

<b>NHS Greater Glasgow and Clyde</b>	<b>Paper No. 22/24</b>
<b>Meeting:</b>	<b>NHS Board Meeting</b>
<b>Meeting Date:</b>	<b>26 April 2022</b>
<b>Title:</b>	<b>Finance Report</b>
<b>Sponsoring Director:</b>	<b>Mark White, Director of Finance</b>
<b>Report Author:</b>	<b>Fiona McEwan, Assistant Director of Finance- Financial Planning and Performance</b>

## 1. Purpose

**The purpose of this report is to:** provide the Board with the Month 11 financial position, including the position of the Financial Improvement Programme (FIP) and the capital position.

The format of the report covers;

- i) Executive Summary
- ii) Covid-19 Summary
- iii) The Month 11 revenue position
- iv) The Month 11 FIP position and progress for 2022/23
- v) The Month 11 capital position
- vi) 2021/22 Projection
- vii) Conclusion

## 2. Executive Summary

**The paper can be summarised as follows:**

### ***Month 11 Position***

At 28th February 2022 the Board's financial ledger highlights an overspend of £2.9m. This is wholly attributable to unachieved savings of £9.5m, offset by underspends in pay and non-pay.

The direct Covid-19 expenditure for the 11 months of the year has been covered by the allocations received from Scottish Government.

The key impact of Covid-19 can be summarised as;

- Direct expenditure on remobilisation and delivery of services due to Covid-19 of £142.9m (£129.6m for the Board and £13.3m for the Health costs within the IJBs).
- Unachieved savings due to the focus and effort on Covid-19 delivery of £57.26m (£57.2m relates to the Board and £0.06m relates to the IJB's).

### **Financial Improvement Programme**

The Financial Improvement Programme has achieved £33.17m at 28<sup>th</sup> February 2022 against the £45.25m target, an increase of £1.5m on a recurring basis on the prior month. This represents 73.3% of the overall target achieved at Month 11.

To date there are 261 schemes currently delivering the £33.17m with another £0.8m due for delivery in the final month. There are 36 schemes that have been classified as potential projects which gives an estimated pipeline value £2.83m on a recurring basis. This remaining pipeline of projects are unlikely to delivery in the remaining month of the current financial year and will form part of the plans for 2022/23.

### **Year End Projection**

Current projections indicate financial break-even in year is likely, however the level of underlying recurring deficit is likely to have increased significantly. Addressing the recurring deficit will be a primary key objective of the 2022/23 Financial Pan.

### **Capital Position**

The current forecast core capital resources available to the Board for investment in 2021/22 is circa £98.8m. This is a slight increase on the £98m reported last month mainly due to an additional £0.8m of funding being received from Scottish Government and an increase in revenue to capital transfer relating to equipment purchases.

The Board is predicting the Capital Resource Limit will be achieved at the 31<sup>st</sup> March 2022.

## **3. Recommendations**

The Board is asked to consider the following recommendations:

- i) Note the Covid-19 spend;
- ii) Note the revenue position at Month 11;
- iii) Note the Month 11 position with the FIP and progress for 2022/23.
- iv) Note the capital position at Month 11; and
- v) Note the projected revenue and capital position at 31 March 2022.

## **4. Response Required**

This paper is presented for **assurance**.

## 5. Impact Assessment

The impact of this paper on NHSGGC's corporate aims, approach to equality and diversity and environmental impact are assessed as follows:

- **Better Health**                      **Positive impact**
- **Better Care**                        **Positive impact**
- **Better Value**                       **Positive impact**
- **Better Workplace**                **Positive impact**
- **Equality & Diversity**              **Positive impact**
- **Environment**                        **Positive impact**

## 6. Engagement & Communications

The issues addressed in this paper were subject to the following engagement and communications activity:

- Presented and scrutinised by FP&P Committee and Corporate Management Team

## 7. Governance Route

This paper has been previously considered by the following groups as part of its development: As above.

