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| Meeting: | NHS Grampian Board Meeting |
| Meeting date: | 10 October 2024 |
| Item Number: | 6 |
| Title: | Update on NHS Grampian Financial Position |
| Responsible Executive/Non-Executive: | Alex Stephen, Director of Finance |
| Report Authors: | Alan Sharp, Deputy Director of Finance |

1 Purpose

This is presented to the Board for:

- Discussion
- Assurance

The Board is asked to:

- **Note** – that NHS Grampian has a revenue overspend of £30.0 million at the end of August 2024 and a projected revenue overspend for the year of £77.9 million.
- **Note** – the steps that have been taken to defer non-legally committed expenditure for the remainder of the financial year in line with the Scottish Government’s instruction to all Boards to review planned expenditure.
- **Approve** – the steps being taken by the Director of Finance to agree the scope and fee structure for Phase 2 of the external diagnostic review.
- **Note** – the key dates for developing the revenue budget and financial plan for 2025/26.

This report relates to:

- Annual Delivery Plan
- Emerging Issue
- Financial Sustainability

This aligns to the following NHS SCOTLAND quality ambition:

- Effective

2 Report summary

2.1 Situation

This report is presented to:

- Enable discussion on the NHS Grampian financial position at month 5 2024/25 (August) and the projected year end position for 2024/25
- Provide an update on the NHS Grampian approach to financial recovery, including providing details of the deferral of non-legally committed spend in the current financial year
- Outline the key dates and steps in developing the revenue budget and financial strategy for 2025/26

2.2 Background

After balancing the revenue financial position for many years, NHS Grampian's financial position has become more challenging in the recent past. There are a number of factors that have been driving this change, including:-

- Demographic changes in our population, with a greater proportion of elderly people and patients presenting with greater acuity and co-morbidities.
- Introduction of new technologies (e.g. TAVI Cardiology procedures, insulin pumps), new medicines (e.g. expensive cancer treatments) or new services (e.g. the Covid vaccination programme).
- Recruitment challenges leading high usage of expensive agency staff.
- Increases in our non-pay costs for items such as energy or rates together with high levels of general inflation not matched by funding increases.
- The need to clear the backlog of service demand caused by the Covid pandemic.
- Pressures on unscheduled care services with capacity challenges in primary care and social care.
- The need to cover a share on the overspends of Integration Joint Boards (IJBs).

NHS Grampian was unable to set a balanced revenue budget for this financial year as given the need to Find Balance between clinical, staff wellbeing, financial and prevention priorities a number of proposals which would have provided financial savings were not taken forward due to their likely significant impact on planned care and unscheduled care services. Our financial plan submitted to Scottish Government projected a financial gap of £59 million after achievement of Value & Sustainability savings of £35 million. The Scottish Government has indicated that it expects the Board not to exceed an overspend level of £59 million and to improve on this if at all possible. It has also set the Board a brokerage limit target of £15.3 million. Brokerage is short term repayable financial support. Any deficit above the £15.3 million brokerage level will need to be shown as an overspend in the Board's Annual Accounts for 2024/25.

Under section 12F of the National Health (Scotland) Act 1978, NHS bodies have a statutory duty to breakeven against revenue expenditure. By overspending against the revenue budget this year for the first time, NHS Grampian will not meet this statutory duty.

This report summarises the position at Month 5 (August), provides a forecast through to the end of the financial year and highlights the current and ongoing service pressures. The report also describes the decisions made on deferring non-legally committed items for the remainder of this financial year and an update on the external diagnostic review which is taking place.

Finally the report also looks forward to 2025/26 and outlines the key dates and steps that will need to be followed to agree the revenue budget and financial plan for the next financial year.

2.3 Assessment

Financial Position & Forecast

The Finance Report at 31st August (month 5) is attached at Appendix 1.

The Board is reporting an overspend at the end of August (five months) of £30.0 million on NHS Grampian non-delegated services (i.e. excluding Integration Joint Boards). The level of monthly operational overspend has been stable so far this year at circa £5 million a month. An element of overspend to reflect the unbalanced budget has also been fed into the year to date position. All of the main Portfolios remain significantly overspent. Significant service pressures relating to patient flow have continued since the start of the 2024/25 financial year and are contributing to the level of the overspend.

Financial forecasts are being updated each month. The forecast for the year based on August results for NHS Grampian non-delegated services is a £62.9 million overspend. This is a £4.9 million improvement compared to the July forecast due to a combination of new funding received from Scottish Government and savings made from the range of measures outlined to the Board in September. For example, tightened vacancy control criteria are now having an impact on staff costs in some areas. Medical locum agency costs have stabilised, agency nursing costs are continuing to show a reduction compared to last year and some corporate areas are now showing underspends due to vacancies being held (e.g. Finance & Procurement and the Executive Business Unit now have a combined forecast underspend of £0.58 million (7.6%) due to unfilled vacancies).

As noted in the Finance Report to the Board in September, it is now certain that NHS Grampian will need to contribute to overspends in the Aberdeenshire and Moray IJBs as part of the risk share arrangements between the Board and the relevant Councils for meeting IJB overspends. Based on current projections of their financial positions for 2024/25 a contribution of £15.0 million has been assumed. It is likely this figure will need to be increased in future months, as the level of overspend in those IJBs is now being estimated at a higher level than anticipated in Month 4.

These two elements mean that NHS Grampian's total projected overspend for 2024/25 is currently £77.9 million (about 5.9% of budget). This level of projected overspend remains well above the £59 million level expectation of the Scottish Government but is moving in the right direction. It is still the case though that much work needs to be done to improve the Board's financial position including implementing the measures agreed at the September Board meeting to control spend and avoid unplanned commitments between now and the end of the financial year.

The Board is at level 2 of the Scottish Government's Support & Intervention Framework due to the financial position. This is a pre formal escalation stage which entails enhanced monitoring of the Board's financial position by the Scottish Government. This involves having formal quarterly meetings and regular informal calls with Scottish Government colleagues. A review of all Boards against the Support & Intervention Framework will take place after Quarter 2 results are submitted in mid-October. Scottish Government have issued Boards who are on the escalation framework with a self-evaluation template in advance of the formal review. Senior Finance staff have completed the template which indicates that the Board would sit at the upper stages of level 2 based on current financial performance. The self-evaluation will be presented to the next meeting of the Audit & Risk Committee. It should be noted that there are already five Boards at level 3 of the escalation framework due to their financial positions.

Update on Financial Recovery Measures

1. Non-Legally Committed Spend

The Scottish Government's letter on NHS Grampian's Quarter 1 financial position instructed the Board to "defer all non-essential expenditure" and "consider all remaining spend not legally committed". An exercise was agreed by the Chief Executive Team to gather details of all schemes where planned expenditure had not been legally committed, together with the operational impact of deferring each scheme. Each item was then assessed on whether deferring expenditure would be a decision at an internal NHS Grampian level or whether Scottish Government approval would be required.

Those schemes where Scottish Government approval would be required were outlined in the Board's response to the Scottish Government's Quarter 1 letter which was sent by the Chief Executive to the Director of Health & Social Care Finance on the 16th September. Our assessment was that these schemes would be likely to have a direct impact on the delivery of patient care and would not pass the test of Finding Balance between finance, clinical governance and staffing issues. The letter requested the Scottish Government to advise us if they wished us to pause commitment of these schemes based on the view of their professional advisors. The Chief Executive has yet to receive a formal response to the letter.

Those items of non-legally committed spend where it was considered the decision making level rested at a local level (e.g. not filling a planned post) were reviewed by the Chief Executive Team on 24th September. It was agreed that 13 planned schemes would not be taken forward in the current financial year with a total of avoided expenditure of £3.3 million. The main schemes deferred included slowing down some planned service enhancements due to recruitment challenges, the move of office accommodation to Woodhill House, slowing down the maintenance schedules for non-medical equipment and slowing down commitments against a number of Digital funding streams. None of these are desirable but by pulling back on uncommitted expenditure it means that reductions in services that are already in place can be avoided.

2. External Diagnostic Review

As reported at the September meeting the Board commissioned an external diagnostic review with funding provided by the Scottish Government. The review considered opportunities for savings in the areas of non-pay, contract management, corporate services and indirect tax. Phase 1 of the review has been completed and has identified a number of areas where it has been assessed that further work is likely to produce savings. These are:-

- a) Potential opportunities to improve our recovery of VAT.
- b) Reducing contract spend leakage via Cognitive Contract Management which would involve detailed review of a small number of our largest non-pay contracts.
- c) Non-pay opportunities focusing on control of discretionary spending (travel, postage, printing, subscriptions etc.) and the use of medical supplies to assess opportunities for standardisation.

