



# STAFF BRIEFING

<b>Date:</b>	Thursday 19 March 2026
<b>To:</b>	All colleagues working within the health and social care partnership
<b>From:</b>	Deb O'Shea, Chief Finance Officer
<b>Subject:</b>	Moray Integration Joint Board (MIJB) budget setting 2026/27
<b>Priority:</b>	For immediate circulation

The 2026/27 budget papers have [now been published](#) and will be considered by MIJB members on Thursday 26 March 2026.

We have set out how we are planning to use our **£233.8 million** budget to manage growing financial pressures while continuing to deliver essential services.

As you are aware, we are operating in a very challenging financial environment and facing a significant gap between what we need to spend and the funding available.

Inflation, higher pay and contract costs and increasing demand for services means we face a shortfall of **£14.7 million**.

A balanced budget for 2026/27 has been proposed. This means we have identified ways to cover all expected costs for the year ahead.

## How the gap will be covered

- £5.7 million will be met through savings (previously agreed and new proposals)
- The remaining £9 million will be covered by additional financial support from our funding partners (Moray Council and NHS Grampian)

£19.1 million has been set aside to meet cost pressures such as pay awards, rising social care costs, recurring deficit and statutory requirements.

## Where changes are proposed

Savings must be achieved if we are to maintain essential services for the people of Moray.

A number of new proposals have been drawn up by the Operational Management Team (OMT) and are being presented to MIJB. These include:

- Reducing or changing **out-of-area placements** and how ordinary residence guidance is applied
- Changing how services for **children, families and justice** are organised and delivered

- Tightening how we purchase **equipment, clinical supplies and nutritional products**
- Reviewing **charges and contributions towards the cost of social care**, including opportunities to increase income
- Reducing reliance on **agency and interim staffing**, and reviewing **commissioned contracts** with external organisations
- Evaluating how **minor surgery and clinical leadership** are provided

These proposals are expected to deliver £5.7 million in savings in 2026/27.

Further changes will be required over the next three years to bring MIJB into a more sustainable financial position.

### **Risks we need to be aware of**

There are a number of risks in delivering this plan and these are set out in the report to the Board.

- Savings may be difficult to fully achieve within the year, and we have limited reserves if these are not delivered
- Demand for services is expected to continue rising due to demographic changes (Moray's increasing elderly population and decreasing working age population)
- Costs may increase further due to inflation
- Ongoing challenges in sustaining primary care services
- Fluctuations in prescribing (medication) costs

### **What this means for staff**

We want to thank everyone for their continued focus on using resources efficiently and for all the hard work in identifying and delivering savings proposals. The £5.7 million in proposed savings for the coming year builds on more than £6 million delivered last year, demonstrating the significant savings and efficiencies achieved in recent years.

This is testament to your collective efforts under intense and often unprecedented operational pressure. We are proud of the progress made so far in reducing financial pressures while continuing to strive for best value services for Moray's residents.

However, continued financial discipline is vital and we all need to be mindful of how we use resources and manage costs in our day-to-day work as we work within our budgets and deliver on the identified savings. Some services will change how they are organised or delivered over the coming year. While there will still be investment, this will be focused on what supports long-term sustainability.

Please speak with your service manager to understand any budget related changes or operational impacts for your team. If you have questions about the budget, please contact your service manager in the first instance.

**Deb O'Shea, Chief Finance Officer**