

A special meeting of the **Clackmannanshire and Stirling Integration Joint Board** will be held on **27 February 2026 2 – 3.30 pm via MS Teams**

Please notify apologies for absence to:
fv.clackmannanshirestirling.hscp@nhs.scot

AGENDA

1. Welcome and Apologies

2. Notification of Substitutes

3. Declaration(s) of Interest

4. 2024/25 Audited Annual Accounts and Annual Audit Report
Paper Presented by Amy McDonald, interim Chief Finance Officer

5. Finance Report
Paper Presented by Amy McDonald, interim Chief Finance Officer

Close of Meeting

Clackmannanshire & Stirling Integration Joint Board

27 February 2026

Agenda Item 4

2024/25 Audited Annual Accounts and Annual Audit Report

For Approval

Paper Approved for Submission by:	Jennifer Borthwick, Interim Chief Officer
Paper presented by:	Amy McDonald, Interim Chief Finance Officer
Author – Audit Report:	Stuart Kenny, Audit Director, Deloitte LLP
Exempt Report	No

Directions	
No Direction Required	<input checked="" type="checkbox"/>
Clackmannanshire Council	<input type="checkbox"/>
Stirling Council	<input type="checkbox"/>
NHS Forth Valley	<input type="checkbox"/>

Purpose of Report:	To present the draft audited 2024/25 Annual Report and Financial Statements (Annual Accounts) and the Annual Audit Report to the Integration Joint Board for approval.
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Recommendations:	<p>It is recommended that the Integration Joint Board (IJB):</p> <ol style="list-style-type: none"> 1) Consider and agree the Integration Joint Board's 2024/25 Audited Accounts for signature, as attached at Appendix A. 2) Instruct the Interim Chief Finance Officer to submit the approved audited accounts to NHS Forth Valley, Stirling Council and Clackmannanshire Council. 3) Instruct the Interim Chief Officer to sign the representation letter, as attached at Appendix B. 4) Consider the External Auditor's Annual Audit Report and note the recommendations and management comments on in the Report Action Plan, as attached at Appendix C. Progress will be monitored through the Finance, Audit and Performance Committee.
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Appendices:	<p>A: Audited Annual Accounts 2024/25 B: Representation Letter 2024/25 C: Annual Audit Report 2024/25</p>
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Key Risks and Issues:	The Annual Audit Report and Audited Annual Accounts both contain narrative in relation to key issues and risks.
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1. Background

- 1.1. The Local Authority Accounts (Scotland) Regulations 2014 places a statutory obligation on the Integration Joint Board to approve the audited accounts.
- 1.2. The accounts are based on the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) and follow the format of the accounts used by local authorities as the IJB is recognised as a local

government body, under Part VII of the Local Government (Scotland) Act 1973.

2. Recommendations

- 2.1. The Clackmannanshire & Stirling Integration Joint Board Annual Accounts 2024/25 are attached for consideration, discussion and, subject to these considerations, signature.
- 2.2. The accounts detail the financial performance of the partnership alongside an overview of wider performance drawn from the draft Annual Performance Report (APR).
- 2.3. The Annual Audit Report (AAR) is presented with the Annual Accounts, and the findings and recommendations contained therein should be considered alongside the accounts.

3. Summary of Key Information

- 3.1. The accounts follow the following format:

Management Commentary - Explains the performance over the last financial year and highlights some of the potential risks during the next financial year.

Remuneration Note – contains details of the pay and pension benefits accrued by the senior officers of the IJB during 2024/25.

Annual Governance Statement – Highlights the Governance Framework in place. This contains the assurances from Stirling Council, Clackmannanshire Council and NHS Forth Valley. It also contains wording from the Chief Internal Auditor on the internal control environment.

Financial Statements – contains details of the financial transactions, including the Income & Expenditure Account, Balance Sheet and Movement in Reserves Statement.

Notes to the Accounts – including the financial policies used by the IJB over this period and the relevant disclosures required through the code.

4. Appendices

Appendix A: Audited Annual Accounts 2024/25

Appendix B: Representation Letter 2024/25

Appendix C: Annual Audit Report 2024/25

Fit with Strategic Priorities:	
Prevention and Early Intervention	<input type="checkbox"/>
Independent Living through Choice and Control	<input type="checkbox"/>
Achieve Care Closer to Home	<input type="checkbox"/>
Supporting People and Empowering Communities	<input type="checkbox"/>
Reducing Loneliness and Isolation	<input type="checkbox"/>
Enabling Activities	
Medium Term Financial Plan	<input type="checkbox"/>
Workforce Plan	<input type="checkbox"/>
Commissioning Consortium	<input type="checkbox"/>
Transforming Care	<input type="checkbox"/>
Data and Performance	<input checked="" type="checkbox"/>
Communication and Engagement	<input type="checkbox"/>
Implications	
Finance:	There are no financial implications other than those contained within the report.
Other Resources:	There are no implications for other resources.
Legal:	There are no direct legal implications other than the statutory process being followed.
Risk & mitigation:	No other risk and mitigation actions other than those contained within the report.
Equality and Human Rights:	The content of this report does not require a EQIA
Data Protection:	The content of this report does not require a DPIA
Fairer Duty Scotland	<p>Fairer Scotland Duty places a legal responsibility on public bodies in Scotland to actively consider ('pay due regard' to) how they can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions.</p> <p>The Guidance for public bodies can be found at: Fairer Scotland Duty: guidance for public bodies - gov.scot (www.gov.scot)</p> <p>Please select the appropriate statement below:</p> <p>This paper does not require a Fairer Duty assessment.</p>

Clackmannanshire and Stirling Integration Joint Board

2024/25 Annual Report and Financial Statements



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Management Commentary

Introduction & Purpose

This publication contains the financial statements for the financial year from 1 April 2024 to 31 March 2025.

The Management Commentary outlines the key messages in relation to the Integration Joint Board's (IJB) financial planning and performance for the year 2024/25 and how this supports delivery of the IJB's strategic priorities as defined in the extant Strategic Commissioning Plan. This commentary also takes a forward look and outlines future plans for the IJB. The commentary also highlights the challenges and risks we will face as we endeavour to meet the needs of and improve outcomes for the population of Clackmannanshire and Stirling.

The IJB is responsible for the strategic planning, funding, and commissioning of Adult Social Care Services, Community and Family Health Services, and strategic planning and funding of large hospital services with NHS Forth Valley and Falkirk Integration Joint Board. These large hospital services continue to be operationally managed by NHS Forth Valley as part of pan Forth Valley arrangements.

The IJB and the Health and Social Care Partnership (HSCP) Senior Management Team would wish to take this opportunity to convey thanks for the tremendous work that staff, both directly employed, and commissioned through providers of health and social care services, have done to continue the delivery of services to our citizens during what has been a significantly challenging year. The IJB would also wish to thank our wider range of partners it works with including partners in the Third Sector.

Role and Remit of the Clackmannanshire and Stirling Integration Joint Board

The Clackmannanshire and Stirling Integration Joint Board was formally established in April 2016 through the legal partnership agreement between NHS Forth Valley and Clackmannanshire and Stirling Councils known as the Integration Scheme.

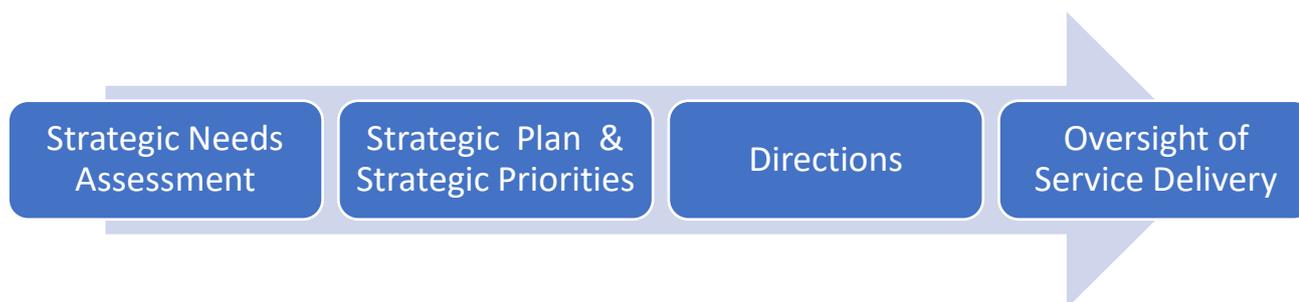
The IJB has responsibility for the strategic planning and commissioning of a wide range of health and adult social care services within the Clackmannanshire and Stirling area. The functions delegated to the IJB, under the Public Bodies (Joint Working) (Scotland) Act 2014 (the Act) are detailed within the extant Integration Scheme <https://clacksandstirlinghscp.org/about-us/integration-scheme/>.

Clackmannanshire and Stirling IJB is unique in Scotland as the only IJB consisting of two local authorities and one NHS Board. This arrangement brings additional complexity particularly with regard to issues such as integrated strategic and financial planning, service delivery being seamless from the point of the service user, governance arrangements, and assurances required from an operational perspective.

IJB Business Model

The role of the IJB is to plan health and social care services for the population it covers, including preventative type provision such as Health Improvement. The IJB discharges this role through:

- Carrying out a strategic needs assessment for the partnership population.
- Developing and agreeing a Strategic Commissioning Plan including defined priorities to pursue improvement against the 9 National Health and Wellbeing Outcomes that seek to measure the impact that integration is having on people's lives.
- Directing Clackmannanshire and Stirling Councils and NHS Forth Valley to deliver services within the Strategic Commissioning Plan budget.
- Implementing Locality Planning Networks within the IJB's agreed localities which are the 'engine room' for local planning and delivery.



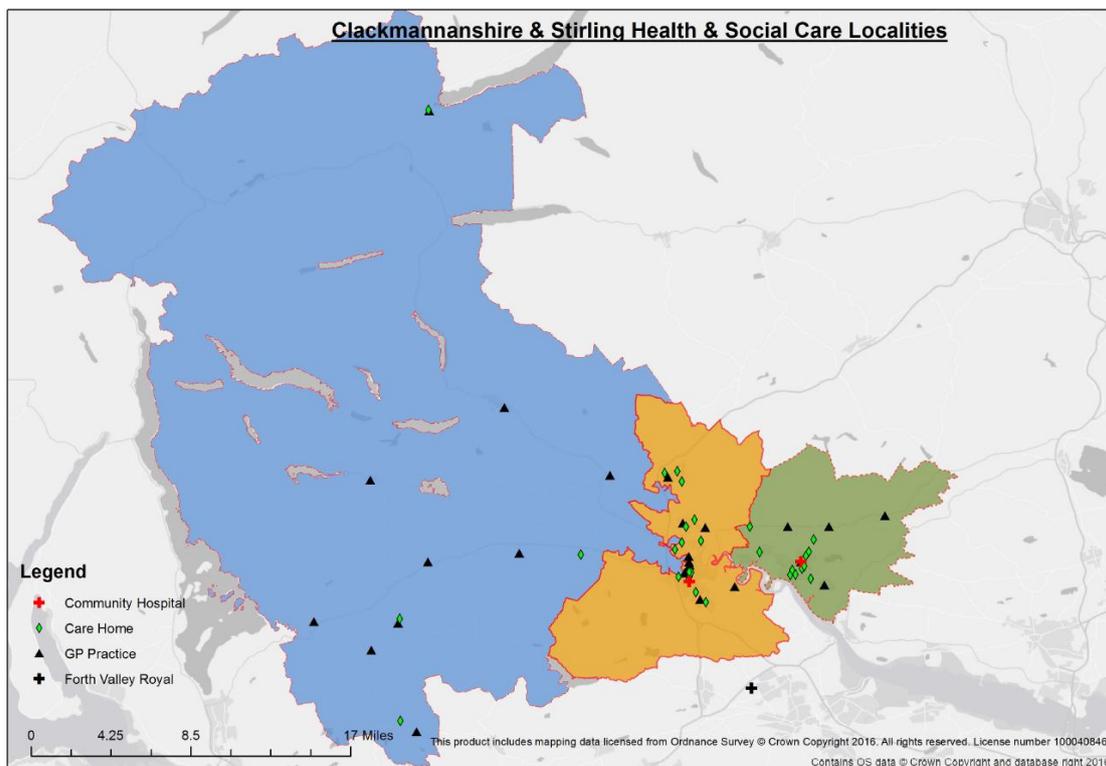
There is therefore a distinction between the Integration Joint Board as the Public Body and the Health and Social Care Partnership as the mechanism or 'delivery vehicle' for delegated integration functions defined in the Integration Scheme. These functions are delivered by means of the IJB directing the constituent authorities to deliver services on the IJB's behalf using the resources available to deliver the Strategic Commissioning Plan.

Review of the Integration Scheme

Under the requirements of the Act, Local Authorities and NHS Boards are required to review Integration Schemes within five years of the scheme being approved in Parliament. The existing integration scheme dated March 2018 was due for review in 2023. Progress to review the scheme was initially delayed by the ongoing impact of the Covid 19 pandemic and therefore agreement was reached with the Scottish Government that the scheme would be fully reviewed during 2024. The review is now complete and a number of changes and updates have been made to the scheme. The revised scheme has been approved by NHS Forth Valley and Stirling Council, however formal approval has not been agreed by Clackmannanshire Council as yet. Discussions are ongoing through the dispute mechanism to conclude the formal approval process. Once all 3 partners have approved the scheme, it will be submitted to the Scottish Government for Ministerial approval. Therefore, at the current point in time, the extant Integration Scheme remains in force.

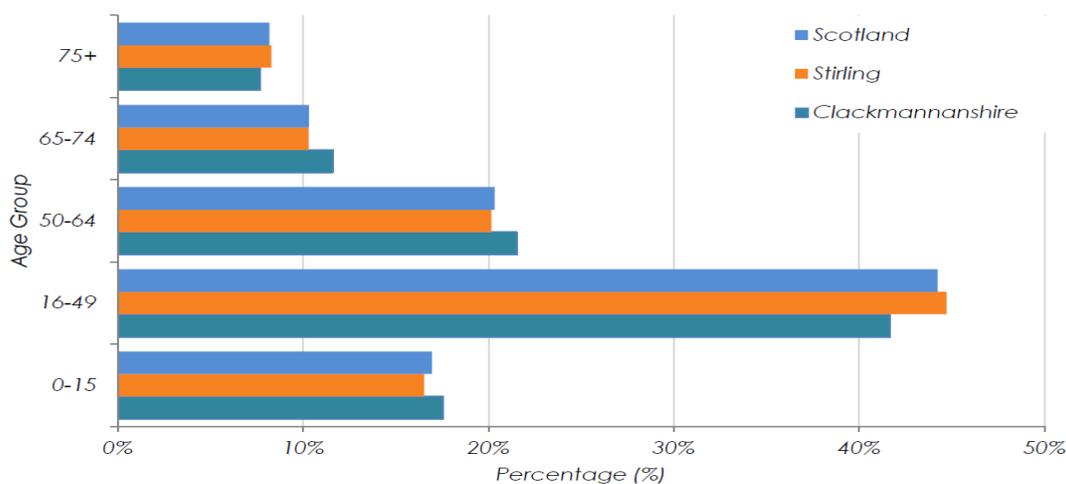
Clackmannanshire and Stirling Health and Social Care Partnership

The Clackmannanshire and Stirling Health and Social Care Partnership population is approximately 145,000 and the partnership provides services over an area of 1,454 square miles with urban centres around Stirling and Alloa and very rural areas to the North and West of Stirling including a significant element of the Loch Lomond and Trossachs National Park.



Note: The acute hospital that serves Clackmannanshire & Stirling is the Forth Valley Royal Hospital in Larbert. Some residents in Rural Stirling also access nearby Glasgow hospitals.

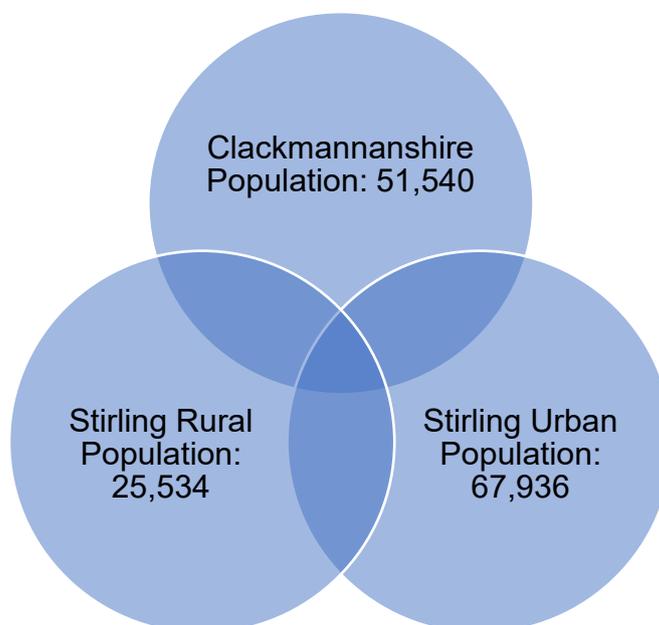
The age distribution of the population of Clackmannanshire and Stirling compared to Scotland is illustrated below:



Our Strategic Needs Assessment highlights a number of key messages for the partnership population:

- We have an ageing population.
- It is projected that Clackmannanshire and Stirling will have growing numbers of individuals living with long term conditions, multiple conditions, and complex needs.
- Supporting unpaid carers is a priority.
- Reducing unplanned emergency hospital care will benefit the service as well as the individual.
- Reducing behaviours such as smoking, alcohol consumption, drug use, and poor diet could have a positive effect on an individual's health and, in general, on the future burden of disease across communities.
- There are significant differences in the issues affecting health and social care within each locality including socio-economic issues. This leads to inequalities.

There are three localities in the partnership:



In September 2023 the IJB approved Locality Plans for each of the 3 localities within the partnership area.

These included locality action plans for 2023-26 focusing on co-produced agreed local priorities.

These local priorities are set out below:

Clackmannanshire

- Issues of Alcohol and Drug Use across Clackmannanshire
- Supporting and promoting Mental Health and Wellbeing
- Addressing Health Inequalities
- Clear shared communication on the clarity of roles across community health and care services to be shared across communities

Stirling Urban

- Clear shared communication on the clarity of roles across community health and care services to be shared across communities
- Supporting and promoting Mental Health and Wellbeing
- Identifying Social Enterprise opportunities based around need within our communities
- Supporting people with dementia within our communities

Stirling Rural

- Better understanding of services and increased knowledge linked to access to services across rural Stirling
- Access to care closer to home
- Scope support available to develop caring and connected communities and supporting recruitment opportunities in health and social care
- Supporting people with dementia within our communities

Integration Joint Board Vision, Strategic Commissioning Plan, and Priorities

The vision of Clackmannanshire and Stirling Health and Social Care Partnership is:

Enabling people in Clackmannanshire & Stirling to live full and positive lives within supportive communities by working together and promoting wellbeing.

2023/2033 Strategic Commissioning Plan

The IJB approved its 2023/2033 Strategic Commissioning Plan in March 2023 which sets out our ambitions that were co-created as a result of extensive engagement across Clackmannanshire and Stirling. This is the third Strategic Commissioning Plan since the establishment of the IJB and covers a 10-year period. The full Strategic Commissioning Plan can be accessed here [Clackmannanshire and Stirling HSCP – Strategic Plan \(clacksandstirlinghscp.org\)](https://clacksandstirlinghscp.org)

The Strategic Commissioning Plan demonstrates our ongoing commitment to delivery of a programme of transformation and change to meet the needs of our population.

Our Strategic Themes & Priorities

Our priority is to provide health and social care services that support people to meet their outcomes, to provide services that are high quality, to fulfil the needs of people and help individuals to live independent and fulfilling lives. The Strategic Commissioning Plan sets out how these priorities will be pursued through a 'Needs Led, Resource Bound' approach recognising the financial and other sustainability challenges such as workforce.

1. Prevention, early intervention, and harm reduction

Working with partners to improve overall health and wellbeing and preventing ill health. Promote positive health and wellbeing, prevention, early interventions and harm reduction. Promoting physical activity and reduce exposure to adverse behaviours. Right levels of support and advice at the right time, maintaining independence and improving access to services at times of crisis.

2. Independent Living through choice and control

Supporting people and carers to actively participate in making informed decisions about how they will live their lives and meet their agreed outcomes. Helping people identify what is important to them to live full and positive lives and make decisions that are right for them. Co-production and design of services with people with lived experience who have the insight to shape services of the future.

