

NHS Shetland

Meeting:	Shetland NHS Board
Meeting date:	11 February 2025
Agenda reference:	Board Paper 2024/25/63
Title:	Financial Performance Management Report Update – Draft 2024-2025 at Month 9, December 2024.
Responsible Executive/Non-Executive:	Colin Marsland, Director of Finance
Report Author:	Colin Marsland, Director of Finance

1 Purpose

This is presented to Committee for:

- Awareness

This report relates to:

- Annual Operating Plan

This aligns to the following NHS Scotland quality ambition(s):

- Safe
- Effective
- Person Centred

2 Report summary

2.1 Situation

The purpose of this paper advises the Board members of the out-turn expenditure against Revenue Resource Limit as at Month 9 for 2024-25.

There are underlying work force pressures in our local service models causing significant over spend. Actions to address these will need to occur during 2024-25 to achieve our statutory obligation to breakeven this year and in the longer term.

The Month 9 out-turn position is £2.5m over spent. This compares to £2.6m in 2023-24. The three-year financial plan assumed the Board would be £0.7m over spent in 2024-25 but achieve a break-even position over the current three-year business cycle.

To achieve that out-turn position in 2024-25 will be challenging with further management action required to address underlying issues and deliver cost reductions through either recurring or non-recurring efficiencies.

Assumption Narrative	Month 9 Out-turn Position
1. Reduce from 2024-25 additional pay cost of AFC posts above budget would reduce by 60% to £0.250m	Out-turn over spend is £0.248m less than last year, so down 40.7%. Adverse to plan by £0.12m.
2. Reduce from 2024-25 additional pay cost of Medical and Dental staff above budget would reduce by 53% to £1.0m	Out-turn over spend is £0.36m more than last year, so up by 21.6%. Adverse to plan by £1.24m.
3. Achieve £1.0m in non-recurring savings on top of the £3.5m savings target	Actual savings achieved out-turn was £2.65m but only £0.44m recurrently. £0.60m behind overall plan trajectory.

2.2 Background

In 2024-25, NHS Boards are still required to achieve a year end balanced financial position in-line with statutory financial obligation under section 85 of the National Health Services (Scotland) ACT 1978. Sub-sequentially this been redefined as over a rolling three-year period that was set-out in our Annual Delivery Plan agreed by the Board in April 2024.

The summary financial points at month seven are:

- Appendix A, financial summary statement shows an over spend at £2.5m, this represents a 4.1% variance on the year to date plan;
- Appendix A, as outlined in the financial summary statement shows the primary cost pressure that has been managed is pay at £2.4m over spent;
- Appendix B, identifies the plan of how £4.5m efficiency savings for 2024-25 is proposed to be delivered, not all these schemes are on track to deliver their planned target;
- Appendix B, though identifies £2.6m achieved year to date and that only 18.8% of this is delivered on a recurrent basis; and
- Appendix C, NHS Shetland confirmed funding allocation at £82.8M.

2.3 Assessment

2.3.1 Patient Care

Patient care is not at risk. The use of “temporary” staff on NHS and non-NHS terms and conditions are being engaged to fill gaps in service and some areas to add resilience.

Long-term sustainable clinical staffing models remains a top priority to address as will provide more effective and efficient use of resources leading to better overall outcomes. This should also improve the ability to create our objective of patient centred care through ensuring sufficient organisational capacity and resilience.

2.3.2 Workforce

For the Board to achieve a balanced financial position in 2024-25 and beyond, the issue of sustainable clinical staffing models remains a top priority to address. The recovery planning proposals will need to address realistic clinical models within resource limits.

The use of locum and bank staff is predominately to maintain safe staffing levels in essential services at current activity levels. This is to ensure a safe patient centred service exists whilst managing clinical risk. Table 2 below summarises these costs.

	Medical Staff £000's	Nursing / Other £000's	Total £000's
Acute and Specialist Services	1,176	233	1,409
Community Health	899	129	1,028
Total	2,075	362	2,437

As with previous years, finance reports, the cost pressure in 2024-25 from use of staff outside NHS terms and conditions continues to challenge our ability to breakeven.

Longer-term until there is recruitment to fill the substantive GP vacancies both in hours and out of hours, Consultant vacant posts in Mental Health, General Medicine and Anaesthetic Services and Nursing there will be continuing cost pressures. These additional costs incurred can only become affordable through internally funding via increasing the level of recurring efficiency savings from other services. However, the Board would need to consider and agree this represents best value for providing quality, effective and safe services, delivered in the most appropriate setting for the patient.

Staff Group Analysis	Cost	Funding Via Vacancies	Funding via Other Route	Net Cost
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	£000's	£000's	£000's	£000's
Consultant Locums	2,160	863	141	1,156
Consultant Agency	576	81	235	260
Junior Doctors	50	0	0	50
Agency Nursing	607	289	0	318
Agency General Practitioners	986	352	25	609
Other Staff Groups	164	53	67	44
Grand Total	4,543	1,638	468	2,437

At Month 9, the actual expenditure on locum and agency staff totals £4.5m. Summary split of this is in Table 3 above. Staff vacancies part fund these costs along with other allocations such as planned care resources causing a net £2.4m over spend.

