

NHS Shetland

Meeting:	Shetland NHS Board
Meeting date:	29 April 2025
Agenda reference:	Board Paper 2025/26/02
Title:	Financial Performance Management Report Update – Draft 2024-2025 at Month 11, February 2025
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 Board of the out-turn expenditure against Revenue Resource Limit as at Month 11 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 11 out-turn position is £1.0m over spent. This compares to £1.7m in 2023-24.

The current forecast for the out-turn position in 2024-25 is breakeven due to funding received recurrently to address the underlying gap in funding for the Distant Island Allowance (DIA).

Further management action though is required to address underlying recruitment issues and deliver cost reductions through recurring efficiencies to achieve financial sustainability.

Assumption Narrative	Month 11 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 £0.070m less than last year, so down 14.3%. Adverse to plan by £0.22m.
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 £0.46m more than last year, so up by 25.1%. Adverse to plan by £1.44m.
3. Achieve £1.0m in non-recurring savings on top of the £3.5m savings target	The DIA income has been offset against the under lying gap, so reduces the target on a recurring basis. Actual local savings achieved is £3.31m but only £0.55m recurrently. This is £0.77m behind original trajectory plan. The additional income plus our local actions to generate savings will though slightly exceed the original target.

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 £1.0m, this represents a 1.3% 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 £3.3m achieved year to date and that only 16.5% of this is delivered on a recurrent basis;
- The projected underlying gap between income and expenditure that will be carried in to 2025-26 will be £1.6m; and
- Appendix C, NHS Shetland confirmed funding allocation at month 11 is £85.2M.

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	1,463	225	1,688
Community Health	898	194	1,092
Total	2,361	419	2,780

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 £000's	Funding Via Vacancies £000's	Funding via Other Route £000's	Net Cost £000's
Consultant Locums	2,655	1,039	188	1,428
Consultant Agency	741	113	392	236
Resident Doctors	50	0	0	50
Agency Nursing	721	313	41	367
Agency General Practitioners	1,099	423	29	647
Other Staff Groups	208	72	84	52
Grand Total	5,474	1,960	734	2,780

At Month 11, the actual expenditure on locum and agency staff totals £5.5m. 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 £2.8m over spend.

Continuing at this same rate of expenditure would likely see yearend expenditure total £6.0m, which is only £0.5m less than last 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, 56.3%, on Month 11 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 11 accounts for 115.3% of that variance.

The vacant Anaesthetic consultant posts will start recruitment process during the first quarter of 2025-26.

Although staff engaged on non-NHS terms and conditions were required to ensure safe staffing it does not assist in the Board achieving best value from the overall resources available to improve the overall health and wellbeing of our local community.

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.

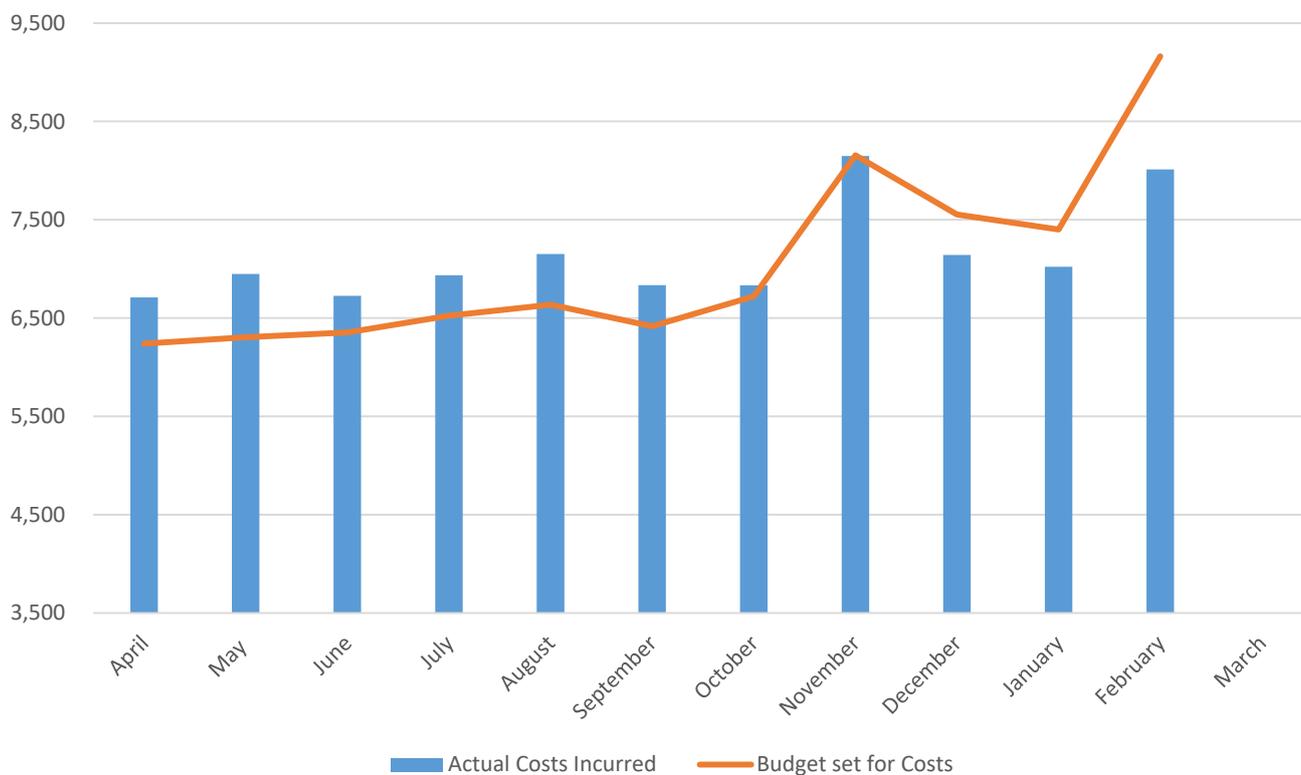
This shows that expenditure is usually greater than available resources in most month due to use of temporary and additional staff. In addition to the excess pay costs the use of temporary staff incurs accommodation and travel costs that year to date also creates a further cost pressure of £0.39m.

