

The Highland Council / NHS Highland

Agenda Item	8a
Report No	JMC-03-25

Committee:	Joint Monitoring Committee
Date:	13 March 2025
Report Title:	Highland Health & Social Care Partnership Finance Report – Month 9 2024/2025
Report By:	Heledd Cooper, Director of Finance, NHS Highland

1 Purpose/Executive Summary

- 1.1 This paper provides detail of the Highland Health and Social Care Partnership financial position at the end of the Month 9 2024/2025 (December).

2 Recommendations

- 2.1 Members are asked to:

- i. Note the financial position at Month 9 2024/2025 (December)

3 Implications

- 3.1 **Resource** – there are financial resource implications associated with this paper

- 3.2 **Legal** – there are no legal implications associated with this paper

- 3.3 **Risk** – ongoing financial/ funding issues for NHS Highland are recorded in the Board's risk register

- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – N/A

- 3.5 **Gaelic** – no associated implications

4 Impacts

4.1 Quality/ Patient Care

The impact of quality of care and delivery of services is assessed at an individual scheme level using a Quality Impact Assessment tool. All savings are assessed using a Quality Impact Assessment (QIA).

4.2 **Workforce**

There is both a direct and indirect link between the financial position and staff resourcing and health and wellbeing. Through utilisation of the QIA tool, where appropriate, the impact of savings on these areas is assessed.

4.3 **Financial**

Scottish Government has recognised the financial challenge on all Boards for 2024/2025 and beyond and are continuing to provide additional support to develop initiatives to reduce the cost base both nationally and within individual Boards. NHS Highland continues to be escalated at level 3 in respect of finance.

4.4 **Risk Assessment/Management**

There is a risk associated with the delivery of the Value & Efficiency programme. The Board are developing further plans to generate cost reductions/ improvements. There is an emerging risk associated with allocations – this has been reflected in the forecast year end position.

4.5 **Equality and Diversity, including health inequalities**

An impact assessment has not been completed because it is not applicable

4.6 **Other impacts**

None

5 **NHS Highland Financial Plan**

- 5.1 NHS Highland submitted a financial plan to Scottish Government for the 2024/2025 financial year in March 2023. This plan presented an initial budget gap of £112.491m. With a brokerage cap of £28.400m this meant cost reductions/ improvements of £84.091m were required. The Board received feedback on the draft Financial Plan 2024-27 on the 4 April 2024 which recognised that “the development of the implementation plans to support the above savings options is still ongoing” and therefore the plan was still considered to be draft at this point. The feedback also acknowledged “the significant progress that has been made in identifying savings options and establishing the appropriate oversight and governance arrangements”.

Since the submission and feedback from the draft Financial Plan confirmation has been received that the cost of CAR-T, included within the pressures, will be funded nationally.

There has also been a notification of an additional allocation of £50m nationally on a recurring basis, specifically to protect planned care performance. The NHS Highland share on an NRAC basis is £3.3 million. This funding will enable NHS Highland to maintain the current planned care performance whilst reducing the distance from the brokerage limit in 2024/25.

Additionally, Argyll & Bute IJB has confirmed its ability to deliver financial balance through the use of reserves.

A paper was taken to the NHS Highland Board on 28 February recommending that the Board agree a proposed budget with a £22.204m gap from the brokerage limit of £28.400m – this was agreed and has been reflected in monitoring reports presented to the Finance, Resources & Performance Committee and the NHS Highland Board.

Following the quarter 2 review with Scottish Government the Board was informed of a revision to the brokerage cap. For the 2024/2025 financial year £49.700m of brokerage will now be made available. Based on current forecasts this will enable delivery of a breakeven position at financial year end – assuming ASC breaks even.

The position presented reflects current and forecast performance against this revised brokerage cap.

6 Month 9 Position

- 6.1 For the period to end December 2024 (Month 9) an overspend of £52.920m is reported with an overspend of £45.105m forecast for the full financial year. The movement from ytd to year end forecast reflects the assumption that ASC will deliver a breakeven position by the end of the financial year.

The HHSCP is reporting a year to date overspend of £19.963m with this forecast to reduce to £4.586m by the end of the financial year based on the assumption that further actions will enable delivery of a breakeven position within ASC. This position assumes delivery of £2.319m of costs reductions/ improvements within Adult Social Care Value and Efficiency schemes.