3. Achieving Care Closer to Home

Shifting delivery of care and support from institutional, hospital-led services towards services that support people in the community and promote recovery and greater independence where possible. Investing in and working in partnership with people, their carer, and communities to deliver services. Improving access to care, the way services and

agencies work together, working efficiently, improving the customer journey, ensure people are not delayed in hospital unnecessarily, co-design of services, primary care transformation and care closer to home.

4. Supporting empowered people and communities.

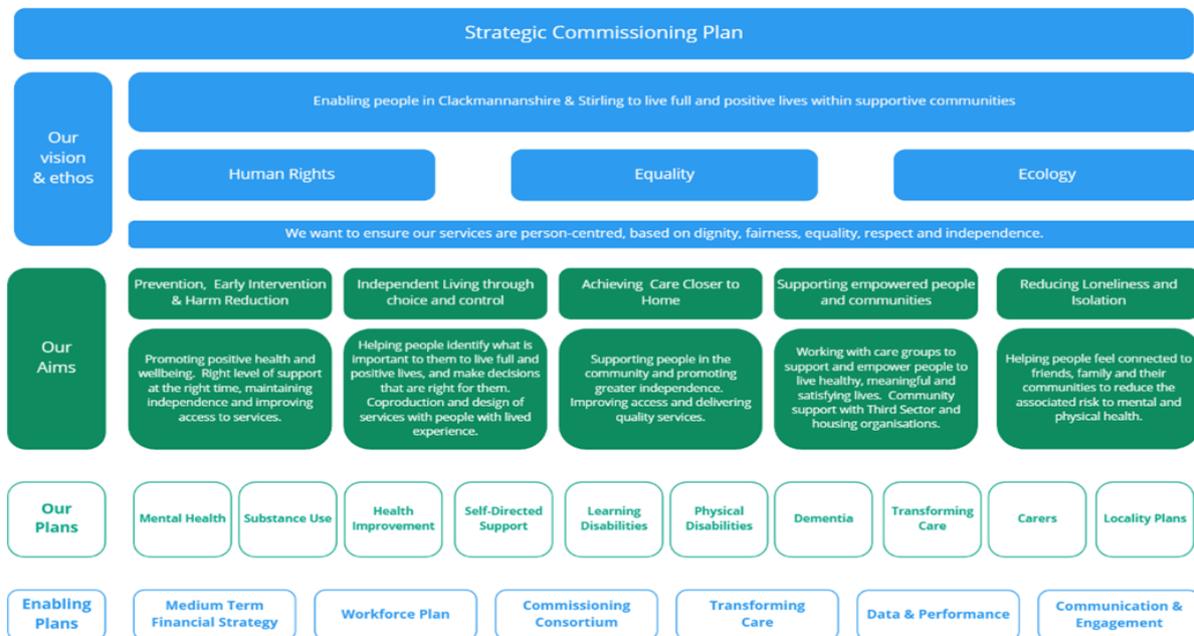
Working with communities to support and empower people to continue to live healthy, meaningful, and satisfying lives as active members of their community. Being innovative and creative in how care and support is provided. Support for unpaid carers; helping people live in their local communities, access to local support, dealing with isolation and loneliness. Planning community supports with third sector, independent sector, and housing providers. Neighbourhood care, unpaid carers, third sector supports.

5. Reducing loneliness and isolation

Our society is changing, accelerated by the pandemic and there is increasing risk of social isolation and loneliness, both of which can impact a person’s physical and mental wellbeing. We will work with communities to support local communities to build connections. We will build preventions and early interventions around changing the narrative around loneliness and isolation and find new ways for people to ask for help without feeling embarrassed.

Our ‘Plan on a Page’

The partnership vision and ethos, priorities, aims, supporting and enabling plans are brought together visually within ‘our plan on a page’ below.



Review of Progress in Delivery of Strategic Commissioning Plan

The 2023/2033 Strategic Commissioning Plan will be subject to substantive review at least every three years to comply with extant legislation and statutory guidance and progress on delivering the plan will be the focus of annual performance reports (APRs) during the lifecycle of the plan. A substantive review is therefore planned to be conducted over the remainder of financial year 2025/26.

Principal Activities & Key Achievements in 2024/25

During 2024/25 the key activities and achievements of Clackmannanshire and Stirling Integration Joint Board, aligned to the priorities of the 2023/2033 Strategic Commissioning Plan, included:

- Developing and approving the 2023/24 Annual Performance Report
- Implementing and monitoring delivery plans for Year 2 of the 2023/33 Strategic Commissioning Plans
- Agreeing a 'Once for Clackmannanshire and Stirling Self Directed Support (SDS) Policy
- Agreeing a revised Integrated Performance Framework
- Reviewing and streamlining governance arrangements including streamlined committee structure through establishing a Finance, Audit and Performance Committee to replace the former Audit and Risk and Finance and Performance Committees.
- Agreeing a revised Risk Management Strategy including Risk Appetite and Tolerance Statements
- Agreeing an Independent Advocacy Strategic Commissioning Plan
- Agreeing a Commissioning Approach for Dementia
- Agreeing a plan to Implement the Self-Directed Support Policy for Adults with Learning Disabilities
- Agreeing a Palliative and End of Life Care Strategic Plan
- Agreeing an Improvement Plan in Response to the Joint Inspection of Clackmannanshire and Stirling Health and Social Care Partnership which took place between April and September 2024
- Agreeing to Commission a Change to the Model of Long-Term Care for Older Adults
- Agreeing a Mental Health Inpatient Redesign
- Agreeing a Model of Care for Respite and Short Breaks
- Agreeing and overseeing financial recovery options which partially mitigated the projected overspend whilst maintaining statutory service delivery and maintaining performance.

The IJB also considered and approved the [2023-24 Climate Change report](#) in October 2024 as part of its responsibilities under the Climate Change (Scotland) Act 2009 and the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015. The report acknowledges that the IJB does not employ staff or have responsibility for, or ownership of, premises and other assets, which means that the opportunities to directly contribute to net zero targets are limited. As such, the report refers to the associated climate change reports and related annual accounts disclosures of the constituent authorities.

Forward Look: Policy Landscape Reform

Further to the Independent Review of Adult Social Care published in September 2020 Scottish Government agreed policy intent to establish a National Care Service (NCS) over the current parliamentary term.

After significant consultation, discussion and significant changes, the initial National Care Service Bill has now become the Care Reform (Scotland) Act 2025 which was approved in July 2025. The Act introduces key changes including:

- Anne’s Law which guarantees the right of people in adult care homes to see loved ones
- Rights for Unpaid Carers including the right to breaks
- Improved Information Sharing
- Establishment of a National Social Work Agency
- Plans for a new digital integrated health and care record

Additionally in June 2025 the Scottish Government approved the Public Service Reform Strategy and the Health and Social Care Service Renewal Framework setting out how the Scottish Government intends to work with the public sector and the public to reform public services and approach addressing fiscal and service sustainability challenges.

2024/25 Annual Accounts

The Accounts report the financial performance of the Integration Joint Board. Its main purpose is to present a true and fair overview of financial performance and demonstrate the use of the public funds available for the delivery of the Integration Joint Board’s vision and priorities as set out in the Strategic Commissioning Plan.

The requirements governing the format and content of local authorities’ annual accounts are contained in The Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The 2024/25 Annual Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting and the Local Authority Accounts (Scotland) Regulations 2014.

For financial year 2024/25 a small surplus of £0.390m has been declared reflecting the net increase in reserves held between 1 April 2024 and 31 March 2025.

At 31 March 2025 the Integration Joint Board holds £10.253 million of reserves which are all earmarked for use during 2025/26 and future years. This figure includes £4m relating to NHS Forth Valley’s potential risk share contribution to the projected deficit on the 25/26 Delivery Plan.

During the course of the year, general reserves were deployed to offset operational budget overspends and unachieved financial recovery measures. As a result, the IJB now holds zero general reserves to cushion financial risk or deal with unforeseen cost pressures going forward. This is now the case for most IJBs in Scotland reflecting significant systemic sustainability challenges. The position is not compliant with the IJBs extant reserves policy and strategy and re-establishment of a degree of contingency reserves remains an aspiration over the medium term.

The table below summarises the net total movement in reserves in 2024/25:

	£m
Total Reserves at 1 April 2024	9.863
Net increase in Reserves	0.390
Total Reserves at 31 March 2025	10.253

The reserves held at 31 March 2025 are across two broad categories as summarised in the table below:

Reserve Category	£m
NHS FV estimate 25/26 risk share	4.000
Other Earmarked Reserves	6.253
Total Reserves at 31 March 2025	10.253

A detailed analysis of reserves and movements therein is provided within Note 8 to the financial statements.

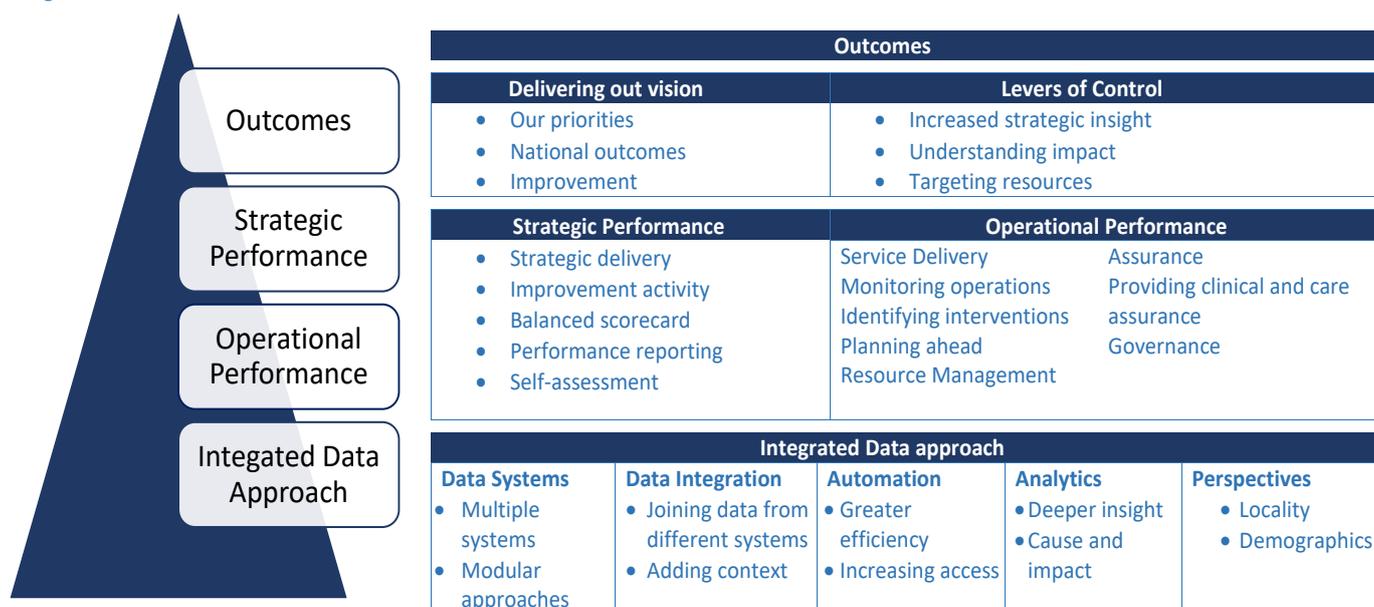
The reserves position creates an additional risk to the IJB and its constituent authorities given projected demand and cost increases and constrained public finances.

Performance Reporting

The Integration Joint Board continues to further evolve its performance management frameworks, infrastructure, and culture in partnership with support services drawn from the constituent authorities.

Specific further work has been undertaken in developing an integrated performance framework and the IJB approved this in June 2024. This framework is aimed at developing over time ways to demonstrate improved outcomes for citizens, best value for the use of public money, and evidence of progress in relation to the agreed Strategic Plan Priorities. There are ongoing challenges with regard to access to data, in particular, automated data. Information Technology and Management Information Systems across the three constituent authorities require significant modernisation from both an individual organisational perspective but also to report and measure the impact of integrated service delivery and gather evidence of improved outcomes. A visual representation of the Integrated Performance Framework is provided below:

Integrated Performance Framework



The Integration Joint Board receives a quarterly performance report which along with financial reports and periodic progress reporting on the Transforming Care Programme, gives a rounded view of the overall operational and financial performance, financial sustainability, and progress in

implementing the Strategic Commissioning Plan priorities of the Partnership. Taken together, information on key performance indicators, measurable progress in delivering the priorities of the Strategic Plan, and financial performance collectively aim to demonstrate best value within a culture of continuous improvement. The published Annual Performance Reports for the Partnership, including those for previous years is available online at this link [Clackmannanshire and Stirling HSCP – Performance Reports](#).

The 2024/25 Annual Performance Report (APR) will represent the 9th for the Partnership and details progress in relation to the partnership priorities along with summary and detailed performance information. The partnership’s 2024/25 Annual Performance Report was considered and approved by the IJB in September 2025 and is available online at the link above.

Reporting on Key Performance Indicators

This report does not seek to reproduce the content of the Annual Performance Report but rather provide a ‘snapshot’ of key elements of performance including desired trends or targets as it relates to the Ministerial Strategic Group (MSG) Performance Indicators and National Health and Wellbeing Indicators.

Ministerial Strategic Group (MSG) Indicators

Ref	Indicator	Strategic Theme	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Desired trend or target
MSG1a	Number of emergency admissions (all ages)	For Info only	16,710	14,258	16,408	16,449	16,694	17,558*	↓
	% change from previous year		22.08%	-14.67%	15.08%	0.25%	1.49%	5.18%	
	Number of emergency admissions (aged 18+)	ST1	14,579	12,640	13,941	14,203	14,594	15,518*	↓ 5% decrease from 2015/16 to 10,584
	% change from previous year		24.61%	-13.30%	10.29%	1.88%	2.75%	6.33%	
MSG2a	Number of unscheduled hospital bed days (all ages); acute specialties	For Info only	103,032	85,714	99,023	109,686	109,474	110,027*	↓
	% change from previous year		7.1%	-16.8%	15.5%	10.8%	-0.2%	0.5%	
	Number of unscheduled hospital bed days (aged 18+); acute specialties	ST1	100,118	83,712	96,411	106,888	106,331	107,610*	↓ 5% decrease from 2015/16 to 88,804
	% change from previous year		7.6%	-16.4%	15.2%	10.9%	-0.5%	1.2%	
MSG2c	Number of unscheduled hospital bed days (all ages); mental health specialties	For Info only	24,177	23,648	21,918	22,985	21,605	Not available	↓
	% change from previous year		-12.35%	-2.19%	-5.76%	-0.39%	-23.41%		
	Number of unscheduled hospital bed days (aged 18+); mental health specialties	ST1	24,180	23,615	21,918	22,985	21,605	Not available	↓ 18% decrease from 2015/16 to 20,378
	% change from previous year		-9.61%	-2.34%	-7.19%	4.87%	-6.00%		
MSG3a	A&E attendances (all ages) - patients from all areas	For Info only	40,552	28,388	36,805	36,430	32,769	30,727	↓
	% change from previous year		5.17%	-30.00%	29.65%	-1.02%	-10.05%	-6.23%	
	A&E attendances (aged 18+) - Patients from all areas	ST1	32,040	23,092	28,512	28,398	26,053	24,847	↓ Maintain 2015/16 baseline of 26,585
	% change from previous year		5.80%	-27.93%	23.47%	-0.40%	-8.26%	-4.63%	
MSG4a	Delayed discharge bed days (aged 18+) - All Reasons	ST1	12,630	9,355	13,518	14,786	15,624	19,792	↓ Maintain 2015/16 baseline of 10,069
	% change from previous year		14.65%	-25.93%	44.50%	9.38%	5.67%	26.68%	
MSG4b	Delayed discharge bed days (aged 18+) - Code 9	For Info only	2,540	3,482	2,608	5,446	6,963	9,571	↓
	% change from previous year		-13.66%	37.09%	-25.10%	108.82%	27.86%	37.46%	
MSG5a	Percentage of last 6 months of life spent in community (all ages)	ST3	88.19%	90.97%	89.59%	89.25%	89.45%**	Not available	↑ 4.1% increase from 2015/16 baseline to 90%

Clackmannanshire and Stirling Integration Joint Board – Annual Accounts for year ended 31 March 2025

MSG6	Balance of care: Proportion of 65+ population living in Community or institutional settings - Home (supported) C&S HSCP	For Info only	4.95%	4.91%	4.40%	4.63%	4.93%	Not available	↑
	Scotland		4.49%	4.51%	4.13%	4.19%	4.35%		
	Balance of care: Proportion of 65+ population living in Community or institutional settings - Home (unsupported) C&S HSCP	For Info only	92.00%	92.00%	92.00%	92.00%	92.00%	Not available	↑
	Scotland		91.62%	91.98%	92.29%	92.16%	92.07%		
	Balance of care: Proportion of 65+ population living in Community or institutional settings - Home (Supported and unsupported)	ST3	96.96%	97.41%	97.29%	96.85%	96.53%	Not available	↑ 0.1% increase from 2015/16 baseline to 96.6
	Scotland	For Info only	96.11%	96.49%	96.43%	96.35%	96.42%		

* Calendar Year 2024 due to completeness issues

** Figures for 2023/24 are provisional (p):- NRS deaths data for 2024 is provisional and may be revised in the future, SMR data in some areas may be affected by data completeness issues.

MSG report advises this data should not be published for peer partnership/Scotland comparison.

National Core Indicators Performance Summary

The national core indicators are a requirement of the Annual Performance Report. Data is sourced from the latest release of the Core Suite of Integration Indicators published in July 2025.

Desired Trend ↑ increase ↓ decrease						
Performance		Improving performance		Static		Declining performance
Benchmarking		Better than average		Within 5%		Worse than average

	Ref	Indicator	Strategic Theme	2015/16	2017/18	2019/20	2021/22	2023/24	Desired Trend	Comparator Average	National average
Outcome Indicators	NI-1	Percentage of adults able to look after their health very well or quite well.	ST2	94.56%	93.64%	93.57%	91.74%	90.80%	↑	91.84%	90.70%
	NI-2	Percentage of adults supported at home who agreed that they are supported to live as independently as possible.	ST2	81.65%	81.87%	76.05%	72.48%	67.20%	↑	71.90%	72.40%
	NI-3	Percentage of adults supported at home who agreed that they had a say in how their help, care, or support was provided.	ST2	76.40%	73.54%	74.37%	64.28%	57.90%	↑	63.73%	59.60%
	NI-4	Percentage of adults supported at home who agreed that their health and social care services seemed to be well co-ordinated.	ST3	72.94%	76.47%	68.80%	61.68%	56.00%	↑	59.77%	61.40%
	NI-5	Total % of adults receiving any care or support who rated it as excellent or good.	ST3	77.64%	77.57%	75.20%	67.77%	64.80%	↑	70.51%	70%
	NI-6	Percentage of people with positive experience of the care provided by their GP practice.	ST3	86.72%	86.55%	78.79%	67.28%	72.30%	↑	71.34%	68.50%
	NI-7	Percentage of adults supported at home who agree that their services and support had an impact on improving or maintaining their quality of life.	ST3	77.05%	79.43%	79.12%	79.18%	66.10%	↑	69.46%	69.80%
	NI-8	Total combined % carers who feel supported to continue in their caring role.	ST4	32.36%	38.32%	29.65%	25.57%	32.80%	↑	31.87%	31.20%
	NI-9	Percentage of adults supported at home who agreed they felt safe.	ST3	81.60%	85.98%	83.51%	75.26%	66.80%	↑	71.43%	72.70%

The 'Outcome' indicators above are reported every 2 years from the Scottish Health and Care Experience Survey commissioned by the Scottish Government (latest 2023/24). Please also note that 2021/22 results for some indicators are only comparable to 2019/20 and not to results in earlier years. This data is also available on the Public Health Scotland Website, you can access this here: publichealthscotland.scot

Note: Clackmannanshire and Stirling's Comparator HSCP's are Angus, East Lothian, Falkirk, Moray and Perth & Kinross.

Financial Performance and Outlook, Risks, and Plans for the Future

Financial Performance

The IJB reported total income of £292.020m for financial year 2024/25 (an increase of £32.065m compared to the previous year) comprised of £255.157m in respect of the integrated budget and £36.863m relating to set aside.

This compares to total net expenditure of £291.630m incurred during the year (an increase of £19.013m relative to 2023/24) comprised of £254.767m in respect of expenditure on integrated services and £36.863m relating to set aside.

