

# NHS Highland



**Meeting:**

**NHS Highland Board Meeting**

**Meeting date:**

**27 January 2026**

**Title:**

**Finance Report – Month 8 2025/2026  
and 2026/27 Budget overview**

**Responsible Executive/Non-Executive:** **Heledd Cooper, Director of Finance**

**Report Author:** **Elaine Ward, Deputy Director of Finance**

## Report Recommendation:

The Board is asked to **Examine** and **Consider** the content of the report and take **Limited Assurance**.

## 1 Purpose

**This is presented to the FRPC for:**

- Assurance

**This report relates to a:**

- Annual Operating Plan

**This report will align to the following NHSScotland quality ambition(s):**

Safe, Effective and Person Centred

**This report relates to the following Strategic Outcome(s)**

Start Well		Thrive Well		Stay Well		Anchor Well	
Grow Well		Listen Well		Nurture Well		Plan Well	
Care Well		Live Well		Respond Well		Treat Well	
Journey Well		Age Well		End Well		Value Well	
Perform well	X	Progress well		All Well Themes			

## 2 Report summary

### 2.1 Situation

This report is presented to enable discussion on the NHS Highland financial position at Month 8 (November) 2025/2026. The report also provides a summary of the Budget announcement of the 13<sup>th</sup> January, subject to the Scottish Parliament's Budget Bill process.

### 2.2 Background

NHS Highland submitted a financial plan to Scottish Government for the 2025/2026 financial year in March 2025. This plan presented an initial budget gap of £115.596m. When cost reductions/ improvements were factored in the net position was a gap of £55.723m. The Board received feedback on the draft Financial Plan which requested submission of a revised plan with a net deficit of no more than £40m. A revised plan was submitted in line with this request in June 2025 and this revised plan has been accepted by Scottish Government.

The Board continues to be escalated at level 3 within the NHS Scotland Escalation Framework. Work continues internally and with the support of SG to improve the financial position by identifying opportunities and implementing new ways of working which will support a move to financial balance.

### 2.3 Assessment

At the end of November 2025 (Month 8) an overspend of £41.159m is reported. A year end position of an overspend of £40.005m is forecast at this time. The forecast position is predicated on the assumption that further work will enable delivery of a breakeven position within ASC by 31 March 2026. This currently presents a risk of £21.127m to the Board.

A review of delivery against targets for identified value and efficiency schemes has been undertaken. This together with the agreement of the Adult Social Care Financial plan presents additional challenge to the Board in delivering the ask of SG to be no more than £40m overspend at the end of the financial year. The Board continues to look at recovery actions to close the additional gap.

### 2.4 Proposed level of Assurance

Substantial  
Limited

X

Moderate  
None


### **Comment on the level of assurance**

It is only possible to give limited assurance at this time. The position reported aligns with the Scottish Government expected position but still presents a position which is significantly adrift from financial balance.

## **3 Impact Analysis**

### **3.1 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).

### **3.2 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.

### **3.3 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.

### **3.4 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.

### **3.5 Data Protection**

There are no Data Protection risks associated with this report.

### **3.6 Equality and Diversity, including health inequalities**

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

### **3.7 Other impacts**

None

### **3.8 Communication, involvement, engagement and consultation**

The Board has carried out its duties to involve and engage both internal and external stakeholders where appropriate through the following meetings:

- Executive Directors Group – via monthly updates and exception reporting

- Monthly financial reporting to Scottish Government

### **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.

- EDG
- FRPC

### **4.1 List of appendices**

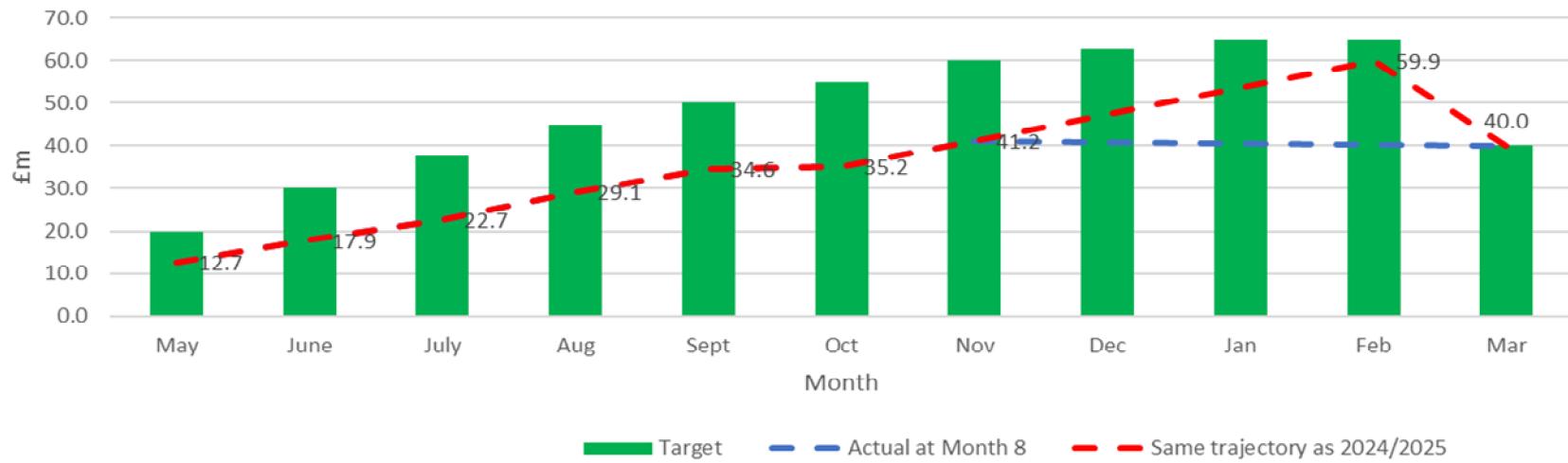
Finance Report – Month 8 (November) 2025/2026