At Month 11, expenditure is lower than budget due to the budget being higher than normal due to recurring funding to cover the underlying annual shortfall in the Distant Island Allowance being recognised. Therefore, it recognises 11/12ths of the income in the month 11 position whilst the cost occurs monthly throughout the year.

The underlying expenditure is higher than earlier in the year as all staff groups are now on their respective uplifted 2024-25 salaries.

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 December, cost inflation rate locally was 3.4%. Items dispensed decreased by 2.6%. Due to drugs on short supply not yet working out the procurement cycle, the GP prescribing budget will likely over spend in year by £0.49m.

Chart 1: Performance Analysis Monthly Actual Expenditure to Budget



The top five services with over spends account for 324% of the Board’s year to date revenue expenditure overspend. These services though only account for 19% expenditure budget.

These are listed in Table 4 below:

Service Area	Annual Budget (£)	Year to Date Budget (£)	Year to Date Expenditure (£)	Year to Date Variance (£)	Year to Date Variance (%)
GP Primary Care	£6,827,104	£6,157,616	£7,394,227	(£1,236,611)	-20.08%
General Medicine	£1,664,919	£1,529,429	£2,371,450	(£842,021)	-55.05%
GP Prescribing	£4,939,192	£4,680,411	£5,076,556	(£396,145)	-8.46%
Mental Health	£2,194,741	£2,012,599	£2,541,969	(£529,370)	-26.30%
Anaesthetist	£1,036,007	£952,817	£1,178,572	(£225,755)	-23.69%
Overall Total	£16,661,963	£15,332,872	£18,562,774	(£3,229,902)	-21.1%

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 recurring 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.