As a result, a small surplus of £0.390m was reported in the Comprehensive Income and Expenditure Statement as at 31 March 2025 as summarised in the table below. The surplus position reflects the overall net increase in reserve balances during the year which was largely due to additional funding provided by NHS Forth Valley in relation to 2025/26 potential risk sharing arrangements and delays in planned expenditure for certain key service developments, for example recruitment to Health and Social Care multidisciplinary teams and ongoing implementation of the Primary Care Improvement Plan. This was offset by the planned release of reserves for various earmarked transformation projects and the use of general reserves to offset operational budget overspends and unachieved savings in year.

	£m
Sum Set Aside for Large Hospital Services	<u>36.863</u>
Integrated Budget Income	255.157
Integrated Budget Expenditure	<u>254.767</u>
Surplus for Financial Year 2024/25	<u>(0.390)</u>

Integrated Budget

Despite the favourable position reported above, the Partnership faced a range of service and financial challenges during the year including:

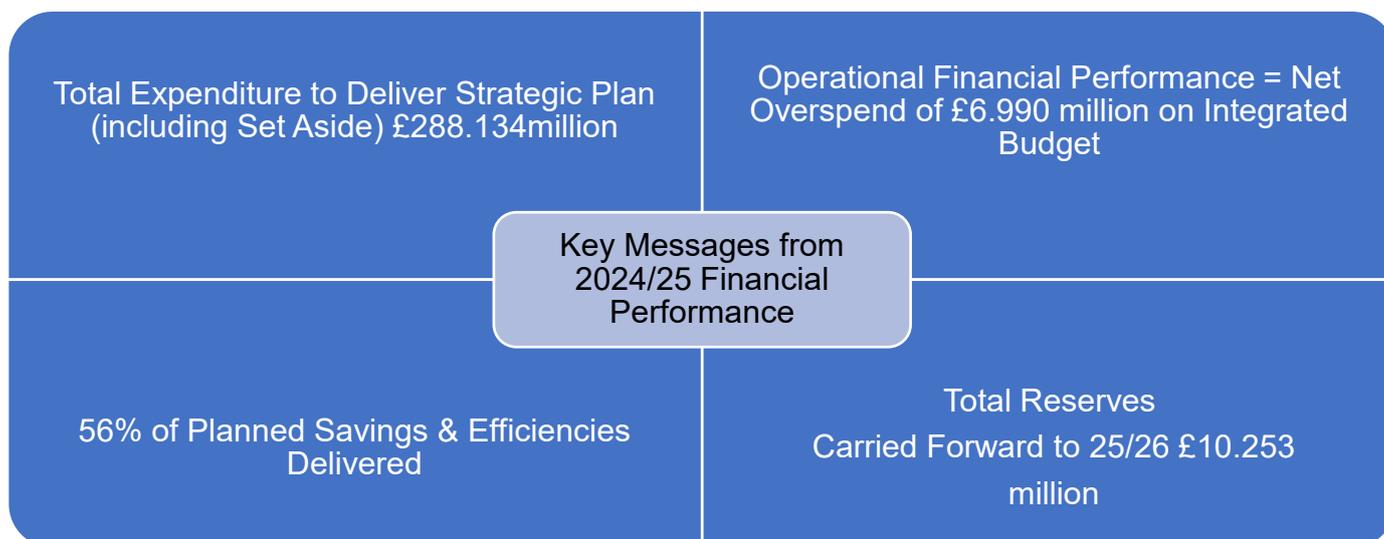
- Significant and enduring increased demand for health and social care services.
- Linked to the point above, increased acuity and complexity of care requirements with associated increased costs. A particular increase in demand for high tariff (over > £52k per annum) packages of care has been observed since the establishment of the Senior Resource Allocation Group (SRAG) over a year ago. Much of this relates to service users with complex Learning Disability needs.
- Recruitment and retention challenges including scarcity of some elements of skilled and trained health and social care workforce (e.g. Mental Health Officers and Physiotherapists).
- General Inflationary pressures and contract inflation predominantly driven by the Scottish Living Wage.
- Delivery of service modernisation and transformational change demonstrating alignment to SCP priorities
- Linked to the point above, delivery of sufficient savings and efficiency programmes to maintain a balanced budget position.

These challenges culminated in a net overspend of £6.990m against the integrated budget delegated to the partnership during 2024/25. This required risk sharing arrangements to be

enacted in order to deliver an overall breakeven position. As a result, the partners made an additional non-recurring payment to the IJB as per the extant integration scheme. In line with previous years, the value of additional payment was based on the proportion of voting shares. As such Clackmannanshire Council made an additional payment of £1.748m¹, Stirling Council made an additional payment of £1.748m and NHS Forth Valley made an additional payment of £3.494m.

In terms of savings achievement, the 2024/25 Revenue Budget approved by the IJB on 27 March 2024 was predicated on a savings requirement of £14.041 million on the Integrated Budget and £6.469 million in relation to the Set Aside Budget for Large Hospital Services with risk assessed plans in place to deliver these. The budget was also predicated on utilisation of £3.947 million of reserves, fully depleting general reserves balances.

Approximately 55.9% of the planned savings and efficiencies programme were achieved in the year in relation to the Integrated Budget with a c£1.5m reduction in costs pressures delivery being observed in relation to the Set Aside Budget for Large Hospital Services. An element of the unachieved balance of savings and efficiency targets, together with other cost pressures, were offset by in-year slippage on implementation of the key business cases approved by the IJB and other underspends including from staff vacancies demonstrating the challenges in relation to workforce recruitment and retention.



Given the financial performance for the year, it is clear that the Partnership is likely to continue to face significant financial challenges to deliver current and future Strategic Plan priorities, alongside improved outcomes for service users, unpaid carers, and communities in a climate of growing demand, cost, and complexity. This will require the ongoing development and implementation of options to achieve financial sustainability aligned as far as possible to the Strategic Commissioning Plan.

Set Aside Budget for Large Hospital Services

The Set Aside budget covers the in-scope integration functions of the NHS that are carried out in a large hospital setting providing services to the population of more than one Local Authority and/or Partnership area. For the Clackmannanshire and Stirling Partnership this includes services provided at the Forth Valley Royal Hospital site including the Lochview Learning Disability Inpatient facility and at Bellsdyke Hospital in Larbert (Mental Health Inpatients). This covers areas

¹ Note that Clackmannanshire Council have advised that this is repayable in 2026/27. However that would require agreement from all parties which is not in place and will be dealt with via the dispute mechanism.

such as the emergency department, geriatric and general medicine, palliative care, and learning disability and mental health inpatient services.

For financial year 2024/25 NHS Forth Valley continued, as in previous years, to meet the financial pressure associated with the set aside budget and therefore the financial risk does not currently sit with the Integration Joint Board. As a result, the figures disclosed in the accounts reflect the budget position for the Set Aside element. Financial reports to the Integration Joint Board include information on the actual estimated expenditure against the Set Aside budget, noting that NHS Forth Valley currently meets the financial pressure associated.

	£m
Set Aside Budget	36.863
Estimated Expenditure	41.785
Overspend met by NHS Forth Valley	4.922

Arrangements for the Set Aside budget continue to be under review. Work on completing this review has not been concluded during 2024/25 due to the focus on significant operational pressures, improving whole system performance including delayed discharge performance and efforts to recover the financial position as far as possible and develop the 2025/26 to 2027/28 Delivery Plan. The further work required to complete the review and agree future arrangements in line with extant legislation and the partnership action plan in response to the Ministerial Strategic Group recommendation on Progress on Integration is required to be completed over the course of 2025/26, with recommendations being made thereafter to the IJB and NHS Board. The review of the Integration Scheme, may impact how this is financed and accounted for in future years.

Financial Outlook

We are now at a point where, although there is evidence that the Covid 19 pandemic had an impact in demand for and complexity of needs presenting to services this requires to be considered in a business-as-usual manner in terms of how we plan and deliver services to our citizens.

The approach taken to medium term planning from 2024/25 onwards is to integrate the Delivery Plan and Medium-Term Financial Plan on a 3-year rolling basis partly as a result of economic turbulence in recent years highlighting the difficulties of informative longer term financial planning. This dovetails, in the coming period with the legislative requirement for a review of the Strategic Commissioning Plan which requires to be completed by March 2026.

The 2025/26 Revenue Budget and 2025/26 to 2027/28 Delivery Plan and Medium-Term Financial Plan approved by the IJB on 2 May 2025 detailed a savings requirement of £26.387m on the Integrated Budget over the 3 financial years with plans identified at that point in time for £22.236m leaving a deficit requiring further identification of savings plans of £4.151m.

The Delivery Plan and Medium-Term Financial Plan was structured along 4 key thematics:

- Doing Things Differently
- Doing Things More Efficiently
- Doing Less
- Raising Revenue

Future Key Risks and Mitigation Actions and Strategies

There are a multitude of risks facing the IJB and the IJB maintains a Strategic Risk Register. Additionally, the IJBs Risk Management Framework has been substantively reviewed over the past year including agreement of risk appetite and tolerance statements. The IJBs Finance, Audit and Performance Committee scrutinises the Strategic Risk Register and given the increased risk profile the IJB now also considers the Strategic Risk Register on a quarterly basis.

The key risks and mitigation are summarised in the table below:

Key Risk	Mitigation (where possible)
Increasing demand for and cost of health and social care services driven by demographic change including an ageing and increasing population with multiple and complex long-term conditions inequalities and wider determinants of health such as deprivation, housing, and employment	Revenue Budget, 2025/26 Delivery Plan and Medium-Term Financial Plan including Transformation Programme and Strategic Shift to Early Intervention and Preventative Approaches clearly aligned to the approved Strategic Commissioning Plan priorities. Whole system working and collaboration including alignment to Community Planning Partnerships.
Increasing public expectations from health and social care services.	Public engagement and consultation of priorities and service delivery options. Review of Strategic Commissioning Plan.
Workforce challenges, staff wellbeing, the ageing workforce, and issues around recruitment and retention within the health and social care workforce. This specifically and notably includes challenges in relation to GP Practice Sustainability.	Workforce planning, effective working relationships with staff and trade unions and ongoing focus on workforce health and wellbeing.
Maintaining performance against key local and national indicators whilst maintaining service delivery within resources available.	Transformation Programme incorporated within the Delivery Plan and alignment to strategic priorities.

All of the above risks may have an impact on the partnership's costs in future years and, therefore, potentially add to the financial pressures over the medium to longer term.

Plans for the Future

There continues to be opportunities for the Integration Joint Board to use its combined resources in a more effective, efficient, and person-centred ways focusing on place-based services to make better use of public resources and improve outcomes for our citizens.

The significantly increasing demands and costs of health and social care services risks exceeding available resources and approaches to service design and delivery requires to be focused on better outcomes for citizens and co-produced with our communities through meaningful and ongoing engagement.

Demonstrable delivery of progress on the priorities defined in the 2023/33 Strategic Commissioning Plan and improved outcomes for our communities will be the focus of service delivery and progressing our delivery plan as the key means to try and balance service performance and financial sustainability. Going forward, increasingly difficult decisions locally, including disinvestment decisions, and collaborative work with partners and Scottish Government

on sustainable policy approaches will be required. These approaches will also continue to incorporate work through commissioning consortia and with partners to reduce climate impact.

The Partnership will continue to adopt a whole-systems approach to improve health and social care outcomes and will work alongside Community Planning partners to address wider issues in relation to congruence with Local Outcome Improvement Plans, driving public value through place-based services, community empowerment, public health, and health improvement.

These approaches will ensure a joint contribution to encouraging, supporting, and maintaining the health and wellbeing of people who live in our communities thus assisting both the partnership and public sector more widely in addressing the challenges faced.

It is recognised that without significant further change to the way that services are planned and delivered with partners across all sectors, current service provision will not be sufficient to meet the future health and social care needs of the population. We must therefore continue to embed new ways of working and seek to focus resources away from bed-based models of care into community-based services and invest in early intervention and prevention aligned to the principles of Value Based Health and Care. This requires focussing on driving out waste and inefficiency from our systems and delivery methods. We need to continue to critically appraise and challenge our current models of service delivery to ensure our combined resources are focused on areas of greatest need delivering the best outcomes to our service users and patients and that crucially we co-produce these harnessing the capacity of local communities to support the wider preventative health and wellbeing outcomes.

There is a continuing need to ensure available resources are focussed on Strategic Commissioning Plan Priorities and ensure we and partners meet statutory requirements in innovative ways including increasing use of assistive technologies and digital solutions. It is paramount these solutions are co-produced with communities through an ongoing commitment to public and service user engagement – this process is commonly known as co-production. This approach will be key to the review of the Strategic Commissioning Plan during 2025/26.

The key elements of this approach are set out in the ‘plan on a page’ schematic on Page 9 of this document and supplemented the detailed planning within and aligned to our Transforming Care Programme.

Conclusion

In this ninth year of operations the Partnership has continued to focus heavily on responding to the increased level of demand for Health and Social Care Services presenting across the whole system and supporting whole system performance and safety.

Going forward, the Clackmannanshire and Stirling Health and Social Care Partnership will continue to face significant financial challenges in delivering better outcomes for its patients and service users in line with its Strategic Commissioning Plan priorities and Financial Plans in a climate of growing demand and complexity with increasingly scarce resources.

In order to achieve this, we must continue to identify and implement innovative ways of delivering sustainable services to our citizens in ways that are truly co-produced with our communities, that draw on lived experience of our service users and that are human rights based.

We will continue to work with staff, managers, services, partners (including the third and independent sectors) and our localities and communities to lead and support sustainable service design approaches, identify, and implement innovative, cost effective and person centred,

outcomes focused and place-based service delivery models and pathways, and contribute to the delivery of the Partnership's Strategic Commissioning Plan 2023/2033 priorities within the resources available.

Where to find more information

If you would like more information, please visit our webpage at:

<https://clacksandstirlinghscp.org/>

The papers and minutes from meeting of the Integration Joint Board can be found here:

[Clackmannanshire and Stirling HSCP – Meetings Schedule](#)

Acknowledgements

The Integration Joint Board would wish to take this opportunity to thank the staff, volunteers, and paid and unpaid carers whose work contributes to the provision of services to the populations of Clackmannanshire and Stirling.

Scott Farmer
Chair

Jennifer Borthwick
Interim Chief Officer

Amy McDonald
Interim Chief Finance Officer

Statement of Responsibilities

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 Clackmannanshire and Stirling Integration Joint Board, 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 at a meeting of the Integration Joint Board on 27 February 2026.

Signed on behalf of the Clackmannanshire and Stirling Integration Joint Board.

Scott Farmer
Chair

Responsibilities of the Chief Finance Officer

The Chief Finance Officer is responsible for the preparation of the IJB'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 Finance Officer has:

- selected suitable accounting policies and then applied them consistently.
- made judgements and estimates that were reasonable and prudent.
- complied with legislation.
- complied with the local authority Code (in so far as it is compatible with legislation)

The Chief Finance Officer has also:

- kept proper accounting records which were up to date.
- taken reasonable steps 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 Clackmannanshire & Stirling Integration Joint Board as at 31 March 2025 and the transactions for the year then ended.

Amy McDonald
Interim Chief Finance Officer

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 IJB members and staff.

Voting Membership of the Integration Joint Board in 2024/25

Voting members of the Integration Joint Board constitute Councillors nominated as Board members by constituent authorities and NHS representatives nominated by the NHS Forth Valley. The voting members of the Clackmannanshire and Stirling Integration Joint Board were appointed through nomination by Clackmannanshire Council, NHS Forth Valley, and Stirling Council.

Voting Membership of the Integration Joint Board during 2024/25 was as follows:

Clackmannanshire Council

Councillor Martha Benny
Councillor Wendy Hamilton (till February 2025)
Councillor Janine Rennie
Councillor Fiona Law (from March 2025)

NHS Forth Valley

Allan Rennie, IJB Vice Chair
Martin Fairbairn, Non-Executive
Gordon Johnston, Non-Executive
Stephen McAllister, Non-Executive
John Stuart, Non-Executive

Stirling Council

Councillor David Wilson (IJB Chair from October 2024)
Councillor Gerry McGarvey (IJB Chair till September 2024)
Councillor Martin Earl
Councillor Rosemary Fraser

Remuneration: Integration Joint Board Chair and Vice Chair

The voting members of the Integration Joint Board are appointed through nomination by Clackmannanshire & Stirling Councils and NHS Forth Valley. Nomination of the Integration Joint Board Chair and Vice Chair postholders alternates between a Councillor and a Health Board representative.

The IJB Chair changed on 2 October 2024 with Councillor David Wilson becoming Chair, Allan Rennie, Non-Executive Director of NHS Forth Valley, remained the Vice Chair.

The Integration Joint Board does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the Integration Joint Board. The Integration Joint Board does not reimburse the relevant partner organisations for any voting board member costs borne by the partner.

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

Remuneration: Officers of the Integration Joint Board

The Integration Joint Board 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 Integration Joint Board must be appointed and the employing partner must formally second the officer to the Integration Joint Board. The employment contract for the Chief Officer will adhere to the legislative and regulatory framework of the employing partner organisation.

The Interim Chief Officer until 29 November 2024 was David Williams and the Interim Chief Officer appointed from 16 December 2024 to 4 December 2025 was Joanna MacDonald. From 8 December 2025 Dr Jennifer Borthwick was appointed as Interim Chief Officer.

Other Officers

No other staff are appointed by the Integration Joint Board under a similar legal regime. Other non-voting board members who meet the criteria for disclosure are included in the disclosures below. This information is audited.

The Interim Chief Officer and Chief Finance Officer were employed by NHS Forth Valley.

2023/24 Total	Senior Employees This information is audited	Salary, Fees, & Allowances	Taxable Expenses	Total 2024/25
£		£	£	£
75,458	Chief Officer: A Black (01/04/23 – 04/12/23)	-	-	-
30,029	Interim Chief Officer: D Williams (04/12/23 – 29/11/2024)	63,127	0	63,127
-	Interim Chief Officer: J MacDonald (from 16/12/2024)	34,679	0	34,679
86,120	Chief Finance Officer: E Murray	89,866	0	89,866

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 Integration Joint Board balance sheet for the Chief Officer or any other officers.

The Integration Joint Board 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 Integration Joint Board. The following table shows the Integration Joint Board'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.

The information in the table below is audited

Senior Employees	In Year Pension Contributions		Accrued Pension Benefits		
	For Year to 31/03/2024	For Year to 31/03/2025		Movement from 31/03/2024	As at 31/03/2025
	£	£		£000	£000
Chief Officer: A Black	15,574	-	Pension	-	-
			Lump Sum	-	-
Interim Chief Officer: D Williams	6,276	14,204	Pension	1	2
			Lump Sum	0	0
Interim Chief Officer: J MacDonald	-	7,803	Pension	1	1
			Lump Sum	0	0
Chief Finance Officer: E Murray	17,803	20,220	Pension	4	41
			Lump Sum	6	106

Accrued pension benefit estimates are provided by the Scottish Public Pensions Agency (SPPA).

Disclosure by Pay Bands (this information is audited)

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	Remuneration Band	Number of Employees in Band
2023/24		2024/25
0	£60,000 - £64,999	1
1	£75,000 - £79,999	0
1	£85,000 - £89,999	1

Exit Packages (this information is audited)

There were no exit packages in relation to Clackmannanshire and Stirling Integration Joint Board in financial year 2023/24 or 2024/25.

Scott Farmer

IJB Chair

Jennifer Borthwick

Interim Chief Officer

Annual Governance Statement

The Annual Governance Statement explains the IJB's governance arrangements and reports on the effectiveness of the IJB's system of internal control.

Scope of Responsibility

The IJB is responsible for ensuring that:

- its business is conducted in accordance with the law and appropriate standards.
- that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively.

The IJB also aims to foster a culture of continuous improvement in the performance of the IJB's delegated functions and make arrangements to secure best value. To meet this responsibility, the IJB has established arrangements for governance which includes a system of internal control. The system is intended to manage risk to support the achievement of the IJB's policies, aims, and objectives. Reliance is also placed on the NHS Forth Valley and Clackmannanshire and Stirling Councils' systems of internal control which support compliance with organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the IJB.

Given the IJB utilises the systems of internal control with NHS Forth Valley, Clackmannanshire Council, and Stirling Council the system can only provide reasonable and not absolute assurance of effectiveness.

Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the IJB is directed and controlled. It enables the IJB to monitor the achievement of the demonstrable progress against the priorities set out in the IJB's Strategic Commissioning Plan. The governance framework will be continually updated to reflect best practice, new legislative requirements, and the expectations of stakeholders.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the IJB's objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively.