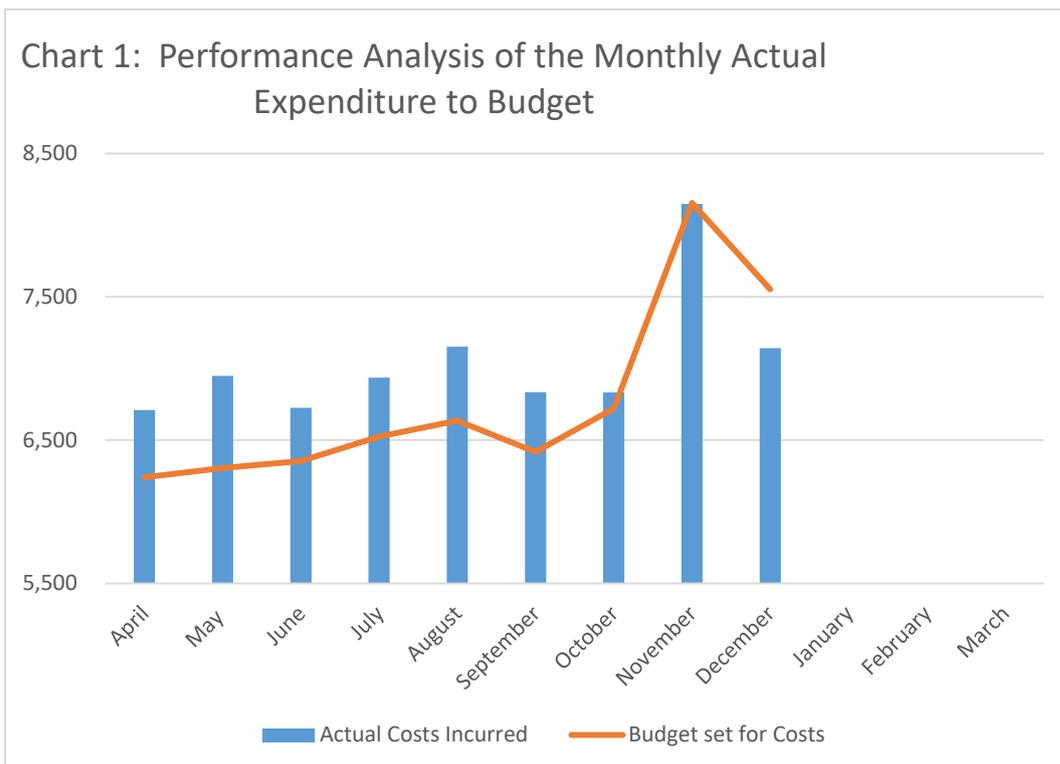
Continuing at this same rate of expenditure would likely see yearend expenditure total £6.1m, which is only £0.4m less than last year. Therefore, this current level of use makes achieving the planned out-turn position as likely not achievable in the current year. The principle cause so far, of why expenditure has not fallen in line with plan is General Practitioners additional costs are up by £0.2m, 56%, on Month 9 last year.

The total over spend variance on staff expenditure costs is £2.4m. So the cost pressure caused by staff engaged on non-NHS terms and conditions at Month 9 accounts for 101.3% of that variance.

2.3.3 Financial

Chart 1 below illustrates the monthly position of expenditure incurred against the Board's resources available as set out in our approved budgets.

This shows that expenditure is usually greater than available resources in each month primary due to use of temporary and additional staff.



At Month 9, expenditure is higher than budget in each month primarily due to staff costs.

In addition to the excess pay costs the use of temporary staff incurs accommodation and travel costs that year to date creates a cost pressure of £0.33m

In Month 9, the budget is higher than normal due to non-recurring funding that is not going to be fully utilised for the original intended purpose are phasing these in over the last 4 months. The AfC reform allocation is the principle allocation.

Expenditure is higher than normal as all staff groups are on uplifted 2024-25 salaries. Some staff received also received their arrears of pay December.

GP prescribing there is still a shortage of supply issue in certain community prescription drugs. This issue is not specific to Shetland and affects all the territorial Boards in NHS Scotland. These shortages started in August 2022. Until these market shortages are resolved expected rate of inflation in the cost of GP prescribing will be higher than the norm. In the current year to date October, cost inflation rate locally was 3.4%. Items dispensed decreased by 2.4%. Due to drugs on short supply not yet working out the procurement cycle, the GP prescribing budget will likely over spend in year by £0.48m.

The top 5 services with over spends account for 116% of the Board's year to date revenue expenditure overspend. These services though only account for 20% expenditure budget.

These are listed in Table 4 below:

Table 4: Top 5 Service with Cost Pressure					
Service Area	Annual Budget (£)	Year to Date Budget (£)	Year to Date Expenditure (£)	Year to Date Variance (£)	Year to Date Variance (%)
GP Primary Care	£6,746,907	£4,857,048	£5,993,524	(£1,136,476)	-23.40%
General Medicine	£1,653,009	£1,152,610	£1,822,377	(£669,767)	-58.11%
GP Prescribing	£4,965,360	£3,824,183	£4,192,483	(£368,300)	-9.63%
Mental Health	£2,214,623	£1,629,690	£2,140,304	(£510,614)	-31.33%
Anaesthetist	£1,036,007	£731,201	£965,356	(£234,155)	-32.02%
Overall Total	£16,615,906	£12,194,732	£15,114,044	(£2,919,312)	-23.9%

Four out five of these services have a common theme causing these over spend. The Mental Health service includes all on island adult services so includes the cost pressure from both nursing and medical.

