

NHS Greater Glasgow and Clyde	Paper No. 25/109
Meeting:	NHSGGC Board Meeting
Meeting Date:	21 August 2025
Title:	Finance Report
Sponsoring Director:	Colin Neil, Director of Finance
Report Author:	Fiona McEwan, Assistant Director of Finance- Financial Planning & Performance

1. Purpose

The purpose of this report is to: Provide the Board with an update on the monthly finance position as at 30th June 2025, including the position of the Sustainability and Value and Capital Programmes for 2025/26

The format of the report covers;

- i) The Month 3 Revenue position (pages 3-4)
- ii) The Month 3 Additional Information (pages 5-7)
- iii) The Month 3 Sustainability and Value position for 25/26 (pages 8-11)
- iv) The Month 3 Capital position (pages 12-15)
- v) 2025/26 year end position (pages 16-17)
- vi) Conclusion (pages 18-19)

2. Executive Summary

The paper can be summarised as follows:

Month 3 Position 2025/26

As at the 30th of June 2025 NHSGGC's financial ledger highlights an overspend of £42.7m of which £35.7m relates to unachieved savings and there is a pay and non-pay overspend of £7.0m. Acute is overspent by £8.5m and Corporate areas are underspent by £1.1m for pay and non-pay. Partnerships has a pay and non-pay underspend of £0.4m.

Additional Information

Additional information has been included covering some key allocations / investments. These include:

- Additional planned care allocation of £28.6m to support delivery of 52 week wait patients by 31st March 2026, with a further £10m confirmed on the 4th of August 2025.
- Unscheduled Care Funding of £21m to support delivery of high impact actions to improve flow and patient access and Hospital @ Home funding of £2.6m.

Sustainability and Value

In terms of Sustainability and Value, £19.9m has been achieved on a full year recurring basis. On an in-year basis (recurring and non-recurring) £75.9m has been achieved. The recurring forecast is c£45m which is significantly short of the recurring target of £93.7m. The pace of both delivery and identification of savings will have to increase if the Boards targets are to be achieved.

Capital Expenditure

Total capital expenditure incurred to 30th June 2025 is £10.0m, this amounts to 12% of the capital budget (of £83.2m) leaving a balance of £73.2m to be incurred to the 31st of March 2026. At month 3, £47.4m (57%) of the total capital allocation has firm orders or incurred spend which is in line with expectations for the start of the year. There is £35.8m uncommitted across specific projects across the business continuity programmes and this will be progressed through the normal governance.

2025/26 Year End Position

The overall financial challenge for NHSGGC in 2025/26 is £217.8m. This is based on a recurring deficit carried forward from 2024/25 of £162.8m. The assumption is that there is the non-recurring sustainability payment from SG of £55.1m, a recurring savings target of £93.7m and a non-recurring target of £69.0m to derive a balanced position.

The financial position is continually being reviewed and based on the position at Quarter 1 the decision has been taken to revise the current forecast from a balanced position to show a **deficit of £45m**. This declining position is mainly due to the current operational pressures NHSGGC is facing and a slow uptake on the Sustainability and Value programme. Dedicated meetings have taken place with all Directorates to push forward the S&V programme and look to identify wider system opportunities.

This will be monitored closely during the year to ensure that a balanced position can be achieved, early indications are that this will be extremely challenging based on the slow progress that is being made with regards to the Sustainability and Value programme and the ongoing pressures that are being experienced over the first three months.

3. Recommendations

The Board is asked to consider the following recommendations:

- i) Note the revenue position at Month 3
- ii) Note the Month 3 position re additional information
- iii) Note the Month 3 position for Sustainability and Value and progress for 25/26
- iv) Note the capital position at Month 3;
- v) Note the 2025/26 position.

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 | <u>Positive</u> impact |
| • Better Care | <u>Positive</u> impact |
| • Better Value | <u>Positive</u> impact |
| • Better Workplace | <u>Positive</u> impact |
| • Equality & Diversity | <u>Positive</u> impact |
| • Environment | <u>Positive</u> impact |

6. Engagement & Communications

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

This report has been previously presented and scrutinised by the Corporate Management Team and the Finance, Planning and Performance Committee.

