

# NHS Highland



NHS  
Highland  
na Gàidhealtachd

**Meeting:** NHS Highland Board Meeting

**Meeting date:** 29 July 2025

**Title:** Finance Report – Month 2 2025/2026

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

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

**Report Recommendation:**

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

1 Purpose

This is presented to the Board 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 2 (May) 2025/2026.

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 that £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 May 2025 (Month 2) an overspend of £12.729m is reported with this forecast to increase to £40.005m by the end of the financial year. 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 £19.930m to the Board.

2.4 Proposed level of Assurance

Substantial	<div></div>	Moderate	<div></div>
Limited	<div>X</div>	None	<div></div>

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 with 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**

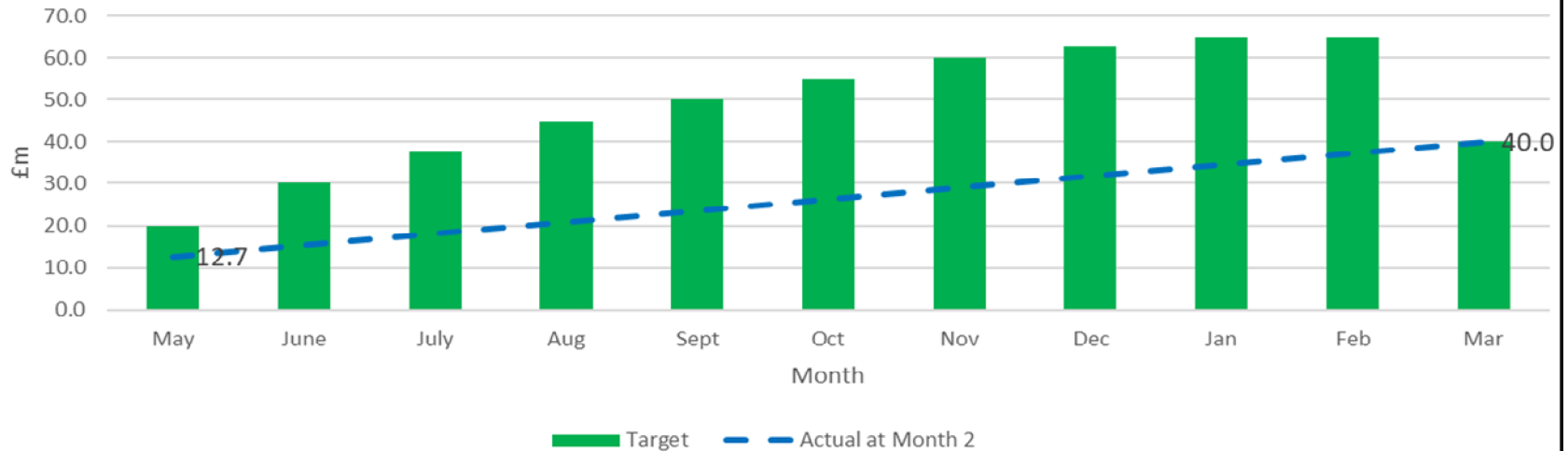
Month 2 Presentation

## Finance Report –Month 2 (May) 2025/2026

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# MONTH 2 2025/2026 –MAY 2025

Actual v Planned Financial Performance



Target	YTD £m	YE Position £m
Delivery against Revenue Resource Limit (RRL) DEFICIT/SURPLUS	12.7	40.0
Deliver against plan DEFICIT/SURPLUS	7.3	0.0

- No brokerage available in 2025/2026
- SG requested plan with a deficit no greater than £40m
- Current forecast is £40m worse than RRL but in line with SG request and revised plan submitted to SG in June 2025

# MONTH 2 2025/2026 –MAY 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
1,322.410	<b>Total Funding</b>	216.155	216.155	-	1,322.410	-
	<b><u>Expenditure</u></b>					
487.385	HHSCP	79.961	86.371	(6.410)	512.726	(25.341)
	ASC Position to breakeven				(19.930)	19.930
	Revised HHSCP				492.796	(5.411)
328.869	Acute Services	54.505	58.542	(4.037)	345.974	(17.105)
206.589	Support Services	35.915	37.901	(1.987)	223.292	(16.703)
<b>1,022.843</b>	<b>Sub Total</b>	<b>170.380</b>	<b>182.814</b>	<b>(12.434)</b>	<b>1,062.062</b>	<b>(39.219)</b>
299.566	Argyll & Bute	45.775	46.070	(0.296)	300.352	(0.786)
<b>1,322.410</b>	<b>Total Expenditure</b>	<b>216.155</b>	<b>228.884</b>	<b>(12.729)</b>	<b>1,362.415</b>	<b>(40.005)</b>

## MONTH 2 2025/2026 SUMMARY

- Overspend of £12.729m reported with this forecast to increase to £40.005m by the end of the financial year
- This is in line with the revised financial plan submitted to Scottish Government at the beginning of June 2025
- Assuming that ASC will deliver a breakeven position at the end of the financial year

# MONTH 2 2025/2026 –MAY 2025

## KEY RISKS



- ASC – At this stage there is no plan in place to deliver breakeven by the end of the financial year
- 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
- 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

Pressure of £0.534m relating to recurring sustainability funding has already materialised. At this time it is assumed that this will be managed and not deteriorate the planned £40.005m net deficit – this will continue to be monitored monthly