Addressing these cost pressures and delivering efficiency savings are the underlying core financial issues the Board is required to address.

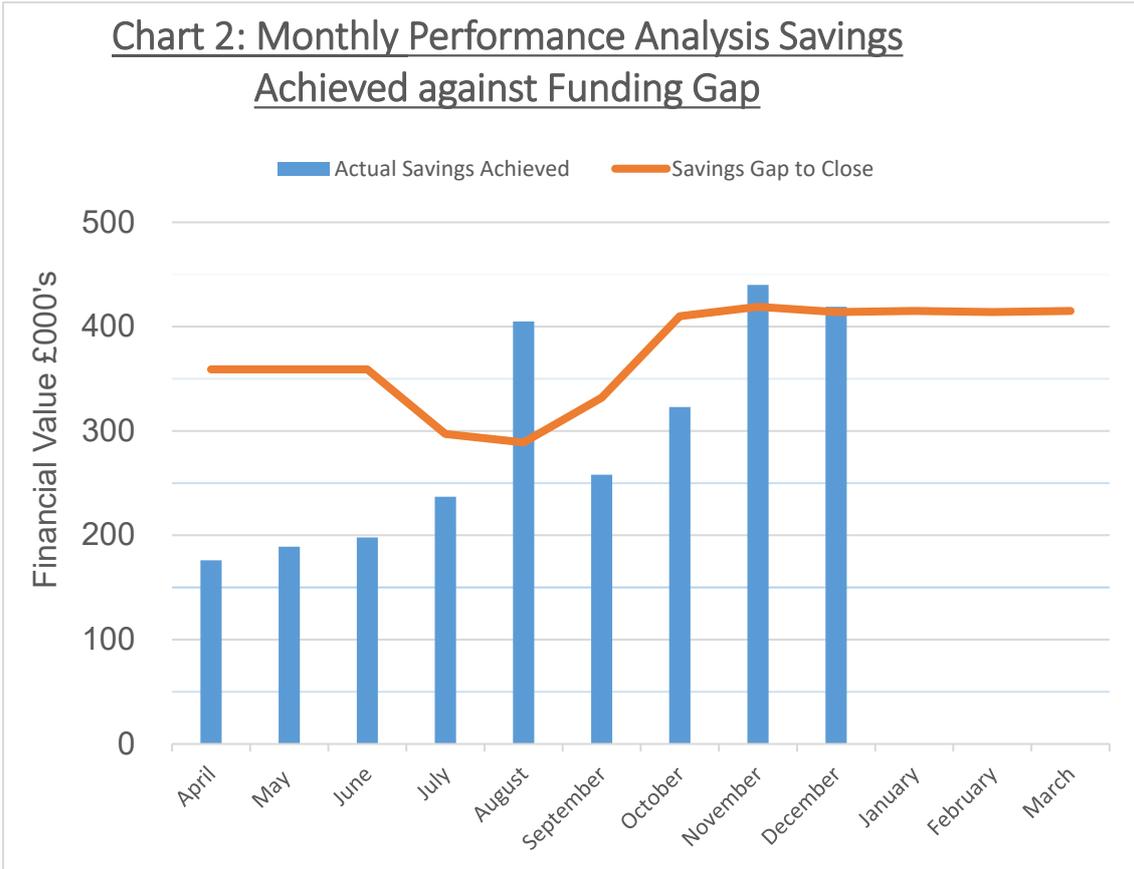
The Board's longer-term financial sustainability requires a focus on addressing our local underlying gap and the future annual target projected efficiency savings, at 3.0% in-line with Scottish Government policy.

Plans will continually be under development or review to implement the principles arising out of the Clinical Strategy review. These schemes to review or implement pathway developments need though take due recognition of resource constraints in available finance, technology and staff with appropriate skills.

The Board's underlying gap entering 2024-25 was just under £3.5m. To return to financial balance the plan is to achieve £1.9m in recurrent savings in each year of the current three-year plan. In 2024-25, including savings to offset cost pressure £4.5m of savings is required to address the gap between income and expenditure.

Overall delivery as illustrated in chart 2 and detail outlined in Appendix B the Board has delivered £2.6m in efficiency savings as at Month 9.

This though year to date is principally via non-recurring savings at £2.2m (81.2%). The main cause of these savings was via staff vacancies at just under £1.5m.



2.3.4 Risk Assessment/Management

There is risk to the sustainability of the Board if the proposed sustainable models of care and pathways developed cannot attract sustainable level of suitably qualified staff.

Redesign of pathways that need to occur in line with Board and partners’ aims to deliver locally set objectives, and need to ensure staffing models are realistic and recruitment plans are reviewed and put in place for successful appointment to key vacant posts.

Ensuring there is sufficient organisational capacity and resilience within our available resources is a challenge that needs to be met.

2.3.5 Equality and Diversity, including health inequalities

An impact assessment has not been completed because this has no immediate implications for the Board’s overall compliance. However any significant action plans to address either short-term or underlying issues will require an EQIA to be undertaken.

2.3.6 Other impacts

Plans to address issues raised will need consultation and engagement with a number of stakeholders

2.3.7 Communication, involvement, engagement and consultation

This paper is produced for this committee only.

2.3.8 Route to the Meeting

The report not been discussed elsewhere.

