

# NHS Ayrshire & Arran



<b>Meeting:</b>	<b>Ayrshire and Arran NHS Board</b>
<b>Meeting date:</b>	<b>Monday 3 February 2025</b>
<b>Title:</b>	<b>Financial Management Report for the nine months to 31 December 2024</b>
<b>Responsible Director:</b>	<b>Derek Lindsay – Director of Finance</b>
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## 1. Purpose

This is presented for:

- Discussion

This paper relates to:

- Annual Operational Plan

This aligns to the following NHS Scotland quality ambition:

- Effective

## 2. Report summary

### 2.1 Situation

The Board overspent by £44.86 million in the nine months ended 31 December 2024.

The Board will not meet the statutory requirement to breakeven in 2024/25 nor can the Board currently operate within the reduced brokerage cap of £27.7 million, however is planning to meet the new brokerage cap of £53.5 million.

### 2.2 Background

The revenue plan for 2024/2025 was approved at the Board meeting on 21 May 2024. This projected a deficit of £53.5 million. The projected year-end deficit remains at £53.5 million. The Board, in agreement with the Scottish Government, will continue to identify any in-year savings as well as identify non-recurrent mitigations to close the current shortfall in the CRES delivery.

### 2.3 Assessment

#### REVENUE

The key points from the Board finance report are:

- Acute Services are £25.6 million overspent. This is attributable to pay costs being £15.0 million in excess of budget, supply costs being overspent by £8.2 million and the impact of £2.2 million unachieved efficiency savings from previous years.

- The acute supplies overspend mainly comprises theatre and surgical sundries (£2,448k), diagnostic supplies overspend (£912k), medicines overspend (£1,661k), equipment (£884k) and taxi/private ambulance overspend (£635k).
- Around £6.5 million of the Acute pay overspend is directly attributable to additional and unfunded beds to support unscheduled care and £5.1 million to additional staffing costs within the Emergency Departments and Combined Assessment Units at Crosshouse and Ayr Hospitals. Considerable improvements were made in November. December was a very challenging operational month with some additional capacity required.
- The New Medicines Fund is overspent by £6.3 million at Month 9 and is likely to overspend by around £8.8 million by year end. This is due to the cost of new medicines approved by the Scottish Medicines Consortium being higher than the funding provided by Scottish Government for this purpose.
- Legacy deficits result in a £16.3 million deficit in reserves after 9 months with full year deficit projection of £15.3 million. The forecast improvement is due to the release of Agenda for Change Reform funds. It is now evident that the Band 5-6 review will not result in a significant liability at year end.
- The three Integration Joint Boards (IJBs) set budgets to operate within their available financial resources including the use of reserves in some cases. Attached as Appendices B, C and D are the most recent finance reports for East, North and South Ayrshire IJBs. North IJB have notified the Health Board of a likely overspend, which £1.065 million is now included in our forecast position.

## **CRES**

- The Board must achieve the Scottish Government target to deliver a 3% (£26.5 million) recurring Cash Releasing Efficiency Target (CRES). The Board CRES Plan for 2024/25 is to deliver £24.1 million with Integration Joint Boards planning further savings of £4.2 million. £11.6 million has been achieved by the Health Board as at the 31<sup>st</sup> December and £18.3 million is forecast to be achieved. £6.7 million is zero risk, £8.0 million low risk, £2.6 million medium risk and £1.0 million high risk. Not all of these are recurring. The £24.1 million shown in 2.19 does not include savings from IJBs made delegated health budgets. These are shown in paragraph 2.21.
- Viridian were engaged to support delivery of the CRES programme. The Recovery Director is implementing SAFER methodology together with other measures. This paper assumes the Month 10-12 forecast will be delivered.

### **2.3.1 Quality/patient care**

Financial resources contribute directly to quality of patient care.

### **2.3.2 Workforce**

Annex B of the finance report provides further information on workforce numbers and agency spend.

### **2.3.3 Financial**

The Board will not meet its statutory requirement to break even in this financial year and forecasts an in year overspend of £53.5 million, noting the content of section 2.2 above.

In accordance with the Quarter 2 feedback a letter from Mr Alan Gray, Director of Finance NHS Scotland, the Chief Executive for NHS Ayrshire and Arran has formally written to NHS Scotland to confirm the current position.

### **2.3.4 Risk assessment/management**

Corporate Risk 703: Failure to deliver sufficient efficiency savings to live within financial allocation may lead to an inability to balance the budget resulting in an adverse impact on the delivery of services and reputational damage to the NHS Board. This could result in the Board being moved from level 3 to level 4 on the ladder of escalation.

### **2.3.5 Equality and diversity, including health inequalities**

This report does not require an equality and diversity impact assessment.

### **2.3.6 Other impacts**

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

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

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

## **2.4 Recommendation**

For discussion. Members are asked to:

- Review the financial position for the financial year to date
- Evaluate the financial performance against the key Scottish Government targets.
- Seek assurance on the further actions being taken to reduce the financial deficit.
- Note the risk to the delivery of a £53.5 million deficit as per plan in 2024/25.
- Note risks related to delivery of the planned savings

## **3. List of appendices**

The following appendices are included with this report:

**Appendix A: Finance Report – Month 9**

**Annex A: CRES Savings Plan 24/25**

**Annex B: Key workforce data**

**Annex C: Length of Stay data**

**Appendix B: [East Ayrshire Health and Social Care Partnership Financial Management Report](#)**

**Appendix C: [North Ayrshire Health and Social Care Partnership Financial Management Report](#)**

**Appendix D: [South Ayrshire Health and Social Care Partnership Financial Management Report](#)**

## Appendix A

### NHS Ayrshire and Arran – Finance Report Finance Report – December 2024

#### 1. Overall Financial Position

1.1 The Board is £44.9 million overspent for the nine months ended 31 December 2024.

#### Summary Financial Position

Department	Annual Budget £000	YTD Budget £000	YTD Spend £000	YTD Variance £000	RW FOT £000
Acute	461,543	340,065	365,636	(25,571)	(32,986)
New Medicine Fund	16,690	12,517	18,830	(6,313)	(8,800)
Pharmacy	12,262	9,288	9,482	(194)	(259)
UNPACs	1,896	1,422	403	1,019	1,359
<b>Acute and Clinical Services</b>	<b>492,391</b>	<b>363,292</b>	<b>394,351</b>	<b>(31,059)</b>	<b>(40,686)</b>
ISS (Operational)	66,858	49,690	49,407	282	377
ISS (Corporate)	57,304	40,916	41,226	(309)	(377)
Corporate Services	41,733	29,389	27,615	1,774	2,365
<b>Non Clinical Support Services</b>	<b>165,895</b>	<b>119,995</b>	<b>118,248</b>	<b>1,747</b>	<b>2,365</b>
Centrally Managed Resources	109	(3,457)	(4,214)	757	1,200
Reserves	(12,366)	(16,304)	0	(16,304)	(15,314)
<b>Centrally Managed Resources</b>	<b>(12,257)</b>	<b>(19,761)</b>	<b>(4,214)</b>	<b>(15,547)</b>	<b>(14,114)</b>
<b>NHS A&amp;A Health Board Total</b>	<b>646,029</b>	<b>463,527</b>	<b>508,385</b>	<b>(44,859)</b>	<b>(52,435)</b>
East Hscp	248,861	181,695	180,483	1,212	0
North Hscp	193,213	141,982	146,070	(4,088)	(1,065)
South Hscp	109,612	81,733	82,327	(594)	0
(Over)/underspends belonging to IJBs	0	0	(3,469)	3,469	0
<b>NHS A&amp;A Total inc HSCPs</b>	<b>1,197,715</b>	<b>868,937</b>	<b>913,796</b>	<b>(44,860)</b>	<b>(53,500)</b>

#### Performance against key Scottish Government targets

The Board will not meet the statutory requirement to breakeven and forecasts a deficit of £53.5 million in 2024/25.

Cumulative brokerage due to be repaid to Scottish Government is £78.5 million at the end of 2023/24. This comprises deficits of £14.7 million from 2019/20, £25.4 million from 2022/23 and £38.4 million from 2023/24.

The Board is required to deliver recurring efficiency savings equivalent to £26.5 million which is 3% of the Board's baseline recurring funding. Planned savings total £24.1 million, which excludes £4.2 million of savings made by IJB partners on health budgets. Forecast delivery against the £24.1 million is £18.3 million.

