

Agenda Item	8a
Report No	JMC-07-25

Committee:	Joint Monitoring Committee
Date:	12 June 2025
Report Title:	Highland Health & Social Care Partnership Finance Report – Month 12 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 12 2024/2025 (March) which is subject to final adjustments and audit.

2 Recommendations

- 2.1 Members are asked to:
- i. Note the financial position at Month 12 2024/2025 (March)

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 2024. 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 12 Position

- 6.1 For the period to end March 2025 (Month 12) an overspend of £49.497m is reported for the full financial year, which at the time of writing is still subject to final adjustments and audit.

The HHSCP reported an overspend of £13.648m. This position includes delivery of £2.519m of costs reductions/ improvements within Adult Social Care Value and Efficiency schemes.

Designation: Director of Finance, NHS Highland

Date: 27 May 2025

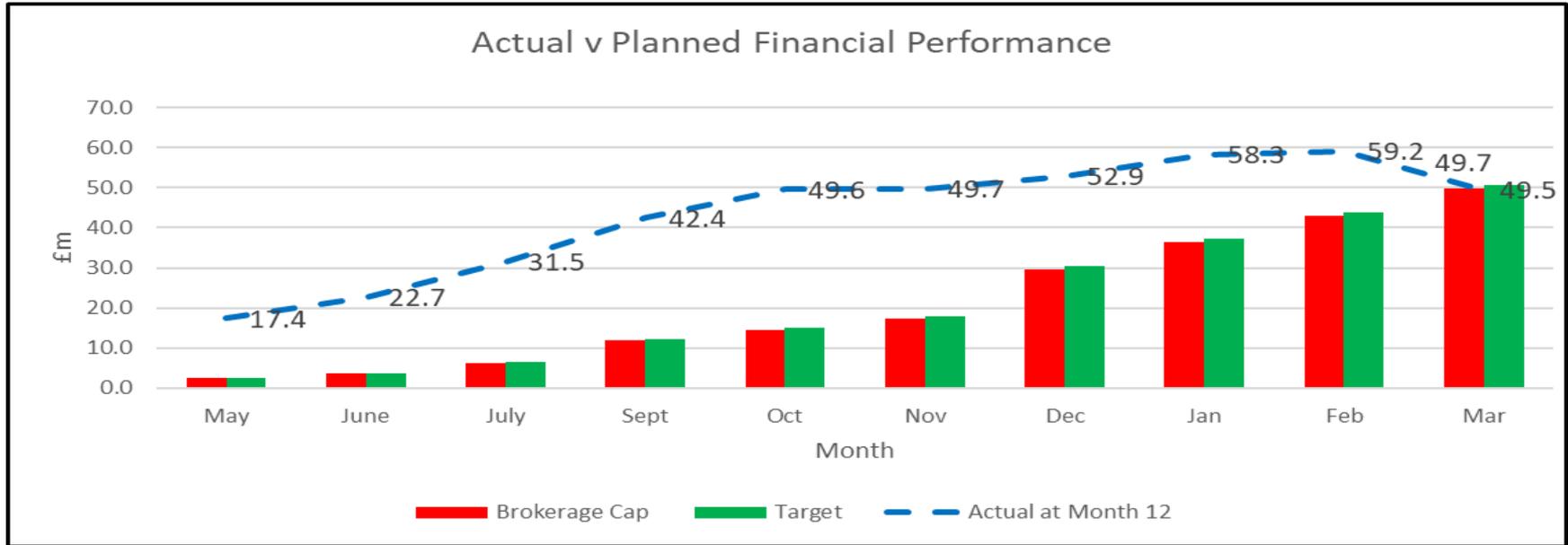
Author: Frances Gordon, Head of Finance - HHSCP, NHS Highland

Background Papers: N/A

Appendices: Appendix 1 – Month 12 Finance Report JMC

Highland Health & Social Care Partnership
Finance Report – Month 12 2024/2025 (March 2025)
Subject to final adjustments & audit
Joint Monitoring Committee