Further discussions are now underway between the Director of Finance, Scottish Government representatives and the external consultants to agree the detailed scope of the next phase of the review and the associated fees that would be payable.

Planning for 2025/26

It is clear that the NHS Grampian Health System cannot continue as it is in financial terms. NHS Grampian will record a record overspend in 2024/25, most of which is recurring. Two of the three Integration Joint Boards will also record deficits this year. The Board has the largest forecast overspend of any Board in Scotland and is at level 2 on the Scottish Government's Support and Intervention Framework due to the financial position.

Meanwhile service pressures continue, key performance indicators are not being achieved in many areas and there is a widespread perception that we do not have enough staff to cover the services provided.

In this context, it is important that we now start the financial planning process for the 2025/26 financial year. The Financial Strategy for 2025/26 will be crucial. It will need to reflect significant change in the way that we operate and provide services.

It is important that any changes to services are considered, impact assessed and agreed well in advance of the start of the new financial year in order that the Board, Directors and Portfolio Leads can begin the year with a clear expectation of how to manage the resources that are available to them in 2025/26.

The key dates for developing the revenue budget and Financial Plan for 2025/26 are set out below:-

| | |
|---------------------------------|--|
| Weds 31 st Oct | Submission of Service Change Proposals by Chief Executive Team Members |
| November | Consideration, impact assessment and agreement on Service Change Proposals |
| December | Detailed budget development |
| Weds 4 th December | Scottish Government Budget Announcement |
| Fri 6 th December | NHSG Budget Briefing issued to Board Members & Chief Executive Team |
| Thurs 12 th December | Update to NHS Grampian Board meeting |
| Thurs 9 th January | Update to NHS Grampian Board meeting |
| Tues 21 st January | Review & Agreement of Draft Financial Plan by Chief Executive Team. |

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| February (TBC) | Whole System Review Meeting with IJBs to agree consistency of Financial Plans and proposed savings measures. |
| Fri 28 th February | Notification of NHS Grampian funding contributions to IJBs |
| Thurs 13 th March | Presentation of Financial Plan to Board |

It is also planned to schedule monthly informal updates for Board members to outline the progress in agreeing the Financial Plan for next year.

2.3.1 Quality/ Patient Care

The impact of all financial decisions and proposed savings schemes is assessed at the level of individual services and the Chief Executive Team continue to use our 'finding balance' methodology when assessing savings, which ensures that there is a balance between our three main strands of governance and prevention when making decisions.

2.3.2 Workforce

There are both direct and indirect links between the financial position and staff resourcing. Where relevant, the impact of savings schemes on staffing resources is assessed at an individual service level.

2.3.3 Financial

Scottish Government has recognised the financial pressures on all Boards for 2024/25 and beyond and are providing national support to develop initiatives to reduce the overall cost base. NHS Grampian undertakes a full review of all initiatives proposed at a national level. We will continue to work closely with Scottish Government in seeking to balance operational, financial and workforce pressures.

2.3.4 Risk Assessment/Management

There are a number of financial risks which are being currently managed and are highlighted in the detailed financial monitoring in appendix 1.

Risk assessment and subsequent management of these risks relating to financial performance are recorded on NHS Grampian's risk management system and reviewed on regular basis by the Chief Executive Team.

2.3.5 Equality and Diversity, including health inequalities

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

2.3.6 Other impacts

None.

2.3.7 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:

- Chief Executive Team – weekly update on financial position.
- Performance Assurance Finance & Infrastructure Committee – finance update is a standing item.
- Monthly reporting to the Scottish Government.

2.3.8 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.

- Performance Assurance Finance & Infrastructure Committee – 26th September 2024.

2.4 Recommendations

The Board is asked to:

- **Note** – that NHS Grampian has a revenue overspend of £30.0 million at the end of August 2024 and a projected revenue overspend for the year of £77.9 million.
- **Note** – the steps that have been taken to defer non-legally committed expenditure for the remainder of the financial year in line with the Scottish Government's instruction to all Boards to review planned expenditure.
- **Approve** – the steps being taken by the Director of Finance to agree the scope and fee structure for Phase 2 of the external diagnostic review.
- **Note** – the key dates for developing the revenue budget and financial plan for 2025/26.

3 Appendix/List of appendices

The following appendix/appendices are included with this report:

- Appendix 1 – Finance Report for Month 5 2024/25

APPENDIX 1



Financial Performance Report August 2024

This report covers the financial results for the first five months of the financial year (to the 31st August).

As noted in previous reports, the Board was not able to set a balanced revenue budget for 2024/25, as given the need to Find Balance between clinical, staff wellbeing, financial and prevention priorities a number of proposals which would have provided financial savings were not taken forward due to their likely significant impact on planned care and unscheduled care services. Our financial plan submitted to the Scottish Government in March projected a deficit in the region of £59 million for the year after assuming achievement of savings of £35 million. Scottish Government have now advised that they expect NHS Grampian to take all reasonable steps to achieve a maximum level of overspend of no more than £59 million and to improve on this towards the £15.3 million brokerage target if at all possible.

Our current forecast overspend is above the £59 million level after accounting for a contribution to projected overspend levels in Integration Joint Boards (IJBs) which means that there will need to be a continued focus of achieving savings and carefully managing expenditure for the rest of the financial year. A paper agreed by the NHS Grampian Board on 12th September agreed a number of further measures to mitigate the Board's financial position this year in order to achieve a position which was closer to the £59 million level, although much work remains to be done to achieve these reductions as we enter the second half of the financial year.

The Board remains at level 2 of the Scottish Government's Support & Intervention Framework due to the financial position. This is a pre formal escalation stage which entails enhanced monitoring of the Board's financial position by the Scottish Government. This involves having formal quarterly meetings and regular informal calls with Scottish Government colleagues. The Scottish Government have indicated that they will assess escalation levels of all boards in mid-October. NHS Grampian now has the highest projected deficit of any Scottish Board (fourth highest in % terms).

The output from a rapid review exercise conducted by KPMG to look at the potential for identifying further efficiencies has also now been received and it is likely that further work will be undertaken to seek efficiencies in some areas of non-pay spend including medical supplies, contract management for large contracts and discretionary spend.

For August an actual deficit of £5.3 million was recorded for the month. This takes the year to date overspend after five months to £30.0 million. The overspend for the month of August on Portfolios and other departments was £4.5 million. This is an improvement on recent months and reflects lower spending on medical pay and medical supplies in the month, which are welcome developments. £0.8 million also had to be included in the deficit for August to reflect the unbalanced revenue position of the Board.

The year to date figures do not yet reflect any inclusion of the Board's likely contribution to IJB overspends. The three IJBs all set balanced budgets in advance of the financial year but there is a high probability that two of the three will overspend against their budgets. Under the financial risk share arrangements, NHS Grampian will be required to meet a share of the overspend. Given the high likelihood of overspends occurring we will now need to work closely with IJB colleagues to agree actions that can mitigate the level of overspend on IJB budgets.

The detailed forecast for the year has now been updated based on the actual results for August. It shows a projected overspend for the year of £77.9 million, comprising of an estimated £62.9 million overspend of NHS Grampian non-delegated services plus a £15.0 million projected contribution to overspends on IJB budgets. This is an improvement from the July figure of £82.5 million partly due to decisions made at the NHS Grampian Board meeting in September to identify further savings and partly due to an increase in projected savings on junior doctor rota compliance and hospital drug switches. The improvement is a move in the right direction and we will seek to improve the forecast further next month if the financial position holds steady. However, the level of projected overspend remains well above the £59 million level expectation of the Scottish Government and highlights that all reasonable measures will need to be taken between now and the end of the financial year to improve the financial position.

As reflected in the recent paper to the NHS Grampian Board, the financial position is still giving serious cause for concern with the projected deficit above the level expected of the Board by the Scottish Government. This means that some difficult decisions will need to be taken between now and the end of the financial year to manage the Board's (and IJB) finances, noting that these decisions will still need to be taken in the context of our Finding Balance Criteria.