# MONTH 2 2025/2026 –MAY 2025



Summary Funding & Expenditure	Current Plan £m
<b>RRL Funding - SGHSCD</b>	
Baseline Funding	954.315
Baseline Funding GMS	5.291
FHS GMS Allocation	79.118
Supplemental Allocations	0.000
Non Core Funding	-
<b>Total Confirmed SGHSCD Funding</b>	<b>1,038.724</b>
<b>Anticipated funding</b>	
Non Core allocations	76.204
Core allocations	76.942
Total Anticipated Allocations	153.146
<b>Total SGHSCD RRL Funding</b>	<b>1,191.870</b>
<b>Integrated Care Funding</b>	
Adult Services Quantum from THC	141.522
Childrens Services Quantum to THC	(10.983)
Total Integrated care	130.539
<b>Total NHS Highland Funding</b>	<b>1,322.410</b>

## FUNDING

- £1,322.410m of funding confirmed at end of Month 2
- SG working to get 80% of allocations out by the end of Q1

# MONTH 2 2025/2026 –MAY 2025



Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Forecast Variance £m
	<b>HHSCP</b>					
270.475	NH Communities	44.661	48.421	(3.760)	292.358	(21.883)
59.413	Mental Health Services	9.977	10.407	(0.430)	61.016	(1.604)
168.358	Primary Care	28.479	28.463	0.016	171.101	(2.744)
(10.860)	ASC Other includes ASC Income	(3.156)	(0.920)	(2.236)	(11.750)	0.890
<b>487.385</b>	<b>Total HHSCP</b>	<b>79.961</b>	<b>86.371</b>	<b>(6.410)</b>	<b>512.726</b>	<b>(25.341)</b>
	<b>HHSCP</b>					
305.505	Health	50.663	52.033	(1.371)	311.008	(5.503)
181.880	Social Care	29.298	34.338	(5.039)	201.718	(19.838)
<b>487.385</b>	<b>Total HHSCP</b>	<b>79.961</b>	<b>86.371</b>	<b>(6.410)</b>	<b>512.726</b>	<b>(25.341)</b>

Locum/ Agency & Bank Spend	In Month £'000	YTD £'000
<b>Locum</b>	529	633
<b>Agency (Nursing)</b>	225	392
<b>Bank</b>	803	1,714
<b>Agency (exclu Med &amp; Nurs)</b>	143	347
<b>Total</b>	<b>1,699</b>	<b>3,086</b>

## HHSCP

- YTD overspend of £6.410m reported with this forecast to increase to £25.341m by the end of the financial year
- ASC overspend forecast at £19.838 – assuming delivery of 3% V&E cost reductions/ improvements
- Drugs/ prescribing pressure forecast at £1.429m
- Locum costs of £1.185m contributing to overspend within Primary Care
- Supplementary staffing costs of £3.086m incurred to date
- High cost out of area placements continue to impact on the Mental Health position

# MONTH 2 2025/2026 – ADULT SOCIAL CARE



Services Category (HHSCP - less ASC Estates)	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	60.078	10.242	10.453	(0.211)	61.144	(1.066)
Total Older People - Care at Home	38.322	6.395	7.231	(0.836)	44.114	(5.792)
Total People with a Learning Disability	50.059	8.362	9.988	(1.626)	60.834	(10.775)
Total People with a Mental Illness	10.388	1.732	1.723	0.009	10.304	0.084
Total People with a Physical Disability	9.364	1.570	1.877	(0.307)	11.402	(2.039)
Total Other Community Care	13.184	2.197	1.998	0.199	13.317	(0.133)
Total Support Services	0.485	(1.200)	0.943	(2.143)	0.186	0.299
Care Home Support/Sustainability Payments	0.000	0.000	0.123	(0.123)	0.417	(0.417)
<b>Total Adult Social Care Services</b>	<b>181.880</b>	<b>29.298</b>	<b>34.338</b>	<b>(5.039)</b>	<b>201.718</b>	<b>(19.838)</b>

## ADULT SOCIAL CARE

- YTD an overspend of £5.039m is reported with this forecast to increase to £19.838m by the end of the financial – this includes Estates costs reported outwith ASC
- The overall financial position for the Board assumes that ASC will deliver a breakeven position by the end of the financial year
- £4.052m of supplementary staffing costs within in-house care homes are included within the year to date position

# MONTH 2 2025/2026 – ADULT SOCIAL CARE



## NHSH Care Homes Supplementary Staffing

Care Home	Month 2 2025/2026		Cumulative
	Agency £000's	Bank £000's	Total YTD £000's
Ach an Eas	-	20.64	49.33
An Acarsaid	-	11.85	29.71
Bayview House	2.07	24.52	53.75
Caladh Sona	-	-	-
Dail Mhor House	-	-	-
Grant House	(23.59)	21.96	32.54
Home Farm	93.05	7.58	158.88
Invernevis	21.33	16.67	68.33
Lochbroom	-	18.16	33.68
Mackintosh Centre	-	2.12	2.48
Mains House	56.60	3.38	105.91
Moss Park	1.22	1.49	3.05
Melvich	-	4.47	11.13
Pulteney	-	26.78	61.09
Seaforth	-	18.97	46.05
Strathburn	-	-	-
Telford	-	10.70	25.19
Wade Centre	-	16.22	32.60
<b>Total</b>	<b>150.67</b>	<b>205.50</b>	<b>713.73</b>

- Ongoing reliance on agency/ bank staffing within Home Farm and Mains House
- Beginning to see low levels of spend in Moss Park