Governance Framework and Internal Control System

The Board of the IJB comprises the Chair, Vice Chair and ten other voting members; six are Council Elected Members nominated (three each council) by Clackmannanshire and Stirling Council and six are Board members of NHS Forth Valley (five Non-Executive Directors and one Executive Director). There are also a number of non-voting professional and stakeholder members on the IJB including the Chief Officer, Chief Finance Officer, and professional medical, nursing, and social work advisors to the IJB. Stakeholder members currently include representatives from the third sector interfaces, carers, and service users.

The main features of the governance framework in existence during 2024/25 were:

- The (extant) Integration Scheme
- Standing Orders
- Scheme of Delegation
- Financial Regulations and Reserves Policy and Strategy
- Code of Conduct and Register of Interests

- IJB Committee(s) operating within approved Terms of Reference
- Clinical and Care Governance Framework
- Risk Management Framework and Strategic Risk Register
- Complaints Handling Procedure
- Information Governance Arrangements and Information Security Policy

The governance framework described operates on the foundation of internal controls, including management and financial information, financial regulations, administration, supervision, and delegation.

The IJB utilises the internal control systems of NHS Forth Valley, Clackmannanshire Council and Stirling Council in the commissioning and delivery of in-scope functions with delivery being through the operational construct of the Health and Social Care Partnership. As such the Annual Governance Statements of the constituent authorities have been reviewed and no matters which pose significant additional risk to the IJB are highlighted.

The Chief Internal Auditor complies with “The Role of the Head of Internal Audit in Public Organisations” (CIPFA) and operates in accordance with “Public Sector Internal Audit Standards”. The Head of Internal Audit reports directly to the Integration Joint Board Finance, Audit and Performance Committee with the right of access to the Chief Financial Officer, Chief Officer and Chair of the Integration Joint Board Finance, Audit and Performance Committee on any matter. The annual programme of internal audit work is based on a risk assessment drawn from review of the Integration Joint Boards Strategic Risk Register and is approved by the Integration Joint Boards Finance, Audit and Performance Committee (formerly by the IJB Audit and Risk Committee).

From April 2023 to March 2025 the IJBs Chief Internal Auditor has been appointed on behalf of Clackmannanshire Council. As Clackmannanshire Council procures Internal Audit Services from Falkirk Council’s Internal Audit service, the IJB’s Chief Internal Auditor was the Internal Audit Risk and Corporate Fraud Manager from Falkirk Council.

From April 2025 to March 2027 the IJBs Chief Internal Auditor is Stirling Council’s Audit Service Manager. This arrangement is in line with the decision taken by the IJB on 24 February 2016 agreeing cyclical provision of Internal Audit services. Responsibility therefore rotates between the Chief Internal Auditors of the constituent authorities on a three yearly basis.

Review of Adequacy and Effectiveness

The IJB has responsibility for conducting, at least annually, a review of effectiveness of the system of internal control and the quality of data used throughout the organisation. The review is informed by the work of the Senior Leadership Team, work of the IJB’s internal audit service including the Chief Internal Auditor’s annual assurance report, and reports from external auditors and other review agencies and inspectorates.

The outgoing Chief Internal Auditor’s 2024/25 Annual Assurance Report was presented to the IJB Finance, Audit and Performance Committee in June 2025 and provided a ‘Substantial Assurance’ opinion on the IJB’s arrangements for risk management, governance, and control for the year to 31 March 2025 whilst highlighting a number of outstanding matters that required follow up.

The review of the IJB’s governance framework is supported by a process of self-assessment. This is undertaken by the Chief Finance Officer, who passes the outputs of the self-assessment to the Chief Internal Auditor. This helps to inform the Chief Internal Auditor’s overall opinion on the IJB’s

arrangements for risk management, governance and control, as set out in the Internal Audit Annual Assurance Report.

The Chief Officer also gives assurances as Director of Health and Social Care through the Annual Governance Statement processes of the constituent authorities and the IJB Chief Finance Officer reviews the Annual Governance Statements of the constituent authorities to identify any weaknesses in governance which may affect integration functions and/or pose a risk to the IJB.

The Senior Leadership Team has input to this process through the Chief Finance Officer. In addition, the review of the effectiveness of the governance arrangements and systems of internal control within the Health Board and Local Authority partners places reliance upon the individual bodies' management assurances in relation to the soundness of their systems of internal control.

Due to the nature of IJB Board Membership, a conflict of interest can arise between an IJB Board Members' responsibilities to the IJB and other responsibilities that they may have. The IJB has arrangements in place to deal with any conflicts of interest that may arise. It is the responsibility of Board and Committee Members to declare any potential conflicts of interest, and it is the responsibility of the Chair of the relevant Board or Committee to ensure such declarations are appropriately considered and acted upon. The Standards Commission for Scotland sets out guidance for Councillors and board members on identifying and managing potential conflicts of interest including specific guidance for IJB members.

Roles and Responsibilities

The Chief Officer is the Accountable Officer for the IJB and has day-to-day operational responsibility to monitor delivery of integrated services, with oversight from the IJB.

The Chief Finance Officer complies with the CIPFA Statement on "The Role of the Chief Finance Officer in Local Government 2014". The IJB's Chief Finance Officer has overall responsibility for Clackmannanshire and Stirling Health and Social Care Partnership's financial arrangements.

The Chief Internal Auditor complies with the requirements of the CIPFA Statement on "The Role of the Head of Internal Audit in Public Organisations 2019". The IJB's appointed Chief Internal Auditor has responsibility for the IJB's internal audit function and is professionally qualified and suitably experienced to lead and direct internal audit staff. During 2024/25 the Internal Audit service operated in accordance with Public Sector Internal Audit Standards. From April 2025 the Institute of Internal Auditors' (IIA) Global Internal Audit Standards 2024 (GIAS) apply. The Internal Audit team will be required to operate in compliance with GIAS from April 2025.

The Standards require the Chief Internal Auditor to establish a Quality Assurance and Improvement Programme (QAIP) to allow evaluation of compliance with the Standards. This comprises an annual self-assessment and a five yearly external assessment. The external quality assessment element of the Standards seeks to provide independent assurance on the level of compliance. The Internal Audit Manager undertook a detailed self-assessment against the Standards in March 2023. This confirmed continuing compliance with the Standards, and has now been subject to independent, external validation as part of a national review process established by the Scottish Local Authorities Chief Internal Auditors' Group.

Board members and officers of the IJB are committed to the concept of sound internal control and the effective delivery of IJB services. The IJB's Audit and Risk Committee which has now been superseded by the Finance, Audit and Performance Committee operates in accordance with CIPFA's Audit Committee Principles in Local Authorities in Scotland and Audit Committees: Practical Guidance for Local Authorities. The Committee's core function is to provide the IJB with

independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance arrangements.

Other Significant Governance Issues

The material level of net overspend in 2024/25 on operational integrated budgets and inability to set a deliverable balanced overall budget for 2025/26 require to be acknowledged as significant governance issues.

The Chief Finance Officers report to the November 2024 IJB set out potential options that were considered but that it was not possible to fully recover the budget position in year.

The IJB considered the 2025/26 Revenue Budget in March 2025 and approved a revised 2025/26 Indicative Revenue Budget and 2025/26 to 2027/28 Delivery Plan on 2 May 2025. Given the budget was still unbalanced at this time further financial recovery options require to continue to be considered and implemented in line with the requirements of the extant Integration Scheme.

These challenges require to be set within the context of increasing demand and complexity and costs of service provision with financial settlements not keeping pace as referred by the Accounts Commission in their Integration Joint Boards: Finance Bulletin 2023/24 published on 6 March 2025.

Integration Scheme

At the time of writing a revised integration scheme has been approved by two of the three constituent authorities with the other authority seeking further revisions before consideration for approval. Whilst the Integration Scheme forms a significant element of the IJBs governance frameworks it is important to understand that the Integration Scheme is the legal partnership agreement between the constituent authorities which established and govern the IJB. The IJB does not, therefore, have any direct locus on the Integration Scheme itself.

Management of Risk

The Integration Joint Board monitors and seeks to mitigate significant risk through its Risk Management Framework and Strategic Risk Register. The Strategic Risk Register is regularly reviewed by the partnership Senior Leadership Team. The Finance, Audit and Performance Committee will provide a scrutiny role for the Integration Joint Board by reviewing, scrutinising, and approving the Strategic Risk Register as a standing agenda item at each meeting.

The IJBs risk management framework has recently been reviewed, and a revised strategy including risk appetite and tolerance statements were approved by the IJB in August 2024.

Action Plan

Following consideration of the review of adequacy and effectiveness the following action plan is proposed to the IJB Finance, Audit and Performance Committee to ensure continual improvement of the IJB's governance. Regular updates on progress of the agreed actions will be monitored by the Committee.

Review of 2024/25 Action Plan

Areas for Improvement Identified	Action Undertaken in 2024/25	Responsible Party(s)	Previous Planned Date of Completion	Revised Date of Completion
Comprehensive review of the IJBs Governance Frameworks will be undertaken	<p>Standing Orders reviewed, revised, and presented for approval.</p> <p>Preparation of a revised Integration Scheme (IS) (noting the IS is the legal partnership agreement between the constituent authorities).</p>	<p>Chief Officer</p> <p>Clackmannanshire and Stirling Councils and NHS Forth Valley</p>	<p>June 2024</p> <p>October 2024</p>	<p>November 2024 (IJB paper 13)</p> <p>Subject to resolution of dispute between constituent authorities and reaching a point where all constituent authorities can approve revised scheme.</p>
Development of Local Code of Corporate Governance	<p>Not taken forward in way originally envisaged. Instead, further review of governance frameworks including Standing orders, financial regulations and scheme of delegation will be required once revised Integration Scheme is approved.</p>	Chief Finance Officer	September 2024	<p>Estimated by December 2025 – however there are dependencies with the revised Integration Scheme.</p>
Implement Revised Approach to Directions	Substantially complete (subject to ongoing development)	Chief Officer & Chief Finance Officer	From March 2024	Complete

Areas for Improvement Identified	Action Undertaken in 2024/25	Responsible Party(s)	Previous Planned Date of Completion	Revised Date of Completion
Further Develop Best Value Arrangements	Complete within limitations of recording and management information systems and information available.	Chief Officer, Chief Finance Officer and Head of Strategic Planning and Health Improvement	June 2024	June 2025

2025/26 Action Plan

Areas for Improvement Identified	Action Required	Responsible Party(s)	Planned Date of Completion
Review and Reform of IJB Governance Frameworks	Review of Financial Regulations Development of Board Assurance and Escalation Framework Review of Scheme of Delegation (IJB and Operational Delegated Authority Levels)	Chief Finance Officer Chief Finance Officer Chief Officer, Chief Finance Officer	September 2025 December 2025 December 2025
Assurance Arrangements	Reinstate Annual Assurance Report for IJB Committee	FAP Committee Chair	March 2026
Audit Follow Up	Ensure improvement of audit follow up actions	Chief Finance Officer / Senior Planning Manager	December 2025
Workforce Planning	Review Year 3 Action Plan to ensure SMART and specific consideration approaches to recruitment and retention of new talent.	Head of Service (strategic Planning and Health Improvement) / HSCP Senior Organisational Development Advisor	January 2026

Conclusion and Opinion on Assurance

Whilst recognising that further improvements are required, as detailed above, it is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the IJB's governance arrangements.

We consider that the internal control environment provides reasonable and objective assurance that any significant risks impacting on the IJB's principal objectives will be identified and actions taken to avoid or mitigate their impact.

Systems are in place to regularly review and improve the internal control environment and the implementation of the action plan will be monitored by the HSCP Senior Leadership Team and reported and scrutinised by IJB and the IJB Finance, Audit and Performance Committee.

Scott Farmer
Chair

Jennifer Borthwick
Interim Chief Officer

Comprehensive Income and Expenditure Statement

This statement shows the cost of providing services for the year according to accepted accounting practices. Where the impact on the General Fund is amended by statutory adjustments this is shown in the Movement in Reserves Statement.

		2023/24			2024/25	
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
36,595	0	36,595	Large Hospital Services	36,863	0	36,863
147,521	(8,522)	138,999	Community Health and Social Care Services	160,440	(10,081)	150,359
96,632	0	96,632	Primary Care	104,010	0	104,010
391	0	391	IJB Running Costs	398	0	398
281,139	(8,522)	272,617	IJB Operational Costs	301,711	(10,081)	291,630
0	(259,955)	(259,955)	Taxation and Non-Specific Grant Income	0	(292,020)	(292,020)
		12,662	(Surplus) or Deficit on Provision of Services and Total Comprehensive (Income) and Expenditure			(390)

There are no statutory or presentation adjustments which affect the Integration Joint Board'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.

Movement in Reserves Statement

This statement shows the movement in the year on the Integration Joint Board's reserves.

Movements in Reserves 2024/25	General Fund Balance £000	Unusable Reserves £000	Total Reserves £000
Opening Balance at 1 April 2024	(9,863)	0	(9,863)
Total Comprehensive Income and Expenditure	(390)	0	(390)
Closing Balance at 31 March 2025	(10,253)	0	(10,253)

Movements in Reserves 2023/24	General Fund Balance £000	Unusable Reserves £000	Total Reserves £000
Opening Balance at 1 April 2023	(22,525)	0	(22,525)
Total Comprehensive Income and Expenditure	12,662	0	12,662
Closing Balance at 31 March 2024	(9,863)	0	(9,863)

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 March 2024 £000		Notes	31 March 2025 £000
9,863	Short Term Debtors	Note 7	10,253
<u>9,863</u>	Current Assets		<u>10,253</u>
<u>9,863</u>	Net Assets		<u>10,253</u>
<u>(9,863)</u>	Useable Reserves: General Fund	Note 8	<u>(10,253)</u>
<u>(9,863)</u>	Total Reserves		<u>(10,253)</u>

There are no unusable reserves.

Amy McDonald
Interim Chief Finance Officer

Notes to the Financial Statements

1. Significant Accounting Policies

General Principles

The Financial Statements summarise the Integration Joint Board's transactions for the 2024/2025 financial year and its position at the year ended 31 March 2025.

The Integration Joint Board 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 have been prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014 and the Code of Practice on Local Authority Accounting in the United Kingdom as per the requirements of section 106 of the Local Government Scotland Act 1973.

The accounts are prepared on a going concern basis, which assumes that the Integration Joint Board will continue in operational existence for the foreseeable future. The historical cost convention has been adopted.

The IJB's funding from and commissioning of services to partners has been confirmed for 2024/25 subject to possible additional funding from Stirling Council dependent progress with the Delivery Plan and associated financial risk. The Delivery Plan also incorporates a Medium-Term Financial Plan for its 3 years lifecycle.

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 Integration Joint Board.
- 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 Integration Joint Board is funded through funding contributions from the statutory funding partners Clackmannanshire Council, Stirling Council, and NHS Forth Valley which includes the pass through of funds from Scottish Government for the specific use of the IJB. Expenditure is incurred as the Integration Joint Board commissions specified health and social care services from the funding partners for the benefit of service recipients in Clackmannanshire and Stirling.

Cash and Cash Equivalents

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

Employee Benefits

The Integration Joint Board 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 Integration Joint Board 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.

Charges from funding partners for other staff are treated as administration costs.

Provisions, Contingent Liabilities, and Contingent Assets

Provisions are liabilities of uncertain timing or amount. A provision is recognised as a liability on the balance sheet when there is an obligation as at 31 March due to a past event; settlement of the obligation is probable; and a reliable estimate of the amount can be made. Recognition of a provision will result in expenditure being charged to the Comprehensive Income and Expenditure Statement and will normally be a charge to the General Fund.

A contingent liability is a possible liability arising from events on or before 31 March, whose existence will only be confirmed by later events. A provision that cannot be reasonably estimated, or where settlement is not probable, is treated as a contingent liability. A contingent liability is not recognised in the Integration Joint Board's Balance Sheet but is disclosed in a note where it is material.

A contingent asset is a possible asset arising from events on or before 31 March, whose existence will only be confirmed by later events. A contingent asset is not recognised in the Integration Joint Board's Balance Sheet but is disclosed in a note only if it is probable to arise and can be reliably measured.

Reserves

The Integration Joint Board's reserves are classified as either Usable or Unusable Reserves.

The Integration Joint Board's only Usable Reserve is the General Fund. The balance of the General Fund as at 31 March 2025 shows the extent of resources which the Integration Joint Board can use in later years to support service provision.

The Integration Joint Board has no unusable reserves.

Indemnity Insurance

The Integration Joint Board has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Forth Valley, Clackmannanshire and Stirling Councils have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide.

Unlike NHS Boards, the Integration Joint Board does not have any 'shared risk' exposure from participation in the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS). The Integration Joint Boards participation in the CNORIS scheme is therefore supplementary to normal insurance arrangements for clinical and care services.

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 Integration Joint Board'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.

VAT

The Integration Joint Board is not registered for VAT and as such VAT is settled or recovered by the partner agencies.

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

2. Accounting Standards That Have Been Issued but Not Yet Adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2025/26 Code:

- Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability)
- Issue of new IFRS17 Insurance Contracts which replaces IFRS4
- Amendment to IAS16 Property, Plant and Equipment and IAS 38 Intangible Assets

The Code requires implementation from 1 April 2025 therefore there is no impact on the 2024/25 Annual Accounts.

These new or amended standards are not expected to have an impact on the IJBs Annual Accounts.

3. Critical Accounting Estimates and Assumptions

Set Aside Budget for Large Hospital Services

For financial year 2024/25 the sum included within the accounts in relation to the Set Aside budget for Large Hospital services reflects the budget allocated rather than the actual cost of hospital activity. The reason for uncertainty in relation to this is the inability of systems to accurately estimate expenditure relating to the populations of Clackmannanshire and Stirling. Systems continue to be developed to be able to accurately provide this information within the accounts in future financial years in partnership with NHS Forth Valley. Development of these arrangements has been materially impacted by the pandemic and ongoing pressures across the health and social care system but is ongoing.

In terms of risk of misstatement, a 10% shift in activity would equate to an estimated £4.179m in costs which would, in turn, be borne by NHS Forth Valley under the terms of the extant Integration Scheme.

The approach to developing arrangements was detailed in a report to the Integration Joint Board meeting in June 2018 and within the partnerships consolidated response to the Ministerial Strategic Groups proposals on Progress on Integration. The Integration Joint Board, and its committees, will continue to receive reports on progress of this work.

4. Events after the Reporting Period

The Annual Accounts were authorised for issue by the Interim Chief Finance Officer on 27 February 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

5. Expenditure and Income Analysis by Nature

31 March 2024 £000		31 March 2025 £000
30,895	Services Commissioned from Clackmannanshire Council	36,063
55,436	Services Commissioned from Stirling Council	61,988
194,417	Services Commissioned from NHS Forth Valley	203,262
355	Other IJB Operating Expenditure	356
3	Insurance and Related Expenditure	3
33	Auditor Fee: External Audit Work	39
(4,764)	Service Income: Clackmannanshire Council	(5,542)
(3,758)	Service Income: Stirling Council	(4,539)
(259,955)	Partners Funding Contribution and Non-Specific Grant Income	(292,020)
12,662	(Surplus) or Deficit on the Provision of Services	(390)

Service income reflected in the table above reflects contributions received from service users towards the costs of adult social care services provided in line with the extant charging policies of Clackmannanshire and Stirling Councils.

The Auditor Fee relates to statutory audit work. The external auditors did not provide any additional services to the IJB.

6. Taxation and Non-Specific Grant Income

31 March 2024 £000		31 March 2025 £000
21,437	Funding Contribution from Clackmannanshire Council	30,260
49,430	Funding Contribution from Stirling Council	55,321
189,088	Funding Contribution from NHS Forth Valley	206,439
259,955	Taxation and Non-Specific Grant Income	292,020

The funding contribution from the NHS Board shown above includes £36.863 million in respect of 'set aside' resources relating to acute hospital and other resources. These are provided by NHS Forth Valley which currently retains responsibility for managing the costs of providing the services. The Integration Joint Board, however, has strategic responsibility for the consumption of, and level of demand placed on, these resources.

7. Short Term Debtors

31 March 2024 £000		31 March 2025 £000
2,953	Stirling Council	705

366	Clackmannanshire Council	26
6,544	NHS Forth Valley	9,522
9,863	Total Debtors	10,253

8. Useable Reserve: General Fund

The Integration Joint Board 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 and pursuance of best value from available resources.
- The IJB also aspires to hold a balance of contingency funds or general reserves to provide a contingency fund to cushion the impact of unexpected events or emergencies. There is currently a zero balance of general reserves and further revisions to the IJBs medium term financial plans will require to consider how a prudent level of general reserves can be reestablished over time.

