial Assessments | Recruitment is under way to strengthen the capacity and resilience of the Financial Assessment Team. The additional resources will support timely, consistent and appropriately evidenced assessments, reduce the backlog, and ensure fair application of the charging framework. It will also support effective implementation of the new Charging Policy from April 2027 and provide assurance that resources are directed towards people with eligible care and support needs across Aberdeen City. | On-going, with policy implementation in April 2027. |

## Improvement priorities for 2026/27

To address the matters identified through the annual review, the IJB will continue to strengthen its governance arrangements during 2026/27 through a focused programme of improvement. Priority actions include maintaining robust oversight of savings delivery and medium-term financial planning; ensuring that budget decisions are supported by clear options appraisal, impact assessment and implementation planning; improving the quality, consistency and integration of finance, performance and risk reporting to the IJB and its committees; reviewing governance documentation and assurance routes to ensure that they remain current, clear and proportionate; strengthening follow-up of internal and external audit recommendations; and continuing to work with Aberdeen City Council, NHS Grampian and wider stakeholders on whole-system redesign, commissioning and prevention-focused change. Collectively, these actions are intended to ensure that the governance framework remains fit for purpose in a period of significant service and financial pressure.

## Summary of key governance improvements

The principal governance improvements for 2026/27 are summarised in the table below.

| Improvement action                                                                                                                  | Lead responsibility                     | Target timescale   |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|--------------------|
| Strengthen oversight of recurring savings delivery, recovery planning and medium-term financial sustainability.                     | Chief Officer and Chief Finance Officer | Throughout 2026/27 |
| Improve the integration of finance, performance and strategic risk reporting to support earlier intervention and stronger scrutiny. | Senior Leadership Team                  | Throughout 2026/27 |



|                                                                                                                                            |                                                                                       |                            |
|--------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|----------------------------|
| Review and refresh key governance documents, assurance mapping and committee reporting routes.                                             | Chief Officer with Governance team (Aberdeen City Council) and relevant Lead officers | By Quarter 3 2026/27       |
| Maintain structured follow-up of internal and external audit recommendations and report progress regularly to the appropriate committee.   | Senior Leadership Team and relevant lead officers                                     | Throughout 2026/27         |
| Embed stronger governance over transformation, commissioning and service redesign, including stakeholder engagement and impact assessment. | Chief Officer and Senior Leadership Team                                              | Throughout 2026/27         |
| Development of Performance Management Framework.                                                                                           | Lead for Strategy and Transformation                                                  | By Quarter 3 2026/27       |
| Implementation of Performance Management Framework.                                                                                        | Lead for Strategy and Transformation                                                  | Throughout 2026/27 & 27/28 |

## Conclusion on assurance

On the basis of the review undertaken and taking account of the assurances provided by internal audit, external audit, officers, partner bodies and the IJB's own scrutiny arrangements, Aberdeen City IJB considers that, during 2025/26, it had in place governance, risk management and internal control arrangements that were generally appropriate and effective and provide a basis for reasonable assurance. The IJB also recognises, however, that the scale of the financial challenge, together with the extent of transformation required and the reliance on partner systems and capacity, means that governance improvement must remain an active priority. The IJB is satisfied that the principal areas requiring attention are understood and that appropriate improvement actions have been identified for delivery in 2026/27.

## Certification

Subject to the matters set out above, and on the basis of the assurances provided, we consider that reasonable assurance can be placed on the adequacy and effectiveness of Aberdeen City Integration Joint Board's governance arrangements for the year ended 31 March 2026. We are committed to monitoring delivery of the improvement priorities set out in this statement and to taking any further action required to strengthen governance, accountability and stewardship.

Final external audit review confirms that the Annual Governance Statement is consistent with the financial statements and has been prepared in accordance with the *Delivering Good Governance in Local Government: Framework (2016)*, with no matters identified for reporting by exception. Wider governance and Best Value conclusions are contained within the Annual Audit Report.

*Fiona Mitchellhill*

**Fiona Mitchellhill**  
Chief Officer

*Hussein Patwa*

**Hussein Patwa**  
Chair

30 September 2026



#### 4. Financial Statements

##### 4.1 Comprehensive Income and Expenditure Statement

This statement shows the cost of providing services for the year according to accepted accounting practices.

