

# REPORT

Financial update

Edinburgh Integration Joint Board

20 August 2024

## Executive Summary

This report shares the initial financial monitoring information for 2024/25. It indicates a projected year end overspend of £20.5m, largely driven by slippage in delivery of savings schemes. It should be noted however that the baseline position shows an improvement from the medium-term financial strategy. Specifically, the controls introduced by the Chief Officer to manage growth are proving effective.

To address the projected overspend the Chief Officer instructed work to identify options to close the gap. This included a review of delivery of all projects in the savings and recovery programme. As a result, the senior responsible officers for each of the underperforming schemes have been given amended targets. This, coupled with increased controls over key costs, and an assumed additional allocation from NHS Lothian to meet the gap in set aside services, would bring the position closer to balance. This residual amount will be delivered via the managing demand workstream. Delivery will be closely monitored via the savings governance board. Risks will be effectively escalated and potential mitigations identified via this route.

Should this approach not be successful in increasing savings delivery the Chief Officer will present further options to the Integration Joint Board. It is extremely likely that this will lead to further reductions in service delivery and an associated deterioration in performance.



**Recommendations**

It is recommended that the Integration Joint Board notes:

- a. the financial projections for 2024/25;
- b. the plans to recover the position in year by the introduction of additional controls and driving delivery of the savings and recovery programme; and
- c. that these measures will be closely monitored.

**Directions**

Direction to City of Edinburgh Council, NHS Lothian or both organisations	No direction required	✓
	Issue a direction to City of Edinburgh Council	
	Issue a direction to NHS Lothian	
	Issue a direction to City of Edinburgh Council & NHS Lothian	

**Main Report**

**Background**

1. The financial position facing the Integration Joint Board (IJB) is well rehearsed, featuring a number of complex inter-related factors. This is not unique to Edinburgh with public services across Scotland and the UK facing similarly significant financial challenges. The draft medium term financial strategy (MTFS) agreed by the board in March 2024 recognised the influence this would have over the lifespan of the new strategic plan, impacting on delivery of our strategic priorities and testing our resilience. Both the draft strategic plan and MTFS attempt to balance our priorities for service change and improvement with financial sustainability. These goals are not necessarily congruent and, at times, will require decisions which challenge us all.
2. Like all financial plans, the draft MTFS sets out financial projections based on the best information available at the point in time it is published. At the time of publication in March 2024, the draft MTFS identified a savings requirement of £60m for 2024/25, rising to £109m by 2026/27. In June 2024, the IJB received an



updated MTFS which incorporated a number of amendments to the original assumptions. The combined impact of these changes is that the £60m gap for 2024/25 **reduced** to **£55m**. It should be noted though that this does not mean that the savings requirement for the year has reduced.

3. This report is the first opportunity for the board to review financial performance against the assumptions set out in the MTFS. As such, it indicates how well, or otherwise we are meeting our financial targets.

### Overview

4. In line with the integration scheme, the IJB “directs” budgets back to our partner organisations who provide the associated services. Most of these services are delivered through the Edinburgh Health and Social Care Partnership (EHSCP), with the balance being managed by NHS Lothian under the strategic direction of the IJB. Management of financial performance is undertaken through the governance arrangements in the 2 partner organisations and the EHSCP.
5. Budget monitoring is undertaken by the finance teams within the Council and NHS Lothian who have responsibility for working with budget holders to prepare information on financial performance. Both partners provide the required information on operational budget performance from their respective financial systems, under the co-ordination of the IJB Chief Finance Officer, to provide reports to the board on delegated health and social care services.



6. The information in this report is based on the quarter 1 (June 2024) monitoring reports from the Council and NHS Lothian. It shows a projected year end overspend of £20.5m, as summarised in table 1 below.

