

Appendix B: An analysis of the variances on the mainstream budget is detailed below:

a Community Health Services (Position - £38,000 underspend)

Major Variances:

(539,000) Across non-pay budgets
(339,000) Over recovery on income
840,000 Staff Costs

Staffing costs projected overspend due to unfunded savings target offset by underspends in Allied Health Professions (AHPs) and Nursing.

This is augmented by an over recovery on income. Non pay is largely due to Property costs and Equipment costs. All savings targets are now realigned to one budget code within community. Income mainly relates to primary care and AHPs.

b Hosted Services (Position £292,000 overspend)

The Hosted Services are reporting an overspend across Grampian.

Intermediate Care - City led: Has an overspend position in city despite an allocation of additional funding. The Grampian Wide service has an overspend position due to locum costs, bank nursing as a result of one to one care and sick leave.

Grampian Medical Emergency Department (GMED) - Moray led: Has an underspend position as this was allocated additional IJB funding. Relates mainly to pay costs and the move to provide a safer more reliable service which has been a greater uptake of shifts across the service. Non-pay overspend due to repair costs not covered by insurance, increased costs on software and hardware support costs, increased usage of medical surgical supplies and an increase in drug costs.

Hosted services are led by one Integrated Joint Boards (IJB), however, the costs are split according to the projected usage of the service across the three IJBs. Decisions required to bring any budget back into balance may need to be discussed with the three IJBs, due to the impact on service delivery.

c Learning Disabilities (Position - £3,023,000 overspend)

Council: £2,984,000 overspent on commissioned services, due to an increase in client demand and the effect of the 6% uplift agreed on National Care Home Contract (NCHC), the Medium Term Financial Framework (MTFF) had projected 3% and had predicted that additional funding would follow the final agreement. £346,000 overspent on staffing, as service is almost fully staffed and a 6% pay award was confirmed and paid in December 2023. The 23/24 MTFF had a budget assumption of a 2% pay increase. £78,000 overspent on supplies & services and £20,000 of other various small overspends across the service. Partially offset by £325,000 over recovery on income, mainly on client receipts.

NHS: Various small underspends across the service that total £80,000.

d Mental Health & Addictions (Position - £836,000 overspend)

Council: £642,000 overspent on commissioned services, due to an increase in client demand and the effect of the 6% uplift agreed on NCHC, the MTFF had projected 3% and £25,000 of other various small overspends across the service.

NHS: £169,000 over due to various small overspends across the service.

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e Older People & Physical and Sensory Disabilities (Position £3,566,000 overspend)

Council: £5,810,000 overspend on commissioned services, as with the overspend on Learning Disabilities and Mental Health, this was due to an increase in client demand and the effect of the 6% nationally agreed uplift on the NCHC rate, again, the MTFF had projected 3%. £2,814,000 of this overspend is due to the Scottish Government reclaiming an overprovision on the Covid Supplier Sustainability payments. £792,000 overspent on unanticipated property costs, mainly due to a late and back-dated multi-year charge from Aberdeen City Council for a property. These overspends were partially offset by £89,000 underspend on supplies & services and £203,000 over recovery of income as 2 new financial assessment officers have now started dealing with the backlog of client assessments.

f Directorate (Position - £215,000 underspend)

Council: £147,000 underspend on supplies & services, mainly as the IJB's contribution to D365 licencing was lower than expected. £102,000 underspend on staffing due to vacancies. Offset by £34,000 various small overspends across the service.

g Primary Care Prescribing (Position – £1,783,000 overspend)

The year end position for 22/23 included an under accrual of £570,000 which impacts on position for 23/24. *(March 2023 was the greatest monthly spend recorded for Prescribing in NHSGrampian in 22/23)*

For April 23 to January 24, the actual number of items prescribed continued to increase and is 3.87% greater than the same period in 22/23. *(The total number of items for NHSG may still exceed 10.54 million in 23/24)* This is coupled with estimated average item price of £11.42/item. For comparison, the average item price in April 22 after Tariff reduction was £10.62.

NHS Scotland Practitioner Services transferred to a new IT system for processing scripts in 23/24. This new Data Capture Validation and Pricing system, (nDCVP), went live on 1st July 2023, and the impact of unexpected technical challenges have been addressed and data release brought up to expected levels with a two-month accrual required.

The position for February 24 to March 24 includes estimated increase in volume using local derived intelligence and national forms & items information in relation to the number of paid items at assumed price. The price estimate has been revised to an estimated £11.42/item from January 24 using December 23 actual value.

During the 23/24 budget setting process, Prescribing received an uplift of £4.5m (11%). The final overspend is over and above that uplift.

h Primary Care Services (Position - £1,329,000 underspend)

The GP contract uplift for 2023/24 was concluded in 2023 and high-level allocation information was received. Final detailed allocation information has been affirmed in February 24 after queries from Boards nationally. Detailed delegation to budgets have been applied and an overall underspend position for Global Sum is continuing and reflected in the current levels of payment made to practices.

The cost pressure on enhanced services still remains consistent following review of diabetes enhanced service where performance thresholds were recalculated, and attainment improved creating increased payment.

The estimated premises position has an increased underspent following earlier budget realignment for 23/24 within Aberdeen City and Shire and a further budget allocation from Aberdeen City

Board Administered funds remain underspend to M12 reflecting the pattern of current expenditure. This includes seniority payments alongside sickness and maternity claims received to M12.

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i Out of Area Treatments (Position - £753,000 overspend)

The final outturn has improved from previous forecasts. This is mainly due to updated arrangements for a placement in England and improvements in the additional nursing and pricing estimates. This pressure was addressed specifically in the 24/25 MTF by a budget allocation of £1,000,000 for one year only, to allow for the review of all packages to be undertaken

j City Vaccinations (Position - £13,000 underspend)

Council: £21,000 underspent on staffing as there has been a slight reduction in hours worked at the centre by Council staff.

NHS: Various small overspend across multiple budgets that total £8,000

k Strategy & Transformation (Position - £173,000 underspend).

Council: £133,000 underspent on Carers Support, mostly development. Offset by £15,000 overspend on staffing because a 6% pay award was agreed in December 2023 and £16,000 overspent on training courses.

NHS: £70,000 underspend due to vacancies as the transformation team is now fully funded.

l Uplift Funding (Position - £505,000 underspend)

Unallocated funding remaining to off-set the overall out-turn position.