Designation: Director of Finance, NHS Highland

Date: 20 February 2025

Author: Elaine Ward, Deputy Director of Finance, NHS Highland

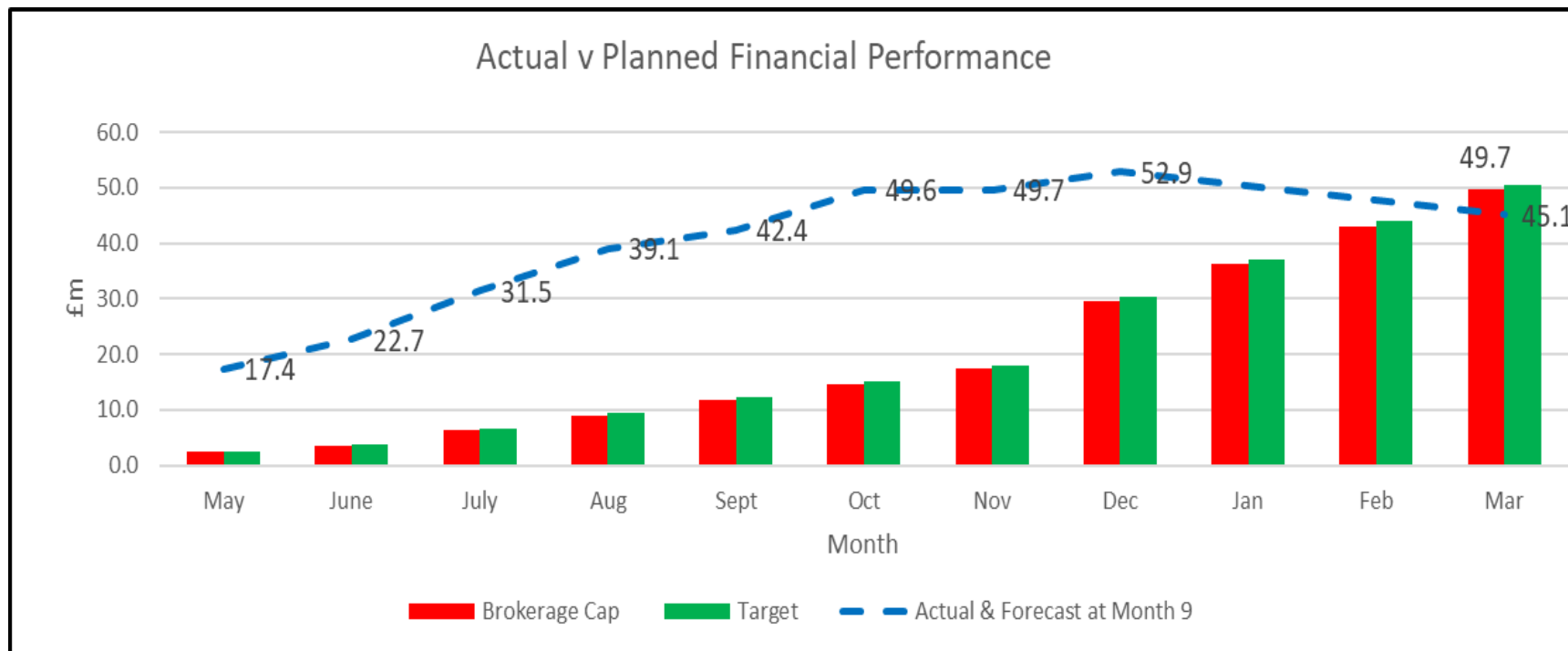
Background Papers: N/A

Appendices: Appendix 1 – Month 9 Finance Report JMC

Highland Health & Social Care Partnership
Finance Report – Month 9 2024/2025 (December 2024)

Joint Monitoring Committee

MONTH 9 2024/2025 – DECEMBER 2024



Target	YTD £m	YE Position £m
Delivery against Revenue Resource Limit (RRL) DEFICIT/ SURPLUS	52.9	45.1
Delivery against Brokerage Cap DEFICIT/ SURPLUS	23.3	4.6
Deliver against Target agreed with Board YTD DEFICIT/ SURPLUS	31.7	5.5