	Annual Budget £k	Year end forecast £k	Forecast variance £k
NHS services			
Core	324,459	324,427	32
Hosted	93,407	92,808	599
Set aside	94,966	98,877	(3,911)
<b>Sub total NHS services</b>	<b>512,832</b>	<b>516,112</b>	<b>(3,280)</b>
<b>CEC services</b>	<b>326,654</b>	<b>343,845</b>	<b>(17,192)</b>
<b>Total</b>	<b>839,485</b>	<b>859,957</b>	<b>(20,472)</b>

Table 1: projected financial position for delegated services

7. There are 2 elements to these projections:
- a. 'baseline' position (ie performance against the assumptions built into the MTFS); and
  - b. savings position (the extent to which we are achieving our agreed savings targets).
8. We are reporting an improvement over the baseline position set out in the MTFS, reflecting the increased control measures introduced to manage social care demand and the impact on the IJB of an improvement in the NHS Lothian financial plan position. Both these issues are discussed in the sections below.
9. Offsetting this however is a shortfall on the level of savings required, with slippage identified in a number of the individual schemes. This is also discussed later in the paper.

### Services delivered by NHS Lothian

10. Delegated health services are forecasting a £3.3m overspend for the year. This is an improvement on the position reflected in the MTFS and reflects the work undertaken by colleagues in NHS Lothian to address their budgetary gap. In response to the significant 2024/25 financial plan challenge facing the health



budgets, NHS Lothian established a programme of executive led workstreams to drive cost reduction across all areas of the organisation. These have considered short term 'pause and assess' measures and also longer-term choices to support financial sustainability. At quarter 1 a number of workstreams have generated a financial benefit as a result of their early work. Where these impact on delegated functions a proportion of the financial benefit has been allocated to IJBs to support the collective efforts to deliver financial balance in 2024/25. Overall, the financial impact of these actions has improved the NHS Lothian year end forecast for delegated services by £5.4m, £3.1m of which has been allocated to Edinburgh. It should be noted that these are one off measures and the underlying financial challenge remains.

11. In addition, the underlying drivers remain as previously reported to the board, namely:

Core health services - operationally managed by the EHSCP

12. Reporting an overall break-even position. Prescribing remains one of the major financial pressures in core services with a projected year-end overspend of £3.4m. Cumulative volumes across Lothian for the year so far are 2.9% higher than last year, although it is too early in the year to assume if this will be the level of growth for 2024/25. NHS Lothian continues to experience growth in prescribing volumes of 4% year on year as the population grows.
13. The other significant financial issue impacting core services is in general medical services (GMS) where locum cover for maternity leave and sickness are driving costs.
14. Vacancies across a number of services and professions (mainly nursing and therapies) are offsetting these pressures financially.

Share of pan Lothian hosted services - the element of services ran on a pan Lothian basis and delegated to the IJB. The majority of these services are operationally managed out with EHSCP.

15. Overall hosted services are projecting a small underspend of 1% or £0.6m. As with core services, vacancies are a key factor in the financial position especially across



rehab medicine, sexual health, oral health and substance misuse where the establishment gaps for nursing and allied health professionals (AHPs) combined remains high.

16. The financial benefit caused by these vacant posts is offset by a range of pressures (mainly in mental health, primary care and psychology). Mental health services delivered in the Royal Edinburgh Hospital have experienced high levels of occupancy and increased acuity, leading to increased costs. To some extent this has been offset by an underspend on out of area placements (UNPACs) is this acute unplanned activity? where increased numbers have been repatriated to Edinburgh. The primary care pressure mainly relates to community continence services where there has been a sharp increase in prices linked to a new national contract.

Share of acute set aside services - the IJB's share of acute hospital services which although delegated, are operationally managed by NHS Lothian.

17. Financial pressures in set aside services remain a key determinant of the IJB's financial position. The current forecast projects an overspend of £3.9m (4%). The key contributor is general medicine services (£2.1m) due to continued use of supplementary staffing and staff in post being higher than budgeted levels.

### **Services delivered by the City of Edinburgh Council**

18. Delegated social care services are forecasting a £17.2m overspend for the year. The year end projections are based on the information available for the first 3 months of the year and, as such, will continue to be refined. The following assumptions have been used to produce the forecast:
  - a. Purchasing projections are based on current expenditure commitments and the first 3 months of data. The forecast therefore represents an “as-is” position.
  - b. An estimate has been included to reflect the time delay currently being experienced in adding provisions to the SWIFT system. There is a risk that that this has been under or over estimated. The data in question will be available for the next iteration of the forecast.