2.4 Recommendation

- **Awareness –**

This report is to stimulate discussion on our collective forward actions to ensure sustainable local healthcare provision for our community here in Shetland.

There are two actions that EMT will need to review and address on behalf of the Board in the short and medium term:

Strategic:

1. How recruitment plans and process can be put in place to successfully recruit to the key vacant posts for longer term financial and clinical sustainability; and
2. Identify recurring projects to address the recurrent savings targets that public bodies are to achieve each year in each of the next 3 years operating plan.

3 List of appendices

The following appendices are included with this report:

- Appendix A, 2024-25 Financial Statement and Analysis
- Appendix B, Efficiency Savings Plan 2024-25 and Analysis
- Appendix C, NHS Shetland 2024-25 Scottish Government Allocation Received
- Appendix D, Summary Financial Analysis

Appendix A

NHS Shetland

2024–25 Financial Statement Yearend Out-turn

	Annual Budget	Year to Date Budget as at Month 9	Expenditure at Month 9	Variance Year to Date
	2024–25	2024–25	2024–25	2024–25
Funding Sources				
Core RRL	£71,830,356	£51,529,929	£51,529,929	£0
Earmarked	£6,053,151	£4,539,863	£4,539,863	£0
Non Recurrent	£3,906,012	£2,929,509	£2,929,509	£0
AME Depreciation	£2,421,334	£1,816,001	£1,816,001	£0
AME Other	£119,876	£89,907	£89,907	£0
Other Operating Income	£4,086,017	£3,192,765	£3,378,768	£186,003
Gross Income	£88,416,746	£64,097,974	£64,283,977	£186,003
Resource Allocations				
Pay	£50,532,523	£36,642,193	£39,047,946	(£2,405,753)
Drugs & medical supplies	£11,178,407	£8,188,070	£8,690,175	(£502,105)
Depreciation	£2,421,334	£1,816,001	£1,816,001	£0
Healthcare purchases	£13,750,316	£9,448,489	£9,310,342	£138,147
Patient Travel	£2,075,503	£1,569,658	£1,323,729	£245,929
FMS Expenditure	£1,003,427	£683,152	£710,881	(£27,729)
AME Other Expenses	£119,876	£89,907	£89,907	£0
Other Costs	£8,860,895	£6,253,686	£5,820,171	£433,515
Gross expenditure	£89,942,281	£64,691,156	£66,809,152	(£2,117,996)
Funding Gap or Surplus	(£1,525,535)	(£593,182)	(£2,525,175)	

Appendix A continued

Shetland NHS Board Financial Position as at the end of December 2024	Annual Budget	2024–25 Month 9 Position		
		Budget	Actual	Variance (Over) / Under
Acute and Specialist Services	£22,482,586	£16,361,932	£18,198,641	(£1,836,709)
Community Health and Social Care	£29,393,199	£21,717,717	£22,995,584	(£1,277,867)
Commissioned Clinical Services	£15,367,475	£10,426,800	£9,852,571	£574,229
Sub-total Clinical Services	£67,243,260	£48,506,449	£51,046,796	(£2,540,347)
Dir Public Health	£2,527,623	£1,905,749	£1,699,242	£206,507
Dir Finance	£3,637,960	£2,697,203	£2,549,730	£147,473
Reserves	(£712,119)	(£729,593)	(£407,890)	(£321,703)
Medical Director	£386,254	£275,723	£280,071	(£4,348)
Dir Human Res & Support Services	£3,842,912	£2,778,221	£2,829,375	(£51,154)
Head of Estates	£5,537,847	£4,101,711	£4,171,593	(£69,882)
Office of the Chief Executive	£1,866,992	£1,369,745	£1,261,466	£108,279
Overall Financial Position	£84,330,729	£60,905,209	£63,430,383	(£2,525,175)

Appendix A continued

Table 5: Shetland Health Board: Monthly Analysis of Expenditure versus Budget for 2024–25—Source data used in respect of Chart 1

	April	May	June	July	August	September	October	November	December	January	February	March
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Actual costs incurred	6,710	6,948	6,726	6,936	7,152	6,835	6,833	8,148	7,142			
Budget set for costs	6,240	6,305	6,354	6,524	6,636	6,417	6,720	8,156	7,553			
Surplus/ Deficit £	(470)	(643)	(372)	(412)	(516)	(418)	(113)	8	411			
Surplus / Deficit %	-7.5%	-10.2%	-5.9%	-6.3%	-7.8%	-6.5%	-1.7%	0.1%	5.4%			
Year to date variance £	(470)	(1,113)	(1,485)	(1,897)	(2,413)	(2,831)	(2,944)	(2,936)	(2,525)			
% Year to date variance	-7.5%	-8.9%	-7.9%	-7.5%	-7.5%	-7.4%	-6.5%	-5.5%	-4.1%			

Appendix A continued

Appendix B

Efficiency Savings Plan and Performance

Table 6: Shetland Health Board: Monthly Performance Analysis Savings Achieved versus Funding Gap for 2024–25—Source data used in Chart 2

