

NHS Ayrshire & Arran



Meeting: NHS Board meeting

Meeting date: Monday 9 February 2026

Title: Financial Management Report for the nine months to 31 December 2025

Responsible Director: Derek Lindsay – Director of Finance

Report Author: Rob Whiteford – Assistant Director of Finance

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 having received £22.5 million of sustainability funding.

The Board have overspent by £26.3 million excluding Health and Social Care Partnerships at the end of December 2025.

This includes £22.5 million of sustainability funding received at the beginning of this financial year.

The Board projects a deficit of £40.2 million.

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 £27.3 million overspent after nine 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 £1.0 million underspent in aggregate.
- Efficiency savings are profiled aligned to delivery plans. The programme is therefore significantly back loaded, particularly in acute services. This is a high-risk position as operational challenges are experienced in Winter.

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 £27.9 million in total however only £16.0 million is recurrent.
- £20.8 million of savings were delivered by the end of month nine, which was £1.5 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 9

Appendix A

NHS Ayrshire and Arran – Finance Report December 2025

1. Overall Financial Position

1.1 The Board is £27.3 million overspent after nine 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 M9 £000 |
|---------------------------------------|--------------------|-----------------|----------------|-----------------|--------------------------|
| Acute | 495,753 | 369,757 | 395,284 | (25,527) | (36,156) |
| Acute Legacy Cres | (2,294) | (1,721) | 0 | (1,721) | (2,294) |
| New Medicine Fund | 15,674 | 11,755 | 17,811 | (6,056) | (8,826) |
| Pharmacy | 13,187 | 10,076 | 10,348 | (272) | (363) |
| UNPACs | 1,500 | 1,125 | 521 | 604 | 841 |
| Acute and Clinical Services | 523,820 | 390,992 | 423,964 | (32,972) | (46,798) |
| ISS (Operational) | 73,595 | 54,705 | 52,619 | 2,086 | 2,429 |
| ISS (Corporate) | 54,245 | 36,593 | 36,771 | (178) | (329) |
| Corporate Services | 45,954 | 34,319 | 30,667 | 3,652 | 4,867 |
| Non Clinical Support | 173,794 | 125,617 | 120,057 | 5,560 | 6,967 |
| Centrally Managed Resources | 4,695 | 187 | 118 | 69 | (420) |
| Reserves | 17,528 | 38 | 0 | 38 | 51 |
| Centrally Managed | 22,223 | 225 | 118 | 107 | (369) |
| NHS A&A Health Board Total | 719,837 | 516,834 | 544,139 | (27,305) | (40,200) |
| East Hscp | 258,548 | 194,320 | 193,209 | 1,111 | 0 |
| North Hscp | 199,189 | 147,855 | 148,493 | (638) | 0 |
| South Hscp | 112,744 | 85,035 | 84,500 | 535 | 0 |
| NHS A&A Total inc HSCPs | 1,290,318 | 944,044 | 970,341 | (26,297) | (40,200) |

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 £16.0 million recurring savings and £27.9 million in total.

1.2 Scottish Government Allocations

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

| Description | Baseline Recurring £000 | Non-recurring £000 | Earmarked Recurring £000 | Total £000 |
|--|-------------------------|--------------------|--------------------------|------------------|
| Baseline Allocation | 1,006,572 | 0 | 0 | 1,006,572 |
| Recurring Allocation from 24/25 | 23,607 | 0 | 0 | 23,607 |
| In year allocations at 30 November | 21,857 | 40,676 | 91,858 | 154,391 |
| Open University backfill - Q1&2 academic year 25/26 | 0 | 213 | 0 | 213 |
| Centre for excellence for children's care and protection - NSS | 9 | 0 | 0 | 9 |
| Resident Doctors 25-26 Pay Award - Tranche 2 | 499 | 0 | 0 | 499 |
| Systemic anti-cancer therapy and acute oncology services | 132 | 0 | 0 | 132 |
| Improving flow - NHS renewal | 869 | 0 | 0 | 869 |
| Allocations at 31 December | 1,052,677 | 41,757 | 91,858 | 1,186,292 |

In December we received £0.869 million in respect of the £6.0 million allocation for Improving Flow funds. Not yet allocated is £5.131 million. A further £1.68 million for Hospital at Home remains to be allocated.

These funds will be reimbursed on delivery of agreed activity and outcomes. Similarly further planned care funds, in addition to those already received, will be issued when performance targets are met.

Other allocations received in December included £0.5 million for the resident doctor pay award.

2. Acute Services – analysis by cost category

2.1 The annual budget for Acute Services is £495.8 million. The directorate is overspent by £25.5 million against its year-to-date budget. The in-month overspend was £3.0 million, £0.5 million less than in month 8.

| M9 Category | Annual Budget £000 | YTD Budget £000 | YTD Actual £000 | Variance £000 | In Month Variance £ |
|------------------------|--------------------|-----------------|-----------------|-----------------|---------------------|
| Pay | 371,766 | 276,252 | 288,065 | (11,813) | (1,276) |
| Non Pay | 76,281 | 57,132 | 64,719 | (7,587) | (1,036) |
| Purchase of Healthcare | 98,938 | 72,316 | 72,368 | (52) | 134 |
| Hch Income | (39,090) | (28,640) | (29,329) | 689 | 128 |
| Other Operating Income | (506) | (366) | (538) | 173 | 123 |
| Savings | (11,636) | (6,937) | 0 | (6,937) | (1,114) |
| Total | 495,753 | 369,757 | 395,285 | (25,527) | (3,041) |

2.2 Pay is £11.8 million overspent in the year to date and £1.3 million overspent in the month.

- Nursing pay is £8.7 million overspent and was £1.1 million over in Month 9. Within this is £5.2 million on unfunded acute wards shown below which remain open.

| Unfunded ward | YTD |
|---------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Overspend at Month 9 | Overspend at Month 8 | Overspend at Month 7 | Overspend at Month 6 | Overspend at Month 5 | Overspend at Month 4 | Overspend at Month 3 |
| | £000 | £000 | £001 | £000 | £000 | £000 | £000 |
| Ward 5D | 1674 | 1481 | 1307 | 1121 | 923 | 739 | 555 |
| Ward 3F | 768 | 757 | 668 | 581 | 482 | 391 | 297 |
| Station 3 | 1291 | 1145 | 1010 | 868 | 700 | 526 | 406 |
| Station 12 | 779 | 690 | 594 | 497 | 405 | 317 | 196 |
| Station 8 | 719 | 646 | 576 | 498 | 406 | 309 | 230 |
| Total | 5,230 | 4,719 | 4,155 | 3,564 | 2,916 | 2,283 | 1,684 |

The spend in month 9 on unfunded wards was £0.5 million and follows a regular pattern each month. These are not the only additional beds opened, they are the discrete wards open without funding.

- Medical pay is £4.4 million overspent after 9 months having been £4.0 million over at Month 8. This is mainly driven by the excess costs of consultant medical agency, and by excess payments to junior doctors for non-compliant rotas.
- Medical consultant agency costs amount to around £3.4 million which are only partially offset by the vacant posts which they are filling. This results in a resulting in a £1.7 million overspend. Consultant A&E costs in Crosshouse are also overspent by £0.6 million. Resident doctors' non-compliant rotas result an overspend of £1 million. The £0.8 million cost of resident doctors from Glasgow bank at escalated rates also results in an overspend. The skill mix of resident doctors has also become 'richer' in certain specialties with more experienced doctors in the anaesthetics specialty resulting in an overspend of around £0.4 million. The additional pressures on our 'front doors' with patients unable to flow through the hospital has resulted in additional unfunded resident doctors being required in our assessment units at a cost of £0.5 million.