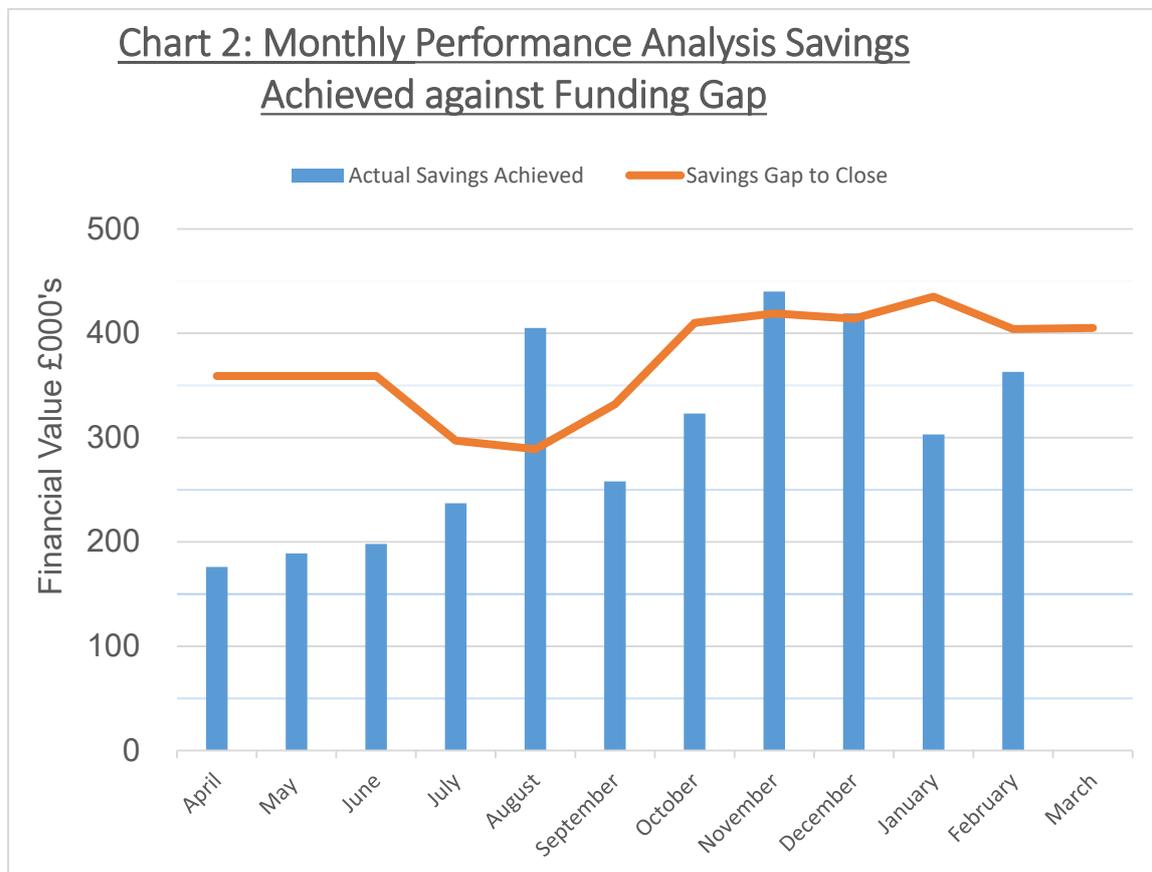
Plans will continually be under development or review to implement the principles arising out of the Clinical Strategy review. These schemes to review or implement pathway developments need though take due recognition of resource constraints in available finance, technology and staff with appropriate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

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 £3.3m in efficiency savings as at Month 11.

This though year to date is principally via non-recurring savings at £2.8m (83.6%). The main cause of these savings was via staff vacancies at just under £1.8m.

Forecast recurring efficiency target roll forward in to 2025-26 is £1.6m due to the additional resource for DIA that addresses the gap between the historic allocation and current costs.



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 for EMT information 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 in 2025-26 and beyond.

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
- Appendix C, NHS Shetland 2024-25 Scottish Government Allocation Received
- Appendix D, Summary Analysis Table

Appendix A

NHS Shetland

2024–25 Financial Statement Yearend Out-turn

	Annual Budget	Year to Date Budget as at Month 11	Expenditure at Month 11	Variance Year to Date
	2024–25	2024–25	2024–25	2024–25
Funding Sources				
Core RRL	£73,516,525	£65,628,680	£65,628,680	£0
Earmarked	£6,519,629	£5,976,327	£5,976,327	£0
Non Recurrent	£3,854,362	£3,533,165	£3,533,165	£0
AME Depreciation	£2,421,334	£2,219,556	£2,219,556	£0
AME Other	£119,876	£109,886	£109,886	£0
Other Operating Income	£4,375,367	£4,069,402	£4,158,358	£88,956
Gross Income	£90,807,093	£81,537,016	£81,625,972	£88,956
Resource Allocations				
Pay	£50,613,254	£45,926,881	£48,336,858	(£2,409,977)
Drugs & medical supplies	£10,851,577	£10,119,287	£10,632,351	(£513,064)
Depreciation	£2,421,334	£2,219,556	£2,219,556	£0
Healthcare purchases	£13,633,363	£11,837,268	£11,600,758	£236,510
Patient Travel	£2,113,797	£1,920,912	£1,644,542	£276,370
FMS Expenditure	£1,006,683	£838,722	£873,450	(£34,728)
AME Other Expenses	£119,876	£109,886	£109,886	£0
Other Costs	£9,746,452	£8,157,893	£7,205,005	£952,888
Gross expenditure	£90,506,336	£81,130,405	£82,622,406	(£1,492,001)
Funding Gap or Surplus	£300,757	£406,611	(£996,434)	

