

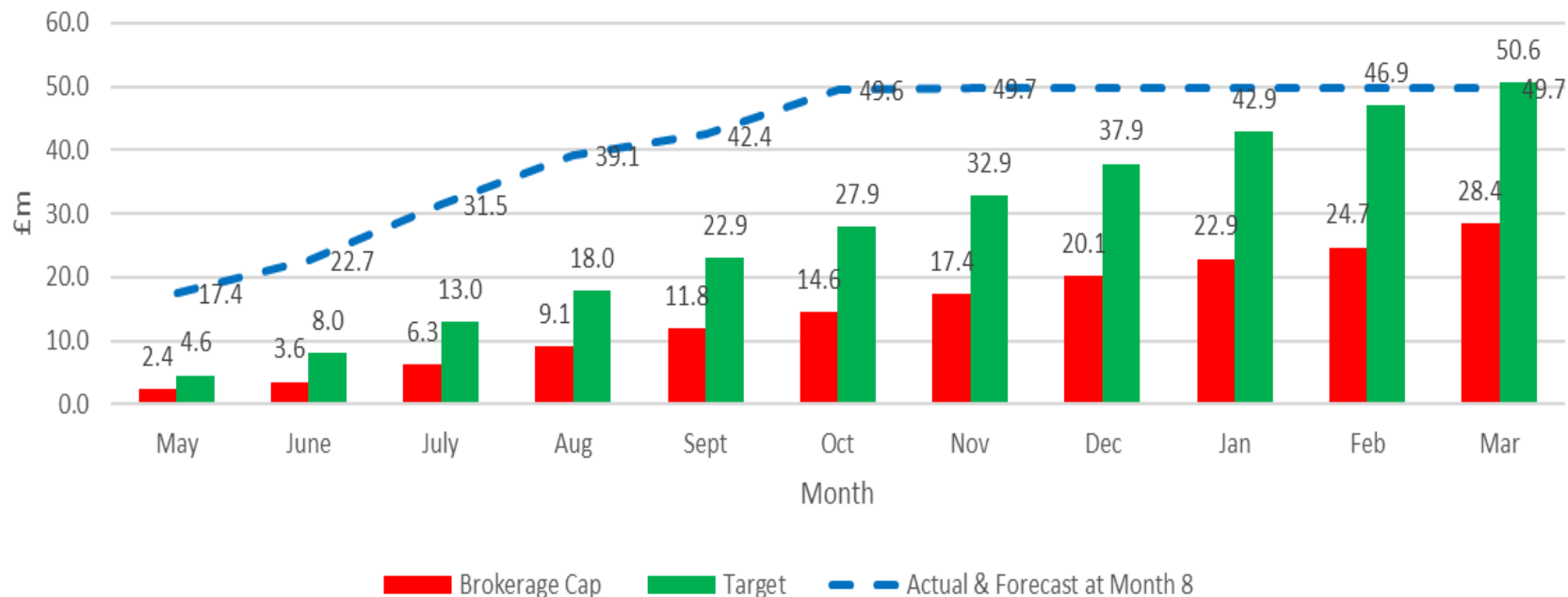
Finance Report – 2024/2025 Month 8 (November 2024)

HHSCP 15 January 2025

MONTH 8 2024/2025 – NOVEMBER 2024



Actual v Planned Financial Performance



Target	YTD £m	YE Position £m
Delivery against Revenue Resource Limit (RRL) DEFICIT/ SURPLUS	49.7	49.7
Delivery against Brokerage Cap DEFICIT/ SURPLUS	32.3	21.3
Deliver against Target agreed with Board YTD DEFICIT/ SURPLUS	16.8	0.9

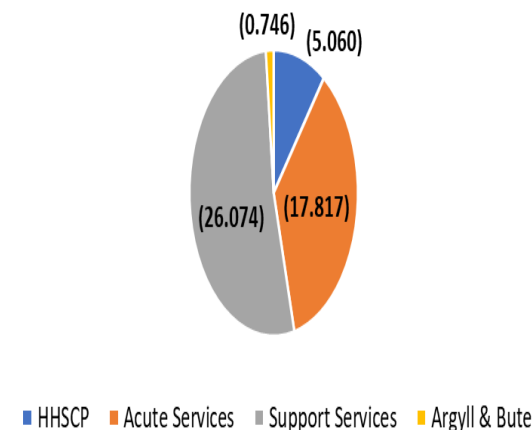
- Forecast year end deficit £49.7m – assuming additional action is taken to deliver breakeven ASC position
- £21.3m adrift from brokerage limit
- £0.9m better than target agreed with Board May 2024