## 8. Date Prepared & Issued

Prepared on: 19 April 2022  
Issued on: 19 April 2022

OFFICIAL SENSITIVE

***NHSGGC – Month 11 Finance Report  
Board  
April 2022(Paper 22/24)***



# Purpose and Format



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## **Purpose and Format of Report**

The purpose of this report is to provide the Board with the Month 11 financial position, including the position of the Financial Improvement Programme (FIP) and capital for 21/22.

The format of the report covers;

- i) Executive Summary (page 3)
- ii) Covid-19 Summary (pages 4-9)
- iii) The Month 11 revenue position (pages 10-14)
- iv) The Month 11 FIP position and progress for 22/23 (pages 15-16)
- v) The Month 11 capital position (pages 17-19)
- vi) 2021/22 Projection (pages 20-21)
- vii) Conclusion (pages 22-24)

Members are asked to ;

- i) Note the Covid-19 Summary position for 2021/22 and 2022/23;
- ii) Note the revenue position at Month 11;
- iii) Note the Month 11 position with the FIP.
- iv) Note the capital position at Month 11; and
- v) Note the projected revenue and capital position at 31 March 2022.

The full finance report for month 11 was discussed at the Finance, Planning and Performance Committee Meeting on the 5<sup>th</sup> of April.

## 2021/22 Current Position



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At 28th February 2022 the Board's financial ledger highlights an overspend of £2.9m. This is wholly attributable to unachieved savings of £9.5m offset by underspends in pay and non pay.

The direct Covid-19 expenditure for the 11 months of the year has been covered by the allocations already received from Scottish Government.

The key impact of Covid-19 can be summarised as;

- Direct expenditure on remobilisation and delivery of services due to Covid-19 of £142.9m (£129.6m for the Board and £13.3m for the Health costs within the IJBs).
- Unachieved savings due to the focus and effort on Covid-19 delivery of £57.26m (£57.2m relates to the Board and £0.06m relates to the IJB's)

For month 11 we have included non recurring savings relief of £57.2m.

On the 25<sup>th</sup> of February 2022 Scottish Government announced further (Scotland wide) Covid-19 funding of £981m for NHS Boards and Integration Authorities to meet Covid-19 costs and to support the continuing impact of the pandemic. The Board received a total allocation of £221.4m split £88.5m Health Board and £132.9m for IJB's. A further allocation was received in February 2022 that covers all Covid-19 costs for 2021/22. Details of the Covid 19 costs can be seen on the next slides.

The Quarter 3 return was submitted to Scottish Government on the 31<sup>st</sup> of January 2022, highlighting total costs for 2021/22 of £279.9m which is split £205.9 for the Board and £74m of costs for the IJB's.

It is imperative to note that given the current levels of Covid-19 and the pressures that the services are facing these costs may increase in the final month of the year.

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## ***Covid-19 Summary***

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## 2021/22 Quarter 3 Return



The Quarter 3 return that was submitted to Scottish Government on the 31<sup>st</sup> of January 2022 highlighting the actual Covid-19 costs for the first 9 months of the year and a forecast for the final quarter. A forecast was also provided of the recurring and non recurring costs expected for 2022/23.

The return highlighted total costs for 2021/22 of £279.9m which is split £205.9 for the Board and £74m of costs for the IJB's.

Detailed below is the total projection for NHS GG&C for 2021/22 in comparison to the prior quarter 2 return.

NHS GG&C	Qtr 2	Qtr 3	Movement
	£m	£m	£m
Board	202.4	205.9	3.5
IJB	82.2	74.0	(8.2)
<b>TOTAL</b>	<b>284.6</b>	<b>279.9</b>	<b>(4.7)</b>

The costs for the Board have increased by £3.5m which is mainly due to an increase in Covid-19 vaccination costs due to the further roll-out of boosters and an increase in additional staff costs and cleaning as a result of the Omicron variant.

The costs for the IJB's have decreased by £8.2m. The majority of this (£7.8m) relates mainly to costs that are now being covered by the winter planning funding. There has also been a reduction in sustainability provider payments and an increase in offsetting costs.

