

NHS Greater Glasgow and Clyde	Paper No. 25/74
Meeting:	NHSGGC Board Meeting
Meeting Date:	24 June 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: The purpose of this report is to provide the Board with the monthly finance position as at 31st March 2025, including the position of the Sustainability and Value and Capital Programme for 2024/25

The format of the report covers;

- i) The Month 12 Revenue position (pages 3-4)
- ii) The Month 12 Sustainability and Value position for 24/25 (pages 5-7)
- iii) The Month 12 Capital position (pages 8-12)
- iv) 2024/25 year end position (pages 13-14)
- v) Conclusion (pages 15-16)

2. Executive Summary

The paper can be summarised as follows:

Month 12 Position 2024/25

As at the 31st of March 2025 NHSGGC's financial ledger highlights an underspend of £1.7m, which comprises of £2.53m of unachieved savings being offset by a total pay and non-pay underspend of £4.25m. Acute is overspent by £24.31m and Corporate areas are underspent by £24.54m for pay and non-pay. Partnerships has a pay and non-pay underspend of £4.02m.

Please note these figures are provisional and subject to year-end audit. Due to additional late allocations and adjustments, it is expected that the surplus will increase to c£2.3m when the audit has been completed.

Sustainability and Value

In terms of Sustainability and Value, £55.6m has been achieved on a full year recurring basis. On an in-year basis (recurring and non-recurring) £226.9m has been achieved. The achievement of the recurring savings of £55.6m ensures the recurring deficit carried forward into 2025/26 is not above the level included in the draft financial plan.

Capital Expenditure

Total capital expenditure incurred to 31st March 2025 is £73.1m, this amounts to 100% of the capital budget, meeting the Capital Resource Limit, subject to Audit.

2024/25 Year End Position

The overall financial challenge for the Board in this financial year is £226.9m. This is based on a recurring deficit carried forward from 2023/24 of £138.9m. The Financial Plan targeted recurring savings of £128.6m and non-recurring savings relief of £50.0m to derive the deficit outlined in the approved finance plan of £48.3m.

The overall position has been reviewed and based on the month 12 information NHSGGC has out turned a provisional surplus of **£1.7m**. (Year-end audit at time of writing anticipated to move this to £2.3m). The final movement from the approved deficit of £48.3m to a balanced position incorporates the release of the AFC non pay reform funding. There has also been an improvement in the run rate, receipt of a historical VAT reclaim, reduction in CNORIS charges and additional funding received for Service Level Agreements.

3. Recommendations

The Board is asked to consider the following recommendations:

- i) Note the revenue position at month 12
- ii) Note the Month 12 position for Sustainability and Value and initial progress for 24/25
- iii) Note the capital position at Month 12; and
- iv) Note the 2024/25 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 | 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:

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: As above.

8. Date Prepared & Issued

Prepared: 13th June 2025

Issued: 16th June 2025

NHSGGC- Month 12 Finance Report

Board Meeting

24th June 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 2024/25

The format of the report covers;

- i) The Month 12 Revenue position (pages 3-4)
- ii) The Month 12 Sustainability and Value position for 24/25 (pages 5-7)
- iii) The Month 12 Capital position (pages 8-12)
- iv) 2024/25 year end position (pages 13-14)
- v) Conclusion (pages 15-16)

Members are asked to :

- i) Note the Month 12 revenue position
- ii) Note the Month 12 position for Sustainability and Value and initial progress for 25/26
- iii) Note the capital position at Month 12; and
- iv) Note the 2024/25 position.

Month 12 Revenue Position

Month 12 - Overall Position

Financial Performance – Month 12

This section of the report provides analysis of the financial position as at 31st March 2025.

Area	Annual Budget	Pays, Non Pays Position	Unachieved Savings	Final Reported Position	% of Annual Budget
	£m	£m	£m	£m	%
Acute	2,145.89	(24.31)	(38.90)	(63.21)	(2.9%)
Partnerships	1,742.55	4.02	(2.55)	1.47	0.1%
Corporate Departments	799.38	24.54	38.92	63.46	7.9%
Financial Position at 31st March 2025	4,687.82	4.25	(2.53)	1.72	0.0%

As outlined above, the NHSGGC recorded an underspend of £1.72m at 31st March 2025. (Month 11 reported a deficit of £4.36m, this is against an annual budget of c£4.7 billion).

The underspend is made up of the following:-

- Pay and non-pay underspend of £4.25m. Acute is overspent by £24.31m and Corporate areas are underspent by £24.54m. Partnerships has a pay and non pay underspend of £4.02m, following the utilisation of reserves.
- Unachieved savings at month 12 amount to £2.53m.

Please note these figures are provisional and subject to year end audit. Due to additional late allocations and adjustments, it is expected that the surplus will increase to c£2.3m when the audit has been completed.