| 2024/25                |                      |                      |                                                      | 2025/26                |                      |                      |
|------------------------|----------------------|----------------------|------------------------------------------------------|------------------------|----------------------|----------------------|
| Gross Expenditure<br>£ | Gross Income<br>£    | Net Expenditure<br>£ |                                                      | Gross Expenditure<br>£ | Gross Income<br>£    | Net Expenditure<br>£ |
| 49,873,614             | -                    | 49,873,614           | Community Health Services                            | 50,679,539             | -                    | 50,679,539           |
| 32,898,445             | -                    | 32,898,445           | Aberdeen City share of Hosted Services (health)      | 34,087,644             | -                    | 34,087,644           |
| 51,688,650             | -                    | 51,688,650           | Learning Disabilities                                | 54,791,104             | -                    | 54,791,104           |
| 30,995,471             | -                    | 30,995,471           | Mental Health & Addictions                           | 30,490,570             | -                    | 30,490,570           |
| 110,333,861            | -                    | 110,333,861          | Older People & Physical and Sensory Disabilities     | 105,122,809            | -                    | 105,122,809          |
| 1,523,262              | -                    | 1,523,262            | Head office/Admin                                    | 1,465,707              | -                    | 1,465,707            |
| 6,548,679              | (6,384,627)          | 164,052              | Criminal Justice                                     | 7,473,638              | (7,042,868)          | 430,770              |
| 1,793,981              | -                    | 1,793,981            | Housing                                              | 1,770,542              | -                    | 1,770,542            |
| 47,428,983             | -                    | 47,428,983           | Primary Care Prescribing                             | 47,998,430             | -                    | 47,998,430           |
| 49,781,141             | -                    | 49,781,141           | Primary Care                                         | 53,189,581             | -                    | 53,189,581           |
| 3,038,684              | -                    | 3,038,684            | Out of Area Treatments                               | 3,737,738              | -                    | 3,737,738            |
| 59,238,000             | -                    | 59,238,000           | Set Aside Services                                   | 62,588,000             | -                    | 62,588,000           |
| 2,523,810              | -                    | 2,523,810            | City Vaccinations                                    | 2,423,486              | -                    | 2,423,486            |
| 15,768,659             | -                    | 15,768,659           | Transformation                                       | 15,337,101             | -                    | 15,337,101           |
| <b>463,435,238</b>     | <b>(6,384,627)</b>   | <b>457,050,611</b>   | <b>Cost of Services</b>                              | <b>471,155,889</b>     | <b>(7,042,868)</b>   | <b>464,113,022</b>   |
| -                      | (447,215,776)        | (447,215,776)        | Taxation and Non-Specific Grant Income (Note 4.4.7)  | -                      | (475,344,440)        | (475,344,440)        |
| <b>463,435,238</b>     | <b>(453,600,403)</b> | <b>9,834,835</b>     | <b>(Surplus) or Deficit on Provision of Services</b> | <b>471,155,889</b>     | <b>(482,387,308)</b> | <b>(11,231,419)</b>  |
|                        |                      | <b>9,834,835</b>     | <b>Total Comprehensive Income and Expenditure</b>    |                        |                      | <b>(11,231,419)</b>  |



There are no statutory or presentation adjustments which affect the IJB's application of the funding received from partners. The movement in the General Fund balance is therefore solely due to the transactions shown in the Comprehensive Income and Expenditure Statement. Consequently, an Expenditure and Funding Analysis is not provided in these annual accounts.

#### 4.2 Movement in Reserves Statement

This statement shows the movement in the year on the IJB's reserves. The movements which arise due to statutory adjustments which affect the General Fund balance are separately identified from the movements due to accounting practices.

| <b>Movements in Reserves During 2025/26</b>                                 | <b>General Fund</b> | <b>Total Reserves</b> |
|-----------------------------------------------------------------------------|---------------------|-----------------------|
|                                                                             | <b>£</b>            | <b>£</b>              |
| <b>Opening Balance at 1 April 2025</b>                                      | -                   | -                     |
| Total Comprehensive Income and Expenditure                                  | (11,231,419)        | (11,231,419)          |
| Adjustments between accounting basis and funding basis under regulations(*) | -                   | -                     |
| <b>(Increase) or decrease in 2025/26</b>                                    | <b>(11,231,419)</b> | <b>(11,231,419)</b>   |
| <b>Closing Balance at 31 March 2026</b>                                     | <b>(11,231,419)</b> | <b>(11,231,419)</b>   |
| <b>Movements in Reserves During 2024/25</b>                                 | <b>General Fund</b> | <b>Total Reserves</b> |
|                                                                             | <b>£</b>            | <b>£</b>              |
| <b>Opening Balance at 1 April 2024</b>                                      | <b>(9,834,835)</b>  | <b>(9,834,835)</b>    |
| Total Comprehensive Income and Expenditure                                  | 9,834,835           | 9,834,835             |
| <b>(Increase) or decrease in 2024/25</b>                                    | <b>9,834,835</b>    | <b>9,834,835</b>      |
| <b>Closing Balance at 31 March 2025</b>                                     | -                   | -                     |



#### 4.3 Balance Sheet

The Balance Sheet shows the value of the IJB's assets and liabilities as at the balance sheet date. The net assets of the IJB (assets less liabilities) are matched by the reserves held by the IJB.

