

NHS Ayrshire & Arran



Meeting:	Ayrshire and Arran NHS Board
Meeting date:	Monday 8 June 2026
Title:	Financial Management Report for the twelve months to 31 March 2026
Responsible Director:	David Stonehouse – Interim 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

This supports the following Corporate Objectives:

- **Better Value** – Delivering innovative and sustainable services for everyone

2. Report summary

2.1 Situation

The Board is now at level 4 of the Scottish Government Performance Framework. Delivering against 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 £24.3 million excluding Health and Social Care Partnerships at the end of the financial year.

This includes £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 recorded a deficit of £24.3 million in 2025/26.
- Health and Social Care Partnerships are shown as breakeven. IJB positions will be final when lead service recharges and interagency balances are concluded.

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. Almost all acute savings were non-recurring cost reductions.
- There is an additional non-recurring plan for cost reduction of £6.5 million
- Efficiency delivered was £29.9 million in total however only £19.3 million was recurrent.

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 has now resulted 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 Best value

This paper support Best Value across the following themes.

Describe how the paper topic supports Best Value and theme/s this relates to Vision and Leadership

- Effective Partnerships
- Governance and accountability
- Use of resources
- Performance management

2.3.7 Other impacts

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

2.3.8 Communication, involvement, engagement and consultation

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

2.3.9 Route to the meeting

This has been previously considered by the following groups as part of its development. The groups have either supported the content, or their feedback has informed the development of the content presented in this report.

- Corporate Management Team

2.4 Recommendation

Members are asked to:

- Review the financial position for the year
- Evaluate financial performance against the key Scottish Government targets

3. List of appendices

The following appendices are included with this report:

Appendix A: Finance Report – Month 12

Appendix A

NHS Ayrshire and Arran – Finance Report March 2026

1. Overall Financial Position

- 1.1 The Board was £24.3 million overspent at the end of the financial year, excluding Health and Social Care Partnerships. The Health and Social Care Partnerships underspends do not belong to the Health Board.

Summary Financial Position

Department	Annual Budget £000	YTD Spend £000	Variance £000
Acute	502,705	537,967	(35,262)
Acute Legacy Cres	(2,294)	0	(2,294)
New Medicine Fund	20,201	25,993	(5,792)
Pharmacy	13,269	13,053	216
UNPACs	1,527	873	654
Acute and Clinical Services	535,408	577,886	(42,478)
ISS (Operational)	73,957	71,053	2,904
ISS (Corporate)	52,786	52,767	19
Corporate Services	46,433	42,026	4,407
Non Clinical Support	173,176	165,846	7,330
Centrally Managed Resources	26,287	29,061	(2,774)
Reserves	13,668	0	13,668
Centrally Managed	39,955	29,061	10,894
NHS A&A Health Board Total	748,539	772,793	(24,254)
East Hscp	265,328	265,328	0
North Hscp	199,972	199,972	0
South Hscp	114,457	114,457	0
NHS A&A Total inc HSCPs	1,328,296	1,352,550	(24,254)

Performance against key Scottish Government targets

The Board did not meet the statutory requirement to breakeven and recorded a deficit of £24.3 million at year end. This is under the £25.0 million deficit support funding level.

Cumulative brokerage due to be repaid to Scottish Government is £129.9 million at the end of 2024/25. 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. This will now increase to £153.9 million.

The Board was required to deliver recurring efficiency savings of £30.2 million - 3% of baseline recurring funding. It delivered of £19.3 million recurring savings and £29.9 million in total.

1.2 Scottish Government Allocations

The table below shows allocations received at the end of March 2026.

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 28 February	25,922	48,288	91,537	165,748
Distinction Awards for NHS Consultants		36		36
Hospital at Home - equipment		18		18
Diabetes technologies programme	175	0		175
£100 million investment in Planned Care		1,547		1,547
£5.5 million investment in planned care		212		212
Additional Q4 planned care		546		546
Targeted Endoscopy		82		82
Improving flow		2,878		2,878
Final operational improvement plan		6,046		6,046
Final operational improvement plan		1,590		1,590
New Medicine		2,038		2,038
2024/25 Year End Surplus		1,342		1,342
System Pressures		9,800		9,800
Allocations at 31 March	1,056,277	74,424	91,537	1,222,239

Allocations received in March included final allocations for planned care and Improving Flow/Operational Improvement Plan. £2.0 million was received for the New Medicines Fund. Additionally funding was received from Scottish Government for System Pressures. were in line with expectations.

2. Acute Services – analysis by cost category

2.1 The annual budget for Acute Services was £502.7 million. The directorate overspent by £35.3 million against its year-to-date budget. The in-month overspend was £3.4 million.

M12 Category	Annual Budget £000	YTD Budget £000	YTD Actual £000	Variance £000	In Month Variance £000
Pay	375,146	375,146	390,286	(15,140)	(1,643)
Non Pay	79,007	79,007	88,239	(9,233)	180
Purchase of Healthcare	100,317	100,317	100,708	(392)	(580)
Hch Income	(39,621)	(39,621)	(40,426)	805	91
Other Operating Income	(508)	(508)	(840)	332	93
Savings	(11,636)	(11,636)	0	(11,636)	(1,567)
Total	502,705	502,705	537,967	(35,264)	(3,426)

2.2 Pay was £15.1 million overspent in the year to date and £1.6 million overspent in month 12.

- Nursing pay was £11.7 million overspent and was £1.2 million over in Month 12. Within this was £6.4 million on unfunded acute wards shown below which remain open.

Unfunded ward	YTD	YTD	YTD	YTD	YTD	YTD
	Overspend at Month 12	Overspend at Month 11	Overspend at Month 10	Overspend at Month 9	Overspend at Month 8	Overspend at Month 7
	£000	£000	£000	£000	£000	£001
Ward 5D	2251	2055	1863	1674	1481	1307
Ward 3F	821	791	785	768	757	668
Station 3	1736	1559	1428	1291	1145	1010
Station 12	837	950	872	779	690	594
Station 8	714	872	790	719	646	576
Total	6,358	6,227	5,739	5,230	4,719	4,155

Medical pay was £5.7 million overspent at year end.

Medical agency costs amounted to £4.7 million which were only partially offset by the vacant posts which they covered.