- c. No allowance has been made for purchasing *net* growth.
  - d. The financial impact of the closure of Braid Hills nursing home has been assessed at £0.6m. However, this has absorbed the capacity in the system that would have been used to manage normal growth and there is a risk that the purchase of further beds will either bring increased financial pressure and/or be unaffordable. Thus, the overall impact of the closure is likely to exceed this amount.
  - e. Savings delivered to date of £8.9m have been included plus those assessed by the finance team as having a high degree of confidence in delivery (£3.1m). This will continue to be closely monitored via the Savings Governance Board.
19. As such, continued delivery of planned savings in addition to keeping net growth flat as part of the managing demand savings workstream are the main levers to achieving a balanced position.
20. Overall, the forecast year end overspend of £17.2m reflects slippage in the delivery on some schemes in the savings and recovery programme. To some extent this has been mitigated by the control measures and practice changes introduced at the start of 2024 being successful in limiting growth.
21. Other factors influencing the financial position are set out below.

#### *Employees*

22. Underspend of £1.5m due to previously reported recruitment challenges. These are mainly in disability services, but also assessment and care management and homecare and reablement teams. It should also be noted that this level of vacancy is above that assumed in the MTFS.

#### *Purchasing*

23. Currently a year end overspend of £17.0m is projected. As discussed above, this reflects the impact of slippage in savings delivery offsetting growth below projections. This is discussed in more detail in the sections below.



## Savings and recovery programme

24. The savings and recovery programme (SRP) was developed as part of the MTFS, which aims to provide a structured approach to reaching financial balance and sustainability through delivery of a multi-year programme of change and efficiency. The 2024/25 programme has an ambitious in-year target of £47.85 million to be delivered via 25 projects. Governance of the 2024/25 SRP has been revised to ensure a clear focus on savings delivery is maintained throughout the year, with a revitalised savings governance board established. This board, chaired by the Chief Officer, will scrutinise progress against implementation plans, ensure financial savings are on track and act as point of escalation for any barriers or risks.
25. At the July meeting of the savings governance board it was reported that £11m million (22%) had been delivered as of the end of June 2024. 13 of the 25 projects are currently on track and delivering against target in line with expectations. These projects represent a projected saving of £20.9 m or 44% of the total. Confidence in delivery remains high, however, given both the scale of this year's savings programme and the early stage of the financial year, this is still subject to change. The remaining 12 projects have identified potential issues with delivery and work is underway to rescope alternative savings where appropriate. However, four of these projects have already delivered some savings in the first quarter, with further savings anticipated, and a further four are expected to realise savings in quarter 2 and beyond. All senior responsible officers (SRO) have been asked to review their portfolios to ensure that any savings at risk can be replaced with alternatives. Nevertheless, limited assurance can be given at this stage that all of these projects will deliver in full. The RAG status used to evaluate project and financial progress is provided in Appendix 3.

## Recovery plan

26. The integration scheme sets out the action which should be taken when the Chief Finance Officer is unable to provide assurance of financial breakeven. Accordingly, the Chief Officer has instigated the work to prepare a recovery plan.





27. Overall the position can be summarised as £17.2m of projected shortfall on the SRP plus the balance on hosted and set aside services (£3.3m). This is summarised in appendix 4.
28. Through the savings governance board escalation process the Chief Officer has commissioned an urgent review of implementation and delivery plans. As part of this process, SROs have been challenged to identify the actions required to deliver the agreed programme. Based on these responses the Chief Finance Officer has assessed likely delivery. Reflecting the level of detail currently available, a minimum and maximum projection has been identified for each scheme. Projects which are currently on target have also been reviewed with one (gross funding) identified as likely to over deliver. This exercise has identified that, with the exception of managing demand, further savings of between £4.1m and £8.1m (see appendix 5).
29. Additional savings options beyond the current savings plan are also underway including a further review of all non-statutory commissioned arrangements led by the Service Director – Strategic Planning. Further savings options associated with the HSCP re structure and critical staffing arrangements are also underway.