| 31-Mar 2025<br>£  |                              | Notes    | 31-Mar 2026<br>£    |
|-------------------|------------------------------|----------|---------------------|
| 18,368,031        | Short term Debtors           | (4.4.8)  | 11,231,419          |
| <b>18,368,031</b> | <b>Current Assets</b>        |          | <b>11,231,419</b>   |
| (18,368,031)      | Short-term Creditors         | (4.4.9)  | -                   |
| (18,368,031)      | <b>Current Liabilities</b>   |          | -                   |
| -                 | Provisions                   |          | -                   |
| -                 | <b>Long-term Liabilities</b> |          | -                   |
| -                 | <b>Net Assets</b>            |          | <b>11,231,419</b>   |
| -                 | Usable Reserve: General Fund | (4.4.10) | (11,231,419)        |
| -                 | Unusable Reserve:            |          | -                   |
| -                 | <b>Total Reserves</b>        |          | <b>(11,231,419)</b> |

The unaudited accounts were issued on 22 June 2026, and the audited accounts were authorised for issue on 29 September 2026.

*Jonathan Belford*

**Jonathan Belford**  
Interim Chief Finance Officer

30 September 2026



## **4.4 Notes to the Financial Statements**

### **4.4.1 Significant Accounting Policies**

#### General Principles

The Financial Statements summarises Integration Joint Board's transactions for the 2025/26 financial year and its position at the year-end of 31 March 2026.

The IJB was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Section 106 body as defined in the Local Government (Scotland) Act 1973.

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

The accounts have been prepared on a historical cost basis, modified where appropriate in accordance with the Code.

The accounting policies set out below are those considered material to an understanding of the IJB's financial statements. They have been selected to reflect the nature of the IJB's responsibilities, funding arrangements and transactions during the year.

#### Going concern

The financial statements have been prepared on a going concern basis. The preparation of the accounts on a going concern basis is considered appropriate on the basis that the IJB will continue to receive funding from partner bodies and will continue to discharge its statutory responsibilities for delegated functions.

#### Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when settlement in cash occurs. In particular:

- Expenditure is recognised when goods or services are received and their benefits are used by the IJB.
- Income is recognised when the IJB has a right to the income, for instance by meeting any terms and conditions required to earn the income, and receipt of the income is probable.
- Where income and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the Balance Sheet.
- Where debts may not be received, the balance of debtors is written down.

#### Funding

The IJB is primarily funded through funding contributions from the statutory funding partners, Aberdeen City Council and NHS Grampian, in accordance with the Integration Scheme and budget decisions agreed by the Board. Funding is recognised in the year to which it relates. Where additional in-year funding is agreed by partner bodies, this is recognised when the IJB has an entitlement to the funding and the amount can be measured reliably.

Contributions are recognised as income in the Comprehensive Income and Expenditure Statement and reflect the resources made available to the IJB to deliver delegated functions.

Expenditure is incurred as the IJB commissions specified health and social care services from the funding partners for the benefit of service recipients in Aberdeen City.



## Cash and Cash Equivalents

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partners. Consequently, the IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet or a cashflow statement. The funding balance due to or from each funding partner as at 31 March is represented as a debtor or creditor on the IJB's Balance Sheet.

## Employee Benefits

The IJB does not directly employ staff. Staff are formally employed by the funding partners who retain the liability for pension benefits payable in the future. The IJB therefore does not present a Pensions Liability on its Balance Sheet.

The IJB has a legal responsibility to appoint a Chief Officer. More details on the arrangements are provided in the Remuneration Report. The charges from the employing partner are treated as employee costs. Where material the Chief Officer's absence entitlement as at 31 March is accrued, for example in relation to annual leave earned but not yet taken. In the case of Aberdeen City IJB any annual leave earned but not yet taken is not considered to be material.

## Reserves

The IJB is permitted to set aside specific amounts as reserves for future policy purposes. Reserves are generally held to do three things:

- create a working balance to help cushion the impact of uneven cash flows – this forms part of general reserves;
- create a risk fund to cushion the impact of unexpected events or emergencies; and
- create a means of building up funds, often referred to as earmarked reserves, to meet known or predicted liabilities.

The balance of the reserves normally comprises:

- funds that are earmarked or set aside for specific purposes; and
- funds which are not earmarked for specific purposes but are set aside to deal with unexpected events or emergencies.

Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged against the appropriate line in the Income and Expenditure Statement in that year to score against the Surplus/Deficit on the Provision of Services. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement.

The IJB's reserves are classified as either Usable or Unusable Reserves.

The IJB's only Usable Reserve is the General Fund. The balance of the General Fund as at 31 March shows the extent of resources which the IJB can use in later years to support service provision.

## Provisions, Contingent Liabilities and Assets

Contingent assets are not recognised in the accounting statements. Where there is a probable inflow of economic benefits or service potential, this is disclosed in the notes to the financial statements.