The table below shows the movements on the General Fund balance:

Balance at 31 March 2024 £000	Reserve Detail	Transfers Out £000	Transfers In £000	Balance at 31 March 2025 £000
(1,606)	Transformation & Leadership Fund	968	(0)	(638)
(450)	Service Pressures (from Winter Funding)	280	0	(170)
(512)	Community Living Fund	512	0	0
(3,592)	Other Earmarked Reserves	1,444	(974)	(3,122)
(0)	Primary Care Improvement Fund	0	(385)	(385)
(40)	Action 15 - Mental Health	0	(22)	(62)
(363)	Alcohol and Drug Partnerships	180	(26)	(209)
(500)	Invest to Save Fund	218	0	(282)
0	National Recruitment Campaign For B2-4 (Cs)	0	(609)	(609)
0	PCIP Transitional Payments	0	0	0
(200)	Prescribing HSCP Invest To Save	12	0	(188)
0	2024/25 Overpayment of risk share due to NHS FV	0	(588)	(588)
0	NHS FV Contribution 25/26 Delivery Plan Risk	0	(4,000)	(4,000)
(7,263)	Total Earmarked	3,614	(6,604)	(10,253)
(2,600)	Contingency	2,600	0	(0)
(9,863)	General Fund	6,214	(6,604)	(10,253)

The table above is in condensed format and the presentation is intended to aide understanding and highlight the reserves with significant values.

The following constitute the material elements of earmarked reserves and further information of the intended purpose are provided below:

Transformation, Leadership and Service Pressures Funding

Funding retained to support non recurrent costs of implementing the transformation programme.

Invest to Save Fund

Funding to support ‘pump priming’ initiatives intended to release cash savings in 2024/25 and beyond.

Other Earmarked Reserves

The IJB also held a number of smaller earmarked reserves at 31 March 2025 which have specific spending plans but are not material at an individual level. This includes reserves held in respect of GP Out of Hours Services, Dementia post diagnostic support, adult flu and shingles immunisations and the Mental Health outcomes framework.

9. Related Party Transactions

The IJB has related party relationships with NHS Forth Valley and Clackmannanshire and Stirling Councils. In particular, the nature of the partnership means that the Integration Joint Board may influence, and be influenced by, its partners. The following transactions and balances included in the Integration Joint Board’s accounts are presented to provide additional information on the relationships.

There are no material transactions with Clackmannanshire and Stirling Integration Joint Board officers or with organisations they have an interest in. The remuneration and any other taxable payments to senior officers, the Chair and Vice Chair are disclosed in the remuneration statement. Each Board member’s registered interests will be published on the Integration Joint Board webpage in due course.

Support services were not delegated to the Integration Joint Board through the Integration Scheme and are instead provided by the constituent authorities free of charge as a ‘service in kind’. The support services provided by the constituent authorities mainly consist of performance management, human resources, financial management, information services, information technology and payroll.

Transactions with NHS Forth Valley

31 March 2024 £000		31 March 2025 £000
(189,088)	Funding Contributions received from the NHS Board	(206,439)
194,417	Expenditure on Services provided by the NHS Board	203,262
196	Key Management Personnel: Non-Voting Members	199
<u>5,525</u>	Net Transactions with NHS Forth Valley	<u>(2,978)</u>

Key Management Personnel: The Interim Chief Officer and Chief Finance Officer are employed by NHS Forth Valley and recharged to the Integration Joint Board via contributions from the constituent authorities based on voting shares. Details of the remuneration for the Chief Officer and Chief Finance Officer is provided in the Remuneration Report.

Balances with NHS Forth Valley

31 March 2024 £000		31 March 2025 £000
<u>6,544</u>	Debtors Balances: Amounts due from NHS Board	<u>9,522</u>
<u>6,544</u>		<u>9,522</u>

Transactions with Clackmannanshire Council

31 March 2024 £000		31 March 2025 £000
(21,437)	Funding Contributions received from the Council	(30,260)
(4,764)	Service Income Received from the Council	(5,542)
30,895	Expenditure on Services provided by the Council	36,063
78	Key Management Personnel: Non-Voting Members	79
<u>4,772</u>	Net Transactions with Clackmannanshire Council	<u>340</u>

Balances with Clackmannanshire Council

31 March 2024 £000		31 March 2025 £000
366	Debtors Balances: Amounts due from Council	26
<u>366</u>		<u>26</u>

Transactions with Stirling Council

31 March 2024 £000		31 March 2025 £000
(49,430)	Funding Contributions received from the Council	(55,321)
(3,758)	Service Income Received from the Council	(4,539)
55,436	Expenditure on Services provided by the Council	61,988
117	Key Management Personnel: Non-Voting Members	120
<u>2,365</u>	Net Transactions with Stirling Council	<u>2,248</u>

Balances with Stirling Council

31 March 2024 £000		31 March 2025 £000
2,953	Debtors Balances: Amounts due from Council	705
<u>2,953</u>		<u>705</u>

10. Expenditure Analysis

Expenditure on services commissioned by the Clackmannanshire and Stirling Integration Joint Board from its constituent authorities is analysed below:

	Year Ended 31 March 2024 £000	Year Ended 31 March 2025 £000
NHS Forth Valley - Health Services		
<u>Set Aside</u>		
Accident and Emergency Services	13,316	13,962
Inpatient Hospital Services Relating to:		
General Medicine	4,504	4,393
Geriatric Medicine	7,152	7,351
Rehabilitation Medicine	3,320	3,234
Respiratory Medicine	2,452	2,496
Psychiatry of Learning Disability	1,356	1,418
Palliative Care (Hospital Based)	1,280	1,477
Mental Health Inpatient Services	7,196	7,454
Set Aside Subtotal	40,576	41,785
Adjustment to budget	(3,981)	(4,922)
Adjusted Set Aside Subtotal	36,595	36,863
<u>Operational</u>		
Nursing Services	5,311	4,877
Community Addiction Services	3,713	3,922
Community Based AHP Services	7,865	8,454
Community Mental Health	979	978
Community Learning Disabilities	6,471	6,599
Community Hospitals	7,377	7,690
Other Health Care Services	7,785	7,782
Integration Fund & Resource Transfer	21,689	21,052
Partnership Costs	196	199
Operational Subtotal	61,386	61,553
<u>Universal</u>		
Primary Medical Services (GMS Contract)	33,975	36,722
Primary Dental Services (GDS Contract)	10,007	10,698
Community Ophthalmic Services	3,251	3,368
Community Pharmaceutical Services	47,465	50,657
GP Out of Hours Services	1,934	2,565
Universal Subtotal	96,632	104,010
Risk share balance & other reserve adjustments	0	1,035
Total Health Services	194,613	203,461

Clackmannanshire Council - Adult Social Care Services

Long Term Care	12,880	15,763
Care at Home	12,926	16,982
Staffing	9,600	9,208
Direct Payments	1,542	1,242
Third Party Payments	687	(206)
Other Adult Social Care Services	1,234	1,595
Partnership Costs	78	79
Income	(4,764)	(5,542)
Resource Transfer	(7,974)	(7,862)
Risk share balance & other reserve adjustments	0	(659)

Total Adult Social Care Services - Clackmannanshire	26,209	30,600
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Stirling Council - Adult Social Care Services

Long Term Care	17,929	20,224
Care at Home	24,939	29,287
Staffing	3,916	5,731
Bellfield Centre	4,481	4,708
Reablement	3,918	3,769
Direct Payments	1,668	1,250
Third Party Payments	957	903
Respite	1,072	708
MECS / Telecare / Telehealth	737	959
Other Adult Social Care Services	3,446	3,726
Partnership Costs	117	120
Integration Fund & Resource Transfer	(11,384)	(11,384)
Risk share balance & other reserve adjustments	0	(2,432)

Total Adult Social Care Services - Stirling	51,796	57,569
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Partnership Total	272,618	291,630
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The format of the analysis above reflects the delegated integration functions per the integration scheme.

Independent auditor's report to the members of Clackmannanshire and Stirling Integration Joint Board and the Accounts Commission

Independent auditor's report to the members of Clackmannanshire and Stirling Integration Joint Board and the Accounts Commission

Reporting on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the annual accounts of Clackmannanshire and Stirling Integration Joint Board for the year ended 31 March 2025 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement and Balance Sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the 2024/25 Code).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the Integration Joint Board as at 31 March 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2024/25 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Accounts Commission on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27.

We are independent of the Integration Joint Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Non-audit services prohibited by the Ethical Standard were not provided to the Integration Joint Board. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

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

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

These conclusions are not intended to, nor do they, provide assurance on the Integration Joint Board's current or future financial sustainability. However, we report on the Integration Joint Board's arrangements for financial sustainability in a separate Annual Audit Report available from the Audit Scotland website.

Risks of material misstatement

We report in our Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Chief Finance Officer and Clackmannanshire and Stirling Integration Joint Board for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- using our understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of the Integration Joint Board;
- inquiring of the Chief Officer and Chief Finance Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the Integration Joint Board;

- inquiring of the Chief Officer and Chief Finance Officer concerning the Integration Joint Board policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the body operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This includes the Public Bodies (Joint Working) (Scotland) Act 2014.
- Do not have a direct effect on the financial statements but compliance with which may be fundamental to the body's ability to operate or to avoid a material penalty. These include the Data Protection Act 2018 and relevant employment legislation.

As a result of performing the above, we identified the greatest potential for fraud was in relation to management override of controls. In common with audits under ISAs (UK) we are required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risk identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulation described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management and internal audit concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

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

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

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Reporting on other requirements

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

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

Other information

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

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

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

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

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

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

report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which we are required to report by exception

We are required by the Accounts Commission to report to you if, in our opinion:

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

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of our report

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

Stuart Kenny (for and on behalf of Deloitte LLP)

One Trinity Gardens

Newcastle Upon Tyne

NE1 2HF

United Kingdom

27 February 2026

Glossary

While the terminology used in this report is intended to be self-explanatory, it may be useful to provide additional definition and interpretation of the terms used.

Accounting Period	The period of time covered by the Accounts normally a period of twelve months commencing on 1 April each year. The end of the accounting period is the Balance Sheet date.
Accruals	The concept that income and expenditure are recognised as they are earned or incurred not as money is received or paid.
Balance Sheet	A statement of the recorded assets, liabilities, and other balances at the end of the accounting period.
CIPFA	The Chartered Institute of Public Finance and Accountancy.
Consistency	The concept that the accounting treatment of like terms within an accounting period and from one period to the next is the same.
CNORIS	The Clinical Negligence and Other Risks Indemnity Scheme
COSLA	Convention of Scottish Local Authorities
Creditor	Amounts owed by the IJB for work done, goods received, or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.
Debtor	Amount owed to the IJB for works done, goods received, or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.
Entity	A body corporate, partnership, trust, unincorporated association, or statutory body that is delivering a service or carrying on a trade or business with or without a view to profit. It should have a separate legal personality and is legally required to prepare its own single entity accounts.
Events after the Reporting Period	Events after the Reporting Period are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Annual Accounts are authorised for issue.
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
ISA	International Standard on Auditing
ISD	Information Services Division Scotland
LASAAC	Local Authority (Scotland) Accounts Advisory Committee
Liability	A liability is where the IJB owes payment to an individual or another organisation. A current liability is an amount which will become payable or could be called in within the next accounting period e.g. creditors or cash overdrawn. A non-current liability is an amount which by arrangement is payable beyond the next year at some point in the future or will be paid off by an annual sum over a period of time.
NRAC	NHS Scotland Resource Allocation Committee (Scottish NHS resource allocation formula)
Provision	An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.
PSIAS	Public Sector Internal Audit Standards.
Related Parties	Bodies or individuals that have the potential to control or influence the IJB or to be controlled or influenced by the IJB. For the IJB's purposes, related parties are deemed to include voting members, the Chief Officer and their close family and household members.

Remuneration	All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as these sums are chargeable to UK income tax) and the monetary value of any other benefits received other than in cash.
Reserves	The accumulation of surpluses, deficits, and appropriation over past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the IJB.
Revenue Expenditure	The day-to-day expenses of providing services.
Significant Interest	The reporting authority is actively involved and is influential in the direction of an entity through its participation in policy decisions.
SOLACE	Society of Local Authority Chief Executives.
The Code	The Code of Practice on Local Authority Accounting in the United Kingdom.

Stirling Health & Care Village
Outpatients Department, OPD Area 2
Livilands Gate
Stirling
FK8 2AU
Date: 27 February 2026
Ref: SK/IJB/2025
Email: fv.clackmannanshirestirling.hscp@nhs.scot

Dear Stuart,

This representation letter is provided in connection with your audit of the financial statements of Clackmannanshire and Stirling Integration Joint Board ('the entity') for the year ended 31 March 2025 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of Clackmannanshire and Stirling Integration Joint Board as at 31 March 2025 and of the results of its operations and other recognised gains and losses for the year then ended in accordance with the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003, the Local Authority Accounts (Scotland) Regulations 2014, and in accordance with the applicable accounting framework as interpreted by the Code of Practice on Local Authority Accounting in the United Kingdom ("the Code").

We are aware that it is an offence to mislead an auditor of a public body.

On behalf of the entity, I confirm as the Interim Chief Officer, to the best of my knowledge and belief, the following representations.

Financial statements

1. We understand and have fulfilled our responsibilities for the preparation of the financial statements in accordance with the Local Authority Accounts (Scotland) Regulations 2014 and the CIPFA/LASAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 ("the Code"), which give a true and fair view, as set out in the terms of the audit engagement letter.
2. The methods, the data, and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

3. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of IAS24 “Related party disclosures”.
4. All events subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment of, or disclosure have been adjusted or disclosed.
5. The effect of the uncorrected misstatement is immaterial to the financial statements as a whole. The uncorrected misstatement is detailed in the appendix to this letter. ■
6. We confirm that the financial statements have been prepared on the going concern basis and disclose in accordance with IAS 1 all matters of which we are aware that are relevant to the entity’s ability to continue as a going concern, including principal conditions or events and our plans. In making our going concern assessment we have adopted the ‘continuing provision of service’ approach and accordingly we are not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the entity’s ability to continue as a going concern. There are no circumstances that we are aware of that would affect the appropriateness of the ‘continuing provision of service’ approach. We confirm the completeness of the information provided regarding events and conditions relating to going concern at the date of approval of the financial statements, including our plans for future actions.
7. With respect to the accounting estimate relating to the Set Aside Budget for Large Hospital Services, we confirm that:
 - the measurement processes, including related assumptions and models used to determine the estimate in the context of the applicable financial reporting framework is appropriate and has been applied consistently;
 - the assumptions appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity where relevant to the accounting estimates and disclosures;
 - the disclosures related to the accounting estimate under the entity’s applicable financial reporting framework are complete and appropriate; and
 - there have been no subsequent events that require adjustment to the accounting estimate and disclosure included in the financial statements.
8. We confirm that all of the disclosures relating to sections of the Annual Accounts which are other information’ as set out in the Code of Audit

Practice 2021 have been prepared in accordance with relevant legislation and guidance considered.

Information provided

9. We have provided you with all relevant information and access as agreed in the terms of the audit engagement letter with Audit Scotland.
10. All transactions have been recorded and are reflected in the financial statements and the underlying accounting records.
11. We acknowledge our responsibilities for the design, implementation, and maintenance of internal control to prevent and detect fraud and error. We are not aware of any deficiencies in internal control of which you should be aware.
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
13. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity or group and involves:
 - (i) management;
 - (ii) employees who have significant roles in internal control; or
 - (iii) others where the fraud could have a material effect on the financial statements.
14. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
15. Other than the IJB operating without a named Section 95 officer from 18 October 2025 to 21 December 2025, which is a requirement per the Local Government (Scotland) Act 1973, we are not aware of any instances of non-compliance, or suspected non-compliance, with laws, regulations, and contractual agreements whose effects should be considered when preparing the financial statements.
16. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
17. We confirm that we have disclosed to the entity all matters as may be necessary for the purpose of making the remuneration report disclosures required by the Local Authority Accounts (Scotland) Regulations 2014.

18. No claims in connection with litigation have been or are expected to be received.
19. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
20. We confirm that:
 - (i) we consider that the entity has appropriate processes to prevent and identify any cyber breaches other than those that are clearly inconsequential; and
 - (ii) we have disclosed that there have been no cyber breaches in the financial year and that the IJB use the infrastructure of the NHS Board and Councils and we have noted no breaches from this perspective were noted.
21. All minutes of Board and Committee meetings during and since the financial year have been made available to you.
22. We have drawn to your attention all correspondence and notes of meetings with regulators.

We confirm that the above representations are made on the basis of adequate enquiries of management and staff (and where appropriate, inspection of evidence) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully



Jennifer Borthwick

Interim Chief Office
Signed as Accountable Officer, for and on behalf of the IJB

Appendix 1

Schedule of Uncorrected Misstatements

		Debit/(Credit) Income Statement	Debit/ (credit) in net assets	Debit/ (credit) prior year reserves	Debit/ (credit) OCI/Equity
Misstatements identified in current year		£'m	£'m	£'m	£'m
Understatement of Health and Social Care Service expenditure	[1]	1.09	(1.09)	-	-

[1] This relates to difference between the Health and Social Care Services transaction listing and the balance disclosed within the accounts.



Clackmannanshire and Stirling Integration Joint Board

Report to the Clackmannanshire and Stirling Integration Joint Board on the 2024/25 audit
Issued for the meeting on the 28 January 2026

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02 Wider Scope

Wider scope audit

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Engagement Lead Introduction

The key messages

Introduction

I have pleasure in presenting our report to the Clackmannanshire and Stirling Integration Joint Board (“the Board”) for the 2024/25 audit. The report summarises our findings and conclusions in relation to the audit of the Annual Report and Financial Statements and the wider scope requirements, the scope of which was set out within our planning report presented to the Finance, Audit and Performance Committee (FAPC) on 19 February 2025.

Conclusions from our testing

Based on our audit work completed to date, we expect to issue an unmodified audit report.

The auditable parts of the Remuneration and Staff report have been tested and no issues have been identified.

Based on the audit procedures performed to date we have identified one uncorrected misstatements. Please see page [29](#).

Outstanding matters

Our financial statement audit is substantially complete subject to completion of the following principal matter:

- Receipt of signed management representation letter; and
- Review of events since 31 March 2025.

Conclusions from our testing (continued)

Significant risk

In our planning report we identified management override of controls as a significant audit risk, please refer to page [6](#) for further details regarding our testing.

Wider Scope

Our wider scope conclusions can be viewed on pages [13](#) to [26](#).

Our key wider scope findings are:

- The £11.912m overspend of the 2024/25 budget, challenges in achieving the savings plan and the unbalanced budget for 2025/26 poses a risk to the financial sustainability of the IJB. See page [17](#) for further details.
- The IJB operated without a designated Section 95 officer from 18 October to 21 December 2025 which is not in line with the requirements of the Local Government (Scotland) Act 1973. See page [22](#) for further details.

Internal Audit

The audit team has reviewed the findings of the Internal Audit team, which has been used to inform our risk assessment. It should however be noted that we have not placed any reliance on the work of Internal Audit during the year.

Audit team

I have taken over responsibility from Ian Howse as the Engagement Leader for the audit.

Stuart Kenny
Engagement Leader

Quality indicators

Impact on the execution of our audit

Management and those charged with governance are in a position to influence the effectiveness of our audit, through timely formulation of judgements, provision of accurate information, and responsiveness to issues identified in the course of the audit.