Alex Stephen
Director of Finance
16 September 2024



Key Points

- **NHS Grampian was not able to set a balanced revenue budget for this financial year** as given the need to Find Balance between clinical, staff wellbeing, financial and prevention priorities a number of proposals which would have provided financial savings were not taken forward due to their likely significant impact on planned care and unscheduled care services. Our financial plan submitted to Scottish Government projects a financial gap of £59 million after achievement of Value & Sustainability savings of £35 million. The Scottish Government has indicated that it expects the Board not to exceed an overspend level of £59 million and to improve on this if at all possible. It has also set the Board a brokerage limit target of £15.3 million. Brokerage is short term repayable financial support. Any deficit above the £15.3 million brokerage level will need to be shown as an overspend in the Board's Annual Accounts for 2024/25.
- **Revenue results to the end of August show an overspend of £30.0 million.** The level of monthly operational overspend has been stable so far this year at circa £5 million a month.
- **All of the main Portfolios remain significantly overspent.** This highlights the size of the financial challenge facing the Board, in that even though the position has stabilised we are still a very long way from operating within our revenue budget.

- **It now appears likely that NHS Grampian will need to make a funding contribution to meet overspends on two of the IJB budgets.** The IJBs are experiencing similar levels of financial pressures to the Board. £14.7 million has now been built into the revenue forecast to reflect the level of the expected contribution. We will work closely with IJB colleagues to agree actions to mitigate IJB overspends for the remainder of the year.

Overview

These results cover the five month period to 31st August 2024.

The results continue to cover services which are directly managed by NHS Grampian. They therefore exclude the services which are delegated to the three Integration Joint Boards. This means that the financial results in this report focus on those services which NHS Grampian still has direct control of. These are principally on the Foresterhill site, Dr Gray's in Elgin, Inpatient Mental Health & Learning Disabilities, non-clinical departments and the Public Health Directorate.

The financial performance of the IJBs is monitored each quarter at meetings between the Chief Executive, Director of Finance, Chief Officers and Chief Finance Officers to assess any potential risks to the NHS Grampian position from overspends against IJB budgets. As noted above, there is now a high probability that NHS Grampian will be required to make funding contributions in 2024/25 to meet overspends for two of the three IJBs. We have now reflected the Board's share of predicted IJB overspends into the forecast for the year.

The Board's Financial Plan for 2024/25 was submitted to the Scottish Government in March 2024. The Plan did not set a balanced financial position and projected a deficit for the year of £59 million. This level of deficit is based on the assumption that savings of around £35 million can be achieved during the year through the Value & Sustainability Programme.

Financial performance is reported against a revenue break even position.

Key points to note from performance to the end of August are:-

- The results highlight the service pressures being experienced by many areas, which have continued into 2024/25 from the final quarter of the previous financial year. These service pressures in areas like patient flow, planned care and staffing availability translate into financial overspends. As a result, an overspend of £30.0 million has been recorded against the revenue budget after five months. The level of monthly overspend has been consistent for the five months of the year to date, indicating that the Board's financial position has stabilised to a degree.
- Pay budgets are overspent by £17.6 million (6.3%). Funding has continued to be added to budgets to meet the costs of the additional overtime and bank pay relating to the Agenda for Change non-pay reforms.
- The main pressure on pay continues to be on Nurse staffing with an overspend of £7.36 million (7.4%) recorded after five months. Encouragingly, the rate of overspend fell for the second month running in August. The reduction in Nurse agency costs compared to last year has been maintained with costs reduced by 41% (£2.64 million) compared to the same period in 2023/24. Reductions have been seen across Medicine & Unscheduled Care, Integrated Specialist Care and Dr Gray's. However, the financial benefit of this reduction continues to be more than offset by increasing bank and permanent nursing costs as a result of increased staff numbers being used, noting that some of this is due to additional bed capacity being opened at Aberdeen Royal Infirmary and also to surge and corridor care capacity being used in a number of areas. Comparing actual Nurse staffing numbers for non-delegated services for the first five months of 2024/25 compared to the same period in 2023/24 shows that:
 - Agency nursing has reduced by 63 WTE (a 36% reduction).

- Bank nursing has increased by 108 WTE (a 23% increase)
 - Permanent nursing has increased by 189 WTE (a 5% increase)
 - Overall nursing numbers have increased by 234 WTE (a 5.4% increase).
- Medical staffing costs also continue to be a pressure area with an overspend of £6.64 million (8.4%) recorded after five months. On a positive note, non-compliance costs for Junior Doctor rotas reduced by £309k in August reflecting a large number of rotas being rewritten on a compliant basis for the medical rotation at the start of August. These rotas will be monitored for compliance during September. There was also a continued reduction in agency locum costs which are now showing a 1% reduction on the same period in 2023/24 (£5.87 million spend to date). Reductions have been recorded in Medicine & Unscheduled Care and the Family Portfolio.
- Hospital drug budgets were rebased at the start of the financial year in line with the Budget Setting Forward Look paper produced by Pharmacy and Finance colleagues. Drug costs showed an increase in August as some of the growth in Cancer and Medical Specialities that was forecast for 2024/25 is now beginning to materialise. Overall hospital drug budgets are now showing a small overspend of £110k (0.3%).
- There are also continuing pressures on medical supplies budgets and maintenance & service contract costs which have continued from previous years, with a £6.6 million overspend after five months, although the rate of overspend did fall during August. Increasing activity levels for planned care and the delayed impact of high levels of inflation on contract prices is continuing to have an impact on non-pay costs.
- Income budgets are over recovered by £2.49 million. This is mainly due to recoveries of VAT and increased activity on some cross boundary agreements.
- Areas that have recorded the largest overspends after the first five months are:-
- Integrated Specialist Care Services Portfolio - £8.381 million year to date. The overspend is mainly due to pressure on medical supplies budgets, agency nursing spend, junior medical banding payments and unachieved historical efficiency savings.
 - Medicine & Unscheduled Care Portfolio - £7.903 million year to date. The main areas driving the overspend are nursing numbers in excess of funded establishment (by 15%), continued agency nursing costs and locum use, junior medical banding payments, continued high activity in the TAVI Cardiology service and unachieved historical efficiency savings.
 - Dr Gray's - £5.027 million year to date. Overspends mainly on medical and nurse staffing. Increasing agency locum spend compared to last year (£380k increase) with continuing vacancies in General Medicine, Anaesthetics and A&E.
 - Corporate Reserves - £4.31 million year to date, reflecting the over commitment of resources that has been built into NHS Grampian's opening budget position.
- Costs for non-pay aspects of the Agenda for Change pay award have been £2.66 million for the year to date. These comprise of transitional overtime payments and an increase in the bank hourly rate resulting from the Reduced Working Week. Costs to date have been covered from funding provided by the Scottish Government. The level of costs have reduced each month as more areas have successfully implemented the 30 minute reduction in the working week for this year.

Savings Programme

The Scottish Government requested that NHS Boards plan to achieve a minimum of 3% recurring efficiency savings for this year. The Value & Sustainability Programme has put in place a number of savings schemes aimed at reducing expenditure by £34.9 million this year. Progress in the first quarter is shown in the table below:

| | £m | £m | Recurring £m | Non Rec £m | Achieved To Date Rec (£m) | Achieved To Date Non Rec (£m) | RAG Status |
|---|------|-------------|-----------------|---------------|------------------------------|----------------------------------|---------------|
| Savings Measures:- | | | | | | | |
| Taking More Risk on Reserves | 5.9 | | 5.9 | | | 4.0 | Green |
| No Carry Forward of Earmarked Slippage | 10.5 | | | 10.5 | | 4.4 | Green |
| Hospital Drugs (Medicines Bulletin) | 2.3 | | 2.3 | | 1.0 | | Green |
| Agency Nursing (£300k per month) | 3.6 | | 3.6 | | 1.7 | | Green |
| Medical Locums (£200k per month) | 2.4 | | 2.4 | | 0.8 | | Yellow |
| Junior Doctor Bandings (30% saving) | 2.0 | | 2.0 | | 0.3 | | Yellow |
| Catering Income Uplift / Reduced Snacks & Over Ordering | 0.8 | | 0.8 | | 0.1 | | Yellow |
| Targetted Vacancy Freeze | 1.0 | | 0.6 | 0.4 | 0.2 | 0.2 | Yellow |
| Stocktakes / Old POP Orders | 2.0 | | | 2.0 | | | Yellow |
| Taxi Spend / Renal Transport | 0.5 | | 0.5 | | | | Red |
| HCSW Over Establishment | 1.0 | | 1.0 | | | | Red |
| Moray Maternity (SAS Costs) | 0.5 | | 0.5 | | | | Green |
| Overtime Reduction | 0.3 | | 0.3 | | 0.6 | | Green |
| Planned Care Reductions (WLIs & Agency) | 1.5 | | 1.5 | | 0.6 | | Green |
| e-Payslips | 0.1 | | 0.1 | | | | Green |
| Desk Top Printers & MFDs | 0.5 | | 0.5 | | | | Green |
| Total Savings - NHSG Non Delegated Budgets | | 34.9 | 22.0 | 12.9 | 5.3 | 8.6 | |

At the end of August we estimate that we have achieved savings of £13.92 million against a target of £13.46 million. Of the savings achieved, £5.41 million have been made on a recurring basis and £8.51 million are non-recurring.