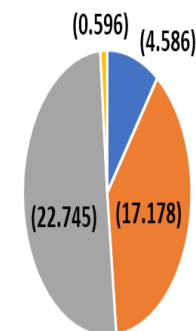
- Forecast year end deficit £45.1m – assuming additional action is taken to deliver breakeven ASC position
- £4.6m better than revised brokerage limit
- £5.5m better than target agreed with Board May 2024

MONTH 9 2024/2025 – DECEMBER 2024



Current Plan £m	Summary Funding & Expenditure	FY Plan £m	FY Actual £m	FY Variance £m	Forecast Outturn £m	Forecast Variance £m
1,243.879	Total Funding	882.015	882.015	-	1,243.879	-
	Expenditure					
473.755	HHSCP	353.587	373.550	(19.963)	496.665	(22.911)
	ASC Position to breakeven				(18.325)	18.325
	Revised HHSCP				478.341	(4.586)
318.449	Acute Services	237.044	250.163	(13.119)	335.627	(17.178)
174.383	Support Services	91.543	110.980	(19.437)	197.128	(22.745)
966.586	Sub Total	682.174	734.693	(52.519)	1,011.095	(44.509)
277.293	Argyll & Bute	199.841	200.242	(0.401)	277.889	(0.596)
1,243.879	Total Expenditure	882.015	934.935	(52.920)	1,288.985	(45.105)

Forecast Deficit by Operational Area



■ HHSCP ■ Acute Services ■ Support Services ■ Argyll & Bute

MONTH 9 2024/2025 SUMMARY

- Overspend of £52.920m reported at end of Month 9
- Overspend forecast at £45.105m by the end of the financial year – assuming further action will deliver a breakeven ASC position
- Forecast is £4.6m better than the revised brokerage limit set by Scottish Government and £5.5m better than the target agreed with the Board in May 2024

KEY RISKS



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

MITIGATIONS



- Adult Social Care funding from SG confirmed as higher than anticipated
- Development of robust governance structures around agency nursing utilisation
- Additional New Medicines funding
- Financial flexibility / balance sheet adjustments
- MDT funding reinstated following positive discussion with SG
- Increase to the initial brokerage limit
- Reduction in CNORIS contribution
- Additional funding for AfC non pay element of 2023/2024 pay award

MONTH 9 2024/2025 – DECEMBER 2024



Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Forecast Variance £m
	HHSCP					
271.801	NH Communities	204.471	209.521	(5.051)	280.515	(8.714)
57.149	Mental Health Services	42.721	44.191	(1.470)	58.782	(1.633)
160.906	Primary Care	119.479	123.043	(3.564)	164.520	(3.614)
(16.102)	ASC Other includes ASC Income	(13.084)	(3.206)	(9.878)	(7.151)	(8.951)
473.755	Total HHSCP	353.587	373.550	(19.963)	496.665	(22.911)
	HHSCP					
297.978	Health	221.778	226.747	(4.970)	302.709	(4.731)
175.777	Social Care	131.809	146.802	(14.993)	193.957	(18.180)
473.755	Total HHSCP	353.587	373.550	(19.963)	496.665	(22.911)
	Delivering ASC to Breakeven				(18.325)	18.325
473.755	Revised Total HHSCP	353.587	373.550	(19.963)	478.341	(4.586)

Locum/ Agency & Bank Spend	In Month £'000	YTD £'000
Locum	421	4,620
Agency (Nursing)	292	2,130
Bank	729	7,175
Agency (exclu Med & Nurs)	95	1,653
Total	1,536	15,578

HHSCP

- Year to date overspend of £19.963m reported
- Forecast that this will decrease to £4.586m by FYE based on the assumption that further action will enable delivery of a breakeven ASC position
- Prescribing & Drugs continuing to be a pressure with £3.042m overspend built into forecast.
- Assuming delivery of £2.319m of ASC V&E cost reductions/ improvements in forecast – high risk
- Supplementary staffing costs continue to drive an overspend position – £2.547m pressure within the forecast
- £1.500m has been built into the forecast in respect of out of area placements