2.3 Supplies and services are £7.6 million overspent (Month 8 - £6.5 million):

| Non Pay Category | Annual Budget | YTD Budget | YTD Actual | YTD Variance | Month 9 Variance |
|----------------------------|---------------|---------------|---------------|----------------|------------------|
| | £000 | £000 | £000 | £000 | £000 |
| Cssd/diagnostic Supplies | 5,663 | 4,243 | 5,572 | (1,329) | (199) |
| Drugs | 30,016 | 22,404 | 23,440 | (1,035) | (159) |
| Equipment | 3,572 | 2,431 | 3,876 | (1,444) | (149) |
| Hotel Services | 1,672 | 1,245 | 2,082 | (837) | (115) |
| Other Admin Supplies | 2,224 | 1,663 | 2,074 | (411) | (88) |
| Other Supplies | 4,694 | 3,380 | 3,887 | (507) | (105) |
| Other Therapeutic Supplies | 6,073 | 4,879 | 5,217 | (338) | (6) |
| Property | 74 | 59 | 168 | (108) | (3) |
| Surgical Sundries | 22,292 | 16,825 | 18,402 | (1,576) | (161) |
| Total | 76,280 | 57,129 | 64,718 | (7,585) | (985) |

- Diagnostic Supplies are £1.3 million overspent due with volume increases in managed service contracts and higher charges from NHS Greater Glasgow and Clyde.
- Medicines are £1.0 million over budget due in part to the increased costs of monoclonal antibodies over previously available treatments.
- Surgical Sundries are £1.6 million overspent. £0.75 million of this is on insulin pumps which is within the medicine division.
- Equipment is £1.4 million overspent. £0.6 million is in Labs & Diagnostics and £0.5 million in the Surgical division.
- Taxi services and private ambulance provision are £0.8 million overspent.
- Other Therapeutic Supplies are £0.3 million overspent due to laboratories and diagnostics contrast media for CT scans and radio isotopes for nuclear medicine.

2.4 Acute Service – analysis by department

| Directorate | Annual Budget | YTD Budget | YTD Actual | Variance | In Month Variance |
|----------------------|----------------|----------------|----------------|-----------------|-------------------|
| | £000 | £000 | £000 | £000 | £000 |
| Medicine | 88,988 | 66,480 | 77,391 | (10,911) | (1,296) |
| Emergency Crosshouse | 43,645 | 32,757 | 38,267 | (5,510) | (817) |
| Emergency Ayr | 18,032 | 13,582 | 17,001 | (3,419) | (412) |
| Surgery | 135,233 | 101,814 | 105,265 | (3,451) | (403) |
| Labs & Diagnostics | 48,244 | 36,340 | 39,130 | (2,790) | (89) |
| Women and Children | 49,918 | 37,339 | 39,311 | (1,972) | (224) |
| Other | 111,693 | 81,445 | 78,920 | 2,526 | 200 |
| Total | 495,754 | 369,756 | 395,284 | (25,528) | (3,042) |

2.5 Medicine is overspent by £10.9 million after 9 months, having been £9.6 million over in Month 8. The “active wards” occupied by delayed discharge patients are not funded and wards intended to be open only in winter have been open all year as listed in paragraph 2.2 at a cost of £5.2 million. 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 November 2025, there were 56,608 bed days lost to delayed discharges (all reasons including < 14 days). The targeted use of additional funding for urgent and unscheduled care is intended to reduce this. This is a very high level compared with previous years and represents a financial cost of £15.8 million in eight months based on a variable cost per bed day of £275. A recent Audit Scotland report quoted the full cost of a bed day including overheads as £618. Using this figure the cost to NHS Ayrshire and Arran is £35.6 million.

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 £8.9 million – an increase of £1.2 million over month 8. £3.4 million of the year to date overspend is at University Hospital Ayr and £5.5 million at University Hospital Crosshouse. Ward 5A which was unfunded last

year is funded in 2025/26, however orthopaedic trauma wards are overspent by £0.76 million. A&E and CAUs have additional medical and nursing staff above establishment resulting in an overspend of £2.9 million.

2.9 Surgery are £3.5 million overspent. £1.9 million of the £3.5 million overspend has been incurred in the last three months. The accelerated worsening financial position is largely due to the phasing of savings being “backloaded” in the second half of the year.

2.10 Labs and Diagnostics are £2.8 million overspent in the year to date but only £0.1 million in the month. The year-to-date position 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 £2.0 million overspent after 9 months. 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 £6.0 million after 9 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.

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 £127.8 million and are £1.9 million underspent after 9 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 £46.0 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 £3.65 million after 9 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 £0.07 million underspent at Month 9.

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 £6.9 million for Improving Flow/Hospital at Home and £6.2 million for the Band 5-6 review.

Reserves are overcommitted due to deficit budgets which are offset by one off benefits such as capital to revenue transfers.

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 £1.1 million after nine months (£1.0 million at month 8).

| East Hscp | Annual Budget | YTD Budget | YTD Actuals | YTD Variance |
|-------------------------------|----------------------|---------------------|---------------------|---------------------|
| Ahps East | £9,109,089 | £6,831,817 | £7,294,537 | (£462,720) |
| And Com Nursing | £988,443 | £741,333 | £755,910 | (£14,577) |
| East Business Support | £2,802,960 | £2,096,455 | £1,742,503 | £353,952 |
| East H + C Care | £14,528,249 | £10,922,634 | £10,762,624 | £160,010 |
| East Hosted Services | £12,091,133 | £9,046,449 | £8,662,879 | £383,570 |
| East Hscp Apprenticeship Levy | £294,393 | £220,795 | £205,116 | £15,678 |
| East Hscp Children | £5,003,119 | £3,752,339 | £3,632,701 | £119,638 |
| East Hscp Recharge/misc Post: | £0 | £0 | £0 | £0 |
| East Local Authority Payments | £22,200,953 | £16,454,884 | £16,423,793 | £31,091 |
| East Mental Health | £5,385,852 | £4,039,389 | £3,557,113 | £482,276 |
| East Partnership Management | £422,636 | £316,977 | £487,611 | (£170,633) |
| East Primary Care | £46,771,726 | £35,078,795 | £35,017,158 | £61,637 |
| East Turnover Allocation | (£500,000) | (£375,000) | £0 | (£375,000) |
| EHscp Flat Cash Settlement | £571,333 | £421,347 | £0 | £421,347 |
| Primary Care | £138,878,047 | £104,767,463 | £104,662,597 | £104,866 |
| Wsi - Each E | £0 | £1,559 | £1,559 | £0 |
| Wsi - Rehab + Reablement E | £0 | £3,135 | £3,135 | £0 |
| | £258,547,932 | £194,320,370 | £193,209,235 | £1,111,135 |

The underspend in East is driven by underspends on Community Mental Health Teams which are underspent by £0.5 million, lead AHP services which are £0.3 million underspent, Dental services which are £0.4 million underspent and AUCS which is £0.2 million underspent. East local AHPs are £0.4 million overspent as a result of recruitment to alleviate service pressures.

2.19 North HSCP

North HSCP is overspent by £0.64 million after nine months, with no material variance in Month 9.

| North Hscp | Annual Budget | YTD Budget | YTD Actuals | YTD Variance |
|--------------------------------|---------------------|---------------------|---------------------|-------------------|
| Ahps North | £12,005,259 | £9,006,515 | £8,633,469 | £373,046 |
| Arran Montrose House | £11,836 | £11,836 | £11,836 | £0 |
| Mental Health Services | £72,667,731 | £53,892,422 | £54,236,638 | (£344,216) |
| Nhscp Flat Cash Settlement | £1,405,055 | £757,076 | £436,000 | £321,076 |
| North Apprenticeship Levy | £401,421 | £301,066 | £287,821 | £13,245 |
| North Business Support | £1,017,275 | £759,716 | £739,036 | £20,680 |
| North Gp Stakeholder | £53,442 | £40,082 | £49,436 | (£9,354) |
| North H + C Care | £21,770,331 | £15,811,926 | £17,609,568 | (£1,797,641) |
| North Hosted Services | £608,512 | £456,384 | £493,277 | (£36,893) |
| North Hscp Children | £5,349,392 | £4,012,044 | £4,005,393 | £6,651 |
| North Local Authority Payments | £23,768,523 | £17,692,178 | £17,692,177 | £1 |
| North Mental Health | £6,236,931 | £4,693,461 | £3,936,042 | £757,419 |
| North Partnership Management | £631,092 | £473,319 | £484,301 | (£10,982) |
| North Primary Care | £53,261,984 | £39,946,488 | £39,877,523 | £68,966 |
| North Retained Profit | £0 | £0 | (£0) | £0 |
| | £199,188,783 | £147,854,514 | £148,492,518 | (£638,004) |

The main areas of overspend are UNPACS external placements (£1m) and wards at Woodland View. These required supplementary staffing and high levels of constant observations.