7. Governance Route

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

- Corporate Management Team (7 August 2025)
- Finance, Planning and Performance Committee (7 August 2025)

8. Date Prepared & Issued

Prepared on: 7 August 2025
Date issued: 13 August 2025

NHSGGC- Month 3 Finance Report

Board Meeting

21st August 2025



Purpose and Format

The purpose of this report is to provide the Board with the monthly finance position, including the position of the Sustainability and Value and Capital Programmes for 2025/26

The format of the report covers;

- i) The Month 3 Revenue position (pages 3-4)
- ii) The Month 3 Additional Information (pages 5-7)
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- v) 2025/26 year end position (pages 16-17)
- vi) Conclusion (pages 18-19)

Members are asked to :

- i) Note the Month 3 revenue position
- ii) Note the Month 3 position re additional information
- iii) Note the Month 3 position for Sustainability and Value and progress for 25/26
- iv) Note the capital position at Month 3; and
- v) Note the 2025/26 position.

Month 3 Revenue Position

Month 3 - Overall Position

Financial Performance – Month 3

This section of the report provides analysis of the financial position as at 30th June 2025.

Area	Annual Budget	Pays, Non Pays Position	Unachieved Savings	Final Reported Position	% of Annual Budget
	£m	£m	£m	£m	%
Acute	2,039.6	(8.5)	(17.7)	(26.2)	(1.3%)
Partnerships	1,740.3	0.4	(0.4)	0.0	0.0%
Corporate Departments	708.1	1.1	(17.6)	(16.5)	(2.3%)
Financial Position at 30th June 2025	4,488.0	(7.0)	(35.7)	(42.7)	(1.0%)

As outlined above, the Board recorded a deficit of £42.7m at 30th June 2025.

The deficit is made up of the following:-

- Pay and non-pay overspend of £7.0m. Acute is overspent by £8.5m and Corporate areas are underspent by £1.1m. Partnerships has a pay and non pay underspend of £0.4m.
- Unachieved savings at month 3 amount to £35.7m.

Month 3 Additional Information

Planned Care Funding
Unscheduled Care Funding

Additional Planned Care Funding Allocation 2025/26

The total additional funding allocated to support delivery of 52 week wait patients by 31st March 2026 was £28.6m. The funding was allocated across a range of specialties with the longest waits greater than 52 weeks, as well as Imaging and Endoscopy. This allocation included £3.3m for cancer. Breakdown of the funding can be seen in the table below

This funding has not been received as yet, as it will be dependant on delivery of the activity and a monthly monitoring return is submitted to SG capturing the spend to date and the activity delivered. It is not expected any funding will be received until September/October. For the period April to June £3.0m has been incurred and activity of 9,920 has been delivered. Diagnostic imaging accounts for 64% of spend and 36% of activity.

Table 1: Funding allocation

Specialty	ADP Funding £m	OP ADP Activity	IP/DC ADP Activity	Diagnostics(Imaging & Endoscopy) Activity
Ophthalmology	0.4	4,620	378	
Gynaecology	3.3	8,904	666	300
ENT	1.1	4,633	704	
General surgery,including Breast	1.3	2,365	208	
Plastics	1.0	864	205	
Orthopaedics	8.3	4,602	1,716	
Urology	1.7	7,169	1,178	
Endoscopy	1.6			2,770
Diagnostics	9.9			53,017
Totals	28.6	33,157	5,055	56,087

Table 2: Quarter 1 actual spend and activity

Specialty	YTD spend £m	Qtr 1 YTD OP Activity	Qtr 1 YTD IP/DC Activity	Qtr 1 Diagnostics (Imaging & Endoscopy) Activity
Ophthalmology	0.1	666	90	
Gynaecology	0.1	1,498		
ENT	0.1	828		
General surgery,including Breast	0.1	445		
Plastics	0.0	76	30	
Orthopaedics	0.3	699	83	
Urology	0.1	1,401	66	
Endoscopy	0.2			453
Diagnostics	1.9		32	3,553
	3.0	5,613	301	4,006

Scottish Government agreed on the 4th of August 2025 to allocate a further £10m of planned care funding to deliver additional activity to reduce patients waiting over 52 weeks.