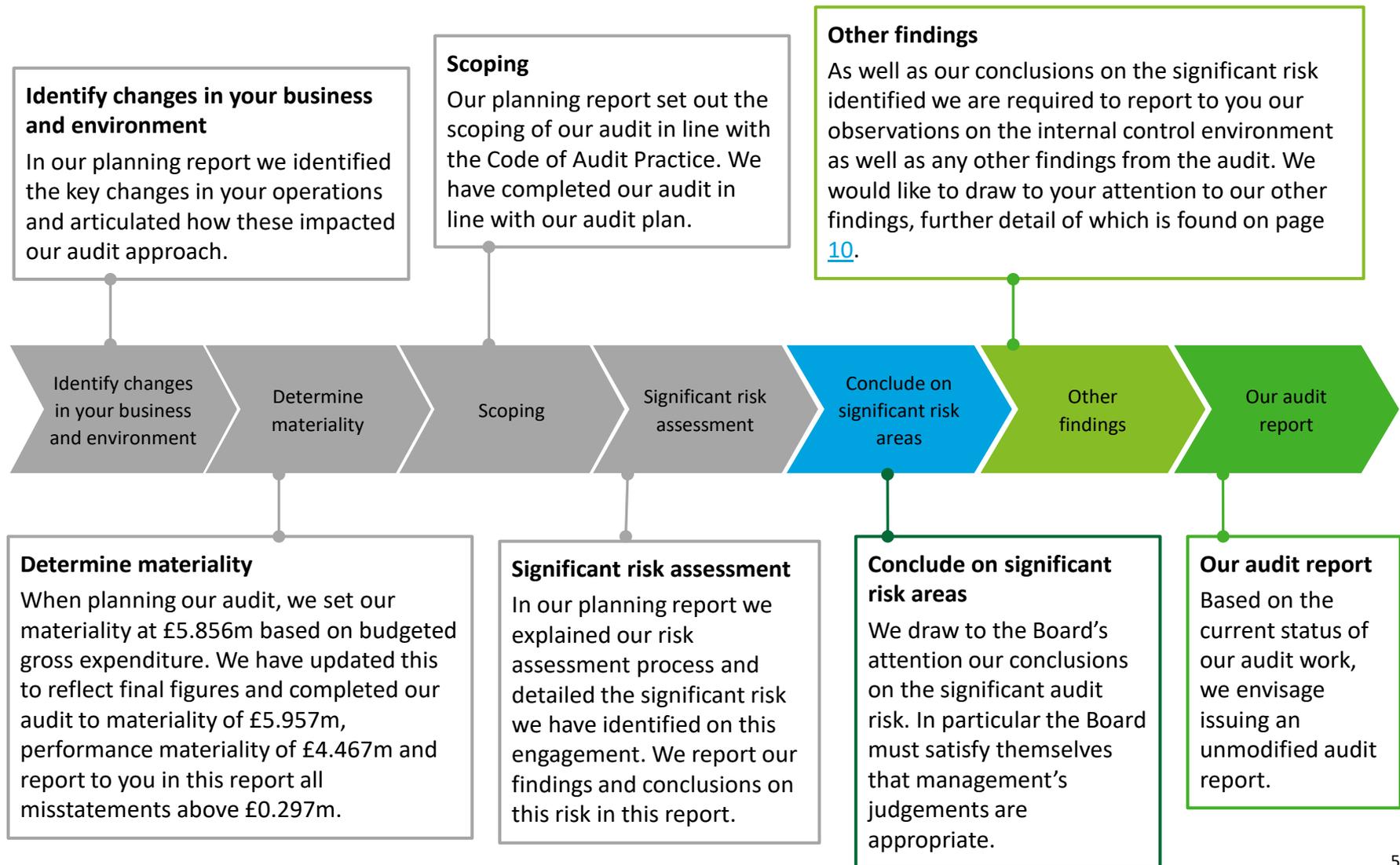
This slide summarises some key metrics related to your control environment which can significantly impact the execution of the audit. We consider these metrics important in assessing the reliability of your financial reporting and provide context for other messages in this report.

Area	Grading	Reason
Adherence to deliverables timetable		There was an average of 16 days delay in obtaining relevant supporting evidence from the constituent authorities, when compared to the audit deadlines agreed at the beginning of the audit, which contributed to the delays in the audit.
Access to finance team and other key personnel		We had good access to the finance team of the IJB during the initial stages our audit work until the departure of the IJB's section 95 officer and management accountant and as the underlying data is held by the constituent authorities, there was a need to also access their respective finance teams. There were some delays in getting access to the relevant staff within the constituent authorities.
Quality of draft Annual Accounts		We have obtained and reviewed the initial draft version of the accounts. We have provided comments to management for consideration and amendment which have been incorporated in the accounts.
Response to control deficiencies identified		The control deficiencies identified during our audit are explained on Page 10 .
Volume and magnitude of identified errors		We have identified uncorrected errors in the current year which we have set out on page 29 .

 Lagging  Developing  Mature

Our audit explained

We tailor our audit to your business and your strategy



Significant risk

Management override of controls

Risk identified In accordance with ISA (UK) 240 management override is a significant risk. This risk area includes the potential for management to use their judgement to influence the Annual Report and Accounts as well as the potential to override the IJB's controls for specific transactions.

Due to the nature of the IJB accounts, with all expenditure transactions being processed through the respective partner bodies ledger, there are no key judgements or accounting estimates specifically identified in the IJB's Annual Accounts.

Under Auditing Standards there is also a rebuttable presumption that the fraud risk from revenue recognition is a significant risk. We have concluded that this is not a significant risk for the IJB as there is little incentive to manipulate revenue recognition with all revenue being from the three contributing partner bodies which can be agreed to confirmations supplied.

Our response We have performed the following audit procedures in relation to this risk:

- We have considered the overall control environment and 'tone at the top';
 - We have reviewed the design and implementation of controls relating to journals and accounting estimates;
 - We have made inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments;
 - We have tested the appropriateness of journals and adjustments made in the preparation of the Annual Report and Accounts using our Spotlight data analytics tools to select journals for testing, based on identification of items of potential audit interest;
 - We have reviewed accounting estimates for biases that could result in material misstatements due to fraud and perform testing on key accounting estimates as discussed; and
 - We have obtained an understanding of the business rationale of significant transactions that we have become aware of that are outside of the normal course of business for the entity, or that otherwise appear to be unusual, given our understanding of the entity and its environment.
-

Significant risks (continued)

Management override of controls (continued)

Key estimates and judgements The key estimates and judgements in the Annual Accounts includes areas which management inherently has the potential to use their judgement to influence the Annual Accounts. As part of our work on this risk, we reviewed and challenged management’s key estimate below:

Estimate / judgement	Details of management’s position	Deloitte Challenge and conclusions
Set Aside Budget for Large Hospitals	<p>For the financial year 2024/25, the sum included within the accounts in relation to the Set-Aside budget for Large Hospital Services reflects the budget allocated rather than the actual cost of hospital activity.</p> <p>Systems are being developed to accurately provide this information in future financial years.</p> <p>In terms of risk of misstatement, a 10% shift in activity would equate to an estimated £4.179m in costs which would, in turn, be borne by NHS Forth Valley.</p>	<p>We have reviewed the evidence and concluded that the rationale provided is reasonable and that the accounting treatment of the set aside budget is appropriate. However, we have noted the lack of a formalised agreement between the IJB and NHS Forth Valley. We have raised a control recommendation in respect of this. See page 8.</p>

Conclusion We have not identified any instances of management override of controls from our testing to date.

Your control environment and findings

Control deficiencies and areas for management focus

-  Low priority
-  Medium Priority
-  High Priority

Observation	Severity	Deloitte recommendation	Management response and remediation plan
<p>Although we were provided with appropriate supporting documentation to complete our audit testing, there were challenges in obtaining trial balances, listings, and evidence from the relevant constituent authorities in a timely manner.</p> <p>While the IJB finance staff are responsible for preparing the IJB Annual Accounts, they are reliant on information being provided by the constituent authorities. This caused a delay in completing the audit.</p>		<p>The IJB and constituent authority finance teams should agree a clear timeline and list of deliverables for preparing the Annual Accounts.</p> <p>This would allow a more streamlined audit and ensure reporting timelines are met.</p>	<p>The IJB CFO will co-ordinate with NHS Forth Valley, Stirling Council and Clackmannanshire Council to ensure there is clarity around the year end timetable and deliverables. This will support the provision of audit information to Deloitte in a timely manner during the year end audit process.</p>
<p>Lack of formalised agreement between the IJB and NHS Forth Valley regarding the overspend on the set aside budget</p>		<p>Without a formalised agreement, the IJB might have to bear the financial risk associated with overspend of the set aside budget. Management should ensure the arrangement with NHS Forth Valley to meet the financial pressure associated with the set aside budget is captured and included within the revised integration scheme which is currently under review.</p>	<p>The IJB CFO will work with NHS Forth Valley to ensure mitigation of the financial risk associated with the Set Aside budget, that this is articulated in the revised integration agreement.</p>

Your control environment and findings

Control deficiencies and areas for management focus

-  Low priority
-  Medium Priority
-  High Priority

Observation	Severity	Deloitte recommendation	Management response and remediation plan
<p>Differences have been identified between the underlying transaction information and the values included in the accounts. This suggests that a reconciliation between the accounts and the underlying transaction data has not been performed.</p>		<p>Management should ensure all balances within the accounts have been reconciled and agreed to the underlying transaction data.</p>	<p>The IJB have reconciled the accounts to provide the annual statements however the process of accounts completion was carried out by a number of staff due to changes in accounting staff at that time. The Interim Chief Finance Officer will ensure the accounting adjustments made as part of the completion of the 2025/26 accounts are fully reconciled and reflected in the appropriate ledgers.</p>

Our audit report

Other matters relating to the form and content of our report

Here we discuss how the results of the audit impact on other significant sections of our audit report.



Our opinion on the Annual Accounts

Our audit is substantially complete and based on our work to date, we expect, subject to the successful conclusion of the matters raised on page [3](#), that our opinion on the financial statements will be unmodified.



Going concern

We will highlight that the going concern assessment is on the basis of the 'continuing provision of service' approach, and will report that we concur with management's use of the going concern basis of accounting.



Emphasis of matter and other matter paragraphs

Our audit is substantially complete and based on our work to date, we do not expect to include any emphasis of matter paragraphs and an other matter paragraph in our opinion.



Other reporting responsibilities

Our opinion on matters prescribed by the Controller of the Audit are discussed further on page [13](#).

Your Annual Accounts

We are required to provide an opinion on the auditable parts of the Remuneration report, the Annual Governance Statement and whether the Management Commentary is consistent with the disclosures in the accounts.

	Requirement	Deloitte response
Management Commentary	The report outlines the IJB's performance, both financial and non-financial. It also sets out the key risks and uncertainties faced by the IJB.	<p>We have assessed whether the Management Commentary has been prepared in accordance with the statutory guidance.</p> <p>We have also read the Management Commentary to ensure it is materially correct and consistent with our knowledge acquired during the course of performing the audit and is not otherwise misleading.</p> <p>We provided management with comments and suggested changes which have been incorporated within the accounts.</p>
The Remuneration Report	The remuneration report is required to be prepared in accordance with the 2014 Regulations, disclosing the remuneration and pension benefits of Senior Employees of the IJB.	We have audited the disclosures of remuneration and pension benefits and we can confirm that they have been properly prepared in accordance with the regulations.
The Annual Governance Statement	The Annual Governance Statement reports that the IJB's governance arrangements provide assurance, are adequate and are operating effectively.	<p>We have assessed whether the information given in the Annual Governance Statement is consistent with the Annual Accounts and has been prepared in accordance with the Delivering Good Governance in Local Government Framework.</p> <p>We provided management with comments and suggested changes which have been incorporated within the accounts.</p>

Purpose of our report and responsibility statement

Our report is designed to help you meet your governance duties

What we report

Our report is designed to help the FAPC and the IJB discharge their governance duties. It also represents one way in which we fulfil our obligations under ISA (UK) 260 to communicate with you regarding your oversight of the financial reporting process and your governance requirements. Our report includes:

- Results of our work on key audit judgements and our observations on the quality of your Annual Accounts.
- Our internal control observations
- Other insights we have identified from our audit.

The scope of our work

Our observations are developed in the context of our audit of the Annual Accounts.

We described the scope of our work in our audit plan.

Use of this report

This report has been prepared for the IJB, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose.

What we don't report

As you will be aware, our audit was not designed to identify all matters that may be relevant to the IJB.

Also, there will be further information you need to discharge your governance responsibilities, such as matters reported on by management or by other specialist advisers.

Finally, our views on internal controls and business risk assessment should not be taken as comprehensive or as an opinion on effectiveness since they have been based solely on the audit procedures performed in the audit of the financial statements and the other procedures performed in fulfilling our audit plan.

We welcome the opportunity to discuss our report with you and receive your feedback.



Deloitte LLP

Newcastle upon Tyne | January 2026

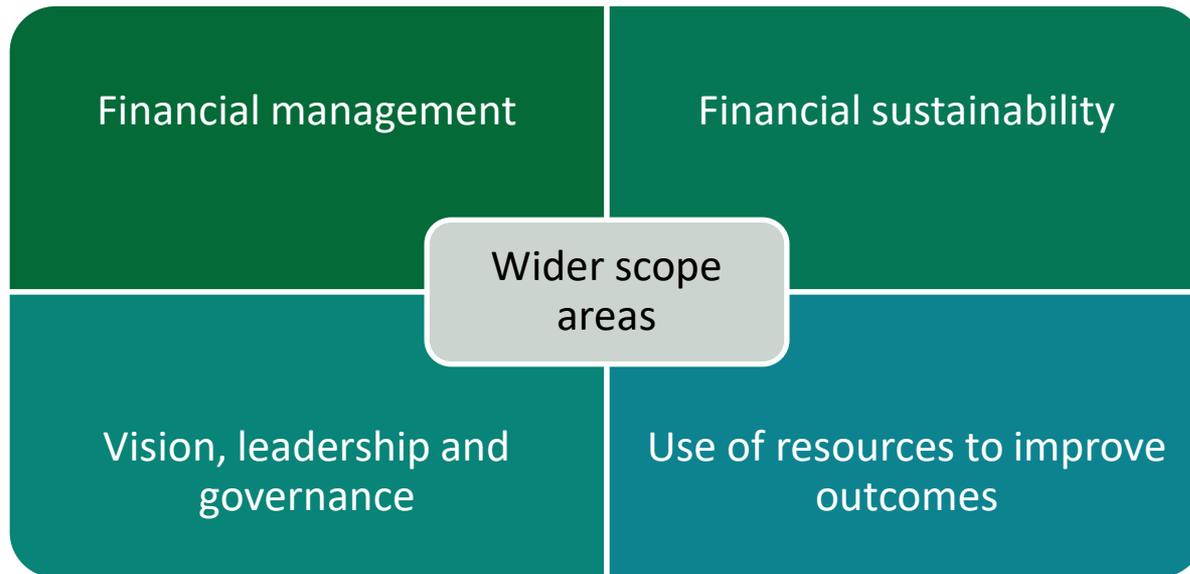
Wider scope audit



Wider scope requirements

Overview

As set out in our audit plan, reflecting the fact that public money is involved, public audit is planned and undertaken from a wider perspective than in the private sector. The wider scope audit specified by the Code of Audit Practice broadens the audit of the accounts to include consideration of additional aspects or risks in the following areas.



Our audit work has considered how the IJB is addressing these and our conclusions are set out within this report, with the report structured in accordance with the four dimensions. Our responsibilities in relation to Best Value ('BV') have all been incorporated into this audit work.

Wider scope requirements (continued)

Financial management

Is there sufficient financial capacity?



Is there sound budgetary processes in place?



Is the control environment and internal controls operating effectively?



Financial Management

Significant risks identified in Audit Plan

In our planning paper, we identified a risk that the IJB delivered an overspend for the 2024/25 financial year.

Current year financial performance

The 2024/25 budget of £257.384m, including set aside, was approved by the IJB in March 2024. The final outturn position is a net overspend of £11.912m (£6.990m on the integrated budget and £4.922m on the set aside budget).

The overspend on the integrated budget was covered by additional payment contributions of £6.990m (as part of the risk sharing arrangements to meet the overspend on the integrated budget) from the constituent authorities. In the current year, this led to disputes which were resolved between the constituent authorities on how much should be borne by each authority. As set out on page [7](#), overspend on set aside budget is met by NHS Forth Valley.

The general reserve is now nil after the utilisation of £3.947m in the current year which was approved as part of the 2024/25 budget. The current position of the general reserve does not comply with the IJB's extant Reserves Policy.

Total reserves as at 31 March 2025 equate to £10.253m which are all earmarked reserves.

As a result of the level of risk associated with the revenue budget, the financial resilience risk scoring within the IJB's risk register continues to be on the highest possible level.

Savings Plans

The IJB 2024/25 budget included planned savings of £14.041m, which was made up of required savings of £10.095m in year and £3.947m utilisation of reserves.

The year end final outturn position reported to the Board highlighted that, out of the £10.095m savings identified, only £5.643m (55.9%) of savings had been achieved.

Wider scope requirements (continued)

Financial management (continued)

Finance Team capacity

The IJB finance team is reliant on support from the three partner bodies to provide information to support the financial management of the IJB, and to discharge their duties. The finance team has remained consistent throughout the year however, there have been changes post year end to management personnel in key finance officer posts. Most notably, the Section 95 Officer and the Management Accountant both left the IJB in October 2025. The Section 95 Officer had been in the position for 10 years.

The Section 95 Officer is a role mandated by the Local Government (Scotland) Act 1973 and the IJB operated without a named Section 95 Officer from 18 October 2025 to 21 December 2025. It is our understanding that during this time the responsibilities of the Section 95 Officer were shared between the Chief Finance Officers of the three partner bodies. However there was no named officer with responsibility for the financial affairs of the IJB in place. An interim Section 95 officer assumed office on the 22 December 2025.

Budget Reporting

The Partnership Senior Management Team (SMT), the Finance, Audit and Performance Committee (FAPC) and the Board regularly review progress against the budget throughout the year with quarterly reporting produced.

In our 2023/24 audit, we recommended further analysis relating to risks of non-achievement and illustration of current/future implications within the financial reports were lacking and this should be progressed to further develop and improve the integrated financial reporting. In the current year, further detail around each material variance provided within the financial reports to the Board. This clearly sets out the various services and provides an explanation of variances when compared to budget.

These financial reports are readily available on the IJB's website as part of the minutes of the FAPC and Board. The reports clearly sets out performance against budget and also includes forecast spend.

Due to the IJB being the only IJB in Scotland to have three partner bodies, there are unique challenges relating to the collation of financial reporting information. Consolidation of three different ledger systems proves inefficient at times, as evident in the timeliness of audit deliverables as noted within this paper on page [8](#).

Wider scope requirements (continued)

Financial management (continued)

Standards of conduct for prevention and detection of fraud and error

We have assessed the IJB's arrangements for the prevention and detection of fraud and irregularities. This has included specific considerations in response to the Audit Scotland's quarterly bulletin which contains a "Fraud and Irregularities" section. All finance and staff members are made aware of the standards relating to fraud and error. The IJB places reliance on the internal control systems of the constituent authorities and through our audits of these bodies, we have concluded that they have appropriate arrangements for the prevention and detection of fraud.

Internal controls and internal audit

The IJB is largely reliant on the internal control arrangements within the respective partner bodies. In accordance with the agreement with the three partners, from 2022/23, the internal auditors have been appointed on behalf of Clackmannanshire Council.

The 2024/25 Internal Audit Plan was approved by the Audit and Risk Committee (now FAPC) in June 2024 and comprised six assignments for the year, covering 60 audit days. Detailed reports are provided to the Committee for each project.

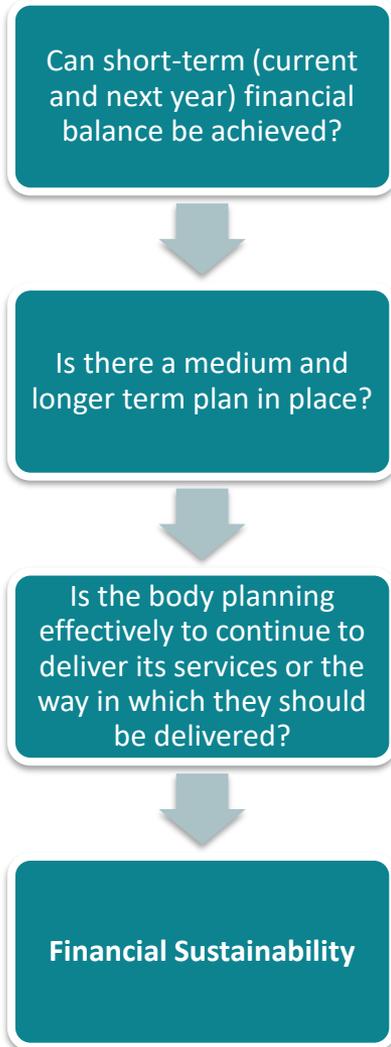
Deloitte view – financial management

The IJB has budget setting and monitoring processes in place, however, the continued overspends year-on-year, and under achievement of savings against targets leads to the reliance on risk share from the constituent authorities and the utilisation of reserves.