The North HSCP have a payroll turnover target which is recorded under Hospital and Community Services. This makes this area look overspent; however the target is projected to overachieve. 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.

2.20 South HSCP

South HSCP is underspent by £0.5 million after nine months, with no material variance in month 9.

| South Hscp | Annual Budget | YTD Budget | YTD Actuals | YTD Variance |
|--------------------------------|---------------------|--------------------|--------------------|-----------------|
| Ahps | £11,498,247 | £8,707,334 | £8,281,050 | £426,284 |
| Int Care + Rehab Moc South | £1,548,800 | £1,161,600 | £1,130,371 | £31,229 |
| South Business Support | £3,143,251 | £2,345,896 | £2,189,873 | £156,023 |
| South Covid 19 | £0 | £0 | £35 | (£35) |
| South H + C Care | £14,661,165 | £11,112,216 | £11,603,225 | (£491,009) |
| South Hosted Services | £4,579,648 | £3,393,883 | £3,575,755 | (£181,872) |
| South Hscp Children | £3,644,914 | £2,733,686 | £2,572,986 | £160,700 |
| South Hscp Management | £1,586,382 | £986,820 | £873,537 | £113,283 |
| South Local Authority Payments | £19,599,155 | £15,231,695 | £15,231,695 | (£0) |
| South Mental Health | £6,035,626 | £4,526,395 | £4,263,777 | £262,618 |
| South Primary Care | £46,446,691 | £34,835,018 | £34,777,703 | £57,315 |
| South Retained Profit | £0 | £0 | (£0) | £0 |
| | £112,743,877 | £85,034,544 | £84,500,009 | £534,535 |

The underspend in South is across most services and particularly in AHPs, Community Mental Health, Children's services and Community administration. 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.

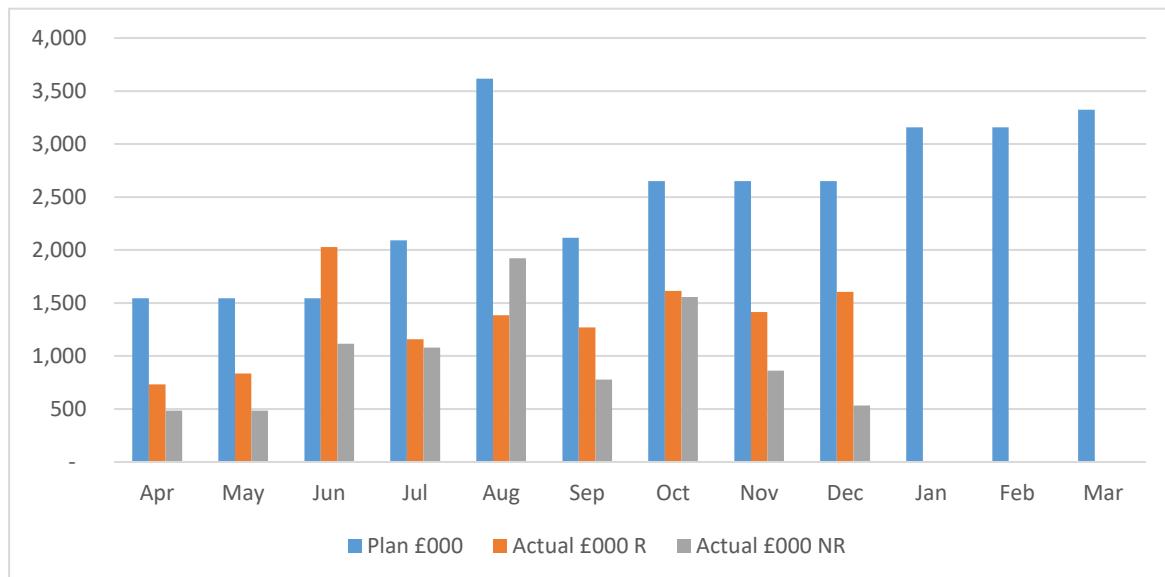
2025/26 – delivery against the Efficiency target

| Area | Annual Target £000 | Annual Forecast £000 | Forecast Variance £000 | Forecast Recurring £000 | Forecast Non-Recurrin g M9 | | | YTD Achieved M9 £000 | YTD Variance £000 |
|---|-----------------------|-------------------------|---------------------------|----------------------------|-------------------------------|---------------|---------------------|-------------------------|-------------------------|
| | | | | | YTD Plan M9 £000 | YTD £000 | Achieved M9 £000 | | |
| Medicine | 3,000 | 848 | (2,152) | 0 | 848 | 2,472 | 614 | (1,858) | |
| Women and Children | 1,400 | 741 | (659) | 14 | 727 | 836 | 657 | (179) | |
| Surgery | 4,300 | 3,031 | (1,269) | 180 | 2,851 | 1,028 | 2,506 | 1,478 | |
| Emergency & Trauma | 2,000 | 1,303 | (697) | 0 | 1,303 | 1,495 | 977 | (518) | |
| Labs & Diagnostics | 1,950 | 1,004 | (946) | 420 | 584 | 671 | 633 | (38) | |
| Workforce Nursing | 2,100 | 1,250 | (850) | 0 | 1,250 | 1,182 | 805 | (377) | |
| Workforce Transformation | 630 | 1,316 | 686 | 0 | 1,316 | 678 | 902 | 224 | |
| Workforce Medical | 1,250 | 1,697 | 447 | 0 | 1,697 | 936 | 1,498 | 562 | |
| Procurement | 1,400 | 332 | (1,068) | 330 | 2 | 990 | 272 | (718) | |
| Corporate | 3,270 | 3,415 | 145 | 2,690 | 725 | 2,486 | 2,128 | (358) | |
| Primary Care Prescribing | 2,000 | 1,983 | (17) | 1,983 | 0 | 1,472 | 1,551 | 79 | |
| Acute Prescribing | 2,000 | 2,000 | 0 | 2,000 | 0 | 1,516 | 1,667 | 151 | |
| Acute Other | 400 | 171 | (229) | 171 | 0 | 0 | 141 | 141 | |
| Infrastructure & Support Services - Corporate | 1,950 | 1,947 | (3) | 1,847 | 100 | 1,458 | 1,454 | (4) | |
| Infrastructure & Support Services - Operational | 900 | 953 | 53 | 953 | 0 | 672 | 725 | 53 | |
| Infrastructure & Support Services - Commercial | 1,500 | 0 | (1,500) | 0 | 0 | 0 | 0 | 0 | |
| East HSCP | 2,445 | 1,719 | (726) | 1,454 | 265 | 1,638 | 1,152 | (486) | |
| North HSCP | 2,170 | 2,216 | 46 | 1,916 | 300 | 1,332 | 1,663 | 331 | |
| South HSCP | 2,015 | 2,015 | 0 | 2,015 | 0 | 1,512 | 1,512 | 0 | |
| Total NHS Ayrshire and Arran | 36,680 | 27,941 | (8,739) | 15,973 | 11,968 | 22,374 | 20,857 | (1,517) | |

3.2 Achievement is £1.5 million behind target after nine 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 £8.7 million representing the value of savings targets with no plan for delivery at month nine. The largest shortfall is in the Medicine division due to not being able to close unfunded beds.

3.3 The backloading of the efficiency programme together with recurring and non-recurring achievement to date are shown in the graph below.



3.4 The forecast for recurring Cash Releasing Efficiency Savings achievement is £16.0 million against the Scottish Government target of £30.2 million. This is a shortfall of £14.2 million, which unless addressed will impact on our position moving into 2026/27 and beyond.

3.5 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.