Contingent liabilities are not recognised in the accounting statements. Where there is a possible obligation that may require a payment, or transfer of economic benefit, this is disclosed in the notes to the financial statements.

The value of provisions is based upon the Board's obligations arising from past events, the probability that a transfer of economic benefit will take place and a reasonable estimate of the obligation.



## Indemnity Insurance

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Grampian and Aberdeen City Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide.

Unlike NHS Boards, the IJB does not have any 'shared risk' exposure from participation in CNORIS. The IJB participation in the CNORIS scheme is therefore analogous to normal insurance arrangements.

Known claims are assessed as to the value and probability of settlement. Where it is material the overall expected value of known claims taking probability of settlement into consideration, is provided for in the IJB's Balance Sheet.

The likelihood of receipt of an insurance settlement to cover any claims is separately assessed and, where material, presented as either a debtor or disclosed as a contingent asset.

## Support Services

Corporate support services (finance, legal and strategy) are provided by Aberdeen City Council and NHS Grampian at no cost to the IJB and it is not possible to separately identify these costs. To the extent that delegated services include an element of overheads and support services costs, these will be included within the appropriate line within the Income and Expenditure statement.

### **4.4.2 Accounting Standards that have been Issued but have not yet been Adopted**

The Code requires the disclosure of information relating to the impact of new or amended accounting standards that have been issued but are not yet effective and could have a material impact on the financial statements.

At the date of authorisation of these financial statements, a number of new or amended standards have been issued but are not yet effective. These relate primarily to presentation and disclosure requirements and to financial instruments.

The Integration Joint Board has assessed these standards and amendments and does not consider that they will have a material impact on the financial statements. No standards have been identified that are expected to materially change the measurement or recognition of transactions relevant to the IJB.

### **4.4.3 Critical Judgements and Estimation Uncertainty**

The Financial Statements include some estimated figures. Estimates are made considering the best available information, however actual results could be materially different from the assumptions and estimates used. The key items in this respect are listed below.

The value of the set aside budget for large hospital services and the IJB's share of hosted services are subject to estimation uncertainty.

## Set Aside Services

Set-aside represents the IJB's share of delegated large hospital services provided by NHS Grampian in support of the population of Aberdeen City. Set-aside is determined in accordance with the Integration Scheme and relevant statutory and accounting guidance. The IJB recognises set-aside income and the corresponding cost of services on a gross basis in the Comprehensive Income and Expenditure Statement.

In line with the Integration Scheme, the set aside budget should be based on hospital activity and cost data, reflecting actual admissions, occupied bed days, and changes in activity and case mix. However, updated activity data from Public Health Scotland has not been available since 2019/20.



Between 2020/21 and 2024/25, the 2019/20 data was therefore used as a proxy and uplifted annually in line with Scottish Government funding increases.

In 2025/26, the approach was updated using more recent NHS Grampian activity and cost data to better reflect current service use. This revised method calculates the budget based on activity levels and the cost of delivering care, resulting in an increase of 5.56% for 2025/26.

## Aberdeen City Share of Hosted Services

The IJB participates in hosted service and agency arrangements with other integration authorities and partner bodies. Where the IJB acts as lead or host for services on behalf of other bodies, transactions are accounted for in accordance with the substance of the arrangement and the Code. Amounts collected or incurred on behalf of another party are recognised as agency transactions where appropriate and excluded from the IJB's usable reserves, unless the IJB has control over the related economic benefits or service potential. Where the IJB receives or incurs income and expenditure in its own right under hosted arrangements, these are recognised gross in the financial statements.

Aberdeen City IJB is the Lead Partner IJB for a number of services on behalf of other NHS Grampian IJBs. Likewise, Aberdeenshire and Moray IJBs are Lead Partner IJBs for a number of services on behalf of Aberdeen City IJB. The allocation of costs for hosted services is based on agreed methodologies between partner bodies and are reviewed annually. These are accounted for on an agency basis (see Note 4.4.11).

### **4.4.4 Prior Period Adjustments, Changes in Accounting Policies, Estimates, Errors**

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the IJB's financial position or financial performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

### **4.4.5 Events after the Balance Sheet Date**

Subsequent to 31 March 2026, developments affecting commissioned adult social care provision in Aberdeen included changes relating to Bon Accord Care and Balnagask House. The transfer of Bon Accord Care back to Aberdeen City Council became effective from **1 May 2026**. In addition, in May 2026 it was announced that Balnagask House, operated by Bon Accord Care, would close following a review of the service. The decision reflected a combination of reduced demand for residential care, the changing complexity of need, the condition of the building, financial sustainability pressures and ongoing regulatory requirements. At the time of announcement, residents were to be supported to move to alternative accommodation and staff were to be supported through a managed redeployment process. These developments have been considered as events after the balance sheet date and will continue to be monitored for any implications for future service planning, commissioning and financial sustainability.



