

# NHS Ayrshire & Arran



<b>Meeting:</b>	<b>Ayrshire and Arran NHS Board</b>
<b>Meeting date:</b>	<b>Monday 11 August 2025</b>
<b>Title:</b>	<b>Financial Management Report for the three months to 30 June 2025</b>
<b>Responsible Director:</b>	<b>Derek Lindsay – Executive Director of Finance</b>
<b>Report Author:</b>	<b>Rob Whiteford – Assistant Director of Finance</b>

## 1. Purpose

This is presented for:

- Discussion

This paper relates to:

- Annual Operational Plan

This aligns to the following NHS Scotland quality ambition:

- Effective

## 2. Report summary

### 2.1 Situation

The Board is at level 3 of the Scottish Government Performance Framework and delivering against 2025/26 financial targets without compromising patient safety is of the utmost importance.

The Board must deliver a deficit no larger than £25 million in 2025/26 and has overspent by £11.26 million at the end of June 2025.

### 2.2 Background

The revenue plan for 2025/2026 was approved at the Board meeting on the 31 March 2025. This projected a deficit of £33.1 million. This plan was not accepted by Scottish Government who have said that the Board must not exceed a financial deficit of £25 million in 2025/2026.

## **2.3 Assessment**

### **REVENUE**

The key points from the Board finance report are:

- The Board will not meet its statutory requirement to break even in 2025/26.
- The Board is £10.4 million overspent after three months excluding Health and Social Care Partnerships (£11.3 million including them).
- CRES is profiled across the year, aligned to delivery plans. 15% of the annual CRES target is phased into the first three months and has been delivered.
- The current high-level forecast remains a £33 million deficit for the year. The level of savings needs to incrementally increase over the remainder of the year to achieve this plan.
- North Health and Social Care Partnership was £0.8 million overspent for the first three months, however financial recovery planning is in place.

### **CRES**

- Scottish Government require the Board to achieve 3% recurring CRES on their baseline funding, which includes IJB savings. The recurrent target is £30.2 million.
- There is an additional non-recurring plan for cost reduction of £6.5 million, however £1.5 million of this related to a property sale which is currently on hold.
- £5.7 million of savings were delivered by the end of Month three. This was broadly on target.

#### **2.3.1 Quality/patient care**

Financial resources contribute directly to quality of patient care.

#### **2.3.2 Workforce**

Annex B provides further information on workforce numbers and agency spend.

#### **2.3.3 Financial**

The Board will not meet its statutory requirement to break even in this financial year.

#### **2.3.4 Risk assessment/management**

Corporate Risk 703: Failure to deliver sufficient efficiency savings to live within financial allocation may lead to an inability to balance the budget resulting in an adverse impact on the delivery of services and reputational damage to the NHS Board. This could result in the Board being moved from level 3 to level 4 on the ladder of escalation.

#### **2.3.5 Equality and diversity, including health inequalities**

This report does not require an equality and diversity impact assessment.

### **2.3.6 Other impacts**

This report reflects the best value principles of governance and accountability in respect of use of resources.

### **2.3.7 Communication, involvement, engagement and consultation**

The Board has carried out its duties to involve and engage external stakeholders where appropriate.

## **2.4 Recommendation**

Members are asked to:

- Review the financial position for the year.
- Evaluate financial performance against the key Scottish Government targets.
- Discuss actions to improve the financial position

## **3. List of appendices**

The following appendices are included with this report:

**Appendix A: Finance Report – Month 3**

## Appendix A

### NHS Ayrshire and Arran – Finance Report June 2025

#### 1. Overall Financial Position

- 1.1 The Board is £10.4 million overspent after three months of the 2025/26 financial year, excluding HSCPs.

#### Summary Financial Position

Department	Annual Budget £000	YTD Budget £000	Spend £000	Variance £000
Acute	485,658	121,116	128,467	(7,351)
Acute Legacy Cres	(2,294)	(574)	0	(574)
New Medicine Fund	15,671	3,918	5,989	(2,071)
Pharmacy	13,127	3,274	3,440	(166)
UNPACs	1,500	375	122	253
<b>Acute and Clinical Services</b>	<b>513,662</b>	<b>128,109</b>	<b>138,018</b>	<b>(9,909)</b>
ISS (Operational)	72,899	17,704	17,000	704
ISS (Corporate)	56,768	12,694	12,742	(48)
Corporate Services	44,492	10,443	9,159	1,284
<b>Non Clinical Support Services</b>	<b>174,159</b>	<b>40,841</b>	<b>38,901</b>	<b>1,940</b>
Centrally Managed Resources	8,131	796	914	(118)
Reserves	11,511	(2,360)	0	(2,360)
<b>Centrally Managed Resources</b>	<b>19,642</b>	<b>(1,564)</b>	<b>914</b>	<b>(2,478)</b>
<b>NHS A&amp;A Health Board Total</b>	<b>707,463</b>	<b>167,386</b>	<b>177,833</b>	<b>(10,447)</b>
East Hscp	251,479	62,330	62,151	179
North Hscp	200,630	49,515	50,316	(801)
South Hscp	114,351	28,342	28,533	(191)
<b>NHS A&amp;A Total inc HSCPs</b>	<b>1,273,923</b>	<b>307,573</b>	<b>318,833</b>	<b>(11,260)</b>

#### Performance against key Scottish Government targets

The Board will not meet the statutory requirement to breakeven and has a planned deficit of £33.1 million in 2025/26. Scottish Government require a deficit not exceeding £25.0 million.

Cumulative brokerage due to be repaid to Scottish Government is £129.7 million at the end of 2024/05. This comprises deficits of £14.7 million from 2019/20, £25.4 million from 2022/23, £38.4 million from 2023/24 and £51.4 million from 2025/26.

The Board is required to deliver recurring efficiency savings of £30.2 million - 3% of baseline recurring funding.

## 1.2 Scottish Government Allocations

The table below shows allocations received at the end of June 2025.

Description	Baseline Recurring £	Non-recurring £	Earmarked Recurring £
Baseline Allocation	£1,006,572,469		
Recurring Allocation from 24/25	£23,607,383		
Employer National Insurance Contributions	£7,277,373		
Sustainability recurring	£4,511,971		
Sustainability non-recurring	£0	£18,193,431	
Digital Health and Care Strategic Fund	£0	£1,191,328	£0
IPACC	£0	£527,894	£0
National Screening Inequalities	£0	£23,896	£0
Veterans First Point	£0	£104,962	£0
Early Intervention Psychosis	£0	£100,000	£0
Out of Hours Additional Board Funding	£363,869	£0	£0
PC Digital, Data, Rural and Out of Hours	£0	£20,000	£0
Primary Medical Services	£0	£0	£70,230,921
Primary Care Improvement Fund	£0	£0	£13,401,670
Primary Care Phased Investment Programme Tranche 1	£0	£700,000	£0
RM Network costs and Training development	£0	£0	£60,000
National Hub	£0	£97,582	£0
Young Patient Family Fund	£0	£39,520	£0
Breastfeeding	£50,005	£0	£0
Vitamins	£0	£29,109	£0
Continuity of Carer and Bliss Baby Charter	£0	£41,387	£0
Miscarriage	£0	£0	£109,161
PIGF	£13,486	£0	£0
Collaborative Care Home Support Teams	£1,023,040	£0	£0
Long COVID Support Fund - Tranche 1	£0	£131,288	£0
Rapid Cancer Diagnostic Services	£0	£215,094	£0
Thrombectomy / Stroke	£0	£0	£125,196
Alcohol and Drugs Partnerships	£0	£0	£2,187,142
Post diagnostic support services	£0	£0	£254,707
General dental services - Childsmile	£0	£3,000	£0
Open University Backfill - Q3&4 academic year 24/25	£0	£185,000	£0
Single point of contact	£0	£0	£33,778
Diabetes technologies programme	£748,436	£0	£0
Chronic pain clinical leads	£0	£23,106	£0
Patient advice and support service	£0	£0	(£44,183)
Unscheduled care collaborative	£0	£2,426,000	£0
<b>Allocations at 30 June 2025</b>	<b>1,044,168,032</b>	<b>24,052,597</b>	<b>86,358,392</b>

Not included above is £8.9 million of funding for planned care or £7.7 million of funding for urgent and unscheduled care. These funds are not allocated in advance but will be reimbursed on delivery of agreed activity and outcomes.