Sustainability and Value

Sustainability and Value Programme

Month 12 Position

The position as of Month 12, shows that on an in year basis (recurring and non-recurring) £226.9m / 100% has been achieved against the overall financial challenge of £226.9m for 2024/25. Month 12 also shows £55.6m / 43% has been achieved on a recurring basis against the target of £128.6m. This shows growth of £8.3m on an in-year basis and £1.7m on a recurring basis compared to Month 11.

The table below shows the areas of savings achieved as of month 12.

Table 1 Month 12 position

Area	CYE Target	CYE	CYE Gap	FYE Target	FYE	FYE Gap
	£m	£m	£m	£m	£m	£m
Acute	69.2	30.3	(38.9)	69.2	15.8	(53.4)
Corporate	25.3	20.7	(4.6)	25.3	10.9	(14.4)
	94.5	51.0	(43.5)	94.5	26.7	(67.8)
Financial Plan	132.4	175.9	43.5	34.1	28.9	(5.1)
Total	226.9	226.9	0.0	128.6	55.6	(73.0)
% achieved		100.0%			43.3%	

The largest amount of savings achieved can be seen from the Financial plan and this is predominantly due to non-recurring underspends, AFC reform funding and carry forward of the consequential income from 2023/24. Of the above figures the sectors and directorates have delivered £26.7m on a FYE and £51m on a CYE.

It is important to note that the Financial Plan for 2025/26 has been compiled on the basis that £55.6m of recurring savings would be achieved in 2024/25. This has been achieved which means there is no additional impact on the overall recurring deficit going into the coming year.

Sustainability and Value Programme

S&V Summary

The position for Month 12 shows that the Board has achieved the minimum forecasted recurring position of £55.6m and also addressed the overall £226.9m financial challenge. The £55.6m is in line with the previous forecast and ensures that the recurring deficit carried forward is as highlighted in the approved financial plan for 2025/26.

The Boards S&V programme for 2025/26 is developing and will incorporate projects and plans that were not delivered in 2024/25. The ambition of the coming financial years programme is to identify and deliver more recurring savings to reduce the Boards recurring deficit as detailed within the 2025/26 financial plan.

Work is under way to accelerate the SRO workstreams that did not fully deliver in 2024/25 into the plans for 2025/26, with Circa £18m of opportunities within these areas of work. Table 2 shows the initial plans at month 1 that are being developed with further revisions anticipated.

Table 2 Current plans for 2025/26

	Recurring Baseline Budget 25-26	Savings Target	CYE	FYE	% of Target (FYE)	% of Budget (FYE)
	£m	£m	£m	£m	%	%
South Sector	432.8	17.3	1.8	4.5	26.2%	1.0%
North Sector	285.7	11.4	0.3	1.4	12.5%	0.5%
Clyde Sector	239.1	9.6	0.7	1.2	12.2%	0.5%
Diagnostics Directorate	253.5	10.1	0.5	1.1	11.3%	0.5%
Regional Services	364.6	14.6	1.1	2.0	13.6%	0.5%
Women & Childrens Services	272.2	10.9	0.5	0.8	7.1%	0.3%
Acute Division	1,847.9	73.9	4.8	11.0	14.9%	0.6%
Estates & Facilities Directorate	335.0	13.4	7.0	5.2	39.0%	1.6%
Corporate Finance	21.8	0.9	0.9	0.9	100.0%	4.0%
Public Health	36.3	1.5	0.2	0.4	25.9%	1.0%
Nursing	10.8	0.4	0.0	0.0	0.0%	0.0%
Corporate Communications	1.6	0.1	0.0	0.0	0.0%	0.0%
Human Resources	21.8	0.9	0.9	0.9	100.0%	4.0%
Board Medical Director	54.6	2.2	0.1	0.1	2.8%	0.1%
Corporate Services	5.6	0.2	0.0	0.0	0.0%	0.0%
Digital Services	86.5	3.5	0.6	0.9	27.0%	1.1%
Corporate Total	573.9	23.0	9.7	8.3	36.4%	1.5%
Total	2,421.7	96.9	14.6	19.4	20.0%	0.8%
Unallocated		120.9				
Financial Challenge Total		217.8				

Capital Position



Capital Position

Capital Expenditure – 31st March 2025

Total Net Capital Expenditure to date	: £73.1m (100% of plan)
Annual Capital Budget at 31/03/2025	: £73.1m
Balance of Budgeted Cap. Ex. to be incurred	: £0m

Total capital expenditure incurred to 31st March 2025 is £73.1m amounting to 100% of the annual plan.

The annual core capital funding has increased from £65.1m last month to £73.1m as at the 31st March 2025. It has increased by £8m the month as follows:

• Capital Funding 28th February 2025	<u>£65.1m</u>
• SG : QEUH Rectification Works	+£1.4m
• SG : Medical Equipment	+£0.5m
• SG : Larkfield PFI Purchase	+£6.8m
• SG : North East Hub	+£0.3m
• SG : Other	+£0.1m
• SG : RERP	+£0.1m
• Revenue Funded Medical Equipment	+£0.3m
• Transfer out Revenue Budgets funding capital	-£1.5m
• Capital Funding 31st March 2025	<u>£73.1m</u>

The closing Capital Resource Limit (CRL) is £74.61m with 100% of CRL achieved at 31st March 2025.