Appendix A continued

Shetland NHS Board Financial Position as at the end of February 2025	Annual Budget	2024–25 Month 11 Position		
		Budget	Actual	Variance (Over) / Under
Acute and Specialist Services	£22,980,502	£20,919,867	£22,709,227	(£1,789,360)
Community Health and Social Care	£29,453,016	£26,867,293	£28,112,380	(£1,245,087)
Commissioned Clinical Services	£14,887,906	£13,013,057	£12,380,176	£632,881
Sub-total Clinical Services	£67,321,424	£60,800,217	£63,201,783	(£2,401,566)
Dir Public Health	£2,596,531	£2,382,436	£2,118,936	£263,500
Dir Finance	£3,638,823	£3,266,872	£3,070,856	£196,016
Reserves	£1,184,810	£442,986	(£411,115)	£854,101
Medical Director	£386,254	£347,629	£346,701	£928
Dir Human Res & Support Services	£3,883,174	£3,453,905	£3,422,634	£31,271
Head of Estates	£5,559,069	£5,077,691	£5,133,644	(£55,953)
Office of the Chief Executive	£1,861,641	£1,695,877	£1,580,609	£115,268
Overall Financial Position	£86,431,726	£77,467,612	£78,464,048	(£996,435)

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	7,022	8,012	
Budget set for costs	6,240	6,305	6,354	6,524	6,636	6,417	6,720	8,156	7,553	7,401	9,162	
Surplus/ Deficit £	(470)	(643)	(372)	(412)	(516)	(418)	(113)	8	411	379	1,150	
Surplus / Deficit %	-7.5%	-10.2%	-5.9%	-6.3%	-7.8%	-6.5%	-1.7%	0.1%	5.4%	5.1%	12.6%	
Year to date variance £	(470)	(1,113)	(1,485)	(1,897)	(2,413)	(2,831)	(2,944)	(2,936)	(2,525)	(2,146)	(996)	
% Year to date variance	-7.5%	-8.9%	-7.9%	-7.5%	-7.5%	-7.4%	-6.5%	-5.5%	-4.1%	-3.1%	-1.3%	

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	303.0	363.0	
Savings gap to close	359.0	359.0	359.0	297.0	289.0	332.0	410.0	419.0	414.0	415.0	404.0	405.0
Surplus/ Deficit £	(183)	(170)	(161)	(60)	116	(74)	(87)	21	5	(132)	(41)	
Surplus / Deficit %	-51.0%	-47.4%	-44.8%	-20.2%	40.1%	-22.3%	-21.2%	5.0%	1.2%	-30.3%	-10.1%	
Year to date variance £	(183)	(353)	(514)	(574)	(458)	(532)	(619)	(598)	(593)	(725)	(766)	

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	Directorate Original 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	516.6	229.0	114.0	131.6	292.3	544.6
Community Services	Director of Health & Social Care	786.7	604.0	255.3	264.8	45.0	779.6
Off Island Healthcare	Director of Finance	129.0	129.0	118.3	129.0	336.3	482.7
Public Health	Director of Public Health	0.0	0.0	0.0	0.0	0.0	229.2
Human Resources	Director of Human Resources	53.0	86.6	30.0	45.0	0.0	256.6
Chief Executive	Chief Executive	0.0	0.0	0.0	0.0	58.0	101.5
Medical Director	Medical Director	0.0	0.0	0.0	0.0	0.0	35.5
Estates	Head of Estates	0.0	0.0	1.3	0.0	0.0	99.5
Finance	Director of Finance	31.2	31.2	28.6	31.2	0.0	87.6
Board Wide / Reserves	Director of Finance	2,965.5	792.2	0.0	0.0	1,878.4	146.4
Overall Board Targets for 2024–25		4,482.0	1,872.0	547.5	623.9	2,610.0	2,763.2
Overall Target Achieved in 2024–25 (YTD)		3,310.7					
Overall Target Achieved in 2024–25 (FYE)		623.9					

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	124,170	104,830	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	1,645	0	48,355	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	0	41,556	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	592,747	104,830	1,174,423	

