Aberdeen City Health & Social Care Partnership

A caring partnership

Aberdeen City Integration Joint Board

Annual Accounts 2025/26

ABERDEEN CITY COUNCIL

NHS Grampian

Contents

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.

Key financial info	2025/26	2024/25
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	£7.704m	£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.

Chairman'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) 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 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

Chair, Aberdeen City Integration Joint Board
Date: 30 Sept 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 partnership to undertake a time-limited system diagnostic. Its purpose is to identify opportunities for greater efficiency, consistency and potential 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 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 also 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 demand in Learning Disabilities, Mental Health and Addictions, system flow 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. 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 Mitchelhill
Chief Officer, Aberdeen City Health and Social Care Partnership
Date: 30 Sept 2026

1.2 Overview

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

Aberdeen City Integration Joint Board (IJB) is a joint venture 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 or 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

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.

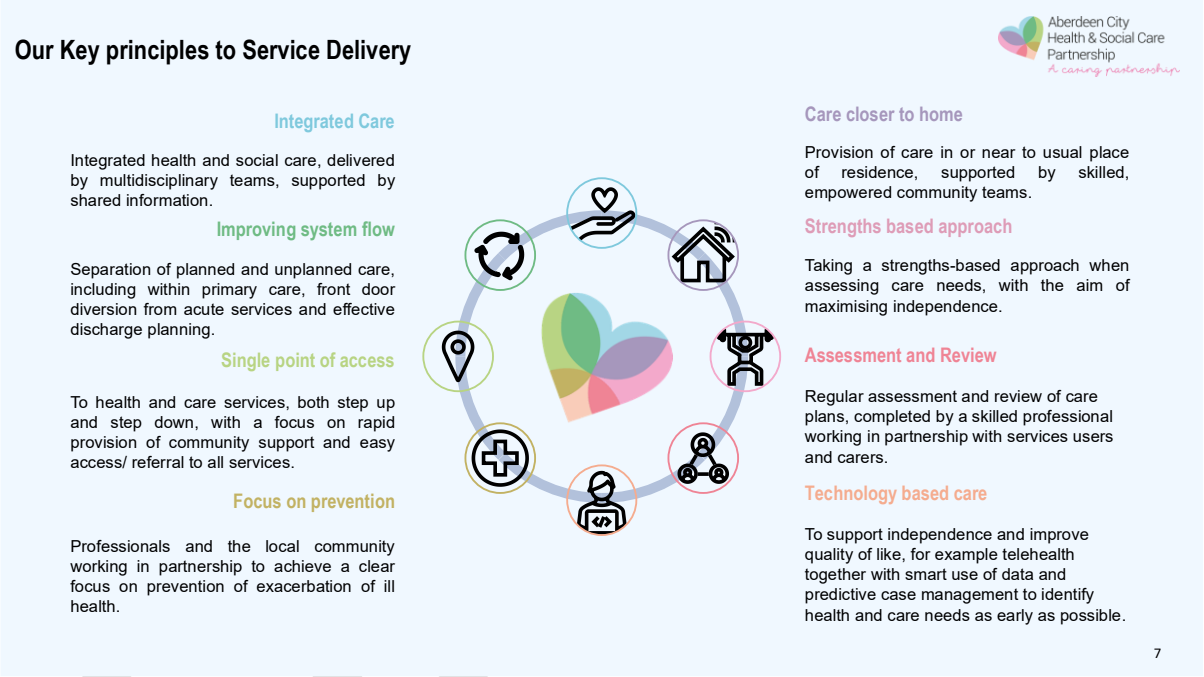
Health Indicator	**Least Deprived**	**Most Deprived**
Life Expectancy Males	81.1	71.7
Life Expectancy Females	84.8	76.4
Alcohol related hospital admissions (per 100,000)	300.7	1,044.2
Alcohol related deaths (per 100,000)	10.5	40.4
Drug related hospital admissions (per 100,000)	39.9	532
Drug related deaths (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 1st 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 and annual reporting through our Annual Performance Report which is published on our website. (Link to be added when APR published NB: this will not be in time for RAPC). There are 32 projects on the 2025/26 delivery Plan, 23 under Modernising our Service Delivery and 9 under Prevention and Early Intervention. 10 projects had a budget savings target collectively contributing to the £14.3 million saving target for the IJB. 6 projects were focused on laying the groundwork for transformation to be enabled in future years.

Key highlights from the 2025/26 Delivery Plan:

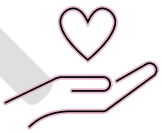
- Conclusion of the Stoneywood development providing purpose-built homes in Aberdeen for eight people with complex needs most of whom were previously cared for out of area in hospital settings
- Redesign of step-down care closing a bed-based facility and transferring care into the community
- Robust 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. When we were preparing our Workforce Plan during 2025/26, we captured data to give us a flavour of a month of activity from some of our services. These are detailed in the graphic below and gives a flavour of the work we do in the communities of Aberdeen.