30. The reassessment of savings projections, aligned with increased controls over workforce and discretionary spend would reduce the projected overspend to between £8.6m and £12.8m. This balance would require to be delivered through the reinvigorated managing demand workstream. Given the review team’s performance to date, this assumption is not without risk. However, recent data indicates that the productivity of the team has gradually increased and the Service Director – Strategic Planning has introduced a range of measures to closely monitor ongoing performance. Given the importance of this workstream, corrective action will be required to address any deviation from targets. A summary of the position is given in table 2 below:

	Forecast	
	Low £m	High £m
Projected year end position	(20.5)	(20.5)
Potential additional savings delivery	4.1	8.1
Assumed additional NHS contribution	3.3	3.3
<b><u>Additional measures</u></b>		
Discretionary spend	0.1	0.1
Workforce additional controls	0.2	0.4
<b>Sub total</b>	<b>(12.8)</b>	<b>(8.6)</b>
Managing demand - revised target	12.8	8.6
<b>Total</b>	<b>0.0</b>	<b>0.0</b>

Table 2: achieving in year financial balance

31. Over the coming weeks the estimates included above will be challenged and refined and the board updated accordingly.

## Strategic priorities

Strategic Priorities		Key points within report that address strategic priorities
Prevention and Early Intervention		
Tackling Inequalities		
Person Centred Care		
Managing our resources effectively	✓	As set out in this paper, financial targets have been achieved for 2023/24
Making best use of capacity across the system		
Right care, right place, right time		



## National health and wellbeing outcomes

Please note which national performance indicator your report aligns to		
1. People are able to look after and improve their own health and wellbeing and live in good health for longer.		
2. People, including those with disabilities or long-term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.		
3. People who use health and social care services have positive experiences of those services, and have their dignity respected.		
4. Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.	9. Resources are used effectively and efficiently in the provision of health and social care services.	✓
5. Health and social care services contribute to reducing health inequalities.		
	6. People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and well-being.	
	7. People who use health and social care services are safe from harm.	
	8. People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care, and treatment they provide.	

## Implications for Edinburgh Integration Joint Board

### Financial

32. Are outlined in the main body of this report.

**Risk, legal, policy, compliance, governance, and community impact**

33. Given the scale of savings there is an acknowledgment that this will impact on service delivery and add pressures on the ability of the Council and NHS Lothian to deliver all their statutory duties. Through the EHSCP, current governance arrangements have been reviewed and routine dialogue with Edinburgh Chief Social Work Officer (CSWO) on these matters will remain a key priority. The commencement of a social work governance board will provide additional rigour, augment IJB governance structures and will monitor these concerns and risks accordingly. The Chief Officer has recently commissioned work on the projected costs of providing statutory duties aligned to increased demand and population growth. The scale of the savings will also require more rigour around cost implications of policy, practice, legislative changes with greater focus on delivering core delegated services.
34. Whilst the 'baseline' position has improved from the MTFs, there is a major risk associated with delivery of the refreshed savings plan. This will be closely monitored and, if required, further actions will be considered and presented to the board for approval.

**Equality and Poverty Impact**

35. Due to the scale of savings there must be an acknowledgement that the IJB is required to focus on core services in order to achieve financial stability. The cost-of-living crisis, housing crisis, increasing demand and population growth are placing pressures on the whole system with a risk that these matters will exacerbate poverty, deprivation and health inequalities that often underpin addiction, mental health and the wider context of adult protection. Funding is not commensurate with projected demand and in this regard there remains a risk that the impact of these issues will continue to escalate.

**Environment, climate, and sustainability impacts**

36. There are no specific implications arising from the content of this report.



## Quality of care

37. The Chief Officer and the wider EHSCP team will continue to work closely with the Care Inspectorate and Mental Welfare Commission in response to highly critical inspection reports during 2023/2024. Any implication upon the quality of care in response to such significant savings targets will require close monitoring and overseen by respective governance arrangements.

## Consultation

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38. Work remains underway with the EHSCP workforce, key stakeholders, third and independent sector partners, Council and NHS Lothian senior management teams in response to the agreed savings plans programme. This work will extend further and ongoing communications with the citizens of Edinburgh will also remain a key priority ensuring greater awareness of the necessary changes that will be required to achieve longer term financial sustainability.