The following pages detail out the projected spend for 2021/22 and the forecasted spend for 2022/23.

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# Covid-19 Summary



## 2021/22 Quarter 3 Covid-19 Return- Board

Health Board	2021-22 Projected Total	2022-23 Non-Recurring	2022-23 Recurring	2022-23 Total
	£m	£m	£m	£m
Additional PPE	0.9	0.1	0.0	0.1
Contact Tracing	7.0	0.2	6.1	6.3
Testing	10.6	4.2	6.9	11.2
Covid-19 Vaccination	26.3	0.0	29.2	29.2
Flu Vaccination	9.7	0.0	9.9	9.9
Scale up of Public Health Measures	1.1	0.0	1.3	1.3
Additional Bed Capacity/Change in Usage	13.5	1.7	8.8	10.5
Additional Infection Prevention and Control Costs	19.6	4.8	8.4	13.2
Additional Equipment and Maintenance	11.4	4.2	0.5	4.7
Other Additional Staff Costs	34.3	7.2	26.0	33.2
Staff Wellbeing	0.0	0.0	0.0	0.0
Payments to Third Parties	0.0	0.0	0.0	0.0
Loss of Income	2.8	2.4	0.0	2.4
Other	5.9	2.2	0.0	2.2
<b>Sub-Total Covid-19 Costs - NHS Board</b>	<b>143.2</b>	<b>27.0</b>	<b>97.1</b>	<b>124.0</b>
Unachievable Savings	62.4	20.0	25.0	45.0
Offsetting Cost Reductions	(1.2)	(0.7)	0.0	(0.7)
<b>Total Covid-19 Costs - NHS Board</b>	<b>204.3</b>	<b>46.2</b>	<b>122.1</b>	<b>168.3</b>
<b>Remobilisation Costs</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Digital & IT costs	1.3	0.1	0.2	0.3
Primary Care	0.0	0.0	0.0	0.0
Other	0.2	0.2	0.0	0.2
<b>Total Remobilisation Costs- NHS Board</b>	<b>1.5</b>	<b>0.3</b>	<b>0.2</b>	<b>0.5</b>
<b>Total NHS Board Costs</b>	<b>205.9</b>	<b>46.5</b>	<b>122.3</b>	<b>168.8</b>

Board

# Covid-19 Summary



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## *2021/22 Quarter 3 Covid-19 Return- Board*

Further work is required to review the costs associated with 2022/23. There are still some unknowns and policy decisions that may affect the costs going forward. The majority of the costs continuing into next year relate to the Vaccination programme, additional staff costs as a result of Red and Green pathways, testing and additional cleaning costs associated with the 4 Nations agreement.

There has been no confirmation of any additional Covid-19 funding in 2022/23, except an element ring fenced for Vaccinations and Testing. This is an area of high risk and exit planning is being carried out to mitigate the financial risk if no additional funding is made available.

