

# NHS Highland



**Meeting:** NHS Highland Board Meeting  
**Meeting date:** 31 March 2026  
**Title:** 2026/27 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 opening budget offer to the Argyll & Bute IJB in line with the content of this report.

## 1 Purpose

This is presented to the NHS Highland 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 2026/2027.

### **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 largely based on an equivalent NRAC share of overall resource provided to NHS Highland adjusted for ringfenced allocations, i.e. allocations provided out with the NRAC formula, for example the National Treatment Centre. It is the recommendation of this paper that this established method of calculating funding continues.

#### **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 28.58% (28.54% 2025/2026)

On that basis, NHS Highland's offer to the IJB is £331.927m.

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 2026-27 Opening offer                         | £m             |
|---|----------------|
| 2025-26 baseline funding Health                             | 267.514        |
| 2025-26 baseline funding IJB                                | 7.451          |
| <b>Estimated Funding Uplifts:</b>                           |                |
| Health Baseline Uplift                                      | 5.350          |
| IJB Baseline Uplift   | 0.149          |
| Additional Pay 26-27 & AFC Reform Allocation                | 4.492          |
| NRAC Funding Adjustment                                     | (0.029)        |
| <b>Agreed Anticipated Baseline SG</b>                       | <b>284.927</b> |
| Further Baseline (funding expected in first letter from SG) | 0.061          |
| Expected in-year core allocations                           | 30.784         |
| Expected in-year non core allocations                       | 16.200         |
| <b>Total 2026-27 Opening Offer</b>                          | <b>331.972</b> |

## 2.4 Proposed level of Assurance

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

### Comment on the level of assurance

The assurance being offered is moderate in recognition that the same methodology has been used in previous years, but risks in relation to funding of AFC Reform and changes by other NHS Boards in the methodology for uplifting SLAs; purchase of healthcare from other providers accounts for 37% of the Argyll & Bute Health budget.

## 3 Impact Analysis

### 3.1 Quality/ Patient Care

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

### 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 QIA tool, where appropriate, 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**

There are no Data Protection risks associated with this report.

**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 Board has carried 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
- Finance, Resource and Performance Committee
- Monthly financial reporting to Scottish Government

**3.9 Route to the Meeting**

Annual statutory requirement

**4.1 List of appendices**

N/A