	April	May	June	July	August	September	October	November	December	January	February	March
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Actual savings achieved	176.0	189.0	198.0	237.0	405.0	258.0	323.0	440.0	419.0			
Savings gap to close	359.0	359.0	359.0	297.0	289.0	332.0	410.0	419.0	414.0	415.0	414.0	415.0
Surplus/ Deficit £	(183)	(170)	(161)	(60)	116	(74)	(87)	21	5			
Surplus / Deficit %	-51.0%	-47.4%	-44.8%	-20.2%	40.1%	-22.3%	-21.2%	5.0%	1.2%			
Year to date variance £	(183)	(353)	(514)	(574)	(458)	(532)	(619)	(598)	(593)			

Appendix B continued

Table 7: 2024–25 Efficiency Savings Delivery Performance Analysed by Management Service Areas

Shetland Health Board Savings Plan 2024–25		Recurring Savings				Non-Recurring Savings	
Area	Lead Officer	Original Directorate target £000's	Potential Identified £000's	Achieved YTD £000's	Achieved FYE £000's	Potential Identified £000's	Achieved YTD £000's
Acute Services	Director of Nursing	805.0	229.0	75.1	131.6	292.3	377.3
Community Services	Director of Health & Social Care	786.7	604.0	244.7	264.8	95.0	646.0
Off Island Healthcare	Director of Finance	129.0	129.0	96.8	129.0	336.3	252.3
Public Health	Director of Public Health	0.0	0.0	0.0	0.0	0.0	205.7
Human Resources	Director of Human Resources	94.6	86.6	0.0	0.0	0.0	201.8
Chief Executive	Chief Executive	0.0	0.0	0.0	0.0	58.0	94.8
Medical Director	Medical Director	0.0	0.0	0.0	0.0	0.0	29.1
Estates	Head of Estates	0.0	0.0	0.0	0.0	0.0	82.2
Finance	Director of Finance	31.2	31.2	23.4	31.2	0.0	71.3
Board Wide / Reserves	Director of Finance	2,635.5	792.2	0.0	0.0	1,828.4	244.9
Overall Board Targets for 2024–25		4,482.0	1,872.0	440.0	556.6	2,610.0	2,205.4
Overall Target Achieved in 2024–25 (YTD)		2,645.4					
Overall Target Achieved in 2024–25 (FYE)		556.6					

Appendix B continued

Table 8: 2024-25 Efficiency Savings Plan

Recurring Efficiency Savings Proposals	Planning	Low Risk	Medium	High Risk	Commentary
Off Island Patient Pathways Redesign to Shetland	0	0	0	0	
In-patient model review	229,000	120,898	108,102	0	Ambulatory Care service impact on the optimum in-patient bed compliment
Non Doctor Islands Nursing Review	44,319	44,319	0	0	Community nursing skill mix review
Pharmacy Drugs: Procurement and other Controls	417,000	199,000	0	218,000	IJB Project regarding on island prescribing opportunities
Community Health: Network Enabled Care	50,000	0	0	50,000	IJB Led Project concerning Walls and Bixter
Directly Provided CHCP Services: Procurement Schemes	15,709	15,709	0	0	IJB led project part of £475k in paper previously at IJB
Mental Health On-call Model	31,000	0	0	31,000	
Redesign of Shetland Mainland OOHs Provision	46,000	0	0	46,000	
IT M365 Licences	86,556	45,000	41,556	0	Shifting to NHS Scotland normal mix 365 licences (80/20)
Procurement	31,240	31,240	0	0	Patient Travel bus contract pick-up from Northlink Ferry Terminal, avoidance of taxi and bus claims.
Off Island Commissioned Healthcare Savings	129,000	129,000	0	0	
E-payroll	1,000	0	0	1,000	Switching staff from paper to e-Payslips
Other Board wide	791,176	0	0	791,176	Schemes still to be fully developed
Overall Total Recurring Efficiency Savings Proposals	1,872,000	585,166	149,658	1,137,176	

Appendix B continued

Table 8: 2024-25 Efficiency Savings Plan

<u>Non-recurring Efficiency Savings Proposals</u>	<u>LDP Plan</u>	<u>Low Risk</u>	<u>Medium</u>	<u>High Risk</u>	
Staff Vacancy Factor Cost Reduction	1,900,000	1,507,912	392,088	0	Vacancy factor based upon 2023-24 value. Exceeding planning value contribution to gap now forecast circa £1.9m to £2.0m.
Acute Services Non recurring other plans	1,728	1,728	0	0	
Community Services Non recurring :Other Prescribing	0	21,739	0	0	Community non-recurring fortuitous gain
Off Island Commissioned Healthcare Non-recurring:	45,000	0	45,000	0	
Surplus on Sale of St Olaf Street	336,339	336,339	0	0	Golden Jubilee Contract Orthopaedic Contract plus slippage on national developments in 2023-24
Procurement	0	0	0	0	Property will not be sold in 2024-25
Endowment Funded MRI Travel Saving	7,278	7,278	0	0	
Review of Technical issues from shared national suggestions	290,594	290,594	0	0	Annual value of 550 MRI scans avoided in Aberdeen
Other planning gains non-recurrent	5,192	0	0	5,192	
Overall Total Non-Recurring Efficiency Savings Proposals	2,610,000	2,257,505	437,088	5,192	
Overall Total Efficiency Savings in Plan	4,482,000	2,842,671	586,746	1,142,368	