# MONTH 2 2025/2026 –MAY 2025



Current Plan £000	Division	Plan to Date £000	Actual to Date £000	Variance to Date £000	Forecast Outturn £000	Forecast Variance £000
90.820	Medical Division	15.094	17.230	(2.136)	101.534	(10.714)
24.042	Cancer Services	4.342	4.587	(0.245)	25.366	(1.324)
77.132	Surgical Specialties	13.033	13.231	(0.198)	78.272	(1.140)
41.359	Woman and Child	6.930	6.724	0.205	41.115	0.244
49.232	Clinical Support Division	8.135	8.292	(0.157)	49.232	0.000
(12.815)	Raigmore Senior Mgt & Central Cost	(2.878)	(1.503)	(1.376)	(9.349)	(3.466)
28.029	NTC Highland	4.651	4.573	0.078	27.849	0.180
<b>297.798</b>	<b>Sub Total - Raigmore</b>	<b>49.306</b>	<b>53.133</b>	<b>(3.827)</b>	<b>314.018</b>	<b>(16.220)</b>
15.126	Belford	2.528	2.570	(0.042)	15.295	(0.169)
15.945	CGH	2.671	2.839	(0.168)	16.661	(0.716)
<b>328.869</b>	<b>Total for Acute</b>	<b>54.505</b>	<b>58.542</b>	<b>(4.037)</b>	<b>345.974</b>	<b>(17.105)</b>

Locum/ Agency & Bank Spend	In Month £'000	YTD £'000
Locum	1,118	2,192
Agency (Nursing)	171	180
Bank	770	1,639
Agency (exclu Med & Nurs)	110	224
<b>Total</b>	<b>2,169</b>	<b>4,235</b>

## ACUTE

- £4.037m overspend reported year to date
- Forecast that this will increase to £17.105m by the end of the financial year
- Main drivers for overspend were supplementary staffing and drug costs
- £1.017m built into forecast in respect of non compliant junior doctor rotas
- £3.449m of costs incurred on unfunded services

# MONTH 2 2025/2026 –MAY 2025



Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Forecast Variance £m
	<b>Support Services</b>					
57.208	Central Services	12.523	14.254	(1.731)	72.311	(15.103)
49.316	Corporate Services	8.002	7.402	0.600	47.846	1.470
54.220	Estates Facilities & Capital Plannin	7.776	7.883	(0.107)	54.381	(0.161)
16.548	eHealth	2.731	3.010	(0.280)	17.769	(1.221)
29.297	Tertiary	4.883	5.351	(0.469)	30.985	(1.688)
<b>206.589</b>	<b>Total</b>	<b>35.915</b>	<b>37.901</b>	<b>(1.987)</b>	<b>223.292</b>	<b>(16.703)</b>

Locum/ Agency & Bank Spend	In Month £'000	YTD £'000
Locum	8	5
Agency (Nursing)	-	(55)
Bank	258	196
Agency (exclu Med & Nurs)	(34)	(16)
<b>Total</b>	<b>231</b>	<b>130</b>

## SUPPORT SERVICES

- YTD overspend of £1.987m reported with this forecast to increase to £16.703m by the end of the financial year
- With Estates, Facilities and Capital Planning the cost of provisions continues to drive an overspend. This is being mitigated due to vacancies in a number for the estates and facilities teams
- Within eHealth further increases in the costs of service contracts is the main driver for the overspend
- Out of Area Forensic Psychiatry costs, TAVI procedures, rheumatology drugs continue to drive the overspend within Tertiary

# MONTH 2 2025/2026 –MAY 2025



Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Forecast Variance £m
	<b>Argyll &amp; Bute - Health</b>					
154.946	Hospital & Community Services	25.867	26.630	(0.763)	157.725	(2.779)
20.258	Acute & Complex Care	3.363	3.516	(0.153)	20.417	(0.159)
11.047	Children & Families	1.847	2.032	(0.186)	11.247	(0.200)
42.177	Primary Care inc NCL	7.092	7.106	(0.015)	42.957	(0.780)
24.149	Prescribing	3.879	3.647	0.232	24.149	-
11.544	Estates	2.006	2.012	(0.005)	11.544	-
6.934	Management Services	1.169	1.259	(0.090)	7.061	(0.127)
32.702	Central/Public health	1.251	(0.131)	1.382	27.265	5.437
(4.190)	Central Held Savings	(0.698)	-	(0.698)	(2.012)	(2.178)
<b>299.566</b>	<b>Total Argyll &amp; Bute</b>	<b>45.775</b>	<b>46.070</b>	<b>(0.296)</b>	<b>300.352</b>	<b>(0.786)</b>

Locum/ Agency & Bank Spend	In Month £'000	YTD £'000
Locum	791	1,068
Agency (Nursing)	164	164
Bank	250	566
Agency (exclu Med & Nurs)	100	147
<b>Total</b>	<b>1,305</b>	<b>1,945</b>

## ARGYLL & BUTE

- Argyll & Bute have delivered a breakeven position through flexibly utilising reserves
- The use of supplementary staffing continued to adversely impact on the financial position but was mitigated by a significant number of ongoing vacancies
- Out of Board cost per case charges and out of area long stay patient treatments have also impacted on the position