MONTH 9 2024/2025 – ADULT SOCIAL CARE



Services Category	Annual Budget £000's	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	Outturn £000's	YE Variance £000's
Total Older People - Residential/Non Residential Care	59.659	45.336	43.154	2.182	57.398	2.261
Total Older People - Care at Home	38.091	28.565	31.139	(2.574)	41.433	(3.343)
Total People with a Learning Disability	49.969	37.621	41.074	(3.452)	55.973	(6.005)
Total People with a Mental Illness	10.370	7.790	7.136	0.654	9.565	0.804
Total People with a Physical Disability	9.352	7.046	7.647	(0.601)	10.524	(1.172)
Total Other Community Care	13.099	9.828	10.006	(0.178)	13.602	(0.502)
Total Support Services	(4.763)	(4.376)	5.493	(9.870)	3.877	(8.641)
Care Home Support/Sustainability Payments	-	-	1.154	(1.154)	1.582	(1.582)
Total Adult Social Care Services	175.777	131.810	146.803	(14.993)	193.956	(18.180)
Estates	0.530	0.397	0.459	(0.062)	0.675	(0.145)
Support to Bring ASC Position to Breakeven					(18.325)	18.325
Total Adult Social Care Services - Revised	176.307	132.207	147.262	(15.055)	194.631	-

ADULT SOCIAL CARE

- A forecast overspend of £18.180m is reported. At this stage it is assumed that a position will be reached which will enable delivery of a breakeven position at FYE.
- Further action is required to close the ASC gap of £18.325m (when ASC related property costs are included) and deliver a breakeven position with ASC at financial year end
- The position has deteriorated due to further support payments and ongoing review of income projections
- Assuming delivery £2.319m of cost reductions/ improvements against the target of £5.710m
- £2.987m of supplementary staffing costs within in-house care homes are included within the year to date position

MONTH 9 2024/2025 – ADULT SOCIAL CARE



NHSH Care Homes Supplementary Staffing

Care Home	Month 9		
	Agency £000's	Bank £000's	Total YTD £000's
Ach an Eas	-	8	152
An Acarsaid	-	10	85
Bayview House	-	16	157
Caladh Sona	-	-	8
Dail Mhor House	-	-	1
Grant House	14	10	177
Home Farm	103	13	996
Invernevis	13	15	119
Lochbroom		11	155
Mackintosh Centre		1	3
Mains House	51	2	487
Melvich		4	52
Pulteney		15	207
Seaforth		24	216
Strathburn		-	70
Telford	-	1	28
Wade Centre		9	74
Total	181	139	2,987

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

MONTH 9 2024/2025 – ADULT SOCIAL CARE



Workstream	Target	Reported
12.5% Reduction in Management	300	310
Building Based Services	220	-
Younger Adults Compexity	510	-
Income Maximisation to care costs	900	900
Review of Option 1 and 2	500	500
Redesign of Inhouse Care Homes and CaH	900	609
Integrated Care Teams/Support	354	-
Unidentified Balance	2,026	-
Total	5,710	2,319

ASC COST IMPROVEMENT/ REDUCTION

- £5.7m V&E target
- Forecast delivery of £2.319m
- Delivery impacted by ongoing system pressures, push to increase Care Home capacity and additional support requested by providers

NORTH HIGHLAND COMMUNITIES - MONTH 9 2024/2025 – DECEMBER 2024



Current Plan £000	Detail	Plan to Date £000	Actual to Date £000	Variance to Date £000	Forecast Outturn £000	Var from Curr Plan £000
79.320	Inverness & Nairn	59.650	62.242	(2.593)	83.714	(4.395)
57.327	Ross-shire & B&S	43.125	45.692	(2.567)	60.885	(3.558)
49.768	Caithness & Sutherland	37.901	38.228	(0.327)	51.089	(1.321)
57.948	Lochaber, SL & WR	43.691	43.725	(0.033)	58.629	(0.681)
12.305	Management	8.840	8.660	0.180	11.507	0.798
7.798	Community Other AHP	5.718	5.117	0.601	6.847	0.952
7.335	Hosted Services	5.546	5.857	(0.311)	7.844	(0.509)
271.801	Total NH Communities	204.471	209.521	(5.051)	280.515	(8.714)
93.588	Health	69.830	68.809	1.021	91.849	1.739
178.213	ASC	134.641	140.712	(6.072)	188.666	(10.453)