MONTH 12 2024/2025 –MARCH 2025



Target	YE Position £m
Delivery against Revenue Resource Limit (RRL) DEFICIT/ SURPLUS	49.5
Delivery against Brokerage Cap DEFICIT/ SURPLUS	0.2
Deliver against Target agreed with Board YTD DEFICIT/ SURPLUS	1.1

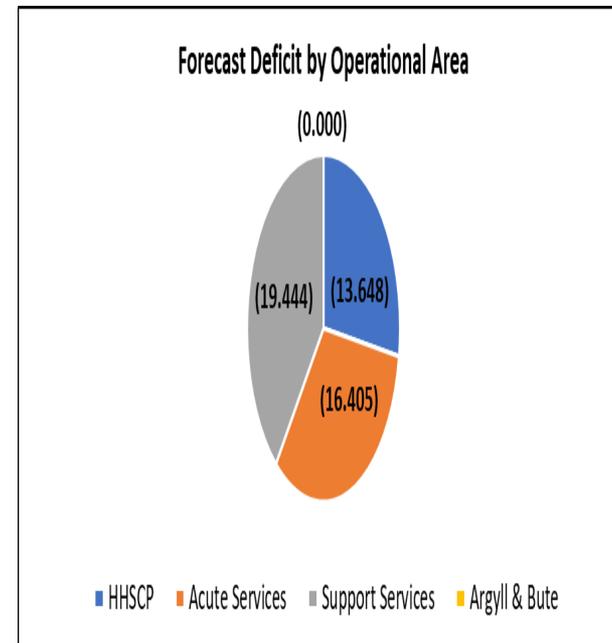
- Year end deficit of £49.5m before application of SG Brokerage
- £0.2m better than revised brokerage limit
- £1.1m better than target agreed with Board May 2024
- When brokerage applied reported year end position is a £0.21m underspend

MONTH 12 2024/2025 – MARCH 2025



Month 12

Current Plan £m	Current Plan £m	Summary Funding & Expenditure	FY Plan £m	FY Actual £m	FY Variance £m
	1,255.541	Total Funding	1,255.541	1,255.541	-
		Expenditure			
	478.608	HHSCP	478.608	492.256	(13.648)
		ASC Position to breakeven			
	327.438	Revised HHSCP	327.438	343.843	(16.405)
	168.244	Acute Services	168.244	187.689	(19.444)
		Support Services			
	974.290	Sub Total	974.290	1,023.787	(49.497)
	281.252	Argyll & Bute	281.252	281.252	(0.000)
	1,255.541	Total Expenditure	1,255.541	1,305.039	(49.497)



MONTH 12 2024/2025 SUMMARY

- Overspend of £49.497m reported at end of Month 12
- Position is £0.20m better than the revised brokerage limit set by Scottish Government and £1.1m better than the target agreed with the Board in May 2024

KEY RISKS



- ASC – breakeven position confirmed for 2024/2025 but overall position continues to be a risk into 2025/2026

Generic risks which will continue into 2025/2026:

- Supplementary staffing – spend continues to fluctuate but overall less than 2023/2024
- 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



- Funding position agreed to balance Adult Social Care
- 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 12 2024/2025 – MARCH 2025



Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m
	HHSCP			
272.451	NH Communities	272.451	278.733	(6.282)
58.317	Mental Health Services	58.317	60.040	(1.723)
164.066	Primary Care	164.066	165.698	(1.632)
(16.227)	ASC Other includes ASC Income	(16.227)	(12.215)	(4.011)
478.608	Total HHSCP	478.608	492.256	(13.648)
	HHSCP			
302.964	Health	302.964	305.698	(2.733)
175.643	Social Care	175.643	186.558	(10.915)
478.608	Total HHSCP	478.608	492.256	(13.648)

Locum/ Agency & Bank Spend	In Month £'000	YTD £'000
Locum	782	6,168
Agency (Nursing)	451	3,310
Bank	780	9,441
Agency (exclu Med & Nurs)	171	2,009
Total	2,184	20,928