Other allocations not yet received include £18.35 million for the New Medicine Fund and £6.7 million of Agenda for Change pay award top up funding from 3% to 4.25%. However 97% of the core Revenue Resource Limit has been received.

## 2. Acute Services – analysis by cost category

- 2.1 The annual budget for Acute Services is £485.7 million. The directorate is overspent by £7.3 million against its annual budget.

Category	Annual Budget £000	YTD Budget £000	YTD Actual £000	Variance £000
Pay	360,719	88,414	92,457	(4,044)
Non Pay	75,778	19,300	21,341	(2,041)
Purchase of Healthcare	99,094	23,994	24,272	(278)
Hch Income	(37,306)	(9,314)	(9,481)	167
Other Operating Income	(482)	(114)	(122)	8
Savings	(12,145)	(1,164)	0	(1,164)
<b>Total</b>	<b>485,658</b>	<b>121,116</b>	<b>128,467</b>	<b>(7,352)</b>

- 2.2 Pay is £4 million overspent:

- Nursing pay is £2.5 million overspent. Within this are the costs of unfunded acute wards which remain open due to the high number of delayed discharges.

Unfunded ward	YTD Overspend at Month 3 £000
Ward 5D	555
Ward 3F	297
Station 3	406
Station 12	196
Station 8	230
<b>Total</b>	<b>1,684</b>

- Medical pay is £1.7 million overspent. This is mainly driven by the excess costs of consultant medical agency, but also partly by excess payments to junior doctors for non-compliant rotas.

- 2.3 Supplies are £2 million overspent:

- Medicines are £0.2 million over budget.
- Surgical Sundries are £0.3 million overspent, mainly related to theatre supplies such as orthopaedic implants.
- Diagnostic Supplies are £0.4 million overspent due to volume increases in managed service contracts and higher charges from NHS Greater Glasgow and Clyde.
- Equipment is £0.5 million overspent. This includes fridges and other material purchases which will be reviewed for potential capitalisation.
- Taxi services and private ambulance provision are £0.3 million overspent
- Other Therapeutic Supplies are £0.1 million overspent
- The overspend on Purchase of Healthcare is mainly related to radiology and pathology outsourcing.

## 2.4 Acute Service – analysis by department

Department	Annual Budget £000	YTD Budget £000	YTD Actual £000	Variance £000
Medicine	85,823	21,952	24,915	(2,963)
Emergency Crosshouse	42,368	10,635	12,253	(1,618)
Emergency Ayr	17,732	4,449	5,448	(999)
Surgery	118,449	29,644	30,346	(702)
Labs & Diagnostics	61,527	15,202	16,444	(1,242)
Women and Children	48,516	12,115	12,708	(594)
Other	111,244	27,118	26,353	765
<b>Total</b>	<b>485,659</b>	<b>121,115</b>	<b>128,467</b>	<b>(7,352)</b>

- 2.5 Medicine are overspent by £3 million. Station 1 at Ayr has been funded, however the “active wards” occupied by delayed discharge patients are not funded and wards intended to only be open in winter have been open as listed in paragraph 2.2.
- 2.6 Annex C shows graphs on delayed discharges which demonstrate the rising numbers in our hospitals. During May 2025, there were 7,303 delayed discharges (all reasons including < 14 days). This is the highest for many years and represents a monthly financial cost of £2.0 million. The use of additional funding for urgent and unscheduled care should reduce this.
- 2.7 Patients awaiting a guardianship court process are part of these. £0.4 million of the urgent and unscheduled care additional funding has been earmarked for additional mental health officer capacity to support guardianship in North Ayrshire. All Ayrshire citizens should be encouraged to have in place a legal power of attorney covering welfare and financial matters.
- 2.8 Emergency Care was overspent by £2.6 million - £1.0 million at University Hospital Ayr and £1.6 million at University Hospital Crosshouse. Ward 5A which was unfunded last year is funded in 2025/26, however orthopaedic trauma wards are overspent by £0.2 million and A&E and CAUs have additional medical and nursing staff resulting in an overspend of £1.4 million
- 2.9 Surgery are £0.7 million overspent, driven by supplies overspends within orthopaedics.
- 2.10 Labs and Diagnostics are £1.2 million overspent, mainly caused by overspends on supplies. The volume of tests has increased, and the realistic medicine programme is attempting to mitigate this. External capacity for pathology and radiology was initiated at a time of consultant vacancies but has continued despite recruitment.
- 2.11 Women and Children are £0.6 million overspent on staffing. Additional staff were employed to develop a “Best Start” community-based midwifery service however national funding has now ceased.
- 2.12 **New Medicines Fund**

The New Medicines Fund is overspent by £2.1 million in the first three months. This is due to the forecast cost of new medicines approved by the Scottish Medicines Consortium being higher than the funding provided by Scottish Government for this purpose.

#### **2.13 Infrastructure and Support Services (I&SS)**

Infrastructure and Support Services budgets are separated between those which are operational service provision (such as estates, hotel services and digital services), and those which are corporate in nature, such as capital charges, energy and private finance initiative (PFI) costs. They have an aggregate annual budget of £129.7 million and are £0.65 million underspent after 3 months.

#### **2.14 Corporate Services**

Corporate services have budgets of £44.5 million and comprise Public Health, the Nursing Directorate, the Medical Directorate, Human Resources and Organisational Development, Finance, Transformation and Sustainability and the Chief Executive's office. These are underspent in aggregate by £1.3 million after 3 months with Public Health and UNPACS (Medical Director) having the largest underspends.

#### **2.15 Centrally Managed Resources**

Centrally Managed Resources are budgets not owned by any of our Directorates. Examples include CNORIS, insurances, VAT recoveries, excess travel, compensation payments and resources "top sliced" from NHS Ayrshire & Arran to provide services through National Services Division. These are £0.1 million overspent at Month 3.

#### **2.16 Reserves**

Reserves in this context are budgets not issued or attributed to any Department. Such budgets can be:

- Legacy Deficits.
- Allocations received from Scottish Government not yet issued to services.
- Budget set aside in the Revenue Plan for a specific purpose but not yet spent.

Reserves are overcommitted due to deficit budgets set and a £2.4 million overspend is in the Month 3 position.

#### **Health and Social Care Partnerships (HSCPs)**

- 2.17 IJBs financial reserves are depleted, and it is likely any health overspends will require to be covered by the Health Board.



## 2.18 East HSCP

East HSCP is underspent by £0.2 million after two months.

East Hscp	Annual Budget	YTD Budget	YTD Actuals	YTD Variance
Ahps East	£8,750,739	£2,126,676	£2,397,357	(£270,681)
And Com Nursing	£991,882	£241,444	£246,503	(£5,060)
East Business Support	£2,802,960	£680,895	£582,937	£97,959
East H + C Care	£14,040,275	£3,434,488	£3,521,405	(£86,916)
East Hosted Services	£11,869,141	£2,900,369	£2,799,623	£100,746
East Hscp Apprenticeship Levy	£294,393	£71,398	£67,519	£3,879
East Hscp Children	£4,984,773	£1,213,193	£1,202,766	£10,427
East Hscp Recharge/misc Post	£0	£0	£0	£0
East Local Authority Payments	£22,150,256	£5,484,778	£5,464,363	£20,415
East Mental Health	£5,403,187	£1,306,561	£1,166,741	£139,820
East Partnership Management	£421,293	£104,762	£189,748	(£84,986)
East Primary Care	£48,812,000	£12,203,000	£12,187,444	£15,556
East Turnover Allocation	(£500,000)	(£125,000)	£0	(£125,000)
Ehscp Flat Cash Settlement	£1,149,680	£253,376	£0	£253,376
Primary Care	£130,308,922	£32,433,914	£32,324,764	£109,149
	<b>£251,479,500</b>	<b>£62,329,854</b>	<b>£62,151,171</b>	<b>£178,683</b>

Primary Care Lead Services, Hosted Services Community Mental Health and Business Support are underspending after three months. These are partially offset by overspends on Allied Health Professionals (over established) and unachieved CRES from prior years.

## 2.19 North HSCP

North HSCP is overspent by £0.8 million after three months.