# 2025/2026 FINANCIAL PLAN

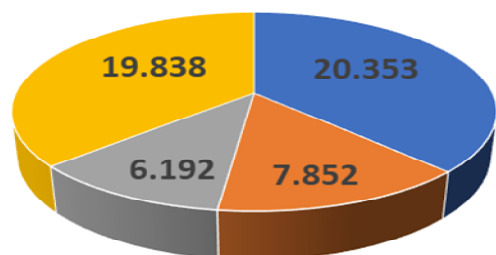


	MARCH SUBMISSION		JUNE SUBMISSION	
	£m	£m	£m	£m
<b>Financial Gap</b>		<b>115.596</b>		<b>110.058</b>
Maximum Brokerage		-		-
<b>Reduction required to deliver balance</b>		<b>115.596</b>		<b>110.058</b>
<b><i>Cost Improvement/ Reduction Programmes</i></b>				
3% Cost Reduction/ Improvement	20.353		20.353	
A&B - 3% of baseline	7.852		7.852	
ASC - 3%	6.192		6.192	
Delivering ASC to breakeven	19.838		19.838	
Allocations Slippage	1.000		1.000	
Balance Sheet Adjustments	4.638		4.638	
Further non-recurrent actions				10.180
<b>Opportunities</b>		<b>59.873</b>		<b>70.053</b>
<b>Gap to In Year Financial Balance</b>		<b>55.723</b>		<b>40.005</b>

- The financial plan submitted to SG in March detailed an opening financial gap of £115.596m with opportunities identified to reduce this to £55.723m
- This submission was not acceptable to SG and they indicated that a resubmission was necessary with a requirement to 'not exceed a net financial deficit of £40 million'
- A revised plan has been submitted to and accepted by SG detailing a net financial deficit of £40.005m

# MONTH 2 2025/2026 –MAY 2025

## Cost Reduction/ Improvement Target £m



■ NH Value & Efficiency 
 ■ A&B Value & Efficiency  
■ ASC Value & Efficiency 
 ■ ASC Transformation

	Target £000s
NH Value & Efficiency	20.353
A&B Value & Efficiency	7.852
ASC Value & Efficiency	6.192
ASC Transformation	19.838
<b>Total Cost Reduction/ Improvement Target</b>	<b>54.235</b>

Other Action	5.638
Follow up actions post March Fin Plan Submission	10.180

<b>Total to be delivered to align with financial plan</b>	<b>70.053</b>
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## COST REDUCTON/ IMPROVEMENT

- NHS Highland submitted a financial plan to Scottish Government in March 2025 detailing a cost reduction/improvement programme of £54.235m
- Whilst a further submission was made in June with a revised net financial gap of £40.005m the savings programme within the March submission remained unchanged

# 2025/2026 FINANCIAL PLAN - Targets

Summary	Target
Acute	7.750
HHSCP	6.760
Deputy Chief Exec (excluding eHealth)	0.037
People & Culture	0.476
Public Health	0.609
Finance	0.389
Medical	0.141
Nursing	0.130
Tertiary	1.094
Estates & Facilities	2.201
eHealth	0.639
Strategy & Transformation	0.127
<b>TOTAL</b>	<b>20.353</b>

- Targets based on combination of budget and type of V&E scheme
- Targets will be within devolved budgets from start of year rather than held centrally and reallocated when plans are in place/ cost reductions or improvements delivered
- Work with Finance and Strategy & Transformation to develop more detailed plans to support delivery of 3% recurring reductions

# MONTH 2 2025/2026 – VALUE & EFFICIENCY

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

Reduction Programmes	100%			Risk Adjusted			Savings Achieved to Date			
	Allocated Target	Curent Plan	Plan GAP	Allocated Target	Risk Adjusted Plan	Risk Adjusted Plan GAP	Allocated Target	Budget Savings Achieved	Cost Reductions Achieved	Current Savings GAP
Value & Efficiency - North Highland	20,353	13,131	-7,221	20,353	6,234	-14,118	20,353	295	1,189	-18,869
Value & Efficiency - Argyll & Bute	7,852	7,852	0	7,852	5,047	-2,805	7,852	370	0	-7,482
<b>Total Value &amp; Efficiency</b>	<b>28,205</b>	<b>20,983</b>	<b>-7,221</b>	<b>28,205</b>	<b>11,281</b>	<b>-16,923</b>	<b>28,205</b>	<b>665</b>	<b>1,189</b>	<b>-26,351</b>
Value & Efficiency - ASC	6,192	1,510	-4,682	6,192	755	-5,437	6,192	0	0	-6,192
<b>Total Value &amp; Efficiency incl ASC</b>	<b>34,397</b>	<b>22,493</b>	<b>-11,903</b>	<b>34,397</b>	<b>12,036</b>	<b>-22,360</b>	<b>34,397</b>	<b>665</b>	<b>1,189</b>	<b>-32,543</b>

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

This equates to a total Value & Efficiency savings goal of £34.397m for the FY 2025–26.

There is currently a shortfall of **£11.9m** between the 2025–26 savings target and the projected savings identified in the plan at 100% delivery.

## MONTH 2 2025/2026 – VALUE & EFFICIENCY – CURRENT NUMBER OF SCHEMES (INC A&B)



Number of Schemes	Value at 100% (£'000)	Risk Adjusted Value (£'000)	Savings Delivered (£'000)
100	£22,493.145	£12,036.242	£1,853.732

The list of schemes is not exhaustive; several additional PIDs are currently under development and have therefore not been included in the above analysis

# MONTH 2 2025/2026 – VALUE & EFFICIENCY – NUMBER OF SCHEMES PER AREA



Area	Number of Schemes	Schemes with Financial Plan	Schemes without Financial Plan	2025-26 Original Plan/Target (£'000)	Risk Adjusted Forecast (£'000)	Total Efficiencies Achieved/Delivered 25-26 £000s
HHSCP	22	20	2	£4,956.001	£2,328.566	£226.751
A&B	35	35	0	£7,852.000	£5,047.000	£370.000
ACUTE SERVICES	17	12	5	£5,550.858	£2,972.729	£962.164
ASC	3	3	0	£1,510.000	£755.000	£0.000
SUPPORT SERVICES	23	10	13	£2,624.286	£932.947	£294.817
<b>Grand Total</b>	<b>100</b>	<b>80</b>	<b>20</b>	<b>£22,493.145</b>	<b>£12,036.242</b>	<b>£1,853.732</b>

80% of all V&E schemes include a savings plan value, while 20% are still waiting for the values to be added.