HHSCP

- Full year overspend of £13.648m reported
- The overspend within ASC has been offset with slippage on health funding and the application of brokerage and THC transformation funding
- Prescribing & Drugs contributed £2.249m to the overspend
- £2.519m of ASC V&E cost reductions/ improvements delivered
- Supplementary staffing costs of £20.928m within overall position
- £1.750m incurred in unbudgeted out of area placement costs

MONTH 12 2024/2025 – ADULT SOCIAL CARE



Services Category	Annual Budget £000's	Actual £000's	Variance £000's
Total Older People - Residential/Non Residential Care	60,227	58,610	1,617
Total Older People - Care at Home	38,008	41,151	(3,143)
Total People with a Learning Disability	49,969	54,222	(4,253)
Total People with a Mental Illness	10,370	9,360	1,009
Total People with a Physical Disability	9,352	10,226	(874)
Total Other Community Care	13,165	13,197	(32)
Total Support Services	(4,917)	(847)	(4,070)
Care Home Support/Sustainability Payments	0	1,349	(1,349)
Total Adult Social Care Services	176,173	187,268	(11,095)
Less ASC Estates	530	710	(180)
Total Adult Social Care Services - Revised	175,643	186,558	(10,915)

ADULT SOCIAL CARE

- The reported position for ASC is an overspend of £10.915m. This overspend has been covered by a combination of slippage on health funding and the application of brokerage.
- £2.161m was drawn down from THC transformation fund with a further contribution of £5.6m from the Transformation Fund to in support of the reported position
- £4.052m of supplementary staffing costs within in-house care homes are included within the year to date position

MONTH 12 2024/2025 – ADULT SOCIAL CARE



NHSH Care Homes Supplementary Staffing

Care Home	Month 12		
	Agency £000's	Bank £000's	Total YTD £000's
Ach an Eas	-	28	237
An Acarsaid	-	14	133
Bayview House	-	16	218
Caladh Sona	-	-	8
Dail Mhor House	-	1	3
Grant House	25	16	284
Home Farm	118	8	1,240
Invernevis	12	13	202
Lochbroom	-	14	206
Mackintosh Centre	-	3	9
Mains House	46	8	631
Melvich	-	4	63
Pulteney	-	24	290
Seaforth	-	26	287
Strathburn	-	-	70
Telford	1	11	58
Wade Centre	-	11	114
Total	202	196	4,052

- Ongoing reliance on agency/ bank staffing within Home Farm and Mains House

MONTH 12 2024/2025 – ADULT SOCIAL CARE



Workstream	Target	Achieved
12.5% Reduction in Management	300	310
Building Bases Services	220	
Younger Adults Complexity	510	
Income Maximisation care costs	900	900
Review of Option 1 and 2	500	500
Redesign of Care Homes and CaH	900	609
Integrated Teams and Support	354	200
Unidentified Balance	2,026	
Total	5,710	2,519

ASC COST IMPROVEMENT/ REDUCTION

- £5.7m V&E target
- Delivery of £2.519m
- Delivery impacted by ongoing system pressures, push to increase Care Home capacity and additional support requested by providers

NORTH HIGHLAND COMMUNITIES - MONTH 12 2024/2025 – MARCH 2025



Current Plan £000	Detail	Plan to Date £000	Actual to Date £000	Variance to Date £000
79.363	Inverness & Nairn	79.363	82.616	(3.252)
57.489	Ross-shire & B&S	57.489	60.923	(3.434)
49.879	Caithness & Sutherland	49.879	50.904	(1.026)
58.146	Lochaber, SL & WR	58.146	58.002	0.143
12.115	Management	12.115	11.448	0.667
7.817	Community Other AHP	7.817	6.821	0.996
7.641	Hosted Services	7.641	8.019	(0.377)
272.451	Total NH Communities	272.451	278.733	(6.282)
94.266	Health	94.266	92.305	1.960
178.186	ASC	178.186	186.428	(8.242)

NORTH HIGHLAND COMMUNITIES

- £6.282m reported overspend
- 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 £2.519m