The main savings achieved to date have been in the areas of:-

- No carry forward of slippage on earmarked funding from the 2023/24 financial year (£4.4 million).
- Freeing up of Board Reserves (£4.0 million).
- Agency nursing reduction compared with spend in 2023/24 (£1.7 million).
- Prescribing switches for various hospital drugs (£1.0 million).
- Use of Direct Engagement for agency medical locums (£0.8 million)
- Overtime reduction (£0.6 million)
- Targetted vacancy control (£0.4 million).
- Reduction in payments for non-compliant junior medical rotas (£0.3m). This saving commenced in August and will be dependent on successful monitoring of the compliant status of rotas which is taking place in September.

The areas of the Value & Sustainability Programme where savings have not yet been evidenced are:-

- Healthcare Support Worker establishments. Meetings have now been held with senior Nursing colleagues to review opportunities in this area.
- Taxi spend.
- Reduction in the number of desk top printers and MFDs.

Risks

There are a number of potential uncovered financial risks that are not fully reflected in our financial plan. They will require to be monitored and managed as the year progresses. The top ones are:-

- Controlling the Rate of Overspending – our financial plan assumes a rate of overspend at Portfolio level of £5 million a month (£60m for the year). There is a risk that service pressures and other unplanned cost increases drive this to a higher level.
- Savings Achievement – there is a risk that we will not be able to achieve the planned level of Value & Sustainability savings for the year. This is because of slippage in the commencement of some schemes together with some schemes being assessed as having a high risk of not delivering the full amount of planned savings.
- IJB Overspends – as already noted, we now expect to have to contribute to overspends in two of the three IJBs. We will continue to work closely with Chief Officers and Chief Finance Officers to agree actions that can mitigate the level of overspending.
- Funding of Agenda for Change Non Pay Reforms – we are in the early stages of implementing the AfC Non Pay Reforms (Reduced Working Week, Regrading of Band 5 Nurses and Protected Learning Time). We do not yet have an accurate estimate of what the eventual costs of the reforms will be, but high level modelling suggests that the £20 million allocation will not be sufficient to meet the full costs. Most of the costs will relate to the Regrading of Band 5 Nurses workstream.

Infrastructure & Backlog Maintenance Programme

The total programme for 2024/25 is £92.4 million. This is an increase of £34.9 million from last month reflecting confirmation of additional funding for the Baird & Anchor project offset by slippage in the installation of the replacement PET scanner to 2025/26.

The main capital allocation is £13.4 million but we also have additional sources of capital funding from specific Government funding for the Baird & Anchor project (£68.4million), Radiotherapy Equipment (£3.8 million) and a range of other smaller funding sources (£6.8 million).

Significant planned commitments for 2024/25 are £68.4 million on the Baird Family Hospital & Anchor Centre, £8.6 million on medical and other equipment, £3.5 million for Linac and PET scanner replacements and £5.8 million on backlog maintenance projects.

£28.7 million of expenditure has been incurred for the first five months. Most of this has been on the Baird & Anchor project with the remainder spread across all aspects of the Infrastructure programme.



FINANCIAL SUMMARY

FIVE MONTHS ENDED 31 AUGUST 2024



CONTENTS

| | |
|------------|--|
| Page 2 | Executive Summary |
| Page 3 | NHS Grampian Income & Expenditure Year To Date |
| Page 4 | Sector Reports |
| Page 5 | At A Glance |
| Page 6 | Spend Variances |
| Pages 7-8 | Functional Detail and Variances |
| Pages 9-10 | Staff in Post & WTE Information |
| Page 11 | Capital Programme |
| Page 12 | Waiting Times Action Plan |
| Page 13 | Movement in Actual Position & Projections |

FINANCIAL YEAR 2024/25

NHS GRAMPIAN DIRECTLY CONTROLLED FINANCIAL POSITION : EXECUTIVE SUMMARY



Overspend of £29.980m for the five months ended August 2024.

Pay overspend of £17.59m



Non-pay budgets overspend of £14.864m

FHS reporting £11k overspend.

Over-recovery on income of £2.485m



Major overspending areas are MUSC Portfolio (£7.90m), Dr Grays (Moray Portfolio) (£5.03m), ISCS Portfolio (£8.381m), Family Portfolio (£1.838m) and Infrastructure and Sustainability (£1.401m).



Capital spend of £28.741m against the 2024/25 total programme of £92.402m

NHS GRAMPIAN



FINANCIAL PERFORMANCE AUGUST 2024

INCOME & EXPENDITURE ACCOUNT FOR THE FIVE MONTHS ENDED 31 AUGUST 2024

| | AUGUST | | | FINANCIAL YEAR | | | REVISED ANNUAL BUDGET | FULL YEAR FOREC'T |
|------------------------------------|-----------------|-----------------|-------------------|-----------------|-----------------|-------------------|-----------------------|-------------------|
| | BUDGET £'000 | ACTUAL £'000 | VARIANCE £'000 | BUDGET £'000 | ACTUAL £'000 | VARIANCE £'000 | £'000 | £'000 |
| NHS Directly Controlled | | | | | | | | |
| Pay | 55,261 | 60,608 | (5,347) | 279,254 | 296,844 | (17,590) | 661,126 | 705,156 |
| Non - Pay | 27,717 | 28,109 | (392) | 127,394 | 142,258 | (14,864) | 353,318 | 372,188 |
| FHS Expenditure | 6,945 | 6,952 | (7) | 37,439 | 37,450 | (11) | 92,970 | 92,970 |
| Other Income | (11,237) | (11,662) | 425 | (58,372) | (60,857) | 2,485 | (142,344) | (142,344) |
| Total Costs | 78,686 | 84,007 | (5,321) | 385,715 | 415,695 | (29,980) | 965,070 | 1,027,970 |
| H&SCP Delegated Budgets | | | | | | | | |
| Pay | 22,347 | 22,347 | | 96,689 | 96,689 | | 223,639 | 234,139 |
| Non - Pay | 7,171 | 7,171 | | 50,455 | 50,455 | | 122,243 | 126,743 |
| FHS Expenditure | 20,764 | 20,764 | | 98,519 | 98,519 | | 235,792 | 235,792 |
| Other Income | (1,565) | (1,565) | | (7,588) | (7,588) | | (16,396) | (16,396) |
| Total Costs | 48,717 | 48,717 | | 238,075 | 238,075 | | 565,278 | 580,278 |
| Total Resources | | | | | | | | |
| SEHD Allocation | (130,050) | (130,050) | | (637,645) | (637,645) | | (1,530,348) | (1,530,348) |
| Net Surplus / (Deficit) | (2,647) | 2,674 | (5,321) | (13,855) | 16,125 | (29,980) | | (77,900) |