Appendix B continued

NHS SHETLAND																								
Savings - Schemes and Trajectories																								
DECEMBER 2024																								
Savings in-Year	Full Year Trajectory £000	Full Year Recurring Forecast £000	YTD Achieved £000	YTD Recurring £000	YTD Non-Recurring £000s	Saving Type	Risk Rating	April Actual	May Actual	June Actual	July Actual	Aug Actual	Sept Actual	Oct Actual	Nov Actual	Dec Actual	Jan Forecast	Feb Forecast	March Forecast	Full year Forecast	% Recurring	FYE Recurring		
Service Redesign and Reform																								
Other service redesign and reform schemes	0		0																		0	0%		
Total Service Redesign and Reform	0	0	0	0	0			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0%		
Workforce - Medical																								
Medical Supplementary Staffing	0		0																		0	0%		
Medical Locum Direct Engagement	0		0																		0	0%		
Out of Hours Provision Redesign	46	46	0			Cash-Releasing	Medium Risk													46	46	100%	46	
Mental Health On-call Model	31	31	0			Cash-Releasing	High Risk														31	31	100%	31
Scheme 5	0		0																		0	0	0%	0
Other Medical Workforce Schemes	19		14		14	Cash-Releasing	Low Risk					8	1	2	2	1	2	2	2	1	19	19	0%	19
Total Medical	96	77	14		14			0	0	0	0	8	1	2	2	1	2	2	2	1	78	96	80%	77
Medical Locum Direct Engagement Utilisation %			100%	OK																				
Workforce - Nursing																								
Nursing Supplementary Staffing	0		0																		0	0%		
NDI Nursing Model	44	44	32		32	Cash-Releasing	Medium Risk					16	4	4	4	4	4	4	4	4	44	100%	44	
In-patient model review	243	243	150		150	Cash-Releasing	Low Risk	16	16	16	11	11	11	14	25	30	30	30	30	33	243	100%	229	
Scheme 4	0		0																		0	0	0%	0
Scheme 5	0		0																		0	0	0%	0
Other Nursing Workforce Schemes	0		0																		0	0	0%	0
Total Nursing	287	287	182		182			16	16	16	11	27	15	18	29	34	34	34	34	37	287	100%	273	
Workforce - Other																								
AHP Direct Engagement Update	0		0																		0	0%		
Vacancies not back filled short-term turnover gaps	2,000		1,504		1,504	Cash-Releasing	Low Risk	92	103	113	159	223	156	164	312	182	166	166	164	2,000	0	0%		
Paediatric Dietetic Service	15	15	0		0	Cash-Releasing	Medium Risk														15	15	100%	15
Network Enablecare	50	50	0		0	Cash-Releasing	Medium Risk														50	50	100%	50
Workforce re-balancing	0		0		0																0	0	0%	0
Other Workforce Schemes	92		71		71	Cash-Releasing	Low Risk							57	7	7	7	7	7	7	92	92	0%	92
Total Other Workforce	2,157	65	1,575		1,575			92	103	113	159	223	156	221	319	189	173	173	236	2,157	3%	65		
AHP Direct Engagement Utilisation %			100%	OK																				
Prescribing - Switches																								
Tecfidera / Dimethyl Fumerate	80	80	0																		80	80	100%	80
Tysabri / natalizumab	7	7	0																		7	7	100%	7
Xarelto / Rivaroxaban	20	20	0																		20	20	100%	20
Other Switches	199	199	148		148	Cash-Releasing	Low Risk					80	17	17	17	17	17	17	17	17	199	100%	199	
Total Prescribing	306	306	148		148			0	0	0	0	80	17	17	17	17	17	17	17	124	306	100%	306	
Prescribing - Acute																								
Other Acute Prescribing Schemes	7	7	0		0	Cash-Releasing	Low Risk														7	7	100%	7
Total Acute Prescribing	7	7	0		0			0	0	0	0	0	0	0	0	0	0	0	0	0	7	7	100%	7
Prescribing - Primary																								
Polypharmacy Reviews	56	56	0			Cash-Releasing	Medium Risk														56	56	100%	56
Blood Glucose Monitoring	8	8	0		0	Cash-Releasing	Medium Risk														8	8	100%	8
Script switch	35		35		35	Cost Reduction	Medium Risk														35	35	0%	35
Supply System Changes	25	25	0			Cash-Releasing	Medium Risk														25	25	100%	25
Other Primary Prescribing Schemes	0		0																		0	0	0%	0
Total Primary Prescribing	124	89	35		35			0	0	0	0	0	0	0	0	35	0	0	0	89	124	72%	89	
Procurement																								
Othopaedic Marginal versus Full Cost	255		192		192	Cash-Releasing	Low Risk	21	22	21	21	21	22	21	21	22	21	21	21	21	255	0%	255	
Non-prescription items model of Supply	10		0		0	Cash-Releasing	Medium Risk														10	10	0%	10
NHS Contracts	210	129	157		103	54	Cash-Releasing	Low Risk	17	18	17	18	17	18	17	18	17	18	17	18	210	61%	129	
Patient Travel Transport Contract gain	31	31	23		23	Cost Reduction	Low Risk	3	2	3	2	3	3	2	3	2	3	3	3	2	31	100%	31	
Other Procurement Schemes	0		0																		0	0	0%	0
Total Procurement	506	160	372		126	246		41	42	41	41	41	43	40	42	41	42	41	51	506	32%	160		
Estates & Infrastructure																								
Other Estates & Infrastructure Schemes	0		0																		0	0%		
Total Estates & Infrastructure	0	0	0		0			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0%		
Non-Pay (Other)																								
MRI Scanner travel avoidance	291		218		218	Cash-Releasing	Low Risk	24	24	25	24	24	25	24	24	24	24	24	24	25	291	0%	0	
E-payroll	1	2	0		0	Cash-Releasing	Medium Risk														1	1	200%	2
Staff Travel	7		7		7	Cash-Releasing	Low Risk	2	2	2	1										7	7	0%	7
Patient Travel	0		0																		0	0	0%	0
Other Non-Pay Schemes	97	16	94		12	82	Cash-Releasing	Low Risk	1	2	1	1	2	1	1	7	78	1	1	1	97	16%	16	
Total Non-Pay (Other)	396	18	319		12	307		27	28	28	26	26	26	25	31	102	25	25	27	396	5%	18		
Total Value of Schemes Underway	3,879	1,009	2,645	468	2,177		176	189	198	237	405	258	323	440	419	293	292	649	3,879	26%	995			