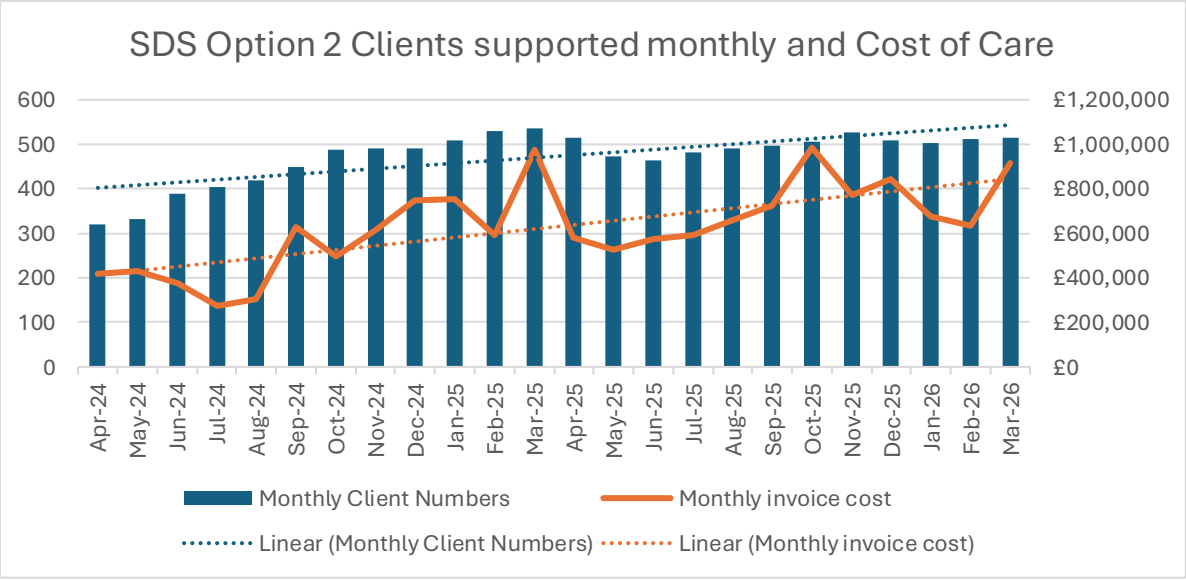
<table>
<tr>
<td> 
19,680 Vaccinations administered</td>
<td> 
9962 Community Nursing Visits</td>
<td> 
2664 individual clients supported with a care package in the community every day</td>
</tr>
<tr>
<td> 
Rehabilitation and Therapy sessions delivered to 512 patients in services such as Physio, Podiatry, Speech and Language Therapy and Occupational Therapy</td>
<td> 
CTAC - Community Treatment and Care see approx. 3500 patients per month diverting from General Practice Services</td>
</tr>
<tr>
<td> 
4403 Sexual Health appts</td>
<td> 
119 Justice Social Work Reports to Court</td>
<td> 
118 School Nursing Visits</td>
</tr>
<tr>
<td> 
14,800 hours of support delivered within Learning Disability Residential Services.</td>
<td> 
9753 hours of Care at Home delivered per month via SDS option 3 (Commissioned services)</td>
</tr>
</table>

Approx **110,800** consultations delivered by GPs in one month.	**294** Adult support and protection referrals to Social Work in one month	Approx **2900** hours delivered every month supporting Learning Disability Day Services and Activities

Budget Performance related to Operational Performance

In terms of the 2025/26 budget there were a number of service areas that made a material contribution to financial performance in terms of under and overspends against their allocated budget. Areas of overspends include Learning Disabilities, Out of Area Treatments and Adult Mental Health and Substance Use. Complexity of demand in our learning disability services is growing and the number of people in high cost out of areas placements is higher than we would like. The development of the eight bespoke bungalows at Stoneywood for people with complex needs has allowed for a reduction in the number out of area however there were additional transition costs for this year of £916,635. During the transition period, the previous care arrangements had to continue which resulted in a short-term double payment. The transitionary costs supported the new care provider to assess and work with individuals, develop associated paperwork to support their move and due to the location of individuals this also included extensive travel and accommodation costs.

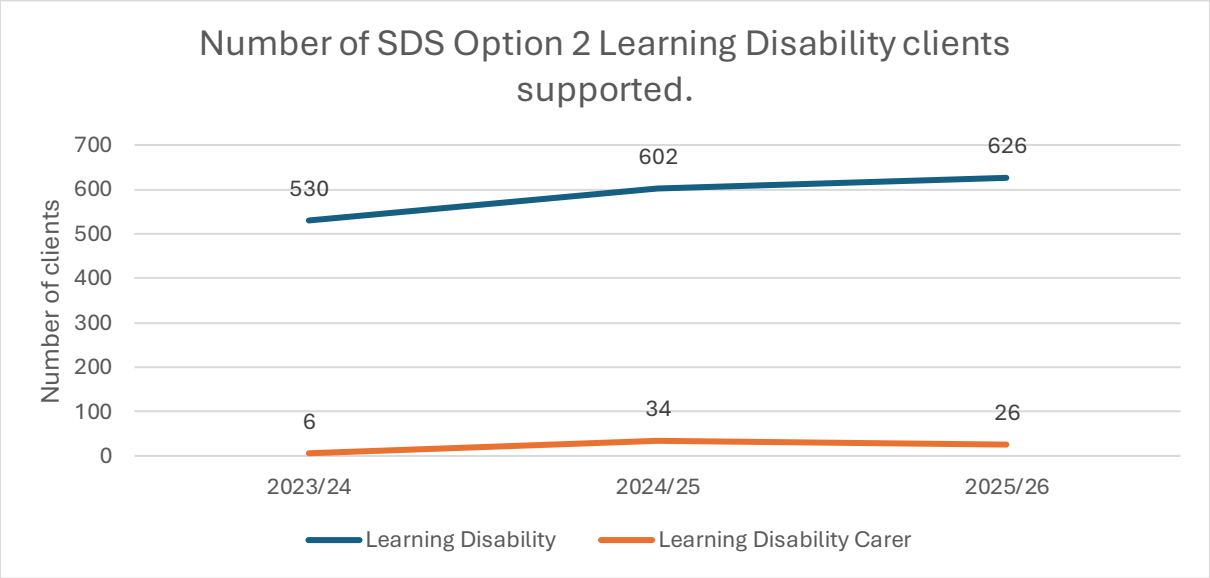
The graph below shows the increase in both number of Adult Social Work clients supported using Self Directed Support Option 2 (many of whom are Learning Disability clients) and the monthly cost of care between April 2024 and March 2026. The table shows an 11.8% increase in clients and a 28.6% increase in the cost of care for these clients from 2024/25 to 2025/26.