# Covid-19 Summary



## 2021/22 Quarter 3 Covid-19 Return- IJB

IJB	2021-22 Projected Total	2022-23 Non- Recurring	2022-23 Recurring	2022-23 Total
	£m	£m	£m	£m
Additional PPE	0.4	0.0	0.8	0.9
Testing	0.5	0.4	0.2	0.5
Flu Vaccination	0.4	0.3	0.1	0.4
Scale up of Public Health Measures	0.4	0.0	0.1	0.1
Additional Community Hospital Bed Capacity	0.0	0.0	0.0	0.0
Community Hubs	5.4	4.0	1.1	5.1
Additional Care Home Placements	0.1	0.0	0.0	0.0
Additional Capacity in Community	1.4	0.0	0.7	0.7
Additional Infection Prevention and Control Costs	1.7	1.1	0.6	1.7
Additional Equipment and Maintenance	0.7	0.2	0.1	0.3
Additional Staff Costs	14.7	4.7	9.1	13.8
Staff Wellbeing	0.1	0.0	0.0	0.0
Additional FHS Prescribing	1.1	0.7	0.0	0.7
Additional FHS Contractor Costs	0.6	0.3	0.0	0.4
Social Care Provider Sustainability Payments	26.5	18.2	2.2	20.5
Social Care Support Fund Claims	1.0	0.0	0.9	0.9
Homelessness and Criminal Justice Services	8.4	0.2	8.2	8.4
Children and Family Services	4.5	1.2	3.2	4.4
Loss of Income	1.7	0.2	1.1	1.4
Other	0.7	0.1	0.3	0.4
<b>Total Covid-19 Costs</b>	<b>70.3</b>	<b>31.6</b>	<b>28.7</b>	<b>60.4</b>
Unachievable Savings	6.1	0.0	5.2	5.2
Offsetting Cost Reductions	(5.3)	0.0	0.0	0.0
<b>Total Covid-19 Costs</b>	<b>0.8</b>	<b>0.0</b>	<b>5.2</b>	<b>5.2</b>
<b>Remobilisation Costs</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Adult Social Care	0.4	0.0	0.5	0.5
Reducing Delayed Discharge	0.3	0.0	0.1	0.1
Digital & IT costs	0.3	0.2	0.0	0.2
Primary Care	1.0	0.0	0.0	0.0
Other	0.8	0.1	0.2	0.3
<b>Total Remobilisation Costs</b>	<b>2.9</b>	<b>0.3</b>	<b>0.8</b>	<b>1.1</b>
<b>Total IJB Costs</b>	<b>74.0</b>	<b>32.0</b>	<b>34.7</b>	<b>66.7</b>

Board

# Covid-19 Summary



## 2021/22 Quarter 3 Covid-19 Return- IJB

The table below shows the split of the Covid-19 costs between Health and Local Authority.

IJB Split	Health Spend	Local Authority Spend	TOTAL 21/22
	£m	£m	£m
Covid	14.2	50.8	65.0
Remobilisation	1.9	1.0	2.9
Unachieved Savings	0.1	6.1	6.1
<b>TOTAL</b>	<b>16.1</b>	<b>57.9</b>	<b>74.0</b>

## 2022/23 Projected Costs

IJB Split	Health 22/23			Local Authority 22/23			TOTAL 22/23
	Non Recurring	Recurring	Total	Non Recurring	Recurring	Total	
	£m	£m	£m	£m	£m	£m	
Covid	9.2	4.8	14.0	22.4	23.9	46.4	60.4
Remobilisation	0.2	0.0	0.2	0.1	0.8	0.9	1.1
Unachieved Savings	0.0	0.0	0.0	0.0	5.2	5.2	5.2
<b>TOTAL</b>	<b>9.4</b>	<b>4.8</b>	<b>14.2</b>	<b>22.5</b>	<b>29.9</b>	<b>52.5</b>	<b>66.7</b>

The recurring costs in 2022/23 relate to costs associated with services that have increased demand and that are likely to continue for example Children’s services, Homelessness services and Mental Health Assessment units.

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## ***The Month 11 Revenue Position***

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# Month 11 Position- Overall Position



## Financial Performance – Month 11

This section of the report provides analysis of the financial position at 28<sup>th</sup> February 2022.

Area	Pays, Non Pays Position	Unachieved Savings	Final reported Position
	£m	£m	£m
Acute	6.3	(10.3)	(4.0)
Partnerships	(0.0)	0.0	(0.0)
Corporate Departments	0.2	0.8	1.1
<b>Financial Position at 28th February 2022</b>	<b>6.5</b>	<b>(9.5)</b>	<b>(2.9)</b>

As outlined above, the Board recorded a deficit of £2.9m at 28th February 2022. All Covid-19 costs are funded by Scottish Government including unachieved savings.

The overspend is due to unachieved savings of £9.5m offset by underspends within Acute and the Corporate departments. The Corporate figure includes £57.2m of Covid-19 unachieved savings relief and other non recurring savings of circa £30.7m which has improved the position in comparison to the previous month.