NORTH HIGHLAND COMMUNITIES

- £5.051m ytd overspend reported which is forecast to increase to £8.714m by the end of the financial year
- Within Health ongoing vacancies, particularly within Community AHPs, are mitigating cost pressures within Enhanced Community Services, Chronic Pain, community equipment and agency staffing
- Within ASC the main pressure areas continue to be within independent sector provision particularly in Inverness & Nairn and Ross-shire & Caithness & Sutherland
- The year end forecast assumes delivery of ASC Value & Efficiency Cost Reductions/ Improvements of £2.319m

MENTAL HEALTH SERVICES - MONTH 9 2024/2025 – DECEMBER 2024



Current Plan £m's	Summary Funding & Expendit	Plan to Date £m's	Actual to Date £m's	Variance to Date £m's	Forecast Outturn £m's	Var from Curr Plan £m's
	Mental Health Services					
42.959	Adult Mental Health	32.201	32.810	(0.610)	43.636	(0.678)
8.773	CMHT	6.583	6.370	0.213	8.461	0.311
2.487	LD	1.712	2.794	(1.082)	3.725	(1.238)
2.931	D&A	2.226	2.217	0.008	2.959	(0.028)
57.149	Total Mental Health Services	42.721	44.191	(1.470)	58.782	(1.633)
43.484	Health	32.469	34.895	(2.426)	46.340	(2.856)
13.666	ASC	10.252	9.296	0.956	12.443	1.223

MENTAL HEALTH SERVICES

- £1.470m overspend reported ytd with this forecast to increase to £1.633m by financial year end
- Within this service area Health is the driver of the overspend position
- The main drivers for the overspend continue to be agency nursing and medical locums
- Buvidal and Clozapine drug costs account for a further pressure of £0.249m
- A forecast of £1.500m has been built in for out of area costs and continues to contribute to the forecast overspend

PRIMARY CARE - MONTH 9 2024/2025 – DECEMBER 2024



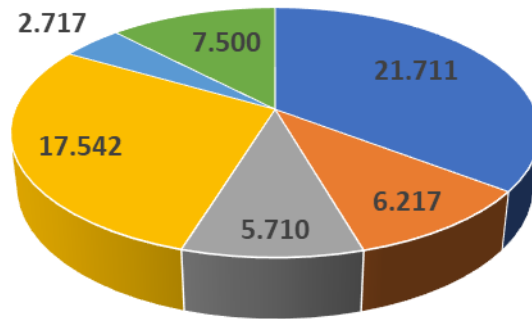
Current Plan £m's	Detail	Plan to Date £m's	Actual to Date £m's	Variance to Date £m's	Forecast Outturn £m's	Var from Curr Plan £m's
	Primary Care					
58.857	GMS	44.221	45.948	(1.728)	60.612	(1.755)
67.305	GPS	51.223	53.525	(2.302)	71.193	(3.888)
24.990	GDS	18.736	17.215	1.521	23.338	1.653
5.621	GOS	4.276	4.282	(0.006)	5.627	(0.006)
4.133	PC Management	1.023	2.073	(1.049)	3.750	0.383
160.906	Total Primary Care	119.479	123.043	(3.564)	164.520	(3.614)

PRIMARY CARE

- £3.564m overspend reported ytd with this forecast to increase to £3.614m by financial year end
- £3.042m overspend of prescribing has been built into the year end forecast – both cost and volume are contributing to this position
- £2.506m has been built in to the forecast in respect of locums in 2C practices – this is a significant increase from the month 8 position
- Vacancies in primary care management and GDS are mitigating overspends in other areas
- Prescribing and 2C practices will continue to be a focus for the 2025/2026 cost improvement/ reduction programme

MONTH 9 2024/2025 – DECEMBER 2024

Cost Reduction/ Improvement Target (£m)



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

COST REDUCTON/ IMPROVEMENT

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

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

MONTH 9 2024/2025 – DECEMBER 2024



Planned Value of 24-25 Efficiency of **£23.935** (12/12/2024 £22.846m), is the value of the schemes currently listed on the Savings Tracker and is part of the total savings goal for the NH and A&B of **£51.180m**

	M9	M8
Target:	£51.180m	£51.180m
Currently achieved:	£18.945m	(£18.231m)
Forecast still to be delivered:	£3.572m	(£3.189m)
Total achieved & forecasted :	£22.517m	£21.419m
GAP:	£28.663m	(£29.761m)
Change in GAP: £1.098m		

50% of efficiencies are currently forecasted to be delivered via Value & Efficiency Programme. This excludes ASC.

