

# NHS Ayrshire & Arran



<b>Meeting:</b>	<b>Ayrshire and Arran NHS Board</b>
<b>Meeting date:</b>	<b>Monday 8 December 2025</b>
<b>Title:</b>	<b>Financial Management Report for the seven months to 31 October 2025</b>
<b>Responsible Director:</b>	<b>Derek Lindsay – Director of Finance</b>
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## 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 has a statutory duty to breakeven. The deficit plan approved by the Board is £33.1 million. Scottish Government require the Board to deliver a deficit no larger than £25 million in 2025/26.

The Board have overspent by £20.9 million excluding Health and Social Care Partnerships at the end of October 2025. The forecast year position is an overspend of £40.2 million.

This takes into account £22.5 million of sustainability funding received at the beginning of this financial year.

### 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 stipulated that the Board must not exceed a financial deficit of £25.0 million in 2025/2026.

## **2.3 Assessment**

### **REVENUE**

The key points from the Board finance report are:

- The Board is £20.9 million overspent after seven months excluding Health and Social Care Partnerships and forecasts an overspend of £40.2 million at year end.
- The risks and sensitivities to the forecast year end position are shown in Section 4.
- Health and Social Care Partnerships are £0.3 million underspent in aggregate.
- Efficiency savings are profiled aligned to delivery plans. The programme is therefore significantly back loaded, particularly in acute services.

### **VALUE AND EFFICIENCY**

- Scottish Government require the Board to achieve 3% recurring efficiency savings on their baseline funding. The recurrent target is £30.2 million. Currently almost all acute savings are non-recurring cost reductions.
- There is an additional non-recurring plan for cost reduction of £6.5 million. £1.5 million of this relates to a property sale which is currently on hold.
- Forecast efficiency delivery is £28.3 million in total however only £16.4 million is recurrent.
- £16.4 million of savings were delivered by the end of month seven, which was £0.4 million behind 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 7**

## Appendix A

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

#### 1. Overall Financial Position

- 1.1 The Board is £20.9 million overspent after seven months of the 2025/26 financial year, excluding Health and Social Care Partnerships.

#### Summary Financial Position

Department	Annual Budget £000	YTD Budget £000	YTD Spend £000	Variance £000	Forecast Outturn M7 £000
Acute	491,290	286,466	305,432	(18,966)	(33,762)
Acute Legacy Cres	(2,294)	(1,338)	0	(1,338)	(2,294)
New Medicine Fund	15,674	9,143	14,392	(5,249)	(8,998)
Pharmacy	13,187	7,886	8,168	(282)	(482)
UNPACs	1,500	875	309	566	843
<b>Acute and Clinical Services</b>	<b>519,357</b>	<b>303,032</b>	<b>328,301</b>	<b>(25,269)</b>	<b>(44,693)</b>
ISS (Operational)	73,732	42,709	40,996	1,713	2,100
ISS (Corporate)	54,269	27,247	27,421	(174)	0
Corporate Services	45,394	26,380	23,420	2,960	3,781
<b>Non Clinical Support Services</b>	<b>173,395</b>	<b>96,336</b>	<b>91,837</b>	<b>4,499</b>	<b>5,881</b>
Centrally Managed Resources	4,695	(1,030)	(1,213)	183	0
Resource	0	0	0	0	0
Reserves	19,083	(357)	0	(357)	(1,388)
<b>Centrally Managed Resources</b>	<b>23,778</b>	<b>(1,387)</b>	<b>(1,213)</b>	<b>(174)</b>	<b>(1,388)</b>
<b>NHS A&amp;A Health Board Total</b>	<b>716,530</b>	<b>397,981</b>	<b>418,925</b>	<b>(20,944)</b>	<b>(40,200)</b>
East Hscp	258,829	149,778	149,144	634	0
North Hscp	199,567	114,367	115,114	(747)	0
South Hscp	113,001	66,136	65,724	412	0
<b>NHS A&amp;A Total inc HSCPs</b>	<b>1,287,927</b>	<b>728,262</b>	<b>748,907</b>	<b>(20,645)</b>	<b>(40,200)</b>

#### Performance against key Scottish Government targets

The Board will not meet the statutory requirement to breakeven and forecasts a deficit of £40.2 million at year end. Scottish Government require a deficit not exceeding £25.0 million.

Cumulative brokerage due to be repaid to Scottish Government is £129.9 million at the end of 2024/05. This comprises brokerage of £14.7 million from 2019/20, £25.4 million from 2022/23, £38.4 million from 2023/24 and £51.4 million from 2024/25.

The Board is required to deliver recurring efficiency savings of £30.2 million - 3% of baseline recurring funding. It forecasts delivery of £16.6 million recurring savings and £28.5 million in total.

#### 1.2 Scottish Government Allocations

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

Description	Baseline Recurring £000	Non- recurring £000	Earmarked Recurring £000
Baseline Allocation	1,006,572	0	0
Recurring Allocation from 24/25	23,607	0	0
<b>In year allocations at 30 September</b>	<b>21,731</b>	<b>36,125</b>	<b>92,225</b>
Pharmacy foundation training year remaining value	0	0	(366)
Mental Health pharmacy recruitment	126	0	0
Shingles vaccination programme	0	754	0
RSV vaccination programme (older adults)	0	41	0
RSV (Maternal)	0	6	0
Community glaucoma service	0	26	0
Targeted endoscopy	0	29	0
£100 million investment in planned care	0	1,685	0
£5.5 million investment in planned care	0	110	0
<b>Allocations at 31 October</b>	<b>1,052,037</b>	<b>38,774</b>	<b>91,858</b>

£1.8 million was received in October for planned care activity delivered. A further £0.75 million was received for the Shingles vaccination programme.

Not yet allocated but anticipated is £7.7 million of funding for urgent and unscheduled care. These funds will be reimbursed on delivery of agreed activity and outcomes. Similarly further planned care funds, in addition to the £1.8 million above, will be issued when performance targets are met.

## 2. Acute Services – analysis by cost category

2.1 The annual budget for Acute Services is £491.3 million. The directorate is overspent by £19.0 million (Month 6 £16.1 million) against its year-to-date budget.

Category	Annual Budget £000	YTD Budget £000	YTD Actual £000	Variance £000
Pay	369,753	213,936	223,121	(9,185)
Non Pay	76,306	44,677	50,258	(5,582)
Purchase of Healthcare	95,652	54,914	55,109	(195)
Provision of Healthcare	(38,247)	(22,122)	(22,747)	626
Other Operating Income	(486)	(270)	(309)	39
Savings target 2025/26	(11,688)	(4,669)	0	(4,669)
<b>Total</b>	<b>491,290</b>	<b>286,466</b>	<b>305,432</b>	<b>(18,966)</b>

2.2 Pay is £9.2 million overspent (Month 6 £7.9 million):

- Nursing pay is £6.7 million overspent and was £1.1 million over in Month 7. Within this is £4.2 million on unfunded acute wards which remain open.

Unfunded ward	YTD Overspend at Month 7 £001	YTD Overspend at Month 6 £000	YTD Overspend at Month 5 £000	YTD Overspend at Month 4 £000	YTD Overspend at Month 3 £000
Ward 5D	1307	1121	923	739	555
Ward 3F	668	581	482	391	297
Station 3	1010	868	700	526	406
Station 12	594	497	405	317	196
Station 8	576	498	406	309	230
<b>Total</b>	<b>4,155</b>	<b>3,564</b>	<b>2,916</b>	<b>2,283</b>	<b>1,684</b>

The spend in month 7 on unfunded wards was £0.6 million having been £0.65 million in month 6. The average spend per month is £0.6 million.

- Medical pay is £3.5 million overspent after 7 months having been £3.2 million over at Month 6. This is mainly driven by the excess costs of consultant medical agency, and by excess payments to junior doctors for non-compliant rotas.