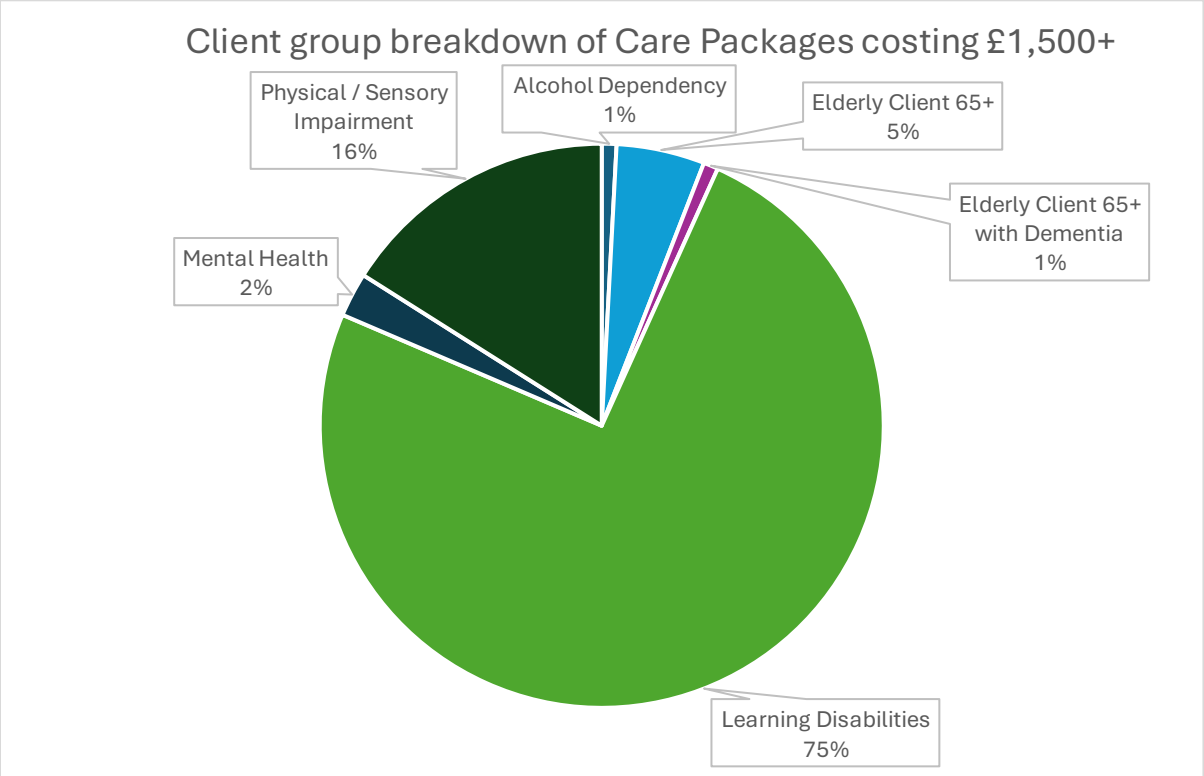
	2024/25	2025/26	Percentage difference
Clients supported monthly	5357	5991	11.8% increase
Cost	£6,603,005.52	£8,492,139.17	28.6% increase

The Learning Disabilities service has a caseload of 1,500 individuals with around 600 unallocated cases. The average caseload per social worker is 65.5. Nationally the indicative maximum case load numbers are significantly lower at 27.6.

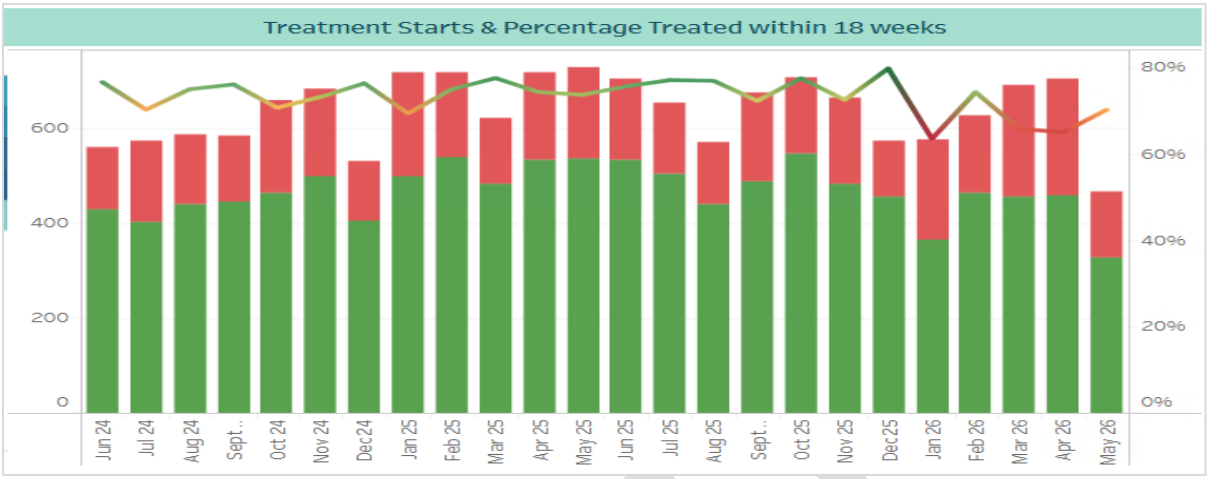
The graph above shows a 4% increase between 2024/25 and 2025/26 in the number of Learning disability clients supported using SDS Option 2.