3.6 The acute savings forecast for 25/26 currently stands at £11.2 million leaving a gap of £5.4 million savings to find. This is driven by Medicine (£2.2 million), Labs and Diagnostics (£0.9 million) and Surgery (£1.3 million) along with smaller but still material shortfalls in other divisions. Due to the back loaded trajectory of savings, in aggregate acute efficiency savings are only £0.7 million behind of plan at Month 9. 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.

| Area | Annual £000 | Annual £000 | Forecast £000 | Forecast £000 | Forecast £000 | YTD Plan £000 | YTD £000 | YTD £000 |
|--------------------|----------------|----------------|------------------|------------------|------------------|------------------|--------------|--------------|
| Medicine | 3,000 | 848 | (2,152) | 0 | 848 | 2,472 | 614 | (1,858) |
| Women and Children | 1,400 | 741 | (659) | 14 | 727 | 836 | 657 | (179) |
| Surgery | 4,300 | 3,031 | (1,269) | 180 | 2,851 | 1,028 | 2,506 | 1,478 |
| Emergency & Trauma | 2,000 | 1,303 | (697) | 0 | 1,303 | 1,495 | 977 | (518) |
| Labs & Diagnostics | 1,950 | 1,004 | (946) | 420 | 584 | 671 | 633 | (38) |
| Workforce Schemes | 3,980 | 4,263 | 283 | 0 | 4,263 | 2,796 | 3,205 | 409 |
| Total Acute | 16,630 | 11,190 | (5,440) | 614 | 10,576 | 9,298 | 8,592 | (706) |

4. RISKS AND MITIGATIONS

| | Best £M | Likely £M | Worst £M |
|----------------------------|---------------|---------------|---------------|
| Forecast at M7 | (40.2) | (40.2) | (40.2) |
| GGC additional SLA Charges | 0.0 | (2.8) | 0.0 |
| Primary Care Prescribing | 0.5 | 4.0 | (1.0) |
| TAVI | 0.0 | (0.2) | (0.1) |
| AFC Reform Funding | 0.8 | 0.0 | (0.8) |
| Asset Disposal | 1.5 | 0.0 | 0.0 |
| Winter Ward Funding | 0.0 | 0.0 | 0.0 |
| Waiting List Funding | 0.4 | 0.0 | 0.0 |
| Value Based Efficiency | 0.5 | 0.0 | 0.5 |
| HSCP Overspends | 0.0 | 0.0 | (1.0) |
| CNORIS | 1.0 | 0.0 | (1.0) |
| ISS Underspend | 0.3 | 0.0 | 0.0 |
| Corporate | 0.2 | 0.0 | (0.4) |
| New Medicines | 1.0 | 0.0 | (1.0) |
| Annual Leave Accrual | 0.5 | (1.0) | (2.0) |
| Forecast at M9 | (33.5) | (40.2) | (47.0) |

4.1 The Greater Glasgow and Clyde increase of £2.8 million in the Service Level Agreement value for 2025/26 was offset by the Primary Care Prescribing forecast underspend of £3.0 million in Month 8. Primary Care Prescribing information, which is two months in arrears, now indicates the underspend will be c£4.0 million.

4.2 Primary Care prescribing is historically unpredictable. Therefore a £0.5 million further upside and a £1.0 million downside are shown in the best and worst case scenarios respectively.

4.3 The number of Transcatheter Aortic Valve Implantation (TAVI) procedures carried out by Golden Jubilee National Hospital on our behalf is now expected to be 55. These are included in the most likely forecast. Cases are prioritised according to clinical need and £0.1 million for 3 extra cases is included in the worst case scenario.

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 most likely 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. The year end position will depend on the numbers in the process, the numbers confirmed through the process and the success rate of applicants as at the 31st March 2026.

- 4.5 A possible benefit of £0.4 million for Waiting List funds to be allocated to support divisions for spend already incurred is included in the best case scenario.
- 4.6 An upside and downside impact of £0.5 million is shown for the Value Based Efficiency Programme. This is predicated on the assumption that 9 months into the financial year the impact of most schemes is now within the monthly run rate.
- 4.7 IJBs may overspend health budgets and require Health Board support. Recovery plans are in place but may not fully offset overspends. Likelihood: Medium. Value: £1.0 million.
- 4.8 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.

5 CAPITAL

- 5.1 The Board has a capital limit of £14.5 million. The spend after 9 months is £5.4 million, which is 37% of expected spend. Whilst capital programmes often incur the majority of spend in the final quarter this means £9.1 million must be spent in the final 13 weeks of the year.

| Capital Spend for the 9 months to 31st December 2025 | Spend to Date £000's |
|---|-----------------------------|
| Scheme | £000's |
| National Secure Adolescent Unit | 2,191 |
| Estates/Capital Planning | 0 |
| Estates/Energy | 0 |
| Digital Reform | 587 |
| Caring for Ayrshire | 12 |
| EME | 1,591 |
| NBV from Asset Sales | 0 |
| Equipment | 188 |
| Aggregate schemes under £50k | 874 |
| Total | 5,443 |

The Capital Resource Limit is constructed as follows:

| | Original Capital Plan £000's | Current Capital Allocations £000's |
|--|---------------------------------|---------------------------------------|
| Capital allocations 2025/26 | | |
| Core Capital Allocation | 9,156 | 9,156 |
| Foxgrove: National Secure Adolescent Unit | 500 | 2,191 |
| SGHSCD Capital Contribution to Whole System Estate Plan | 1,600 | 1,600 |
| National LIMS System | 441 | 441 |
| National Treatment Centre | 200 | 200 |
| Brokerage - Fleet Decarbonisation 23/24 Balance | 266 | 266 |
| SG Infrastructure - EV Charging | 0 | 600 |
| SG Infrastructure - EV Charging - Slippage | 0 | (280) |
| Business Continuity Plan schemes | | 6,093 |
| Greenspace | | 25 |
| SG Share of additional £20m equipment allocation | | 1,146 |
| SG Sustainability Energy Projects | | 475 |
| SG Sustainability Energy Projects - £35k slippage to 26/27 | | (35) |
| Transfer of Capital Grant to Revenue | | 0 |
| SG Transfer to WOSL - NHS Lanarkshire | | 0 |
| Rev to Cap | | 54 |
| Cap to Rev Transfer | | (1,666) |
| Brokerage to 26/27 | | (5,753) |
| Total Approved Capital Allocation | 12,163 | 14,513 |

6 CONCLUSION

6.1 The Board is £27.3 million overspent after 9 months excluding IJBs. The year end forecast is a £40.2 million overspend. The ongoing service pressure and the number of delayed discharges continues to drive large overspends within the acute directorate. This shows no sign of abating. It is essential the Board takes all appropriate available actions to minimise the financial deficit.