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	1,760,347	139,653	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	101,728	0	-100,000	
Community Services Non recurring :Other Prescribing	0	27,030	0	-27,030	Community non-recurring fortuitous gain
Off Island Commissioned Healthcare Non-recurring:	45,000	870	44,130	0	
Surplus on Sale of St Olaf Street	336,339	597,949	0	-261,610	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	5,192	0	
Overall Total Non-Recurring Efficiency Savings Proposals	2,610,000	2,918,324	194,641	-503,835	
Overall Total Efficiency Savings in Plan	4,482,000	3,511,941	299,471	670,588	

Appendix B continued

Savings in-Year	Full Year Trajectory £000	Full Year Recurring Forecast £000	YTD Achieved £000	YTD Recurring £000	YTD Non-Rec £000s	Saving Type	Risk Rating	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	Full year	%	FYE		
								Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
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%	0	
Workforce - Medical																								
Out of Hours Provision Redesign	46	46	0			Cash-Releasing	Medium Risk													46	46	100%	46	
Mental Health On-call Model	32	32	0			Cash-Releasing	High Risk													32	32	100%	31	
Other Medical Workforce Schemes	19		18		18	Cash-Releasing	Low Risk					8	1	2	2	1	2	2		1	19	0%		
Total Medical	97	78	18		18			0	0	0	0	8	1	2	2	1	2	2		79	97	80%	77	
Medical Locum Direct Engagement Utilisation %			100%	OK																				
Workforce - Nursing																								
NDI Nursing Model	44	44	40		40	Cash-Releasing	Medium Risk					16	4	4	4	4	4	4		4	44	100%	44	
In-patient model review	228	228	204		204	Cash-Releasing	Low Risk	16	16	16	11	11	11	14	25	30	30	24		24	228	100%	229	
Other Nursing Workforce Schemes	0		0																		0	0%		
Total Nursing	272	272	244		244			16	16	16	11	27	15	18	29	34	34	28		28	272	100%	273	
Workforce - Other																								
AHP Direct Engagement Update	0		0																		0	0%	0	
Vacancies not back filled short-term turnover gaps	1,892		1,759		1,759	Cash-Releasing	Low Risk	92	103	113	159	223	156	164	312	182	129	126		133	1,892	0%	1,892	
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	
Other Workforce Schemes	92		85		85	Cash-Releasing	Low Risk							57	7	7	7	7		7	92	0%		
Total Other Workforce	2,049	65	1,844		1,844			92	103	113	159	223	156	221	319	189	136	133		205	2,049	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	182		182	Cash-Releasing	Low Risk					80	17	17	17	17	17	17		17	199	100%	199	
Total Prescribing	306	306	182		182			0	0	0	0	80	17	17	17	17	17	17		124	306	100%	306	
Prescribing - Acute																								
Other Acute Prescribing Schemes	7	7	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		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	0	35		35	Cost Reduction	Medium Risk										35				0	35	0%	
Supply System Changes	25	25	0			Cash-Releasing	Medium Risk														25	25	100%	25
Other Primary Prescribing Schemes	0		0																		0	0	0%	
Total Primary Prescribing	124	89	35		35			0	0	0	0	0	0	0	0	35	0	0		89	124	72%	89	
Procurement																								
Othopaedic Marginal versus Full Cost	255		234		234	Cash-Releasing	Low Risk	21	22	21	21	21	22	21	21	22	21	21		21	255	0%		
Non-prescription items model of Supply	10		0			Cash-Releasing	Medium Risk														10	10	0%	
NHS Contracts	216	129	198		144	54	Cash-Releasing	Low Risk	17	18	17	18	17	18	17	18	17	24	17		18	216	60%	129
Patient Travel Transport Contract gain	31	31	29		29	Cost Reduction	Low Risk	3	2	3	2	3	3	2	3	2	3	3		2	31	100%	31	
3 Year Rollong Activity Realignment in year	81		74		74	Cost Reduction	Low Risk														74	74	100%	74
Other Procurement Schemes	41		38																		38	41	0%	
Total Procurement	634	160	573		173	362		41	42	41	41	41	43	40	42	41	48	153		61	634	25%	160	
Estates & Infrastructure																								
Water Efficiency Scheme Survey	3	3	2		2	Cash-Releasing	Low Risk														2	3	100%	3
Total Estates & Infrastructure	3	3	2		2	0		0	0	0	0	0	0	0	0	0	0	0		2	3	100%	3	
Non-Pay (Other)																								
MRI Scanner travel avoidance	291		266		266	Cash-Releasing	Low Risk	24	24	25	24	24	25	24	24	24	24	24		25	291	0%	0	
E-payroll	1	1	0			Cash-Releasing	Medium Risk														1	1	101%	2
Staff Travel	7		7		7	Cash-Releasing	Low Risk	2	2	2	1										7	7	0%	
M365 Licences 80/20 Review	45	45	42		42	Cash-Releasing	Low Risk														39	45	100%	
Other Non-Pay Schemes	99	16	98		14	84	Cash-Releasing	Low Risk	1	2	1	1	2	1	1	7	78	3	1		1	99	16%	16
Total Non-Pay (Other)	443	62	413		56	357		27	28	28	26	26	26	25	31	102	66	28		30	443	14%	18	
Total Value of Schemes Underway	3,935	1,042	3,311		657	2,616		176	189	198	237	405	258	323	440	419	303	363		624	3,935	26%	998	