Additional Urgent Unscheduled Care Funding 2025/26

Additional funding confirmed by SG of £21.0m to support delivery of high impact actions to improve flow and patient access. A range of actions are in place with quarterly reporting to SG on delivery of the agreed performance metrics and monthly reporting to SG of the spend incurred against the confirmed funding.

It is not expected any funding will be received until September/October which will be based on outcomes. A breakdown of the funding can be seen in the tables below. Work continues to define and complete actions and review delivery timescales and outcomes.

It should be noted that further funding of £2.6m has also been confirmed for Hospital @ Home and work is underway to create a governance framework and priority actions.

Table 1: Funding allocation by objective

Objective	Actions	Full year £m	Part year £m
Create an interface Division, supporting the whole system structure	Director, Chief of Medicine and Chief nurse appointed.	5.6	4.6
Virtual Hospital	OPAT expansion, Doclare software, enhanced AHP provision, expand traditional H@H	4.1	2.5
Admission avoidance	Home First Response , Frailty at the front door	2.2	1.0
Supporting discharge	Intermediate care beds	2.5	1.7
Supporting discharge	Additional social worker support	0.2	0.1
Supporting discharge	Reduce LoS for AWI patients	0.7	0.5
Supporting Discharge- complex patients	30 additional care home beds	3.6	2.4
Reducing hospital admissions	Rapid Assessment Care model	1.1	0.4
Support redirection of patients	eTriage	0.5	0.3
	Other tbc	0.5	0.5
Total		21.0	14.1

Table 2: Funding allocation by owner

Allocation by Owner	Full year £m	Part year £m
Wider GGC actions	12.7	8.8
Glasgow City HSCP	5.7	3.8
Inverclyde HSCP	1.0	0.5
Renfrewshire HSCP	0.6	0.3
East Dumbartonshire HSCP	0.3	0.2
West Dumbartonshire HSCP	0.6	0.3
East Renfrewshire HSCP	0.1	0.1
	21.0	14.1

Due to the timing of the confirmation of allocations, formal collation of the spend will be available from month 4.

Sustainability and Value

Sustainability and Value Programme

Month 3 Position

The position as of Month 3, shows that on an in-year basis (recurring and non-recurring) £75.9m or 35% of the £217.8m overall financial challenge has been delivered. Month 3 also shows that on a recurring basis £19.9m or 21% of the £93.7m target has been achieved. To achieve the £93.7m of targeted recurring savings we require a monthly run rate of circa £7.8m.

In Month 3 we achieved a run rate of £8.7m, however a further £3.4m in recurring savings from the financial plan contributed to this level of achievement. Overall the full year savings should be £23.4m as at month 3 and the £19.9m that has been achieved so far is short of this target

Table 1 Month 3 position

Area	CYE Target £m	CYE £m	CYE Gap £m	FYE Target £m	FYE £m	FYE Gap £m
Acute	73.9	3.3	(70.6)	73.9	4.9	(69.0)
Corporate	23.0	4.1	(18.8)	23.0	1.7	(21.3)
	96.9	7.4	(89.4)	96.9	6.6	(90.3)
Financial Plan	120.9	68.5	(52.5)	(3.2)	13.4	16.5
Total	217.8	75.9	(141.9)	93.7	19.9	(73.8)
% achieved		34.8%			21.3%	

Sustainability and Value Programme

2025/26 Month 3 Forecast

Table 2 below shows the value of all known projects on the ledger. To date we have initial plans for £83.6m on an in-year basis (Recurring and non-recurring), and a further £5m of other pipelines, giving a forecast of **£88.6m**/ 41% against the overall financial challenge of £217.8m. The recurring forecast for Month 3 remains at £45m/48%, this reflects the limited growth in the wider pipeline. It should be noted that this forecast assumes full delivery of all sector and directorate plans of which a number remain at high risk. (circa £6.5m)

The forecast has remained unchanged throughout Q1, and highlights the need for a rapid expansion of our current plans. Work continues in all areas surrounding the identification and delivery of opportunities.