Annex A

Value Based Efficiency Recurrent Position

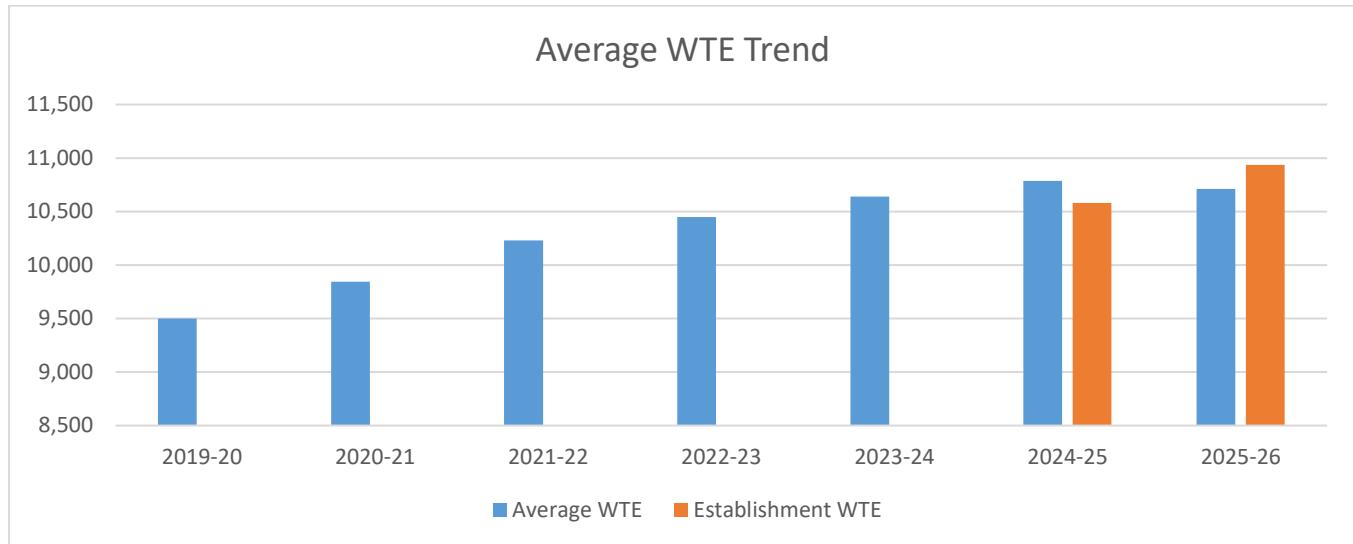
| Value Based Efficiency Area Recurring Position | Recurrent Annual Plan £m | Recurrent Annual Plan YTD £m | Recurrent Actual YTD £m | Recurrent Variance YTD £m | Recurrent Forecast £m | Forecast Recurrent Variance £m |
|---|--------------------------|------------------------------|-------------------------|---------------------------|-----------------------|--------------------------------|
| Medicine | 3.0 | 2.5 | 0.0 | (2.5) | 0.0 | (3.0) |
| Women and Children | 1.4 | 0.8 | 0.0 | (0.8) | 0.0 | (1.4) |
| Surgery | 4.0 | 1.0 | 0.1 | (0.9) | 0.2 | (3.8) |
| Emergency & Trauma | 2.0 | 1.5 | 0.0 | (1.5) | 0.0 | (2.0) |
| Labs & Diagnostics | 1.7 | 0.7 | 0.3 | (0.4) | 0.4 | (1.3) |
| Acute Other | 0.4 | 0.0 | 0.1 | 0.1 | 0.2 | (0.2) |
| Workforce Nursing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Workforce Transformation | 0.1 | 0.1 | 0.0 | (0.1) | 0.0 | (0.1) |
| Workforce Medical | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Procurement | 1.4 | 1.0 | 0.3 | (0.7) | 0.3 | (1.1) |
| Infrastructure & Support Services - Commercial (CG) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Corporate | 2.8 | 2.0 | 2.0 | 0.0 | 2.7 | (0.1) |
| Infrastructure & Support Services - Corporate | 1.9 | 1.4 | 1.4 | (0.0) | 1.8 | (0.0) |
| Primary Care Prescribing | 2.0 | 1.5 | 1.6 | 0.1 | 2.0 | (0.0) |
| Acute Prescribing | 2.0 | 1.5 | 1.7 | 0.1 | 2.0 | 0.0 |
| Infrastructure & Support Services - Operational | 0.9 | 0.7 | 0.7 | 0.1 | 1.0 | 0.1 |
| Total | 23.6 | 14.6 | 8.1 | (6.5) | 10.5 | (13.0) |
| East HSCP | 2.4 | 1.6 | 1.0 | (0.7) | 1.5 | (1.0) |
| North HSCP | 2.2 | 1.3 | 1.4 | 0.1 | 1.9 | (0.3) |
| South HSCP | 2.0 | 1.5 | 1.5 | 0.0 | 2.0 | (0.0) |
| Grand Total | 30.2 | 19.1 | 12.0 | (7.1) | 15.9 | (14.3) |

Annex B - Workforce and Performance Information

Annex B: Key workforce data

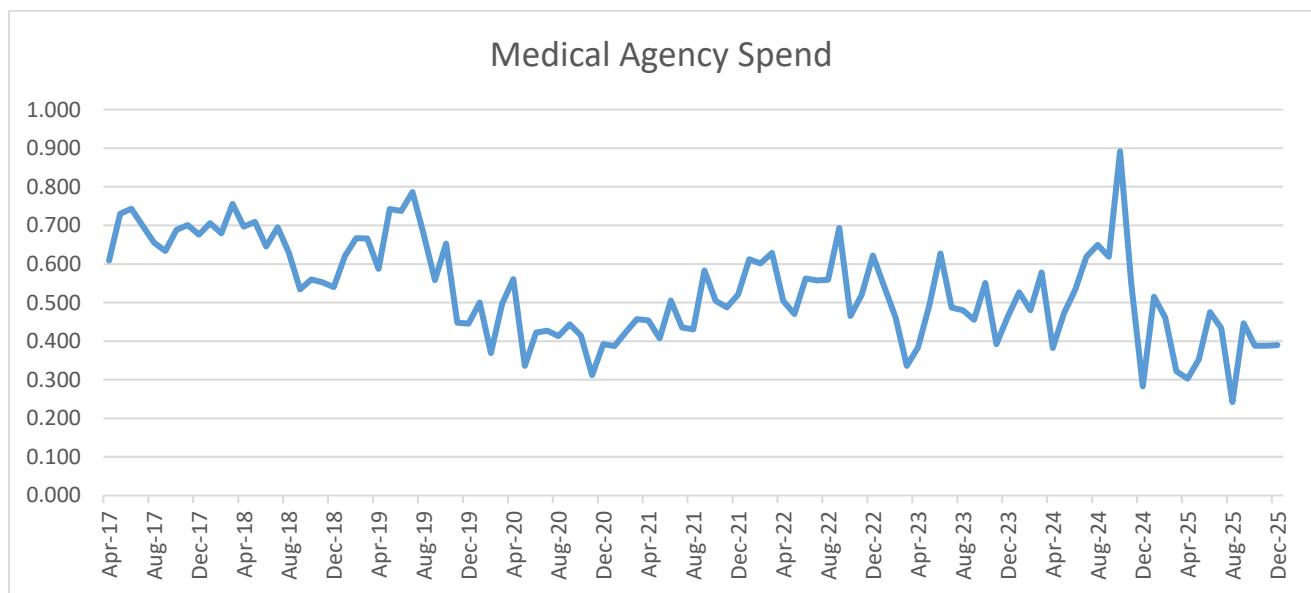
Key points:

- There has been an increase in staffing since 2020/21, 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.



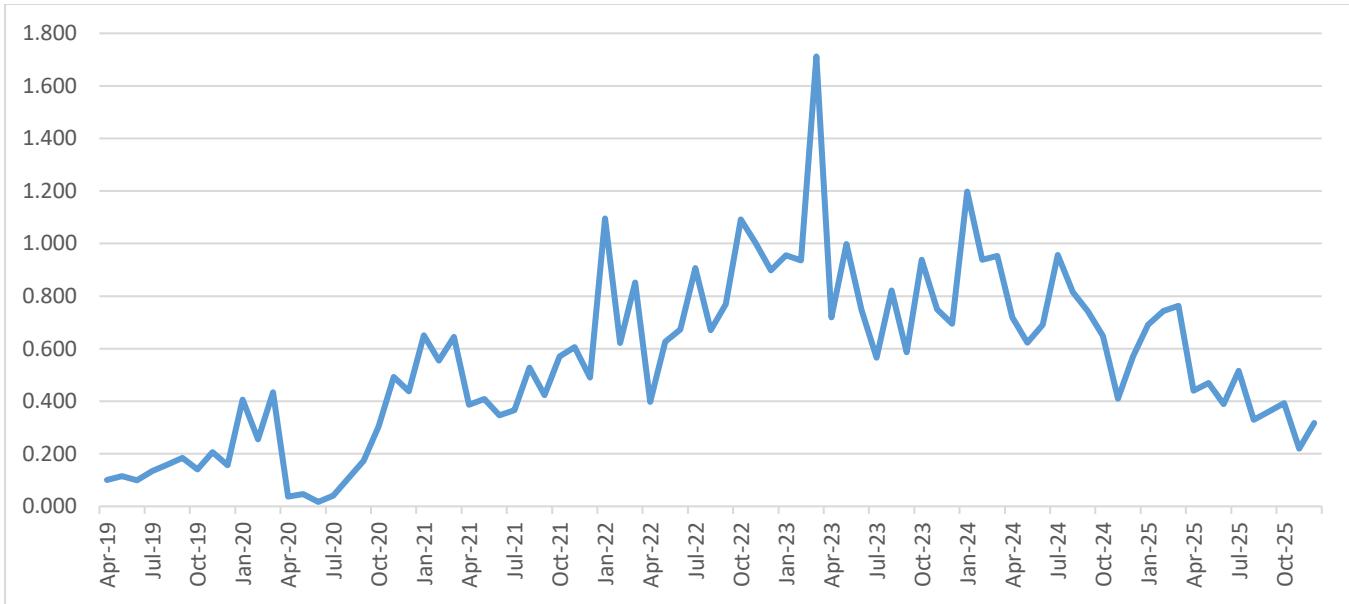
Medical Agency Trend

Agency medical costs are mainly for Consultants. They were £3.4 million in the first nine months of 2025/26 which is a reduction of £1.6 million on the first nine months of last year.