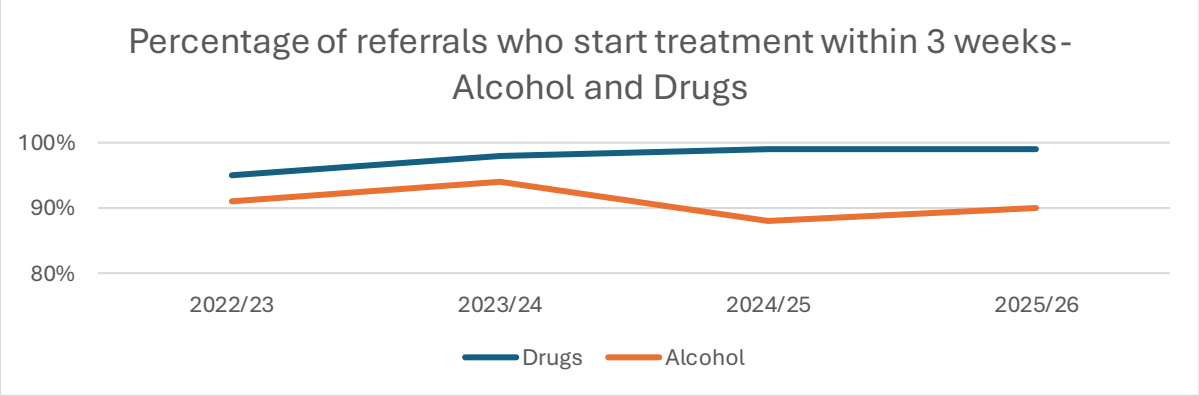
The chart below demonstrates that 75% of the highest-cost packages (over £1,500) are for clients with learning disabilities.



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 increase between 2024/25 and 2025/26.

Areas of underspends include the commissioning budget for high-cost care packages in older people's adult social work. This is as a result of the intensive review of social care provision in line with Eligibility Criteria undertaken at the beginning of 2025/26 to ensure the needs of the most vulnerable people were met. Specialist Older Adult Rehabilitation Services (SOARS) was also an area of underspend, and this is linked to the redesign of step-down care, closing a bed-based facility and transferring care into the community. The prescribing budget also delivered an underspend however this reflects an uplift in funding allocation of £2.513m initially intended to offset underlying cost pressures which did not materialise to the level of the original forecast.

<u>Wider Operational Performance</u>

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 26th May 2026 and PHS will include these in their national publication on 7th July 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 (see1.3.1 Strategic Plan and Year 1 Delivery Plan on page 9). Not all of these are measurable with data. Together with some of the Integration Principles we have identified 10 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. Performance reporting against seven of these areas is supported by national performance indicators and therefore available for strategic benchmarking and analysis. 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 Key Temperature Check against the seven principles selected for reporting is detailed below. It shows the indicators under each principle 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 varying timelines. It is the latest available. The National Indicators are from the July 2025 publication. The data and the commentary will be updated for the final Accounts following publication of the national indicators on 7th July 2026.

Aberdeen City IJB Key Temperature Check against 7 Principles

Principle 1: Quality and Safety				
Measure	Scottish Average	Current Performance	Previous Performance	RAG Status
NI-1: Percentage of adults able to look after their health very well or quite well	90.7%	90.4%	94%	
NI-3: Percentage of adults supported at home who agree that they had a say in how their help, care or support was provided	59.6%	56.5%	66%	
NI-4: Percentage of adults supported at home who agree that their health and social care services seemed to be well co-ordinated	61.4%	63.1%	71%	
NI-5: Percentage of adults receiving any care or support who rate it as excellent or good	70.0%	74.9%	77%	
NI-6: Percentage of people with positive experience of care at their GP practice	71.0%	62.0%	60%	
NI-7: Percentage of adults supported at home who agree that their services and support had an impact in improving or maintaining their quality of life	69.8%	74.4%	79%	

Principle 1: Quality and Safety				
Measure	Scottish Average	Current Performance	Previous Performance	RAG Status
NI-8:Percentage of carers who feel supported to continue in their caring role	31.2%	37.1%	32%	
NI-9: Percentage of adults supported at home who agree they felt safe	72.7%	72.4%	76%	
NI-16: Falls rate per 1,000 population aged 65+	22.5	17.9	21.2	
NI-17: Proportion of care services graded 'good' (4) or better in Care Inspectorate inspections	71.8%	70.7%	81.9%	

Overall Assessment of Performance

The majority of the Quality and Safety Indicators are Amber and Red. The reduction in satisfaction with care received from GPs is likely linked to the narrative that it is difficult to get access to a GP appointment which is supported by the red status of the 'access' indicators in relation to GPs in the section below. The GP Walk-in Centres being trialled from summer 2026 may help improve this indicator. The 'people feeling safe' indicator is difficult to analyse as there are so many different and individual aspects to be considered. Aberdeen City IJB externally commission 99% of their social care provision and despite having a dedicated team to support our providers it is still a challenging environment for them to operate in. Most of the Amber Indicators have that status as performance has deteriorated from the previous period but is still above the Scottish average. These represent the challenging environment our teams are operating in with growing demand for service and more complex need. The Falls Rate in Aberdeen continues to improve and this is a result of the focus people at risk of falling receive. We are delighted that the efforts around implementing our Carers Strategy is having a positive impact with more of our Carers feeling supported.