2.3 Supplies and services were £7.6 million overspent.

Non Pay Category	Annual Budget	YTD Budget	YTD Actual	YTD Variance
	£000	£000	£000	£000
Cssd/diagnostic Supplies	5,708	5,708	7,442	(1,734)
Drugs	32,050	32,050	32,568	(518)
Equipment	3,622	3,622	5,455	(1,833)
Heating Fuel And Power	1	1	5	(4)
Hotel Services	2,080	2,080	2,823	(743)
Other Admin Supplies	2,258	2,258	2,653	(395)
Other Supplies	4,645	4,645	5,739	(1,094)
Other Therapeutic Supplies	6,335	6,335	6,605	(270)
Property	79	79	229	(150)
Surgical Sundries	22,230	22,230	24,725	(2,495)
Total	79,008	79,008	88,244	(9,236)

- Diagnostic Supplies were £1.7 million overspent due with volume increases in managed service contracts and higher charges from NHS Greater Glasgow and Clyde.
- Medicines were £0.5 million over budget due in part to the increased costs of monoclonal antibodies over previously available treatments.
- Surgical Sundries were £2.5 million overspent.
- Equipment was £1.8 million overspent.
- Taxi services and private ambulance provision were £0.7 million overspent.
- Other Therapeutic Supplies were £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

M12 Directorate	Annual Budget	YTD Budget	YTD Actual	Variance	In Month Variance
	£000	£000	£000	£000	£000
Medicine	90,574	90,574	105,243	(14,669)	(1,063)
Emergency Crosshouse	44,069	44,069	51,847	(7,778)	(912)
Emergency Ayr	18,280	18,280	22,882	(4,601)	(335)
Surgery	135,861	135,861	141,911	(6,050)	(1,260)
Labs & Diagnostics	48,270	48,270	52,496	(4,226)	(546)
Women and Children	50,174	50,174	52,977	(2,804)	(408)
Other	115,477	115,478	110,614	4,865	1,098
Total	502,705	502,706	537,970	(35,264)	(3,426)

- 2.5 Medicine was overspent by £14.7 million after 12 months. The “active wards” occupied by delayed discharge patients are not funded and wards intended to be open only in winter were open all year as listed in paragraph 2.2. This cost £6.4 million. In addition to unfunded wards there were 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 January 2025, there were 77,962 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 £21.4 million in eleven 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 £48.1 million.
- 2.7 Emergency Care was overspent by £12.4 million. £4.6 million of the year to date overspend is at University Hospital Ayr and £7.8 million at University Hospital Crosshouse. A&E and CAUs have additional medical and nursing staff above establishment resulting in an overspend of £4.0 million.
- 2.8 Surgery were £6.1 million overspent. The in month variance of £1.3m exceeded the average run rate by £0.8 million. £0.2 million of this can be attributed to the backdated CRES programme. The remaining £0.6 million is all pay related. £0.1 million was caused by higher than average locum medical charges and a further £0.2 million by increased bank nursing/AHPs. In addition £0.1 million incorrectly attributed to Access funding was returned in Month 12.
- 2.9 Labs and Diagnostics were £4.2 million overspent in the year to date. 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.
- 2.10 Women and Children’s division were £2.8 million overspent. 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)

- 2.11 The New Medicines Fund overspent by £5.8 million. This was 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)

- 2.12 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 £126.7 million and were £2.9 million underspent at year end. ISS also delayed £0.5 million of digital spend enabling a return to Board reserves in Month 6.

Corporate Services

- 2.13 Corporate services have budgets of £46.4 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 were underspent in aggregate by £4.4 million at year end.

Centrally Managed Resources

- 2.14 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 overspent by £2.8 million at year end.

Within this overspend is an accrual of £4.6 million enabling carry forward of Operational Improvement / Flow funds with IJB colleagues.

Positive movements included a £1.6 million reduction in CNORIS contributions.

Reserves

- 2.15 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.

Reserves were £13.7 million at year end, representing a balance of legacy deficits, Sustainability funds and capital to revenue transfers.

Health and Social Care Partnerships (HSCPs)

- 2.16 Health and Social Care Partnership underspends do not belong to the health board. Recharges and interagency balances require to be finalised in order to move HSCP

positions to IJB positions. The working assumption is that as all HSCPs posted underspends the health board will not require to issue support to any IJB. Whilst HSCP positions are shown as zero variance in the Health Board Summary, the actual Month 12 operational positions are shown below.

2.17 East HSCP

East HSCP underspent by £1.1 million.

East Hscp	Annual Budget	YTD Budget	YTD Actuals	YTD Variance
Ahps East	£9,122,749	£9,122,749	£9,762,360	(£639,610)
And Com Nursing	£989,826	£989,826	£999,795	(£9,970)
East Business Support	£2,806,899	£2,806,899	£2,351,967	£454,932
East H + C Care	£14,457,720	£14,457,720	£14,218,276	£239,443
East Hosted Services	£12,103,758	£12,103,758	£11,747,886	£355,872
East Hscp Apprenticeship Levy	£294,859	£294,859	£274,526	£20,333
East Hscp Children	£5,010,107	£5,010,107	£4,830,825	£179,282
East Hscp Recharge/misc Post:	£0	£0	£0	£0
East Local Authority Payments	£22,247,946	£22,247,946	£22,247,946	(£0)
East Mental Health	£5,438,446	£5,438,446	£4,700,898	£737,548
East Partnership Management	£422,755	£422,755	£583,052	(£160,297)
East Primary Care	£47,103,505	£47,103,505	£47,138,236	(£34,732)
East Turnover Allocation	(£500,000)	(£500,000)	£0	(£500,000)
Ehscp Flat Cash Settlement	£602,392	£602,392	£5,000	£597,392
Primary Care	£144,334,268	£144,334,268	£144,449,234	(£114,966)
Wsi - Each E	£1,559	£1,559	£1,559	£0
Wsi - Mho Roles	£10,298	£10,298	£10,298	£0
Wsi - Rehab + Reablement E	£881,052	£881,052	£881,052	(£0)
	£265,328,138	£265,328,138	£264,202,910	£1,125,228

The underspend in East is driven by underspends on Community Mental Health Teams which are underspent by £0.7 million, lead AHP services which are £0.3 million underspent, Dental services which are £0.6 million underspent and AUCS which is £0.2 million underspent. East local AHPs are £0.6 million overspent as a result of recruitment to alleviate service pressures.

North HSCP

2.18 North HSCP is underspent by £0.1 million.

North Hscp	Annual Budget	YTD Budget	YTD Actuals	YTD Variance
Ahps North	£11,989,120	£11,989,120	£11,480,171	£508,949
Arran Montrose House	£15,952	£15,952	£15,952	(£0)
Mental Health Services	£73,012,503	£73,012,503	£73,182,563	(£170,060)
Nhscp Flat Cash Settlement	£1,617,982	£1,617,982	£648,000	£969,982
North Apprenticeship Levy	£401,990	£401,990	£383,053	£18,937
North Business Support	£1,018,568	£1,018,568	£1,010,318	£8,249
North Gp Stakeholder	£53,442	£53,442	£65,915	(£12,472)
North H + C Care	£21,161,548	£21,161,548	£23,356,011	(£2,194,463)
North Hosted Services	£609,264	£609,264	£654,046	(£44,781)
North Hscp Children	£5,330,609	£5,330,609	£5,336,962	(£6,353)
North Local Authority Payments	£24,425,105	£24,425,105	£24,425,065	£40
North Mental Health	£6,279,863	£6,279,863	£5,242,747	£1,037,116
North Partnership Management	£640,202	£640,202	£643,332	(£3,130)
North Primary Care	£52,845,774	£52,845,774	£52,884,635	(£38,861)
North Retained Profit	£0	£0	£0	£0
Wsi - Care @ Home N	£569,624	£569,624	£569,624	£0
	£199,971,547	£199,971,547	£199,898,394	£73,152

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.