MONTH 8 2024/2025 –NOVEMBER 2024



Current Plan £m	Summary Funding & Expenditure	FY Plan £m	FY Actual £m	FY Variance £m	Forecast Outturn £m	Forecast Variance £m
1,236.221	Total Funding	777.045	777.045	-	1,236.221	-
	Expenditure					
471.937	HHSCP	311.911	329.682	(17.771)	494.634	(22.697)
	ASC Position to breakeven				(17.637)	17.637
	Revised HHSCP				476.996	(5.060)
317.121	Acute Services	209.648	221.945	(12.296)	334.938	(17.817)
169.509	Support Services	78.582	97.965	(19.383)	195.583	(26.074)
958.567	Sub Total	600.141	649.592	(49.450)	1,007.518	(48.951)
277.654	Argyll & Bute	176.904	177.343	(0.439)	278.400	(0.746)
1,236.221	Total Expenditure	777.045	826.934	(49.889)	1,285.917	(49.697)

Forecast Deficit by Operational Area



MONTH 8 2024/2025 SUMMARY

- Overspend of £49.889m reported at end of Month 8
- Overspend forecast at £49.697m by the end of the financial year – assuming further action will deliver a breakeven ASC position
- Forecast is £21.297m worse than the brokerage limit set by Scottish Government and £0.900m better than the target agreed with the Board in May 2024

MONTH 8 2024/2025 – NOVEMBER 2024



Summary Funding & Expenditure	Current Plan £m
RRL Funding - SGHSCD	
Baseline Funding	901.859
Baseline Funding GMS	5.291
FHS GMS Allocation	73.949
Supplemental Allocations	43.763
Non Core Funding	-
Total Confirmed SGHSCD Funding	1,024.863
Anticipated funding	
Non Core allocations	78.902
Core allocations	5.737
Total Anticipated Allocations	84.640
Total SGHSCD RRL Funding	1,109.502
Integrated Care Funding	
Adult Services Quantum from THC	137.701
Childrens Services Quantum to THC	(10.983)
Total Integrated care	126.718
Total NHS Highland Funding	1,236.221

FUNDING

- £11.105m of funding confirmed in Month 8 – MDT funding now received and further pay award funding confirmed

MONTH 8 2024/2025 – NOVEMBER 2024

KEY RISKS



- ASC– work ongoing to deliver a breakeven position but not yet confirmed
- Supplementary staffing – potential that spend could increase over winter period
- Prescribing & drugs costs – increases in both volume and cost
- Increasing ASC pressures – suppliers continuing to face sustainability challenges
- Health & Care staffing
- Ability to delivery Value & Efficiency Cost Reduction/ Improvement Targets
- AfC non pay impact – uncertainty around costs in 2024/2025 and ongoing funding position
- SLA Uplift
- Allocations less than anticipated

MITIGATIONS



- Adult Social Care funding from SG confirmed as higher than anticipated
- Development of robust governance structures around agency nursing utilisation
- Additional New Medicines funding
- Financial flexibility / balance sheet adjustments
- MDT funding reinstated following positive discussion with SG

MONTH 8 2024/2025 – NOVEMBER 2024



Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Forecast Variance £m
	HHSCP					
273.846	NH Communities	181.303	185.361	(4.058)	282.317	(8.471)
56.944	Mental Health Services	37.879	39.200	(1.321)	58.686	(1.741)
159.823	Primary Care	106.969	108.873	(1.904)	163.238	(3.414)
(18.677)	ASC Other includes ASC Income	(14.240)	(3.753)	(10.488)	(9.606)	(9.071)
471.937	Total HHSCP	311.911	329.682	(17.771)	494.634	(22.697)
	HHSCP					
296.182	Health	197.447	200.841	(3.394)	301.388	(5.207)
175.755	Social Care	114.464	128.841	(14.377)	193.245	(17.490)
471.937	Total HHSCP	311.911	329.682	(17.771)	494.634	(22.697)
	Delivering ASC to Breakeven				(17.637)	17.637
471.937	Revised Total HHSCP	311.911	329.682	(17.771)	476.996	(5.060)

Locum/ Agency & Bank Spend	In Month £'000	YTD £'000
Locum	478	4,198
Agency (Nursing)	292	2,130
Bank	743	6,446
Agency (exclu Med & Nurs)	192	1,267
Total	1,704	14,042