### 2.3 Supplies and services are £5.6 million overspent (Month 6 - £4.8 million):

Supplies overspends	Women &						
	Medical £000	Surgical £000	Emergency £000	Diagnostics £000	Children £000	Other £000	Acute total £000
Diagnostic Supplies	(127)	(103)	(143)	(470)	(40)	(4)	(886)
Drugs	(540)	35	(115)	(3)	(42)	(173)	(837)
Equipment	(93)	(379)	(14)	(434)	(150)	(26)	(1,095)
Transport	(168)	11	(60)	(14)	(21)	(401)	(654)
Other Admin Supplies	(20)	(104)	(20)	(91)	(77)	(54)	(366)
Other Supplies	(3)	(18)	(4)	(52)	41	(272)	(307)
Other Therapeutic Supplies	(11)	6	(0)	(301)	13	(1)	(294)
Property	4	(30)	(14)	(30)	(5)	(20)	(95)
Surgical Sundries	(520)	(186)	(93)	(159)	59	(149)	(1,047)
<b>Total</b>	<b>(1,477)</b>	<b>(768)</b>	<b>(462)</b>	<b>(1,554)</b>	<b>(220)</b>	<b>(1,100)</b>	<b>(5,581)</b>

- Diagnostic Supplies are £0.9 million overspent due with volume increases in managed service contracts and higher charges from NHS Greater Glasgow and Clyde contributing £0.5 million to this.
- Medicines are £0.8 million over budget, with £0.5 million of this being within the medical division.
- Surgical Sundries are £1.0 million overspent. £0.5 million of this is on insulin pumps which is within the medicine division, with elective orthopaedic theatre issues accounting for a further £0.2 million.
- Equipment is £1.1 million overspent. £0.4 million of this is in surgical division and £0.4 million is in diagnostics with half in repairs to medical physics equipment.
- Taxi services and private ambulance provision are £0.5 million overspent.
- Other Therapeutic Supplies are £0.3 million overspent related to laboratories and diagnostics contrast media for CT scans and radio isotopes for nuclear medicine.
- In addition to the supplies overspend shown above here are overspends on Purchase of Healthcare due to radiology (£0.5 million year to date) and pathology outsourcing (£0.3 million year to date).

### Mitigations for Supplies Overspends

Since late 2022, the number of type 1 diabetic patients NHS Ayrshire & Arran supports with a pump and continuous monitoring system has doubled to over 600. The cost of supplies for these is about £4,000 per patient per annum. The health board invested £1 million extra in 2024/2025 and Scottish Government £750,000, however the budget is still showing an overspend of £466,000 at month seven. A paper has gone to Corporate Management Team with potential mitigations.

Clinical development fellows have been deployed to review the necessity of diagnostic requests with a view to reducing the increase in demand for laboratory and radiology tests.

In 2024/2025 the Acute Division spent £1 million on taxis and £0.5 million on private ambulances. The private ambulances were for discharge of patients from hospital discharge lounges, and this is planned to reduce by maximising the use of Scottish Ambulance Service to deliver this in future. Around half of the taxi spend is on transporting renal patients for hospital-based dialysis three times a week. It is planned to move this provision to a community transport provider.

## 2.4 Acute Service – analysis by department

Directorate	Annual Budget £000	YTD Budget £000	YTD Actual £000	Variance £000
Medicine	88,507	51,841	60,039	(8,199)
Emergency Crosshouse	43,421	25,524	29,426	(3,902)
Emergency Ayr	17,994	10,613	13,103	(2,489)
Surgery	134,913	79,567	81,784	(2,216)
Labs & Diagnostics	47,928	28,147	30,466	(2,320)
Women and Children	49,434	28,926	30,382	(1,457)
Other	109,092	61,848	60,231	1,616
<b>Total</b>	<b>491,290</b>	<b>286,466</b>	<b>305,432</b>	<b>(18,966)</b>

- 2.5 Medicine are overspent by £8.2 million after 7 months. £1.4 million of this related to 2025/26 efficiency savings not delivered recurrently. The “active wards” occupied by delayed discharge patients are not funded and wards intended to be open only in winter have been open as listed in paragraph 2.2. Owing to lack of Allied Health Professional input and lack of capacity in community provision patients in the “active wards” are increasing in acuity and length of stay. This is reflected in the increased staffing cost of these wards. In addition to unfunded wards there are unfunded beds on funded wards, creating further financial pressure.
- 2.6 Annex C shows graphs on delayed discharges which demonstrate the rising numbers in our hospitals. From April to September 2025, there were 43,427 bed days lost to delayed discharges (all reasons including < 14 days). This is a very high level compared with previous years and represents a financial cost of £11.9 million in six months. The targeted use of additional funding for urgent and unscheduled care is intended to 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 £6.4 million – an increase of £1.0 million over month 6. £2.5 million of the year to date overspend is at University Hospital Ayr and £3.9 million at University Hospital Crosshouse. Ward 5A which was unfunded last year is funded in 2025/26, however orthopaedic trauma wards are overspent by £0.5 million. A&E and CAUs have additional medical and nursing staff resulting in an overspend of £2.1 million.
- 2.9 Surgery are £2.2 million overspent, an overspend of £0.9 million in month 7. This compares with an in month overspend of £0.6 million in Month 6 This is driven by medical staffing and elective orthopaedic supplies overspends.
- 2.10 Labs and Diagnostics are £2.3 million overspent in the year to date and £0.5 million in the month. This is £0.2 million above the normal monthly run rate. This is partly caused by overspends on the managed service contract for diagnostic 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's division are £1.5 million overspent after 7 months and £0.1 million in month 7. £0.7 million is on pay, £0.2 million on non-pay and £0.6 million from unachieved savings. A "Best Start" community-based midwifery service was developed in line with Scottish Government policy. However funding has now ceased resulting in a full year overspend of £0.6 million.

### **New Medicines Fund (NMF)**

- 2.12 The New Medicines Fund is overspent by £5.25 million after 7 months. This is due to the cost of new medicines approved by the Scottish Medicines Consortium being higher than the funding provided by Scottish Government. Cystic Fibrosis medicines have been charged to the NMF for many years, however this year they are charged to acute divisions. Therefore a corresponding budget transfer has been made.

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

- 2.13 Infrastructure and Support Services (ISS) 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 £128.0 million and are £1.7 million underspent after 7 months. ISS delayed £0.5 million of digital spend enabling a return to Board reserves in Month 6.

### **Corporate Services**

- 2.14 Corporate services have budgets of £45.4 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 £3.0 million after 7 months (£2.8 million after 6 months) with Public Health having the largest underspend.



## Centrally Managed Resources

- 2.15 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 £0.2 million underspent at Month 7.

## Reserves

- 2.16 Reserves 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.

The main budgets in reserves awaiting allocation are £7.7 million for Urgent and Unscheduled Care and £6.2 million for the Band 5-6 review.

Reserves are overcommitted due to deficit budgets and are offset by one off benefits such as capital to revenue transfers. Reserves are £0.4 million overcommitted in the year to date and forecast to be £0.6 million overcommitted at the year end.

## 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 Heath Board.

## 2.18 East HSCP

East HSCP is underspent by £0.6 million after seven months (£0.5 million at month 6).