# MONTH 2 2025/2026 – VALUE & EFFICIENCY – RISK RATING

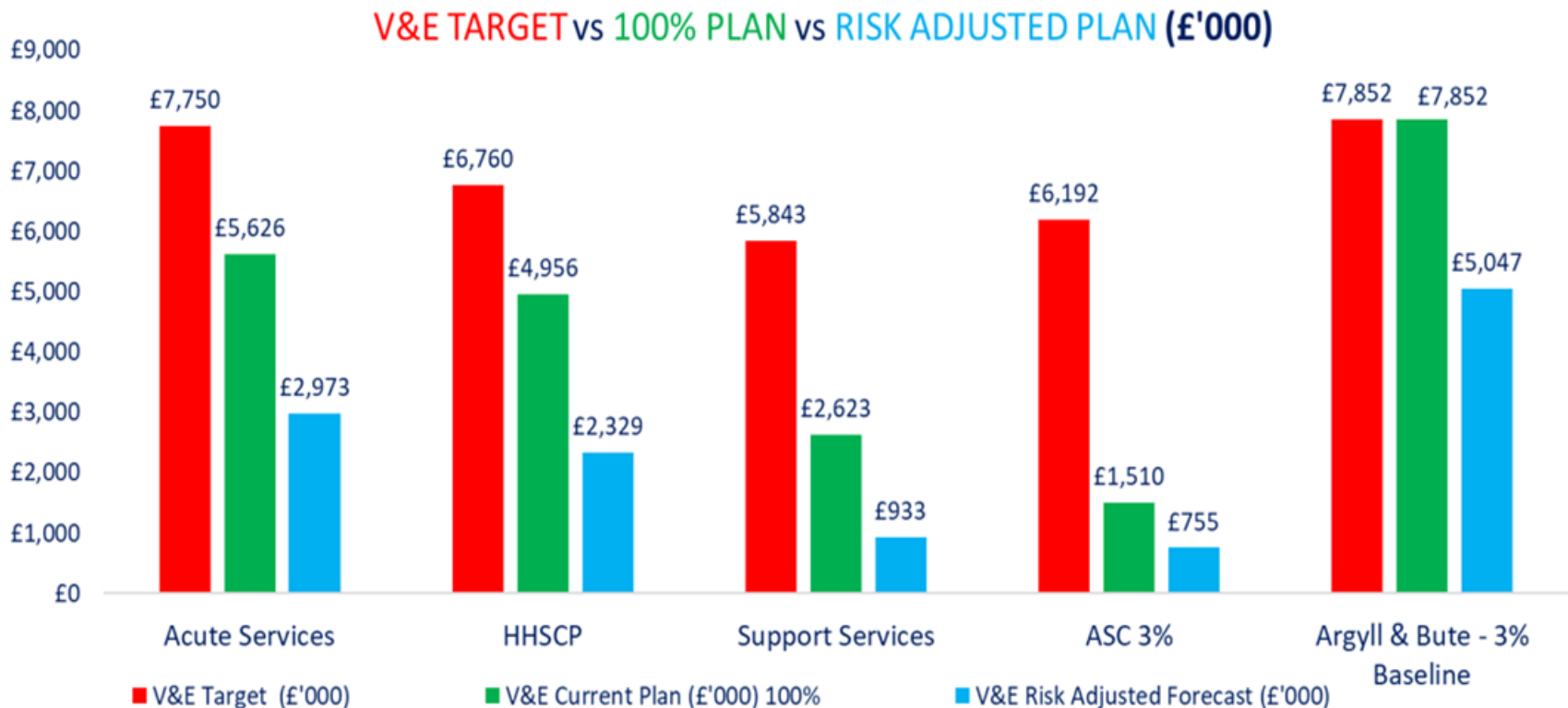
Risk Rating	HHSCP	ACUTE SERVICES	ASC	SUPPORT SERVICES	Grand Total
Fully Developed 75%	£750.000	£1,858.481		£312.130	£2,920.611
Idea 0%	£0.000	£0.000		£0.000	£0.000
Move to delivery 100%	£100.000	£53.000		£294.817	£447.817
Opportunity 10%	£140.048	£1,010.281		£126.000	£1,276.328
Plans in progress 50%	£1,338.519	£50.967	£755.000	£200.000	£2,344.486
	<b>£2,328.566</b>	<b>£2,972.729</b>	<b>£755.000</b>	<b>£932.947</b>	<b>£6,989.242</b>

In the 2025–26 financial year, a risk rating was introduced for each scheme and needs to be reviewed on monthly basis by the SRO.

Based on the risk rating indicated in the PID, a risk-adjusted savings forecast is arrived to.