Principle 2: Access				
Measure	Scottish Average	Current Performance	Previous Performance	RAG Status
HACE03 - Ease of contacting GP Practice	78%	72%	73%	
HACE04 – Experience of booking appointments (advance booking)	52%	48%	46%	
HACE12b - Satisfaction with arrangements to getting to speak to GP	65%	57%	56%	
Psychological Therapies 18-week referral to treatment	80%	66%	94%	
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%	

Overall Assessment of Performance

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 speak to 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.

Principle 3: Improving System Flow				
Measure	Scottish Average	Current Performance	Previous Performance	RAG Status
NI-12: Emergency admission rate (per 100,000 population)	11,559	8,665	9,805	
NI-13: Emergency bed day rate (per 100,000 population)	113,627	86,474	97,032	
NI-14: Emergency readmissions to hospital within 28 days of discharge (rate per 1,000 discharges)	103	117	126	
NI-19: Number of days people spend in hospital when they are ready to be discharged (per 1,000 population)	952	655	207	
MSG1b. - Percentage admitted from A&E all ages (average for year)		23	23	
MSG2a. – Unscheduled bed days, acute specialities		107,404	130,236	
MSG2b. – Unscheduled bed days- Geriatric long stay		5,138	7,036	
MSG2c. – Unscheduled bed days, Mental Health		51,535	51,687	
MSG3a. – A&E attendances		42,179	42,163	

Principle 3: Improving System Flow				
Measure	Scottish Average	Current Performance	Previous Performance	RAG Status
MSG3b. – Percentage seen in A&E within 4 hours all ages (average for year)		57	57	
MSG4. – Delayed Discharge bed days (age 18+)		18,066	7,016	
Delayed Discharges – Standard Delays	72%	91%	91%	
Delayed Discharges – Adults with Incapacity	21%	11%	23%	
Delayed Discharges – Complex/Other	7%	6%	8%	

Overall Assessment of Performance

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. 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.

Principle 4: Care Closer to Home				
Measure	Scottish Average	Current Performance	Previous Performance	RAG Status
NI-15: Proportion of last 6 months of life spent at home or in a community setting	89.2%	91.6%	90.0%	
NI-18: Percentage of adults with intensive care needs receiving care at home	64.7%	56.5%	54.6%	
MSG5. - End of life care (% in community all ages)		90.0%	90.2%	
MSG6. - Balance of Care- %65+ living at home (supported and unsupported)		95.9%	95.9%	
Number of Care Home Placements (per 1,000 population)		9	9.5	
Number of Care at home Hours delivered (per 1,000 population)	17.8	23.3	12.7	

Overall Assessment of Performance

Most of the 'Care Closer to Home' indicators are relatively stable with an improvement in the proportion of the last 6 months of life spent at home and a significant improvement . Again, this stable position is reflective of the amount of work undertaken in an environment where demand is growing and care needs are more complex.

Principle 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	72.4%	76.8%	78%	
Equipment and Adaptation Stats Under development				

Overall Assessment of Performance

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 again 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	
Total number of people assessed and waiting for a care at home package in the community (as at end March)		23	32	
Total number of people assessed and waiting for a care at home package in hospital		13	12	

Overall Assessment of Performance

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 timeously 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	442	448	Not collected	
Suicide Rates per 1,000 population	14.0	12.1	12.2	
Suspected Drugs Deaths	22.5	23.3	23.7	
Childhood Immunisations	90.93%	92.79%	89.18%	
School Immunisations	74.27%	72.60%	73.2%	
COVID Vaccinations	78.10%	68.2%		
Flu Vaccinations	80%	80%		
Pneumococcal Vaccinations	24.6%	16.1%		
RSV Vaccinations	68.1%	70%		
Shingles Vaccinations	76%	76.97%		
Health Visitor Contacts per age range (eligible children)	89%	70%	68%	
Primary 7 Dental Health	81.5%	85%	75.71	

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 slightly higher than the Scottish average. 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 principles 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 within some of the other principles 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