The financial recovery plan for the North Ayrshire HSCP, first agreed in June 2025, has delivered £2.833 million of cost reductions. These actions have helped to mitigate additional in-year pressures and have supported the improved outturn position. Given the proximity to the year-end, no new recovery actions are proposed at this stage, with the focus remaining on strong governance, scrutiny, and control.

The 2026/27 budget assumes all mitigations and controls established in 2024-25 and 2025-26 continue throughout 2026-27 as it is recognised that the same uncertainty and risks remain into 2026-27 and there needs to be tight grip and control over expenditure overall.

2.19 South HSCP

South Hscp	Annual Budget	YTD Budget	YTD Actuals	YTD Variance
Ahps	£11,655,068	£11,655,068	£11,001,085	£653,983
Int Care + Rehab Moc South	£1,551,197	£1,551,197	£1,483,420	£67,777
South Business Support	£3,147,533	£3,147,533	£2,922,164	£225,369
South Covid 19	£0	£0	£35	(£35)
South H + C Care	£15,317,108	£15,317,108	£15,566,894	(£249,785)
South Hosted Services	£5,084,320	£5,084,320	£5,238,715	(£154,395)
South Hscp Children	£3,649,963	£3,649,963	£3,403,451	£246,512
South Hscp Management	£1,302,873	£1,302,873	£1,189,566	£113,308
South Local Authority Payments	£19,172,499	£19,172,499	£19,172,499	£0
South Mental Health	£6,290,723	£6,290,723	£5,900,026	£390,697
South Primary Care	£46,328,678	£46,328,678	£46,360,975	(£32,296)
South Retained Profit	£0	£0	£0	£0
Wsi - Integrated Assessment T	£146,750	£146,750	£146,750	£0
Wsi - Reablement Step Up-dow	£809,901	£809,901	£809,901	£0
	£114,456,614	£114,456,614	£113,195,480	£1,261,133

South HSCP is underspent by £1.3 million.

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

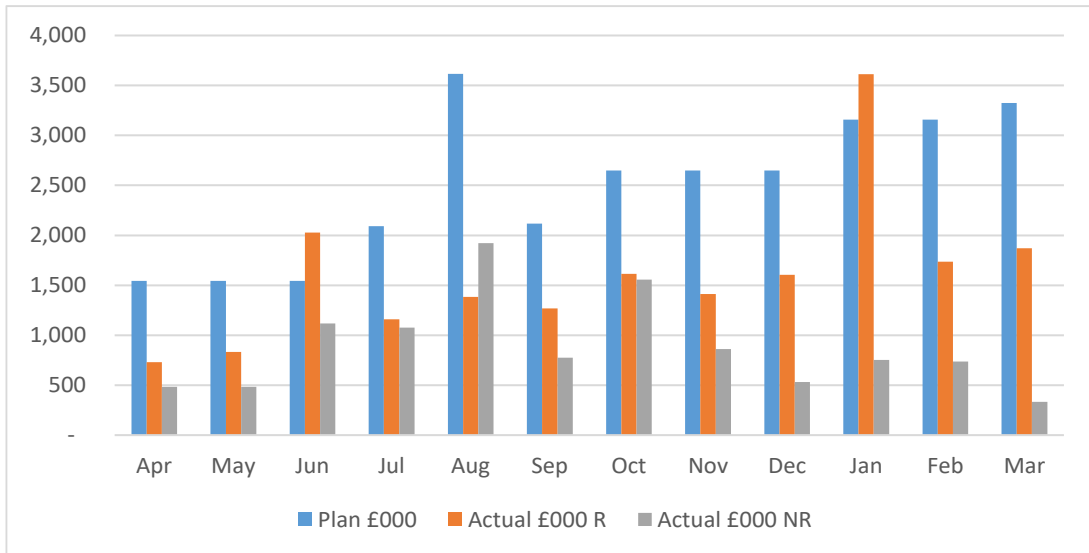
3.1 The Efficiency programme for 2025/26 approved by the Board as part of the Revenue Plan was £36.7 million.

2025/26 – delivery against the Efficiency target

Area	Annual Target £000	Annual Forecast £000	Forecast Variance £000	Forecast Recurring £000	Forecast Non-Recurring £000	YTD Plan M12 £000	YTD Achieved M12 £000	YTD Variance £000
Medicine	3,000	873	-2,127	0	873	3000	874	-2126
Women and Children	1,400	747	-653	14	733	1211	749	-462
Surgery	4,300	2,996	-1,304	170	2826	2039	2997	958
Emergency & Trauma	2,000	1,521	-479	0	1521	2011	1520	-491
Labs & Diagnostics	1,950	1,013	-937	355	658	998	1014	16
Workforce Nursing	2,100	1,173	-927	0	1173	1623	1174	-449
Workforce Transformation	630	824	194	0	824	1092	824	-268
Workforce Medical	1,250	1,370	120	0	1370	1248	1368	120
Workforce Efficiency	0	2,234	2,234	2234	0	0	2234	2234
Procurement	1,400	286	-1,114	284	2	1399	286	-1113
Corporate	3,270	2,793	-477	2670	123	3175	2797	-378
Primary Care Prescribing	2,000	2,275	275	2275	0	2000	2274	274
Acute Prescribing	2,000	2,170	170	2170	0	1992	2171	179
Acute Other	400	171	-229	171	0	0	171	171
ISS - Corporate	1,950	1,947	-3	1847	100	1956	1946	-10
ISS - Operational	900	953	53	953	0	896	949	53
ISS - Commercial	1,500	0	-1,500	0	0	1500	0	-1500
East HSCP	2,445	2,015	-430	1,750	265	2184	2016	-168
North HSCP	2,170	2,526	356	2,351	175	1776	2526	750
South HSCP	2,015	2,015	0	2,015	0	2016	2016	0
Total NHS Ayrshire and Arran	36,680	29,902	-6,778	19,259	10,643	32,116	29,906	-2,210

3.2 Achievement was on track against the internal plan but was £6.8 million short of the original annual target of £36.7 million.