MENTAL HEALTH SERVICES - MONTH 12 2024/2025 – MARCH 2025



Current Plan £m's	Summary Funding & Expenditure	Plan to Date £m's	Actual to Date £m's	Variance to Date £m's
	Mental Health Services			
43.620	Adult Mental Health	43.619	44.306	(0.687)
9.430	CMHT	9.430	9.082	0.348
2.241	LD	2.241	3.866	(1.625)
3.026	D&A	3.026	2.786	0.240
58.318	Total Mental Health Services	58.317	60.040	(1.723)
44.632	Health	44.632	47.694	(3.062)
13.685	ASC	13.684	12.346	1.339

MENTAL HEALTH SERVICES

- £1.723m reported overspend
- 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 12 2024/2025 – MARCH 2025



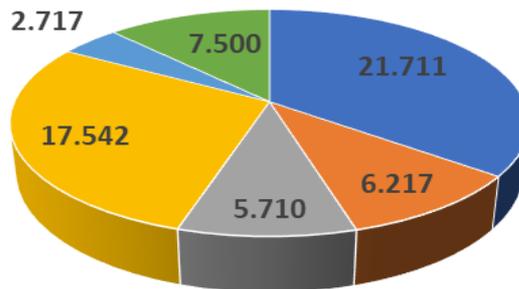
Current Plan £m's	Detail	Plan to Date £m's	Actual to Date £m's	Variance to Date £m's
	Primary Care			
61.800	GMS	61.800	62.755	(0.954)
66.509	GPS	66.509	69.840	(3.331)
25.750	GDS	25.750	23.638	2.112
5.975	GOS	5.975	5.995	(0.021)
4.033	PC Management	4.033	3.470	0.563
164.066	Total Primary Care	164.066	165.698	(1.632)

PRIMARY CARE

- £1.632m reported overspend
- £2.001m overspend of prescribing has been built into the position – both cost and volume are contributing to this position
- £2.471m has been built in to the position in respect of locums in 2C practices
- 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 12 2024/2025 – MARCH 2025

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 – subsequently the brokerage cap has been increased to £49.7m but this has not impacted on the cost reduction/improvement target
- Overall savings of £43.129m have been recorded. This includes benefits from actions taken to mitigate slippage against the V&E programme

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 12 2024/2025 – MARCH 2025



V&E Reduction Programmes as per Area

Value & Efficiency M12	V&E Original Plan			
	2024-25 Original Target (£'000)	Total Achieved & Forecasted (£'000)	GAP (£'000)	% of In Delivery vs Original Target
Value & Efficiency - North Highland	21,711	10,256	-11,455	47%
Value & Efficiency - Argyll & Bute	6,217	5,610	-607	90%
Total Value & Efficiency	27,928	15,866	-12,062	57%
Value & Efficiency - ASC	23,252	8,922	-14,330	38%
Total Value & Efficiency incl ASC	51,180	24,788	-26,392	48%

- 2024-25 Value & Efficiency target is set for £51.180m
- Current GAP in meeting this target is £26,392m
- Total value of savings delivered at the end of the FY 2024-25 is £ 24,788m of which:
 - 1). 41% (£ 10,256m) was delivered by North Highland
 - 2). 23% (£ 5,610m) was delivered by Argyll & Bute
 - 3). 36% (£ 8,922m) was delivered by ASC