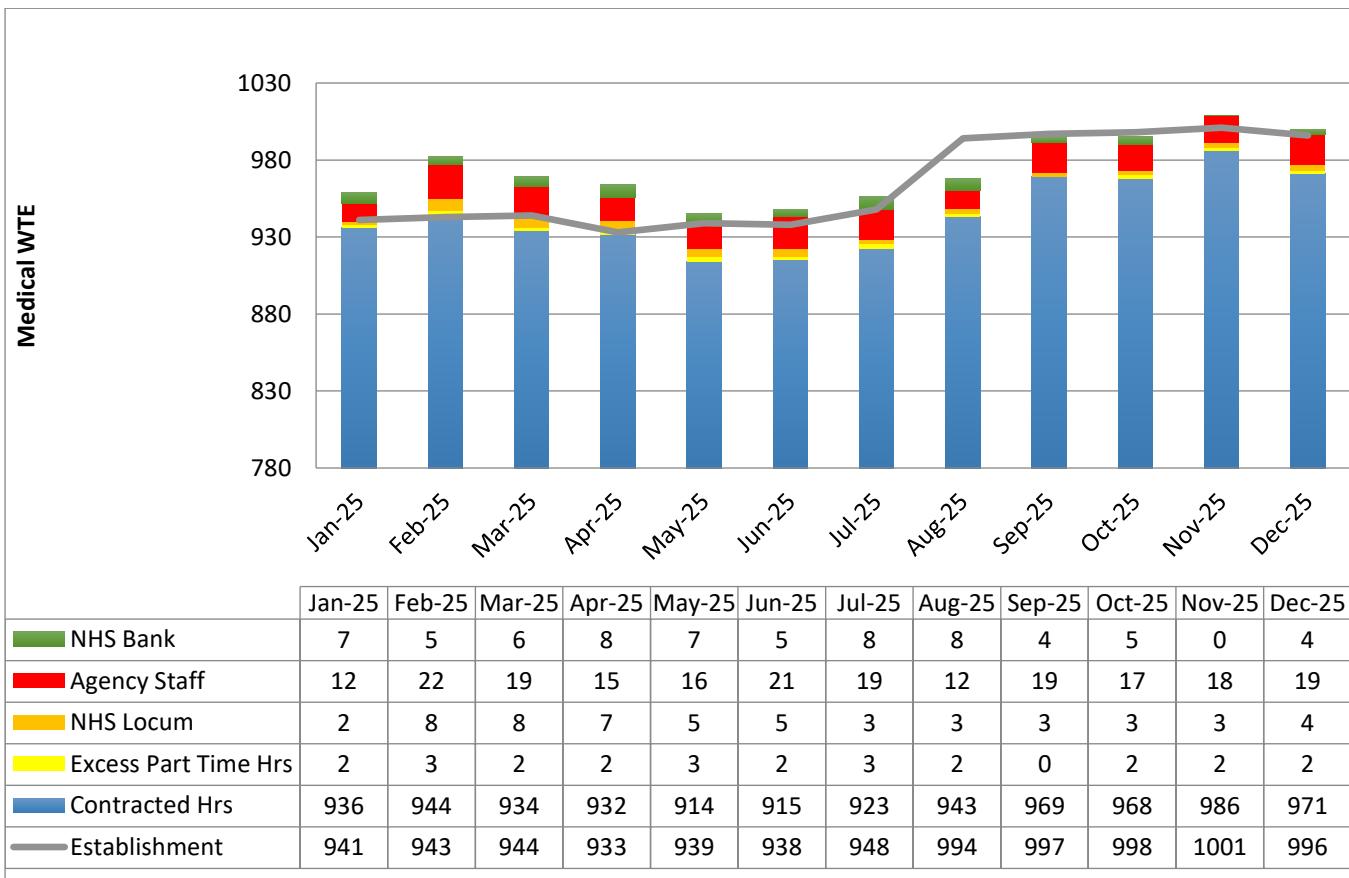


Nursing Agency Trend

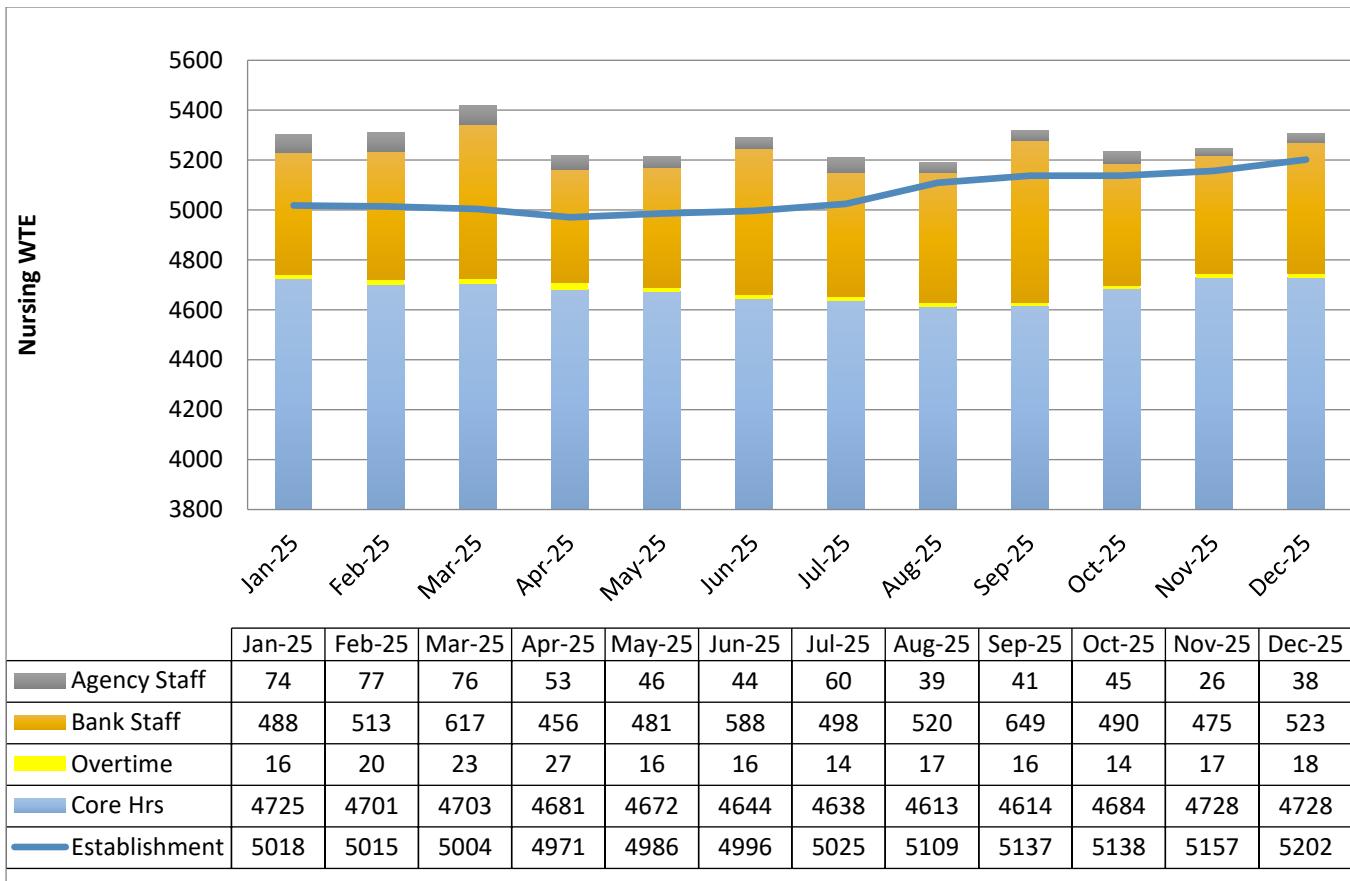
Agency Nurse costs have reduced by £2.75 million in the first nine months of 2025/26 compared with the first nine months of 2024/25. However bank nursing costs have risen to offset this. Almost half of the entire nursing agency spend is in Crosshouse A&E, CAU and the Orthopaedic Trauma Wards.