# Finance Report –Month 8 (November) 2025/2026

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# MONTH 8 2025/2026 – NOVEMBER 2025

Actual v Planned Financial Performance

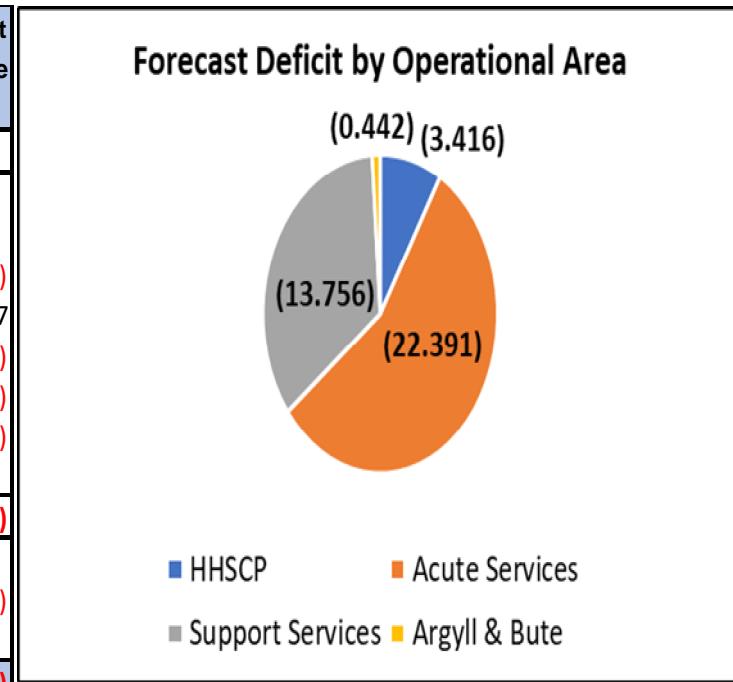


Target	YTD (£m)	YE Position (£m)
Delivery against Revenue Resource Limit (RRL) DEFICIT/ SURPLUS	41.2	40.0
Deliver against plan DEFICIT/ SURPLUS	18.8	0.0

- No brokerage available in 2025/2026
- SG requested plan with a deficit no greater than £40m
- SG have confirmed that an allocation of £40m (non-repayable) will be made to cover the planned overspend – if the actual position is higher than this no further funding will be made available
- Current forecast is £40m worse than RRL but in line with SG request and revised plan submitted to SG in June 2025

# MONTH 8 2025/2026 – NOVEMBER 2025

Current Plan £m	Summary Funding & Expenditure	Plan To Date £m	Actual To Date £m	Variance To Date £m	Forecast Outturn £m	Forecast Variance £m
1,344.608	<b>Total Funding</b>	859.716	859.716	-	1,344.608	-
	<b>Expenditure</b>					
504.758	HHSCP	336.514	360.056	(23.542)	529.302	(24.544)
	ASC Position to breakeven				(21.127)	21.127
343.170	Revised HHSCP				508.175	(3.416)
343.170	Acute Services	227.721	244.852	(17.131)	365.561	(22.391)
189.895	Support Services	102.844	103.188	(0.344)	203.651	(13.756)
<b>1,037.823</b>	<b>Sub Total</b>	<b>667.079</b>	<b>708.096</b>	<b>(41.017)</b>	<b>1,077.386</b>	<b>(39.563)</b>
306.785	Argyll & Bute	192.637	192.779	(0.142)	307.227	(0.442)
<b>1,344.608</b>	<b>Total Expenditure</b>	<b>859.716</b>	<b>900.875</b>	<b>(41.159)</b>	<b>1,384.613</b>	<b>(40.005)</b>



## MONTH 8 2025/2026 SUMMARY

- Year to date overspend of £41.159m reported. Year end position of £40.005m overspend forecast
- This is in line with the revised financial plan submitted to Scottish Government at the beginning of June 2025
- High risk assumption that ASC will deliver a breakeven position at the end of the financial year
- Also assuming V&E programme will deliver in full – there is currently a risk adjusted gap of £14.598m between plans and the V&E target



## KEY RISKS

- ASC – At this stage there is no agreed plan in place to deliver breakeven by the end of the financial year
- Delivery of the Value & Efficiency Cost Reduction/Improvement programme
- SLAs with NHS Lothian and NHS Greater Glasgow & Clyde
- Supplementary staffing – ongoing reliance due to system pressures and recruitment challenges
- ASC pressures – suppliers continuing to face sustainability challenges, NI impact on independent sector providers
- Health & Care staffing
- Financial impact of Agenda for Change pay award from 2023
- Price increases in excess of inflationary assumptions
- Potential impact associated with the cost of new drugs
- Financial impact of fragile services
- Potential impact of any trade tariffs
- SLA Uplift
- Allocations less than anticipated



## MITIGATIONS

- Ongoing robust governance structures around agency nursing utilisation
- Sustainability funding received from SG
- Additional funding for AfC non pay element of 2023/2024 pay award
- Funding anticipated from Highland Council in respect of NI rate increase – amount to be agreed
- SG have confirmed a £40m allocation will be available to enable delivery of a breakeven position at year end – based on delivery of a position in line with the financial plan
- An assessment of the overall position including slippage on the VEAG programme has identified balance sheet adjustments which will cover VEAG scheme slippage

# MONTH 8 2025/2026 – NOVEMBER 2025



Summary Funding & Expenditure	Current Plan £m
<b>RRL Funding - SGHSCD</b>	
Baseline Funding	975.952
Baseline Funding GMS	5.291
FHS GMS Allocation	84.454
Supplemental Allocations	50.766
Non Core Funding	-
<b>Total Confirmed SGHSCD Funding</b>	<b>1,116.462</b>
<b>Anticipated funding</b>	
Non Core allocations	80.943
Core allocations	17.875
Total Anticipated Allocations	98.818
<b>Total SGHSCD RRL Funding</b>	<b>1,215.280</b>
<b>Integrated Care Funding</b>	
Adult Services Quantum from THC	141.522
Childrens Services Quantum to THC	(12.194)
Total Integrated care	129.328
<b>Total NHS Highland Funding</b>	<b>1,344.608</b>