HHSCP

- Year to date overspend of £17.771m reported
- Forecast that this will decrease to £5.060m by FYE based on the assumption that further action will enable delivery of a breakeven ASC position
- Prescribing & Drugs continuing to be a pressure with £2.819m overspend built into forecast.
- Assuming delivery of £2.319m of ASC V&E cost reductions/ improvements in forecast – high risk
- Supplementary staffing costs continue to drive an overspend position – £2.237m pressure within the forecast
- £1.500m has been built into the forecast in respect of out of area placements

NORTH HIGHLAND COMMUNITIES - MONTH 8 2024/2025 – NOVEMBER 2024



Current Plan £000	Detail	Plan to Date £000	Actual to Date £000	Variance to Date £000	Forecast Outturn £000	Var from Curr Plan £000
79.320	Inverness & Nairn	52.961	55.023	(2.063)	83.481	(4.161)
57.317	Ross-shire & B&S	38.295	40.427	(2.132)	60.579	(3.262)
49.753	Caithness & Sutherland	33.669	33.927	(0.258)	51.196	(1.444)
60.166	Lochaber, SL & WR	38.647	38.714	(0.067)	60.874	(0.709)
12.254	Management	7.855	7.637	0.217	11.580	0.674
7.795	Community Other AHP	5.091	4.572	0.519	6.930	0.865
7.242	Hosted Services	4.786	5.061	(0.275)	7.676	(0.434)
273.846	Total NH Communities	181.303	185.361	(4.058)	282.317	(8.471)
93.080	Health	61.709	60.985	0.724	91.975	1.105
180.767	ASC	119.594	124.376	(4.782)	190.342	(9.575)

NORTH HIGHLAND COMMUNITIES

- £4.058m ytd overspend reported which is forecast to increase to £8.471m by the end of the financial year
- Within Health ongoing vacancies, particularly within Community AHPs, are mitigating cost pressures within Enhanced Community Services, Chronic Pain, community equipment and agency staffing
- Within ASC the main pressure areas are within independent sector provision particularly in Inverness & Nairn and Ross-shire & Caithness & Sutherland
- The year end forecast assumes delivery of ASC Value & Efficiency Cost Reductions/ Improvements of £2.319m

MENTAL HEALTH SERVICES - MONTH 8 2024/2025 – NOVEMBER 2024



Current Plan £m's	Summary Funding & Expenditure	Plan to Date £m's	Actual to Date £m's	Variance to Date £m's	Forecast Outturn £m's	Var from Curr Plan £m's
	Mental Health Services					
42.845	Adult Mental Health	28.598	29.193	(0.595)	43.623	(0.779)
8.696	CMHT	5.788	5.577	0.211	8.364	0.333
2.486	LD	1.522	2.458	(0.935)	3.740	(1.254)
2.917	D&A	1.971	1.973	(0.002)	2.959	(0.042)
56.944	Total Mental Health Services	37.879	39.200	(1.320)	58.686	(1.741)
43.279	Health	28.769	30.983	(2.214)	46.176	(2.897)
13.665	ASC	9.111	8.218	0.894	12.511	1.156

MENTAL HEALTH SERVICES

- £1.320m overspend reported ytd with this forecast to increase to £1.741m by financial year end
- Within this service area Health is the driver of the overspend position
- The main drivers for the overspend continue to be agency nursing and medical locums – although a significant piece of work has allowed delivery of significant cost reductions in the agency nursing VEAG workstream
- Buvidal and Clozapine drug costs account for a further pressure of £0.249m
- A forecast of £1.500m has been built in for out of area costs and continues to contribute to the forecast overspend

PRIMARY CARE - MONTH 8 2024/2025 – NOVEMBER 2024



Current Plan £m's	Detail	Plan to Date £m's	Actual to Date £m's	Variance to Date £m's	Forecast Outturn £m's	Var from Curr Plan £m's
	Primary Care					
57.606	GMS	38.956	40.325	(1.369)	59.370	(1.764)
67.689	GPS	45.468	47.348	(1.879)	70.714	(3.025)
25.031	GDS	16.796	15.482	1.314	23.597	1.435
5.686	GOS	3.857	3.865	(0.007)	5.693	(0.007)
3.811	PC Management	1.891	1.854	0.037	3.863	(0.052)
159.823	Total Primary Care	106.969	108.873	(1.904)	163.238	(3.414)