Medical Staffing breakdown

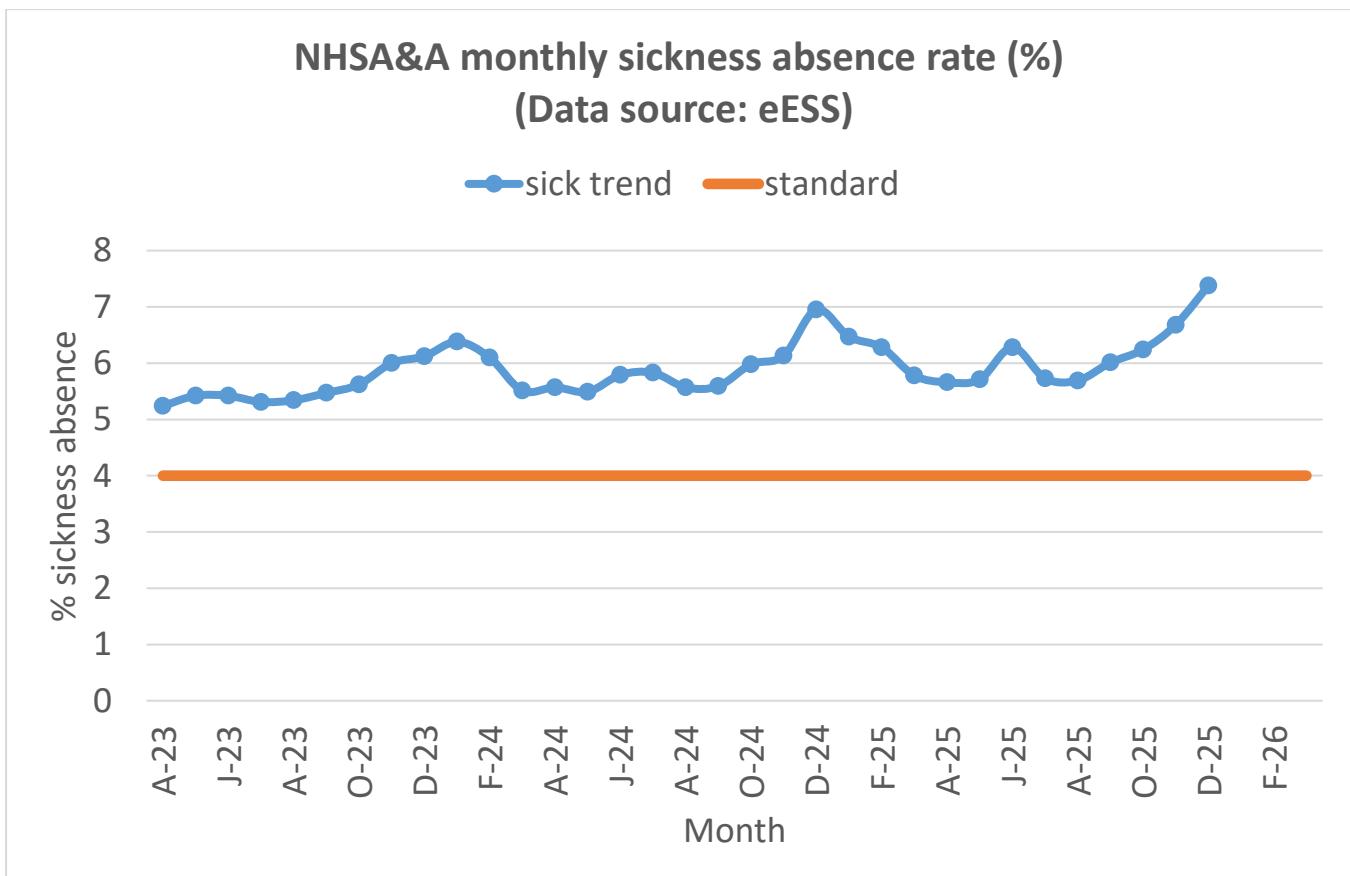


Nursing Staff breakdown



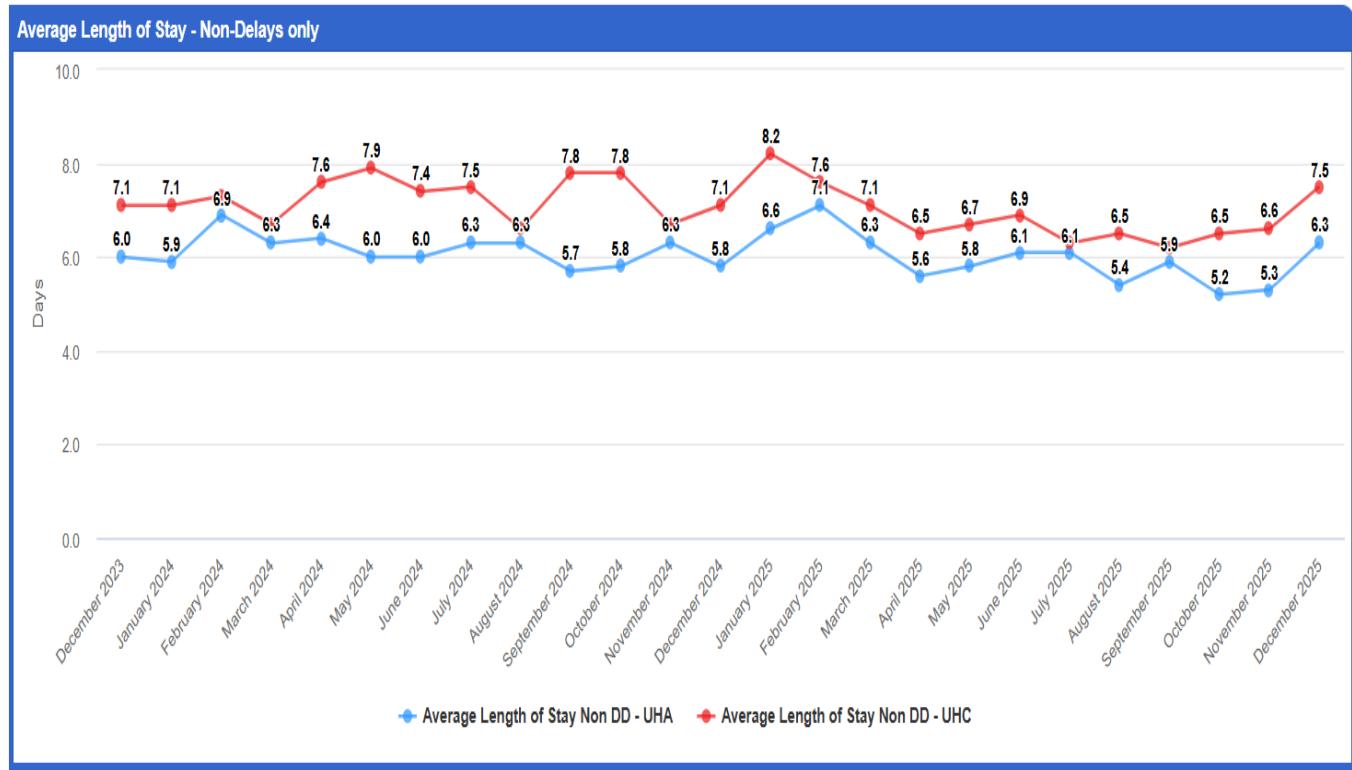
Sickness Absence

The local target level of sickness absence is 5.15% for the year. The absence rate rose to 7.38% in December.