44% of efficiencies are currently forecasted to be delivered inclusive of ASC target and savings plan.

Reduction Programmes	V&E Original Plan				V&E Current Plan Fy 2024-25				Next Year
	2024-25 Original Target (£'000)	Total Achieved & Forecasted	GAP	% of In Delivery vs Original Target	2024-25 Current Target/Plan (£'000)	2024-25 Plan Achieved (£'000)	2024-25 Plan Forecasted (£'000)	GAP	2025-26 Plan Achieved (£'000)
Value & Efficiency - North Highland	21,711	8,396	-13,315	39%	9,619	6,937	1,459	-1,223	2,005
Value & Efficiency - Argyll & Bute	6,217	5,490	-727	88%	5,685	5,386	104	-195	0
Total Value & Efficiency	27,928	13,886	-14,042	50%	15,304	12,323	1,563	-1,418	2,005
Value & Efficiency - ASC	23,252	8,631	-14,621	37%	8,631	6,622	2,009	0	6,622
Total Value & Efficiency incl ASC	51,180	22,517	-28,663	44%	23,935	18,945	3,572	-1,418	8,627

MONTH 9 2024/2025 – DECEMBER 2024



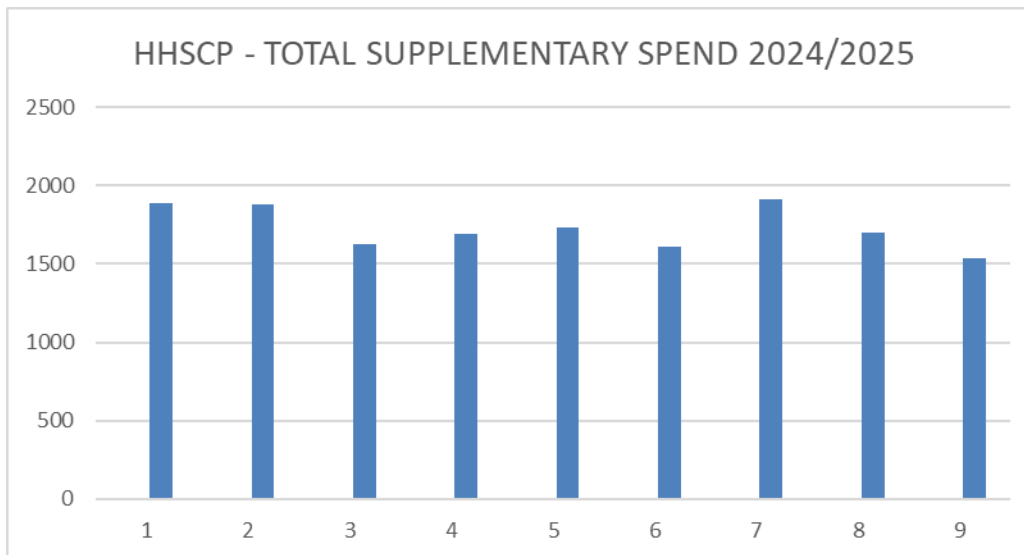
2024-25 Efficiency Plan vs In Delivery & Forecast					
Cost Improvement Programme	Original Financial Plan 2024-25	Value of Efficiency in Delivery	Forecasted Value Still to be Delivered	In Delivery + Forecast	GAP
Accommodation staff/Agency	300	0	0	0	-300
Bed Capacity Planning	0	0	0	0	0
Corporate Teams Consolidation	100	378	238	616	516
Delayed Discharge and Length of Stay	0	0	0	0	0
Diagnostic	0	0	0	0	0
District Redesign	100	0	0	0	-100
External Room Hire	300	0	0	0	-300
Income Generation	1,500	67	0	67	-1,433
Integrated Service Planning	0	0	0	0	0
Leases & Agile Working	200	55	0	55	-145
Mobile & TEC	0	0	0	0	0
On Call Rotas and Irr Dr Compliance	600	0	0	0	-600
OOH	1,000	0	0	0	-1,000
Operational Digitisation Project	0	0	0	0	0
Oxygen Service	0	0	0	0	0
Patient Hub	0	0	0	0	0
Pelvic Health Pathway	0	0	0	0	0
People Review	0	0	0	0	0
Police Custody and SARC	200	0	0	0	-200
Prescribing	6,500	2,056	962	3,018	-3,482
Printing Devices	0	0	0	0	0
Procurement Consolidation and Efficiency	100	604	36	639	539
Rates Review Rebates (Historic)	0	695	0	695	695
Remote Outpatients & Virtual Capacity	0	25	0	25	25
Service Level Agreements	310	305	0	305	-5
Shared Services	0	0	0	0	0
Stock Management Review	0	0	0	0	0
Stores, Logistics and Fleet	0	0	0	0	0
Supplementary Staffing	6,500	2,716	233	2,949	-5,551
Telephony	0	37	0	37	37
Theatre Optimisation & PLCV	0	0	0	0	0
Transformation and Resilience of Admin	1,000	0	0	0	-1,000
Travel	1,000	0	0	0	-1,000
Vacancy Panel	0	0	0	0	0
Vaccination Service	0	0	0	0	0
Waste Management / Infection Prevention &	0	0	0	0	0
Total North Highland	21,710	6,937	1,459	8,396	-13,314
Argyll & Bute Schemes	6,218	5,386	104	5,490	-728
Total North Highland & Argyll & Bute	27,928	12,323	1,563	13,886	-14,042
Adult Social Care Schemes	23,252	6,622	2,009	8,631	-14,621
Total North Highland, Argyll & Bute & ASC	51,180	18,945	3,572	22,517	-28,663