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 recurring Cash Releasing Efficiency Savings achievement was £19.2 million against the Scottish Government target of £30.2 million. This is a shortfall of £11.0 million.

3.5 Viridian Associates were commissioned to support the Acute Services and associated workforce improvement programme for 2025/26. This did not include the Boards wider efficiency programme and recovery plan. The acute efficiency target was devolved to divisions for 2025/26 and totalled £16.6 million. Most of the savings identified for acute were non-recurring cost reductions.

3.6 The acute savings achievement for 2025/26 was £10.5 million. This was £6.1 million short of target. This was driven by Medicine (£2.1 million), Labs and Diagnostics (£1.0 million) and Surgery (£1.3 million) along with smaller but still material shortfalls in other divisions.

	Annual Target	Annual Forecast	Forecast Variance	Forecast Recurring	Forecast Non-Recurring	YTD Plan M12	YTD Achieved M12	YTD Variance
Area	£000	£000	£000	£000	£000	£000	£000	£000
Medicine	3,000	873	-2,127	0	873	3000	874	-2126
Women and Children	1,400	747	-653	14	733	1211	749	-462
Surgery	4,300	2,996	-1,304	170	2826	2039	2997	958
Emergency & Trauma	2,000	1,521	-479	0	1521	2011	1520	-491
Labs & Diagnostics	1,950	1,013	-937	355	658	998	1014	16
Workforce Nursing	2,100	1,173	-927	0	1173	1623	1174	-449
Workforce Transformation	630	824	194	0	824	1092	824	-268
Workforce Medical	1,250	1,370	120	0	1370	1248	1368	120
Total Acute	16,630	10,517	-6,113	539	9,978	13,222	10,520	-2,702

4. RISKS AND MITIGATIONS

- 4.1 This section was used in the latter part of the year to set out a best/most likely/worst scenario and explain movements in forecasts. The Board delivered a deficit position of £24.3 million at year end.
- 4.2 Within the £24.3 million the following are material changes from forecasts at Month 11.
- The core Capital programme underspent by an additional £1.630 million. This was transferred to revenue with Scottish Government approval.
 - Infrastructure and Support Services underspent by £0.5 million more than had been forecast at Month 11.
 - Pharmacy were £0.4 million better than forecasted following a beneficial stock movement of £0.3 million.
 - A complex funding position on Primary Care rebates, discounts and vaccines along with national agreements benefitting Community Pharmacies caused a £1.4 million adverse movement from forecast. This was funded within the relevant cost centres by reducing available reserves.
 - Additional funding of £0.7 million was issued from reserves to fund an unexpected overspend on SLAs. This was previously forecast not to be required, and related to energy charges now recurrently in SLA baseline charges.

5. RISKS AND MITIGATIONS

- 5.1 This section was used in the latter part of the year to set out a best/most likely/worst scenario and explain movements in forecasts. The Board delivered a deficit position of £25.0 million at year end as forecast at month 11.
- 5.2 An additional £1.63 million of allocation was transferred to revenue in Month 12 following underspends on the core capital allocation.
- 5.3 Spend details were as follows:

Capital Spend for the 12 months to 31st March 2026	Spend to Date
	£000's
National Secure Adolescent Unit	2,439
Estates/Capital Planning	0
Estates/Energy	0
Digital Reform	701
Caring for Ayrshire	0
EME	4,559
NBV from Asset Sales	0
Equipment	594
Aggregate schemes under £50k	5,059
Total	13,352

6 CONCLUSION

- 6.1 The Board posted a £24.3 million deficit for 2025/26. This is £0.7 million under the level of deficit support. This position has been made possible by a series of material one off benefits. It is therefore essential the Board takes every action possible to minimise the deficit in future years.

Annex A
Value Based Efficiency Recurrent Position

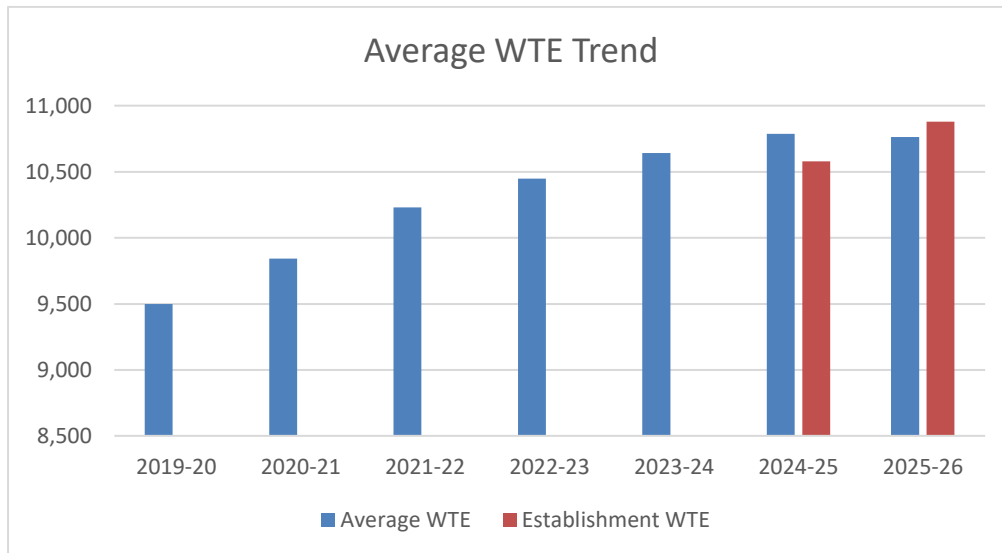
Value Based Efficiency Area	YTD Plan £m	YTD Actual £m	YTD Variance £m	Annual Plan £m	Forecast £m	Variance £m	Recurrent Annual Plan £m	Recurrent Annual Plan YTD £m	Recurrent Actual YTD £m	Recurrent Variance YTD £m	Recurrent Forecast £m	Forecast Recurrent Variance £m
Medicine	3.0	0.9	(2.1)	3.0	0.9	(2.1)	3.0	3.0	0.0	(3.0)	0.0	(3.0)
Women and Children	1.2	0.7	(0.5)	1.4	0.7	(0.7)	1.4	1.2	0.0	(1.2)	0.0	(1.4)
Surgery	2.0	3.0	1.0	4.3	3.0	(1.3)	4.0	2.0	0.2	(1.9)	0.2	(3.8)
rgency & Trauma	2.0	1.5	(0.5)	2.0	1.5	(0.5)	2.0	2.0	0.0	(2.0)	0.0	(2.0)
Labs & Diagnostics	1.0	1.0	0.0	2.0	1.0	(0.9)	1.7	1.0	0.4	(0.6)	0.4	(1.3)
Acute Other	0.0	0.2	0.2	0.4	0.2	(0.2)	0.4	0.0	0.2	0.2	0.2	(0.2)
Workforce Nursing	1.6	1.2	(0.5)	2.1	1.2	(0.9)	0.0	0.0	0.0	0.0	0.0	0.0
Workforce Transformation	1.1	0.8	(0.3)	0.6	0.8	0.2	0.1	0.1	0.0	(0.1)	0.0	(0.1)
Workforce Medical	1.3	1.4	0.1	1.3	1.4	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Workforce Efficiency	0.0	2.2	2.2	0.0	2.2	2.2	0.0	0.0	2.2	2.2	2.2	2.2
Procurement	1.4	0.3	(1.1)	1.4	0.3	(1.1)	1.4	1.4	0.3	(1.1)	0.3	(1.1)
Infrastructure & Support Services - Commercial (CG)	1.5	0.0	(1.5)	1.5	0.0	(1.5)	0.0	0.0	0.0	0.0	0.0	0.0
Corporate	3.2	2.8	(0.4)	3.3	2.8	(0.5)	2.8	2.7	2.7	(0.0)	2.7	(0.1)
Infrastructure & Support Services - Corporate	2.0	1.9	(0.0)	2.0	1.9	(0.0)	1.9	1.9	1.8	(0.0)	1.8	(0.0)
Primary Care Prescribing	2.0	2.3	0.3	2.0	2.3	0.3	2.0	2.0	2.3	0.3	2.3	0.3
Acute Prescribing	2.0	2.2	0.2	2.0	2.2	0.2	2.0	2.0	2.2	0.2	2.2	0.2
Infrastructure & Support Services - Operational	0.9	1.0	0.1	0.9	1.0	0.1	0.9	0.9	1.0	0.1	1.0	0.1
Total	26.1	23.3	(2.8)	30.0	23.3	(6.7)	23.6	20.2	13.1	(7.1)	13.1	(10.4)
East HSCP	2.2	2.0	(0.2)	2.4	2.0	(0.4)	2.4	2.2	1.8	(0.4)	1.8	(0.7)
North HSCP	1.8	2.5	0.7	2.2	2.5	0.4	2.2	1.8	2.4	0.6	2.4	0.2
South HSCP	2.0	2.0	(0.0)	2.0	2.0	(0.0)	2.0	2.0	2.0	(0.0)	2.0	(0.0)
Grand Total	32.1	29.9	(2.2)	36.7	29.9	(6.8)	30.2	26.2	19.3	(6.9)	19.3	(10.9)