## Scottish Government Allocations

The total revenue resource allocations received from Scottish Government are £1.104 billion. In addition we anticipate around £67.0 million of Family Health Services resource (Pharmacists, Dentists and Opticians fees), £28.8 million of non-core revenue and £1.0 million allocation deductions. The table below shows allocations received in December which include £1.7 million for the Quarriers Unit and £0.5 million for tranche 2 of the Alcohol and Drug Partnerships.

	Baseline Recurring	Earmarked Recurring	Non-recurring
	£	£	£
<b>Cumulative revenue allocations to November</b>	<b>985,188,667</b>	<b>33,436,704</b>	<b>83,224,264</b>
<b>December Allocations</b>			
Enhanced Mental Health Outcomes Framework - reverse	-10,020,403		
Enhanced Mental Health Outcomes Framework	9,787,761		
Veteran Specific Services - Combat Stress			10,038
Open University Backfill - Q1&2 academic year 24/25			180,000
Tranche 2 Alcohol and Drug Partnerships			510,036
Quarriers Units Top Slice Uplift - NHS A&A			1,661,446
<b>Core Revenue Resource Limit</b>	<b>984,956,025</b>	<b>33,436,704</b>	<b>85,585,784</b>

## 2. Acute Services – analysis by cost category

2.1 The annual budget for Acute Services is £461.543 million. The directorate is £25.6 million overspent against its year to date budget after nine months.

Category	Annual Budget £000	YTD Budget £000	YTD Actual £000	Variance £000
Pay	342,104	250,159	265,188	(15,029)
Supplies	68,341	51,092	59,306	(8,214)
Purchase of Healthcare	91,102	67,564	68,730	(1,166)
Provision of Healthcare	(36,621)	(26,059)	(26,333)	274
Operating Income	(1,179)	(1,038)	(1,254)	216
Unallocated Savings	(2,204)	(1,653)	0	(1,653)
<b>Total</b>	<b>461,543</b>	<b>340,065</b>	<b>365,637</b>	<b>(25,571)</b>

2.2 Pay is £13.3 million overspent:

- **Nursing pay** is £9.2 million overspent. There has been a marked increase in the monthly level of overspend this month. £5.7 million of the cumulative overspend is on unfunded beds and £3.4 million is within Emergency Departments and Combined Assessment Units. Nursing agency spend within acute is £5.7 million in the first nine months of the year. The use of registered agency nursing halved in November, however significantly increased from 34.5 wte in November to 57.4 wte in December due to unfunded beds re-opening. The month nine agency spend was £0.56 million which is slightly less than an average of £0.64m over the first eight months.
- Agency nursing was predominately used in:  
Crosshouse ITU (£621k – vacancy cover),  
Crosshouse CAU (£807k – vacancy cover, maternity leave, additional beds and higher level supervisions),  
Crosshouse Accident and Emergency (£513k – additional care to patient in corridors)

Orthopaedic trauma wards at Crosshouse (£853k vacancy cover and skill mix issue).

Crosshouse accounted for £4.6 million out of the total £5.7 million agency spend.

- **Medical pay** was £5.7million overspent, in part due to locum costs of £4.5 million and Glasgow bank costs of £1.15 million. New governance and controls for requesting additional medical locums or additional duty hours are now in place with executive approval required. This ensures further scrutiny on the requirement for any additionality as well as maximising lower cost options wherever possible. The Back to Basics 2 programme of work is challenging medical staffing practices to make more efficient.

Workforce data is set out in Annex B.

- 2.3 Supplies were £8.2 million overspent, with a marked improvement in month 9 (£0.35 million in month 9 compared to average monthly overspend of £0.98 million). The highest overspend was in Surgical Sundries at £2.4 million cumulatively with £0.3 million in month 9. Theatres are the single biggest use of supplies in the surgical division. Issues from Crosshouse theatre stores in the first nine months are more than the full year level for 2023/24 with robotic supplies having more than doubled. There is an increased focus on the non pay budgets within the surgical budgetary review process and Viridian working together to address the issue of theatre supplies.

Diagnostic supplies are £0.9 million overspent. Activity levels in biochemistry have significantly increased above budgeted levels. This also includes the unfunded costs of additional tests outwith Ayrshire.

Acute medicines are £1.7 million overspent – the main reasons are additional and unfunded beds (£0.35 million), increased use of monoclonal antibodies in accordance with new guidance in a number of specialties, and overspends on cancer medicines (£0.5 million).

The Taxi/private ambulance budget is overspent by £0.64 million. These support renal and discharge transport and are under review by the transport steering group chaired by the Director of Finance.

- 2.4 Purchase of healthcare is £1.2 million overspent after 9 months. £0.9 million is due to outsourcing of medical imaging for out of hours services and to meet waiting list demand. Laboratory diagnostics also outsource to meet service demands.

## 2.5 Acute Service – analysis by department

Department	Annual Budget £000	YTD Budget £000	YTD Actual £000	Variance £000
Medicine	83,946	61,493	70,535	(9,043)
Emergency Crosshouse	38,035	27,776	35,061	(7,284)
Emergency Ayr	17,749	13,092	15,386	(2,294)
Surgery	129,862	94,663	98,669	(4,006)
Labs & Diagnostics	45,545	33,638	36,034	(2,396)
Women and Children	47,941	35,023	36,344	(1,321)
Other	98,466	74,380	73,607	774
<b>Total</b>	<b>461,543</b>	<b>340,065</b>	<b>365,636</b>	<b>(25,571)</b>

Medicine is overspent by £9.0 million. £6.1 million relating to University Hospital Crosshouse and £2.9 million to University Hospital Ayr. These costs are linked to unfunded beds and medical workforce costs associated with rota gaps.

- 2.6 Emergency Care overspent by £2.3 million at University Hospital Ayr and £7.3 million at University Hospital Crosshouse. This is mainly staffing and includes costs associated with the Clinical Assessment Units which require additional nurses from the in house nurse bank and from external agency to ensure compliance with safer staffing requirements. The overspend at University Hospital Crosshouse includes the Orthopaedic trauma wards which are £3.8 million overspent, partly driven by £0.8 million of nurse agency spend to cover vacancies, but also because ward 5A is unfunded and has incurred £2.1 million of costs. A trauma review is being undertaken to understand the issues.
- 2.7 Surgery is £4.0 million overspent with most of this being on supplies - primarily in theatres at University Hospital Crosshouse including for robotic surgery and elective orthopaedics at University Hospital Ayr (see first paragraph under 2.3). Specific issues relate to general surgery across both sites with consultant vacancies at University Hospital Ayr driving a reliance on Agency locums. There are also high levels of sickness absence on the middle grade rota at University Hospital Crosshouse.

### Unfunded additional capacity

- 2.8 Station 1, Ward 5A and Ward 4E and 3F remained open during December.
- 2.9 In line with Winter planning, we saw an increase in unfunded capacity across both sites in Month 9. Ayr was fairly static with 12 beds for the first half of December. This doubled towards the end of the month. On average 16 beds unfunded were open every day. Crosshouse was in a more difficult position with 78 unfunded beds opened consistently during December. In addition to this full capacity beds were re-opened with an average of 16 per day across the month. Additional areas such as the Emergency Department, discharge lounge and Day Surgery Unit opened further capacity to an average of 7 beds per day. The discharge lounge is now closed. Operational pressure was felt across the United Kingdom with many hospitals declaring critical incidents due to the new flu variant. Work is on-going to recover the position. The SAFER programme in Crosshouse is progressing well and early indications show a reduction in Length of Stay (LoS) across two wards by 2.5 days each. This LOS is the lowest all year for the relevant wards.

The cohorting of patients in the active wards is also demonstrating a reduction in LoS in other areas.

The spend and run rate on unfunded beds is shown in the table below.

		M1	M2	M3	M4	M5	M6	M7	M8	M9	Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Spend on unfunded wards</b>											
UHA	Station 1	163	165	179	153	173	211	173	203	168	1,588
UHA	Station 3								52	85	137
UHC	5a	230	208	218	221	213	249	229	288	266	2,122
UHC	4e	192	198	200	233	213	189	212	240	204	1,881
UHC	3F	85	114	54	94	92	109	81	45	78	752
<b>Sub Total Complete Wards</b>		<b>670</b>	<b>685</b>	<b>651</b>	<b>701</b>	<b>691</b>	<b>758</b>	<b>695</b>	<b>828</b>	<b>801</b>	<b>6,480</b>
UHC	6 beds CAU	68	71	68	71	71	68	71	68	68	625
UHC	ED RN Reduction (corridor)	42	12	54	48	48	48	34	11	42	339
UHA	40 surge beds	149	99	80	182	132	213	145	44	128	1,171
<b>Sub Total Extra beds</b>		<b>259</b>	<b>182</b>	<b>202</b>	<b>300</b>	<b>251</b>	<b>329</b>	<b>249</b>	<b>124</b>	<b>238</b>	<b>2,135</b>



2.10 The key contributory factors to the unfunded beds are:

- The non delayed average length of stay in NHS Ayrshire & Arran is higher than national benchmarks. Steps are being progressed to reduce the average length of stay in 2024/25 (see Annex C).
- The number of bed days occupied by delayed discharges. Please refer to the final graph on Annex C. HSCP teams are focused on managing delays and work in partnership with acute teams through integrated discharge hubs. Improvement work is also ongoing.