North HSCP	Annual Budget	YTD Budget	YTD Actuals	YTD Variance
Ahps North	£11,936,329	£2,913,122	£2,791,822	£121,300
Mental Health Services	£72,389,748	£17,865,182	£18,396,381	(£531,199)
Nhscp Flat Cash Settlement	£1,292,148	£499,227	£436,000	£63,227
North Apprenticeship Levy	£401,421	£97,668	£94,444	£3,224
North Business Support	£1,017,275	£244,973	£234,732	£10,240
North Gp Stakeholder	£52,152	£13,038	£16,108	(£3,070)
North H + C Care	£21,919,414	£5,099,152	£5,703,851	(£604,699)
North Hosted Services	£608,512	£148,573	£133,817	£14,757
North Hscp Children	£5,236,179	£1,270,716	£1,297,336	(£26,620)
North Local Authority Payments	£24,197,232	£6,004,821	£6,004,821	£0
North Mental Health	£5,812,015	£1,419,045	£1,259,682	£159,363
North Partnership Management	£620,010	£152,415	£177,210	(£24,795)
North Primary Care	£55,147,150	£13,786,787	£13,769,382	£17,406
	<b>£200,629,585</b>	<b>£49,514,721</b>	<b>£50,315,586</b>	<b>(£800,865)</b>

Mental Health Services, on which North HSCP lead for Ayrshire, are overspent by £0.5 million. £0.2 million of this is for external placements and a further £0.3 million from legacy CRES.

In Hospital and Community Services, the overspend of £0.6 million is mainly related to elderly wards at North Ayrshire Community Hospital. Across all North HSCP services £1.75 million was spent on bank staff in the first 3 months.

## 2.20 South HSCP

South HSCP is overspent by £0.2 million after three months.

South HSCP	Annual Budget	YTD Budget	YTD Actuals	YTD Variance
Ahps	£10,876,601	£2,645,775	£2,544,298	£101,477
Int Care + Rehab Moc South	£1,563,800	£379,627	£366,863	£12,764
South Business Support	£3,082,525	£747,793	£726,001	£21,792
South Covid 19	£0	£0	£35	(£35)
South H + C Care	£13,759,975	£3,360,070	£3,748,654	(£388,584)
South Hosted Services	£4,929,648	£1,198,547	£1,322,635	(£124,088)
South Hscp Children	£3,624,914	£882,387	£839,179	£43,208
South Hscp Management	£805,140	£290,715	£231,244	£59,471
South Local Authority Payments	£22,030,046	£5,464,731	£5,464,731	£0
South Mental Health	£5,526,178	£1,334,024	£1,266,009	£68,015
South Primary Care	£48,151,802	£12,037,950	£12,023,485	£14,465
South Retained Profit	£0	£0	£0	£0
	<b>£114,350,627</b>	<b>£28,341,621</b>	<b>£28,533,136</b>	<b>(£191,515)</b>

Most services in the South HSCP are underspent. The overspend is caused by Hospital and Community Services, more specifically costs at Biggart Hospital. These are £0.3 million overspent after three months, with £0.35 million being spent on bank staffing. There were bed closures at Biggart Hospital in June. Despite investment of £0.4 million by HSCPs in 2025/26 the Community Equipment Store is overspent by £0.1 million after 3 months.

## Efficiency and Transformation Programme

- 2.21 The Cash Releasing Efficiency Savings (CRES) programme for 2025/26 approved by the Board as part of the Revenue Plan is £36.7 million.

## 2025/26 – delivery against the CRES target

	Annual Target	Annual Forecast	Forecast Variance	Forecast Recurring	Forecast Non- Recurring	YTD Plan M3	YTD Achieved M3	YTD Variance
Area	£000	£000	£000	£000	£000	£000	£000	£000
Medicine	3,000	2,730	(270)	0	2730	559	243	(316)
Women and Children	1,400	1,350	(50)	39	1312	120	197	77
Surgery	4,300	2,292	(2,008)	101	2193	47	379	332
Emergency & Trauma	2,000	1,977	(23)	0	1977	274	240	(34)
Clinical Support Services	2,350	774	(1,576)	355	414	146	120	(26)
Workforce Nursing	2,100	1,547	(553)	0	1543	300	206	(94)
Workforce Transformation	630	1,391	761	0	1391	75	374	299
Workforce Medical	1,250	1,251	1	0	1253	312	360	48
Procurement	1,400	1,268	(132)	1266	2	162	31	(131)
Corporate	3,270	3,175	(95)	2690	480	668	668	0
Primary Care Prescribing	2,000	2,000	0	2000	0	447	447	0
Acute Prescribing	2,000	1,780	(220)	1777	0	540	328	(212)
Infrastructure & Support Services - Corporate	1,950	2,020	70	1923	100	466	466	0
Infrastructure & Support Services - Operational	900	896	(4)	900	0	128	128	0
Infrastructure & Support Services - Commercial	1,500	0	(1,500)	0	0	0	0	0
East HSCP	2,445	2,184	(261)	1,916	265	546	546	0
North HSCP	2,170	1,776	(394)	1,776	0	444	444	0
South HSCP	2,015	2,016	1	2,015	0	504	504	(0)
<b>Total NHS Ayrshire and Arran</b>	<b>36,680</b>	<b>30,427</b>	<b>(6,253)</b>	<b>16,758</b>	<b>13,660</b>	<b>5,738</b>	<b>5,681</b>	<b>(57)</b>

2.22 Achievement is broadly on track after three months. Recognising the lead time in embedding the program the trajectory is significantly back loaded, with only 5% profiled in each of months 1, 2 and 3. In order to achieve the planned deficit of £33.1 million it is essential the efficiency programme delivers. There is a shortfall in the projected annual achievement of £6.2 million representing the value of savings targets with no plan for delivery at month three. Note that elements of primary care prescribing savings are estimates based on plan as centrally processed information is two months in arrears.

2.23 Viridian Associates are currently commissioned to support the Acute Services and associated workforce improvement programme for 2025/26. This does not include the Boards wider efficiency programme and recovery plan. The acute efficiency target has been devolved to divisions for 25/26 and totals £17 million. Most of the savings identified for acute are non-recurring cost reductions.

	Annual Target	Annual Forecast	Forecast Variance	Forecast Recurring	Forecast Non- Recurring	YTD Plan M3	YTD Achieved M3	YTD Variance
Area	£000	£000	£000	£000	£000	£000	£000	£000
Medicine	3,000	2,730	(270)	0	2730	559	243	(316)
Women and Children	1,400	1,350	(50)	39	1312	120	197	77
Surgery	4,300	2,292	(2,008)	101	2193	47	379	332
Emergency & Trauma	2,000	1,977	(23)	0	1977	274	240	(34)
Clinical Support Services	2,350	774	(1,576)	355	414	146	120	(26)
Workforce Nursing	2,100	1,547	(553)	0	1543	300	206	(94)
Workforce Transformation	630	1,391	761	0	1391	75	374	299
Workforce Medical	1,250	1,251	1	0	1253	312	360	48
<b>Total Acute</b>	<b>17,030</b>	<b>13,312</b>	<b>(3,718)</b>	<b>495</b>	<b>12,813</b>	<b>1,833</b>	<b>2,119</b>	<b>286</b>

2.24 The acute CRES forecast for 25/26 currently stands at £13.3 million leaving a gap of £3.7 million savings to find. This is driven by Clinical Support Services (£1.6 million) and surgery (£2.0 million). Schemes have been identified at recent workshops and are currently being worked up through the pipeline process. Delivery continues to improve each month against a challenging operational background requiring system intervention and joint working. Notwithstanding the back loaded trajectory of savings in aggregate acute CRES is £0.3 million ahead of plan at Month 3.

2.25 Overtime in the first quarter of 2025/26 cost £0.7 million which is £0.4 lower than the same period last year.

## 2.26 **RISKS**

The high number of delayed discharges in acute hospitals requires extra beds to be opened leading to an overspend. Whole system planning is needed to mitigate this.

IJBs are likely to overspend health budgets and require Health Board support. Recovery plans are required.

Primary Care Prescribing is historically volatile and may overspend despite additional investment. The trend will become clearer as further months information are received.

Operational pressure and patient care/safety may preclude parts of the efficiency programme delivery during Winter.

The majority of acute savings are non-recurring and need service redesign to deliver recurring savings.

The CRES trajectory is heavily back loaded.