## FUNDING

- £1,344.608m of funding confirmed at end of Month 8
- Further Planned Care funding received in month

# MONTH 8 2025/2026 – NOVEMBER 2025



Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Forecast Variance £m	Locum/ Agency & Bank Spend	In Month £'000	YTD £'000
	<b>HHSCP</b>								
297.255	NH Communities	197.527	207.600	(10.073)	311.127	(13.872)	Locum	488	3,294
62.258	Mental Health Services	41.485	42.430	(0.945)	63.400	(1.142)	Agency (Nursing)	307	1,743
169.355	Primary Care	113.602	114.411	(0.809)	170.700	(1.345)	Bank	961	7,263
(24.110)	ASC Other includes ASC Income	(16.100)	(4.385)	(11.715)	(15.925)	(8.184)	Agency (Non Med)	200	1,855
<b>504.758</b>	<b>Total HHSCP</b>	<b>336.514</b>	<b>360.056</b>	<b>(23.542)</b>	<b>529.302</b>	<b>(24.544)</b>	<b>Total</b>	<b>1,956</b>	<b>14,155</b>
	<b>HHSCP</b>								
322.309	Health	214.709	218.413	(3.705)	325.725	(3.416)			
182.450	Social Care	121.805	141.643	(19.837)	203.577	(21.127)			
<b>504.758</b>	<b>Total HHSCP</b>	<b>336.514</b>	<b>360.056</b>	<b>(23.542)</b>	<b>529.302</b>	<b>(24.544)</b>			

## HHSCP

- YTD overspend of £23.542m reported with this forecast to increase to £24.544m by the end of the financial year
- ASC overspend forecast at £21.127m – this assumes delivery of V&E cost reductions/ improvements in full
- Drugs/ prescribing pressure forecast at £0.249m
- Locum costs of £1.001m contributing to overspend within Primary Care
- Supplementary staffing costs of £14.155m incurred to date
- High cost out of area placements continue to impact on the Mental Health position
- There has been a slight deterioration in the health forecast due to additional cost of locums being factored in.
- The Social Care position has deteriorated by £0.369m due to an increase in the bad debt provision and increasing supplementary staffing costs in Board managed care homes

# MONTH 8 2025/2026 – 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	64,612	42,919	45,752	(2,833)	69,052	(4,440)
Total Older People - Care at Home	40,188	26,826	30,498	(3,672)	45,618	(5,430)
Total People with a Learning Disability	53,382	35,669	38,232	(2,563)	57,832	(4,450)
Total People with a Mental Illness	11,343	7,834	6,497	1,337	9,672	1,671
Total People with a Physical Disability	10,267	6,867	7,520	(653)	11,222	(955)
Total Other Community Care	13,735	9,156	8,139	1,018	12,726	1,009
Total Support Services	(11,078)	(7,466)	4,772	(12,239)	(3,149)	(7,929)
Care Home Support/Sustainability Payments	-	-	233	(233)	603	(603)
<b>Total Adult Social Care Services</b>	<b>182,450</b>	<b>121,805</b>	<b>141,643</b>	<b>(19,837)</b>	<b>203,577</b>	<b>(21,127)</b>

## ADULT SOCIAL CARE

- YTD an overspend of £19.837m is reported with this forecast to increase to £21.127m by the end of the financial
- Forecast assumes full delivery of V&E cost reductions/ improvements
- The overall financial position for the Board assumes that ASC will deliver a breakeven position by the end of the financial year
- £3.509m of supplementary staffing costs within in-house care homes are included within the year to date position

# MONTH 8 2025/2026 – ADULT SOCIAL CARE



NHSH Care Homes Supplementary  
Staffing

Care Home	Month 8		
	Agency £000's	Bank £000's	Total YTD £000's
Ach an Eas	8	30	262
An Acarsaid	14	13	148
Bayview House	4	17	192
Grant House	16	11	194
Home Farm	22	7	506
Invernevis	17	13	235
Lochbroom	1	20	146
Mackintosh Centre	-	-	17
Mains House	34	8	360
Moss Park	62	7	664
Melvich	2	5	52
Pulteney	-	32	225
Seaforth	-	26	193
Strathburn	-	3	6
Telford	23	9	148
Wade Centre	-	42	162
<b>Total</b>	<b>202</b>	<b>245</b>	<b>3,509</b>

- Highest spend continues to be within those Care Homes that have come under NHS Highland operational delivery since 2020
- Spend in Month 8 is £0.052m higher than in Month 7

# MONTH 8 2025/2026 – NOVEMBER 2025



Current Plan £'000	Division	Plan to Date	Actual to Date	Variance to Date	Forecast Outturn	Forecast Variance
		£'000	£'000	£'000	£'000	£'000
93.963	Medical Division	62.462	71.839	(9.377)	107.157	(13.194)
26.162	Cancer Services	16.764	18.256	(1.492)	27.899	(1.737)
78.363	Surgical Specialties	52.347	56.490	(4.143)	83.267	(4.904)
41.853	Woman and Child	28.313	28.400	(0.087)	42.444	(0.591)
49.988	Clinical Support Division	33.224	34.959	(1.735)	51.196	(1.208)
(8.980)	Raigmore Senior Mgt & Central Cost	(6.288)	(6.250)	(0.038)	(8.879)	(0.101)
30.125	NTC Highland	19.747	18.879	0.867	28.917	1.208
<b>311.473</b>	<b>Sub Total - Raigmore</b>	<b>206.568</b>	<b>222.573</b>	<b>(16.004)</b>	<b>332.001</b>	<b>(20.528)</b>
15.320	Belford	10.225	10.490	(0.265)	15.804	(0.484)
16.377	CGH	10.928	11.789	(0.862)	17.756	(1.380)
<b>343.170</b>	<b>Total for Acute</b>	<b>227.721</b>	<b>244.852</b>	<b>(17.131)</b>	<b>365.561</b>	<b>(22.391)</b>