2.11 The Board performance report sets out the actions being progressed to reduce the non delayed length of stay and the number of bed days occupied by delayed discharges over 14 days.

### **New Medicines Fund**

2.12 The New Medicines Fund overspent by £6.3 million after 9 months. The new medicines fund is likely to overspend by around £8.8 million by year end due to the cost of new medicines approved by the Scottish Medicines Consortium being higher than the funding provided by Scottish Government (£16.7 million) for this purpose.

### **Infrastructure and Support Services (I&SS)**

2.13 Infrastructure and Support Services budgets are separated between those which are operational service provision (such as estates, hotel services and digital services), and those which are corporate in nature, such as capital charges, energy and private finance initiative (PFI) costs. They have an aggregate annual budget of £124.2 million. Operational I&SS services were underspent by £0.3 million whilst Corporate I&SS services overspent by a £0.3 million due to high energy costs.

### **Corporate Services**

2.14 Other corporate services have budgets of £41.2 million and comprise Public Health, the Nursing Directorate, the Medical Directorate, Human Resources and Organisational Development, Finance, Transformation and Sustainability and the Chief Executive's office. These are underspent in aggregate by £1.8 million after 9 months.

### **Centrally Managed Resources**

2.15 Centrally Managed Resources are budgets not owned by any of our Directorates. Examples include CNORIS, and resources top sliced from NHS Ayrshire & Arran budget to provide services elsewhere through National Services Division.

2.16 Reserves in this context are budgets not issued or attributed to any Department. Such budgets can be:

- Legacy Deficits
- Allocations received from Scottish Government not yet issued to services
- Budget set aside in the Revenue Plan for a specific purpose but not yet spent.

The Board expects to end the year with a £15.3 million over commitment on reserves as a result of legacy deficits.



## Health and Social Care Partnerships (HSCPs)

- 2.17 Currently the combined overspend for HSCPs is £3.5 million. Underspends belong to Integrated Joint Boards (IJBs) rather than NHS Ayrshire and Arran, as do overspends able to be covered from IJB reserves. North IJB have notified the Health Board of a likely £1.065m overspend, which is now included in our forecast position.

## Efficiency and Transformation Programme

- 2.18 The Cash Releasing Efficiency Savings (CRES) programme for 2024/25 approved by Board as part of the Revenue Plan amounts to £24.1 million. IJB savings on health budgets (around £4.2 million) are not included. The Board is required to achieve a minimum of 3% - £26.5 million including IJB CRES.

### 2024/25 – delivery against the CRES target

	Annual Target	Achieved Dec M9	M9 YTD Achieved	Risk	Forecast
Area	£000	£000	£000		£000
Service level agreements	2,100	175	1,575	None	2,100
Waiting times	4,000	333	2,997	None	4,000
Acute prescribing	2545	228	1,859	Low	2,544
Primary care prescribing	4050	256	2,629	Low	4,050
Ward Closures 4E and Station 1	2283	0	0	High	392
Bed Reductions ward 5A, CAU, ED	2868	0	153	High	268
Close ward 3F Crosshouse	1085	0	167	Medium	329
Full capacity Bed Reductions Ayr	2203	180	936	Medium	1,471
Reduce agency doctors	1000	0	0	None	0
Taxis, medical records	191	8	68	Medium	191
Estates rationalisation	50	4	38	None	50
Procurement	300	0	0	High	300
Public Health	262	22	197	Low	262
Medical Director	130	11	98	Low	130
Nurse Director	132	3	124	Low	132
ISS	679	35	491	Low	683
Finance	130	11	98	Low	130
Pharmacy	125	10	94	Low	125
Viridian - Theatre Supplies	0	0	0	None	0
Viridian - Discretionary Spend Controls	0	0	0	Medium	178
Viridian - Workforce Controls	0	100	100	Medium	400
Capital to Revenue Transfer	0	0	0	None	550
<b>Sub Total Health Board</b>	<b>24,135</b>	<b>1,377</b>	<b>11,621</b>		<b>18,285</b>

- 2.19 Both sites made substantial progress in addressing bed reductions in November, but December was extremely challenging operationally and additional capacity was used (see section 2.9). This has impacted delivery of CRES through bed reductions causing a reduction in forecast CRES delivery on bed related schemes.
- 2.20 Whilst achievements in managing agency doctors is showing nil forecast, this is expected to increase significantly next month. There is uncertainty around the information provided by the direct engagement provider over the festive period, with

potential for “catch up” invoicing in month 10. This forecast will be re-evaluated in light of January information.

- 2.21 Viridian have done a lot of work on workforce controls which has reduced agency nursing spend and it is hoped that the forecast saving against this can increase to around £1 million in month 10 and in addition the mitigation of the impact of the reduced working week can be shown as a non-recurring saving of around £2 million in month 10. If realised, this would increase the Health Board forecast CRES (excluding IJBs) to around £21 million.
- 2.22 Theatre Supplies has been reforecast to zero. The work to date is focussed on reducing our stock levels. This is valuable work and provides a cash flow benefit. However stock reduction is a balance sheet change rather than a revenue saving. Further work on theatre supplies next year is anticipated to produce a revenue saving.
- 2.23 In addition to the CRES above for 2024/25, £3.377 million of legacy CRES targets remain from previous years.
- 2.24 IJBs are responsible for delivering their own CRES in whichever way they choose. However as the Board 3% target is based on our recurrent baseline, we are reporting on IJB progress against their CRES targets. This is shown in the table below.

	Annual Target	Achieved Dec M9	M9 YTD Achieved		Forecast
Area	£000	£000	£000	Risk	£000
<b>Health Board as in section 2.18</b>	<b>24,135</b>	<b>1,377</b>	<b>11,621</b>		<b>18,285</b>
East IJB NHS Savings	1,500	125	1,125	Low	1,500
North IJB NHS Savings	2,479	238	1,710	Low	2,423
South IJB NHS Savings	221	20	180	Low	241
<b>Total NHS Ayrshire and Arran</b>	<b>28,335</b>	<b>1,759</b>	<b>14,636</b>		<b>22,449</b>

### 3. RISKS

- 3.1 The Board is unique in Scotland in holding the financial risk associated with primary care prescribing. Spend information against this £94.5 million budget is two months in arrears. Short supply issues and volatile pricing are not within our local control. Primary Care Prescribing is £1.5 million overspent after 7 months. The current forecast is a £2.9million overspend at the year end, however there is a considerable risk this will deteriorate further.
- 3.2 North IJB have asked for £1.065 million financial support from the Health Board as they forecast a deficit at year end. There is further risk of £2.3 million relating to income from and charges to other health boards for inpatient mental health services.
- 3.3 Winter pressures may cause the financial position to deteriorate further.

#### 4. ACTIONS

The following summary lists the actions taken and long term changes made to the Boards approach to developing and delivering service improvement and CRES

- Moved to a continuous improvement model (Viridian supported) to deliver CRES through an operationally driven pipeline of service improvement and service reform throughout NHS Ayrshire & Arran. A positive move away from the budget reduction.
- New monthly meetings to enable the development and delivery of service improvement projects, inclusive of pipeline projects (Improvement Programme Steering Group – the creation of the IPSG)
- Monthly Finance Improvement and Scrutiny Group, supplemented with CMT meetings every two weeks. (ToR agreed, revised governance structure in place. An internal audit CRES action, External Audit action)
- Vacancy control panels in all directorates; all Director led.
- Operational Grip and Control measures. Limited hospitality, senior authorisation of overtime, halt to any non-essential work.
- Compliance with the 15 box Grid. Updated Quarterly to the Scottish Government
- Medicine management reviews are continuous, the cost pressures in primary care are actively being investigated for any opportunities to influence the in-year over-spend.
- Capital to revenue opportunities in-year and future planning
- Medical Workforce. Back to basics<sup>2</sup>. Team and on-call medical workforce reviews to reduce and overtime remove any inconsistency in rates of pay.
- Nursing and AHP review. Workforce group dedicated to reducing agency and any additionality, inclusive of overtime.
- Acute workforce review. Inclusive of options for five day working over 7 days to improve consistency of offer.
- Dedicated workforce group in place to review of workforce gaps a solutions
- eRostering rollout (Viridian supported)
- Realistic medicines management project. Put in place projects to enable service change and improvement to ensure best value health care is aligned to clinically led ambitions and principles as described within the Caring for Ayrshire strategy
- Business planning schedule in place to ensure the best possible draft of our revenue plan for 2025/26 is aligned to the Whole System Plan
- Outputs from the Buchan work, funded centrally, received on December 2<sup>nd</sup> 2024 will also be incorporated into the Business Planning Process (External Audit Action)
- First drafts of the revenue and capital plans for 2025/26 onwards have been considered by the Performance Governance Committee.