<b>A106 East Hscp</b>	<b>Annual Budget</b>	<b>YTD Budget</b>	<b>YTD Actuals</b>	<b>YTD Variance</b>
Ahps East	£9,109,089	£5,313,636	£5,684,369	(£370,733)
And Com Nursing	£988,444	£576,592	£589,193	(£12,601)
East Business Support	£2,802,960	£1,626,051	£1,347,027	£279,024
East H + C Care	£14,125,261	£8,262,587	£8,415,919	(£153,332)
East Hosted Services	£11,899,629	£6,924,416	£6,703,266	£221,150
East Hscp Apprenticeship Levy	£294,393	£171,729	£159,605	£12,124
East Hscp Children	£4,983,119	£2,906,819	£2,834,642	£72,177
East Hscp Recharge/misc Post	£0	£0	£0	£0
East Local Authority Payments	£22,200,953	£12,798,755	£12,774,757	£23,998
East Mental Health	£5,385,852	£3,141,747	£2,771,022	£370,725
East Partnership Management	£422,636	£246,538	£387,644	(£141,106)
East Primary Care	£47,113,726	£27,075,340	£27,039,554	£35,786
East Turnover Allocation	(£500,000)	(£291,667)	£0	(£291,667)
Ehscp Flat Cash Settlement	£1,125,328	£456,988	£0	£456,988
Primary Care	£138,878,047	£80,568,098	£80,437,244	£130,855
	<b>£258,829,434</b>	<b>£149,777,628</b>	<b>£149,144,240</b>	<b>£633,388</b>

The underspend in East is driven by underspends on AHPs hosted on behalf of Ayrshire as well as a £0.3 million underspend on the Ayrshire Urgent Care Service.

Local Community Mental Health services are also underspent by £0.4 million. Local East AHPs are overspent by £0.35 million following recruitment to alleviate service pressures, and turnover savings targets are also causing overspends.

## 2.19 North HSCP

North HSCP is overspent by £0.75 million after seven months, an improvement of £0.2 million in Month 7.

<b>A107 North Hscp</b>	<b>Annual Budget</b>	<b>YTD Budget</b>	<b>YTD Actuals</b>	<b>YTD Variance</b>
Ahps North	£12,005,259	£7,007,353	£6,749,527	£257,825
Mental Health Services	£72,777,073	£41,666,538	£41,982,221	(£315,683)
Nhscp Flat Cash Settlement	£1,221,055	£583,531	£436,000	£147,531
North Apprenticeship Levy	£401,421	£234,162	£224,393	£9,770
North Business Support	£1,017,275	£590,170	£578,209	£11,961
North Gp Stakeholder	£53,442	£31,175	£38,450	(£7,276)
North H + C Care	£21,870,331	£12,287,863	£13,725,730	(£1,437,867)
North Hosted Services	£608,512	£354,965	£370,827	(£15,862)
North Hscp Children	£5,329,392	£3,099,086	£3,111,764	(£12,678)
North Local Authority Payments	£23,780,358	£13,768,796	£13,768,796	£1
North Mental Health	£6,244,795	£3,650,204	£3,056,820	£593,384
North Partnership Management	£631,092	£368,137	£386,741	(£18,604)
North Primary Care	£53,626,784	£30,724,882	£30,684,841	£40,041
North Retained Profit	£0	£0	(£0)	£0
	<b>£199,566,789</b>	<b>£114,366,861</b>	<b>£115,114,318</b>	<b>(£747,457)</b>

The main areas of overspend are UNPACS external placements £0.75 million, specialist rehab wards (Douglas Grant and Redburn) - £0.1 million and Ward 1 and 2 at Woodland View (£0.4 million).

The North HSCP have a payroll turnover target which is recorded under Hospital and Community Services. This makes this area look overspent, but this target is projected to overachieve by £0.300m. The turnover to achieve this is generated across all non-lead partnership services including those recorded out with Hospital and Community Services e.g. AHPs, local Mental Health, Learning Disability Services and Long-Term Conditions.

The table below is taken from the North IJB Report to their Board on the 13<sup>th</sup> November.

	<b>TOTAL</b>	<b>Health/ NHS AA</b>	<b>Social Care/NAC</b>
Projected Overspend @ mth6	4.957	1.245	3.712
Financial Recovery Plan Projections	(3.353)	(1.244)	(2.109)
<b>Residual Risk</b>	<b>1.604</b>	<b>0.001</b>	<b>1.603</b>

The recovery plan for health assumes an additional £0.838 million (which has not been agreed) for 2024/25 Reduced Working Week funding in addition to the £0.66 million already issued.

## 2.20 South HSCP

South HSCP is underspent by £0.4 million after seven months, an improvement of £0.1 million over month 6.

<b>A108 South Hscp</b>	<b>Annual Budget</b>	<b>YTD Budget</b>	<b>YTD Actuals</b>	<b>YTD Variance</b>
Ahps	£11,364,222	£6,764,183	£6,439,290	£324,893
Int Care + Rehab Moc South	£1,548,800	£903,466	£890,916	£12,551
South Business Support	£3,143,251	£1,790,612	£1,710,551	£80,061
South Covid 19	£0	£0	£35	(£35)
South H + C Care	£14,615,720	£8,711,909	£9,069,394	(£357,486)
South Hosted Services	£4,579,648	£2,639,142	£2,789,912	(£150,770)
South Hscp Children	£3,624,914	£2,114,533	£2,004,104	£110,429
South Hscp Management	£1,583,261	£771,441	£678,469	£92,972
South Local Authority Payments	£19,772,881	£11,999,528	£11,999,528	£0
South Mental Health	£6,028,723	£3,489,983	£3,224,141	£265,842
South Primary Care	£46,739,891	£26,950,836	£26,917,559	£33,277
South Retained Profit	£0	£0	£0	£0
	<b>£113,001,309</b>	<b>£66,135,633</b>	<b>£65,723,899</b>	<b>£411,734</b>

The underspend in South is across most services and particularly in AHPs and Mental Health. Supplementary staffing spend reduced in month 7 and there are vacancies in Children's services. Areas of overspend include the Community Equipment Loan Store (hosted on behalf of Ayrshire) and nursing at Biggart and Girvan hospitals.

## 3 Efficiency and Transformation Programme

3.1 The Efficiency programme for 2025/26 approved by the Board as part of the Revenue Plan is £36.7 million.

### 2025/26 – delivery against the Efficiency target

	Annual Target	Annual Forecast	Forecast Variance	Forecast Recurring	Forecast Non-Recurring	YTD Plan M7	YTD Achieved M7	YTD Variance
Area	£000	£000	£000	£000	£000	£000	£000	£000
Medicine	3,000	888	(2,112)	0	888	1,952	499	(1,453)
Women and Children	1,400	689	(711)	14	675	586	548	(38)
Surgery	4,300	2,746	(1,554)	142	2,604	442	1,969	1,527
Emergency & Trauma	2,000	1,312	(688)	0	1,312	1,118	770	(348)
Clinical Support Services	2,350	899	(1,451)	473	426	453	566	113
Workforce Nursing	2,100	1,464	(636)	0	1,464	888	721	(167)
Workforce Transformation	630	1,452	822	0	1,452	452	812	360
Workforce Medical	1,250	1,649	399	0	1,649	728	1,318	590
Procurement	1,400	741	(659)	739	2	716	59	(657)
Corporate	3,270	3,436	166	2,690	746	2,040	1,682	(358)
Primary Care Prescribing	2,000	1,983	(17)	1,983	0	1,120	1,263	143
Acute Prescribing	2,000	2,000	0	2,000	0	1,236	1,250	14
Infrastructure & Support Services - Corporate	1,950	1,947	(3)	1,847	100	1,126	1,126	0
Infrastructure & Support Services - Operational	900	953	53	953	0	524	477	(47)
Infrastructure & Support Services - Commercial	1,500	0	(1,500)	0	0	0	0	0
East HSCP	2,445	1,862	(583)	1,597	265	1,274	916	(358)
North HSCP	2,170	2,216	46	1,916	300	1,036	1,293	257
South HSCP	2,015	2,015	0	2,015	0	1,176	1,176	0
<b>Total NHS Ayrshire and Arran</b>	<b>36,680</b>	<b>28,252</b>	<b>(8,428)</b>	<b>16,369</b>	<b>11,883</b>	<b>16,867</b>	<b>16,445</b>	<b>(422)</b>