It is expected that a break even position will be achieved at 31<sup>st</sup> March 2022.

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# Month 11 Position – Acute Services

## Financial Performance – Month 11 (Cont'd)



The Acute Division is reporting an overspend at Month 11 of £4.0m. As can be seen in the table below. Covid-19 costs of £48.1m year to date are fully funded.

Overall, Pays have an underspend of £7.2m. Non Pay is £0.9m overspent. Despite pays being underspent there is still a significant pressure of £5.9m in Junior Doctors, giving an average monthly pressure of £0.54m. This compares to 2020/21 average monthly pressure of £0.48m.

There is a non pay overspend of £0.9m, a decrease from £1.7m in Month 10. Pressures still remain in Purchase of Healthcare for 'Out of Area Beds' and Diagnostic Reporting of £1.43m and in Other Therapeutic Supplies of £0.89m which is mainly related to Interventional Neuro Radiology and Interventional Radiology supplies.

The FIP position within the Acute Division reports £10.3m of unachieved savings, which is an improved position and reflects non recurring savings of £10m.

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Acute	Pay	Non Pay	FIP	21/22 Month 11 Total	20/21 Month 12 Total
	£m	£m	£m	£m	£m
South Sector	2.6	(0.3)	(5.0)	(2.7)	0.9
North Sector	(1.9)	0.6	(3.8)	(5.0)	(0.9)
Clyde Sector	0.4	0.2	(1.9)	(1.3)	0.0
Diagnostics Directorate	3.1	(0.7)	(2.9)	(0.5)	1.8
Regional Services	2.8	0.0	(4.4)	(1.7)	(1.3)
Women & Childrens Services	0.2	(0.7)	(4.1)	(4.5)	0.0
<b>Directorate Totals</b>	<b>7.2</b>	<b>(0.9)</b>	<b>(22.0)</b>	<b>(15.7)</b>	<b>0.4</b>
Acute Corporate	(0.0)	(0.0)	11.7	11.7	(0.0)
<b>Acute Expenditure Totals</b>	<b>7.2</b>	<b>(0.9)</b>	<b>(10.3)</b>	<b>(4.0)</b>	<b>0.4</b>
Income (Under)/Over Recovery	0.0	(0.0)	0.0	(0.0)	0.0
<b>Acute Total</b>	<b>7.2</b>	<b>(0.9)</b>	<b>(10.3)</b>	<b>(4.0)</b>	<b>0.4</b>



## Month 11 Position - Partnerships

### Financial Performance – Month 11 (Cont'd)

Partnerships reported an overall breakeven position on the Health element of their budgets as at 28th February 2022. Breakdown by each HSCP can be seen below.



HSCP	Annual Budget	YTD Budget	YTD Actuals	YTD Variance
	£m	£m	£m	£m
Glasgow City	883.1	731.0	727.0	4.0
East Dunbartonshire	112.1	86.5	86.5	0.0
East Renfrewshire	97.2	75.7	75.4	0.3
Inverclyde	115.4	87.8	87.8	(0.0)
Renfrewshire	197.2	173.2	172.0	1.2
West Dunbartonshire	114.8	93.4	93.4	0.0
<b>Total HSCPs</b>	<b>1,519.8</b>	<b>1,247.4</b>	<b>1,242.0</b>	<b>5.4</b>
Other Partnerships Budgets	41.5	15.2	20.6	(5.4)
<b>Total Partnerships</b>	<b>1,561.3</b>	<b>1,262.6</b>	<b>1,262.6</b>	<b>(0.0)</b>

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# Month 11 Position – Corporate Directorates

## Financial Performance – Month 11 (Cont'd)



Corporate Directorates are reporting an underspend at Month 11 of £1.1m compared to an underspend at month 10 of £7.2m. The main movement from last month is that preparation is underway for year end with some corporate year end accruals being included within Other Corporate Expenditure.

All areas are reporting underspends in month with the exception of Other Corporate expenditure which has an overspend.

Breakdown by Corporate Directorates is outlined in the table below.