#### 4.4.6 Expenditure and Income Analysis by Nature

| 2024/25<br>£  |                                                              | 2025/26<br>£         |
|---------------|--------------------------------------------------------------|----------------------|
| 189,063,890   | Services commissioned from Aberdeen City Council             | <b>186,328,982</b>   |
| 274,327,458   | Services commissioned from NHS Grampian                      | <b>284,779,687</b>   |
| 43,890        | Auditor Fee: External Audit Work*                            | <b>47,220</b>        |
| (6,384,627)   | Service Income: Aberdeen City Council                        | <b>(7,042,868)</b>   |
| (447,215,776) | Partners Funding Contributions and Non-Specific Grant Income | <b>(475,344,440)</b> |
| 9,834,835     | <b>(Surplus or Deficit on the Provision of Services)</b>     | <b>(11,231,419)</b>  |

\*Audit fees in respect of 2025/26 are £42,600 (2024/25: £44,100)

#### 4.4.7 Taxation and Non-Specific Grant Income

| 2024/25<br>£  |                                                 | 2025/26<br>£         |
|---------------|-------------------------------------------------|----------------------|
| (136,325,258) | Funding Contribution from Aberdeen City Council | <b>(144,104,567)</b> |
| (310,890,518) | Funding Contribution from NHS Grampian          | <b>(331,239,873)</b> |
| (447,215,776) | <b>Taxation and Non-specific Grant Income</b>   | <b>(475,344,440)</b> |

The funding contribution from the NHS Board shown above includes £62.6 million in respect of 'set-aside' resources relating to acute hospital and other resources. These are provided by the NHS, which retains responsibility for managing the costs of providing the services. The IJB, however, has responsibility for the consumption of, and level of demand placed on, these resources.

The funding contributions from the partners shown above exclude any funding which is ring-fenced for the provision of specific services, such as that provided for Criminal Justice. Such ring-fenced funding is presented as income in the Cost of Services in the Comprehensive Income and Expenditure Statement.

#### 4.4.8 Debtors

| 31-Mar-25<br>£ |                       | 31-Mar-26<br>£    |
|----------------|-----------------------|-------------------|
| 18,368,031     | NHS Grampian          | <b>10,593,760</b> |
| -              | Aberdeen City Council | <b>637,660</b>    |
| 18,368,031     | <b>Debtors</b>        | <b>11,231,419</b> |

#### 4.4.9 Creditors

| 31-Mar-25<br>£ |                       | 31-Mar-26<br>£ |
|----------------|-----------------------|----------------|
| (18,368,031)   | Aberdeen City Council | -              |
| (18,368,031)   | <b>Debtors</b>        | -              |

Creditor and debtor balances at year-end represent the net position of funds to be transferred between the IJB's funding partners. These balances arise as part of the process to reconcile each partner's share of the year's expenditure, including any overspend or underspend. Where one partner has incurred expenditure on behalf of the IJB in excess of their funding contribution, a creditor balance is recognised, reflecting amounts owed to that partner. Conversely, a debtor balance indicates funds due from a partner to settle their share of the IJB's spend. This approach ensures that



the financial statements accurately reflect the outstanding transfers required to balance the year's financial activity between partners.

## Long-term financial commitments

**Stoneywood developments:** To support the Scottish Government's *Coming Home* agenda, aimed at reducing hospital and out-of-area placements for individuals with learning disabilities and complex care needs, Aberdeen's proposed solution was the development of a purpose-built complex care facility at Stoneywood, comprising eight specialist accommodation units and a staff base. On 6 February 2024, the IJB approved a funding approach under which Aberdeen City Council would deliver the capital build, with the IJB contributing existing grant funding and meeting the ongoing annual financing costs associated with the development. 2025/26 CIES included an expenditure of £192k on this arrangement. At 31 March 2026, the IJB's long-term financial guarantee in respect of these financing costs was £5.0 million over the remaining 24-year term.

**Kingsewells care home:** In August 2017, following a direction issued by the Integration Joint Board (IJB), Aberdeen City Council acquired Kingsmead Nursing Home (now renamed as Kingsewells care home) to secure the continued provision of residential and nursing care capacity within the integrated health and social care system. The property is owned and recognised on Aberdeen City Council's balance sheet; however, under the terms of the direction, the IJB is responsible for meeting the associated capital financing costs. 2025/26 CIES included an expenditure of £158k on this arrangement. At 31 March 2026, the IJB's remaining long-term commitment in respect of these financing costs was approximately £5.4 million over the remaining 34-year term.