- 3.2 Achievement is £0.4 million behind target after seven months. Due to the lead time in embedding the program the savings trajectory is significantly back loaded, which introduces risk as the year progresses. In order to minimise the deficit it is essential the efficiency programme delivers in full. There is a shortfall in the projected annual achievement of £8.4 million representing the value of savings targets with no plan for delivery at month seven. The largest shortfall is in the Medicine division due to not being able to close unfunded beds.
- 3.3 The forecast for recurring Cash Releasing Efficiency Savings achievement is £16.4 million against the Scottish Government target of £30.2 million. This is a shortfall of £13.8 million, which unless addressed will impact on our position moving into 2026/27 and beyond.
- 3.4 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.
- 3.5 The acute savings forecast for 25/26 currently stands at £11.1 million leaving a gap of £5.9 million savings to find. This is driven by Medicine (£2.1 million), Clinical Support Services (£1.5 million) and Surgery (£1.5 million). Due to the back loaded trajectory of savings, in aggregate acute efficiency savings are £0.6 million ahead of plan at Month 7. This is mainly due to the phasing of surgery savings in the plan, but also because of over performance on workforce transformation and medical workforce savings.

	Annual Target	Annual Forecast	Forecast Variance	Forecast Recurring	Forecast Non-Recurring	YTD Plan M7	YTD Achieved M7	YTD Variance
Area	£000	£000	£000	£000	£000	£000	£000	£000
Medicine	3,000	888	(2,112)	0	888	1,952	499	(1,453)
Women and Children	1,400	689	(711)	14	675	586	548	(38)
Surgery	4,300	2,746	(1,554)	142	2,604	442	1,969	1,527
Emergency & Trauma	2,000	1,312	(688)	0	1,312	1,118	770	(348)
Clinical Support Services	2,350	899	(1,451)	473	426	453	566	113
Workforce Nursing	2,100	1,464	(636)	0	1,464	888	721	(167)
Workforce Transformation	630	1,452	822	0	1,452	452	812	360
Workforce Medical	1,250	1,649	399	0	1,649	728	1,318	590
<b>Total Acute</b>	<b>17,030</b>	<b>11,099</b>	<b>(5,931)</b>	<b>629</b>	<b>10,470</b>	<b>6,619</b>	<b>7,203</b>	<b>584</b>

#### 4. RISKS AND MITIGATIONS

	Best £M	Likely £M	Worst £M
Forecast at M7	(40.2)	(40.2)	(40.2)
GGC additional SLA Charges	(2.8)	(2.8)	(2.8)
Primary Care Prescribing	4.0	3.0	2.0
TAVI	0.0	(0.2)	(0.5)
AFC Reform Funding	0.8	0.0	(0.8)
Asset Disposal	1.5	0.0	0.0
Value Based Efficiency	1.0	0.0	(3.3)
HSCP Overspends	0.0	0.0	(1.0)
CNORIS	1.0	0.0	(1.0)
ISS Underspend	1.0	0.0	0.0
Corporate	0.5	0.0	(0.5)
New Medicines	0.0	0.0	(1.0)
Annual Leave Accrual	0.0	0.0	(3.0)
<b>Forecast</b>	<b>(33.2)</b>	<b>(40.2)</b>	<b>(52.1)</b>

- 4.1 Greater Glasgow and Clyde have notified an increase of £2.8 million in the Service Level Agreement value for 2025/26. This is in excess of the nationally agreed uplift value. Likelihood: Very High. Value - £2.8 million in 2025/26 and £5.6 million recurring. Offset in our position by £3.0 million of forecast Primary Care prescribing underspend.
- 4.2 A forecast £3.0 million underspend on Primary Care prescribing has been used to offset the above noted SLA pressures from Greater Glasgow and Clyde Health Board. Likelihood High. Value - £3.0 million.
- 4.3 The number of Transcatheter Aortic Valve Implantation (TAVI) procedures carried out by Golden Jubilee National Hospital on our behalf was 29 at the end of July and 33 at the end of October. At this rate we would use 56 by year end. We have resource for 49 per annum. 7 extra cases cost £0.2 million.
- 4.4 The regrading of some Band 5 nurses to Band 6 is part of an ongoing process. We estimate £2.0 million will be available non recurrently through unused reserves. This is in our forecast position. Based on a 20% possible variation on spend estimates, a £0.8 million risk or benefit is included in Best/Worst scenarios. Likelihood indeterminate at this stage.
- 4.5 Operational pressure and patient care/safety may preclude parts of the efficiency programme delivery during Winter, which is when higher savings have been planned. Rating: High. – Value: £3.3 million.
- 4.6 IJBs may overspend health budgets and require Health Board support. Recovery plans are in place but may not fully offset overspends. Likelihood: High. Value: £1.0 million.
- 4.7 A budget of £5.5 million is held for clinical negligence claims settlement in line with national planning assumptions. Settlements are uncertain. Risk Medium. Value: £1.0 million in each direction.
- 4.8 The value of the annual leave accrual at March 2026 compared to March 2025 is not yet known. Risk High. Value: Up to £3 million which can be mitigated by minimising the annual leave carried forward by staff into next year.

## **5 CONCLUSION**

- 5.1 The Board is £20.9 million overspent after 7 months. The year end forecast is a £40.2 million overspend. It is essential the Board takes all appropriate available actions to minimise this deficit.