See narrative report for explanation of budget variances

**NHS GRAMPIAN
SECTOR FINANCIAL POSITIONS FOR THE FIVE MONTHS ENDED 31 AUGUST 2024**

| INCOME & EXPENDITURE ACCOUNT FOR THE FIVE MONTHS ENDED 31 AUGUST 2024 | TOTAL ANNUAL BUDGET | OTHER INCOME | | | EXPENDITURE | | | | | | TOTAL | | TOTAL | TOTAL |
|---|---------------------|-----------------|-----------------|---------------|-----------------|-----------------|-------------------|---------------------|---------------------|-----------------------|---------------------|---------------------------------|-----------------------------------|------------------------------------|
| | £000 | Budget £000 | Actual £000 | Variance £000 | Pay Budget £000 | Pay Actual £000 | Pay Variance £000 | Non-Pay Budget £000 | Non-Pay Actual £000 | Non-Pay Variance £000 | Total Variance £000 | Variance as % of Spend Budget % | Prior Month Variance 2024/25 £000 | Improvement / (Deterioration) £000 |
| | | | | | | | | | | | | | | |
| NHS DIRECTLY CONTROLLED | | | | | | | | | | | | | | |
| INTEGRATED FAMILY PORTFOLIO | 83,887 | (3,145) | (3,089) | (56) | 36,064 | 37,290 | (1,226) | 5,021 | 5,577 | (556) | (1,838) | (4.5%) | (1,918) | 80 |
| INTEGRATED SPECIALIST CARE SERVICES PORTFOLIO | 313,737 | (12,840) | (13,483) | 643 | 108,254 | 111,238 | (2,984) | 44,960 | 51,000 | (6,040) | (8,381) | (5.5%) | (6,773) | (1,608) |
| MEDICINE & UNSCHEDULED CARE PORTFOLIO | 130,603 | (5,112) | (4,995) | (117) | 41,666 | 46,870 | (5,204) | 20,727 | 23,309 | (2,582) | (7,903) | (12.7%) | (6,379) | (1,524) |
| DR GRAYS (MORAY PORTFOLIO) | 37,917 | (713) | (705) | (8) | 13,857 | 18,455 | (4,598) | 2,880 | 3,301 | (421) | (5,027) | (30.0%) | (4,261) | (766) |
| MENTAL HEALTH & LEARNING DISAB | 50,712 | (2,842) | (3,608) | 766 | 22,367 | 24,071 | (1,704) | 1,728 | 2,065 | (337) | (1,275) | (5.3%) | (1,004) | (271) |
| PHARMACY SERVICES | 34,679 | (895) | (885) | (10) | 1,524 | 1,348 | 176 | 13,115 | 13,132 | (17) | 149 | 1.0% | 123 | 26 |
| PUBLIC HEALTH | 9,843 | (241) | (226) | (15) | 4,194 | 4,099 | 95 | 415 | 378 | 37 | 117 | 2.5% | - | 116 |
| CENTRALLY MANAGED DENTAL SERVS | 39,958 | (3,710) | (3,714) | 4 | 570 | 554 | 16 | 19,393 | 19,398 | (5) | 15 | 0.1% | (15) | 30 |
| NON CLINICAL SERVICES Less Disposals (NOTE 2) | 155,149 | (8,128) | (9,030) | 902 | 53,329 | 52,700 | 629 | 29,219 | 33,187 | (3,968) | (2,437) | (3.0%) | (1,833) | (604) |
| NHS RETAINED PRIMARY CARE (NOTE 1) | 13,554 | | | | | 2 | (2) | 5,278 | 5,284 | (5) | (7) | (0.1%) | (11) | 3 |
| SERVICE PURCHASING | (19,007) | (18,639) | (19,197) | 558 | | | | 10,453 | 10,766 | (313) | 245 | 2.3% | 382 | (137) |
| AME PROVISIONS | 7,643 | | | | | | | 162 | 162 | | | 0.0% | | |
| CORPORATE RESERVES | 61,875 | | | | (3,020) | | (3,020) | (1,294) | | (1,294) | (4,314) | 100.0% | (3,542) | (772) |
| NHSG CAPITAL CHARGES | 35,725 | | | | | | | 14,322 | 14,322 | | | 0.0% | | |
| OPERATIONAL PROVISIONS | 8,794 | (2,106) | (1,924) | (182) | 450 | 217 | 233 | (1,546) | (2,172) | 626 | 677 | (61.8%) | 567 | 110 |
| TOTAL NHS DIRECTLY CONTROLLED | 965,069 | (58,371) | (60,856) | 2,485 | 279,255 | 296,844 | (17,589) | 164,833 | 179,709 | (14,875) | (29,979) | (6.8%) | (24,663) | (5,317) |
| H&SCP DELEGATED BUDGETS | | | | | | | | | | | | | | |
| ABERDEEN CITY H&SCP | 232,603 | (4,304) | (4,304) | | 39,461 | 39,461 | | 61,834 | 61,834 | | | | | |
| ABERDEENSHIRE IJB | 233,781 | (1,572) | (1,572) | | 35,155 | 35,155 | | 66,592 | 66,592 | | | | | |
| MORAY INTEGRATED JOINT BOARD | 98,894 | (1,184) | (1,184) | | 21,394 | 21,394 | | 20,698 | 20,698 | | | | | |
| TOTAL H&SCP DELEGATED BUDGETS | 565,278 | (7,060) | (7,060) | | 96,010 | 96,010 | | 149,124 | 149,124 | | | 0.0% | | |
| Total NHS Grampian | 1,530,347 | (65,431) | (67,916) | 2,485 | 375,265 | 392,854 | (17,589) | 313,957 | 328,833 | (14,875) | (29,979) | (4.3%) | (24,663) | (5,317) |

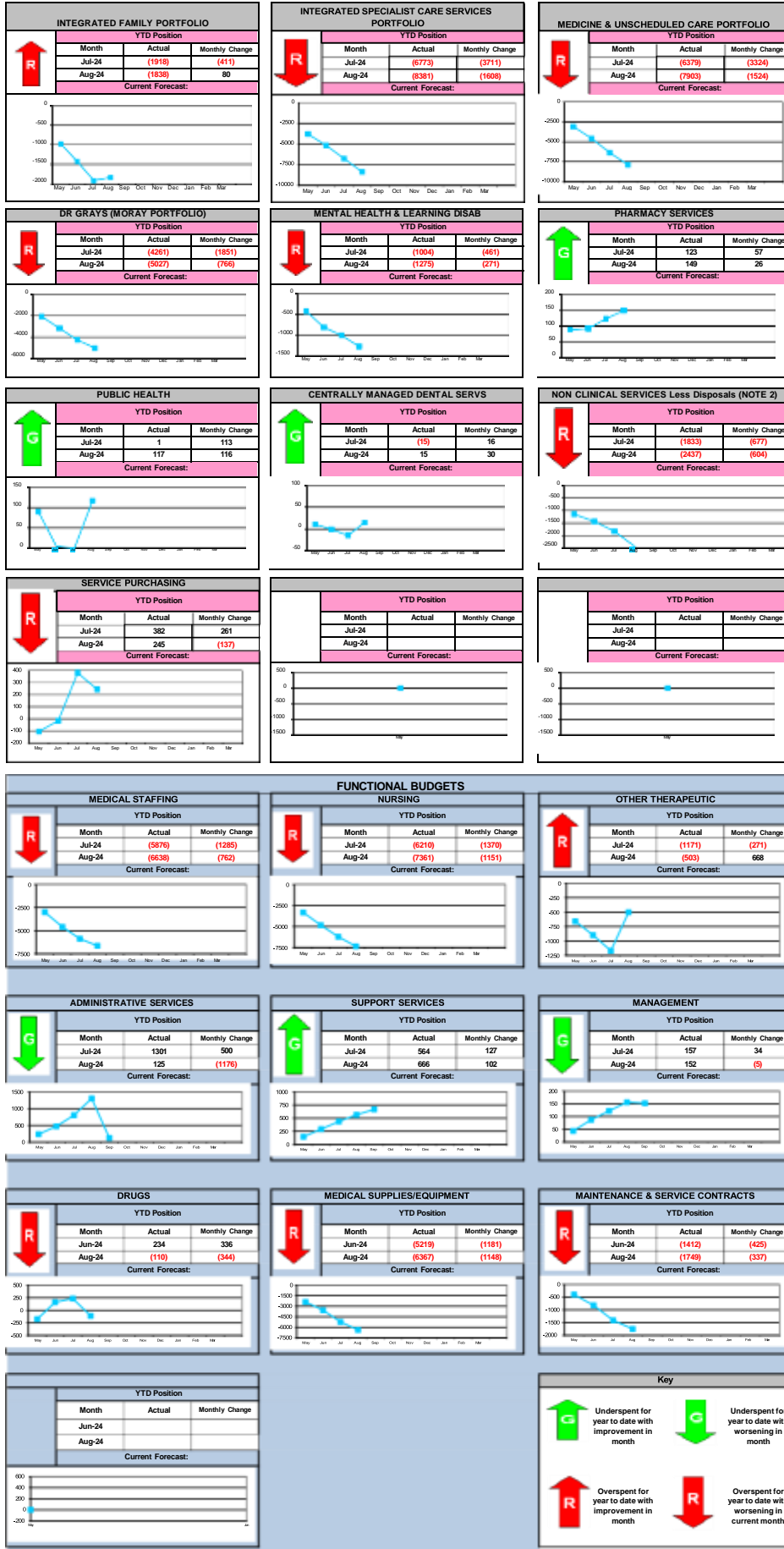
Note 1: These FHS funding streams are largely non-cash limited.