PRIMARY CARE

- £1.904m overspend reported ytd with this forecast to increase to £3.414m by financial year end
- £3.025m overspend of prescribing has been built into the year end forecast – both cost and volume are contributing to this position
- £1.780m has been built in to the forecast in respect of locums in 2C practices –
- Vacancies in primary care management and GDS are mitigating overspends in other areas
- Prescribing and 2C practices will continue to be a focus for the 2025/2026 cost improvement/ reduction programme

MONTH 8 2024/2025 – ADULT SOCIAL CARE



Services Category	Annual Budget £000's	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	Forecast Outturn £000's	Forecast YE Variance £000's
Total Older People - Residential/Non Residential Care	59.641	40.238	38.097	2.141	57.289	2.352
Total Older People - Care at Home	38.088	25.401	27.556	(2.155)	41.217	(3.129)
Total People with a Learning Disability	49.935	33.365	36.207	(2.843)	55.892	(5.957)
Total People with a Mental Illness	10.370	6.920	6.277	0.643	9.609	0.760
Total People with a Physical Disability	9.352	6.255	6.689	(0.433)	10.372	(1.020)
Total Other Community Care	13.225	8.820	8.974	(0.153)	13.546	(0.321)
Total Support Services	(4.856)	(6.535)	4.060	(10.596)	4.212	(9.069)
Care Home Support/Sustainability Payments	-	-	0.981	(0.981)	1.108	(1.108)
Total Adult Social Care Services	175.755	114.464	128.841	(14.377)	193.245	(17.490)
Estates	0.530	0.353	0.408	(0.054)	0.677	(0.147)
Delivering ASC to Breakeven					(17.637)	17.637

ADULT SOCIAL CARE

- A forecast overspend of £17.490m is reported. At this stage it is assumed that a position will be reached which will enable delivery of a breakeven position at FYE.
- Further action is required to close the ASC gap of £17.637m (when ASC related property costs are included) and deliver a breakeven position with ASC at financial year end
- The position has deteriorated due to an adjustment to reflect potential non-recovery of debt – previously this was all held centrally but has been split out to the areas where recovery is a risk
- Assuming delivery £2.319m of cost reductions/ improvements against the target of £5.710m
- £2.666m of supplementary staffing costs within in-house care homes are included within the year to date position

MONTH 8 2024/2025 – ADULT SOCIAL CARE



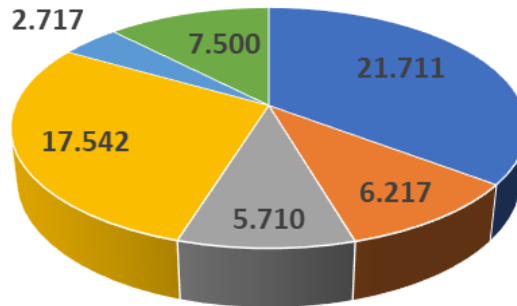
NHSH Care Homes Supplementary Staffing

Care Home	Month 8		Total YTD £000's
	Agency £000's	Bank £000's	
Ach an Eas	1	15	143
An Acarsaid	-	11	75
Bayview House	-	20	141
Caladh Sona	-	-	8
Dail Mhor House	-	-	1
Grant House	5	21	153
Home Farm	117	15	880
Invernevis	6	10	91
Lochbroom	-	27	143
Mackintosh Centre	-	-	2
Mains House	49	6	434
Melvich	-	8	47
Pulteney	-	18	192
Seaforth	-	29	192
Strathburn	-	1	71
Telford	5	1	27
Wade Centre	-	11	65
Total	183	193	2,666

- Ongoing reliance on agency/ bank staffing within Home Farm and Mains House
- Extensive recruitment underway in most areas

MONTH 8 2024/2025 – NOVEMBER 2024

Cost Reduction/ Improvement Target (£m)



■ NH Value & Efficiency
 ■ A&B Value & Efficiency
 ■ ASC Value & Efficiency
■ ASC Transformation
 ■ A&B Choices
 ■ Financial Flexibility

COST REDUCTON/ IMPROVEMENT

- At the NHS Highland Board Meeting on 28 May the Board agreed to a proposed budget with a £22.204m gap from the brokerage cap
- Current forecasts suggest that year end out-turn will be £0.907m better than previously presented
- It should be noted that there is a high risk around delivery of this position as plans continue to be developed to support delivery of V&E targets
- In addition there is an assumption that further activity will enable delivery of a breakeven position within ASC

