



Meeting: NHS Highland Board Meeting
Meeting date: 25 March 2025
Title: 2025/2026 Budget offer to Argyll & Bute IJB
Responsible Executive/Non-Executive: Heledd Cooper, Director of Finance
Report Author: Elaine Ward, Deputy Director of Finance

Report Recommendation:
 The Board is asked to **approve** the budget offer to Argyll & Bute IJB

1 Purpose

This is presented to the Board for:

- Decision

This report relates to a:

- NHS Board/Integration Joint Board Strategy or Direction

This report will align to the following NHSScotland quality ambition(s):

Safe, Effective and Person Centred

This report relates to the following Strategic Outcome(s)

Start Well		Thrive Well		Stay Well		Anchor Well	
Grow Well		Listen Well		Nurture Well		Plan Well	
Care Well		Live Well		Respond Well		Treat Well	
Journey Well		Age Well		End Well		Value Well	
Perform well	X	Progress well		All Well Themes			

2 Report summary

2.1 Situation

This report sets out the initial budget offer for Argyll & Bute IJB for the 2025/2026 financial year.

2.2 Background

The Board is required to make an opening budget offer to the IJB in advance of the new financial year. The Director of Finance has been in dialogue with the IJB’s Chief Officer and Chief Finance Officer (CFO) and an offer in principle has been made, subject to Board approval.

2.3 Assessment

The funding for Argyll & Bute IJB is normally provided on the basis of an equivalent NRAC share of the overall resource provided to NHS Highland. This is the recommendation of this paper.

Initial Offer

NRAC calculations are published by Scottish Government on a 3 year basis and Argyll & Bute’s share of the NHS Highland total is 28.54% (28.48% 2024/2025)

On that basis, NHS Highland’s offer to the IJB is £308.376m.

Also included within this amount is an estimate of additional in-year allocations. This amount is indicative and will be adjusted throughout the year as resources are allocated to the Board. The basis of the calculation is set out in the table below.

Argyll & Bute 2025-26 Opening offer	£m's
2024-25 baseline funding Health	240.455
2024-25 baseline funding IJB	7.451
<i>Estimated Funding Uplifts:</i>	
Health Baseline Uplift	7.708
NRAC Funding Adjustment	6.119
Agreed Anticipated Baseline SG	261.734
Further Baseline (funding expected in first letter from SG)	6.410
Expected in-year core allocations	25.831
Expected in-year non core allocations	14.400
Total 2025-26 Opening Offer	308.376

2.4 Proposed level of Assurance

Substantial	<input type="checkbox"/>	Moderate	<input checked="" type="checkbox"/>
Limited	<input type="checkbox"/>	None	<input type="checkbox"/>

The assurance being offered reflects risks in relation to funding of pay settlements and potential changes to methodology for uplifting SLAs; the SLA accounts for £82.570m of the IJB budget.

3 Impact Analysis

3.1 Quality/ Patient Care

N/A

3.2 Workforce

There is both a direct and indirect link between the financial position and staff resourcing and health and wellbeing. Through utilisation of the Quality Impact Assessment tool the impact of savings on these areas is assessed.

3.3 Financial

This is part of the annual budget setting process for NHS Highland.

3.4 Risk Assessment/Management

Risk management is part of the H&SCP's management process in budgetary management and control.

3.5 Data Protection

N/A

3.6 Equality and Diversity, including health inequalities

An impact assessment has not been completed because it is not applicable.

3.7 Other impacts

None

3.8 Communication, involvement, engagement and consultation

The detail within this report impacts on financial reporting and the Board carries out its duties to involve and engage both internal and external stakeholders where appropriate through the following meetings:

- Executive Directors Group – via monthly updates and exception reporting
- Value & Efficiency Accountability Group

- Finance, Resource and Performance Committee
- Monthly financial reporting to Scottish Government

3.9 Route to the Meeting

- Annual statutory requirement following 2025/2026 resource allocation to Board and agreed NRAC distribution methodology.

4.1 List of appendices

N/A