Annex B - Workforce and Performance Information

Annex B: Key workforce data

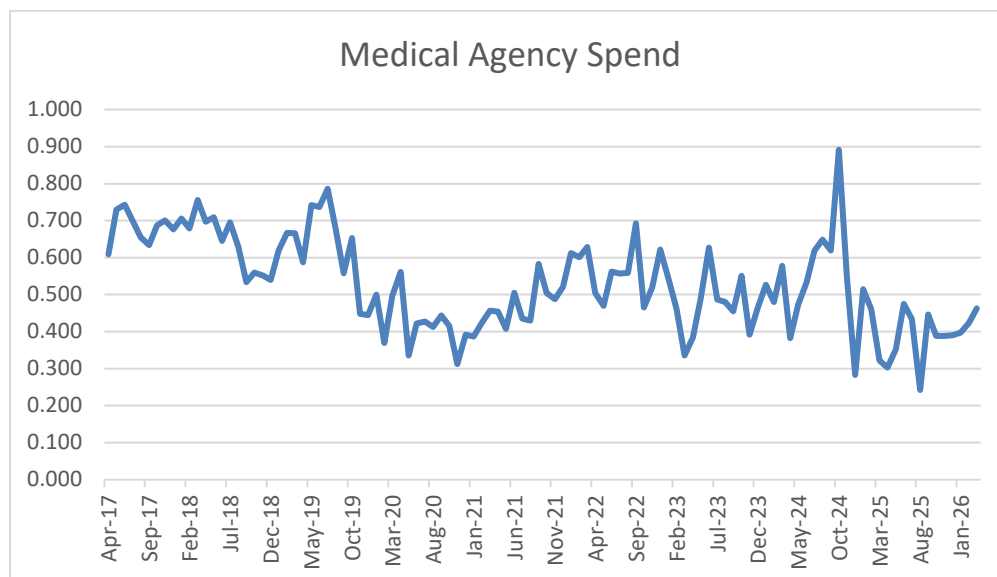
Key points:

- 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

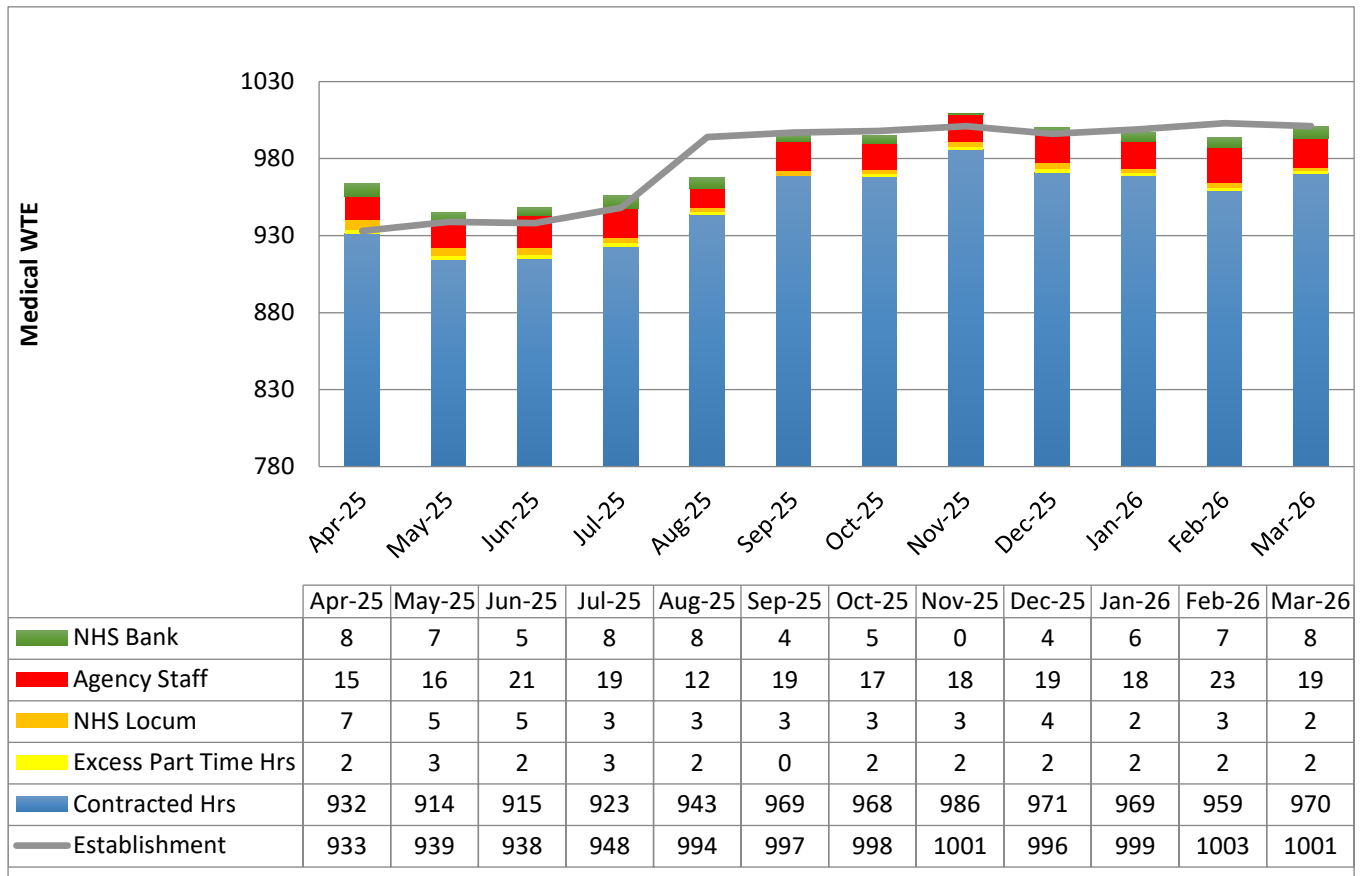
Agency medical costs are mainly for Consultants. They were £1.2 million lower than in 2025/26.