Note 2: Departmental variances are as follows :- Infrastructure and Sustainability £1.401m overspend; R&D £83k overspend; Finance, Performance and Procurement £169k underspend; Digital Directorate £387k overspend; Corporate Communications £57k overspend; Chief Executive £72k underspend; Workforce £246k overspend; Planning, Innovation and Programmes £76k underspend; Corporate Admin Services £50k underspend; Corporate HR £285k overspend; Medical Management £8k underspend; NMAHP Directorate £95k underspend; Corporate Finance £448k overspend.

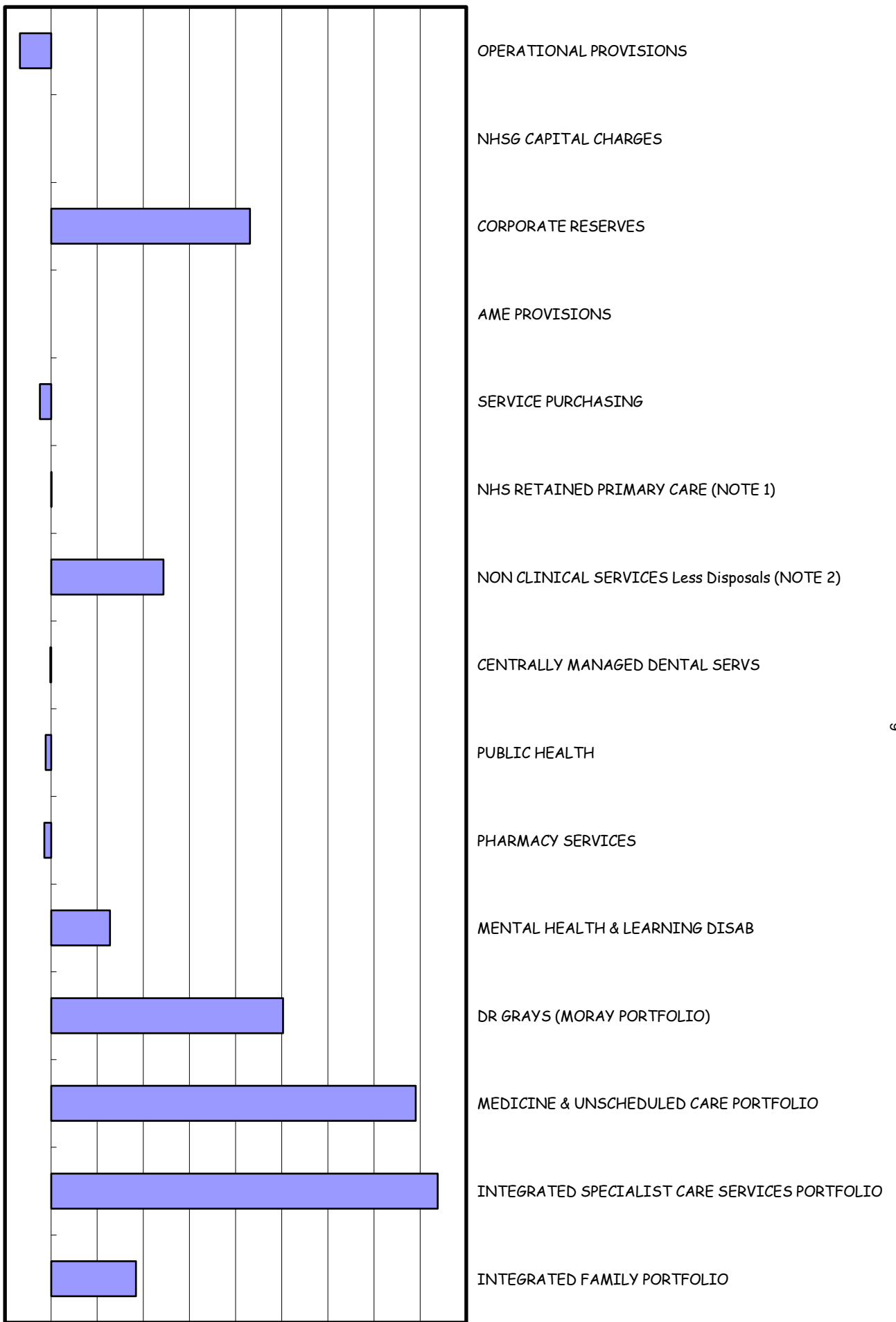
See narrative report for explanation of budget variances

NHS GRAMPIAN DIRECTLY CONTROLLED AT A GLANCE SUMMARY - AUGUST 2024

Achieving Financial Balance



NHS GRAMPPIAN
 CUMULATIVE EXPENDITURE VARIANCES TO DATE
 FIVE MONTHS ENDED 31 AUGUST 2024



1,000

(1,000)

(2,000)

(3,000)

(4,000)

(5,000)

(6,000)

(7,000)

(8,000)

(9,000)

Underspend/(overspend)

**NHS GRAMPIAN DIRECTLY CONTROLLED
EXPENDITURE BY FUNCTIONAL AREA
FIVE MONTHS ENDED 31 AUGUST 2024**

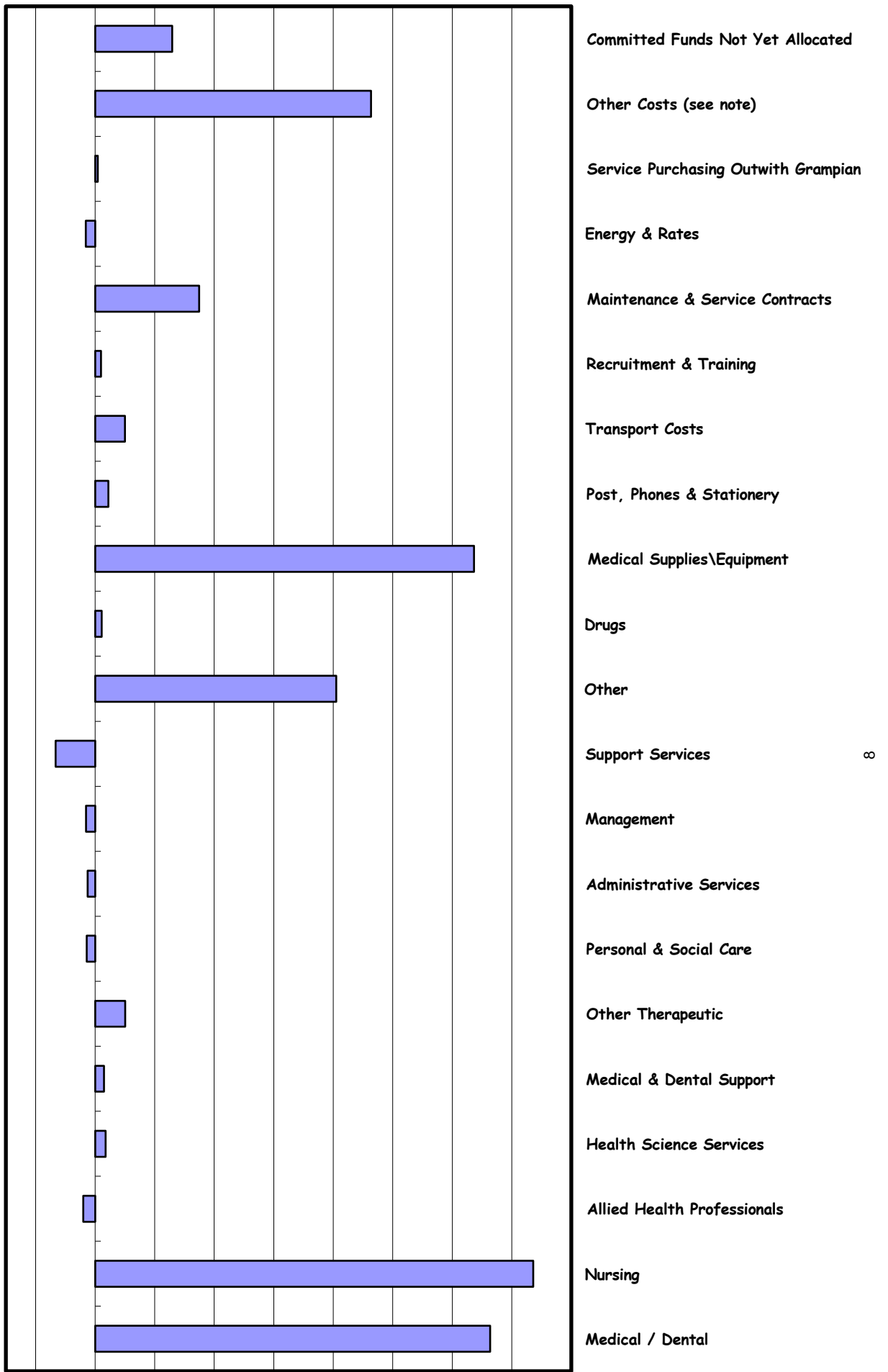
| | Annual Budget £000 | Budget £000 | Actual £000 | Variance £000 | Variance % |
|-------------------------------------|--------------------------|----------------|----------------|------------------|---------------|
| Pay Expenditure | | | | | |
| Medical / Dental | 188,268 | 79,247 | 85,885 | (6,638) | -8.4% |
| Nursing | 232,369 | 98,858 | 106,219 | (7,361) | -7.4% |
| Allied Health Professionals | 31,576 | 13,419 | 13,219 | 200 | 1.5% |
| Health Science Services | 27,985 | 11,955 | 12,131 | (176) | -1.5% |
| Medical & Dental Support | 8,480 | 3,793 | 3,941 | (148) | -3.9% |
| Other Therapeutic | 22,208 | 9,831 | 10,334 | (503) | -5.1% |
| Personal & Social Care | 2,596 | 1,078 | 936 | 142 | 13.2% |
| Administrative Services | 83,383 | 35,738 | 35,613 | 125 | 0.3% |
| Management | 3,026 | 1,330 | 1,178 | 152 | 11.4% |
| Support Services | 66,501 | 27,948 | 27,282 | 666 | 2.4% |
| Other | (5,265) | (3,944) | 107 | (4,051) | 102.7% |
| Total Pay | 661,127 | 279,253 | 296,845 | (17,592) | -6.3% |
| Non-pay expenditure | | | | | |
| Drugs | 77,976 | 42,031 | 42,141 | (110) | -0.3% |
| Medical Supplies\Equipment | 61,350 | 28,144 | 34,511 | (6,367) | -22.6% |
| Post, Phones & Stationery | 2,765 | 1,160 | 1,381 | (221) | -19.1% |
| Transport Costs | 3,587 | 1,599 | 2,101 | (502) | -31.4% |
| Recruitment & Training | 8,183 | 3,565 | 3,664 | (99) | -2.8% |
| Maintenance & Service Contracts | 13,030 | 5,798 | 7,547 | (1,749) | -30.2% |
| Energy & Rates | 21,677 | 15,781 | 15,623 | 158 | 1.0% |
| Service Purchasing Outwith Grampian | 35,828 | 9,800 | 9,844 | (44) | -0.4% |
| Other Costs (see note) | 21,980 | 6,489 | 11,124 | (4,635) | -71.4% |
| Committed Funds Not Yet Allocated | 64,895 | (1,294) | | (1,294) | 100.0% |
| Total non-pay | 311,271 | 113,073 | 127,936 | (14,863) | -13.1% |
| Capital Charges | 42,046 | 14,322 | 14,322 | | 0.0% |
| FHS Expenditure | 92,970 | 37,439 | 37,450 | (11) | 0.0% |
| Total NHS Grampian | 1,107,414 | 444,087 | 476,553 | (32,466) | -7.3% |