Increased Service Level Agreement charges are possible through a rebasing of Greater Glasgow and Clyde costs of provision.

We may not be able to recover the full £2.3 million impaired to councils for learning disability patients in Woodland View.

Expenditure on urgent and unscheduled care or planned care requires to be incurred in advance with funding only being received if outcomes are achieved.

## 2.27 **CONCLUSION**

The Board is committed to delivering a maximum deficit of £25 million. To achieve this it is essential that the spend run rate reduces, delayed discharges in acute hospitals reduce and the CRES plan delivers in full.

## Annex A

### Financial Improvement Programme Overview (£m)

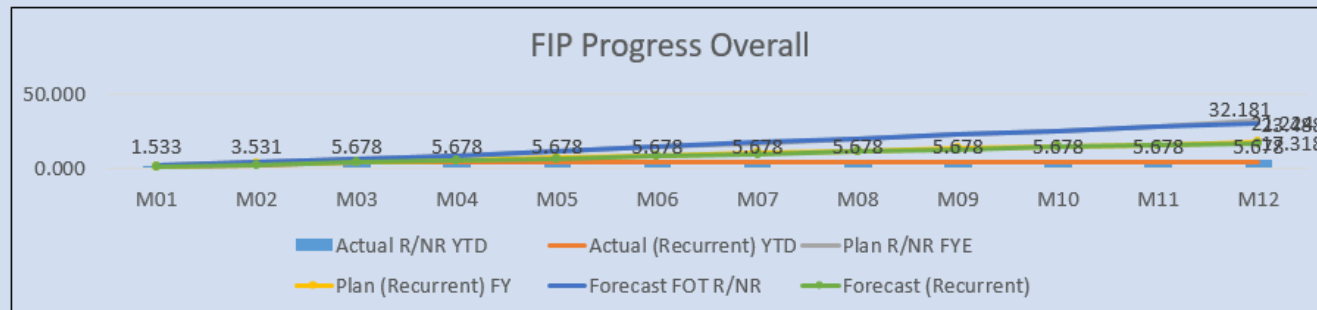
Workstream	Year to Date R/NR (M3)			FOT Position				Recurrent Position						
	Plan	Actual	Variance	Annual CY Total	Plan R/NR CY	Forecast R/NR CY	Variance to Annual CY Total	Annual CY Total	Plan YTD	Actual YTD	Variance YTD	Rest of year forecast	Total CY Forecast	Variance (Total CY Forecast to Annual CY Total)
Medicine	0.559	0.243	-0.316	3.000	3.000	2.730	-0.270	3.000	0.000	0.000	0.000	0.000	0.000	-3.000
Women and Children	0.121	0.197	0.076	1.400	1.214	1.351	-0.049	1.400	0.019	0.007	-0.013	0.033	0.040	-1.360
Surgery	0.048	0.378	0.330	4.300	2.039	2.294	-2.006	4.000	0.000	0.017	0.017	0.085	0.102	-3.898
Emergency & Trauma	0.273	0.240	-0.033	2.000	2.010	1.977	-0.023	2.000	0.000	0.000	0.000	0.000	0.000	-2.000
Clinical Support Services	0.145	0.119	-0.026	2.350	0.995	0.769	-1.581	2.100	0.089	0.089	0.000	0.267	0.356	-1.744
Workforce Nursing	0.300	0.206	-0.094	2.100	1.623	1.543	-0.557	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Workforce Transformation	0.075	0.374	0.299	0.630	1.092	1.391	0.761	0.130	0.000	0.000	0.000	0.000	0.000	-0.130
Workforce Medical	0.313	0.361	0.049	1.250	1.250	1.253	0.003	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Procurement	0.162	0.031	-0.132	1.400	1.400	1.268	-0.132	1.400	0.160	0.029	-0.132	1.238	1.267	-0.133
Infrastructure & Support Services - Commercial (CG)	0.000	0.000	0.000	1.500	1.500	0.000	-1.500	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Corporate	0.668	0.668	0.000	3.270	3.170	3.170	-0.100	2.790	0.668	0.668	0.000	2.023	2.691	-0.100
Infrastructure & Support Services - Corporate	0.466	0.465	-0.001	1.950	2.023	2.023	0.073	1.850	0.456	0.456	0.000	1.468	1.924	0.074
Primary Care Prescribing	0.446	0.446	0.000	2.000	2.000	2.000	0.000	2.000	0.446	0.446	0.000	1.553	1.999	-0.001
Acute Prescribing	0.540	0.327	-0.213	2.000	1.990	1.777	-0.223	2.000	0.540	0.327	-0.213	1.451	1.778	-0.222
Infrastructure & Support Services - Operational	0.129	0.129	0.000	0.900	0.900	0.900	0.000	0.900	0.129	0.129	0.000	0.772	0.901	0.001
East HSCP	0.545	0.545	0.000	2.445	2.181	2.181	-0.264	2.445	0.479	0.479	0.000	1.437	1.916	-0.529
North HSCP	0.445	0.444	0.000	2.170	1.780	1.776	-0.394	2.170	0.445	0.444	0.000	1.332	1.776	-0.394
South HSCP	0.504	0.504	0.000	2.015	2.015	2.015	0.000	2.015	0.504	0.504	0.000	1.512	2.016	0.001
<b>Total</b>	<b>5.737</b>	<b>5.678</b>	<b>-0.059</b>	<b>36.680</b>	<b>32.181</b>	<b>30.418</b>	<b>-6.261</b>	<b>30.200</b>	<b>3.934</b>	<b>3.593</b>	<b>-0.341</b>	<b>13.171</b>	<b>16.764</b>	<b>-13.436</b>

BRAG Status	Num	Last Report £m	Num	This Report £m	Scheme Status	Num	Last Report £m	Num	This Report £m	Classification	Last Report £m	This Report £m
Blue	0	0.000	7	0.678	Fully Developed	1	0.001	6	0.476	Pay	10.732	10.599
Green	37	6.278	39	6.991						Non-Pay	14.570	14.652
Amber	92	16.428	84	15.161	Plan In Progress	115	22.443	110	21.713	Income	0.020	0.018
Red	41	7.765	39	7.589	Opport	54	8.028	53	8.230	TBD	5.149	5.149
<b>Total</b>	<b>170</b>	<b>30.471</b>	<b>169</b>	<b>30.418</b>	<b>Total</b>	<b>170</b>	<b>30.471</b>	<b>169</b>	<b>30.418</b>	<b>Total</b>	<b>30.471</b>	<b>30.418</b>

Workbook/QIA N/a	Num	Last Report £m	Num	This Report £m
Number of Workbooks Required	20	6.997	28	9.146
Number of Workbook Completed	3	1.800	9	4.655
Number of QIAs Required	18	6.602	23	8.626
Number of QIA In Progress	5	1.469	11	4.006
Number of QIAs Approved	2	1.575	4	2.180

## Financial Improvement Programme Overview (£m)

Financial Improvement Position	Year to date position:	<p>At the end of Month 3 overall savings were on plan. £5.7 million achieved against a £5.7 million target.</p> <p>Forecast achievement for the year is £30.4 million – a shortfall of £6.3 million against the £36.7 million annual target.</p> <p>Note the recurrent achievement is forecast to be £16.75 million which is £13.45 million less than the Scottish Government target of £30.2 million. This is because many areas of efficiency are focused on reducing overspends.</p> <p>The overall recurrent delivery year-to-date is £3.593 million - 63% of the overall delivery.</p>
	Overall programme position and activities:	<p><b>Key Scheme Progress and Slippage:</b></p> <ul style="list-style-type: none"> <li>Acute Schemes are £0.3 million ahead of target with Surgery and Workforce Transformation being the main areas contributing to this.</li> <li>Surgery and Workforce Transformation are both £0.3 million ahead of plan with Medicine having £0.3 million slippage at this stage.</li> <li>ISS, corporate and partnerships are on track at this stage, although it should be noted information on the latter is limited at M3.</li> <li>There is slippage of £0.1 million on procurement – new processes of capture and allocation have been developed in this area.</li> </ul> <p><b>Additional capacity:</b></p> <ul style="list-style-type: none"> <li>Bed closures are the most difficult part of the programme to implement successfully. The SAFER programme and other measures to improve patient flow are designed to result in a lower requirement for bed capacity.</li> <li>As these measures require a lead time to implement and deliver the programme is phased with higher savings in the latter part of the year.</li> <li>Despite significant progress in improving internal process and performance delayed discharges present an increasing demand for beds.</li> <li>The Board working with HSCP colleagues has now secured investment against a plan to improve performance and patient care.</li> </ul> <p><b>Other Key Activities:</b></p> <ul style="list-style-type: none"> <li>Ongoing dialogue to refine processes around quantification and measurement of several programmes (such as procurement and workforce schemes) has taken place in the month.</li> <li>Development of the Unscheduled Care plan between Acute and HSCP colleagues.</li> </ul>