## Annex A Savings Programme

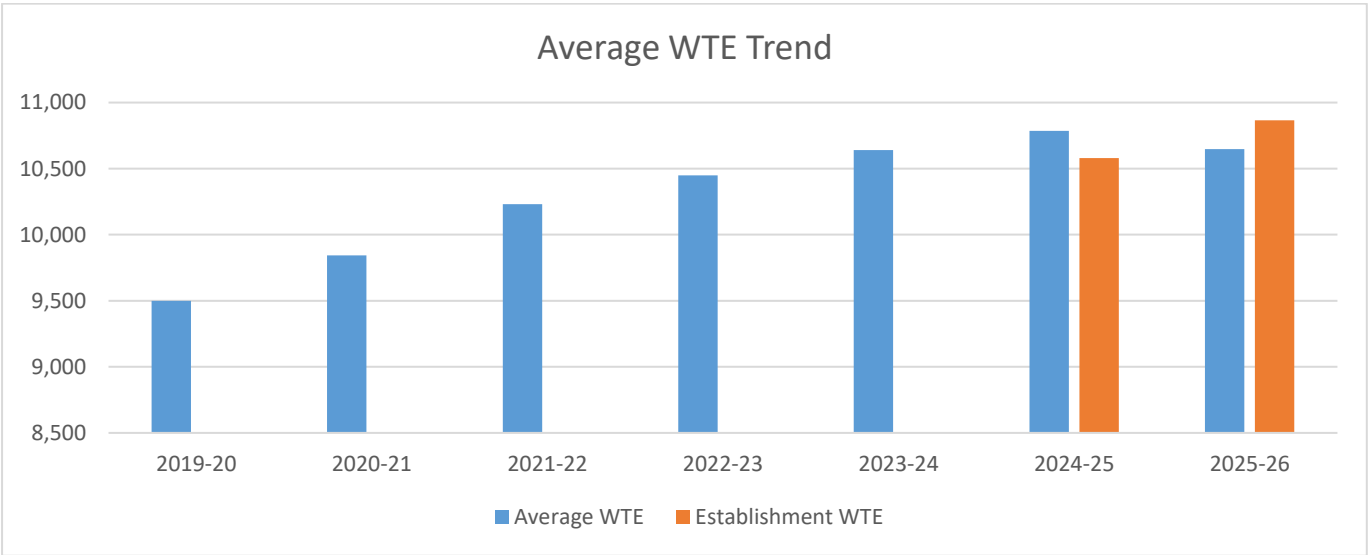
Workstream	Year to Date R/NR (M7)			Annual Forecast Against Plan				Recurrent Position						
	Plan	Actual	Variance	Original Plan	Current Schemes Identified	Forecast R/NR CY	Variance to Annual Plan	Annual Plan	Plan YTD	Actual YTD	Variance YTD	Rest of year forecast	Plan Forecast	Variance (Annual Plan to Plan Forecast )
Medicine	1.952	0.498	-1.454	3.000	3.000	0.888	-2.112	3.000	0.000	0.000	0.000	0.000	0.000	-3.000
Women and Children	0.587	0.548	-0.039	1.400	1.214	0.689	-0.711	1.400	0.077	0.010	-0.067	0.004	0.014	-1.386
Surgery	0.443	1.970	1.527	4.300	2.039	2.747	-1.553	4.000	0.001	0.000	0.000	0.142	0.142	-3.858
Emergency & Trauma	1.118	0.771	-0.347	2.000	2.010	1.312	-0.688	2.000	0.000	0.000	0.000	0.000	0.000	-2.000
Clinical Support Services	0.450	0.565	0.115	2.350	0.995	0.899	-1.451	2.100	0.240	0.276	0.036	0.197	0.473	-1.627
Workforce Nursing	0.888	0.721	-0.167	2.100	1.623	1.464	-0.637	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total</b>	<b>5.438</b>	<b>5.072</b>	<b>-0.366</b>	<b>15.150</b>	<b>10.881</b>	<b>7.998</b>	<b>-7.152</b>	<b>12.500</b>	<b>0.318</b>	<b>0.286</b>	<b>-0.032</b>	<b>0.343</b>	<b>0.629</b>	<b>-11.871</b>
Workforce Transformation	0.452	0.812	0.360	0.630	1.092	1.452	0.822	0.130	0.000	0.000	0.000	0.000	0.000	-0.130
Workforce Medical	0.729	1.320	0.591	1.250	1.250	1.649	0.399	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Procurement	0.717	0.059	-0.658	1.400	1.400	0.742	-0.659	1.400	0.715	0.057	-0.658	0.683	0.739	-0.661
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	2.038	1.680	-0.358	3.270	3.170	3.436	0.166	2.790	1.558	1.558	0.000	1.133	2.690	-0.100
Infrastructure & Support Services - Corporate	1.125	1.125	0.000	1.950	1.953	1.947	-0.003	1.850	1.075	1.075	0.000	0.772	1.847	-0.003
Primary Care Prescribing	1.120	1.263	0.143	2.000	2.000	1.983	-0.017	2.000	1.120	1.263	0.143	0.720	1.983	-0.017
Acute Prescribing	1.237	1.248	0.011	2.000	1.990	2.000	0.000	2.000	1.237	1.248	0.011	0.752	2.000	0.000
Infrastructure & Support Services - Operational	0.526	0.479	-0.047	0.900	0.900	0.953	0.053	0.900	0.526	0.479	-0.047	0.474	0.953	0.053
<b>Total</b>	<b>7.944</b>	<b>7.986</b>	<b>0.042</b>	<b>14.900</b>	<b>15.255</b>	<b>14.161</b>	<b>-0.739</b>	<b>11.070</b>	<b>6.231</b>	<b>5.679</b>	<b>-0.551</b>	<b>4.533</b>	<b>10.212</b>	<b>-0.858</b>
East HSCP	1.2722	0.915	-0.357	2.445	2.181	1.862	-0.583	2.445	1.118	0.760	-0.357	0.837	1.597	-0.848
North HSCP	1.0366	1.293	0.256	2.170	1.776	2.216	0.046	2.170	1.037	1.118	0.081	0.798	1.916	-0.254
South HSCP	1.1754	1.175	0.000	2.015	2.015	2.015	0.000	2.015	1.175	1.175	0.000	0.840	2.015	0.000
<b>Total</b>	<b>3.484</b>	<b>3.383</b>	<b>-0.101</b>	<b>6.630</b>	<b>5.972</b>	<b>6.093</b>	<b>-0.537</b>	<b>6.630</b>	<b>3.330</b>	<b>3.053</b>	<b>-0.276</b>	<b>2.475</b>	<b>5.528</b>	<b>-1.102</b>
<b>Grand Total</b>	<b>16.866</b>	<b>16.441</b>	<b>-0.425</b>	<b>36.680</b>	<b>32.108</b>	<b>28.253</b>	<b>-8.427</b>	<b>30.200</b>	<b>9.878</b>	<b>9.019</b>	<b>-0.860</b>	<b>7.351</b>	<b>16.370</b>	<b>-13.830</b>

## Annex B - Workforce and Performance Information

### Annex B: Key workforce data

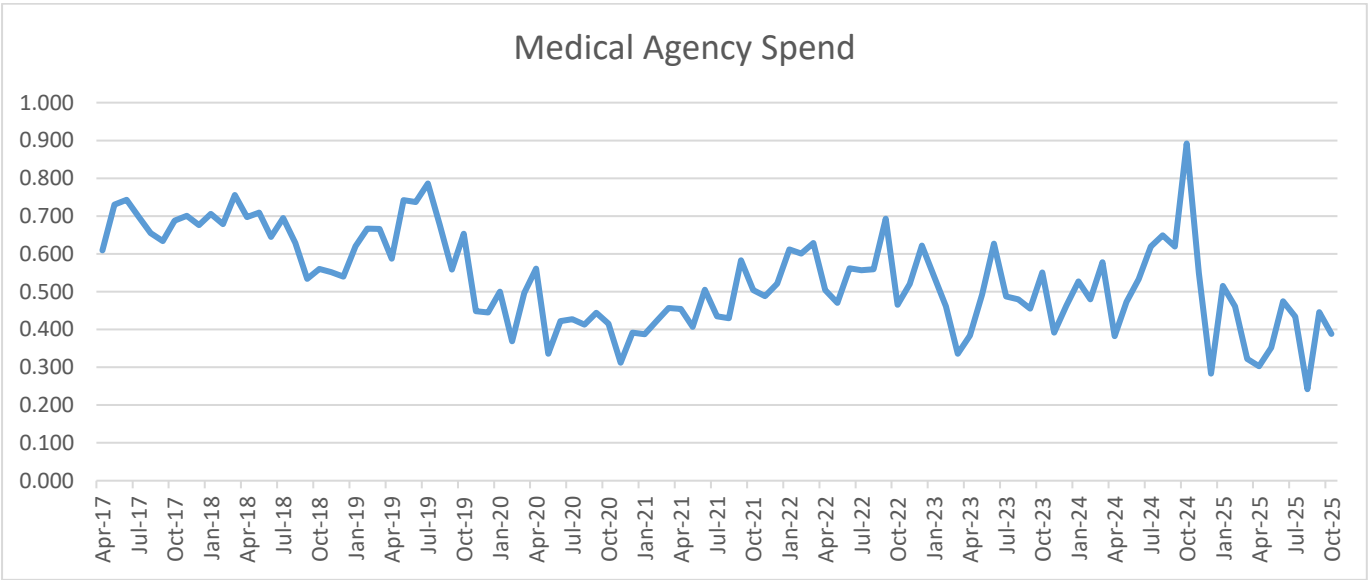
#### Key points:

- There has been an increase in staffing since 2020/2021, but 2025/26 shows a reduction in the year so far.
- Medical agency spend has been broadly static since April 2021.
- Nursing agency spend has been on an overall downward trend since October 2024.