See narrative report for explanation of budget variances

Note: Functional headings include a proportionate share of CRES & underspend targets.

**Other costs include items such as catering, cleaning, & laundry supplies:
professional fees: insurance costs; negligence costs and uniforms**

**NHS GRAMPIAN DIRECTLY CONTROLLED
CUMULATIVE EXPENDITURE VARIANCES TO DATE
FIVE MONTHS ENDED 31 AUGUST 2024**



1,000

(1,000)

(2,000)

(3,000)

(4,000)

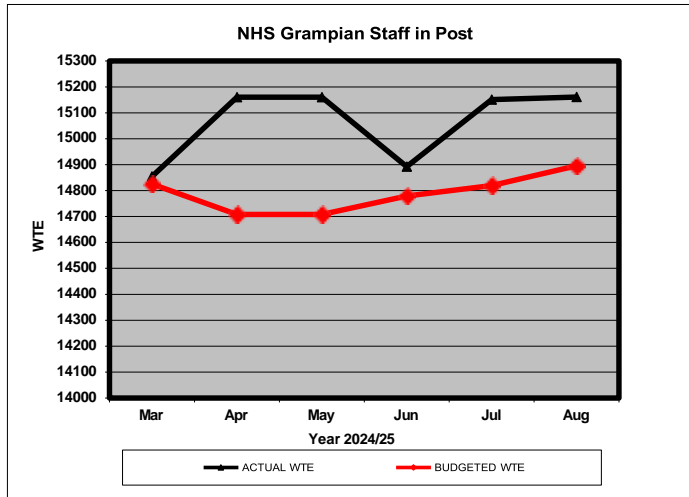
(5,000)

(6,000)

(7,000)

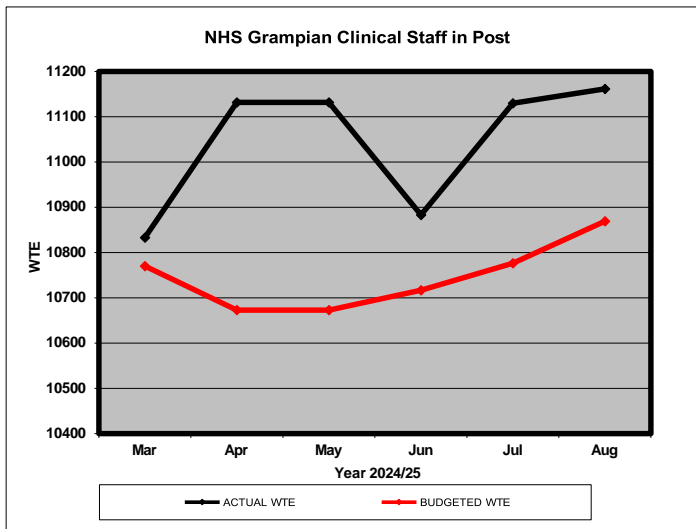
(8,000)

Under/(over) spends



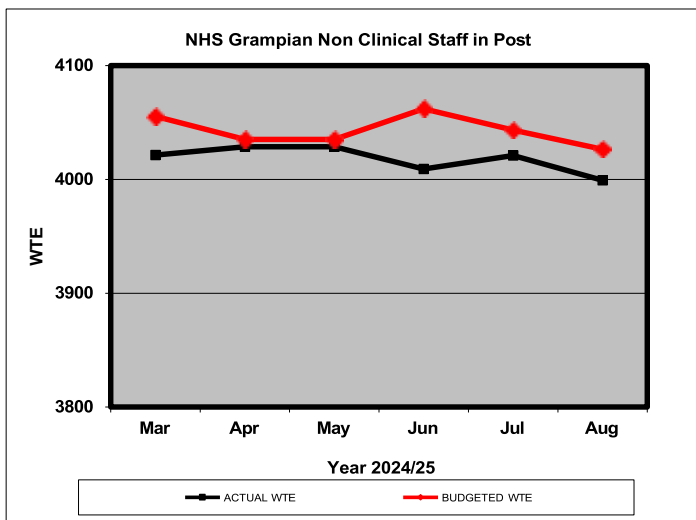
| Month | Staff In Post | Net Funded Establishment | Variance |
|-------|---------------|--------------------------|----------|
| Mar | 14,854 | 14,826 | (29) |
| Apr | 15,160 | 14,708 | (452) |
| May | 15,160 | 14,708 | (452) |
| Jun | 14,892 | 14,779 | (113) |
| Jul | 15,151 | 14,820 | (331) |
| Aug | 15,161 | 14,896 | (265) |
| Sept | 0 | 0 | 0 |
| Oct | 0 | 0 | 0 |
| Nov | 0 | 0 | 0 |
| Dec | 0 | 0 | 0 |
| Jan | 0 | 0 | 0 |
| Feb | 0 | 0 | 0 |
| Mar | 0 | 0 | 0 |

() = Excess over funded establishment



| Month | Staff In Post | Net Funded Establishment | Variance |
|-------|---------------|--------------------------|----------|
| Mar | 10,833 | 10,770 | (63) |
| Apr | 11,132 | 10,673 | (459) |
| May | 11,132 | 10,673 | (459) |
| Jun | 10,883 | 10,717 | (166) |
| Jul | 11,130 | 10,776 | (353) |
| Aug | 11,162 | 10,869 | (292) |
| Sept | 0 | 0 | 0 |
| Oct | 0 | 0 | 0 |
| Nov | 0 | 0 | 0 |
| Dec | 0 | 0 | 0 |
| Jan | 0 | 0 | 0 |
| Feb | 0 | 0 | 0 |
| Mar | 0 | 0 | 0 |

() = Excess over funded establishment



| Month | Staff In Post | Net Funded Establishment | Variance |
|-------|---------------|--------------------------|----------|
| Mar | 4,021 | 4,055 | 34 |
| Apr | 4,029 | 4,035 | 6 |
| May | 4,029 | 4,035 | 6 |
| Jun | 4,009 | 4,062 | 53 |
| Jul | 4,021 | 4,043 | 22 |
| Aug | 3,999 | 4,026 | 27 |
| Sept | 0 | 0 | 0 |
| Oct | 0 | 0 | 0 |
| Nov | 0 | 0 | 0 |
| Dec | 0 | 0 | 0 |
| Jan | 0 | 0 | 0 |
| Feb | 0 | 0 | 0 |
| Mar | 0 | 0 | 0 |

() = Excess over funded establishment

NOTE :- Figures for WTE include amounts taken from NHSG payroll plus bank and agency nursing and locum / agency medical staff.