Annex A – CRES savings plan – 2024/25

Improvement Programme Overview (£m)												
Workstream	Plan		Year to Date (M9)			FOT (Total)			FOT (Recurrent)			
	Annual CY Total	Recurrent Plan	Plan	Actual	Variance	CY Actual 24/25	CY Forecast	Total IY Variance (PL to For)	YTD Actual 2024/25	Rest of year forecast 2024/25	Total FYE Forecast & Actual 2024-25	FYE Variance (Total Forecast to Plan 2024-25)
UHA Div Imp Prog	10.287	9.931	7.446	5.498	-1.948	5.498	8.100	-2.187	5.231	2.121	7.352	-2.579
UHC Div Imp Prog	5.867	5.867	3.803	0.852	-2.951	0.852	1.476	-4.391	0.532	0.346	0.878	-4.989
Woman's & Children	0.050	0.050	0.037	0.031	-0.006	0.031	0.050	0.000	0.031	0.019	0.050	0.000
Infrastructure	1.029	1.029	0.749	0.527	-0.222	0.527	1.210	0.181	0.527	0.505	1.031	0.002
Corporate	2.851	2.851	2.169	2.087	-0.082	2.087	3.399	0.548	2.087	0.762	2.850	-0.001
Primary Care Prescribing	4.049	4.049	3.037	2.628	-0.409	2.628	4.049	0.000	2.628	1.421	4.049	0.000
Health & Social Care	4.200	4.200	3.037	3.015	-0.022	3.015	4.162	-0.038	3.015	1.147	4.162	-0.038
<b>Total</b>	<b>28.334</b>	<b>27.978</b>	<b>20.281</b>	<b>14.640</b>	<b>-5.640</b>	<b>14.640</b>	<b>22.447</b>	<b>-5.887</b>	<b>14.051</b>	<b>6.321</b>	<b>20.372</b>	<b>-7.606</b>

BRAG Status	Num	Last Report £m	Num	This Report £m	Scheme Status	Num	Last Report £m	Num	This Report £m	Classification	Last Report £m	This Report £m
Blue	17	0.251	18	0.381	Fully Developed	76	13.542	76	13.542	Pay	4.671	3.830
Green	52	14.500	53	14.565	Plan In Progress	39	9.946	39	8.906	Non-Pay	18.721	18.520
Amber	41	7.800	38	6.796	Opport	0	0.000	0	0.000	Income	0.097	0.097
Red	5	0.892	6	0.706	Unidentified	0	0.000	0	0.000	Total	23.488	22.447
<b>Total</b>	<b>115</b>	<b>23.488</b>	<b>115</b>	<b>22.447</b>	<b>Total</b>	<b>115</b>	<b>23.488</b>	<b>115</b>	<b>22.447</b>			

Wordbook/QIA	Num	Last Report £m	Num	This Report £m	Pipeline Progress	Num	Last Report £m	Num	This Report £m
W/B Required	27	14.723	15	2.001	Ideas with No Value	51	0.000	52	0.000
W/B Completed	9	7.843	10	1.380	Ideas with Value	44	11.178	44	11.178
QIA Required	15	8.129	6	0.786	Converted ideas	1	0.500	1	0.500
QIA In progress	4	2.718	0	0.000	<b>Total</b>	<b>95</b>	<b>11.178</b>	<b>96</b>	<b>11.178</b>
QIA Approved	2	2.174	2	0.456					



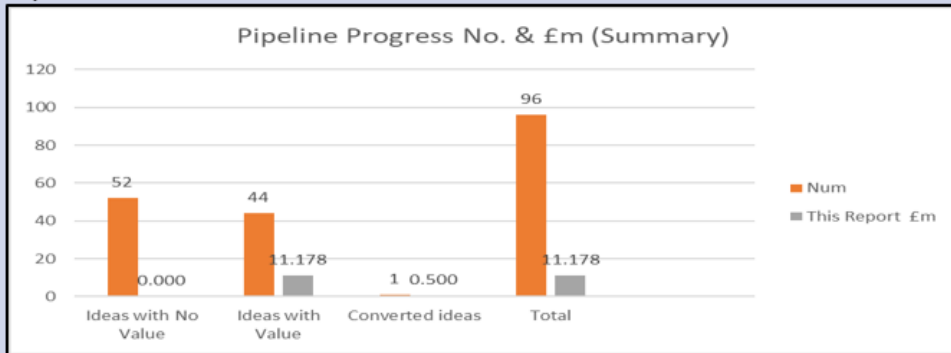
## Improvement Programme Overview (£m)

<p style="text-align: center;"><b>CRES Position</b></p>	<p><b>Current position:</b></p>	<p>The Board's original plan assumed savings during M9 of £2.6m with an actual achievement recorded of £1.7m, a shortfall of £0.900m.</p>																					
	<p><b>Year to date position:</b></p> <p><b>Overall programme position and activities:</b></p>	<p>YTD £14.6m was delivered against a target of £20.2m which is an under delivery of -£5.6m. The overall recurrent delivery year-to-date is £14.0m (96% of the overall delivery)                      The overall programme position is £22.4m (R £20.3m/ NR £2.0m) with a full year variance to target of £5.8m. There is a recurrent gap of £7.7m which is a deterioration from M8 of £0.700m. At M9, the overall FOT has decreased by £1.041m. Although progress continues to be made to de-risk the Board's existing programme and develop the mitigation plan, the month 9 forecast outturn decreased relative to the previous month. This is largely due to the following scheme slippage:</p> <ul style="list-style-type: none"> <li>• Reduce Agency Doctors/Medical Supplementary Staffing £0.200m. Processing delays at the supplier over the festive period have resulted in uncertainty over delivery. In conjunction with the SRO a re-evaluation will take place in M10.</li> <li>• Crosshouse Bed Reductions ward 5A, CAU, ED £0.276m. Very challenging operational pressures (across the UK) similarly affected NHS A&amp;A. Not only does this reduce current month delivery, Nevertheless, also impacts on forecast achievement. Broadly speaking it is likely to be mid-February to early March before services emerge from this period.</li> <li>• Crosshouse ward 3f closure £0.054m. The ward re-opened – see comments directly above.</li> <li>• Full capacity Bed Reductions Ayr £0.311m – see comments directly above.</li> </ul> <p>None of the above should detract from the underlying work introducing active wards and SAFER methodology, these are well underway and proving effective.</p> <p>Theatre supplies forecast reduced from £0.250m to zero in this year. This is because the work done in this phase reduces balance sheet stock rather than revenue expenditure. Nevertheless the work is valuable and pre-requisite for efficient stock management work to be undertaken in 2025/26.</p> <p>The Capital to Revenue Transfer was increased from £0.500 million to £0.0550 million.</p> <p>Budget line by line reviews are continuing with the budget holders and finance leads and in some areas action plans have been developed to mitigate any overspend. Work will continue through M10.</p> <p>CRES development workshops are scheduled to take place during month 10 and 11 where the key focus will be CRES scheme development and cost pressure planning for 25/26.</p> <p>An outline of the Realistic Care Improvement Programme has been developed based on realistic medicine and value-based health and care. This programme outlines the approach to developing a three-year acute and community flow improvement programme through 6 workstreams. Targets to all 5 acute workstreams have been nominally applied and will be worked through in workshops following all deep dive budget reviews. The outputs from the workshop will inform the development of the clinical services strategy. The Medical Director is the Executive Sponsor of the programme.</p>																					
<p style="text-align: center;"><b>Workstream Movement</b></p>	<p><b>Scheme Status</b></p>	<p><b>Current progress of Scheme Status</b></p> <table border="1"> <caption>Scheme Status £m (Summary)</caption> <thead> <tr> <th>Category</th> <th>Value (£m)</th> </tr> </thead> <tbody> <tr> <td>Fully Developed</td> <td>13,542</td> </tr> <tr> <td>Plan In Progress</td> <td>8,906</td> </tr> <tr> <td>Opport</td> <td>0,000</td> </tr> <tr> <td>Unidentified</td> <td>0,000</td> </tr> </tbody> </table>	Category	Value (£m)	Fully Developed	13,542	Plan In Progress	8,906	Opport	0,000	Unidentified	0,000	<p><b>Risk Profile:</b></p> <p><b>Current risk rating identified for the programme:</b></p> <table border="1"> <caption>RAG Status £m (Summary)</caption> <thead> <tr> <th>Category</th> <th>Value (£m)</th> </tr> </thead> <tbody> <tr> <td>Blue</td> <td>0.381</td> </tr> <tr> <td>Green</td> <td>14,565</td> </tr> <tr> <td>Amber</td> <td>6,796</td> </tr> <tr> <td>Red</td> <td>0.706</td> </tr> </tbody> </table>	Category	Value (£m)	Blue	0.381	Green	14,565	Amber	6,796	Red	0.706
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<p style="text-align: center;"><b>Enablers</b></p>	<p><b>Procurement:</b></p>	<p><b>Key Updates:</b></p> <ul style="list-style-type: none"> <li>• Discretionary spend continues and procurement recording a list of rejections and exceptions approved by Directors.</li> <li>• Multi-functional Device (MFD) review now underway, targeting a reduction in number of printers used across the board which will be scoped in a full reform proposal.</li> <li>• Procurement Scrutiny Group frequency increased to twice a month to allow discussions in real time.</li> <li>• Procurement team supporting Investigations into Theatre Supplies now complete and programme of work developed with an initial target of £250k identified, with a view to increase this to £500k by M9</li> <li>• Savings of £145,861 achieved at Procurement Scrutiny Group on 26th Nov 2024</li> <li>• Savings of £253,418 achieved at Procurement Scrutiny Group on 5th December 2024</li> <li>• Savings of £52,699 achieved at Procurement Scrutiny Group on 9th January 2025</li> <li>• Key Actions Next Steps by Division:</li> <li>• Savings of £15,226 being presented to Procurement Scrutiny Group 23rd January 2025</li> <li>• Pipeline CRES tracker needs to be updated to reflect procurement savings</li> <li>• Ensure streamlined process and direct feed from the detailed evidenced based tracker in Procurement (held by Zoe) and the main Board CRES tracker each month.</li> <li>• QIAs process to be defined for procurement savings</li> </ul>	<p><b>Medicine Optimisation :</b></p> <ul style="list-style-type: none"> <li>• Currently we have in the finance tracker £6.5m of planned savings identified.</li> <li>• The savings plans are assigned between two workstreams Acute Prescribing £2.5m and Primary Care Prescribing £4.0m</li> <li>• The forecasted outturn at M9 across both workstreams is £6.5m of which £6.5m is recurrent.</li> <li>• The YTD position is £4.4m actuals versus a forecast £6.5m and a plan of £5.0m</li> <li>• Acute Prescribing has £2.5m of schemes BRAG rated Green .</li> <li>• Primary Care Prescribing has £4.0m of schemes BRAG rated Amber.</li> </ul>																				