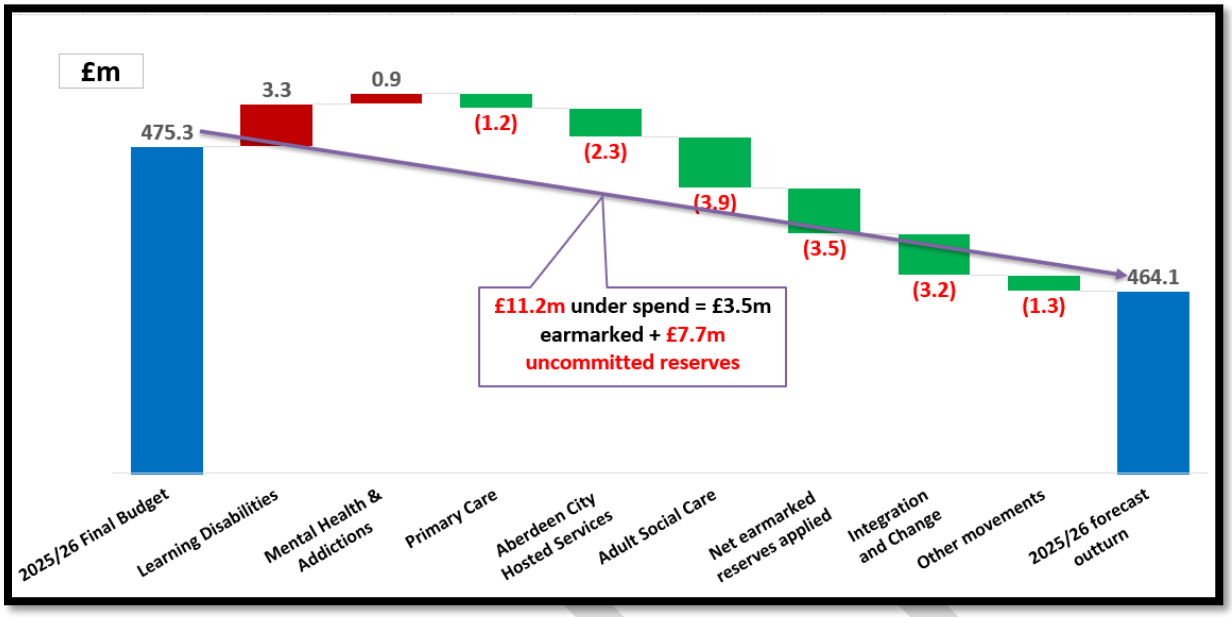
Each year we update our Medium-Term Financial Framework (MTFF) and agree our budget for the following financial year. The MTFF quantifies the projected financial gap over a multi-year period and sets out how we will target resources to maximise contribution to our strategic aims. For 2025/26, the IJB 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 46]. The Balance Sheet [page 48] sets out the liabilities and assets at 31 March 2026. Financial performance is disclosed in the annual accounts on a different basis from that used to report in-year financial performance to the IJB, which considers actual costs against budget.

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 CIES in the statutory annual accounts presents financial performance on the accounting basis required by the Code and therefore differs from the format used for routine in-year budget reporting to the Board.

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.

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.

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.

The year-end variance against the revised budget (before earmarking) can be summarised on a service-by-service basis as follows:

- **Older People & Physical and Sensory Disabilities** – £4.577m underspend. This was driven by staffing savings from unfilled vacancies and delayed recruitment. Additional underspends arose within commissioning budgets following the cessation of several high-cost care packages. £0.638m of the underspend was transferred to an earmarked reserve for the HSCP Digital Innovation Fund.
- **Integration and Change** – £3.225m underspend (one-off). This reflects the recommended allocation of £3.484m to Learning Disabilities through resource transfer, set against actual expenditure incurred in-year. The year-end balance represents funding included within the approved budget and supported by additional funding from both partners, totalling £10.909m. The variance arises from the NHS Grampian element of the budget of £6.709m, where funding was recognised in advance of year end. As a result of the overall positive outturn position, the remaining balance did not require allocation across individual service areas.
- **Community Health Services** – £3.117m underspend. This was mainly driven by additional, unbudgeted, earmarked funding of £3.244m for the Unscheduled Care Operational Improvement Programme and £0.210m for the Neurodevelopmental Pathway, of which £2.513m has been carried forward to 2026/27 (£2.303m for the Unscheduled Care Operational Improvement Programme and £0.210m for the Neurodevelopmental Pathway) to support investment in approved and already commenced improvement schemes.

- **Aberdeen City share of Hosted Services (health)** – £2.253m underspend. The underspend was largely attributable to underspends within the city-hosted Specialist Older Adults and Rehabilitation Service (SOARS), mainly relating to Rosewell wind-down and closure, and underspends across city-hosted Sexual Health services, Marie Curie Nursing and Moray-hosted GMED services. These were partially offset by overspends within Continence services and HMP Grampian, which are hosted by Aberdeenshire.
- **Primary Care** – £1.196m underspend. This was driven by recurring lower costs relating to seniority ('long service') payments (£0.219m), and reduced premises costs (£0.358m non-recurring; £0.362m recurring).
- **Primary Care Prescribing** – £0.389m underspend. The year-end position reflects uplift funding allocation of £2.513m that offset underlying cost pressures. Prescribing cost volatility and demand-led pressures are expected to continue into 2026/27.
- **Learning Disabilities** – £3.303m overspend (recurring). The overspend reflects ongoing demand and complexity pressures, including a number of high-cost care packages, additional one-off costs associated with the transfer of clients to Stoneywood, and transition costs for young people moving into adult services, where the timing of assessments and service commencement does not align with the budget-setting cycle. The higher overspend was partially offset by allocation of £3.484m from Integration and Change via resource transfer.
- **Out of Area Treatments** – £0.988m overspend. This reflects higher-than-anticipated additional nursing provision on placements, exceeding the baseline assumptions underpinning the approved budget.
- **Mental Health & Addictions** – £0.644m overspend. This reflects staffing and commissioning over-spend, primarily within Adult Mental Health (£0.495m) and Substance Misuse (£0.540m) services, driven by the use of agency staff to manage vacancy gaps and clinical risk. Additional over-spend relate to residential care and prescribing. These were partly offset by an over-recovery of income.
- **Other** – £1.362m underspend (mixed), reflecting various other lower value variances across services.