The IJB has considered whether the Stoneywood and Kingsewells Care Home arrangements fall within the scope of IFRS 16 *Leases*. These arrangements do not convey to the IJB the right to control the use of identified assets, as the properties are owned and controlled by Aberdeen City Council, which retains responsibility for their management and use. The IJB's involvement is limited to contributing grant funding initially and meeting agreed ongoing financing or service costs under the relevant funding arrangements. Accordingly, the IJB does not recognise right-of-use assets or lease liabilities under IFRS 16; its interest is limited to the associated long-term financial commitments, which are disclosed above.

### 4.4.10 Usable Reserve: General Fund

The IJB holds a balance on the General Fund for two main purposes:

- To earmark, or build up, funds which are to be used for specific purposes in the future, such as known or predicted future expenditure needs. This supports strategic financial management.
- To provide a risk fund to cushion the impact of unexpected events or emergencies. This is regarded as a key part of the IJB's risk management framework.

The table below shows the movements on the General Fund balance, analysed between those elements earmarked for specific planned future expenditure, and the amount held as a risk fund.



| 2024/25                       |           |                  |                                |                                      | 2025/26             |           |                         |
|-------------------------------|-----------|------------------|--------------------------------|--------------------------------------|---------------------|-----------|-------------------------|
| Balance at<br>1 April<br>2024 | Transfers |                  | Balance<br>at<br>31-Mar-<br>25 |                                      | Transfers           | Transfers | Balance at<br>31-Mar-26 |
|                               | In        | Out              |                                |                                      | In                  | Out       |                         |
| £                             | £         | £                | £                              |                                      | £                   | £         | £                       |
| -                             | -         | -                | -                              | HSCP Digital<br>Innovation<br>Fund * | (637,660)           | -         | (637,660)               |
| (1,034,295)                   | -         | 1,034,295        | -                              | Earmarked<br>External<br>Funding**   | (2,663,000)         | -         | (2,663,000)             |
| (219)                         | -         | 219              | -                              | PCIP                                 | -                   | -         | -                       |
| (5,396)                       | -         | 5,396            | -                              | Action 15                            | (117,182)           | -         | (117,182)               |
| (829,816)                     | -         | 829,816          | -                              | MH Recovery<br>and Renewal           | (109,467)           | -         | (109,467)               |
| (1,168,459)                   | -         | 1,168,459        | -                              | ADP                                  | -                   | -         | -                       |
| (4,296,651)                   | -         | 4,296,651        | -                              | Integration &<br>Change              | -                   | -         | -                       |
| (7,334,836)                   | -         | 7,334,836        | -                              | <b>Total<br/>Earmarked</b>           | <b>(3,527,309)</b>  | -         | <b>(3,527,309)</b>      |
|                               |           |                  |                                |                                      |                     |           |                         |
| (2,500,000)                   | -         | 2,500,000        | -                              | <b>Risk Fund</b>                     | -                   | -         | -                       |
| -                             | -         | -                | -                              | <b>Uncommitted<br/>Reserves</b>      | <b>(7,704,110)</b>  | -         | <b>(7,704,110)</b>      |
| <b>(9,834,836)</b>            | -         | <b>9,834,836</b> | -                              | <b>General Fund</b>                  | <b>(11,231,419)</b> | -         | <b>(11,231,419)</b>     |

\*The HSCP Digital Innovation Fund reserve represents unspent Scottish Government PSR Invest to Save funding received for the HSCP Digital Innovation Programme. As the programme delivery extended beyond the financial year, not all of the £1.239m allocation was spent in-year. An earmarked reserve was therefore established to carry forward the remaining £637k of funding to support the completion of the programme and associated digital transformation expenditure in 26/27.

**\*\* Earmarked External Funding of £2.663m includes;**

1. £2.303m earmarked for Unscheduled Care Operational Improvement Programme, carried forward to support delivery of approved Unscheduled Care Operational Improvement Plan initiatives, including service improvement, capacity, workforce and patient flow measures.
2. £0.210m earmarked for Neurodevelopmental Pathway, to spend in line with Scottish Government funding conditions to support neurodevelopmental pathway development and associated service improvements.
3. £0.150m earmarked for Northeast Transformation, to spend in line with Scottish Government's funding stipulation to support the delivery of agreed transformation priorities.



#### 4.4.11 Agency Income and Expenditure

On behalf of all IJBs within the NHS Grampian area, the IJB acts as the lead manager for Sexual Health Services and Woodend Rehabilitation Services. It commissions services on behalf of the other IJBs and reclaims the costs involved. The payments that are made on behalf of the other IJBs, and the consequential reimbursement, are not included in the Comprehensive Income and Expenditure Statement (CIES) since the IJB is not acting as principal in these transactions.