Board agreed plan	
	Target £000s
Opening Gap	112.001
Closing the Gap	
NH Value & Efficiency	21.711
A&B Value & Efficiency	6.217
ASC Value & Efficiency	5.710
ASC Transformation	17.542
A&B Choices	2.717
Financial Flexibility	7.500
GAP after improvement activity	50.604
GAP from Brokerage limit	22.204

MONTH 8 2024/2025 – NOVEMBER 2024



Value & Efficiency Planned Savings as at 12/12/2024

Planned Value of 24-25 Efficiency of **£22.846** (14/11/2024 £22.477m), is the value of the schemes currently listed on the Savings Tracker and is part of the total savings goal for the NH and A&B of **£51.180m**

	12/12/2024	28/11/2024
Target:	£51.180m	£51,180m
Currently achieved:	£18.523m	(£18.128m)
Forecast still to be delivered:	£2.962m	(£2.987m)
Total achieved & forecasted :	£21.484m	£21.116m
GAP:	£29.696m	(£30.064m)
Change in GAP:	£368k	

46% of efficiencies are currently forecasted to be delivered via Value & Efficiency Programme. This excludes ASC.

42% of efficiencies are currently forecasted to be delivered inclusive of ASC Target and savings plan.

Reduction Programmes	V&E Plan				V&E Current Plan Fy 2024-25				Next Year
	2024-25 Original Target (£'000)	Total Achieved & Forecasted	GAP	% of In Delivery vs Target	2024-25 Current Target/Plan (£'000)	2024-25 Plan Achieved (£'000)	2024-25 Plan Forecasted (£'000)	GAP	2025-26 Plan Achieved (£'000)
Value & Efficiency - North Highland	21,711	7,318	-14,393	34%	8,545	6,565	754	-1,227	2,005
Value & Efficiency - Argyll & Bute	6,217	5,535	-682	89%	5,670	5,336	199	-135	0
Total Value & Efficiency	27,928	12,853	-15,075	46%	14,215	11,901	953	-1,362	2,005
Value & Efficiency - ASC	23,252	8,631	-14,621	37%	8,631	6,622	2,009	0	6,622
Total Value & Efficiency incl ASC	51,180	21,484	-29,696	42%	22,846	18,523	2,962	-1,362	8,627

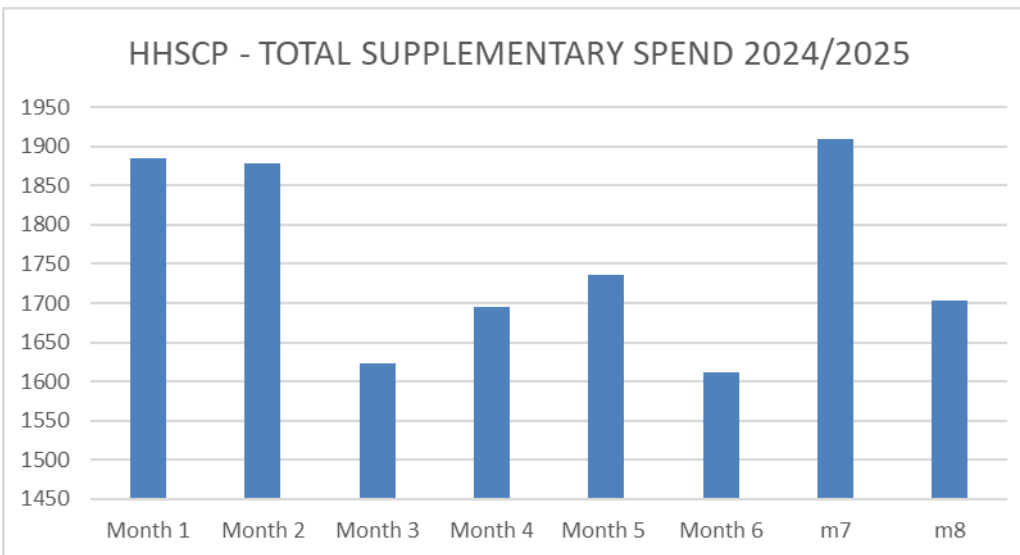
MONTH 8 2024/2025 – NOVEMBER 2024



	2024/2025 YTD £'000	2023/2024 YTD £'000	Inc/ (Dec) YTD £'000
HHSCP	14,042	16,572	(2,530)

SUPPLEMENTARY STAFFING

- Total spend on Supplementary Staffing at end of Month 8 is £2.530m lower than at the same point in 2023/2024.
- There is an underspend of £1.264m on pay related costs at the end of Month 8