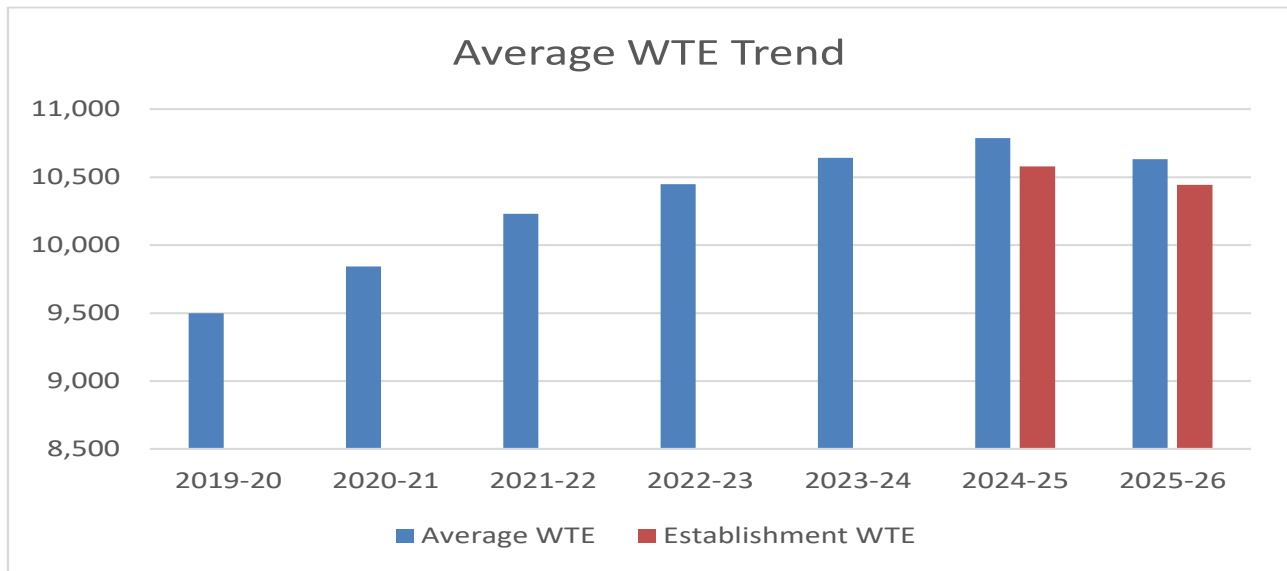


## Annex B - Workforce and Performance Information

### Annex B: Key workforce data

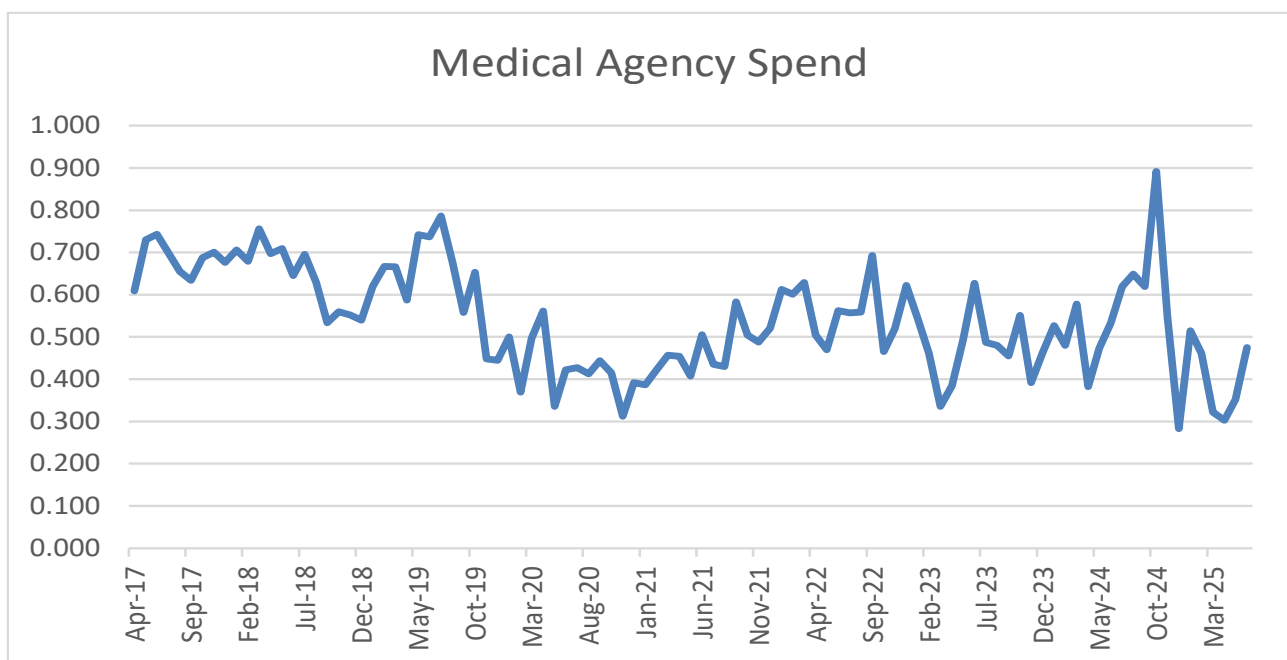
#### Key points:

- There has been a sustained increase in staffing since 2020/2021.
- Medical agency spend has been broadly static since April 2021.
- Nursing agency spend has been on an overall upward trend since April 2020.
- Significant increase in agency and bank nursing staffing reflects national trends



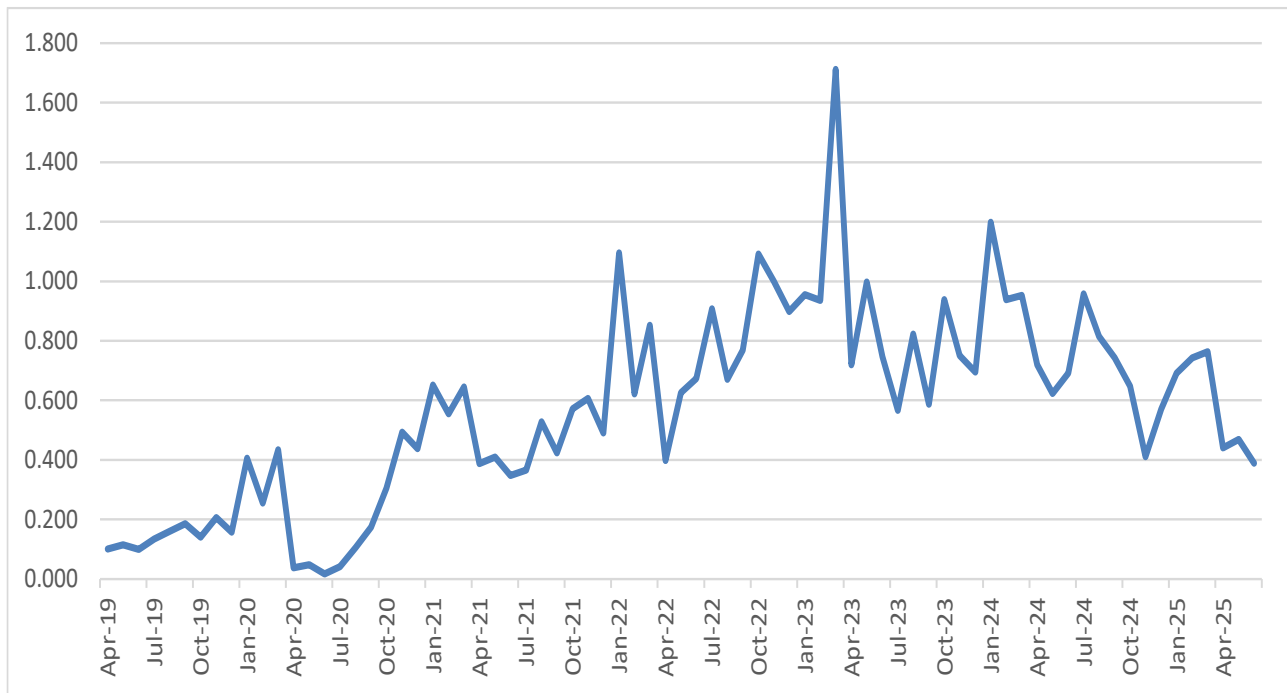
### Medical Agency Trend

Agency medical costs are mainly for Consultants. They were £1.13 million in the first quarter of 2025/26 which is a reduction of £0.256 million on the first quarter of last year.