The Section 95 Officer left the IJB in October 2025 and while this has not directly impacted the financial management of the IJB in the 2024/25 financial year, this has presented challenges with the year-end audit timetable. The IJB operated without a named Section 95 officer from 18 October 2025 to 21 December 2025. Per the Local Government (Scotland) Act 1973 it is a requirement to have a named officer with responsibility for the administration of financial affairs in place. It is our understanding that during this time the responsibilities of the Section 95 Officer were shared between the Chief Finance Officers of the three partner bodies. However, there was no named officer with overall responsibility for the financial affairs of the IJB in place.

Wider scope requirements (continued)

Financial sustainability



Significant risks identified in Audit Plan

In our audit plan we highlighted that there was a risk that robust medium-to-long term planning arrangements are not in place to ensure that the IJB can manage its finances sustainably and deliver services effectively.

2025/26 budget setting

In May 2025, the IJB approved an unbalanced budget with a proposed deficit of £18.984m on the Integrated Budget and £5.711m on the Set Aside Budget for Large Hospital Services bringing a total financial gap in relation to the Strategic Plan budget of £24.695m or 8.86% of total budgeted expenditure of £278.293 million (set side budget of £36.333m and Integrated budget of £241.36m) for 2025/26.

A savings delivery programme for £11.162m has been agreed to offset part of this gap on the integrated budget. As at September 2025, the IJB is forecasting to achieve £8.6m of savings with the key features of the programme including a £2.3m (forecast achieving £1.66m) saving in Reducing Net Admissions into Long Term Care, £1.5m (forecast achieving £1.01m) in Primary Care Medicines Optimisation Programme (including 25/26 PII, Polypharmacy, Meds/therapeutics of ltd clinical value and non medical prescribing) and £1.5m (forecasted to be fully achievable) in Improving Financial Assessment and Recovery.

Reserves

At the time of approval of the 2025/26 budget, the IJB had carried out its annual review of its reserves strategy in line with good practice. The reserves policy and strategy is largely unchanged from previous years, with the key element being:

- A reserves target of 2.5% of budgeted expenditure;
- A minimum general or contingency reserve level of 1% of budgeted expenditure.
- Maximum reserves level of 4%

At the end of 24/25, the IJB currently holds a nil general reserve balance with £10.253m within the earmarked reserve. This is not in line with the IJB's reserve policy.

Wider scope requirements (continued)

Financial sustainability (continued)

Reserves (continued)



As highlighted previously, financial balance was only achieved after the utilisation of £3.947m of reserves in addition to additional payments from the constituent authorities.

It is worth noting that this is a common theme of IJBs throughout the country; as per Audit Scotland's report on IJBs Finance and performance, by the end of 2023/24, nine IJBs now do not hold any contingency reserves reducing their financial flexibility and increasing the risk to their financial sustainability.

As part of the financial reporting to the Board, this includes a detailed breakdown of the various movement within the reserves.

It is important that clear plans are developed and monitored as part of the regular financial monitoring reporting to the Board to demonstrate how the reserve position can be strengthened.

Medium-to-long term financial planning

In the 2023/24 audit, we recommended that the IJB provided a more comprehensive medium term financial outlook post publication of the Scottish Government's next Medium Term Financial Strategy (MTFS).

As part of the 2025/26 budget approved in May 2025, the IJB has set out the medium-term financial outlook over the next 3 years which was set before the Scottish Government's MTFS was published in June 2025. This 3-year plan sees the IJB in a deficit position by the end of 2027/28 with the only forecasted surplus position in 2026/27. The total estimated savings required for the 3-year period is £22.236m while the cumulative deficit position is £26.387m.

Overall, the cumulative deficit position after achievement of all savings for the three year period is £4.151m. This demonstrates the IJB's need to continuously monitor and develop recurrent cost reducing options alongside the delivery plan savings.

We recommend the IJB's MTFS is reviewed and aligned with the Scottish Government's MTFS.

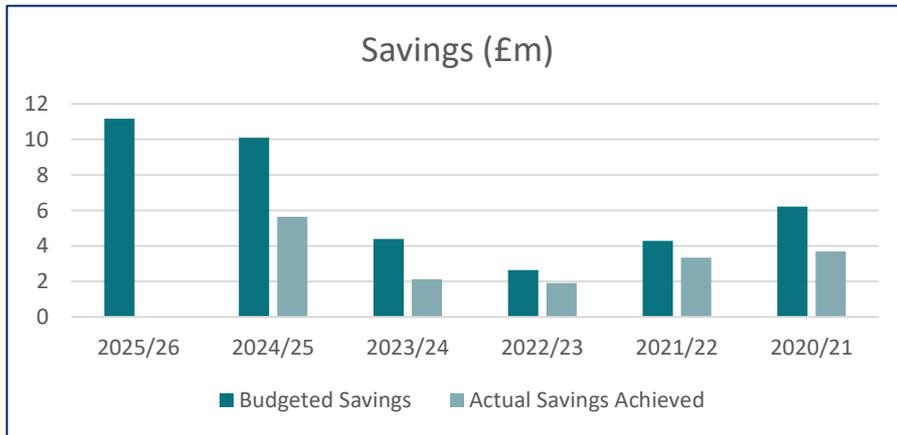
Wider scope requirements (continued)

Financial sustainability (continued)

Savings and transformational change

As explained on page [20](#), the approved budget incorporates the need to make savings in both the Integrated and Set Aside Budgets.

The graph below illustrates the level of savings achieved over the last 5 years against the 2025/26 budgeted amount, demonstrating that the IJB has historically not met its savings targets, and that the 2025/26 savings target is significantly higher than that achieved in previous years.



The delivery plan which was approved alongside the 2025/26 budget has been aligned to the strategic commissioning plan which identifies areas where cost reduction can be achieved. This aims to explore all feasible options to deliver the Strategic Commissioning Plan priorities within the available resources.

The key elements of the Delivery Plan are under 4 thematic areas:

- Raising Revenue;
- Doing Things Differently;
- Doing Less; and
- Doing Things More Efficiently.

To monitor the achievement of the delivery plan, a three person Project Management team appointed on a secondment basis has been put in place since August 2025 who report to the Head of Strategic Planning and Health Improvement to ensure progressing the delivery plan, supporting the Senior Leadership Team (SLT) structure, and informing future reporting to both the Finance, Audit and Performance Committee (FAPC) and the Board.

Reporting from the Delivery Plan meetings is fed to the SLT and included in Board meetings where the Head of Strategic Planning and Health Improvement provides an update to the Board on the status of achievement of the delivery plan.

Wider scope requirements (continued)

Financial sustainability (continued)

Workforce planning

A key enabling activity identified within the Delivery Plan is workforce planning.

The Integrated Workforce Plan 2022-2025 continues to form the basis of the Health & Social Care Partnership's Strategic Workforce Planning and is based on the continuous improvement cycle 'Plan, Do, Study & Act', to ensure that they are a dynamic and flexible organisation, capable of responding to system changes.

In the current year, the annual review of the integrated workforce was carried out and one of the biggest risks faced by the IJB continues to be the availability of workforce and the reliance on temporary staff.

It is critical that the actions identified in the Workforce Plan are taken forward and closely monitored to support the delivery of the Strategic Commissioning Plan.

Deloitte view – financial sustainability

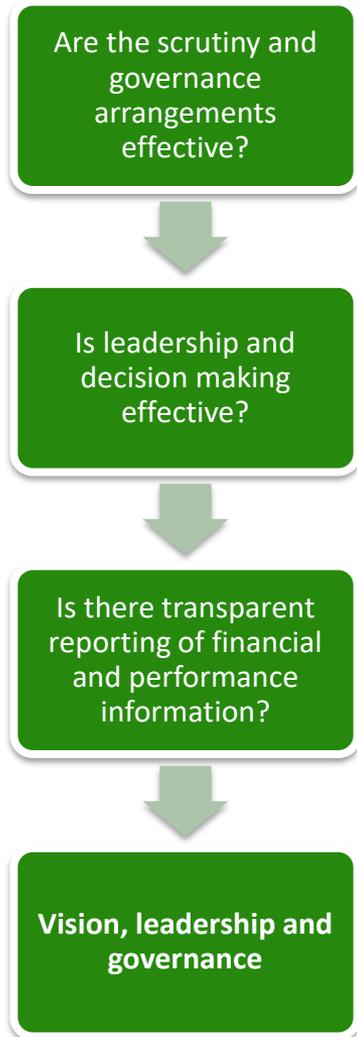
The IJB overspent its budget in 2024/25 and achieved financial balance only after the utilisation of reserves and additional contribution from constituent authorities. The IJB currently has a nil general reserve which is against the IJB's Reserves Policy. A plan should be devised as to how the reserves position will be improved.

For FY26, the IJB has set an unbalanced budget with significant savings required. In 2024/25, the IJB achieved 55.9% of its planned savings and has set an even greater savings plan of £11.162m for 2025/26, which is required to be achieved in order to reduce the planned deficit. The IJB must implement robust measures to identify and achieve savings, thereby reducing the planned deficit. Failure to do so will exacerbate the current financial unsustainability.

There is a three-year Medium-term financial plan however, the IJB is still forecasted to be in a deficit at the end of the third year, with only the second year achieving any surplus on budget. We would recommend Management should review this plan and align this to the Scottish Government's MTFS as this was published after the IJB had set their MTFS.

Wider scope requirements (continued)

Vision, leadership and governance



Significant risks identified in Audit Plan

In our audit plan, we highlighted the consultation and consideration for approval by the partner bodies for the revised Integration Scheme, the appointment of an interim Chief Officer and the decision to combine the Audit and Risk Committee with the Finance and Performance Committee to create the Finance, Audit and Performance Committee.

Vision and strategy

The IJB's Strategic Commissioning Plan covering the period 2023-2033 was approved by the Board in March 2023. This plan will be subject to substantive review at least every 3 years to comply with legislation and statutory guidance. The vision is clearly defined within the Plan, as:

“Enabling people in Clackmannanshire & Stirling to live full and positive lives within supportive communities by working together and promoting wellbeing”.

The plan sets out the following 5 strategic themes:

1. Prevention, early intervention and harm reduction
2. Independent living through choice and control
3. Achieving care closer to home
4. Supporting and empowering people and communities
5. Reducing loneliness and isolation

Performance against the delivery of the plan is monitored as part of the quarterly Performance Reports. These reports also set out how the IJB priorities link with the National Health and Wellbeing Outcomes.

Wider scope requirements (continued)

Vision, leadership and governance (continued)

Leadership

The Partnership Senior Management Team was led by the Joanna MacDonald, the Interim Chief Officer between December 2024 to December 2025. She replaced David Williams who was the Chief Officer till November 2024. The IJB has experienced significant turnover in its Chief Officer position, with six different individuals having held this role over the past 10 years. The IJB did not operate with a Section 95 Officer for the period 18 October to 21 December 2025 which is not in line with the requirements of section 95 of the Local Government (Scotland) Act 1973. An interim Section 95 Officer assumed office on the 22 December 2025.

The Chair and the Vice Chair of the Board changed in April 2024 in line with the partnership agreement, which requires these positions to rotate across constituent authorities every two years. Stirling Council nominated the new Chair of the IJB, at its October 2024.

Governance and scrutiny arrangements

Integration Scheme

The Integration Scheme is a key feature of the governance arrangements in place and sets out the legal partnership agreement between NHS Forth Valley and Clackmannanshire and Stirling Councils. The Scheme sets out the functions delegated to the IJB, under the Public Bodies (Joint Working) (Scotland) Act 2014 (the Act).

Under the requirements of the Act, local authority and NHS Boards are required to review the Integration Scheme within 5 years of the scheme being approved (i.e. by October 2020 at the latest). An initial review was undertaken in January 2020, this did not progress due to the pandemic, ongoing service pressures and other competing demands. The Integration Scheme for the IJB is currently under review and awaiting approval by all three constituent authorities. In the current year, this has been approved by 2 out of the 3 constituents' bodies, with the other authority seeking further revisions before consideration for approval. This was expected to be laid before the Scottish Parliament in Quarter 1 of 2025 but is still yet to be concluded. It is important that this is progressed to ensure full compliance with the Act.

NHS Forth Valley Escalation Framework

On 23 November 2022, NHS Forth Valley, a key partner of the IJB, was escalated to Stage 4 of the NHS Scotland Performance Escalation Framework for concerns relating to Governance, Leadership and Culture. The Board was de-escalated to stage 3 and with the continued development of the Compassionate leadership and culture change programme and its corresponding reports to the Board, NHS Forth Valley are committed to a path of further de-escalation.

Wider scope requirements (continued)

Vision, leadership and governance (continued)

Governance and scrutiny arrangements (continued)

Finance, Audit and Performance Committee (FAPC)

The IJB approved the establishment of the Finance, Audit and Performance Committee and its Terms of Reference at a special meeting on 7 February 2025. This combined the existing Audit & Risk Committee(ARC) and the Finance Performance Committee(FPC) which were in place till February 2025.

Membership of the new FAPC is 8 voting members (2 from each constituent Council and 4 from NHS Forth Valley), plus 2 non-voting members, meeting 4 times a year.

There was no annual assurance statement as the FAPC was established part way through the 2024/25 year and could not reasonably discharge its Terms of Reference in a part year. The annual assurance statement will be re-established once FAPC has been in place for a full year.

The FAPC oversaw the work of Internal Audit and a substantial assurance in relation to Clackmannanshire and Stirling Integration Joint Board's arrangements for risk management, governance, and control for the year to 31 March 2025.

Transparency of reporting

All Board and FAPC (previously ARC) papers and minutes are publicly available through the Health and Social Care Partnership website. The partnership website includes a suite of information including strategic plan, annual accounts and annual performance reports that can be accessed by members of the public.

Deloitte view – Vision, leadership and governance

The IJB operated without a named Section 95 officer from 18 October 2025 to 21 December 2025. Per the Local Government (Scotland) Act 1973 it is a requirement to have a named officer with responsibility for the administration of financial affairs in place. It is our understanding that during this time the responsibilities of the Section 95 Officer were shared between the Chief Finance Officers of the three partner bodies. However, there was no named officer with overall responsibility for the financial affairs of the IJB in place.

The IJB has experienced significant turnover in its Chief Officer position, with six different individuals having held this role over the past 10 years. This poses a risk to entity's strategic continuity, operational stability, and the robustness of its governance.

The Constituent authorities have not completed the review of the Integration Scheme including issuance of a revised Integration Scheme.

Wider scope requirements (continued)

Use of resources to improve outcomes



Significant risks identified in Audit Plan

In our audit plan we highlighted that given the ongoing pressures across the health and care system, including issues on delays in patient discharge and workforce capacity, there is a risk that performance reporting has not been timely, reliable, balanced and transparent. There are also the longer-term uncertainties around the National Care Service.

Performance management framework

The Integration Joint Board has a responsibility to ensure effective performance monitoring and reporting. The IJB monitors performance and measures impact for the communities against their Strategic Commissioning Plan priorities and be able to share with communities and stakeholders.

The IJB approved an Integrated Performance Framework in June 2024 which is used to drive the performance culture, with evidence-based decision making, service planning and response as well as supporting greater ability for scrutiny in an open and transparent environment. This sets out the indicators and measurement, format and frequency of reporting, concepts and tools and the level of reporting and escalation.

The Integrated Performance Framework relies on an integrated approach to managing, using, and understanding our data. This is because driving performance is most efficiently achieved based on a sound understanding of the systems and processes involved. Analysing data alongside listening to supported people and other stakeholders provides the best way to do that and provides advantage in planning change, deploying preventative approaches, evidencing our functions under legislation and driving process and cost efficiency.

The performance management reporting cycle includes the annual performance report, quarterly performance report, monthly key performance measures report and other weekly and daily operational reports.

Wider scope requirements (continued)

Use of resources to improve outcomes

Deloitte view –Use of resources to improve outcomes

The IJB has further enhanced its performance management framework with the approval of the Integrated Performance Framework (IPF) in June 2024. This revised framework promotes a culture of performance driven by data-informed decision-making, effective service planning and responsiveness, and a commitment to greater transparency and accountability through enhanced scrutiny.

Regular reporting on performance is provided to the Board through the quarterly performance reports against the strategic themes and the annual performance report again.

Wider scope requirements (continued)

Best value

Requirements

It is the duty of the IJB to secure Best Value as prescribed in Part 1 of the Local Government in Scotland Act 2003. We have a statutory duty to be satisfied that the IJB have made proper arrangements for securing BV.

Duty to secure Best Value

1. It is the duty of the IJB to make arrangements which secure Best Value.
2. Best Value is continuous improvement in the performance of the IJB's functions.
3. In securing Best Value, the IJB shall maintain an appropriate balance among:
 - a) The quality of its performance of its functions;
 - b) The cost to the IJB of that performance; and
 - c) The cost to persons of any service provided by the IJB for them on a wholly or partly rechargeable basis.
4. In maintaining that balance, the IJB shall have regard to:
 - a) Efficiency;
 - b) Effectiveness;
 - c) Economy; and
 - d) The need to make the equal opportunity requirements.
5. The IJB shall discharge its duties in a way that contributes to the achievement of sustainable development.
6. In measuring the improvement of the performance of an IJB's functions, regard shall be had to the extent to which the outcomes of that performance have improved.

Conclusions

The IJB has a number of arrangements in place to secure best value. As noted elsewhere within this report, the Strategic Commissioning Plan provides a clear vision and has specific focus on some of the BV characteristics.

Best Value is monitored through the reporting to the Board which includes the Quarterly Performance reports, finance reports and service area reports which are all reviewed by the Board. These reports include BV reviews of services provided.

Financial sustainability continues to be a significant risk to the IJB. In the current year, as set out in the financial sustainability section, a Project Management team has been put in place to monitor the delivery of the savings plans which is also a way of securing best value for the IJB.

Deloitte view – Best Value

The IJB has sufficient arrangements in place to secure best value and has a clear understanding of areas that require further development. Significant work is still required to make the level of savings delivery needed to ensure financial sustainability, both short term and long term.

Appendices



Audit adjustment

Uncorrected misstatement

The following uncorrected misstatement has been identified which we request that you ask management to correct as required by ISAs (UK). Uncorrected misstatements increase the result for the year by £1.09m.

		Debit/ (credit) income statement £m	Debit/ (credit) in net assets £m	Debit/ (credit) prior year reserves £m	Debit/ (credit) OCI/Equity £m
Misstatements identified in current year					
Understatement of Health and Social Care Service expenditure	[1]	1.09	(1.09)	-	-

[1] This relates to difference between the Health and Social Care Services transaction listing and the balance disclosed within the accounts.

Disclosure deficiencies

We have not identified any disclosure deficiencies up to the date of this report.