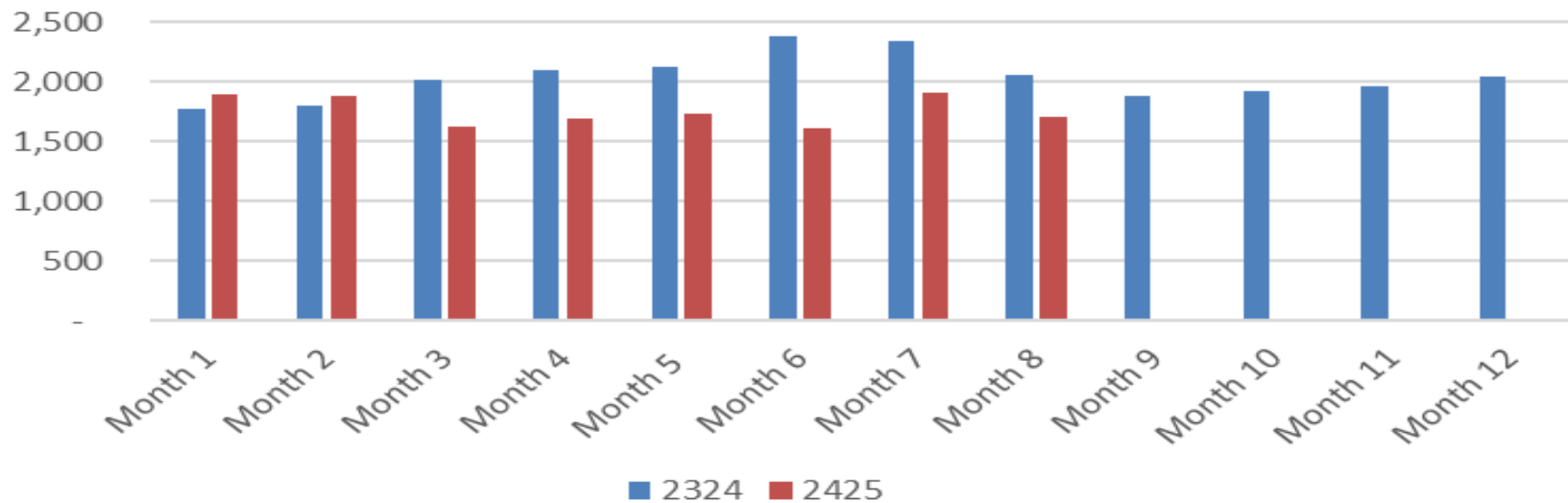


Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m
	Pay			
31.005	Medical & Dental	17.198	17.804	(0.606)
49.983	Medical & Dental Support	2.939	2.965	(0.026)
15.559	Nursing & Midwifery	45.776	45.432	0.344
16.348	Allied Health Professionals	11.652	10.667	0.985
0.072	Healthcare Sciences	0.049	0.030	0.019
8.821	Other Therapeutic	6.181	6.546	(0.365)
6.577	Support Services	4.657	4.282	0.375
20.905	Admin & Clerical	14.308	14.413	(0.105)
0.389	Senior Managers	0.259	0.094	0.165
51.590	Social Care	35.964	33.525	2.439
0.402	Ambulance Services	0.282	0.326	(0.044)
(2.857)	Vacancy factor/pay savings	(1.930)	(0.013)	(1.917)
198.795	Total Pay	137.335	136.071	1.264

MONTH 8 2024/2025 – NOVEMBER 2024



HHSCP - SUPPLEMENTARY STAFFING - MONTHLY RUN RATE



- Month 8 spend is £0.206m lower than month 7
- YTD Reduction of £2.530m compared to 2023/2024

MONTH 8 2024/2025 – NOVEMBER 2024



Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m
Expenditure by Subjective spend			
Pay	138.269	136.675	1.594
Drugs and prescribing	38.144	40.361	(2.217)
Property Costs	1.581	2.025	(0.444)
General Non Pay	8.562	8.354	0.208
Clinical Non pay	3.710	4.942	(1.232)
Health care - SLA and out of area	4.897	5.310	(0.413)
Social Care ISC	77.107	82.846	(5.739)
FHS	56.825	55.294	1.531

SUBJECTIVE ANALYSIS

- Pressures continued within all expenditure categories – with significant overspends within a number of areas
- The most significant overspends are within prescribing, clinical non pay and payments to independent sector providers
- Pay is underspent by £1.594m – with the main driver being vacancies across the districts
- Drugs and prescribing expenditure is currently overspent by £2.217m