**Value & Efficiency
Planned Savings
(Original Plan)
FY 2024-25 M9**

MONTH 9 2024/2025 – DECEMBER 2024



	2024/2025	2023/20	Inc/ (Dec)
	YTD	YTD	YTD
	£'000	£'000	£'000
HHSCP	15,578	18,454	(2,876)



SUPPLEMENTARY STAFFING

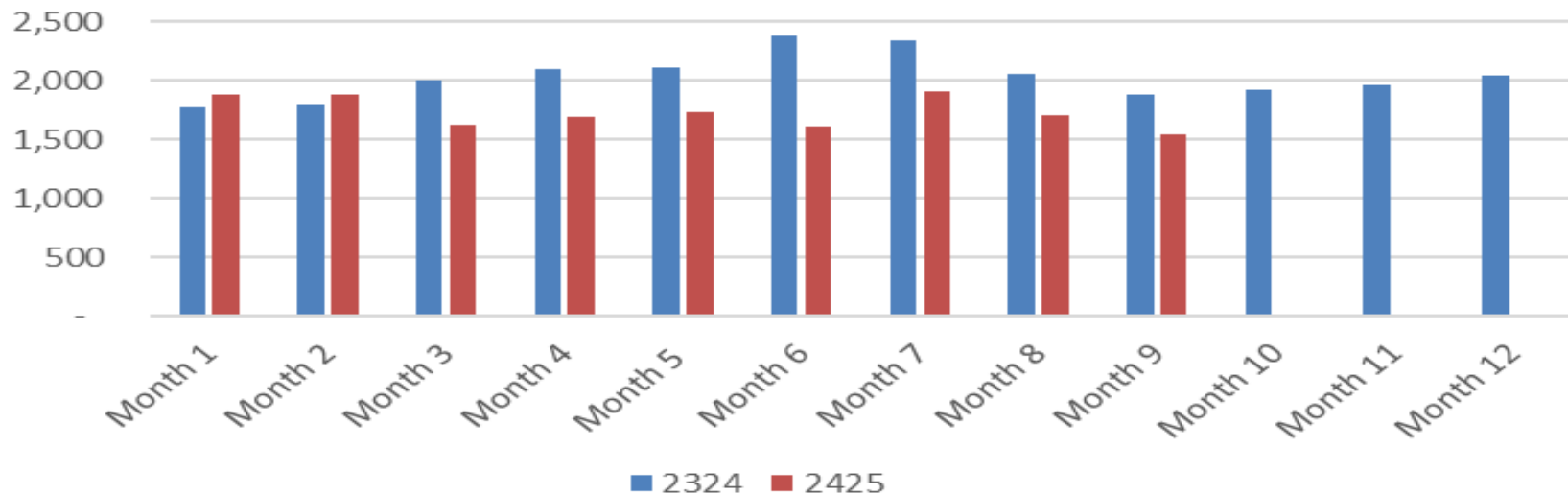
- Total spend on Supplementary Staffing at end of Month 9 is £2.876m lower than at the same point in 2023/2024.
- There is an underspend of £1.918m on pay related costs at the end of Month 9

Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m
	Pay			
27.122	Medical & Dental	19.725	20.273	(0.548)
4.412	Medical & Dental Support	3.303	3.332	(0.029)
69.407	Nursing & Midwifery	51.603	51.140	0.463
17.490	Allied Health Professionals	13.109	12.023	1.086
0.074	Healthcare Sciences	0.055	0.031	0.024
9.249	Other Therapeutic	6.954	7.403	(0.449)
6.983	Support Services	5.244	4.766	0.478
22.194	Admin & Clerical	16.110	16.205	(0.095)
0.396	Senior Managers	0.297	0.111	0.186
53.847	Social Care	40.380	37.656	2.724
0.424	Ambulance Services	0.318	0.349	(0.031)
(2.591)	Vacancy factor/pay savings	(1.904)	(0.013)	(1.891)
209.007	Total Pay	155.194	153.276	1.918

MONTH 9 2024/2025 – DECEMBER 2024



HHSCP - SUPPLEMENTARY STAFFING - MONTHLY RUN RATE



- Month 9 spend is £0.168m lower than month 8
- YTD Reduction of £2.876m compared to 2023/2024

MONTH 9 2024/2025 – DECEMBER 2024



Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m
209.007	Expenditure by Subjective spend	155.194	153.276	1.918
57.382	Pay	47.796	50.640	(2.845)
3.409	Drugs and prescribing	2.766	3.393	(0.627)
19.938	Property Costs	34.171	29.182	4.989
5.562	General Non Pay	4.591	5.900	(1.309)
7.174	Clinical Non pay	6.056	6.261	(0.205)
115.828	Health care - SLA and out of area	96.843	104.777	(7.934)
83.954	Social Care ISC	69.010	69.748	(0.738)
	FHS			

SUBJECTIVE ANALYSIS

- Pressures continued within all expenditure categories – with significant overspends within a number of areas
- The most significant overspends are within prescribing, clinical non pay and payments to independent sector providers
- Pay is underspent by £1.918m – with vacancies mitigating the high level of spend on supplementary staffing
- Drugs and prescribing expenditure is currently overspent by £2.845m

Financial Plan – 2025/2026

4 December 2024 Budget Letter

- 3% uplift on baseline funding in 2025/2026
- To meet expected costs of 2025/2026 pay awards in line with public sector pay policy and provides a 3% uplift to support non-pay inflationary pressures
- Recurring funding for impact of 2024/2025 pay awards has been built into baseline
- Additional £55.6m has been provided to ensure no Board is further than 0.6% from NRAC parity
- £150m of funding to support continued implementation of the 2023/2024 Agenda for Change pay deal
- Further discussions to take place on impact of changes to NI
- Commitment to provide additional funding to:
 - reduce waiting lists
 - support reduction of delayed discharges
 - renew primary care enhancements

4 December 2024 Budget Letter

- BROKERAGE WILL NO LONGER BE AVAILABLE
- Should financial balance not be achieved this will be shown as an overspend in financial statements, leading to potential qualification of accounts and Section 22 report, as well as consideration of escalation status
- Number of areas of work underway to support NHS Boards and collectively improve the financial position:
 - 15 box grid
 - Productivity
 - Value Based Health and Care
- In addition to the baseline uplift, funding aligned to policy commitments will be allocated to Boards in 2025/2026 – intention is to provide early indication of allocations with 80% confirmed in quarter 1
- £140m transferred to Local Government to support commitment to:
 - Real Living Wage
 - Free Personal Nursing Care rates
 - Provide additional voluntary sector short breaks funding for unpaid carers