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.
- **Community Health Services** increased by **£0.806m (1.6%)**. The rise in expenditure was driven by increased funding for pay uplifts, enhanced business support, and investment in priority schemes and new pathways, including Long Covid, Unscheduled Care, and Neurodevelopmental services.
- **Primary Care Prescribing** increased by **£0.569m (1.2%)**. The rise in expenditure is directly attributable to volume and price increases compared with the prior year. Ongoing demand volatility and cost pressures are anticipated to persist. Prescribing is a reactive service, providing medicines to keep people well in the community. The nature of the service can be difficult to manage financial cost pressures however work is on-going across different classes of medication to identify how these costs could be managed down.
- **Out of Area Treatments** increased by **£0.699m (23.0%)**. The increase in costs was primarily driven by higher nursing requirements associated with increased patient placements during the year. This was compounded by inflationary pressures, which led to higher provider costs, including in-year contract uplifts.
- **Criminal Justice** increased by **£0.267m**. This reflects the recognition of the second buy-out payment relating to the 35-hour working week as a provision in 2025/26, with corresponding savings expected to be realised from 2026/27 onwards.
- **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.
- **Mental Health & Addictions** reduced by **£0.505m (1.6%)**. Mental Health services achieved an 11% reduction in commissioning costs, largely due to non-renewal of some contracts, partly offset by a 7% increase in staffing costs reflecting unachieved vacancy savings, with recruitment pressures driven by the statutory requirements of Mental Health, Substance Misuse and Out of Hours services.

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, Set

Aside Services 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
SRR 1 - Commissioned Services	**Commissioned and Hosted Services**	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
SRR 2 – Financial Sustainability	**Finance**	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.	**20**	**16**	Chief Finance Officer
SRR 3 - Hosted Services	**Commissioned and Hosted Services**	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
SRR 4 – Performance and Standards	**Regulation and Compliance**	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
SRR 5 - Transformation	**Quality and Innovation**	Risk of failure to deliver transformation and sustainable systems change.	**12**	**6**	Strategy and Transformation Lead
SRR 6 – Community Engagement	**Safety/Quality and Innovation/Reputation**	Risk of IJB fails to maximise the opportunities created for engaging with our communities	**6**	**4**	Strategy and Transformation Lead
SRR 7 - Workforce	**Finance/Regulation and Compliance**	Risk of failure to manage staffing budgets within forecasted predictions.	**16**	**8**	Lead for People and Organisation
SRR 8 -Premises	**Finance/Regulation and Compliance**	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.	**8**	**6**	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.

System flow and whole-system dependency
The IJB faces a continuing risk that acute flow challenges, including delayed discharge, may create additional cost pressures and constrain the ability to shift care into the community, thereby limiting delivery of planned transformation benefits. This risk reflects the interdependency between hospital flow, community capacity and the wider whole-system conditions required to support timely, safe and sustainable care.

During 2025/26, this risk was mitigated through joint system planning and governance with partners, with a continued focus on strengthening community alternatives to admission and discharge pathways. Work also progressed to develop intermediate care and reablement capacity, alongside prioritisation of actions intended to reduce avoidable demand and delays across the system. These arrangements were designed to support improved patient flow, reduce pressure on acute settings and create better conditions for care to be delivered closer to home where appropriate.

Key controls and sources of assurance included whole-system governance arrangements for flow and delayed discharge, agreed operational escalation processes, and performance dashboards covering discharge, intermediate care and community capacity. Additional assurance was provided through pathway reviews and improvement plans reported via the Unscheduled Care Delivery Board, with a particular focus on improving front door performance, most notably four-hour performance and ambulance stacking. Together, these controls supported oversight of system pressures, operational performance and progress against agreed improvement actions.

During the year, work continued in the community to strengthen services that support people to leave hospital as soon as they are medically safe to do so. The continued development of Discharge to Assess and the expansion of Hospital at Home were integral to this approach and are expected to remain important in meeting demand and improving system flow. Length of stay data was also shared across inpatient areas to support action to reduce unnecessary delay and improve the timely movement of people from acute settings into rehabilitation and other appropriate community-based pathways. This work forms part of the broader whole-system response to reducing delays and improving patient flow across the health and social care system.

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 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.

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 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 will be led by the Business, Resilience and Communications Lead, working with risk owners, 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 w.e.f. 16 February 2026.

Hussein Patwa
IJB Chair

Fiona Mitchelhill
Chief Officer

Jonathan Belford
Interim Chief Finance Officer

2. 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

3. Governance and Accountability

3.1 IJB and Sub Committees Membership

IJB and Sub Committees Membership		
Integration Joint Board		
Hussein Patwa, Chair	NHSG **voting** member	Appointed Chair 26 April 2025 (Appointed as Member 22 August 2023; VC from 10 October 2023)
Councillor John Cooke, Vice Chair	ACC **voting** member	Appointed Vice Chair 26 April 2025 (Chair 25 April 2023; VC from 7 June 2022)
Prof. David Blackbourn	NHSG **voting** member	Nominated July 2024, noted 24 September 2024
Ritchie Johnson	NHSG **voting** member	Nominated July 2024, noted 24 September 2024
Mark Burrell	NHSG **voting** member	Appointed 22 August 2023
Councillor Lee Fairfull	ACC **voting** member	Appointed 22 August 2023; Last meeting 6 February 2024, reappointed 19 November 2024
Councillor Martin Greig	ACC **voting** member	Appointed 7 June 2022
Councillor M.Tauqeer Malik	ACC **voting** member	Appointed 11 March 2025
Amanda Foster 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	Continuous membership
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	Continuous membership
Jonathan Belford	Interim Chief Finance Officer	Appointed July 2025
Graeme Simpson	ACC, Chief Social Work Officer	Continuous membership
Resigned:		
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 Resigned 12 May 2026

Risk, Audit and Performance Committee		
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)

Clinical Care & Governance Group		
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 Blackbourn	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 **30 September 2026**.