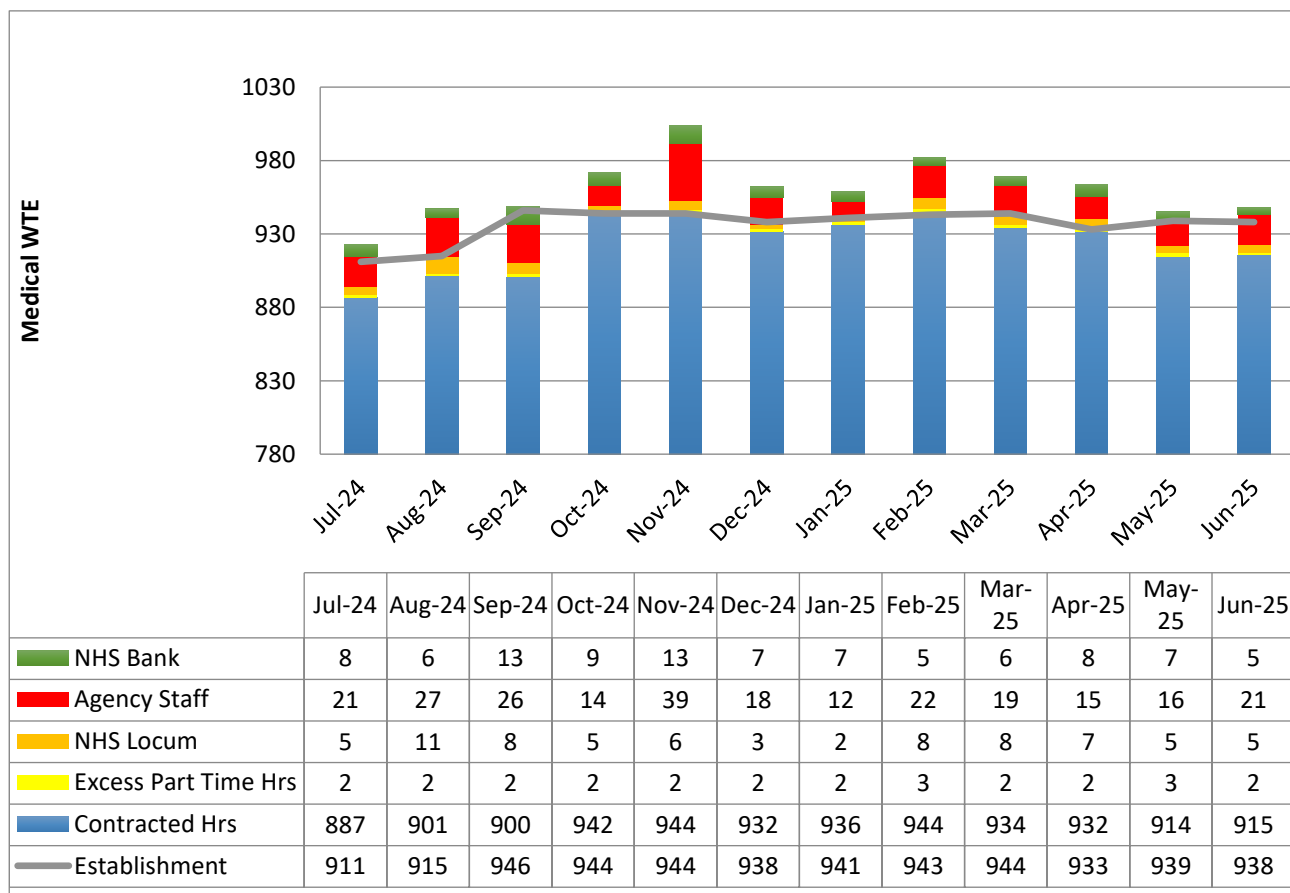


## Nusing Agency Trend

Agency Nurse costs have reduced by £0.8 million in the first quarter of 2025/26 compared with the first quarter of 2024/25. However bank nursing costs have risen by £1.0 million. Almost half of the entire nursing agency spend is in Crosshouse A&E, CAU and the Orthopaedic Trauma Wards.