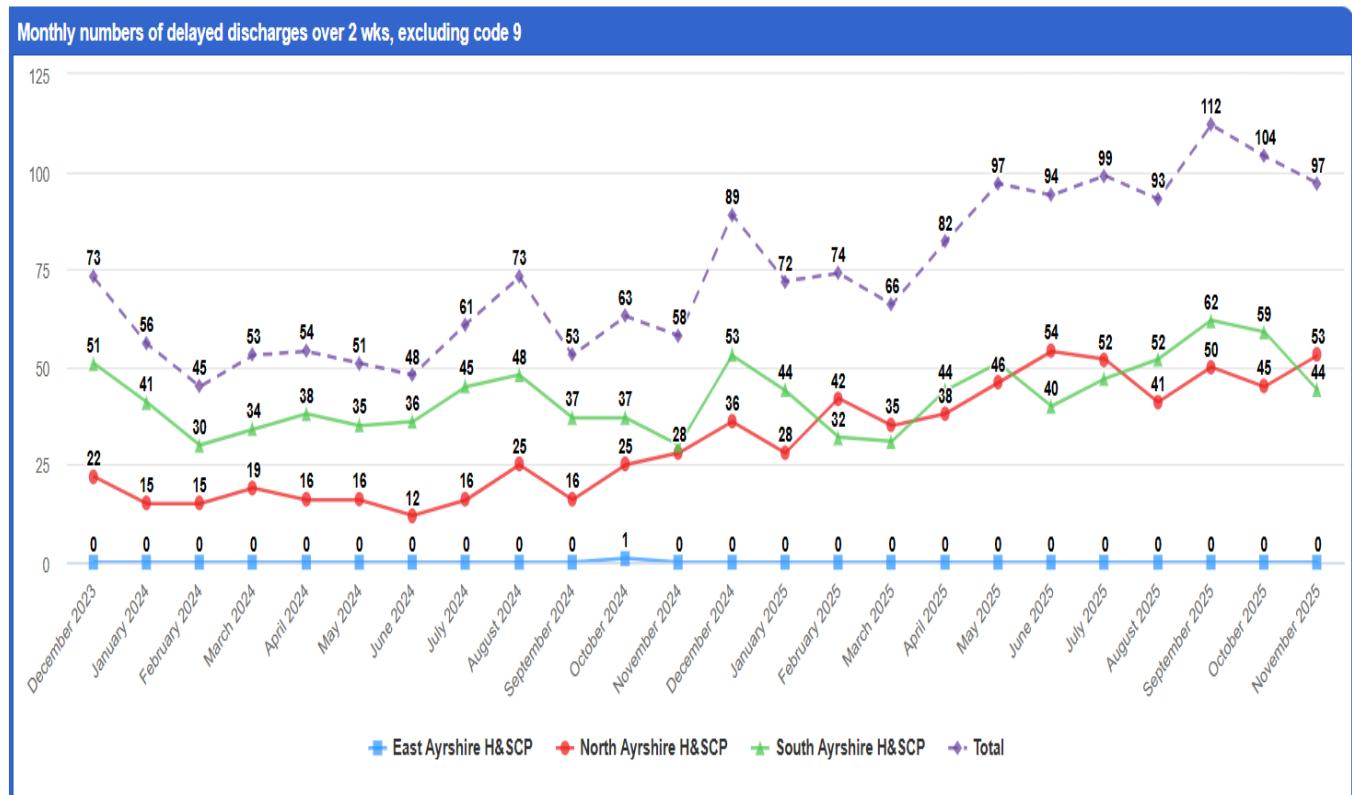


Annex C: Selected Performance Indicators

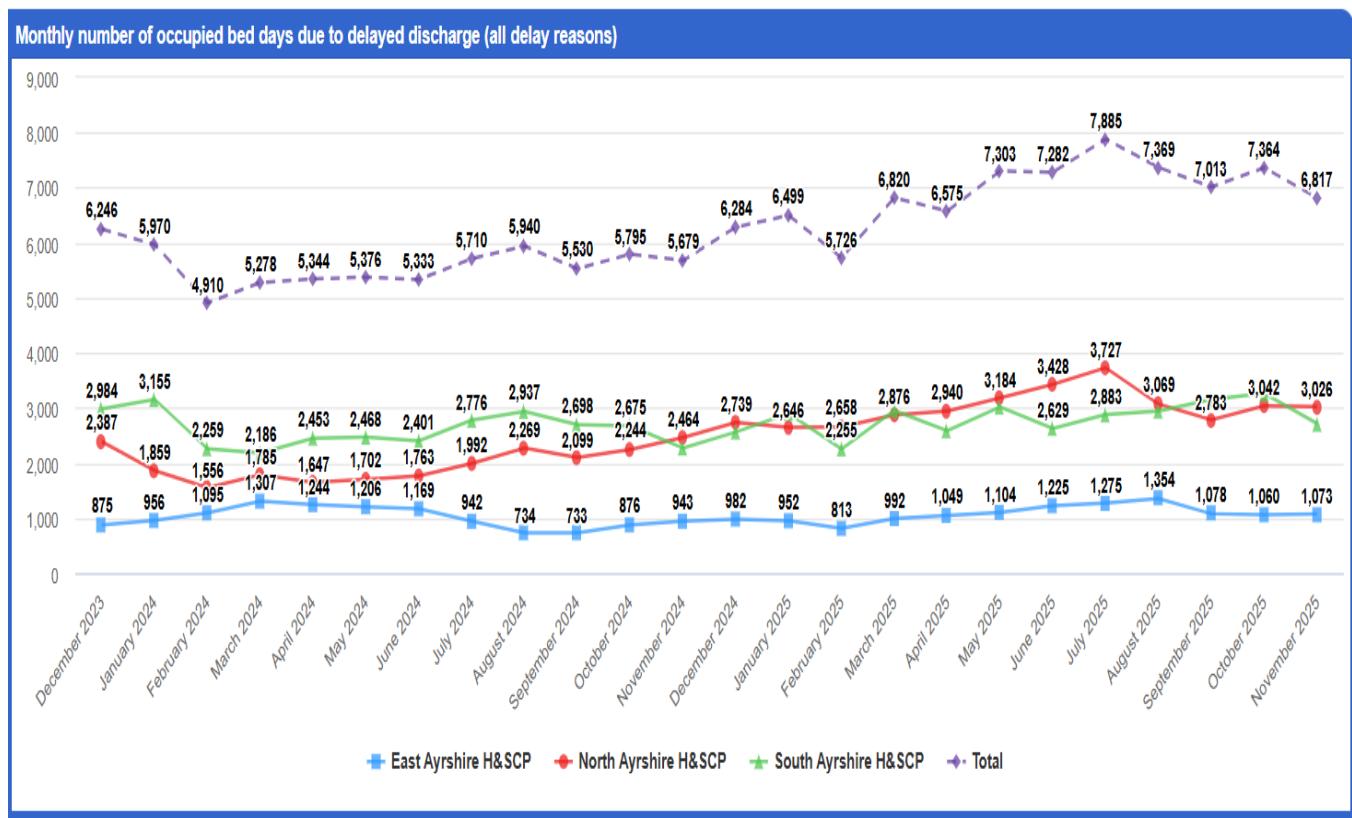
In December the ALOS for Non-Delayed patients rose from 6.6 to 7.5 days as Crosshouse and from 5.3 to 6.3 days at Ayr.



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. There was reduction of 16 in October and 7 in November.



The number of bed days occupied by Delayed Discharges has increased over last year. This is a major cause of the financial deficit and in year variation from plan.



At a variable bed day cost of £275 per day the 57,608 bed days lost to delayed discharges from April to November cost £15.8 million. At the fully absorbed £618 per bed day quoted by Audit Scotland this becomes £35.6 million. Bed days lost to delayed discharges fell by 351 in November.