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	-	£1,439	-	-	£81,887,327
November	Multi-disciplinary Teams	£160,872	-	-	-	£82,048,199
November	Consultant Pay Awards 2024-25	£633,000	-	-	-	£82,681,199
November	Executive & Senior Management Pay Award 2024-25	£10,954	-	-	-	£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
January	Pre-reg Trainee Pharmacy Tech -correction to PC-GPP-PCR-002	-	£14,544	-	-	£82,779,467
January	Phased Investment Programme - Tranche Two	-	£115,404	-	-	£82,894,871
January	GMS Uplift	£341,357	-	-	-	£83,236,228
February	GSUM contribution	-	-	(£22,628)	-	£83,213,600
February	Young Patients Family	-	£82,444	-	-	£83,296,044
February	AfC Reform Costs	-	£143,889	-	-	£83,439,933
February	Distant Island Allowance	£1,290,816	-	-	-	£84,730,749
February	Scottish National Radiology Reporters Service Top Slice 24-25	-	(£3,781)	-	-	£84,726,968
February	24-25 Pay Adjustment	£285,314	-	-	-	£87,182,882

Month	Narrative	Baseline	Non-recurring	Earmarked	AME	Net Running Total
February	Junior Doctors 24-25 Pay Award	£118,840	-	-	-	£87,301,722
February	SAS 24-25 Pay Award	£35,764	-	-	-	£87,337,486

Finance Table Summary for reporting to Board and governance committees

Financial Statement 2024-25 as at Month 11	Value (£m)	Commentary
<i>Board's overall original approved initial budget plan summary for 2024-25 per ADP</i>		
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.
Savings Target In-Year: Recurring	-£1.9	Based upon planning assumptions in March 2024 per ADP.
Savings Target In-Year: Non Recurring	-£2.6	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.
Year to Date Overall Actuals as at Month 11	Value (£m)	Commentary
Gross Income	(£81.6)	See appendix A for split, total income expected has increased by £1.8m due to additional funding linked to pay costs.
Gross Expenditure	£82.6	Expenditure in month 12 includes arrears of pay cost due to staff engaged on Medical and Dental terms and conditions.
Deficit	(£1.0)	Deficit has reduced by £1.1m. Principally due to allocation to fund historic gap between Distant Island Allowance cost and allocation.
Savings year to date month 11, February 2025	Value (£m)	Commentary
Recurring	£0.5	
Non Recurring	£2.8	Principal source staff vacancies, £1.8m.
Recurring gap still to fund	£1.4	
Non Recurring gap still to fund	£0.0	Non-recurring savings are currently £0.2 above the target set.
Additional Income	£1.3m	In 2024-25 the gap in recurring savings is being offset by the additional funding received that was not in the original plan in respect addressing the historic Distant Island Allowance gap.

Finance Table Summary for reporting to Board and governance committees

Financial Statement 2024-25 as at Month 11	Value (£m)	Commentary
Year-end forecast out-turn		
Gross revenue from Scottish Government and other sources	£91.1	Total revenue for 2024-25 including expected capital to revenue funding for part of capital plan.
Gross total overall revenue expenditure	£91.1	Projected core costs based upon historic pattern plus estimated revenue costs arising from capital expenditure
Year-end outturn surplus/deficit	£0.0	
2024-25 AOP – Predicted Future Savings Gap		
	Recurring	Non-Recurring
Please note assumes 2024-25 plan is delivered	(£m)	(£m)
2025-26	£1.9	£0.9
2026-27	£1.9	£1.5
Overall Total	£3.8	£2.4