Locum/ Agency & Bank Spend	In Month £'000	YTD £'000
Locum	938	8,434
Agency (Nursing)	66	552
Bank	699	6,146
Agency (Non Med)	191	1,090
<b>Total</b>	<b>1,893</b>	<b>16,221</b>

## ACUTE

- £17.131m overspend reported year to date
- Forecast that this will increase to £22.391m by the end of the financial year
- Main drivers for overspend continue to be supplementary staffing costs
- £0.260m built into forecast in respect of non compliant resident doctor rotas with a further £0.640m of a pressure now materialising from resident doctor expansion posts
- £16.221m ytd spend on supplementary staffing
- £0.083m deterioration in forecast from Month 7

# MONTH 8 2025/2026 – NOVEMBER 2025



Current Plan £m	Detail	Plan to Date	Actual to Date	Variance to Date	Forecast Outturn	Forecast Variance	Locum/ Agency & Bank Spend	In Month £'000	YTD £'000
		£m	£m	£m	£m	£m			
9.489	<b>Support Services</b>								
9.489	Central Services	8.430	10.015	(1.586)	8.524	0.964	Locum	4	23
33.168	Central Reserves	-	-	-	48.574	(15.406)	Agency (Nursing)	-	(55)
46.045	Corporate Services	30.149	27.802	2.346	43.092	2.953	Bank	305	2,076
54.541	Estates Facilities & Capital Planning	33.020	31.218	1.802	53.891	0.650	Agency (Non Med)	31	236
17.102	eHealth	11.545	12.501	(0.955)	18.329	(1.228)			
29.551	Tertiary	19.701	21.651	(1.951)	31.240	(1.690)			
<b>189.895</b>	<b>Total</b>	<b>102.844</b>	<b>103.188</b>	<b>(0.344)</b>	<b>203.651</b>	<b>(13.756)</b>	<b>Total</b>	<b>340</b>	<b>2,280</b>

## SUPPORT SERVICES

- YTD overspend of £0.344m reported with this forecast to increase to £13.756m by the end of the financial year
- The Estates, Facilities & Capital Planning position masks pressures relating to the cost of provisions. The receipt of ADEL funding and lower than anticipated utility costs has led to the forecast underspend
- Within eHealth further increases in the costs of service contracts is the main driver for the overspend. These increases relate to above inflationary uplifts and increasing activity.
- Out of Area Forensic Psychiatry costs, TAVI procedures, rheumatology drugs continue to drive the overspend within Tertiary
- Forecast has improved by £0.067m from Month 7

# MONTH 8 2025/2026 – NOVEMBER 2025



Current Plan £m	Detail	Plan to Date	Actual to Date	Variance to Date	Forecast	Forecast Outturn	Variance
		£m	£m	£m	£m	£m	£m
161.781	Argyll & Bute - Health						
161.781	Hospital & Community Services	108.237	109.453	(1.215)	163.676	(1.895)	
21.013	Acute & Complex Care	13.959	14.009	(0.050)	21.426	(0.413)	
12.975	Children & Families	8.654	8.808	(0.154)	12.975	-	
45.189	Primary Care inc NCL	29.934	29.998	(0.065)	45.978	(0.789)	
25.805	Prescribing	16.913	16.623	0.290	26.071	(0.266)	
13.116	Estates	9.123	9.186	(0.063)	13.240	(0.124)	
7.886	Management Services	5.004	4.704	0.300	7.683	0.203	
20.987	Central/Public health	2.124	(0.002)	2.126	17.177	3.810	
(1.968)	Central Held Savings	(1.312)	-	(1.312)	(1.000)	(0.968)	
<b>306.785</b>	<b>Total Argyll &amp; Bute</b>	<b>192.637</b>	<b>192.779</b>	<b>(0.142)</b>	<b>307.227</b>	<b>(0.442)</b>	

Locum/ Agency & Bank Spend	In Month £'000	YTD £'000
Locum & Agency Medical/GP	581	4,589
Agency (Nursing)	41	301
Bank	326	2,387
Agency (Non Med)	94	840
<b>Total</b>	<b>1,042</b>	<b>8,118</b>

## ARGYLL & BUTE

- Year to date overspend of £0.142m reported with this forecast to increase to £0.442m by the end of the financial year
- Supplementary staff continues to be a significant driver for the position – ytd spend £8.118m
- Out of Board cost per case charges and out of area long stay patient treatments continue to impact on the position
- Vacancies within a number of areas is mitigating forecast slippage against cost reductions/ improvements of £1.476m and other areas of overspend
- £0.062m improvement in forecast from Month 7 due to ongoing vacancies

# MONTH 8 2025/2026 – VALUE & EFFICIENCY



In the 2025–26 financial year, savings are reported on a risk-adjusted basis. This approach factors in the probability of risks impacting the achievement of the financial plan. The framework categorises risks into five types: Idea, Opportunity, Plans in Progress, Fully Developed, and Moved to Delivery.