The amount of expenditure and income relating to the sexual health services agency arrangement is shown below.

| 2024/25<br>£             |                                                                     | 2025/26<br>£             |
|--------------------------|---------------------------------------------------------------------|--------------------------|
| 1,977,596<br>(1,977,596) | Expenditure on Agency Services<br>Reimbursement for Agency Services | 2,118,947<br>(2,118,947) |
| -                        | <b>Net Agency Expenditure excluded from the CIES</b>                | -                        |

The amount of expenditure and income relating to the intermediate care services agency arrangement is shown below.

| 2024/25<br>£             |                                                                     | 2025/26<br>£             |
|--------------------------|---------------------------------------------------------------------|--------------------------|
| 9,433,729<br>(9,433,729) | Expenditure on Agency Services<br>Reimbursement for Agency Services | 9,398,231<br>(9,398,231) |
| -                        | <b>Net Agency Expenditure excluded from the CIES</b>                | -                        |

#### 4.4.12 Related Party Transactions

The IJB has related party relationships with the NHS Grampian, Aberdeen City Council and Bon Accord Care/Bon Accord Support Services. The nature of these relationships means that the IJB may influence, and be influenced by, these parties. The following transactions and balances included in the IJB's accounts are presented to provide additional information on the relationships.

##### Transactions with NHS Grampian

| 31-Mar-25<br>£ |                                                    | 31-Mar-26<br>£ |
|----------------|----------------------------------------------------|----------------|
| (310,890,518)  | Funding Contributions received from the NHS Board* | (331,239,873)  |
| -              | Service Income received from the NHS Board         | -              |
| 274,180,316    | Expenditure on Services Provided by the NHS Board  | 284,553,767    |
| 147,142        | Key Management Personnel: Non-Voting Board Members | 225,920        |
| (36,563,060)   | <b>Net Transactions with the NHS Grampian</b>      | (46,460,186)   |

**Key Management Personnel:** The non-voting Board members employed by the NHS Board and recharged to the IJB include the Chief Officer, Chief Officer – Adult Social Work and the Clinical Director. Details of the remuneration for some specific post-holders is provided in the Remuneration Report.

\*Includes resource transfer income of £35.9 million. (2024/25: £27.9 million)



Balances with NHS Grampian

| <b>31-Mar-25</b><br>£ |                                                 | <b>31-Mar-26</b><br>£ |
|-----------------------|-------------------------------------------------|-----------------------|
| 18,368,031            | Debtor balances: Amounts due from the NHS Board | 10,593,760            |
| 18,368,031            | <b>Net Balance with the NHS Grampian</b>        | <b>10,593,760</b>     |

Transactions with Aberdeen City Council

| <b>31-Mar-25</b><br>£ |                                                    | <b>31-Mar-26</b><br>£ |
|-----------------------|----------------------------------------------------|-----------------------|
| (136,325,258)         | Funding Contributions received from the Council    | <b>(144,104,567)</b>  |
| (6,384,627)           | Service Income received from the Council           | <b>(7,042,868)</b>    |
| 189,036,355           | Expenditure on Services Provided by the Council    | <b>186,363,012</b>    |
| 71,425                | Key Management Personnel: Non-Voting Board Members | <b>13,190</b>         |
| 46,397,895            | <b>Net Transactions with Aberdeen City Council</b> | <b>35,228,767</b>     |

Key Management Personnel: The non-voting Board members employed by the Council and recharged to the IJB during the year include the Depute Chief Financial Officer. Details of the remuneration for some specific post-holders is provided in the Remuneration Report.

Balances with Aberdeen City Council

| <b>31-Mar-25</b><br>£ |                                                   | <b>31-Mar-26</b><br>£ |
|-----------------------|---------------------------------------------------|-----------------------|
| -                     | Debtor balances: Amounts due from the Council     | <b>637,660</b>        |
| (18,368,031)          | Creditor balances: Amounts due to the Council     | <b>-</b>              |
| (18,368,031)          | <b>Net Balance with the Aberdeen City Council</b> | <b>637,660</b>        |

Transactions with Bon Accord Care (BAC) and Bon Accord Support Services (BASS)

Bon Accord Care Limited and Bon Accord Support Services Limited are private companies limited by shares which are 100% owned by Aberdeen City Council. Bon Accord Care provides regulated (by the Care Inspectorate) care services to Bon Accord Support Services which in turn delivers both regulated and unregulated adult social care services to the Council.

| <b>31-Mar-25</b><br>£ |                                                 | <b>31-Mar-26</b><br>£ |
|-----------------------|-------------------------------------------------|-----------------------|
| (675,597)             | Service Income Received from the Council        | <b>(467,012)</b>      |
| 35,070,424            | Expenditure on Services Provided by the Council | <b>35,277,586</b>     |
| 34,394,827            | <b>Net Transactions with BAC/BASS</b>           | <b>34,810,574</b>     |

**4.4.13**     **VAT**

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income.