BUDGETED WTE VERSUS ACTUAL WTE

AS AT 31 AUGUST 2024

BY OPERATIONAL AREA

| Area | Budgeted | Actual | Variance | Budgeted | Actual | Variance |
|---|--------------------|--------------------|--------------------|---------------|---------------|---------------|
| | Average YTD WTE | Average YTD WTE | Average YTD WTE | August WTE | August WTE | August WTE |
| Family Portfolio | 1,216 | 1,244 | (28) | 1,226 | 1,240 | (14) |
| Surgery, CSS & Performance Portfolio | 3,822 | 3,808 | 14 | 3,822 | 3,807 | 15 |
| Unscheduled Care & Medicine Portfolio | 1,403 | 1,573 | (169) | 1,411 | 1,581 | (170) |
| Dr Grays & Moray Portfolio (Exc. Moray IJB) | 495 | 562 | (67) | 500 | 550 | (50) |
| Mental Health & Learning Disab | 950 | 991 | (42) | 953 | 998 | (45) |
| Non Clinical Services | 2,728 | 2,686 | 42 | 2,761 | 2,734 | 27 |
| Public Health | 146 | 147 | (1) | 157 | 147 | 9 |
| Primary Care | 34 | 30 | 4 | 34 | 29 | 5 |
| Pharmacy Services | 51 | 54 | (3) | 48 | 49 | (1) |
| Centrally Managed Dental Servs | 22 | 18 | 4 | 22 | 18 | 4 |
| NHS Retained Primary Care | 0 | 0 | 0 | 0 | 0 | 0 |
| Total NHS Directly Controlled | 10,866 | 11,114 | (247) | 10,933 | 11,154 | (221) |
| Aberdeen City H&SCP | 1,649 | 1,691 | (42) | 1,663 | 1,729 | (66) |
| Aberdeenshire H&SCP | 1,467 | 1,486 | (19) | 1,512 | 1,466 | 46 |
| Moray H&SCP | 801 | 814 | (13) | 787 | 811 | (24) |
| Total H&SCP Delegated Budgets | 3,917 | 3,991 | (74) | 3,962 | 4,006 | (44) |
| Total | 14,783 | 15,105 | (322) | 14,896 | 15,161 | (265) |

BY STAFF GROUP

| Staff Group | Budgeted | Actual | Variance | Budgeted | Actual | Variance |
|--------------------------|--------------------|--------------------|--------------------|---------------|---------------|---------------|
| | Average YTD WTE | Average YTD WTE | Average YTD WTE | August WTE | August WTE | August WTE |
| Medical | 1,699 | 1,674 | 26 | 1,700 | 1,695 | 5 |
| Nursing | 6,439 | 6,866 | (427) | 6,526 | 6,910 | (384) |
| Administrative Services | 2,251 | 2,269 | (17) | 2,238 | 2,248 | (10) |
| AHPs | 1,188 | 1,120 | 69 | 1,186 | 1,130 | 56 |
| Health Scientists | 504 | 499 | 5 | 508 | 498 | 10 |
| Medical & Dental Support | 280 | 292 | (12) | 290 | 280 | 10 |
| Other Therapeutic | 577 | 580 | (3) | 603 | 586 | 17 |
| Personal & Social Care | 54 | 55 | (1) | 57 | 60 | (3) |
| Management | 38 | 37 | 1 | 37 | 36 | 1 |
| Support Services | 1,772 | 1,705 | 67 | 1,772 | 1,711 | 61 |
| Other | (21) | 9 | (29) | (20) | 6 | (26) |
| Total | 14,783 | 15,105 | (322) | 14,896 | 15,161 | (265) |

NHS GRAMPIAN
INFRASTRUCTURE AND BACKLOG MAINTENANCE PROGRAMME SUMMARY
CAPITAL REPORT TO 31ST AUGUST 2024

| | REVISED BUDGET £000 | SPEND YEAR TO DATE £000 | BALANCE REMAINING £000 | |
|---|---------------------------|----------------------------------|------------------------------|--|
| MEDICAL EQUIPMENT | 8,494 | 483 | 8,011 | Replacement Medical Equipment |
| IT | 1,233 | 528 | 705 | Hardware & Networks |
| OTHER EQUIPMENT | 2,140 | 652 | 1,488 | Facilities & Estates Equipment inc Vehicles |
| BACKLOG MAINTENANCE & STATUTORY STANDARDS | 9,207 | 1,125 | 8,082 | Investment in a wide range of Backlog Maintenance, Statutory and Environmental Standards |
| MAJOR HOSPITAL SCHEMES | 68,400 | 25,617 | 42,783 | Baird Family Hospital/Anchor Centre |
| PRIMARY AND COMMUNITY CARE | 387 | 207 | 181 | Denburn Security & Primary Care Premises Grants |
| OTHER | 2,541 | 129 | 2,412 | Greenspace Project, Capital Programme Contingency & Staffing Resource |
| TOTAL CORE PROGRAMME | 92,402 | 28,741 | 63,661 | |
| GP LOANS (NON CORE SG FUNDING) | | | | |
| GRAND TOTAL CORE AND NON CORE | 92,402 | 28,741 | 63,661 | |

The total funding available for 2024/25 is £92.4M, which represents an increase on the previous month of £34.9M. This increase consists of; an increase to the Baird & Anchor Project funding requirement for 24/25 of £37.4M and the expectation that our replacement PET Scanner will now take place in 2025/26 instead of 2024/25 (£2.5M)

The £92.4M resource consists of the following: Core Capital Resource Limit from SG of £13.4M and specific SG funding for the following; Baird/Anchor project of £68.4M, Radiotherapy Equipment £3.8M, Slippage in 23/24 of £4.25M returned from SG and LIMS System £0.65M. In addition there are estimated charitable donations of £0.5M and revenue budget in support of infrastructure investment of £1.4M.

Key commitments for 2024/25 include; Baird & Anchor Project £68.4M, Link Building Backlog Maintenance £2.3M, Linear Accelerator replacement £3.5M, Medical and other equipment £8.6M, Estates Backlog Maintenance Projects £5.8M, Fire compliance work £1M, Forensic Unit Improvements £0.5M and CDU Improvements £0.5m.

Expenditure for the 5 months to the end of August totals £28.7M across all aspects of the Infrastructure Programme.

NHS GRAMPIAN WAITING TIMES ACTION PLAN

FINANCIAL POSITION FOR THE FIVE MONTHS ENDED 31 AUGUST 2024

| | Revised Plan 2024/25 £k | Actual Outturn YTD £k | Forecast Outturn £k |
|--|-------------------------------|--------------------------------|---------------------------|
| Funding Sources | | | |
| Prior years recurring funding 2005 - 2024 | 42,343 | 17,643 | 42,343 |
| Scottish Govt Non Rec Allocation Various Sources 2024-25 | 8,198 | 3,416 | 8,198 |
| Total Funding Sources | 50,541 | 21,059 | 50,541 |
| Expenditure | | | |
| Recurring cost of posts / supplies re ongoing projects where costs are definite and not liable to fluctuation. | 42,343 | 17,643 | 42,343 |
| 2024-25 Access Support Plan | 8,198 | 3,416 | 8,198 |
| Total Expenditure | 50,541 | 21,059 | 50,541 |
| Surplus/(Shortfall) on Waiting Times Budget | 0 | 0 | 0 |

| |
|--|
| |
|--|

Movement in Actual Positions & Projections