## 2025-26 Value & Efficiency Plan (£'000)

Reduction Programmes - Area	100%			Risk Adjusted Forecast (RAF)			Savings Achieved				
	Allocated Target	Current Plan	Plan GAP	Risk Allocated Target	Risk Adjusted Forecast (RAF)	Risk Adjusted Plan GAP	Allocated Target	Budget Savings Achieved	Cost Reductions Achieved	Total Savings Achieved	Current Savings GAP
Value & Efficiency - North Highland	22,291	17,327	-4,964	22,291	14,186	-8,105	22,291	4,599	4,349	8,947	-13,343
Value & Efficiency - Argyll & Bute	7,852	7,852	0	7,852	6,376	-1,476	7,852	4,182	0	4,182	-3,670
<b>Total Value &amp; Efficiency</b>	<b>30,143</b>	<b>25,179</b>	<b>-4,964</b>	<b>30,143</b>	<b>20,562</b>	<b>-9,581</b>	<b>30,143</b>	<b>8,781</b>	<b>4,349</b>	<b>13,130</b>	<b>-17,013</b>
Value & Efficiency - ASC	6,192	1,625	-4,567	6,192	1,175	-5,017	6,192	0	725	725	-5,467
<b>Total Value &amp; Efficiency incl ASC</b>	<b>36,335</b>	<b>26,804</b>	<b>-9,531</b>	<b>36,335</b>	<b>21,737</b>	<b>-14,598</b>	<b>36,335</b>	<b>8,781</b>	<b>5,074</b>	<b>13,855</b>	<b>-22,480</b>

The financial plan submitted to the Scottish Government includes a target of achieving 3% efficiency savings across both North Highland and Argyll & Bute.

This equates to a total Value & Efficiency savings goal of **£36.335m** for the FY 2025–26

There is currently a shortfall of **£9.531m (9.567m in M7)** between the 2025–26 savings target and current delivery plan at its 100% value.

# MONTH 8 2025/2026 – VALUE & EFFICIENCY RECURRING/ NON-RECURRING BREAKDOWN



## 2025-26 Value & Efficiency Plan (£'000)

Reduction Programmes as per Area and Recurrence	100%			Risk Adjusted Forecast (RAF)			Savings Achieved			
	Current Plan	Recurrent	Non-Recurrent	Risk Adjusted Forecast (RAF)	Recurrent	Non-Recurrent	Allocated Target	Recurrent	Non-Recurrent	Current Savings GAP
% of the Plan/Target	72%	28%		74%	26%		29%	9%		
Value & Efficiency - North Highland	17,327	14,914	2,412	14,186	12,576	1,610	22,291	7,782	1,165	-13,343
Value & Efficiency - Argyll & Bute	7,852	3,384	4,468	6,376	2,712	3,664	7,852	2,282	1,900	-3,670
<b>Value &amp; Efficiency (North Highland)</b>	<b>25,179</b>	<b>18,298</b>	<b>6,880</b>	<b>20,562</b>	<b>15,288</b>	<b>5,274</b>	<b>30,143</b>	<b>10,064</b>	<b>3,065</b>	<b>-17,013</b>
Value & Efficiency - ASC	1,625	1,025	600	1,175	746	429	6,192	468	257	-5,467
<b>Total Value &amp; Efficiency incl ASC</b>	<b>26,804</b>	<b>19,323</b>	<b>7,480</b>	<b>21,737</b>	<b>16,034</b>	<b>5,702</b>	<b>36,335</b>	<b>10,532</b>	<b>3,323</b>	<b>-22,480</b>

The total planned savings (100% plan) are £26.804m with £19.323m expected to be recurrent.

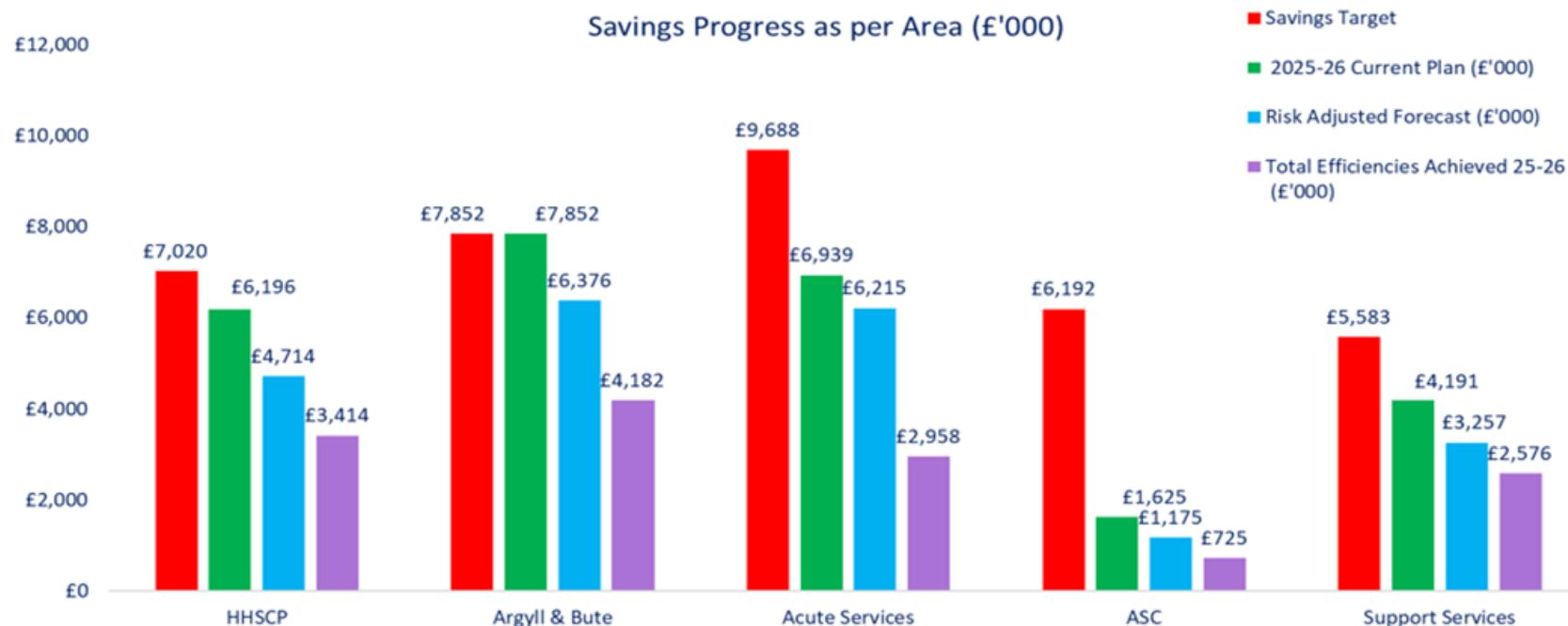
After adjusting for risk, the total expected savings drop to £21.737m with £16.034m being recurrent.