Action Plan

The following recommendations have arisen from our 2024/25 audit work:

Recommendation	Management Response	Priority	Responsible Person	Target Date
<p>1. Financial Sustainability The overspend of the budget, challenges in achieving the savings plan and the unbalanced budget for 2025/26 poses a risk to the financial sustainability of the IJB. The IJB should put in place robust measures to ensure savings are monitored and achieved in order to reduce the planned deficit for 2025/26.</p>	<p>The IJB Chief Finance Officer will review the draft 2025/26 outturn budget and provide an approach to bring the budget into balance.</p>	High	IJB Chief Finance Officer	March 2026
<p>2. Vision, leadership and governance- Section 95 Officer role The IJB's Section 95 officer left their post in mid October 2025. Following this date the IJB did not have a named Section 95 officer in place, until mid December 2025 when an interim Section 95 officer was appointed.</p>	<p>The IJB Chief Finance Officer will recommend an approach to ensure the S95 Officer responsibilities can be covered if the post holder has an extended period of absence or leaves with the HSCP.</p>	High	FAPC and the Board	March 2026
<p>3. Vision, leadership and governance- Chief Officer Role The IJB has experienced significant turnover in its Chief Officer position, with 6 different individuals having held this role over the past 10 years. The IJB should seek to find a permanent recruitment to this role to ensure operational and governance stability.</p>	<p>The HSCP has appointed an Interim Chief Officer prior to starting the recruitment process to appoint a new permanent Chief Officer.</p>	High	The Board	March 2026

Action Plan (continued)

We have followed up the recommendations made in 2023/24. We note that out of the 5 recommendations, only 1 has been fully implemented as documented below

Recommendation	Management Response at 2023/24	Priority	Management Update for 2024/25
<p>1. Housing Aids & Adaptions The amount of costs incurred by Stirling Council in relation to Housing Aids & Adaptions should be reassessed and more transparent. Additionally, this should be within Stirling Council’s Revenue Budget paper for future financial years and the IJB should include a section within future IJB Revenue Budget papers. This would provide deeper clarification and an enhanced audit trail.</p>	<p>Accepted – IJB and Stirling Council CFOs will review treatment and reporting to enhance transparency and understanding. Stirling Council and IJB will consider presentation within future revenue budget papers</p>	Low	<p>Open Some consideration was given within the 2025/26 revenue budget however there is scope for further improvement in future years to ensure consistency across both councils.</p>
<p>2024/25 update: While acknowledging initial consideration in the 2025/26 revenue budget, the recommendation remains open, requiring full implementation and consistent reporting across in future years.</p>	<p>Accepted – IJB CFO will consider within future financial reports to IJB / committee.</p>	Low	<p>Complete Further detail now provided with IJB financial reports.</p>
<p>Whilst a RAG rating has been implemented into the savings plan, further analysis relating to risks of non-achievement and illustration of current/future implications are lacking. This should be progressed to further develop and improve financial reporting.</p>			

Action Plan (continued)

Recommendation	Management Response at 2023/24	Priority	Management Update for 2024/25
<p data-bbox="67 329 498 394">3. Financial sustainability – budget setting</p> <p data-bbox="67 444 498 811">The activity and cost model in relation to Set Aside arrangements should be developed. In addition to complying with legislation, this would identify areas where spending could be preserved and subsequently aid the savings requirement for the Set Aside for future years.</p> <p data-bbox="67 861 498 1079">2024/25 update: Similar to our recommendation last year, management should seek to fully develop the activity and cost model in relation to set aside arrangements.</p>	<p data-bbox="519 329 1051 619">Accepted – Matter already being considered by both IJBs and NHS Forth Valley. Activity information requirements being accessed to develop model in line with legislative requirements. It is anticipated that this will allow arrangements to be progressed for 2025/26 financial year.</p>	<p data-bbox="1064 329 1166 352">Medium</p>	<p data-bbox="1209 329 1823 352">Open</p> <p data-bbox="1209 372 1823 815">Work has been undertaken and supported by NHS FV information services on an appropriate dataset to support set aside arrangements. Discussions ongoing with Falkirk IJB and NHS FV as to how best to use information as basis for identifying future improvements and how this aligned to improving unscheduled care work on whole system basis and initiatives aiming to shift the balance of care. Aim is for both IJBs to highlight shifting the balance of care opportunities via 2026/27 Business case process.</p>

Action Plan (continued)

Recommendation	Management Response at 2023/24	Priority	Management Update for 2024/25
<p>4. Financial sustainability – medium-to-long-term planning</p> <p>Currently, the IJB is not financially sustainable. A more comprehensive medium-term financial outlook post publication of the Scottish Government’s next Medium Term Financial Strategy and Medium Term Financial Framework should be developed and implemented as soon as viably possible.</p>	<p>Accepted – It is currently understood that Scottish Government will publish updated Medium Term Financial Strategy and Medium Term Financial Framework for Health and Social Care by end of 2024. An updated medium-term financial outlook will be developed aligned to these publications and financial planning assumptions of the constituent authorities of the IJB.</p>	Medium	<p>Open</p> <p>A medium term Financial plan was incorporated within the Revenue budget for 25/26.</p>

Action Plan (continued)

Recommendation	Management Response at 2023/24	Priority	Management Update for 2024/25
<p>5. Financial sustainability – reserves</p> <p>The utilisation of reserves is not sustainable and places itself and its partner bodies at risk. Although this is a common theme for IJBs across the country, reserves levels should be actively monitored and being applied for the purposes intended. A plan should also be devised as to how the reserves position will be improved.</p> <p>2024/25 update: Reserves levels have continued to deteriorate and there is currently no general reserve with earmarked reserve at £10.253m. This is not in line with the IJB's reserve policy. A plan should be devised as to how the reserves position will be improved.</p>	<p>Accepted</p> <p>To be considered as part of the updated medium term financial outlook. It should however, be understood that re establishing a prudential level of general reserves will be extremely challenging.</p>	<p>Medium</p>	<p>Open</p> <p>FAPC request further discussion on reserves at the June 2025 meeting. The extant reserves policy/strategy maintains an aspirational reserves position however, it is difficult to see how this could be achieved whilst delivering statutory services at this current point in time. IJB reserves highlighted through financial sustainability work of Health and Social Care Scotland and will continue to feature in national level discussions.</p>

Action Plan (continued)

We have followed up on open recommendation made in previous audits. Only one remains open in the current year which we have set out below.

Recommendation	Management Response at 2023/24	Priority	Management Update for 2024/25
<p>1. Lack of preparation for the IJB audit</p> <p>We would recommend that in the future, there is better communication between the constituent authorities and the IJB and that there is an agreed timetable in place with the IJB and the constituent authorities to collate information for the start of the audit.</p> <p>2024/25 update: Deloitte were informed of the delays, and a revised timetable was set, however, due to the exit of key finance team members, the 24/25 audit was delayed again.</p>	<p>Interim discussion on learning points was held with Finance Working Group. The IJB CFO also completed a survey issued by Audit Scotland.</p> <p>The 2023/24 year-end timetable was drafted and discussed at Finance Working Group prior to year-end.</p>	Medium	<p>Open</p> <p>The FAPC is presented with a report in relation to delay to unaudited accounts at June 25 meeting. Deloitte were notified and revised timetable meant audit commenced in first week of September 2025. Initial discussion on future improvements held via Finance Working Group to be revisited once all 2024/25 statutory audits are complete.</p>

Our other responsibilities explained

Fraud responsibilities and representations



Responsibilities:

The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance, including establishing and maintaining internal controls over the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations. As auditors, we obtain reasonable, but not absolute, assurance that the financial statements as a whole are free from material misstatement, whether caused by fraud or error.

Required representations:

We have asked the IJB to confirm in writing that you have disclosed to us the results of your own assessment of the risk that the financial statements may be materially misstated as a result of fraud and that you have disclosed to us all information in relation to fraud or suspected fraud that you are aware of and that affects the IJB.

We have also asked the IJB to confirm in writing their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error and their belief that they have appropriately fulfilled those responsibilities.



Audit work performed:

In our planning we identified the risk of management override of controls as a key audit risk.

During course of our audit, we have had discussions with management and those charged with governance.

In addition, we have reviewed management's own documented procedures regarding fraud and error in the financial statements.

We will explain in our audit report how we considered the audit capable of detecting irregularities, including fraud. In doing so, we will describe the procedures we performed in understanding the legal and regulatory framework and assessing compliance with relevant laws and regulations.

Concerns:

No issues or concerns have been identified in relation to fraud.

Independence and fees

As part of our obligations under International Standards on Auditing (UK), we are required to report to you on the matters listed below:

Independence confirmation

We confirm the audit engagement team, and others in the firm as appropriate, Deloitte LLP and, where applicable, all Deloitte network firms are independent of the IJB and our objectivity is not compromised.

Fees

The expected fee for 2024/25, as communicated by Audit Scotland in January 2025 is analysed below:

	£
Auditor remuneration	36,890
Audit Scotland fixed charges:	
• Pooled costs	930
• Contribution to PABV costs	7,080
• Sectoral cap adjustment	(10,900)
Total expected fee	34,000

Non-audit services

We continue to review our independence and ensure that appropriate safeguards are in place including, but not limited to, the rotation of senior partners and professional staff and the involvement of additional partners and professional staff to carry out reviews of the work performed and to otherwise advise as necessary.

Relationships

We have no other relationships with the IJB, its directors, senior managers and affiliates, and have not supplied any services to other known connected parties.



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Clackmannanshire & Stirling Integration Joint Board

27 February 2026

Agenda Item 5

Finance Report

For Noting and Decision

Paper Approved for Submission by:	Jennifer Borthwick, Interim Chief Officer
Paper presented by	Amy McDonald, Interim Chief Finance Officer
Author	Amy McDonald, Interim Chief Finance Officer
Exempt Report	No

Directions	
No Direction Required	<input type="checkbox"/>
Clackmannanshire Council	<input checked="" type="checkbox"/>
Stirling Council	<input checked="" type="checkbox"/>
NHS Forth Valley	<input checked="" type="checkbox"/>

Purpose of Report:	<p>The report provides:</p> <ol style="list-style-type: none"> 1. Proposed intention to fund 2025/26 budget overspend by partners; 2. Update on Governance arrangements for 2026/27 budget delivery; and 3. Short update on 2026/27 budget position.
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Recommendations:	<p>The Integration Joint Board is asked to:</p> <ol style="list-style-type: none"> 1) Notes the forecast financial position at 31 March 2026 for the 2025/26 integrated budgets; 2) Notes that the substantial overspend for the year is forecast at £15.496m, before approval to release up to £4.201m of ear marked reserves and use of general reserves of £4m; 3) Instructs the Interim Chief Officer to write to NHS Forth Valley, Clackmannanshire Council and Stirling Council to request an additional one-off payment to the IJB to meet the 2025/26 overspend in accordance with the Integration Scheme and preferred risk share arrangements of partners; 4) Acknowledges that significant work is being undertaken to refresh the draft forecast budget position for 2026/27, which will involve addressing further pressures as they come forward; and 5) Notes that a significant effort will be required to deliver in year savings with work to structure a robust delivery plan around this underway.
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Key issues and risks:	<p>There is a risk that the year end outturn for 2025/26 is higher than forecast caused by unforeseen year end accruals and/or higher than anticipated expenditure in the last quarter of the year.</p>
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1. Strategic Plan Context

- 1.1. The C&S Health and Social Care Partnership (C&SHSCP) must work to provide statutory services but within the funding provided by Clackmannanshire Council, Stirling Council and NHS Forth Valley (the partners).
- 1.2. The 2025/26 budget plan, per the 2 May 2025 IJB, was to achieve a financial deficit of £7.822m, forecast overspend is now £15.496m. The C&SHSCP have not been able to realise the anticipated reduction in expenditure with in year savings plans unable to deliver the necessary savings. This appears to be as the result of strategic drift during the year with high-level goals not delivered due to the essential middle ground tracking metrics and technical oversight not built in, therefore it has been difficult to measure and manage progress with high level targets not mapped to the granular budget.
- 1.3. This has resulted in partners requirement to fund the IJB forecast overspend.
- 1.4. The C&SHSCP will continue to provide and commission services as work to change the C&SHSCP cost base continues. Every effort is being made to reduce costs now in ways that do not directly impact on patient/client care.
- 1.5. Governance around savings plans is being supported by a new management process for 2026/27 savings delivery. This process will provide staff with a structure to better achieve the necessary reduction in expenditure. This together with forward planning for future years will provide confidence in the ongoing delivery of the services provided by the partnership.

2. Summary of the Financial Position 2025/26

- 2.1. The forecast year end IJB financial position was reported to the meeting of the Integration Joint Board on 28 January 2026. The Board:
 - Noted forecast in year overspend of £15.496m.
 - Noted the use of £8.201m of unallocated reserves to contribute towards addressing the forecast overspend; and
 - Noted a resulting year end outturn forecast of £7.295m.
- 2.2. It is anticipated the year end result will show some movement but work will continue to hold to the forecast position which partner organisations have already considered in reaching their own in year outturn forecasts.
- 2.3. The year end outturn target remains an overspend of £7.295m – this is the amount of funding the IJB anticipates will be required to be paid by partners to balance the year end position.

2.4. Under the risk share arrangements in the Integration Scheme the split of funding necessary to balance the partnerships year end budget has previously been based on voting share.

2.5. If the previous voting share arrangement is adopted the required partner contributions would be as stated in the table below.

Addition partner contribution - risk share	Additional Contribution £'000	Payments to date £'000	Remaining balance £'000
NHS Forth Valley 50%	-5,647	4,000	-1,647
Stirling Council 25%	-2,824	0	-2,824
Clackmannanshire Council 25%	-2,824	0	-2,824
	-11,295	4,000	-7,295

2.6. Proportionate risk share which is the prevailing risk share arrangement amongst IJBs would be as follows:

Additional partner contribution - funding contribution	Additional Contribution £'000	Payments to date £'000	Remaining balance £'000
NHS Forth Valley 65%	-7,342	4,000	-3,342
Stirling Council 23%	-2,598	0	-2,598
Clackmannanshire Council 12%	-1,355	0	-1,355
	-11,295	4,000	-7,295

2.7. If each partner was to fund their own deficit then the required contributions would be:

Addition partner contribution - fund own deficit	Additional Contribution £'000	Payments to date £'000	Remaining balance £'000	Potential Release of reserves £'000	Remaining balance £'000
NHS Forth Valley	-986	986	0	0	0
Stirling Council	-7,826	0	-7,826	3,608	-4,219
Clackmannanshire Council	-6,685	0	-6,685	3,608	-3,078
	-15,497	986	-14,511	7,215	-7,296

2.8. Or alternatively if each partner funded their own deficit with only the release of ear marked reserves.

Addition partner contribution - fund own deficit	Additional Contribution £'000	Payments to date £'000	Remaining balance £'000	Potential Release of ear marked reserves £'000	Remaining balance £'000
NHS Forth Valley	-986	986	0	0	0
Stirling Council	-7,826	0	-7,826	2,101	-5,726
Clackmannanshire Council	-6,685	0	-6,685	2,101	-4,585
	-15,497	986	-14,511	4,201	-10,310

2.9. On this basis, for example, the following contributions would be requested from partners in order to balance the 2025/26 budget as follows for risk share distribution on the basis of voting share:

- NHS Forth Valley £1.647m
- Stirling Council £2.824m
- Clackmannanshire Council £2.824m

2.10. The IJB Interim Chief Finance Officer, the Council's Chief Officers – Finance and the NHS Forth Valley Director of Finance will continue to work together to monitor and address the financial risk. At its meeting on 28 of January 2026, the Board noted that the Interim Chief Finance Officer had notified partners that a deficit was forecast for 2025/26. Recommendation 3 of this report now asks the IJB to instruct the Interim Chief Officer to write to NHS Forth Valley, Clackmannanshire Council and Stirling Council to request an additional one-off payment to the IJB to meet the 2025/26 overspend anticipated at £7.295m based on the risk share arrangement of voting share, subject to options set out in paragraph 2.5 to 2.8 of this report.

3. Financial Risk – 2025/26 Outturn

- 3.1. As noted, there is risk surrounding the 2025/26 outturn position. The Interim Chief Finance Officer is working with budget holders and teams to manage spending levels and income through to the year end.
- 3.2. The Interim Chief Finance Officer is content at this stage that the action being taken to reduce expenditure throughout the partnership will allow the current budget forecast overspend of £7.295 to be maintained. Action is also being taken to see how improvement can be brought now which could improve the 2025/26 position as well as assisting 2026/27 savings work.

4. Budget 2026/27 progress update

- 4.1. The C&SHSCP will strengthen governance arrangements around the 2026/27 budget delivery. A new Budget Savings Oversight Group will be created jointly chaired by the Interim Chief Officer and Interim Chief Finance Officer.
- 4.2. These further enhanced governance arrangements extend to ensuring all budget savings plans have;
- A time bound delivery plan;
 - Detailed quarterly financial targets;
 - Project support for each delivery plan;
 - Fortnightly reporting to the Budget Savings Oversight Group;
 - Performance oversight by the Senior Leadership Team; and
 - Reporting on overall performance to every IJB.
- 4.3. This process will ensure good visibility of financial performance and ability to manage project risks as they emerge to safeguard savings delivery. Savings

plans will be developed with the Senior Leadership Team and Operational Service Managers.

- 4.4. This work will be dependent on the teams ability to use all the relevant operational data available to drive savings activity in each area. The partnership is working closely with Clackmannanshire Council who are supporting improved data analysis across the partnership which will support budget savings work.
- 4.5. The risk surrounding the budget work remains high. The table below gives the forecast budget overspend for 2026/27.

Budget pressure 2026/27	2026/27 £'000
Prescribing pressure	-2,090
Transitions to adult care	-1,000
Unfunded pay inflation	-1,092
National Care Home Contract	-1,517
Increase in income	605
Primary Care Improvement Programme	-500
Joint Loan Equipment Store	-100
Estimated 2026/27 inflationary pressures	-5,694
Budget outturn 2025/26	-15,496
Potential budget deficit 2026/27 before savings	-21,190

- 4.6. The budget risk around savings delivery is high as noted in the table below.

Budget savings opportunities	2026/27
High Risk Savings Delivery - Lower confidence	£12-15m
Medium Risk Savings Delivery - Medium confidence	£7-11m
Low Risk Savings Delivery - High confidence	£0-7m

- 4.7. The financial risk moving into 2026/27 is considerable. Savings delivery in previous years is at a considerably lower level than is now required. The management of change and the drive to deliver at a significantly higher level will place demands on teams and require them to work differently to manage business as usual and focus on change activities necessary to reduce future expenditure.
- 4.8. Confidence levels are good for lower level savings but reduce as the level of savings increases. To deliver savings of up to or even beyond £15m does not look possible given savings delivery in prior years. Savings are being considered in the medium range however will still need a significant effort given the requirement to manage a transformational change programme which must start delivering from the start of the financial year.
- 4.9. The risk profile is further increased by considering the change in management infrastructure necessary for savings delivery and an increase in the level of control which must be embedded to support this. Recent work which will provide more uniform data is only one aspect of being able to build realistic

savings plans, ensure these are deliverable, assign sufficient resources, developing the financial plan to track change and then ensure robust delivery is a significant amount of work. All savings will require real focus and strong leadership to deliver and will require a fully committed and well resourced team with the appropriate skills and experience.

- 4.10. It is evident the C&SHSCP will be pushed over the coming year in continuing to deliver community health services and substantial budget savings. It is unlikely that C&SHSCP will be able to fully balance the 2026/27 budget given the scale of work required to do so. The forecast savings deficit range is currently around £10.190m. Any deficit would require support from partners who have already had to provide additional financial support in the previous financial years.
- 4.11. Achieving a deficit of only £10.190m would be seen as a strong result, this would equate to delivering £11m of savings - going beyond the level of savings delivered in any of the subsequent financial years, but will carry significant risk. If savings of up to £11m are not delivered there are considerable affordability issues for partners whose budgets are already stretched. It will therefore be essential as part of the budget preparation works that a budget which considers potential service reductions is also required to be considered i.e. developing a recovering plan as part of the budget for 2026/27.
- 4.12. The financial results for 2026/27 show a very difficult and, extremely challenging position. At this stage it appears that without significant, additional funding, and restructuring of services, IJB sustainability is at risk, with the potential for necessary service reductions to remain within budget.
- 4.13. The IJB budget will be presented at the IJB meeting on 25 March. Prior to this time there will require to be engagement with partners to discuss the savings and budget recovery plans required to minimise the financial impact of budget overspend in the 2026/27 financial year.

1. Appendices

None

Fit with Strategic Priorities:	
Prevention and Early Intervention	<input checked="" type="checkbox"/>
Independent Living through Choice and Control	<input type="checkbox"/>
Achieve Care Closer to Home	<input type="checkbox"/>
Supporting People and Empowering Communities	<input checked="" type="checkbox"/>
Reducing Loneliness and Isolation	<input type="checkbox"/>
Enabling Activities	
Medium Term Financial Plan	<input checked="" type="checkbox"/>
Workforce Plan	<input type="checkbox"/>

Commissioning Consortium	<input type="checkbox"/>
Transforming Care	<input type="checkbox"/>
Data and Performance	<input type="checkbox"/>
Communication and Engagement	<input type="checkbox"/>
Implications	
Finance:	Financial implications are noted throughout the report for 2025/26 budget outturn and future years budgets, specifically 2026/27. Clackmannanshire Council, Stirling Council and NHS Forth Valley should be aware that there are significant challenges in balancing the budget for the 2026/27 financial year.
Other Resources:	There are no direct implications as a result of this report.
Legal:	The recommendations within this report with respect to the management of the current overspend are compliant with the Clackmannanshire and Stirling Integration Scheme.
Risk & mitigation:	Outlined in the report. Further work surrounding risk will be progressed and brought back to the IJBs March meeting.
Equality and Human Rights:	The content of this report <u>does not</u> require a EQIA
Data Protection:	The content of this report <u>does not</u> require a DPIA
Fairer Duty Scotland	<p>Fairer Scotland Duty places a legal responsibility on public bodies in Scotland to actively consider ('pay due regard' to) how they can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions.</p> <p>The Guidance for public bodies can be found at: Fairer Scotland Duty: guidance for public bodies - gov.scot (www.gov.scot)</p> <p>Please select the appropriate statement below:</p> <p>This paper <u>does not</u> require a Fairer Duty assessment.</p>