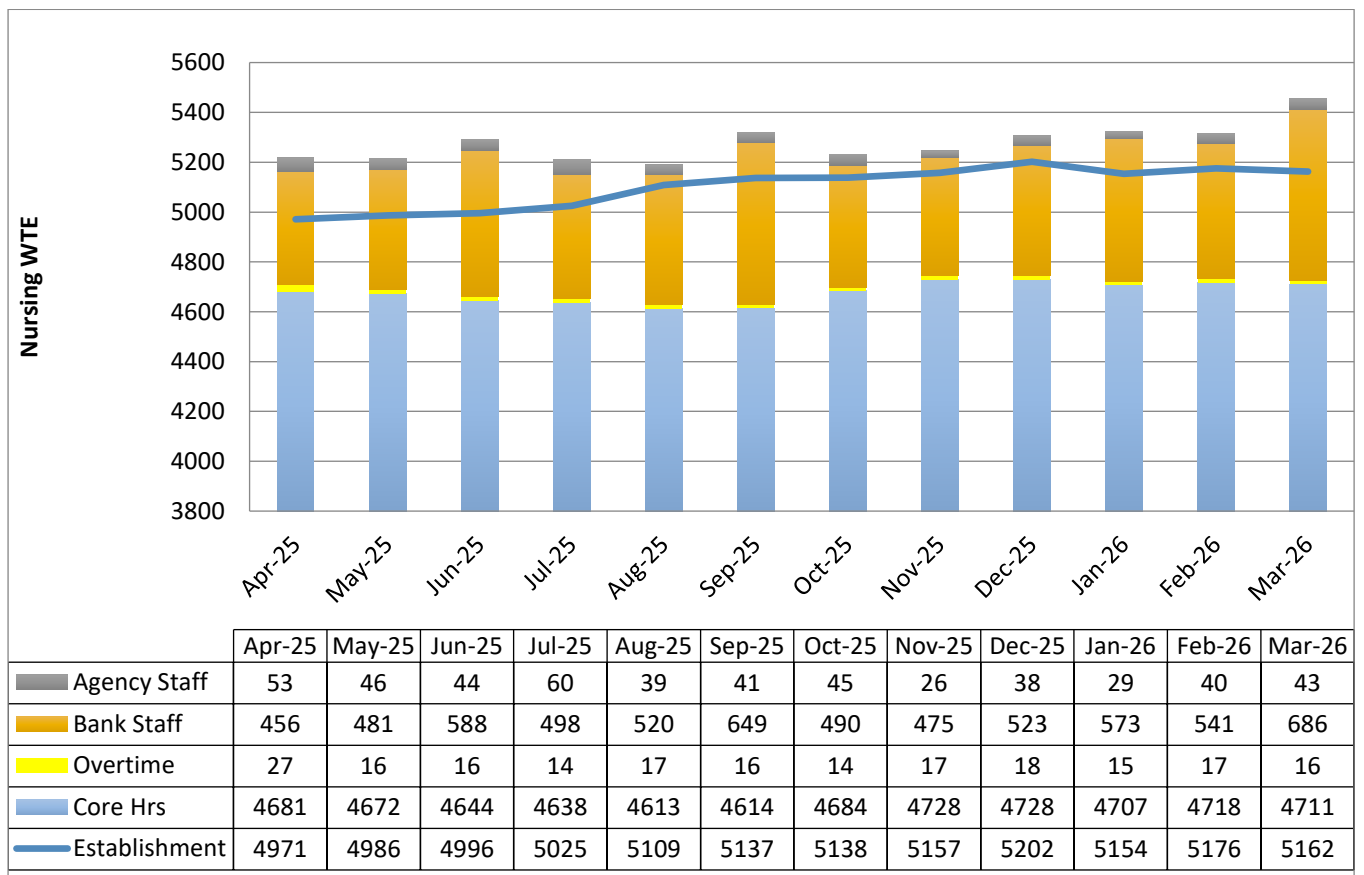
Nusing Agency Trend

Agency Nurse costs have reduced by £3.5 million in 2025/26 compared with 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