The savings plans from North Highland currently make up the largest contribution across all areas.

# MONTH 8 2025/2026 – VALUE & EFFICIENCY PLAN PROGRESS BY AREA



Area	Savings Target (£'000)	Original Plan @ 100% (£'000)	2025-26 Current Plan (£'000)	Risk Adjusted Forecast (£'000)	Total Efficiencies Achieved 25-26 (£'000)
HHSCP	£7,020	£6,402	£6,196	£4,714	£3,414
Argyll & Bute	£7,852	£8,052	£7,852	£6,376	£4,182
Acute Services	£9,688	£6,881	£6,939	£6,215	£2,958
ASC	£6,192	£1,735	£1,625	£1,175	£725
Support Services	£5,583	£3,786	£4,191	£3,257	£2,576
<b>Total</b>	<b>£36,335</b>	<b>£26,855</b>	<b>£26,804</b>	<b>£21,737</b>	<b>£13,855</b>



# MONTH 8 2025/2026 – NOVEMBER 2025

## SUPPLEMENTARY STAFFING



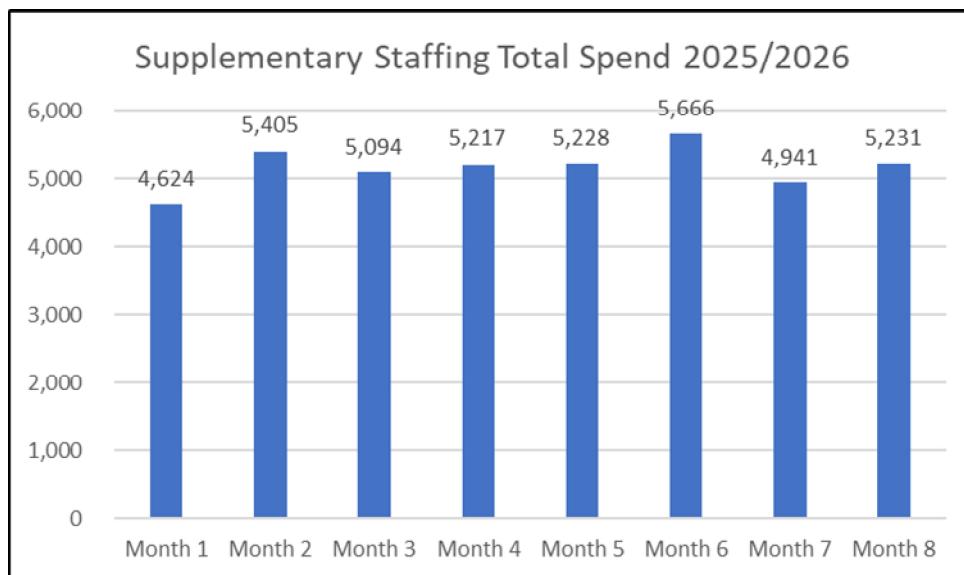
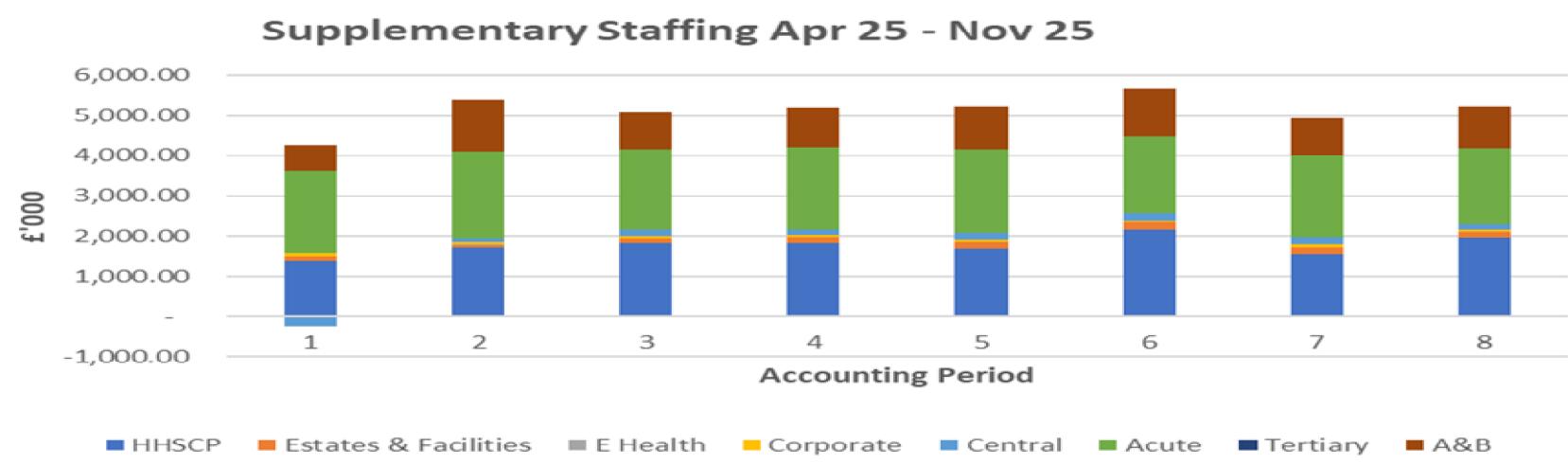
	2025/2026 YTD £'000	2024/2025 YTD £'000	Inc/ (Dec) YTD £'000
HHSCP	14,076	14,042	34
Estates & Facilities	1,080	1,127	(47)
E Health	2	7.27	(6)
Corporate	458	606	(148)
Central	819	970	(151)
Acute	16,221	16,364	(143)
Tertiary	-	-	-
Argyll & Bute	8,118	8,600	(482)
<b>TOTAL</b>	<b>40,774</b>	<b>41,716</b>	<b>(942)</b>

Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m
	<b>Pay</b>			
140.106	<b>Medical &amp; Dental</b>	94.010	98.164	(4.154)
7.585	<b>Medical &amp; Dental Support</b>	5.091	6.332	(1.241)
242.313	<b>Nursing &amp; Midwifery</b>	161.375	160.765	0.610
46.393	<b>Allied Health Professionals</b>	30.824	28.768	2.056
18.630	<b>Healthcare Sciences</b>	12.401	12.223	0.179
27.140	<b>Other Therapeutic</b>	18.347	16.704	1.643
53.351	<b>Support Services</b>	35.147	33.376	1.771
94.956	<b>Admin &amp; Clerical</b>	62.923	59.708	3.216
3.465	<b>Senior Managers</b>	2.337	2.180	0.158
66.900	<b>Social Care</b>	44.542	40.281	4.260
(2.125)	<b>Vacancy factor/pay savings</b>	(6.317)	(2.540)	(3.777)
698.713	<b>Total Pay</b>	460.681	455.961	4.720

### SUPPLEMENTARY STAFFING

- Recorded spend at end of Month 8 is £0.942m lower than at same point in 2024/2025
- Pay underspend of £4.720m reported at the end of Month 8

# MONTH 8 2025/2026 – NOVEMBER 2025 SUPPLEMENTARY STAFFING



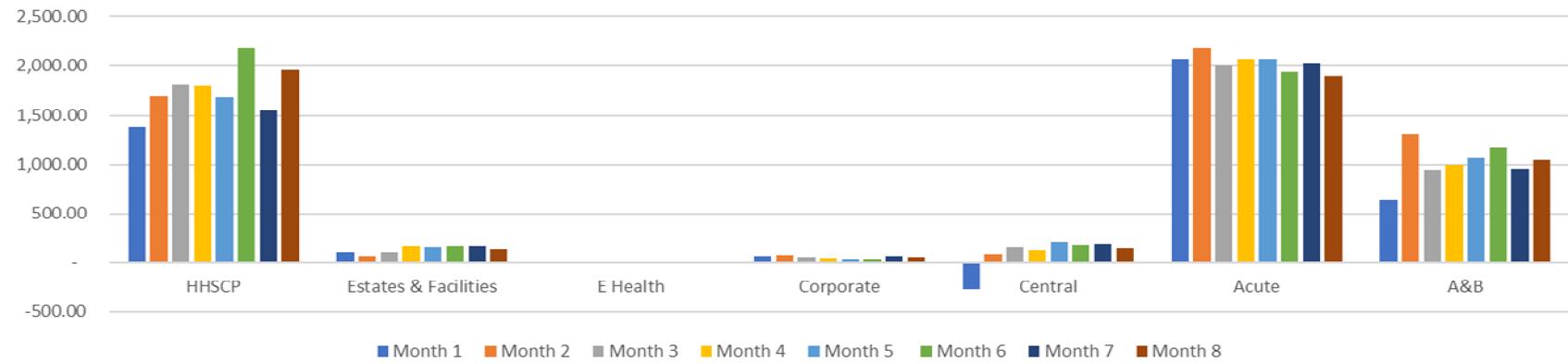
- Month 8 spend is £0.290m higher than Month 7