Risk Description	Risk Adjusted Value	Description
Idea 0%	0%	An Identified area with potential for financial savings
Opportunity 10%	10%	An Identified area with estimated financial savings and resource allocated to progress
Plans in progress 50%	50%	A draft scheme outlining the project description and logic for estimated financial savings
Fully Developed 75%	75%	A scheme which has a completed PID that has been fully signed off.
Move to delivery 100%	100%	A scheme with cost centre information and QIA sign off (PMO Task)

# MONTH 2 2025/2026 – VALUE & EFFICIENCY – TARGET, PLAN & RISK ADJUSTED PLAN BY AREA



# MONTH 2 2025/2026 – VALUE & EFFICIENCY – HHSCP



Reduction Programmes	Value & Efficiency Plan as per Scheme			Savings Achieved
	Allocated Target	Current Plan @ 100%	Risk Adjusted Forecast	
<b>Value &amp; Efficiency - North Highland</b>	<b>20,353</b>	<b>13,131</b>	<b>6,234</b>	<b>1,484</b>
<b>HHSCP</b>				
AHP Direct Engagement		50	25	0
Dental Redesign		1,000	750	0
HHSCP - Clinical Stores		5	3	0
HHSCP - Postages		10	1	0
HHSCP - Unfunded Posts		100	57	0
HHSCP Travel		59	6	0
LD/ASC - Transition Team Unfunded Posts		225	113	0
MHLD Discharge Pathway		50	5	0
MHLD Notes Retrieval		5	0	0
MHLD Reduction in Costs / Out of Area Placements		425	193	0
MHLD Reduction in Drug Costs		10	5	0
MHLD Reduction in Travel and Transport (inc taxis and pool cars)		50	25	0
New Craigs Hospital - Supplementary Nursing Staff		410	205	0
Oral Nutritional Supplements (ONS) Direct Supply		5	3	0
Police Custody/ SARC/ Forensic Medical Examiner (FME)		100	100	19
Prescribing - Highland - HHSCP		1,179	686	194
Prescribing - Sustainable - HHSCP		0	0	0
Supplementary Staffing - Medical - MH -SUPP REDUCTION IN LOCUM COSTS		50	30	14
Supplementary Staffing - Nursing - HHSCP (Community Hospitals)		579	58	0
Supplementary Staffing Primary Care 2C		0	0	0
TARA HHSCP		144	14	0
Time to Care		500	50	0
<b>Total HHSCP</b>		<b>4,956</b>	<b>2,329</b>	<b>227</b>

# MONTH 2 2025/2026 – VALUE & EFFICIENCY – ACUTE SERVICES



Reduction Programmes	Value & Efficiency Plan as per Scheme			
	Allocated Target	Current Plan @ 100%	Risk Adjusted Forecast	Savings Achieved
<b>Value &amp; Efficiency - North Highland</b>	<b>20,353</b>	<b>13,131</b>	<b>6,234</b>	<b>1,484</b>
<b>ACUTE SERVICES</b>				
ACUTE - Junior Doctors Compliance		435	44	0
ACUTE - W&C - MyoSure		0	0	0
ACUTE - Women & Children -Test of change - Mrg		10	8	0
Acute Management Structure Review		66	33	0
Acute Medical Directorate 3%		947	95	0
ACUTE Theatres Optimisation and PLCV		0	2	0
Child Health Record Storage		3	2	0
Diagnostics - (Primary and Secondary Care)		0	0	0
Ferinject & PrAMS project		11	5	0
IT Equipment		2	1	0
Outpatient (Women's & Childrens) inductions		0	0	0
Prescribing - Acute Services		704	166	0
RGHs Contracts		53	53	53
Supplementary Staffing - Nursing - Acute		2,300	1,759	136
Supplementary Staffing Medical Locum - Acute		1,000	796	773
TARA Acute		0	0	0
Travel and Accommodation		20	10	0
<b>Total ACUTE SERVICES</b>		<b>5,551</b>	<b>2,973</b>	<b>962</b>

# MONTH 2 2025/2026 – VALUE & EFFICIENCY – SUPPORT SERVICES



Reduction Programmes	Value & Efficiency Plan as per Scheme			
	Allocated Target	Current Plan @ 100%	Risk Adjusted Forecast	Savings Achieved
<b>Value &amp; Efficiency - North Highland</b>	<b>20,353</b>	<b>13,131</b>	<b>6,234</b>	<b>1,484</b>
<b>SUPPORT SERVICES</b>				
Building Lease Review		295	295	295
Corporate Teams		0	0	0
Direcotrate Savings Schemes - Corporate Services: Clinical Governance		0	0	0
Direcotrate Savings Schemes - Corporate Services: NMAHP		0	0	0
Direcotrate Savings Schemes - Corporate Services: People and Culture		0	0	0
Direcotrate Savings Schemes - Corporate Services: Pharmacy		0	0	0
Directorate Savings - Corporate Services - S&T		0	0	0
Directorate Savings - Corporate Services - sHealth		0	0	0
Directorate Savings - Estates, Facilities & Capital Planning		317	238	0
Directorate Savings: Finance		0	0	0
Energy Procurement		1,000	100	0
Fleet and Travel		179	0	0
NMAHP Corporate		99	74	0
Printing & Telephony		0	0	0
Printing, mail and communication services		0	0	0
Procurement Consolidation and Efficiency		2	0	0
Public Health Savings		250	25	0
SLA / Clinical Pathways expenditure review		0	0	0
SLA Income Review		0	0	0
TARA Corporate		0	0	0
Vaccination Service		150	75	0
Warehousing/Stores Optimisation		83	1	0
Waste Management		250	125	0
<b>Total SUPPORT SERVICES</b>		<b>2,624</b>	<b>933</b>	<b>295</b>