Appendix C

NHS Shetland 2022–23 Scottish Government Allocation Received

Month	Narrative	Baseline	Non-recurring	Earmarked	AME	Net Running Total
May	Baseline Allocation	£62,389,000				£62,389,000
May	Recurring Allocation from 23/24	£5,799,836				£68,188,836
May	AfC Reform		£959,260			£69,148,096
May	Waiting times	£239,815				£69,387,911
May	Primary Care Phased Investment Programme		£365,000			£69,752,911
June	New Medicines Fund		£858,537			£70,611,448
June	Digital Health and Care Strategic Fund		£211,000			£70,822,448
June	IPACC Community Systems Funding		£13,384			£70,835,832
June	Primary Medical Services			£4,835,433		£75,671,265
June	Primary Care Improvement Fund Tranche 1			£851,656		£76,522,921
June	Primary Care Workforce and Rural Tranche 1		£239,000			£76,761,921
June	Out of Hours additional funding			£23,981		£76,785,902
June	General Medical Services with pension increase	£223,603				£77,009,505
June	General Dental Services	£16,068				£77,025,573
June	HCSA - NHS Board Implementation Leads		£44,325			£77,069,898
June	EiC - NHS Board Leads and eHealth Support	£49,771				£77,119,669
June	EiC - NHS Board Leads and eHealth Support		£1,727			£77,121,396
June	Open University Backfill - Q3&4 academic year 23/24		£50,000			£77,171,396
June	District Nursing	£51,000				£77,222,396
June	Administration of the Child Death Review Process	£3,969				£77,226,365
June	Scottish Vitamin Scheme - Healthy Start/Vitamin D			£2,169		£77,228,534
June	The Best Start: Continuity of carer and Bliss Baby Charter		£2,398			£77,230,932
June	Breastfeeding Projects		£0	£26,000		£77,256,932
June	Young Patients Family Fund - Tranche 1 funding		£39,216			£77,296,148
June	Pension Uplift	£651,161				£77,947,309

Month	Narrative	Baseline	Non-recurring	Earmarked	AME	Net Running Total
June	Collaborative Care Home Support Teams		£120,000			£78,067,309
June	SACT/Acute oncology	£22,187				£78,089,496
June	Long COVID Support Fund		£9,573			£78,099,069
June	Patient Advice and Support Service			-£2,788		£78,096,281
June	Urgent and Unscheduled Care Collaborative			£161,000		£78,257,281
June	Adjustment to STN baselined allocations (NoS)	£1,098				£78,258,379
June	Cancer Waiting Times	£51,000				£78,309,379
June	Enhanced Mental Health Outcomes Framework	£862,189				£79,171,568
June	Digital Mental Health Programme Licences and Support	£15,253		£0		£79,186,821
June	FVCV Delivery Allocation (staffing and venues)			£364,519		£79,551,340
June	ADP tranche 1 allocation & AfC uplift			£189,881		£79,741,221
June	ADP / PfG AfC uplift /recurring	£11,000				£79,752,221
June	Test and Protect 24-25 baselined funding	£12,600				£79,764,821
June	Adult weight management services and Type 2 Diabetes Prevention Framework	£131,600				£79,896,421
June	Children and young people's weight management services	£65,800				£79,962,221
July	RM Network costs and VBH&C Leadership Training		£40,000			£80,002,221
July	Hospital at Home - Older People		£185,628			£80,187,849
August	Pharmacy Contract £80m tariff transfer	(£303,192)				£79,884,657
September	Pharmacy Foundation Training Year Salaries			-£18,919		£79,865,738
September	Mental Health Pharmacy Funding			£12,317		£79,878,055
September	Digital Health & Care Integrated Primary and Community Care		£18,922			£79,896,977
September	Children's Hospices Across Scotland		-£33,574			£79,863,403
September	NSD- Non-Recurring Risk Share Top-Slice		-£282,477			£79,580,926
September	NSD- Recurring Risk Share Top-Slice	-£8,052	£0			£79,572,874
September	NSS- Logistics Top-slice	£0	-£69,000			£79,503,874
September	Discovery Benchmarking - PHS	-£2,685	£0			£79,501,189
September	Shortened Midwifery Programme backfill Q2, FY24/25		£7,500			£79,508,689
September	Dementia - Post Diagnostic Support Services		£16,787			£79,525,476