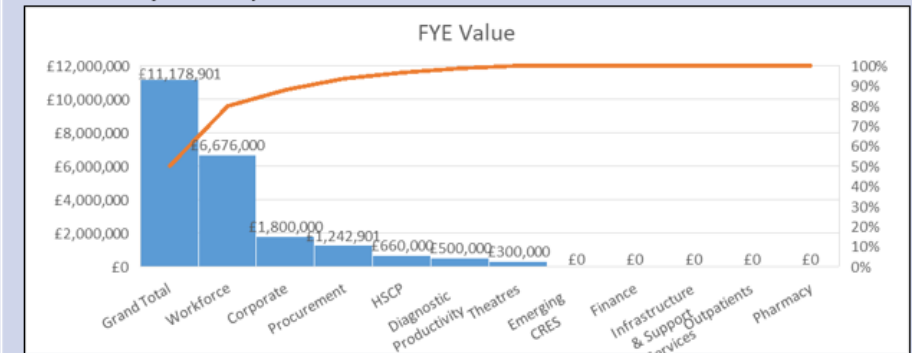
## Improvement Programme Overview (£m)

<b>Pipeline</b>	<b>Opportunities:</b>	Across all workstreams additional pipeline and mitigation schemes are being developed. The existing pipeline at the end of M9 equated to FYE £11.1m and PYE £5.2m. There has not been any schemes during M9 that have moved to the reported forecasted position.
	<b>Key Actions Next Steps by Workstream</b>	Focus is required at the workstream CRES meetings to progress the schemes in the pipeline tracker and where able to add to the finance tracker to mitigate any CRES gap. There are 96 schemes in the pipeline, 44 schemes with a value; 55 remain with 'zero' values. 89 schemes are within 24/25, and 7 schemes are within 25/26. Broadly speaking the key areas with scheme values in the pipeline tracker are Corporate, Diagnostics, HSPC, ISS, Procurement, Theatres and Workforce. A process of scheme validation will continue for the forthcoming months and workstreams are required to validate the pipelines schemes with start dates in year and full year effect valuation.

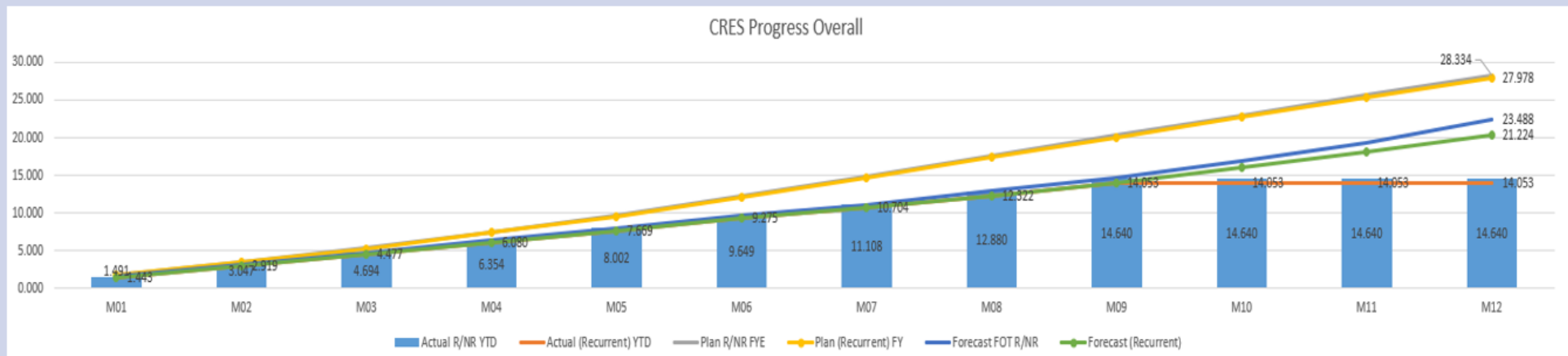
### Pipeline Movement:



### Value of ideas by CRES Group:



## CRES Progress

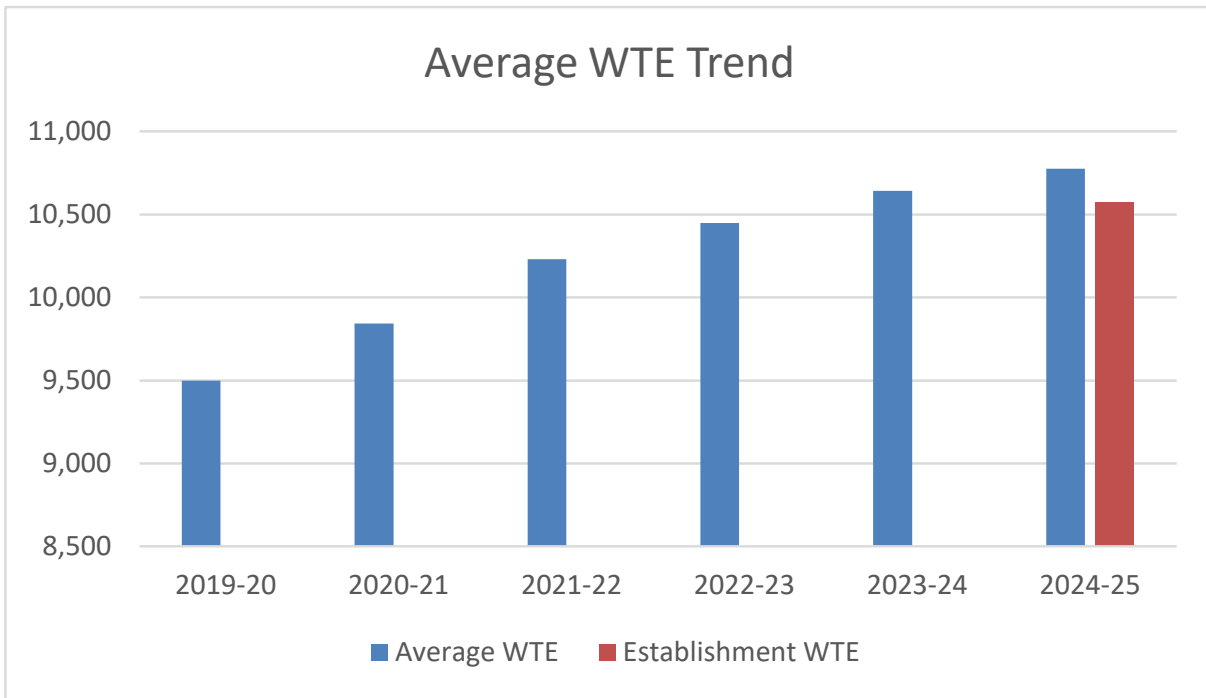


## Annex B: Key workforce data

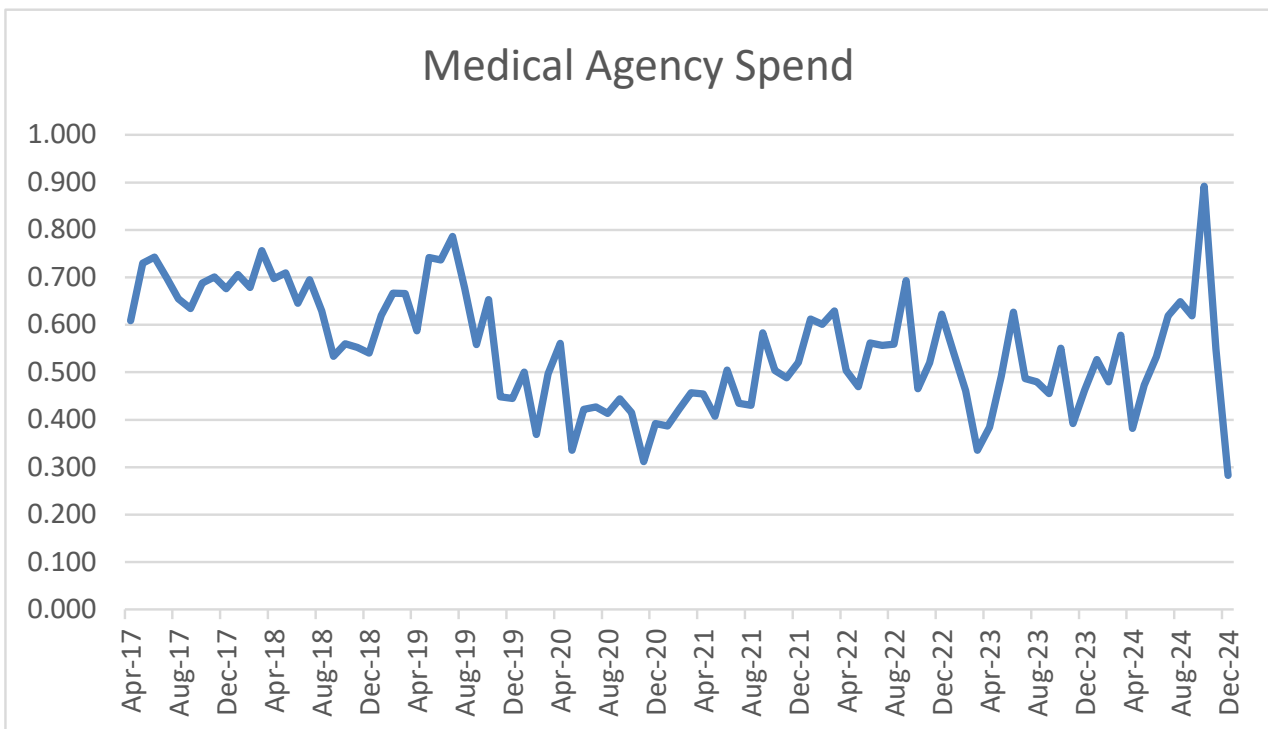
### Key points:

- There has been a sustained increase in staffing since 2020/2021.
- Medical agency spend has been broadly static since April 2021.
- Nursing agency spend has been on an overall upward trend since April 2020.
- Significant increase in agency and bank nursing staffing reflects national trends
- Sickness absence has been above the 4% target since the pandemic