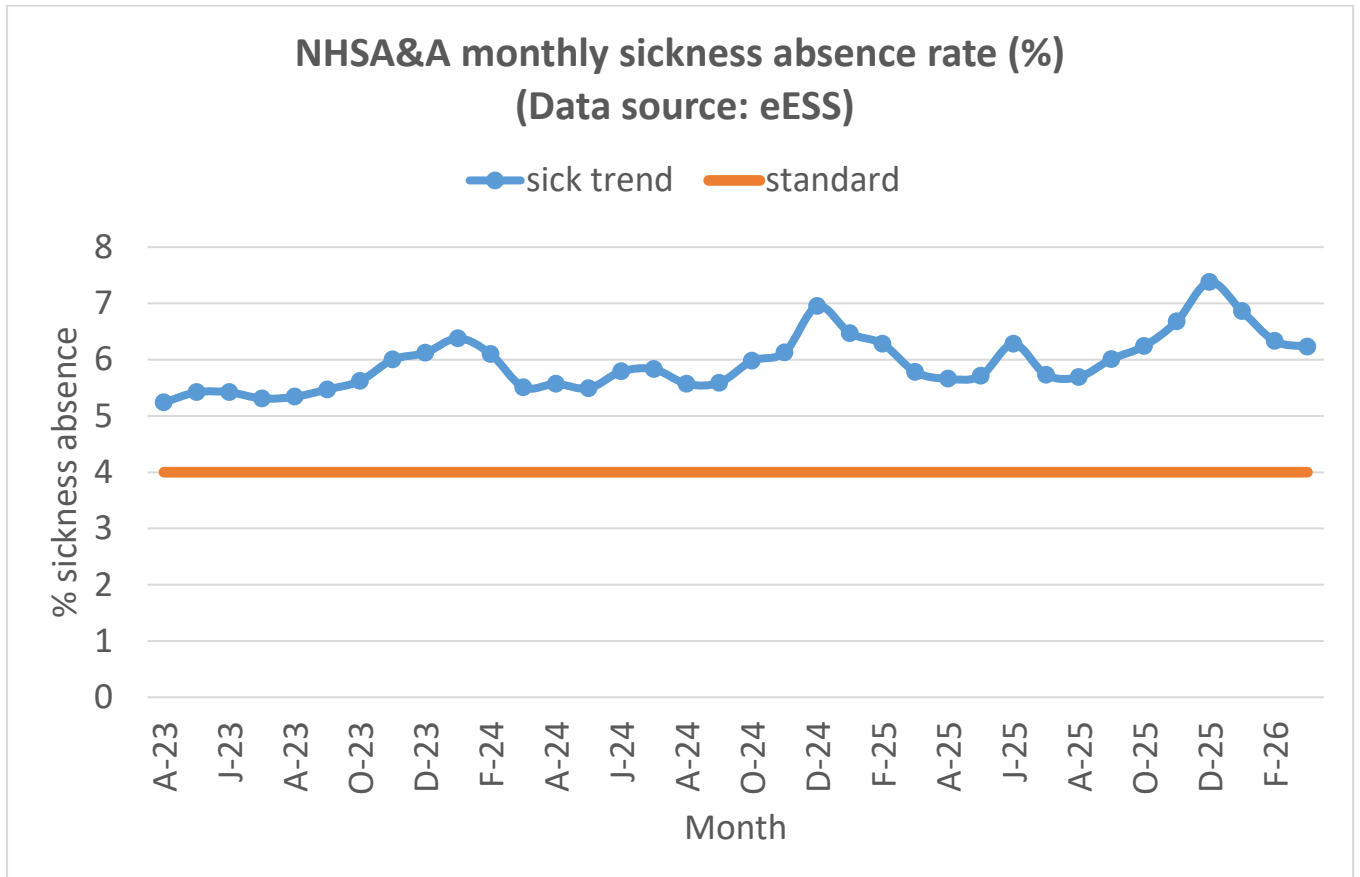


Nursing Staff breakdown



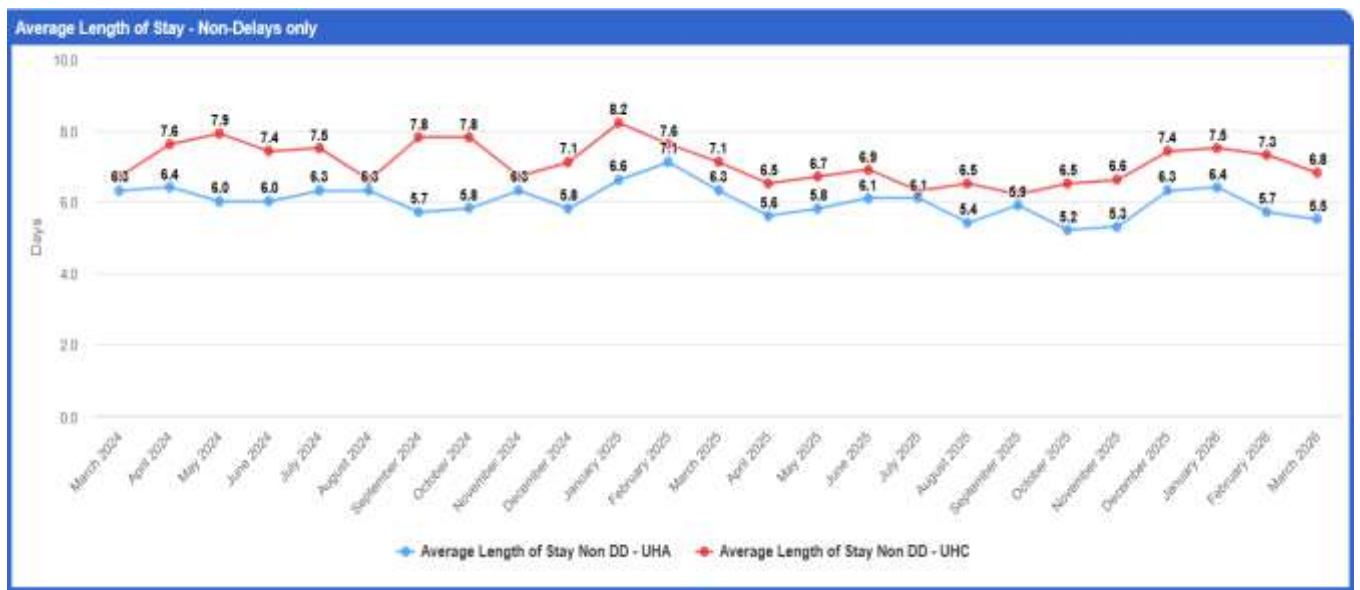
Sickness Absence

The local target level of sickness absence is 5.15% for the year. The absence rate fell from 6.33% in February to 6.23% in March.