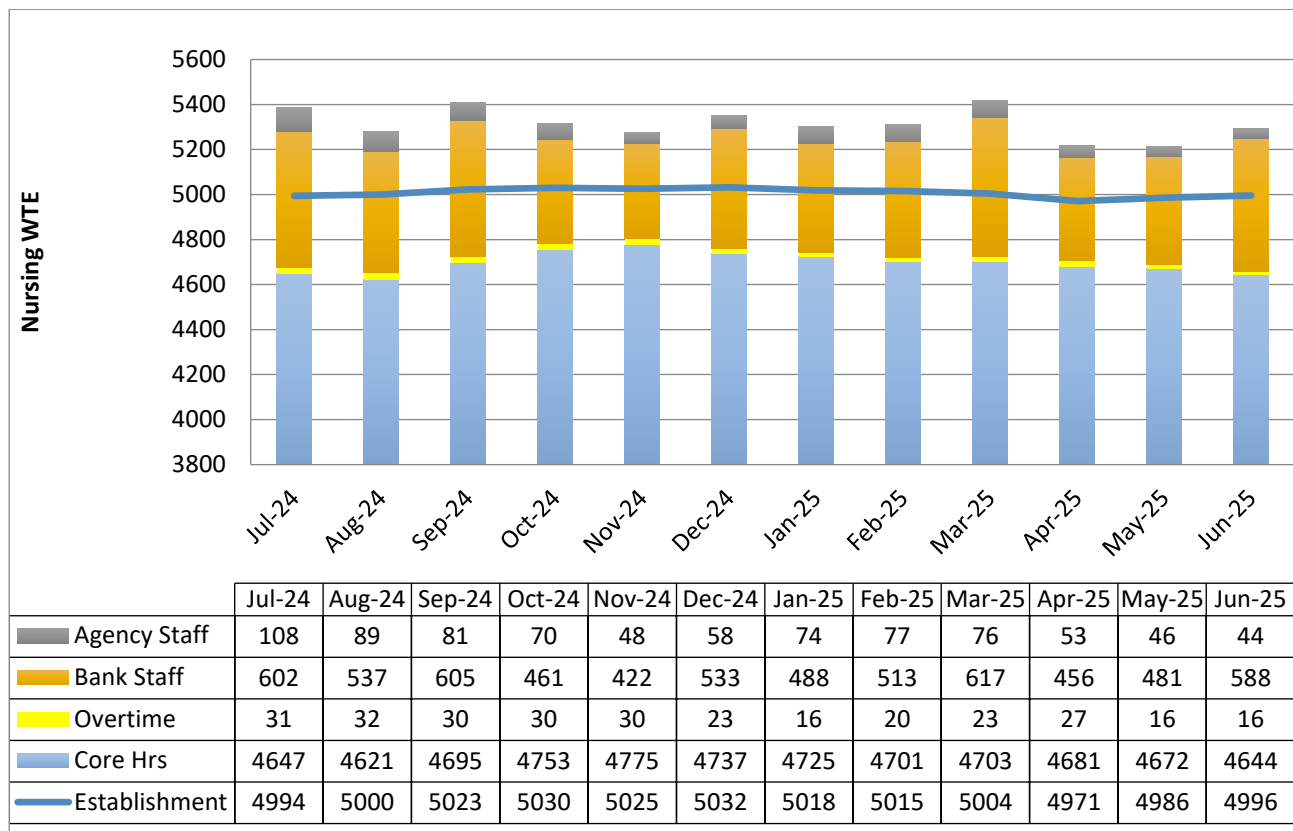


## Medical Staffing breakdown



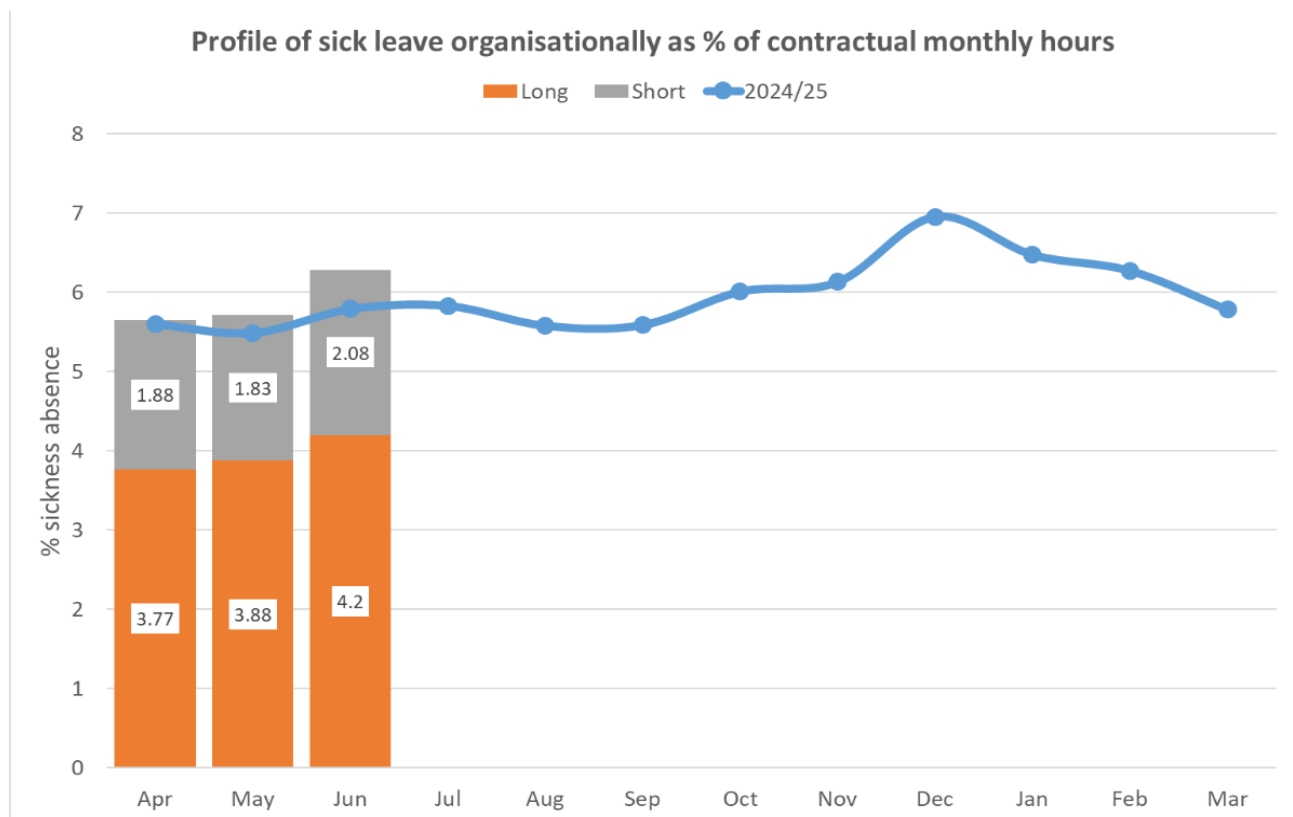


## Nursing Staff breakdown



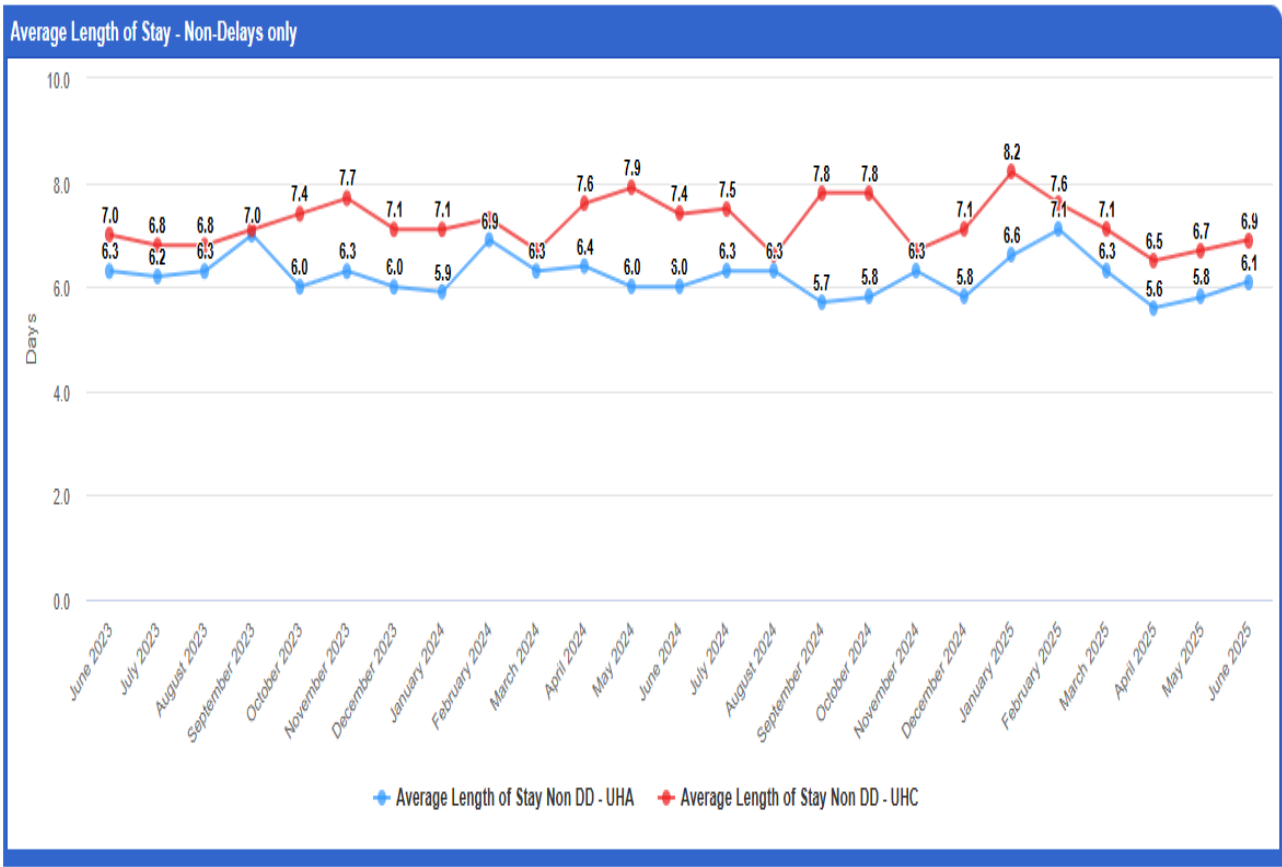
## Sickness Absence

The local target level of sickness absence is 5.15% for the year and 5.32% in the first quarter, however actual performance was 5.83% in the first quarter.