# MONTH 8 2025/2026 – NOVEMBER 2025

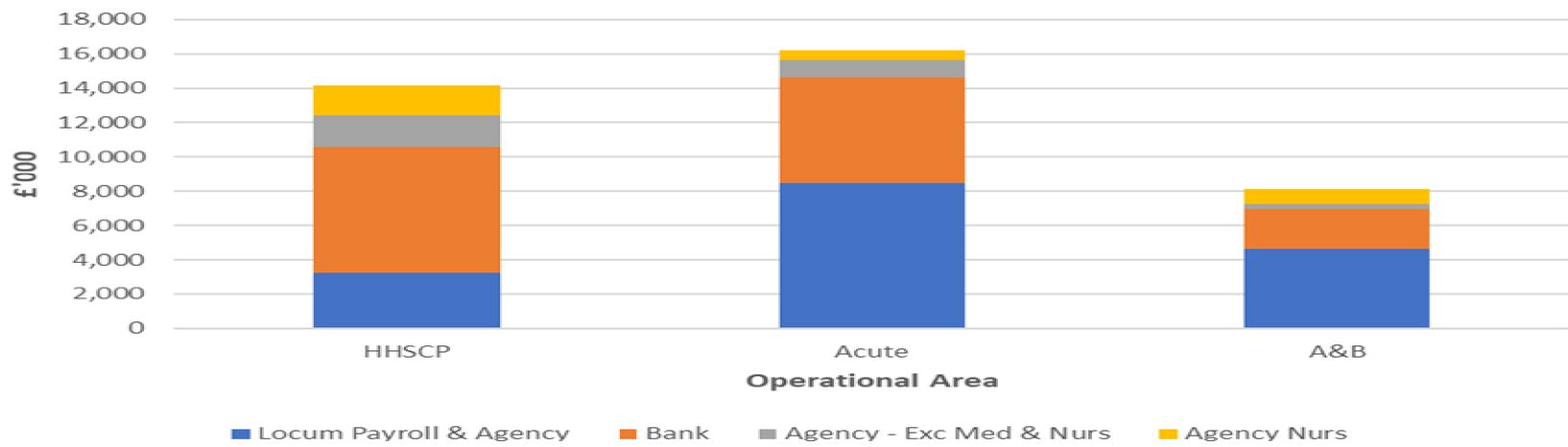
## SUPPLEMENTARY STAFFING



Supplementary Staffing - Monthly Run Rate



Operational Area Supplementary Staffing Spend by Type  
Month 8 - November 2025



# MONTH 8 2025/2026 – NOVEMBER 2025



Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m
698.713	Expenditure by Subjective spend			
Pay		460.681	455.961	4.720
141.359	Drugs and prescribing	93.618	93.987	(0.369)
57.354	Property Costs	35.275	35.338	(0.063)
44.607	General Non Pay	30.290	31.312	(1.023)
58.130	Clinical Non pay	38.434	43.824	(5.390)
162.776	Health care - SLA and out of area	112.036	117.496	(5.460)
140.784	Social Care ISC	93.854	104.487	(10.634)
126.097	FHS	83.899	83.085	0.815

Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m
57.226	Drugs and prescribing			
Hospital drugs		37.687	38.601	(0.914)
84.133	Prescribing	55.931	55.386	0.545
141.359	<b>Total</b>	<b>93.618</b>	<b>93.987</b>	<b>(0.369)</b>

## SUBJECTIVE ANALYSIS

- Pressures continue to be seen within a number of spend categories
- Vacancies across all staff groups are mitigating the high level of spend on supplementary staffing
- Prescribing data continues to be reviewed for completeness

# MONTH 8 2025/2026 – CAPITAL



Budget (£000)	Scheme	Actual (£000)	Variance (£000)
<b>FORMULA</b>			
500	Contingency	(10)	510
1,036	eHealth	38	998
1,786	EPAG	852	934
1,972	Estates	941	1,031
1,000	Fire Compliance	197	803
500	PFI - Mid Argyll	261	239
500	PFI - Easter Ross	233	267
<b>7,294</b>	<b>Total</b>	<b>2,513</b>	<b>4,782</b>
<b>PROJECT SPECIFIC FUNDING</b>			
3,000	Esates - Lochaber	1,577	1,423
1,291	EPAG - NIB	-	1,291
888	EV Chargers	-	888
400	Raigmore LV infrastructure	-	400
400	CGH Internal Drainage	-	400
80	CGH electrical Infrastructure	2	78
1,700	Raigmore Fire Compliance	265	1,435
400	LIDGH Fire Compliance	-	400
80	Islay Fire Compliance	14	66
-	CGH Cladding	-	-
-	ACT Accommodation	24	(24)
3,000	New Craigs Buy Back	3,000	-
<b>11,239</b>	<b>Total</b>	<b>4,881</b>	<b>6,358</b>
<b>18,533</b>	<b>Total</b>	<b>7,394</b>	<b>11,139</b>

## CAPITAL

- Formula Capital of £7.294m received in Month 6
- Following submission of the BCP further funding has also been confirmed (but not yet received) by SG
- Expenditure remains low – 40% of available budget spent
- Significant acceleration of spending required to ensure the allocation is utilised in full by financial year end
- Main areas of spend are on equipment and the Lochaber Redesign project
- Transfer of New Craigs reflected in position

## REVENUE

### Key Funding Components

- 1. Baseline Uplift** - A 2% uplift applies to NHS Highland's baseline funding for 2026-27 (£19.6m).
  - This covers partial costs of the 2026-27 pay settlements (to be fully funded) and provides 2% non-pay inflation support.
  - Requirement to deliver 3% recurring savings annually remains in effect.
- 2. Pay Funding** – additional funding above the 2% uplift (£10m) is included to cover:
  - AfC and ESM staff: uplift of 3.75% for 2026-27 as per the 2 year pay deal (additional 1.75%).
  - All other staff groups: 3% uplift in line with Public Sector Pay Policy (additional 1%).
- 3. Agenda for Change Reform** - A further £150m recurring funding allocated nationally to support continued implementation of AfC reforms, particularly the additional one-hour reduction in working week from April 2026. Total recurring AfC reform funding now £300m nationally. NHSH share is £20m.
- 4. NRAC Parity Funding** - £32.8m nationally allocated to ensure no Board is more than 0.6% from parity. NHS Highland is 0.6% from parity and no additional funding is allocated.

## REVENUE (continued)

### Key Funding Components

**5. Sustainability and Deficit Support** - £150m non-recurring national sustainability funding allocated on an NRAC basis to reduce reported deficits. With additional targeted support available for Boards at higher escalation levels.

### 6. Policy and Programme Funding

- Non-recurring £100m allocated nationally to support the Operational Improvement Plan (OIP) in 2026-27.

**7. Integration Authorities** - Additional £167m nationally allocated to Local Government for adult social care, including Real Living Wage uplift and Free Personal Nursing Care inflation. Funding passed to IAs must be additional to 2025-26 recurring budgets.

# 2026/2027 BUDGET NHS HIGHLAND IMPACT



## CAPITAL

- Capital programme prioritises major projects including; University Hospital Monklands, Princess Alexandra Eye Pavilion, the Belford Hospital, the Barra and Vatersay Community Campus.
- Approved projects from the Business Continuity Plans (BCP) will continue to be supported alongside funding made available for BCP Equipment and Sustainability programmes.
- Formula capital remains aligned to 2025-26 levels.
- A revenue funded primary and community care infrastructure investment programme is being developed. Inverness & Nairn have been identified for the first tranche of this.

## NEXT STEPS

- Work is ongoing on the first draft of the 2024/2025 – 2026/2027 financial plan
- This is due for submission on 2 February 2026 with the final version due on 16 March 2026
- NHS Boards' financial plans should reflect both local and wider sub-national objectives with Accountable Officers for individual NHS Boards remaining responsible and accountable for their financial position throughout sub-national planning