Signed on behalf of the Aberdeen City Integration Joint Board

Hussein Patwa
IJB Chair

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
Interim Chief Finance Officer

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.

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

**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.

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

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 31/03/2026	Pension Difference from 31/03/25	Lump sum as at 31/03/26	Lump sum difference from 31/03/25	2025/26	2024/25
		£	£	£	£	£	£
Fiona Mitchelhill	**Chief Officer** From 19/02/24	40,670	4,702	96,164	6,375	26,035	24,491
Amy MacDonald	**Chief Finance Officer** From 19/12/2024 To 02/07/2025	1,051	569	-	-	6,281	5,669
Lakshmi Kudlur	**Depute Chief Finance Officer** From 16/02/2026	216	216	-	-	1,110	-
Total						**32,316**	**30,161**

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. The pension figures for the chief officer and chief finance officer are indicative based on last years.

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 Hussein Patwa

Chief Officer Chair

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.

Placeholder for final internal audit opinion: insert the confirmed 2025/26 annual internal audit opinion here and ensure that the conclusion on assurance and certification below are aligned to that opinion before approval.

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 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.

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	By Quarter 2 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

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.

Placeholder for final sign-off: confirm that this certification wording is consistent with the final 2025/26 external audit or governance disclosures before approval.

…….. ……..

Fiona Mitchelhill

Chief Officer

Hussein Patwa

Chair

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 £	Gross Income £	Net Expenditure £		Gross Expenditure £	Gross Income £	Net Expenditure £
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
463,435,238	**(6,384,627)**	**457,050,611**	**Cost of Services**	**471,155,889**	**(7,042,868)**	**464,113,022**
-	(447,215,776)	(447,215,776)	Taxation and Non-Specific Grant Income (Note 1)	-	(475,344,440)	(475,344,440)
463,435,238	**(453,600,403)**	**9,834,835**	**(Surplus) or Deficit on Provision of Services**	**471,155,889**	**(482,387,308)**	**(11,231,419)**
		9,834,835	**Total Comprehensive Income and Expenditure**			**(11,231,419)**

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.

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

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 £		Notes	31-Mar 2026 £
18,368,031	Short term Debtors	(8)	11,231,419
18,368,031	**Current Assets**		**11,231,419**
(18,368,031)	Short-term Creditors	(9)	-
(18,368,031)	**Current Liabilities**		-
-	Provisions		-
-	**Long-term Liabilities**		-
-	**Net Assets**		**11,231,419**
-	Usable Reserve: General Fund	(10)	(11,231,419)
-	Unusable Reserve:		-
-	**Total Reserves**		**(11,231,419)**

The unaudited accounts were issued on 22 June 2026, and the audited accounts were authorised for issue on 30 September 2026.

Jonathan Belford
Interim Chief Finance Officer

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 11).

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

*Audit fees in respect of 2025/26 are £42,600 (2024/25: £39,100)

4.4.7 Taxation and Non-Specific Grant Income

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

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 £		31-Mar-26 £
18,368,031	NHS Grampian	**10,593,760**
-	Aberdeen City Council	**637,660**
18,368,031	**Debtors**	**11,231,419**

4.4.9 Creditors

31-Mar-25 £		31-Mar-26 £
(18,368,031)	Aberdeen City Council	-
(18,368,031)	**Debtors**	**-**

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.

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 1 April 2024	Transfers		Balance at 31-Mar-25		Transfers	Transfers	Balance at 31-Mar-26
	In	Out			In	Out	
£	£	£	£		£	£	£
-	-	-	-	HSCP Digital Innovation Fund	(637,660)	-	(637,660)
(1,034,295)	-	1,034,295	-	Earmarked External 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 and Renewal	(109,467)	-	(109,467)
(1,168,459)	-	1,168,459	-	ADP	-	-	-
(4,296,651)	-	4,296,651	-	Integration & Change	-	-	-
(7,334,836)	-	7,334,836	-	**Total Earmarked**	**(3,527,309)**	-	**(3,527,309)**
(2,500,000)	-	2,500,000	-	**Risk Fund**	**-**	-	**-**
-	-	-	-	**Uncommitted Reserves**	**(7,704,110)**	-	**(7,704,110)**
(9,834,836)	-	**9,834,836**	-	**General Fund**	**(11,231,419)**	-	**(11,231,419)**

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 £		2025/26 £
1,977,596	Expenditure on Agency Services	**2,118,947**
(1,977,596)	Reimbursement for Agency Services	**(2,118,947)**
-	**Net Agency Expenditure excluded from the CIES**	**-**

The amount of expenditure and income relating to the Woodend Rehabilitation Services agency arrangement is shown below.

2024/25 £		2025/26 £
9,433,729	Expenditure on Agency Services	**11,517,178**
(9,433,729)	Reimbursement for Agency Services	**(11,517,178)**
-	**Net Agency Expenditure excluded from the CIES**	**-**

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.

NHS Grampian

31-Mar-25 £		31-Mar-26 £
(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)	**Net Transactions with the NHS Grampian**	**(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 – 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 £37.3 million. (2024/25: £27.9 million)

Balances with NHS Grampian

31-Mar-25 £		31-Mar-26 £
18,368,031	Debtor balances: Amounts due from the NHS Board	10,593,760
18,368,031	**Net Balance with the NHS Grampian**	**10,593,760**

Transactions with Aberdeen City Council

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

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

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

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.

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

4.4.13 VAT

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