Table 2 Month 3 Forecast

Area	Total Planned CYE (£m)	Total Planned FYE (£m)
Sectors/ Directorate plans (Month 3 pipeline)	83.6	33.1
SLA Income	3.5	7.0
WGACH	0.0	2.0
Prescribing	1.0	2.0
Further Corporate savings	0.5	1.0
Total	88.6	45.1
% identified	41%	48%
Financial Challenge	217.8	93.7
Gap	(129.2)	(48.6)

Sustainability and Value Programme



Month 3 S&V Summary and next steps

As of Month 3 the levels of achieved and planned savings remain significantly behind the required levels for the Board to address its financial challenge. The savings pipeline has remained broadly static throughout the first quarter of the new financial year, beyond monies released from the financial plan there has been no significant growth in our overall pipeline.

At this current pace of pipeline growth and levels of savings achieved, the ability of the Board to achieve its financial targets is at risk.

In order to address the current position a series of actions have commenced to improve the position, the main area of focus in July and August has been the review of all Acute Directorate plans. Further actions have included focused sessions led by the Director of Finance as part of the weekly Directors Group meetings. As a result, NHSGGC is looking to establish a blueprint towards a sustainable model for future service delivery and proposals for a reduction of c4%. Initial work is being scoped to aid the traditional S&V process, which requires to continue, and provide further Boardwide options to the current level of financial and operational challenge.

A full Q1 review is also underway as part of the wider S&V governance and reporting process to Scottish Government, this will focus on reviewing our performance against the areas of savings as detailed within the 15 box grid.

Capital Position



Capital Position

Capital Expenditure – 30th June 2025

• Total Gross Capital Expenditure to date	: £10.0m (12% of plan)
• Annual Capital Budget at 30/06/25	: £83.2m
• Balance of Budgeted Cap. Ex. to be incurred	: £73.2m
• Total Expenditure Committed	: £47.4m (57%)
• Uncommitted Budget	: £35.8m (43%)

* Committed [Expenditure incurred + Orders placed]

Total gross capital expenditure incurred to 30th June 2025 is £10.0m amounting to 12% of the annual plan (of £83.2m). This leaves a balance of £73.2m of expenditure to be incurred by 31st March 2026.

There is an uncommitted budget balance of £35.8m (No orders placed at this time against allocated projects)

Within the uncommitted budget balance there is £7.9m of budget unallocated however relates to specific projects across the Business Continuity Plan headings.

Capital Funding decreased this month by £1.4m – decrease of £2.6m for re-profile of Atrium funding requirement to 2026/27 and increases of £0.8m for energy schemes and £0.4m for GP Sustainability Loans.

The total forecasted Core Capital Resource Limit (CRL) is £82.5m as at 30th June 2025 of which £9.8m (11.9%) has been achieved.

Capital Position

Capital Expenditure – to 30th June 2025 : £10.0m

Main areas of Expenditure as below:

- £1.7m : New build Radionuclide Dispensary
- £0.4m : New build Glasgow North East Health & Social Care Centre.
- £1.5m : Rectification Works QEUH Atrium
- £1.1m : Rectification Works QEUH Manifold
- £0.2m : Rectification Works QEUH Fire Doors
- £0.1m : LIMS
- £0.3m : Safety Critical Maintenance Projects
- £0.4m : High Risk Maintenance Projects
- £0.2m : GRI Filtration Plant
- £0.6m : INS Ward 68 Upgrade
- £0.3m : Reduced Ligature Works
- £1.2m : New build Bishopton Health Centre
- £0.3m : Bishopbriggs Treatment Rooms
- £0.4m : Relocation of WGACH Services
- £0.9m : Medical Equipment
- £0.2m : Non Clinical Equipment
- £0.2m : GP Loans

Capital Position

Capital Disposals

Forecast Sales : (NBV provides Capital Funding)

Asset	Est Year	Est Receipt	NBV
Early stages			
*Hardgate Clinic	2025/26	£0.20m	£0.15m
Netherton Clinic	2025/26	£0.28m	£0.62m
<ul style="list-style-type: none"> Progress paper provided to the Capital Planning Group 05/08/25 Discussion ongoing with Glasgow City Council Potential loss on disposal of c£0.3m 			
Future Years			
**Cathcart Centre Greenock		£ 0.14m	£0.25m
Lennox Castle Land Phase 2		£ 2.00m	£0.35m
Dumbarton Cottage Hospital		£ 0.03m	£0.03m
Lennox Castle Phases 3 & 4		Not available	£1.55m
Stoneyetts Phase 2		Not available	£ -
Yorkhill : Queen Mother's Hospital		Not available	£0.23m
Yorkhill : RHC land		Not available	£2.58m