Capital Position

Capitalised Expenditure – 31st March 2025 : £73.1m

Main areas of Capitalised Expenditure as below:

- £5.1m : New build : Glasgow North East Health & Social Care Centre.
- £2.6m : New build : Bishopton Health Centre
- £0.1m : Minor Upgrade : Woodside Health Centre

- £14.1m of capital expenditure has been incurred on hospital site based schemes as below:
 - QEUH : Completion of waste hold doors replacement programme
 - RHC : Completion of Children's Roof Terrace upgrade
 - QEUH : Rectifications: Atrium, Manifold, Fire Door Remedials
 - INS : Ward 68 Upgrade
 - RAH : Maternity Cladding works
 - Gartnavel : Radionuclide Dispensary relocation

Capital Position

Capitalised Expenditure – 31st March 2025 : £73.1m

Main areas of Capitalised Expenditure as below:

- £ 2.7m : eHealth
- £25.9m : Medical Equipment
- £ 0.4m : PCIP Works to Glasgow Health Centres
- £ 3.8m : Minor Works & Energy Schemes
- £ 7.0m : Radiotherapy Equipment Replacement Programme
- £ 3.1m : Clyde TSSU Air Handling Units Replacement
- £ 0.3m : Board wide Accommodation works to support WGACH move
- £ 0.2m : GP Loans
- £ 0.9m : Facilities Equipment
- £ 0.1m : Other
- £ 6.8m : Larkfield PFI Purchase

Capital Position

Proposed Capital Disposals

Forecast Sales : (NBV provides Capital Funding)

Asset	Est Year	Est Receipt	NBV
Completed			
Dykebar Land (Completed)	24/25	£13.6m	£0.71m
Future Years			
Lennox Castle Land Phase 2		£ 2.00m	£0.35m
Cathcart Centre Greenock		£ 0.25m	£0.25m
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		Not available	£2.58m

2024/25 Position

2024/25 Position

The 3-year financial plan was approved by the Board on the 30th of April 2024. The financial plan highlighted a deficit of £48.3m. The overall financial challenge for NHSGGC in this financial year is £226.9m. This is based on a recurring deficit carried forward from 2023/24 of £138.9m. The assumption was that recurring savings of £128.6m will be achieved in 2024/25 and there will be non-recurring relief of £50.0m available which would result in the deficit of £48.3m.

The overall position has been reviewed and based on the month 12 information NHSGGC has out turned a provisional surplus of **£1.7m**. This is still subject to year end audit. The movement from the approved deficit of £48.3m to a surplus of £1.7m incorporates the release of the AFC non pay reform funding. There has also been an improvement in the run rate, receipt of a historical VAT reclaim, reduction in CNORIS charges and additional funding received for Service Level Agreements.

Board Finance Plan	Fin Plan April 24	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Movement Fin Plan v Month 12
	£m's	£m's	£m's	£m's	£m's	£m's	£m's	£m's
Core (Deficit)/Surplus	(48.3)	(43.0)	(39.0)	(28.8)	(15.2)	0.0	1.7	(50.0)
Total Deficit	(48.3)	(43.0)	(39.0)	(28.8)	(15.2)	0.0	1.7	(50.0)

Provisional figures for the IJBs are showing a breakeven position for all six IJBs, this is also subject to audit and attaining this position involved significant use of reserves. East Renfrewshire was provided with £1m in financial support from NHSGGC to achieve a break-even position.

Please note these figures are provisional and subject to year end audit. Due to additional late allocations and adjustments, it is expected that the surplus will increase to c£2.3m when the audit has been completed.

Conclusion

Conclusion

As at the 31st of March 2025 NHSGGC's financial ledger highlights an underspend of £1.7m of which £2.53m of unachieved savings is being offset by a pay and non-pay underspend of £4.25m. Acute is overspent by £24.31m and Corporate areas are underspent by £24.54m for pay and non-pay. Partnerships has a pay and non pay underspend of £4.02m.

This is an improved position in recent months. This improvement has been achieved as a result of the in-year flexibility available relative to the AFC reform funding.

In terms of Sustainability and Value, £55.6m has been achieved on a full year recurring basis. On an in-year basis (recurring and non-recurring) £226.9m has been achieved. The achievement of the recurring savings of £55.6m ensures the recurring deficit carried forward into 2025/26 is not above the level included in the draft financial plan.

Total capital expenditure incurred to 31st March 2025 is £73.1m, this amounts to 100% of the capital budget.

In summary, Members are asked to :

- i) Note the revenue position at month 12
- ii) Note the Month 12 position for Sustainability and Value and initial progress for 25/26
- iii) Note the capital position at Month 12; and
- iv) Note the 2024/25 position.