# MONTH 2 2025/2026 –MAY 2025

## SUPPLEMENTARY STAFFING



	2025/2026 YTD £'000	2024/2025 YTD £'000	Inc/ (Dec) YTD £'000
HHSCP	3,086	3,764	(678)
Estates & Facilities	178	295	(118)
E Health	1	4.21	(3)
Corporate	138	146	(8)
Central	(186)	(244)	58
Acute	4,235	4,089	146
Tertiary	-	-	-
Argyll & Bute	1,945	2,238	(293)
<b>TOTAL</b>	<b>9,396</b>	<b>10,292</b>	<b>(895)</b>

Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m
	Pay			
133.378	Medical & Dental	22.391	22.951	(0.560)
7.788	Medical & Dental Support	1.206	1.503	(0.297)
229.231	Nursing & Midwifery	38.201	38.153	0.047
44.064	Allied Health Professionals	7.286	6.989	0.297
17.914	Healthcare Sciences	2.999	2.882	0.117
24.194	Other Therapeutic	4.002	4.029	(0.028)
48.941	Support Services	8.090	7.670	0.420
90.649	Admin & Clerical	15.050	14.375	0.675
3.375	Senior Managers	0.541	0.552	(0.011)
62.153	Social Care	10.540	9.354	1.186
16.000	Vacancy factor/pay savings	(1.544)	0.000	(1.544)
677.687	<b>Total Pay</b>	<b>108.760</b>	<b>108.459</b>	<b>0.301</b>

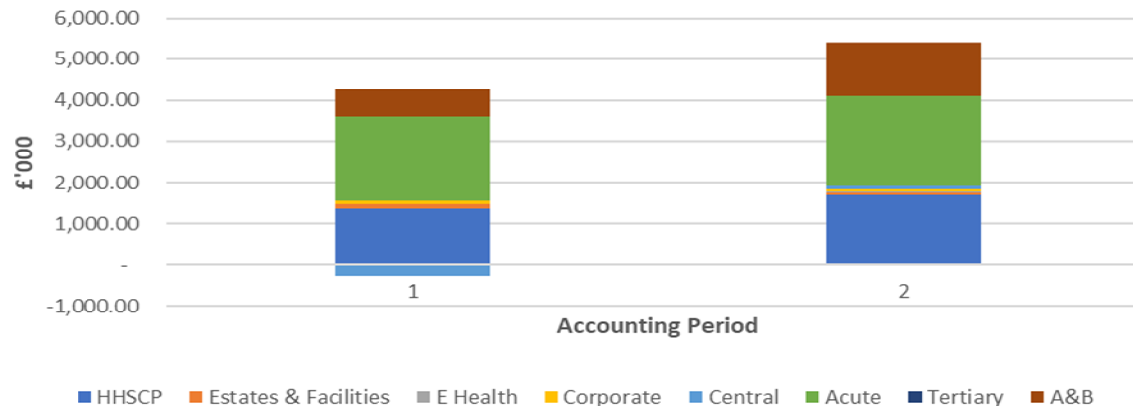
### SUPPLEMENTARY STAFFING

- Recorded spend at end of Month 2 is £0.895m lower than at same point in 2024/2025
- Underspend of £0.301m at the end of month 2