Month	Narrative	Baseline	Non-recurring	Earmarked	AME	Net Running Total
September	Additional PPE usage	£53,856				£79,579,332
September	PPE-Non-Recurring- Face Mask Fitting Q1- 2024/25		-£864			£79,578,468
October	New Medicines Funding	-	£239,815	-	-	£79,818,283
October	PLGF Testing	£1,244	-	-	-	£79,819,527
October	Cardiac Physiology Cohort 1	-	£36,562	-	-	£79,856,089
October	National Diabetes Technology ProgrammeTranche1	-	-	£12,968	-	£79,869,057
October	Inequalities Fund - Screening Health Boards	-	£3,500	-	-	£79,872,557
October	FVCV Delivery - reverses previous allocation	-	-	(£364,519)	-	£79,508,038
October	FVCV Delivery	364,519	-	-	-	£79,872,557
October	Pharmacy £80m tariff transfer - reverses previous	303,192	-	-	-	£80,175,749
October	Pharmacy £80m tariff transfer	(291,861)	-	-	-	£79,883,888
October	AfC 2024-25 Pay Award	2,002,000	-	-	-	£81,885,888
November	Community Pharmacy Practitioner Champions	£0	£1,439	£0	-	£81,887,327
November	Multi-disciplinary Teams	£160,872	£0	£0	-	£82,048,199
November	Consultant Pay Awards 2024-25	£633,000	£0	£0	-	£82,681,199
November	Executive & Senior Management Pay Award 2024-25	£10,954	£0	£0	-	£82,692,153
December	Enhanced Mental Health Outcomes Framework - reverse ref. 200	(862,189)	-	-		£81,829,964
December	Enhanced Mental Health Outcomes Framework	844,406	-	-		£82,674,370
December	Open University Backfill - Q1&2 academic year 24/25	-	60,833	-		£82,735,203
December	Tranche 2 Alcohol and Drug Partnerships	-	29,720	-		£82,764,923

Finance Table Summary for reporting to Board and governance committees

	Value (£m)	Month 8 to Month 9 variance	Commentary
Board's overall approved initial budget plan summary for 2024-25			
Total annual revenues	-£78.9		Based upon planning assumptions in March 2024 per ADP.
Total annual expenditures	£84.1		Based upon planning assumptions in March 2024 per ADP.
Total Savings In-Year	-£4.5		Based upon planning assumptions in March 2024 per ADP.
Surplus/deficit of income to expenditures	-£0.7		Based upon planning assumptions in March 2024 per ADP.
Board approved initial savings target 2024-25			
	Value (£m)		Commentary
Recurring outstanding savings value carried forward from previous financial year	£2.1		Recurring gap brought forward between budgeted expenditure and forecast plan for Scottish Government funding.
This year's new recurrent saving target funding gap caused by gap in the expected uplift in funding against unavoidable costs.	£1.4		Inflation cost pressure in 2024-25 that Scottish Government 0.0% uplift to the baseline funding does not cover.
Sub Total Recurring Savings	£3.5		Underlying Gap per ADP
This year's non-recurrent savings target to fund the gap. This is the projection of "temporary" cost from short-term pressures that are not within services approved recurring expenditure budgets.	£1.0m		Anticipated additional cost pressure from staff engaged outside NHS T&Cs and GP prescribing short supply issue.

Finance Table Summary for reporting to Board and governance committees

	Value (£m)	Month 8 to Month 9 variance	Commentary
Total of this year's savings target	£4.5		This is the anticipated gap in funding between plan income and expenditure.
Updated position at end of month nine, December 2024			
Total revenues confirmed so far by Scottish Government (SG) for the full year	£82.8	+£0.1m	Additional funding, £61k for backfill placements on open university course.
Total revenues actually received to date from SG (A)	£60.9m	£0.0m	Income from SG has a nil variance year to date.
Total other income from other sources received year to date (B)	£3.4m	+£0.0m	Other income in month 9 was overall in-line with expectation causing nil variance
Total expenditures to date (C)	£66.8m	-£0.4m	Expenditure variance improved by £0.4m primarily to recognising forecast under spend against allocations.
Shortfall in savings plan.	-£0.6m	£0.0m	Savings in month matched plan
Surplus/deficit to date (A+B-C)	-£2.5m	£0.0m	
Recurring, non-recurring, and residual savings			
Recurring savings identified to date	£0.6m		All these schemes are yet to start or value in current year not yet clarified.
Recurring savings achieved to date	£0.4m	£0.0m	Value of savings realised year to date
Non-recurring savings identified to date	£2.6m		All these schemes are yet to start or value in current year not yet clarified.

Finance Table Summary for reporting to Board and governance committees

	Value (£m)	Month 8 to Month 9 variance	Commentary
Non-recurring savings achieved to date	£2.2m	£0.4m	Main cause of this is vacancies from turnover not backfilled at £0.2m
Residual savings target still to be achieved	£1.3m		This is against £4.5m total that includes cost pressures being £1m. At present these cost pressures outcomes is likely to be higher than £1.0m.
Year-end forecast out-turn			
Total revenues from Scottish Government and other sources			Total revenue includes estimated funding for NHS pay increases in 2024-25. The plan did not include funding for pay award funding or expenditure.
Total overall expenditure			Projected costs variance
Year-end outturn surplus/deficit	£0.0m	-£1.4m	