Corporate Director Summary	Annual Budget	YTD Budget	YTD Actual	YTD Variance
	£m	£m	£m	£m
Board Medical Director	53.3	43.9	42.8	1.1
Centre For Population Health	1.3	0.8	0.8	0.0
Corporate Affairs	7.8	5.7	5.6	0.2
Corporate Communications	1.6	1.5	1.3	0.2
Director of eHealth	90.6	75.5	75.5	0.0
Director of Finance	20.2	15.0	11.4	3.6
Director of Human Resources	21.1	18.1	17.0	1.1
Director of Nursing	9.0	7.3	6.9	0.4
Director of Public Health	23.7	19.0	17.9	1.0
Other Corporate Expenditure	312.7	88.9	93.9	(5.1)
Estates and Facilities	298.1	272.9	272.8	0.1
<b>Total Corporate Directorates</b>	<b>839.5</b>	<b>548.5</b>	<b>545.9</b>	<b>2.6</b>
Unallocated Savings	(107.2)	(1.5)		(1.5)
<b>Total Corporate</b>	<b>732.2</b>	<b>547.0</b>	<b>545.9</b>	<b>1.1</b>

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## ***Financial Improvement Programme (FIP)***

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# Financial Improvement Programme

## *The Financial Improvement Programme (FIP) – Month 11*



On a full year basis £33.17m been achieved at Month 11 compared to £31.67m reported in the previous month, an increase of £1.5m on a recurring basis. This represents 73.3% achievement of the target for the year to date.

As of Month 11 there are 261 schemes currently delivering, with a total value of £33.97m. Of this, £0.8m remains to be delivered in the final month of the year.

There are 36 schemes classified as potential projects which gives an estimated pipeline value of £2.83m on a recurring basis. This remaining pipeline of projects are unlikely to delivery in the remaining month of the current financial year and will form part of the plans for the coming year (2022/23).

Given the current operational pressures and the limited time remaining in the year projects have been reviewed on both their current status and their deliverability and the forecast for the remainder of the year has been revised accordingly.

Based on this work a revised forecast year end position has been calculated at **£33.9m** this is an improved position from Month 10 of a further £0.9m.

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## *The Financial Improvement Programme (FIP) – FY22-23 Targets and plans.*

Savings targets for 2022/23 have been issued to the Sectors and Directorate of £53.5m. Targets are set based on 1.5% of the recurring budget plus any unachieved savings carried forward from 2021/22.

An initial deadline of the 11<sup>th</sup> of March was set for the submission of each areas plans against the assigned targets. This has resulted in an initial £15.3m / 28% of the overall target being identified at the time of drafting this report. However, given the scale of this year's challenge and the current gap between planned savings there is an need for further schemes to be developed.

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## *Capital Position*

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## The 2021/22 Capital Position – Month 11



The Board currently has £98.8m of planned capital resources for 2021/22 as follows:

- i) The Board's share of national capital funding for 2021/22, made available on a formula basis to all Health Boards: £37.4m
- ii) Additional funding for specific projects; £52.3m
- iii) The capital (Net Book Value) element of asset disposals where it has been agreed that the Board can retain proceeds for local use. £1.4m (Greenock HC, Waverley Park & Minor Equipment Disposals)
- iv) Revenue funding transferred to capital from the service for equipment purchases £5.7m
- v) Non Core Capital Funding (out-with the CRL) from the Dept. for Energy & Climate Change £1.8m
- vi) GP Loans funded by SG of £0.46m

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In addition to the above ring-fenced schemes, other major areas of planned spend from the NHSGGC Formula allocation include:

- i) £3.1m to progress the refurbishment of Ward accommodation at Level 6, GGH.
- ii) At GRI, continued investment in Endoscopy ventilation, together with HEI upgrade works at Theatre E.
- iii) At the QEUH campus, investment to ensure completion of all required ventilation upgrades and rectification work at Ward 2A RHC, together with progressing HEI upgrade works within Ward 63 of the INS.
- iv) To ensure delivery of the Clyde Trauma Strategy, investment at RAH includes the new Trauma Assessment Unit (£0.9m), the recently completed upgrade to Ward 22 (£0.5m), and the completion of the installation of Laminar Flow within Theatre 5 (£0.7m). At IRH, £1.7m investment is also being made in respect of Laminar Flow works in Theatre 6.