## Report Author

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## Background reading/external references

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None

## Appendices

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| Appendix 1 | Financial forecast for NHS delegated services                        |
| Appendix 2 | Financial forecast for Council delegated services                    |
| Appendix 3 | Savings and recovery programme - progress and saving RAG evaluation. |
| Appendix 4 | Summary of projected overspend                                       |
| Appendix 5 | Savings and recovery programme – revised projections                 |

## FINANCIAL FORECAST FOR NHS Lothian Delegated Services

	Annual Budget £k	Year end forecast £k	Forecast variance	
			£k	%
<b>Core services</b>				
Community equipment	2,887	2,866	21	1%
Community hospitals	15,814	14,698	1,116	7%
District nursing	15,593	14,438	1,155	7%
General medicine	1,159	798	361	31%
Geriatric medicine	7,142	6,799	343	5%
GMS	89,456	91,336	(1,880)	-2%
Learning disabilities	2,171	1,660	511	24%
Mental health	12,147	11,237	910	7%
Other	750	775	(25)	-3%
Pharmacy	6,383	6,202	181	3%
Prescribing	83,321	86,752	(3,431)	-4%
Primary care	3,507	3,144	362	10%
Primary care management	8,887	9,327	(440)	-5%
Reserves	(1,989)	(1,989)	0	0%
Resource transfer	57,083	57,083	0	0%
Substance misuse	4,801	4,852	(51)	-1%
Therapy services	15,346	14,449	897	6%
<b>Sub total core</b>	<b>324,459</b>	<b>324,427</b>	<b>32</b>	<b>0%</b>
<b>Hosted services</b>				
Complex care	1,005	902	103	10%
GMS	(3,214)	(2,627)	(588)	18%
Hospices & palliative care	2,971	2,945	26	1%
Learning disabilities	7,330	6,978	351	5%
Lothian unscheduled care	7,797	7,599	197	3%
Mental health	35,669	36,616	(946)	-3%
Oral health	5,462	5,061	401	7%
Other	367	858	(491)	-134%
Primary care	3,333	3,706	(373)	-11%
Psychology services	6,036	6,003	33	1%
Public health	1,035	942	94	9%
Rehabilitation medicine	5,296	4,956	340	6%
Sexual health	4,907	4,562	346	7%
Substance misuse	2,398	2,174	224	9%
Therapies	9,267	8,956	311	3%
UNPAC	3,746	3,176	570	15%
<b>Sub total hosted</b>	<b>93,407</b>	<b>92,808</b>	<b>599</b>	<b>1%</b>
<b>Set aside services</b>				
Acute management	4,995	3,674	1,322	26%
Diabetes & endocrinology	3,033	3,847	(813)	-27%
ED & minor injuries	12,899	13,281	(382)	-3%
General medicine	32,914	34,993	(2,079)	-6%
Geriatric medicine	19,284	19,963	(679)	-4%
Other	1,208	871	338	28%
Rehabilitation medicine	2,036	2,421	(384)	-19%

## FINANCIAL FORECAST FOR NHS Lothian Delegated Services

Respiratory medicine	7,724	8,211	(487)	-6%
Therapy services	10,871	11,616	(745)	-7%
<b>Sub total set aside</b>	<b>94,966</b>	<b>98,877</b>	<b>(3,911)</b>	<b>-4%</b>
<b>Total</b>	<b>512,832</b>	<b>516,112</b>	<b>(3,280)</b>	<b>-1%</b>