MONTH 12 2024/2025 – MARCH 2025



T&F Workstream / Value & Efficiency Area	V&A Plan			V&A Current Plan			GAP
	2024-25 Original Target (£'000)	2024-25 Current Target/Plan (£'000)	Plan Gap	Value of Efficiency in Delivery	Forecasted Value Still to be Delivered	Total Achieved & Forecasted	Original Target less (Achieved + Forecasted Efficiencies)
Accommodation staff/Agency	300	0	-300	0	0	0	-300
Bed Capacity Planning	0	0	0	0	0	0	0
Corporate Teams Consolidation	100	838	738	838	0	838	738
Delayed Discharge and Length of Stay	0	0	0	0	0	0	0
Diagnostics	0	0	0	0	0	0	0
District Redesign	100	0	-100	0	0	0	-100
External Room Hire	300	0	-300	0	0	0	-300
Income Generation	1,500	67	-1,433	67	0	67	-1,433
Integrated Service Planning	0	0	0	0	0	0	0
Leases & Agile Working	200	97	-103	97	0	97	-103
Management Restructure	0	280	280	280	0	280	280
Morse & TEC	0	0	0	0	0	0	0
On Call Rotas and Jnr Dr Compliance	600	0	-600	0	0	0	-600
OOH	1,000	0	-1,000	0	0	0	-1,000
Operational Digitisation Project	0	0	0	0	0	0	0
Oxygen Service	0	0	0	0	0	0	0
Patient Hub	0	0	0	0	0	0	0
Pelvic Health Pathway	0	0	0	0	0	0	0
People Review	0	0	0	0	0	0	0
Police Custody and SARC	200	221	21	221	0	221	21
Prescribing	6,500	3,174	-3,326	3,174	0	3,174	-3,326
Printing Devices	0	0	0	0	0	0	0
Procurement Consolidation and Efficiency	100	639	539	639	0	639	539
Rates Review Rebates (Historic)/VAT Recovery	0	1,235	1,235	1,235	0	1,235	1,235
Remote Outpatients & Virtual Capacity	0	28	28	28	0	28	28
Service Level Agreements	310	305	-5	305	0	305	-5
Shared Services	0	0	0	0	0	0	0
Stock Management Review	0	0	0	0	0	0	0
Stores, Logistics and Fleet	0	19	19	19	0	19	19
Supplementary Staffing	8,500	3,299	-5,201	3,299	0	3,299	-5,201
Telephony	0	55	55	55	0	55	55
Theatre Optimisation & PLCV	0	0	0	0	0	0	0
Transformation and Resilience of Admin	1,000	0	-1,000	0	0	0	-1,000
Travel	1,000	0	-1,000	0	0	0	-1,000
Vacancy Panel	0	0	0	0	0	0	0
Vaccination Service	0	0	0	0	0	0	0
Waste Management / Infection Prevention & Control	0	0	0	0	0	0	0
Total North Highland	21,710	10,256	-11,454	10,256	0	10,256	-11,454
Argyll & Bute Schemes	6,218	5,610	-608	5,610	0	5,610	-608
Total North Highland & Argyll & Bute	27,928	15,866	-12,062	15,866	0	15,866	-608
ASC Schemes	23,252	8,922	-14,330	8,922	0	8,922	-14,330
Total North Highland, Argyll & Bute and ASC	51,180	24,788	-26,392	24,788	0	24,788	-26,392

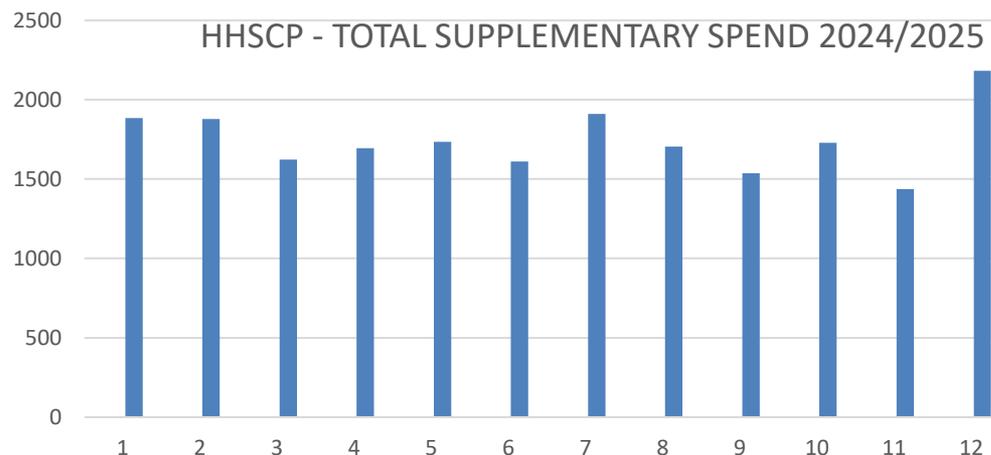
NHS Highland efficiency schemes for FY 2024-25.

This summary highlights the differences between the original and current year plans and shows the performance of the efficiency schemes against the original targets.