*Paper going to CPG on 05/08/25 for authority to dispose

**Previous marketing did not bring forward any offers. May be taken forward via auction

NBV net of Revaluation Reserve

2025/26 Position

2025/26 Position

The 3-year financial plan was approved by the Board on the 29th of April 2025. The financial plan highlights a balanced position for 2025/26 with the overall financial challenge for 2025/26 of £217.8m. This is based on a recurring deficit carried forward from 2024/25 of £162.8m. The assumption is that there is the non-recurring sustainability payment from SG of £55.1m, a recurring savings target of £93.7m and a non-recurring target of £69.0m to derive a balanced position.

A target has been set that 3% recurring savings should be achieved against baseline funding, with the remaining savings requirement to reach financial balance to be delivered through further choices and actions. The total savings requirement for the Board is the full amount of the deficit and for NHSGGC this is £217.8m.

The financial position is continually reviewed and based on the position at Quarter 1 the decision has been taken to revise the current forecast to show a **deficit of £45m**. This declining position is mainly due to the current operational pressures NHSGGC is facing and a slow uptake on the Sustainability and Value programme. Dedicated meetings have taken place with all Directorates to progress the S&V programme.

Board Finance Plan	Fin Plan April 25	Month 3	Movement Fin Plan v Month 3
	£m's		
Core (Deficit)/Surplus	0.0	(45.0)	(45.0)
Total Deficit	0.0	(45.0)	(45.0)

2025/26 is proving to be another challenging year, given the number of priorities the Board is facing with unscheduled care, planned care and the underlying financial position, whilst it should be recognised that additional investment approved for Planned Care and Unscheduled Care should improve these operational challenges. It is challenging to achieve the savings required, and ensure that all pressures are reduced however every effort is being made to try and ensure this revised position is improved upon. The forecast position will continually be reviewed throughout the year as will the progress of the Sustainability and Value programme. It is extremely important that all sectors and directorates continue to increase and identify savings against their targets and that CMT progress with the plans that were identified.

The IJB's all have approved financial plans showing a break-even position, however they are facing a number of pressures and high value of savings plans. This area will continue to be closely monitored.

Conclusion

Conclusion

As at the 30th of June 2025 NHSGGC's financial ledger highlights an overspend of £42.7m of which £35.7m relates to unachieved savings and there is a pay and non-pay overspend of £7.0m. Acute is overspent by £8.5m and Corporate areas are underspent by £1.1m for pay and non-pay. Partnerships has a pay and non pay underspend of £0.4m.

The Board is still facing a number of pressures at Month 3 and although some progress can be seen, every effort needs to be made to reduce these pressures going forward. The financial position is continually being reviewed and based on the position at Quarter 1 the decision has been taken to revise the current forecast from a balance position to show a **deficit of £45m**. This declining position is mainly due to the current operational pressures NHSGGC is facing and a slow uptake on the Sustainability and Value programme.

In terms of Sustainability and Value, £19.9m has been achieved on a full year recurring basis. On an in-year basis (recurring and non-recurring) £75.9m has been achieved. The recurring forecast is c£45m which is significantly short of the recurring target of £93.7m. The pace of both delivery and identification of savings will have to increase rapidly if the Boards targets are to be achieved.

Total capital expenditure incurred to 30th June 2025 is £10.0m, this amounts to 12% of the capital budget (of £83.2m) leaving a balance of £73.2m to be incurred to the 31st of March 2026. At month 3, £47.4m (57%) of the total capital allocation has firm orders or incurred spend which is in line with expectations for the start of the year. There is £35.8m uncommitted across specific projects across the business continuity programme and this will be progressed through the normal governance.

We need to continue to ensure that financial controls are adhered to, to maintain spend within budget and mitigate current pressures in order to address the financial challenge we are currently facing.

In summary, Members are asked to :

- i) Note the revenue position at Month 3
- ii) Note the Month 3 position re additional information
- iii) Note the Month 3 position for Sustainability and Value and progress for 25/26
- iv) Note the capital position at Month 3;
- v) Note the 2025/26 position.