## FINANCIAL FORECAST FOR CITY OF EDINBURGH COUNCIL DELEGATED SERVICES

	Annual Budget £k	Year end forecast £k	Forecast variance	
			£k	%
<b>Internal services and income</b>				
Employee costs	104,829	103,311	1,518	1%
Premises costs	1,387	1,473	(86)	-6%
Transport costs	3,689	4,465	(776)	-21%
Supplies, services and transfer payments	12,005	12,351	(346)	-3%
Grants, funding and cost recovery	(90,470)	(90,818)	349	0%
Income	(26,809)	(25,918)	(892)	3%
<b>Sub total</b>	<b>4,631</b>	<b>4,865</b>	<b>(234)</b>	<b>-5%</b>
<b>Purchasing</b>				
Residential and FPNC	98,691	97,349	1,342	1%
Day care and care at home	136,341	147,907	(11,566)	-8%
Direct payments and ISF	46,595	53,169	(6,574)	-14%
Grants and block contracts	30,472	30,504	(32)	0%
Other	9,924	10,052	(128)	-1%
<b>Sub total</b>	<b>322,023</b>	<b>338,981</b>	<b>(16,958)</b>	<b>-5%</b>
<b>Net position</b>	<b>326,654</b>	<b>343,845</b>	<b>(17,192)</b>	<b>-5%</b>

## SAVINGS AND RECOVERY PROGRAMME - PROGRESS AND SAVING RAG EVALUATION

	SAVINGS PROJECT: Project Name	24/25 Savings Target (£M)	YTD Total	Progress RAG	Savings RAG	Progress update to end June 2024
1	Older People's Pathways: Negotiation	£1.25	£0	6	0	Reviews of high cost placements in one care home were undertaken and show potential for renegotiation to a standard fee. However, progress has been delayed by lack of available resource to carry out these negotiations.
2	Interface with hospital	£0.29	£0.015	6	1	Original modelling of savings from reviews has been revised, however, confidence remains high that this saving can be achieved.
3	Supplementary staffing	£1.00	£0.08	7	1	£82k has been achieved so far via savings on agency spend. The saving relies on achieving a 14% reduction overall throughout the year across agency use, bank spend and overtime.
4	Maximising income	£0.75	£0	3	0	Work is still ongoing to scope this saving, with a potential saving of £350k identified for ratification. Measures have been introduced to increase grip and control of client contributions and modelling is underway to measure the impact of these changes.
5	Hosted and set aside	£2.8	£0.33	7	1	The target is made up of 49 individual schemes across Hosted and Set Aside services. Confidence remains that the project will deliver on target by year-end.
6	Spot purchase grip and control	£2.00	£0.94	7	4	Workstreams to deliver the full saving have been identified and potential for additional savings is currently being scoped. Confidence is high that the saving will be delivered.
7	Prescribing	£6.00	£1.62	6	2	This project consists of £3.4M from the Prescribing Efficiency Plan and £2.6M savings from Apixaban. Progress is on track with 27% of the target delivered at the end of Q1.
8	Primary Care	£0.44	£0.16	7	3	Savings have been realised from reduction of bank usage in 2c practices. Project is on track with 36% of target delivered at the end of Q1.
9	One Edinburgh	£3.00	£0	2	0	Training and engagement are on hold temporarily. A workshop has been scheduled to confirm the strategic direction of this work and to redefine timelines and achievable savings.

## SAVINGS AND RECOVERY PROGRAMME - PROGRESS AND SAVING RAG EVALUATION

	SAVINGS PROJECT: Project Name	24/25 Savings Target (£M)	YTD Total	Progress RAG	Savings RAG	Progress update to end June 2024
10	Optimisation of SDS	£0.75	£0	5	0	This project remains on track, however, savings are not projected to be delivered until Jan/Feb 25. Progress so far is good.
11	Gross funding	£1.00	£0.31	6	3	Progress is good with 31% of savings delivered at the end of Q1.
12	Organisational Structure Review	£1.00	£0	7	0	Phase 1 is proceeding on plan with savings from this phase likely to be confirmed in August. Phase 2 savings are yet to be modelled.
13	Community transport	£0.75	£0	2	0	Workstreams to realise £180k have been scoped so far and work is underway to identify alternative savings.
14	Decommissioning Interim Beds	£1.6	£1.5	7	8	This project formed part of the 23/24 SRP and 91% was delivered in that year. The savings target for 24/25 represents the full-year impact of that saving, with one individual remaining in an interim placement.
15	Managing New and Existing Demand	£13.4	£3.64	1	2	Savings to date consist of the full-year impact of reviews carried out in 23/24 and the in-year effect of reviews completed since April. However, issues have been identified with the pace of the reviews programme and measures are currently being taken to address this. Work is underway to quantify savings from managing incoming demand.
16	Older People's Pathways: Reviews	£1.00	£0	6	0	
17	Working Age Adults	£3.46	£1.4	6	4	Progress to date has been good with 40% of savings delivered at the end of Q1. Confidence remains high that savings can be achieved.
18	Older people day support and respite	£0.23	£0	7	0	This saving will be realised in full in July 24. The project will then focus on respite provision.
19	Be Able	£0.35	£0	7	0	This project remains on track with the service to be decommissioned by October and savings to be realised from that date.
20	Mental Health Pathways	£0.7	£0.09	5	1	This project consists of a reviews workstream and a commissioning element. The first is on track to deliver the associated saving, but work is underway to rescope the second and ensure that savings can be achieved in-year or alternatives found.