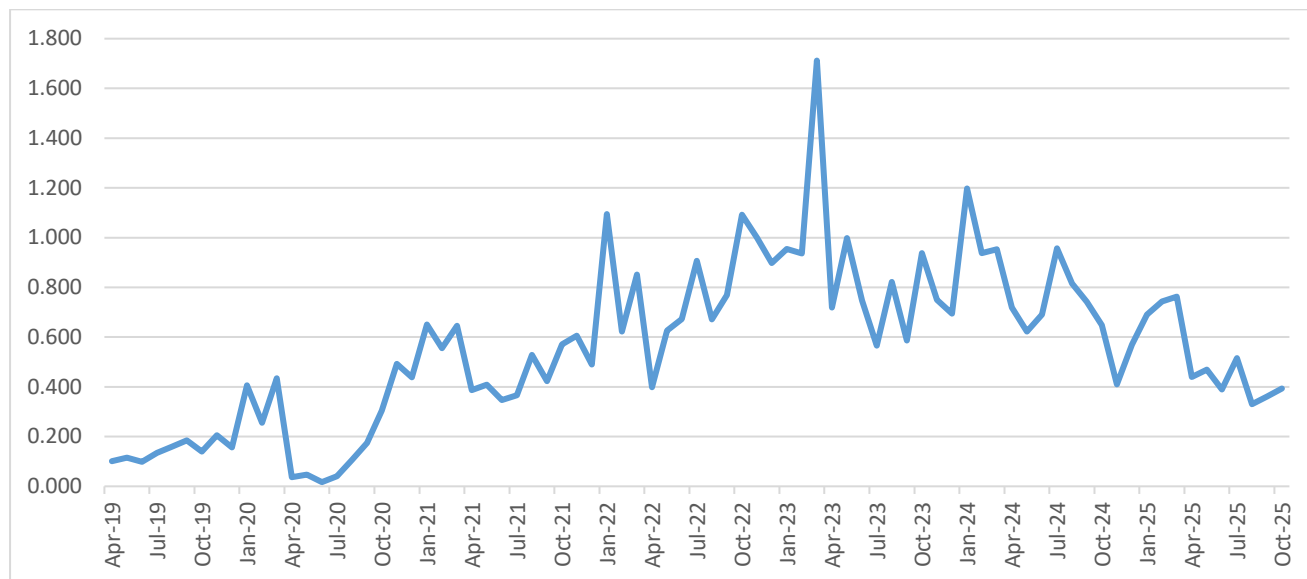
### Medical Agency Trend

Agency medical costs are mainly for Consultants. They were £2.6 million in the first seven months of 2025/26 which is a reduction of £1.5 million on the first seven months of last year.

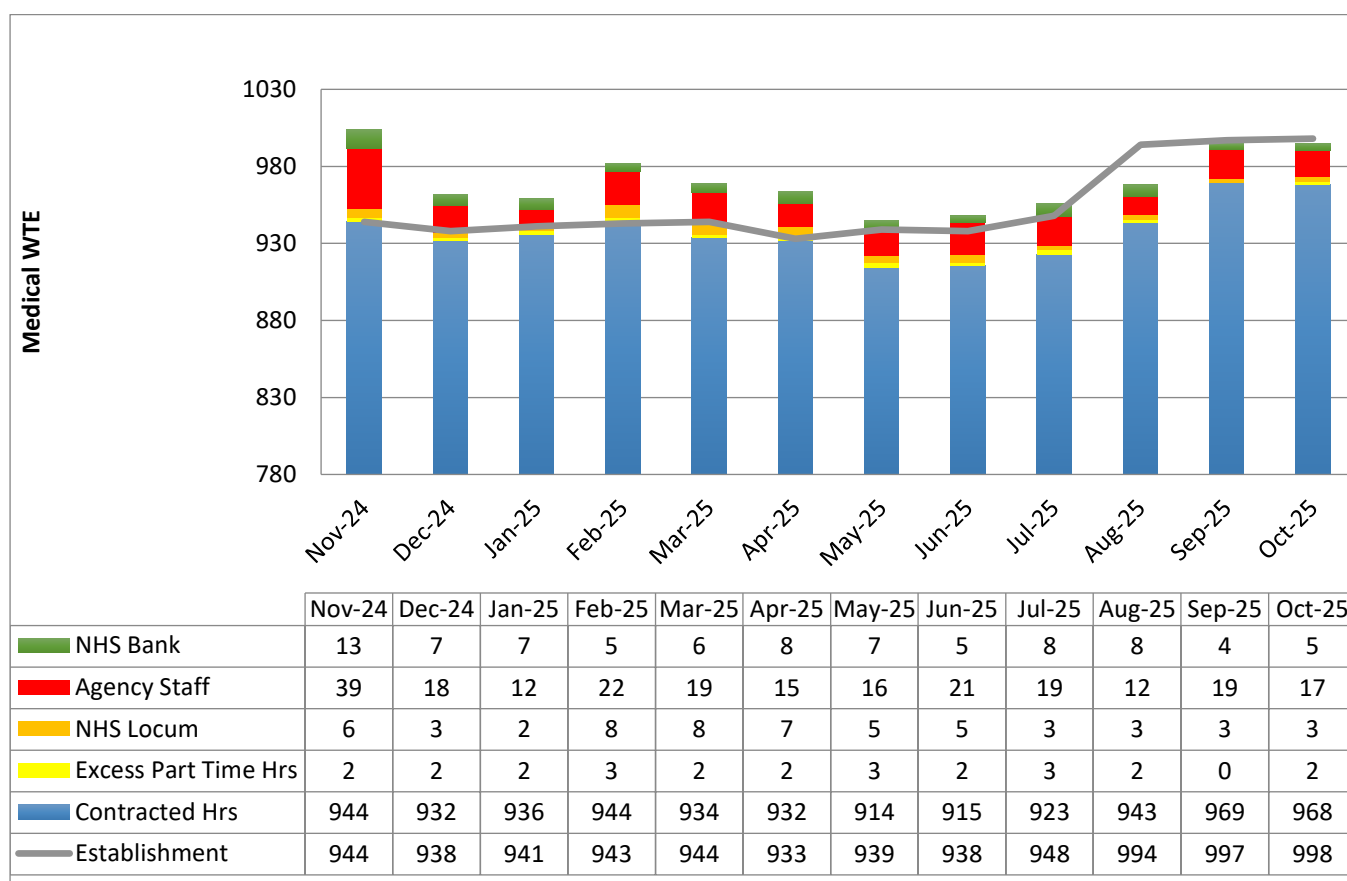


## Nusing Agency Trend

Agency Nurse costs have reduced by £2.3 million in the first seven months of 2025/26 compared with the first seven months of 2024/25. However bank nursing costs have risen to offset this. Almost half of the entire nursing agency spend is in Crosshouse A&E, CAU and the Orthopaedic Trauma Wards.