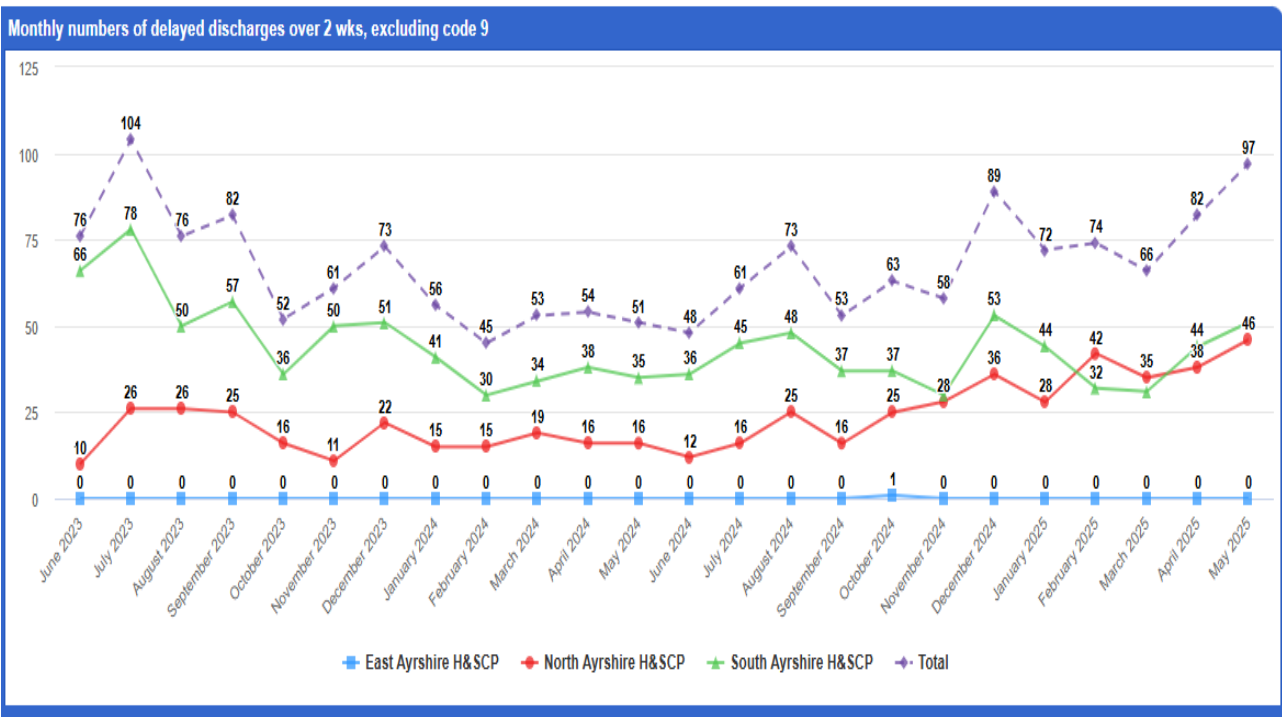


Annex C: Selected Performance Indicators

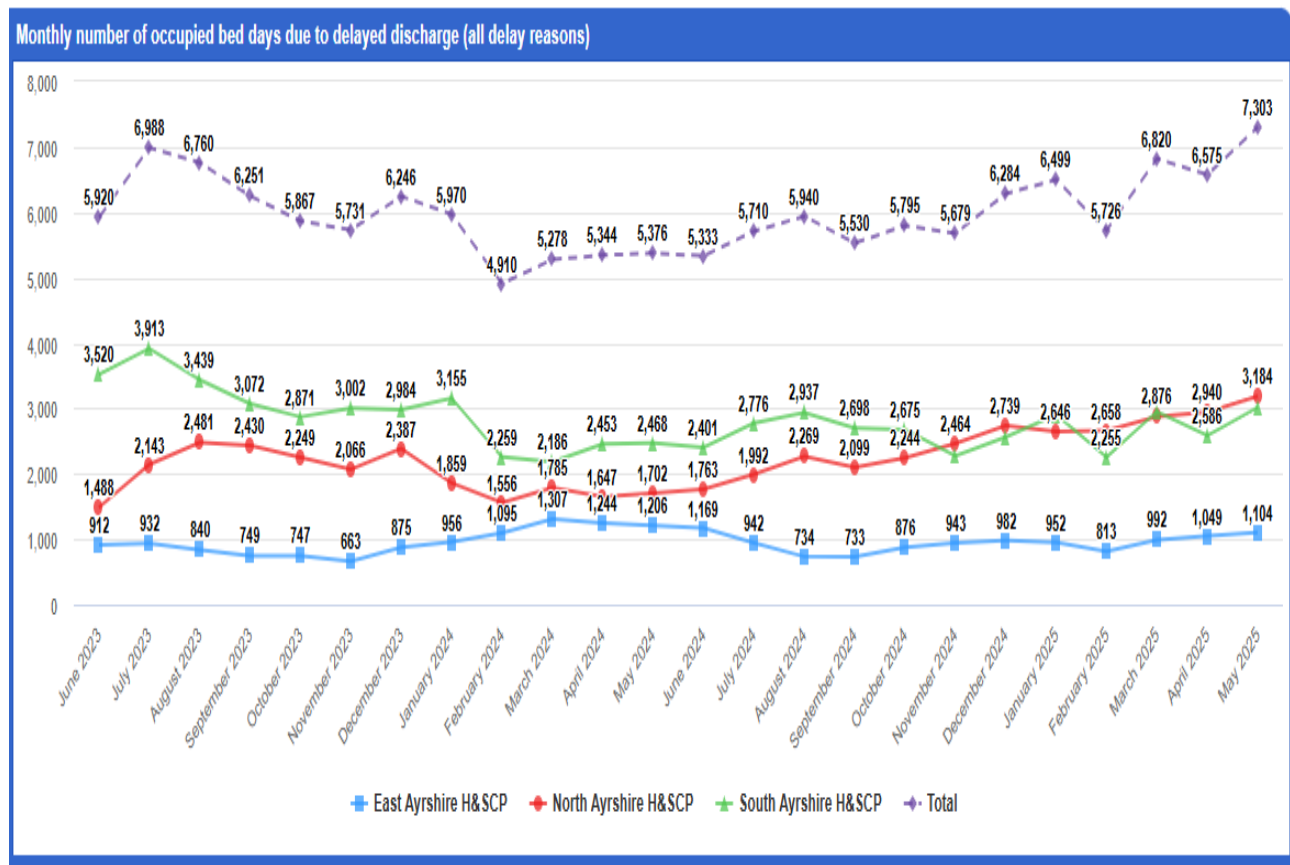
The ALOS for Non-Delayed patients fell in 3 consecutive months from January 2025 at both sites but rose in April and May.



The number of delayed discharges rose in April and May following reductions from January to March 2025.



The number of bed days occupied by Delayed Discharges is increasing and is at its highest level in two years.



At a variable bed day cost of £275 per day 7,303 bed days lost to delayed discharges in May cost £2.0 million.

## Annex D: Capital Report Month 3

Capital spend in the first quarter of the year is £1.664 million with most of this being on the National Secure Adolescent Unit (Foxgrove).

<b>Capital Spend for the 3 months to 30th June 2025</b>	<b>Spend to Date</b>
<b>Scheme</b>	<b>£000's</b>
National Secure Adolescent Unit	1,435
Estates/Capital Planning	0
Estates/Energy	0
Digital Reform	22
Caring for Ayrshire	12
EME	53
NBV from Asset Sales	0
Equipment	57
Aggregate schemes under £50k	85
<b>Total</b>	<b>1,664</b>

The capital allocation for 2025/26 including the business continuity funding is c£20 million. If the Board are unable to spend the business continuity funding on the earmarked project in 2025/26 then it is to be returned to Scottish Government.

<b>Scheme</b>	<b>Original Capital Plan</b>	<b>Revised Capital Plan</b>
	<b>£000's</b>	<b>£000's</b>
Core Capital Allocation	9,156.0	9,156.0
Foxgrove: National Secure Adolescent Unit	500.0	1,000.0
Whole System Estate Plan	1,600.0	1,600.0
National LIMS	441.0	441.0
Brokerage tp 26/27 - National LIMS System	0.0	(441.0)
National Treatment Centre	200.0	200.0
Brokerage - Fleet Decarbonisation 24/25 Balance	265.8	265.8
Business Continuity Plan - Oncology per MW@SG 10/4	0.0	1,300.0
Business Continuity Plan - UHC ICU per MW@SG 10/4	0.0	2,400.0
Business Continuity Plan - Equipment per MW@SG &	0.0	1,315.1
Business Continuity Plan - Other Funds MW@SG	0.0	1,480.0
Business Continuity Plan - Troon GP Practice Backlog	0.0	550.0
SG Infrastructure - EV Charging	0.0	600.0
Business Continuity Plans - Wind Turbine	0.0	80.0
SG Sustainability Energy Projects	0.0	475.0
Rev to Cap	0.0	9.3
Cap to Rev Transfer	0.0	(414.7)
<b>Total Approved Capital Allocation</b>	<b>12,162.8</b>	<b>20,016.6</b>