## SAVINGS AND RECOVERY PROGRAMME - PROGRESS AND SAVING RAG EVALUATION

SAVINGS PROJECT: Project Name		24/25 Savings Target (£M)	YTD Total	Progress RAG	Savings RAG	Progress update to end June 2024
21	Balancing the care home estate	£0.20	£0.20	7	8	Savings delivered in full and project well underway and on track. This project will be monitored to ensure all project goals achieved.
22	Early Intervention and Prevention	£1.4	£0	6	0	£1.1M of the saving will be realised in July, including £0.11M delivered via Older People's contracts. Work is underway to identify options for the remaining £0.3M.
23	EIJB investment in the Alcohol and Drug Partnership	£0.46	£0.46	8	8	This saving has been delivered in full. Work is underway to scope options for savings in 25/26.
24	Community equipment	£0.75	£0.10	4	1	A saving of £100k has been delivered by the end of Q1 via increased recycling and refurbishment of high value items. Increased grip and control measures to restrict ordering are now in place and will be monitored to ensure the full saving can be delivered.
25	Budget control measures	£2.77	£0	2	0	
<b>TOTAL</b>		<b>£47.85</b>	<b>£11.51</b>			

## SUMMARY OF PROJECTED OVERSPEND

PROJECTED  
YEAR END  
POSITION

£m

**Savings not yet delivered**

<b><i>Purchasing</i></b>	
OP pathways negotiations	1.3
OP pathways reviews	1.0
Working-age adults' pathways	2.1
Spot purchase grip and control	1.0
One Edinburgh	3.0
SDS Optimisation	0.8
MH pathways	0.7
Managing demand	3.7
<b><i>Other</i></b>	
Transport grip and control	0.8
Interface with hospital	0.3
Supplementary staffing	0.1
Maximising income	0.8
Organisational structure review	0.6
Be Able	0.1
Community equipment	0.6
Early intervention and prevention	0.3
<b>Sub-total</b>	<b>17.2</b>

**NHS hosted/set aside**

Projected overspend	3.3
<b>Total</b>	<b>20.5</b>

## SAVINGS AND RECOVERY PROGRAMME – REVISED PROJECTIONS

	TARGET £m	REVISED FORECAST Low High £m £m	
<b><i>Purchasing</i></b>			
OP pathways negotiations	1.3	0.2	0.5
OP pathways reviews	1.0	0.1	0.2
Working-age adults' pathways	2.1	0.2	0.5
Spot purchase grip and control	1.0	0.7	1.0
One Edinburgh	3.0	0.2	0.5
SDS Optimisation	0.8	0.5	0.8
MH pathways	0.7	0.4	0.7
Gross funding (increased target)		0.5	1.0
<b><i>Other</i></b>			
Transport grip and control	0.8	0.2	0.5
Interface with hospital	0.3	0.3	0.5
Supplementary staffing	0.1	0.1	0.5
Maximising income	0.8	0.5	0.8
Organisational structure review	0.6	0	0.2
Be Able	0.1	0	0
Community equipment	0.6	0.1	0.2
Early intervention and prevention	0.3	0.1	0.2
<b>Total</b>	<b>13.5</b>	<b>4.1</b>	<b>8.1</b>