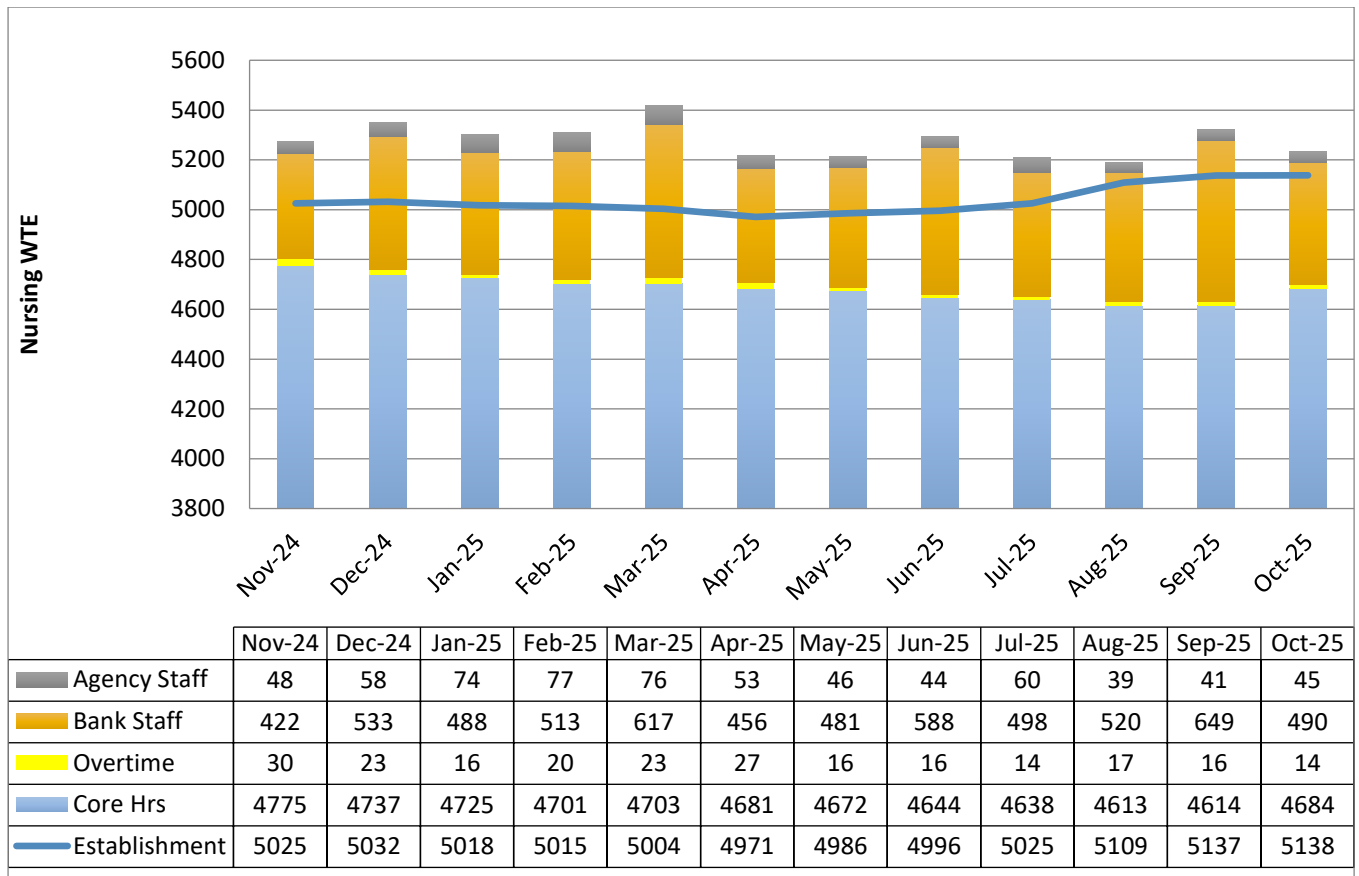


## Medical Staffing breakdown



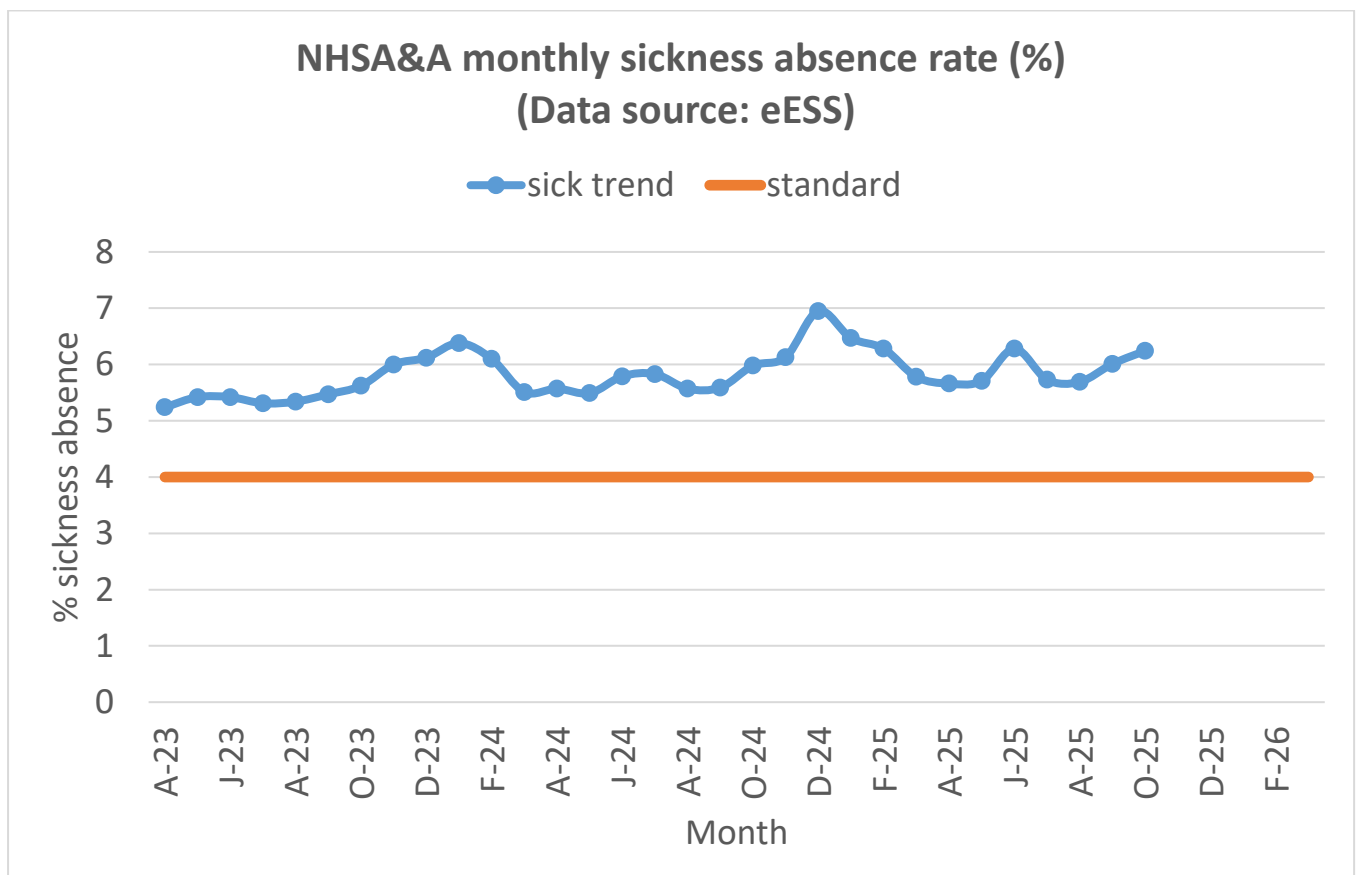


## Nursing Staff breakdown



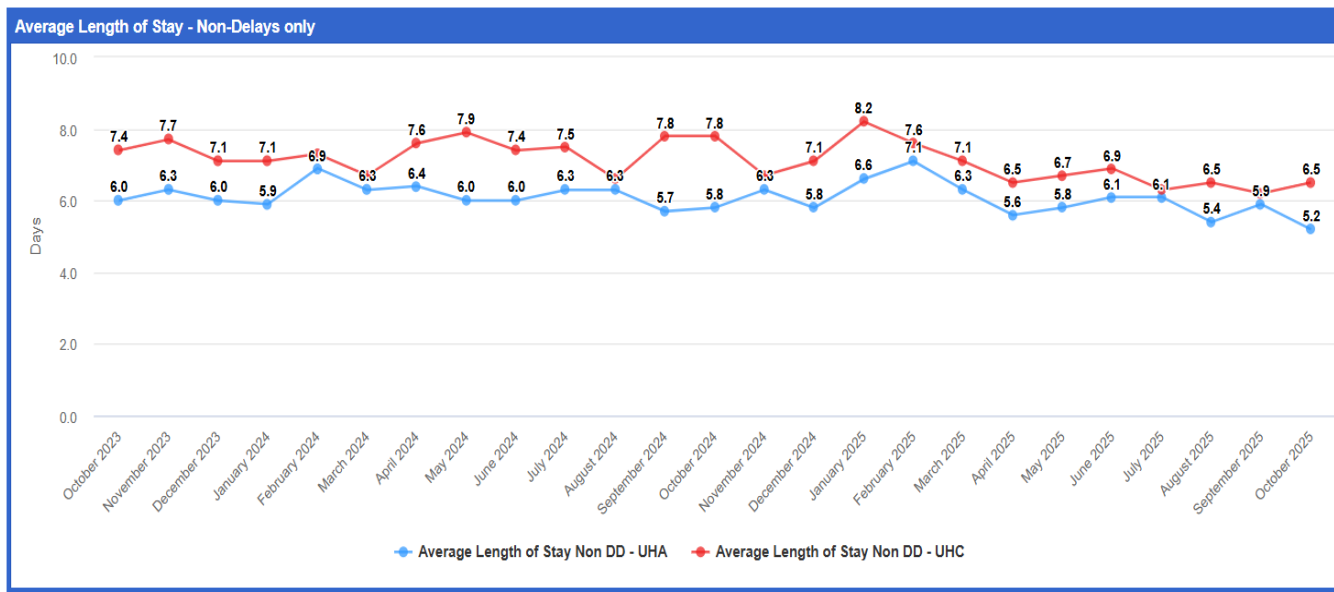
## Sickness Absence

The local target level of sickness absence is 5.15% for the year. The absence rate rose to 6.24% in October.

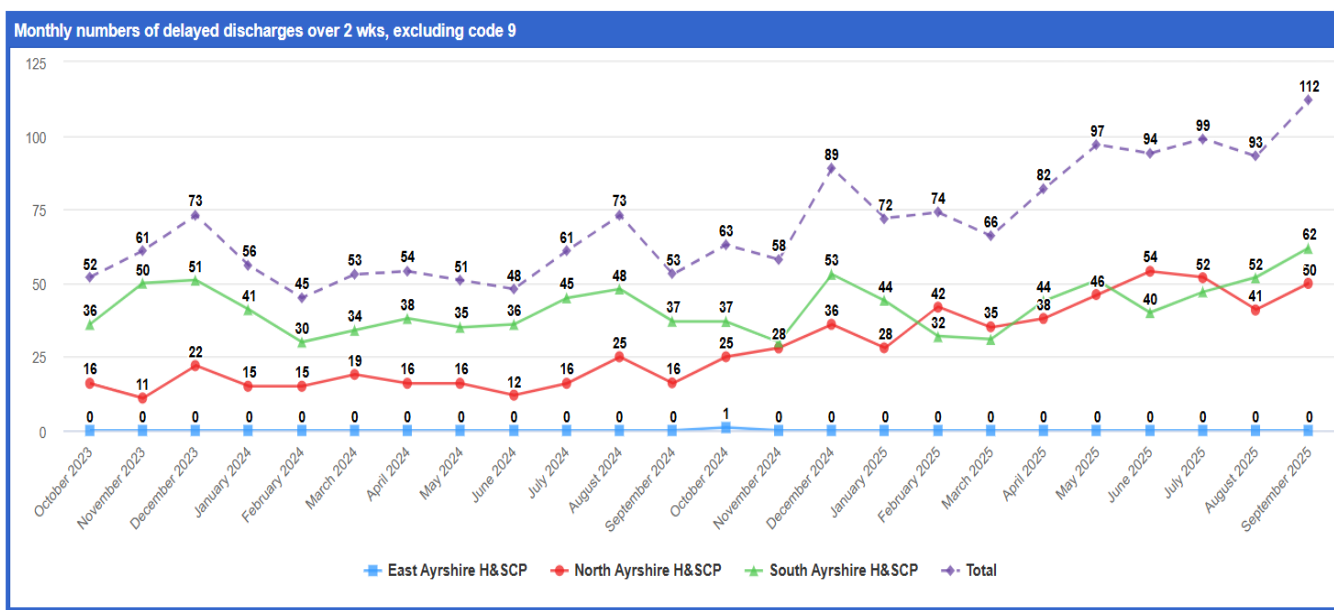


## Annex C: Selected Performance Indicators

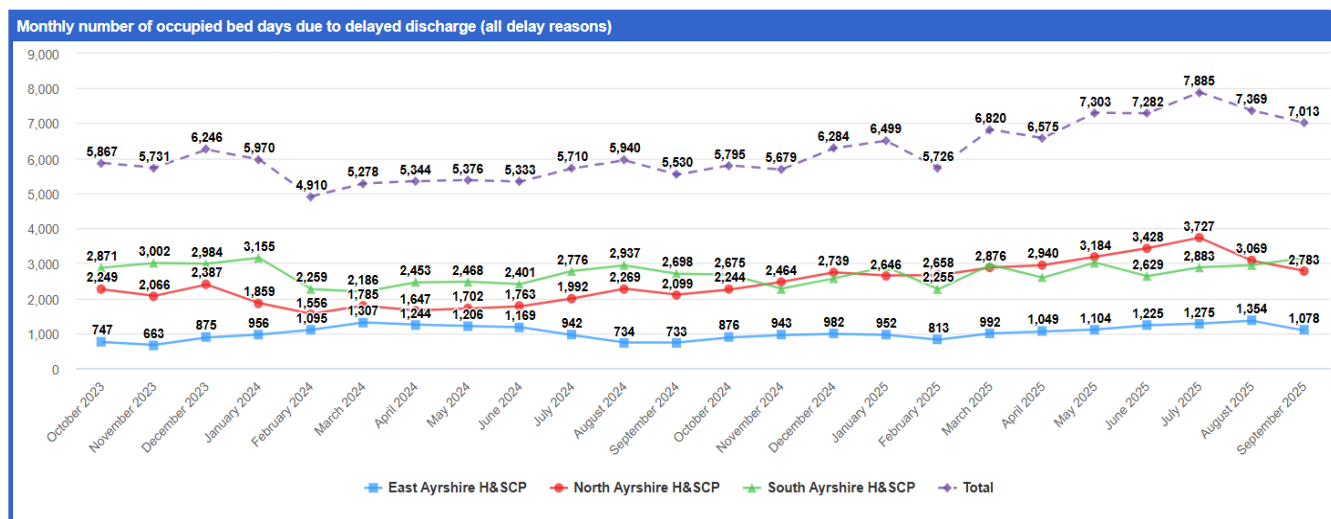
The ALOS for Non-Delayed has fallen from January levels. It has fallen from 8.2 days at UHC and 6.6 days at UHA to 6.6 and 5.2 days respectively.



The number of delayed discharges rose steeply in April and May following reductions from January to March 2025. They were then broadly static until September when they rose from 93 to 112.



The number of bed days occupied by Delayed Discharges has increased by 10,194 over the same period last year. This is an increase of 31%. The increase in cost at £275 per bed day is £2.8 million in six months.



**East Ayrshire H&SCP**

September 2025 result

**1,078**

**North Ayrshire H&SCP**

September 2025 result

**2,783**

**South Ayrshire H&SCP**

September 2025 result

**3,152**

**All Ayrshire Residents**

September 2025 result

**7,013**

At a variable bed day cost of £275 per day the 43,427 bed days lost to delayed discharges from April to September cost £11.9 million.