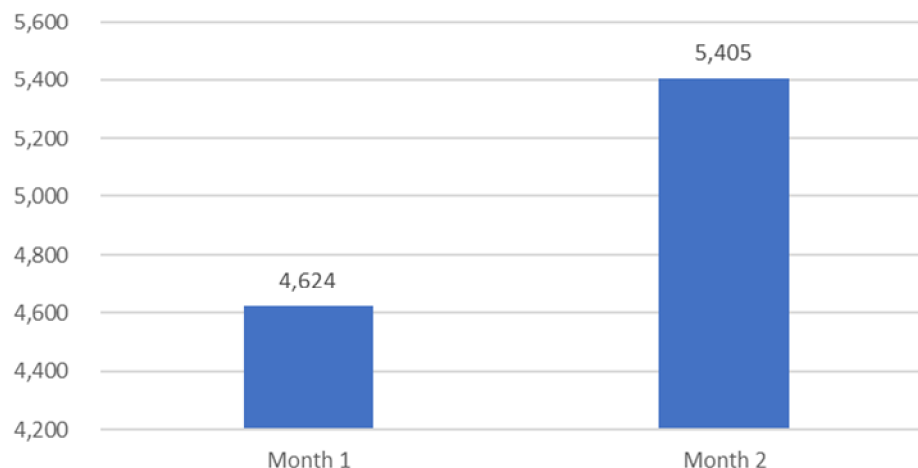
# MONTH 2 2025/2026 –MAY 2025

## SUPPLEMENTARY STAFFING

Supplementary Staffing Apr 25 - May 25



Supplementary Staffing Total Spend 2025/2026

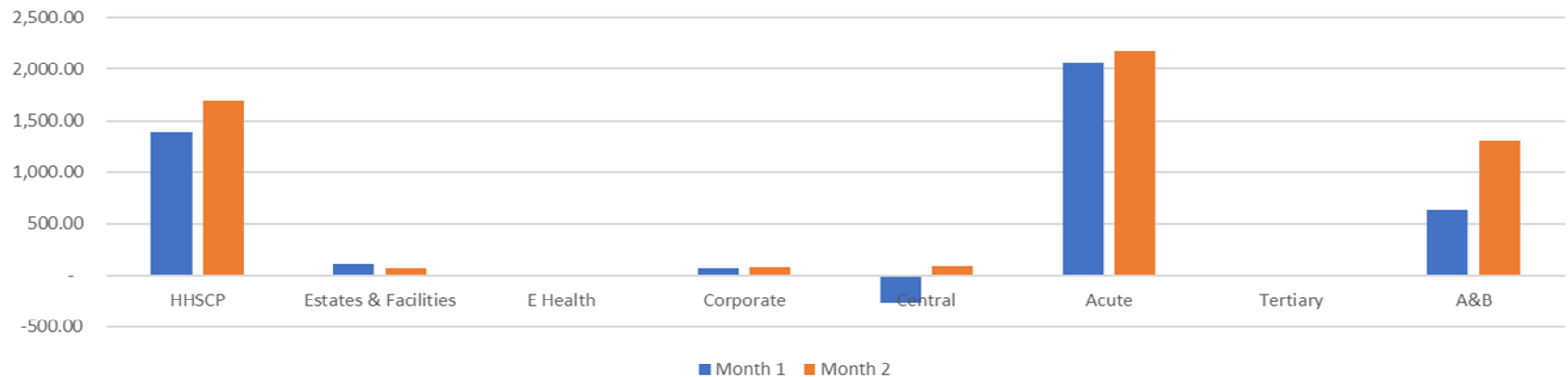


- Month 2 spend is £0.781m higher than Month 1
- Most significant increase is within A&B

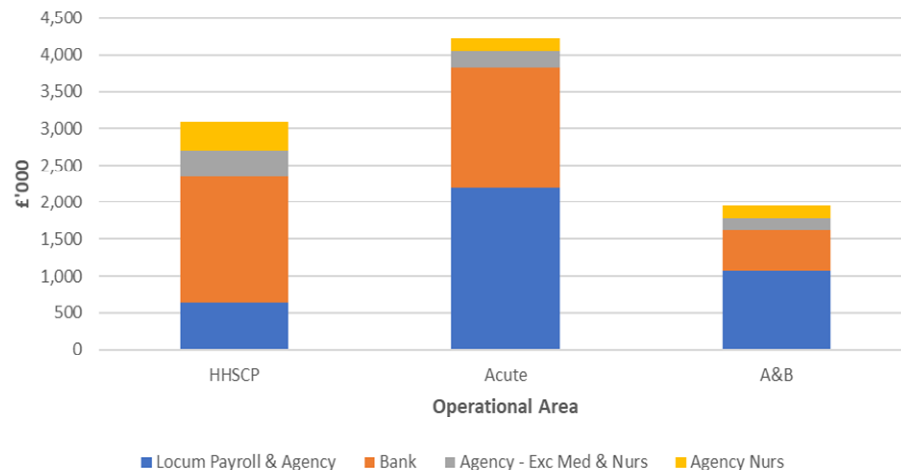
# MONTH 2 2025/2026 –MAY 2025

## SUPPLEMENTARY STAFFING

Supplementary Staffing - Monthly Run Rate



Operational Area Supplementary Staffing Spend by Type  
Month 2 - May 2025



- £0.781m increase from Month 1 to Month 2

# MONTH 2 2025/2026 –MAY 2025



Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m
	Expenditure by Subjective spend			
677.687	Pay	108.760	108.459	0.301
137.195	Drugs and prescribing	23.136	23.147	(0.011)
60.244	Property Costs	9.074	9.195	(0.121)
40.926	General Non Pay	6.883	7.224	(0.341)
55.437	Clinical Non pay	9.809	11.007	(1.198)
162.604	Health care - SLA and out of area	39.246	40.594	(1.349)
132.567	Social Care ISC	22.142	25.340	(3.198)
119.012	FHS	20.051	19.831	0.220

Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m
	Drugs and prescribing			
52.115	Hospital drugs	9.170	9.303	(0.132)
85.081	Prescribing	13.966	13.844	0.121
137.195	Total	23.136	23.147	(0.011)

## SUBJECTIVE ANALYSIS

- Pressures continue to be seen within all spend categories
- Vacancies across all staff groups continues to mitigate the high level of spend on supplementary staffing
- Drugs and prescribing expenditure slowing a slight pressure of £0.011m at the end of Month 2

# MONTH 2 2025/2026 – CAPITAL

Budget (£000)	Scheme	Actuals	Variance
	<b>FORMULA</b>		
500	Contingency	9	491
1,036	eHealth	38	998
1,786	EPAG	326	1,461
1,972	Estates	115	1,857
1,000	Fire Compliance	-	1,000
500	PFI - Mid Argyll	68	432
500	PFI - Easter Ross	54	446
<b>7,294</b>	<b>Total</b>	<b>609</b>	<b>6,685</b>
	<b>PROJECT SPECIFIC FUNDING</b>		
2,000	Estates - Lochaber	57	1,943
1,291	EPAG - NIB	-	1,291
333	EV Chargers	-	333
400	Raigmore LV infrastructure	-	400
400	CGH Internal Drainage	-	400
80	CGH electrical Infrastructure	-	80
1,700	Raigmore Fire Compliance	-	1,700
400	LIDGH Fire Compliance	-	400
80	Islay Fire Compliance	-	80
-	CGH Cladding	-	-
<b>6,684</b>	<b>Total</b>	<b>57</b>	<b>6,627</b>
<b>13,978</b>	<b>Total</b>	<b>666</b>	<b>13,311</b>

## CAPITAL

- Formula Capital of £7.294m confirmed
- Following submission of the BCP further funding has also been confirmed (but not yet received) by SG
- At this stage in the financial year expenditure is low but as expected