MONTH 12 2024/2025 – MARCH 2025



2024/2025		2023/2024	Inc/ (Dec)
YTD	£'000	YTD	YTD
	£'000	£'000	£'000
	20,927	24,378	(3,451)

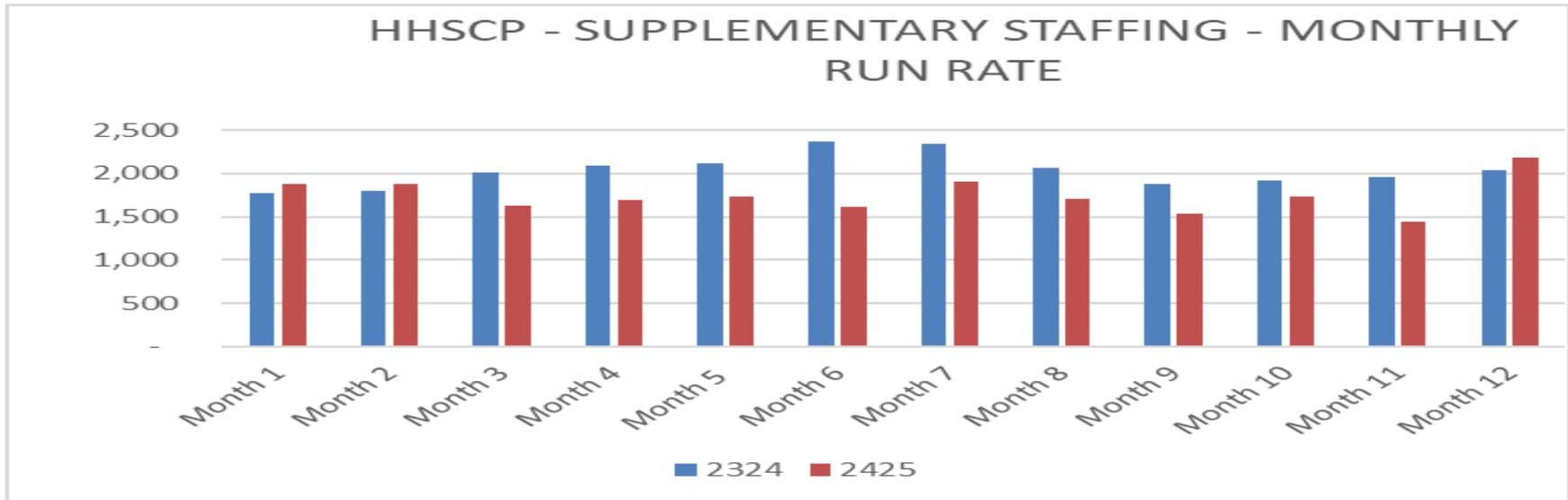


SUPPLEMENTARY STAFFING

- Total spend on Supplementary Staffing at end of Month 12 is £3.451m lower than at the same point in 2023/2024.
- There is an underspend of £5.006m on pay related costs at the end of Month 12

Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m
28.744	Pay			
	Medical & Dental	28.744	28.303	0.441
4.396	Medical & Dental Support	4.396	4.425	(0.029)
70.171	Nursing & Midwifery	70.171	68.722	1.450
17.561	Allied Health Professionals	17.561	15.974	1.587
0.074	Healthcare Sciences	0.074	0.031	0.043
9.620	Other Therapeutic	9.620	9.958	(0.339)
6.927	Support Services	6.927	6.463	0.465
22.762	Admin & Clerical	22.762	21.728	1.034
0.398	Senior Managers	0.398	0.150	0.248
52.886	Social Care	52.886	50.170	2.717
0.424	Ambulance Services	0.424	0.442	(0.018)
(2.612)	Vacancy factor/pay savings	(2.612)	(0.019)	(2.592)
211.352	Total Pay	211.352	206.345	5.006

MONTH 12 2024/2025 – MARCH 2025



- Month 12 spend is £0.746m higher than month 11 due to a prev mth adjustment
- YTD Reduction of £3.451m compared to 2023/2024