### Average WTE trend

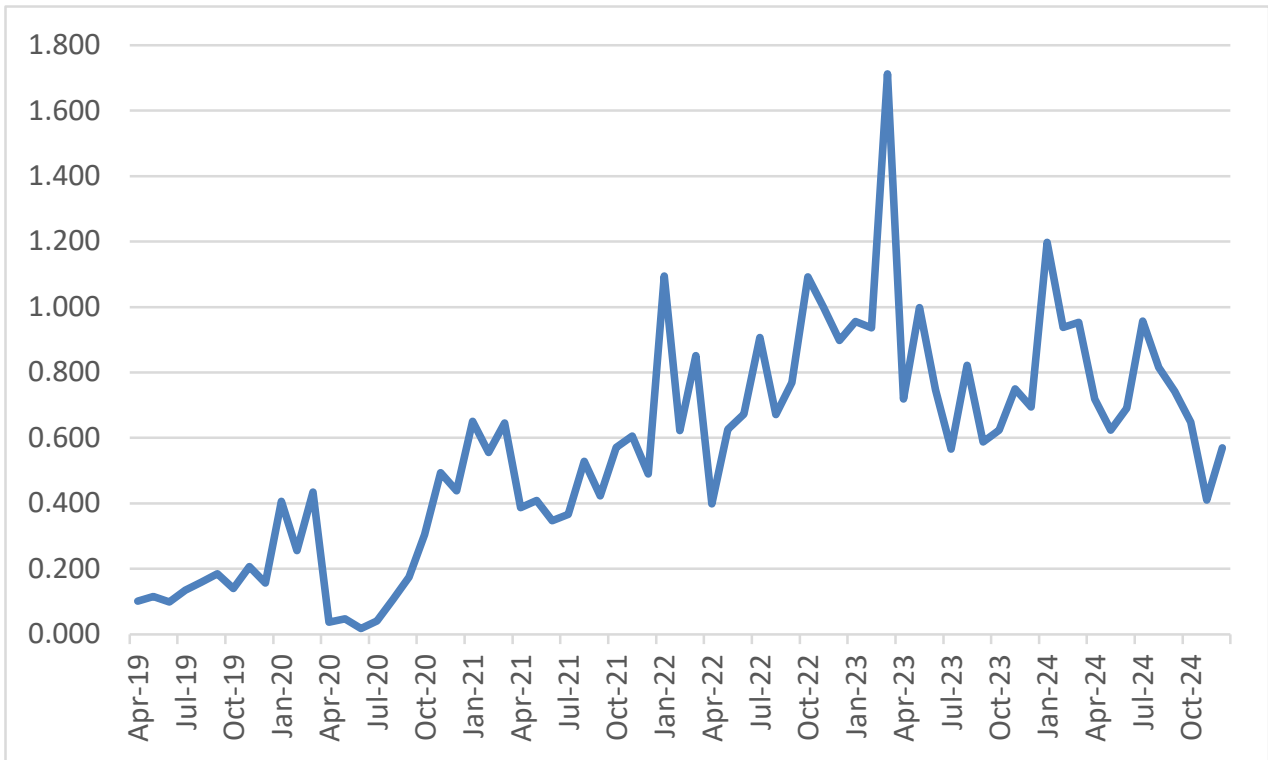


### Medical agency trend

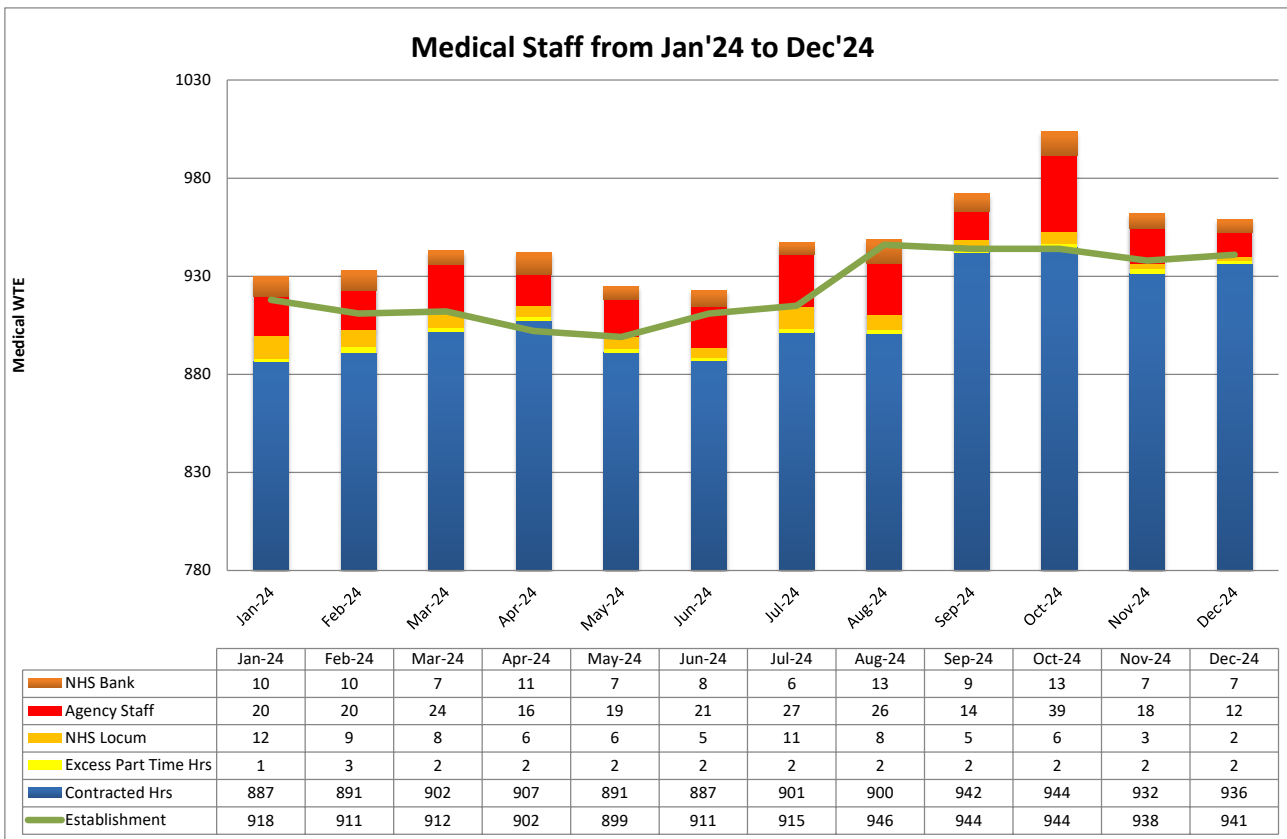




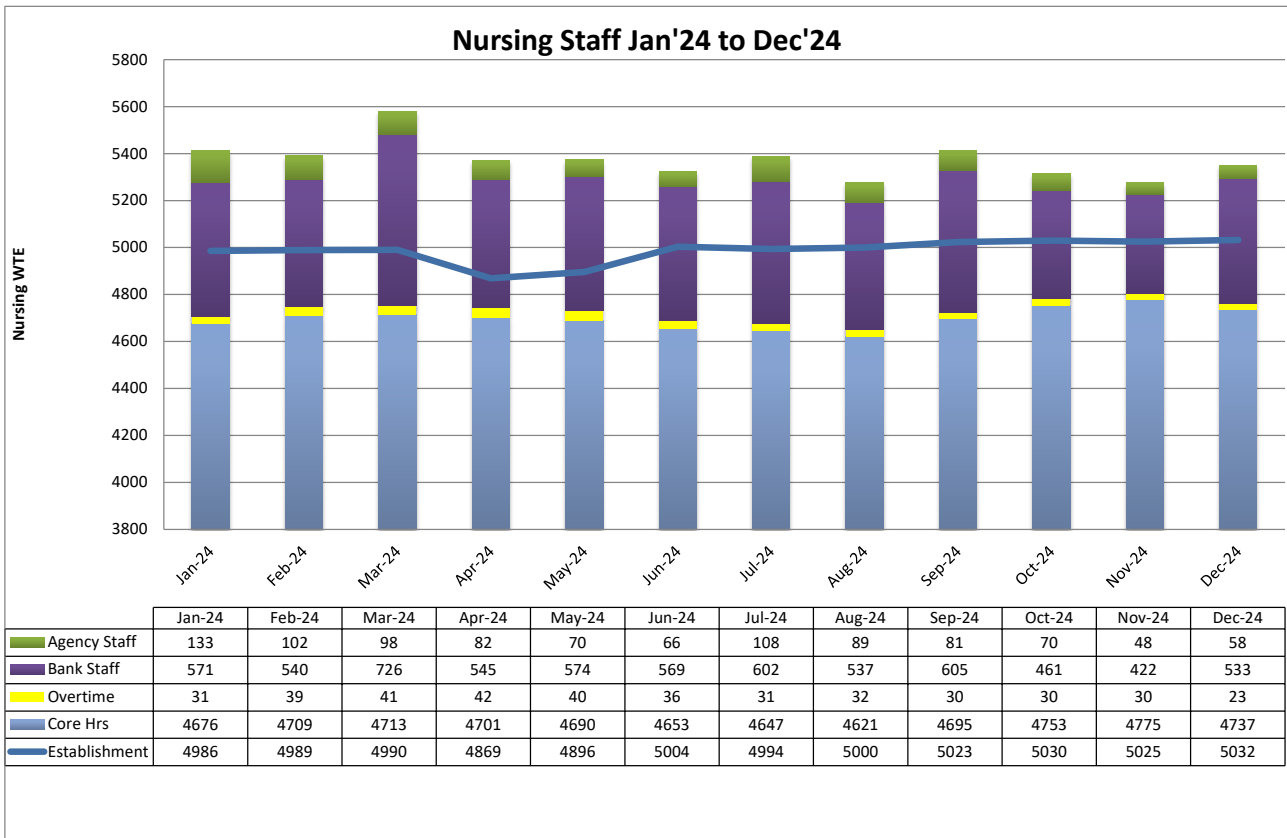
## Nursing agency trend



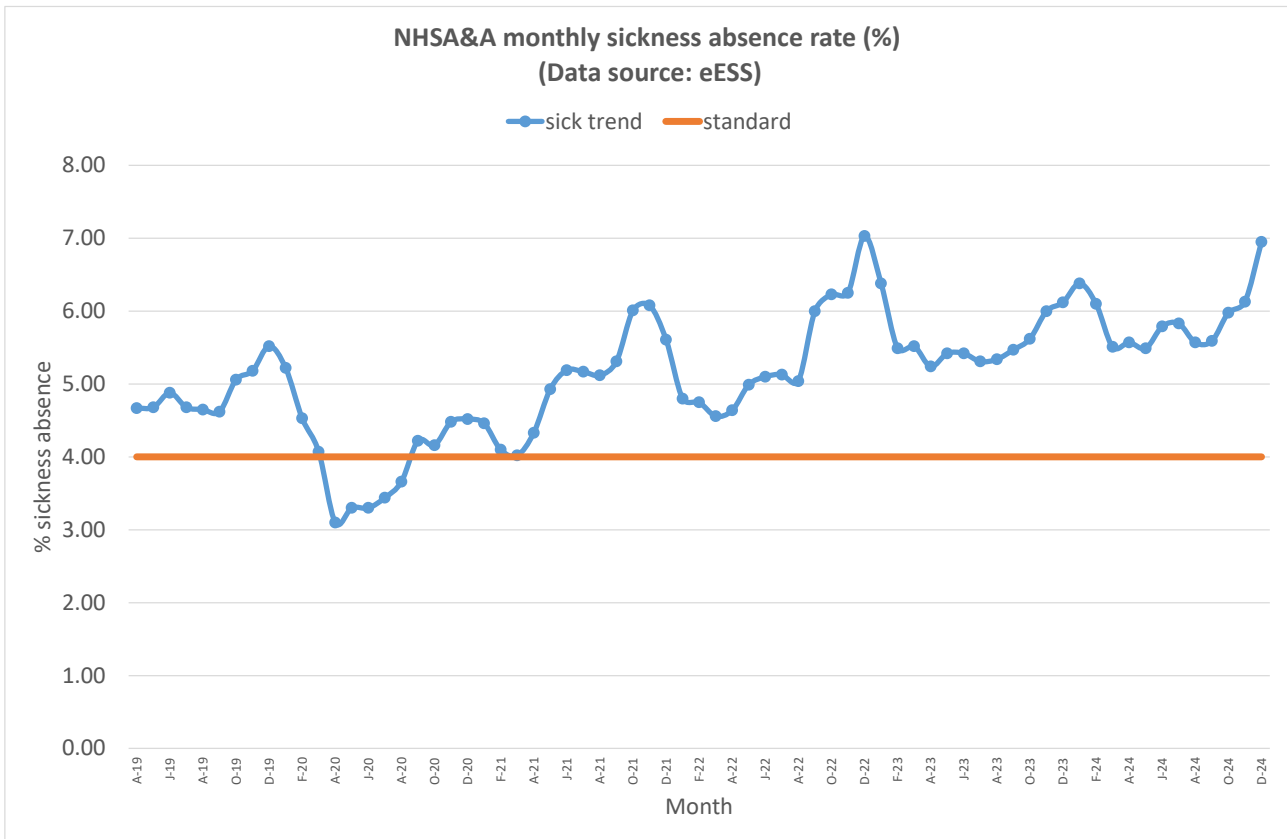
## Medical Staffing breakdown



## Nurse Staffing breakdown



## Sickness Absence



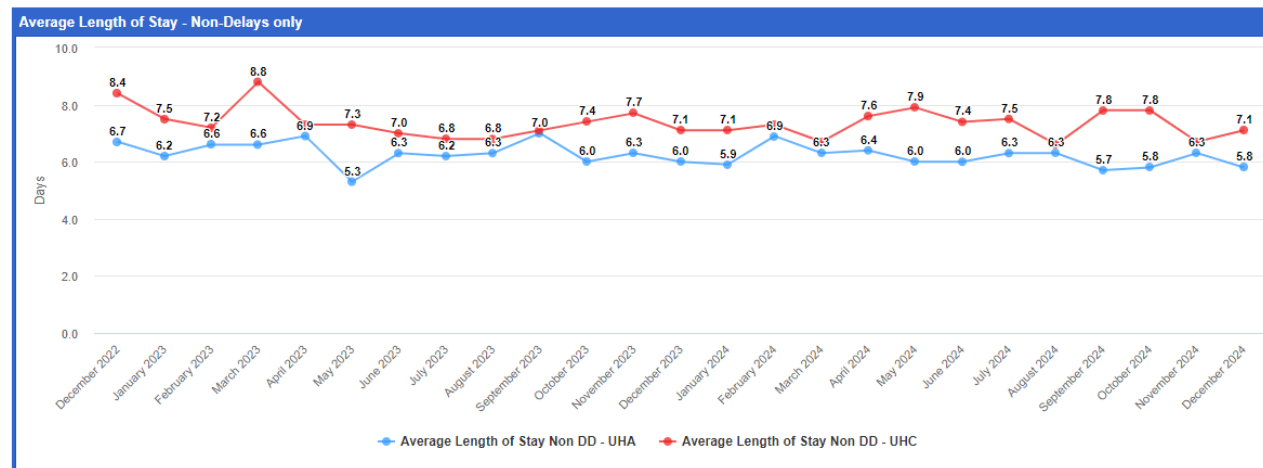
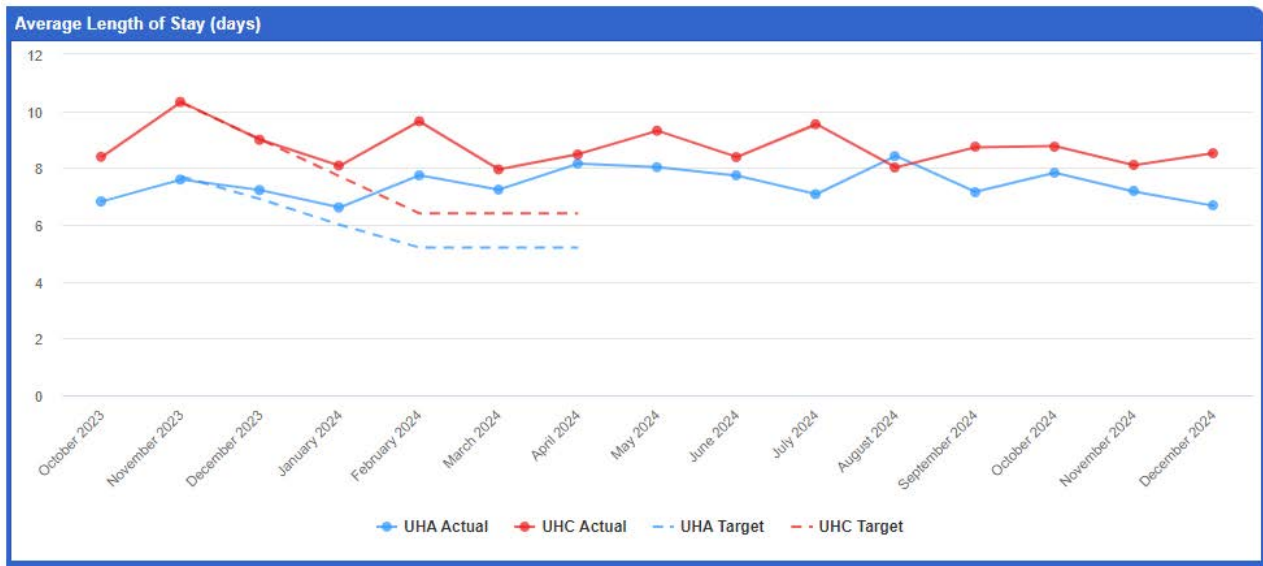
## Annex C: Length of stay (LOS)

The Board is implementing an Urgent and Unscheduled Care Recovery Plan – Workstream 2 is Reducing Acute LoS. Key targets are:

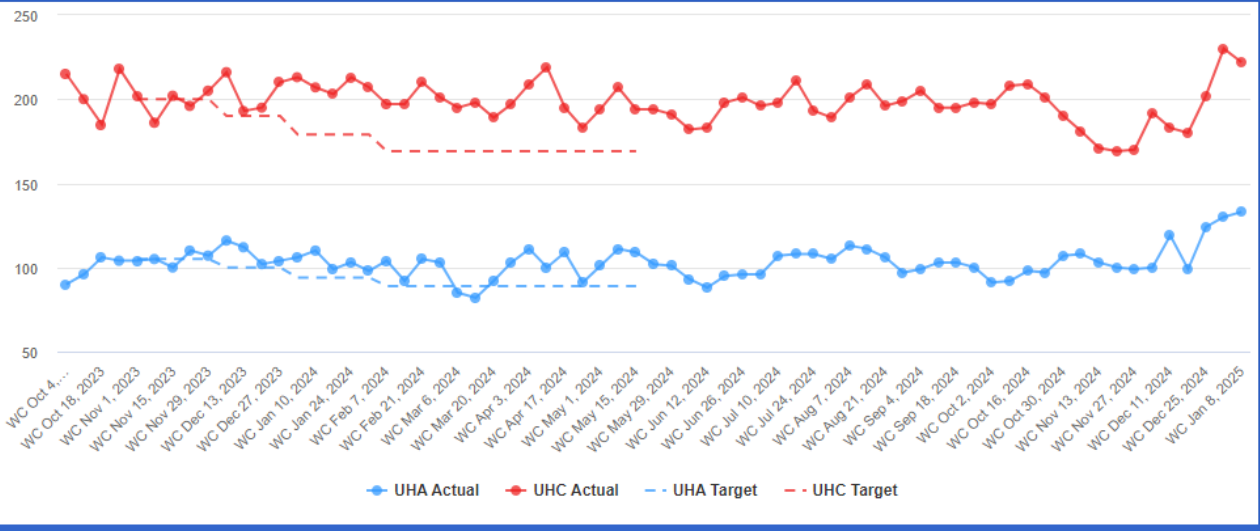
- Reduction in overall hospital average LoS
- Reduction in average LoS in General Medicine wards
- Reduction in number of patients with a length of stay of over 14 days
- Increase in pre-noon discharges
- Reduction in number of unfunded beds open
- Reduction in core occupancy
- Increase in weekend discharges
- Increase in proportion of inpatients with a planned date of discharge (PDD)
- Increase in care home discharges

Since March 2024 the overall length of stay in our acute hospitals has increased with delayed discharges of South Ayrshire patients rising in this period.

### Length of stay trend



Patients with LOS > 14 days (weekly census)



Monthly number of occupied bed days due to delayed discharge (all delay reasons)