# Capital Position



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- v) £1.7m to progress the development of a Sexual Assault Referral Centre at William Street, and associated accommodation, which was carried over from last year.
- vi) An overall allocation of £7.8m in respect of Medical Equipment replacement – split between emergency replacement and a planned general replacement programme .
- vii) An amount of £8.3m has been set aside for investment in e-Health priorities, including PACs and a replacement Laboratory Information System (LIMS).
- viii) In addition to the ring-fenced funding set aside for the development of the North East Glasgow Hub, separate provision has been made in respect of the initial equipping requirements of the new Clydebank Health Centre
- ix) A budget of £8.5m is currently included under Corporate schemes for local minor works projects. Similar to previous years, this allocation has largely been delegated to the Director of Estates and Facilities to address the top Building Infrastructure and backlog maintenance priorities.

The Board is predicting the Capital Resource Limit will be achieved at the 31<sup>st</sup> March 2022.



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## ***2021/22 Projection***

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# 2021/22 Projection

## 2021/22 Projection



With only one month remaining of the financial year, the impact and costs associated with managing Covid-19 and the new variant are becoming more certain and are now fully funded by Scottish Government.

The financial plan submitted on the 30<sup>th</sup> June 2021 outlined a projected deficit of £25.8m. However, the FIP was remobilised and the Board maximised the level of recurring savings. This, coupled with non-recurring funds, means the current projections indicate that financial break-even in-year is achievable.

It is anticipated that all the financial targets will be met for the year.

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## ***Conclusion***

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# Conclusion



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### Conclusion

The purpose of this report is to provide the Board with a Month 11 financial update.

At 28<sup>th</sup> February 2022 the Board's financial ledger highlights an overspend of £2.9m. This is wholly attributable to unachieved savings of £9.5m offset by underspends in other areas of £6.6m.

All Covid-19 expenditure for the first 11 months of the year has been covered in full by the allocations received from the Scottish Government.

The total Covid-19 funding request submitted to Scottish Government in January 2022 outlines a projected spend and funding request of £279.9m; split £205.9m for the Board and £74.0m for the IJBs. The IJB expenditure is split £16.1m Health and £57.9m Local Authority.

In terms of FIP progress, on a full year basis £33.2m has been achieved at 28<sup>th</sup> February 2022. There are currently 261 active schemes, of which another £0.8m is due for delivery in year. There are a further 36 schemes in the pipeline with a potential to deliver another £2.8m on a recurring basis. This remaining pipeline of projects are unlikely to delivery in the remaining month of the current financial year and will form part of the plans for the coming year.

The Financial plan for 2022/23 has been produced and it is imperative that relevant Directors continue to work all of these initiatives into mandates for submission and approval (to the FIP PMO), and start delivery of these scheme. This is to ensure that we bring down the recurring deficit going into next year.

# Conclusion

## Conclusion (Cont'd)



The financial plan submitted on the 30<sup>th</sup> June 2021 outlined a deficit of £25.8m. However, the FIP was remobilised and the Board are endeavouring to maximise the level of recurring savings. This, coupled with non-recurring funds, means the current projections indicate that financial break-even in-year is achievable..

The current forecast core capital resources available to the Board for investment in 2021/22 is £98.8m and the Board is predicting the Capital Resource Limit will be achieved at the 31<sup>st</sup> March 2022.

In summary, Members are asked to ;

- i) Note the Covid-19 summary position,
- ii) Note the revenue position at Month 11,
- iii) Note the Month 11 position with the FIP and progress for 2022/23.
- iv) Note the capital position at Month 11; and
- v) Note the projected revenue and capital position at 31 March 2022.

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