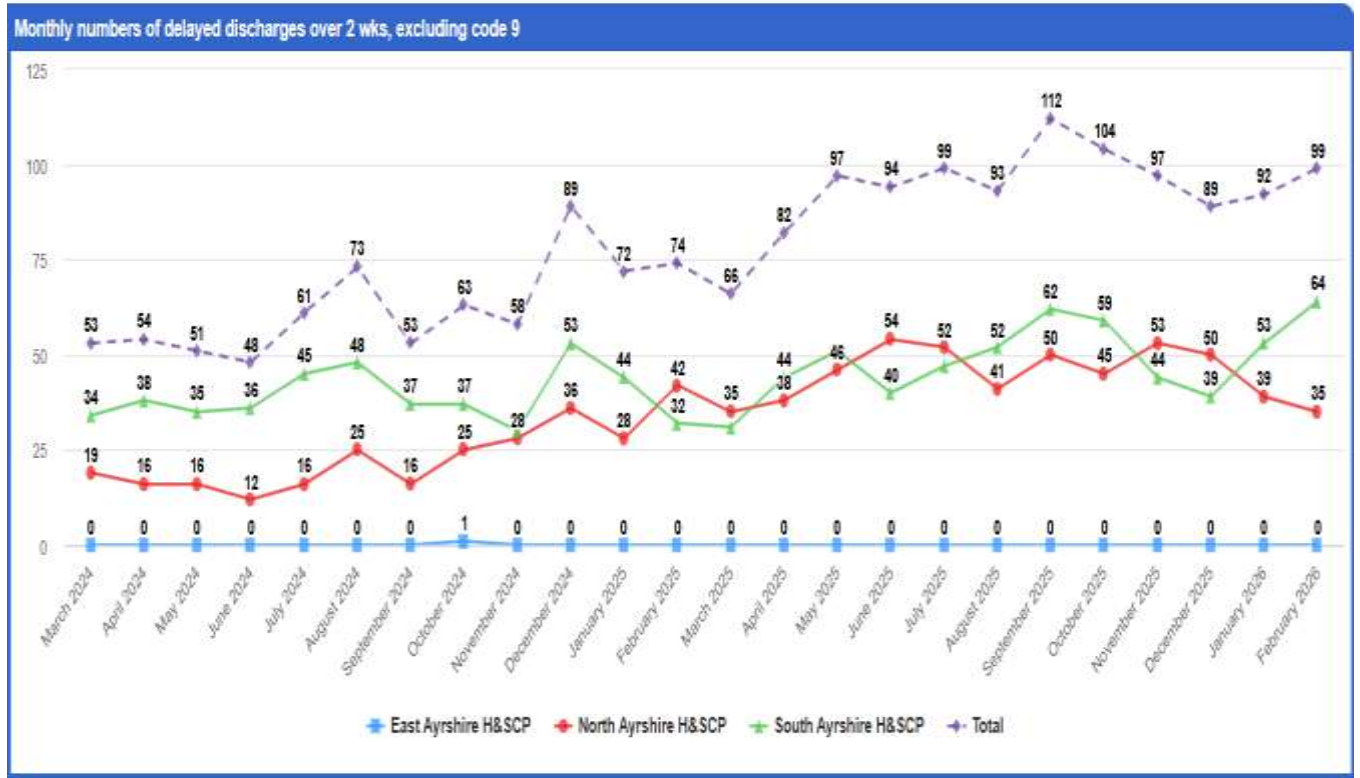


Annex C: Selected Performance Indicators

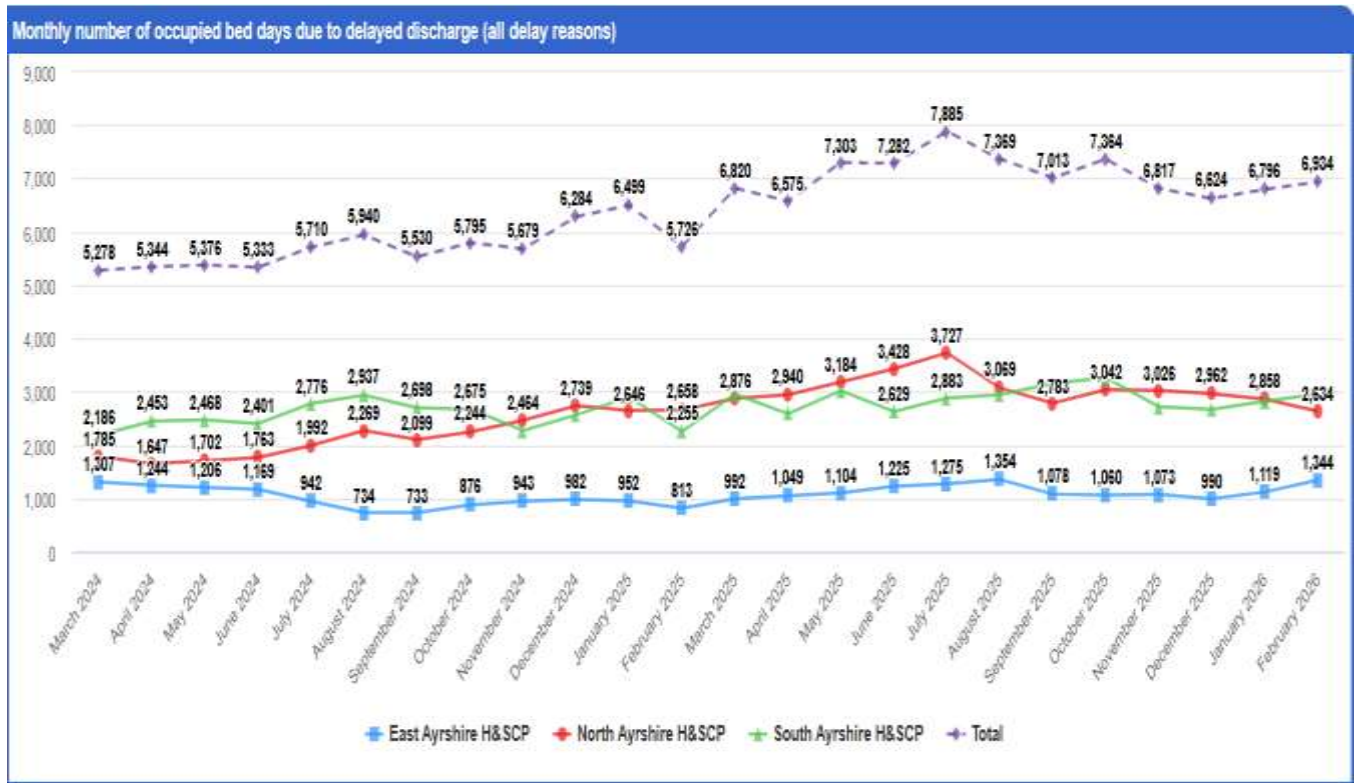
In March the ALOS for Non-Delayed patients fell from 7.3 to 6.8 days as Crosshouse and from 5.7 to 5.5 days at Ayr.



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 a reduction to 89 in December, a rise to 92 in January 2026 and a further rise to 99 in February.



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. These have fallen in recent months but remain at a higher level than in April.



At a variable bed day cost of £275 per day the 77,962 bed days lost to delayed discharges from April to February cost £21.4 million. At the fully absorbed £618 per bed day quoted by Audit Scotland this becomes £48.1 million. Bed days lost to delayed discharges rose by 138 in February.