Aberdeen City Health & Social Care Partnership  
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30 September 2026

Michael Oliphant  
Audit Director  
Audit Scotland  
4th Floor  
102 West Port  
Edinburgh  
EH3 9DN

Dear Michael

## **Aberdeen City Integration Joint Board Annual Accounts 2025/26**

This representation letter is provided in connection with your audit of the annual accounts of Aberdeen City Integration Joint Board (herein referred to as Aberdeen City IJB or the IJB) for the year ended 31 March 2026 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view and have been properly prepared, and for expressing other opinions on the Remuneration Report, Management Commentary, and Annual Governance Statement.

**1.** I confirm to the best of my knowledge and belief, and having made such enquiries as I considered necessary, the following representations given to you in connection with your audit of the IJB's annual accounts for the year ended 31 March 2026.

### **General**

**2.** I have fulfilled my responsibilities for the preparation of the 2025/26 annual accounts as set out in your 2025/26 Annual Audit Plan. All the accounting records, documentation, and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by the IJB have been recorded in the accounting records and are properly reflected in the financial statements.

**3.** I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. As you have reported, there are no uncorrected misstatements.



## Financial Reporting Framework

4. The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (2025/26 Code), mandatory guidance from LASAAC, and the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003, and the Local Authority Accounts (Scotland) Regulations 2014.

5. In accordance with the Local Authority Accounts (Scotland) Regulations 2014, we have ensured that the financial statements give a true and fair view of the IJB's financial position at 31 March 2026 and the transactions for 2025/26.

## Accounting Policies and Estimates

6. All material accounting policies applied are as shown in the note included in the financial statements. The accounting policies are determined by the 2025/26 Code, where applicable. Where the 2025/26 Code does not specifically apply, I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All accounting policies applied are appropriate to the IJB's circumstances and have been consistently applied.

7. The methodology, significant assumptions, and data used in making accounting estimates are reasonable, and have been properly reflected and disclosed in the financial statements in accordance with the 2025/26 Code. Judgements made in making estimates have been based on the latest available and reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

## Going Concern Basis of Accounting

8. I have assessed the IJB's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on the IJB's ability to continue to adopt the going concern basis of accounting.

## Assets

9. All assets at 31 March 2026 of which I am aware have been reported in the financial statements.

10. There are no plans or intentions that are likely to affect the carrying value or classification of the assets recognised in the financial statements.



## Liabilities

- 11.** All liabilities at 31 March 2026 of which I am aware have been reported in the financial statements.
- 12.** There are no material liabilities requiring a provision to be recognised in the annual accounts. There is no accrual at 31 March 2026 in respect of untaken leave entitlement as the Chief Officer/Chief Finance Officer had minimal outstanding leave at the year end.
- 13.** There are no plans or intentions that are likely to affect the carrying value or classification of the liabilities recognised in the financial statements.

## Contingent Liabilities

- 14.** There are no significant contingent liabilities arising either under formal agreement or through formal undertakings requiring disclosure in the financial statements in accordance with IAS 37, as adopted by the 2025/26 Code.

## Litigation and Claims

- 15.** All known actual or possible legal claims have been disclosed to you and have been accounted for and disclosed in the financial statements in accordance with the 2025/26 Code.

## Fraud

- 16.** I understand my responsibilities for the design, implementation, and maintenance of internal control to prevent fraud and I believe I have appropriately fulfilled those responsibilities.

I have provided you with all information in relation to:

- my assessment of the risk that the financial statements may be materially misstated as a result of fraud,
- any allegations of fraud or suspected fraud affecting the financial statements, and
- fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.



## Laws and Regulations

**17.** I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

## Related Party Transactions

**18.** All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with IAS 24, as adopted by the 2025/26 Code. I have made available to you the identity of all of the IJBs related parties and all the related party transactions of which I am aware.

## Remuneration Report

**19.** The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014, and all required information of which I am aware has been provided to you.

## Management Commentary

**20.** I confirm that the Management Commentary has been prepared in accordance with statutory guidance, and the information is consistent with the financial statements.

## Corporate Governance

**21.** I confirm that Aberdeen City IJB has undertaken a review of the system of internal control during 2025/26 to establish the extent to which it complies with proper practices set out in *Delivering Good Governance in Local Government: Framework 2016*. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.

**22.** I confirm that the Annual Governance Statement has been prepared in accordance with the *Delivering Good Governance in Local Government: Framework 2016* and the information is consistent with the financial statements. There have been no changes in the corporate governance arrangements, or issues identified, since 31 March 2026 which require to be reflected in the Annual Governance Statement or annual accounts.



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*A caring partnership*



## Events Subsequent to the Date of the Balance Sheet

**23.** All events subsequent to 31 March 2026 for which IAS 10, as adopted by the 2025/26 Code, requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

*Jonathan Belford*

Jonathan Belford  
Interim Chief Finance Officer