

NHS Greater Glasgow and Clyde	Paper No. 26/12
Meeting:	NHSGGC Board Meeting
Meeting Date:	26 February 2026
Title:	Finance Report at 31 December 2025 (Month 9)
Sponsoring Director:	Michael Breen, Director of Finance
Report Author:	Stuart Wilson, Deputy Director of Finance- Financial Planning & Performance

1. Purpose

The purpose of this report is to:

Provide the NHS GGC Board with a summary update on the monthly finance position as at 31 December 2025 (Month 9), noting the full Month 9 Finance Report is attached as Appendix 1 to this report.

The Month 9 Finance Report covers:

1. The Revenue Position (Pages 3-4)
2. Additional Information (Pages 5-8)
3. Sustainability and Value Programme (Pages 9-12)
4. Capital Position (Pages 13-18)
5. 2025-26 Forecast Year End Position (Pages 19-20)
6. Recommendations (Pages 21-22)

2. Executive Summary

The paper can be summarised as follows:

1. Month 9 Revenue Position

As at the 31 December, NHSGGC's financial ledger highlights an overspend of **-£43.8m** (**-£42.7m** at Month 8)

Area	Pay /Non-Pay Variance	Unachieved Savings Variance	Total Variance
Acute Division	-£22.0m	-£45.6m	-£67.6m
Corporate Departments	£32.6m	-£8.9m	£23.7m
NHSGGC Board Budgets	£10.6m	-£54.5m	-£43.9m
HSCPs	£5.3m	-£5.3m	£0

Overall Revenue Position	£16.0m	-£59.8m	-£43.8m
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2. Additional Information

Additional information has been included covering some of the key cost areas which have been under rolling review. These include:

- Additional planned care allocation of £38.8m consisting of £28.6m to support delivery of 52 week wait patients by 31 March 2026, £10m for outsourcing activity and £0.3m allocated for plastics. The year to date spend is £20.51m.
- 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. Spend of £4.58m is reported in the first 9 months of the year, spend of £14.5m is forecast for 2025-26.

3. Sustainability and Value Programme

On an in-year basis, £133.5m or 61.3% of the £217.8m overall financial challenge has been delivered as of Month 9 and on a recurring basis £29.2m or 31.1% of the £93.7m recurring target has been achieved.

Based on the position to Month 9, the current rate of project identification and pipeline growth will not be sufficient to address the required levels of 2025-26 savings. As such, other non-recurring initiatives are being deployed to improve the financial position and continue to target a break-even position.

4. Capital Position

Total capital expenditure incurred to Month 9 is £36.8m, this amounts to 41% of the capital budget (of £89.6m) leaving a balance of £52.8m to be incurred to the 31 March 2026. At Month 9, £76.7m (86%) of the total capital allocation has firm orders or incurred spend which is in line with expectations for this time of the year.

5. 2025-26 Forecast Year End Position

The overall financial challenge for NHSGGC per the agreed 2025-26 Financial Plan is **-£217.8m**. This is based on a recurring structural deficit carried forward from 2024-25 of **-£162.8m** with further net pressures in 2025-26 of **-£55.1m**.

To balance the 2025-26 Financial Plan the mitigations agreed were recognition of a £55.1m SG non-recurring sustainability payment, a recurring savings target of £93.7m and a non-recurring target of £69.0m.

The financial position for NHSGGC is continually reviewed and based on the results at 30 June 2025 (Quarter 1) the 2025-26 forecast to 31 March 2026 was assessed as a projected deficit of **-£45m**. The **-£45m** projected deficit continued to be NHSGGCs year-end assessment from Month 3 through to Month 6.

A further review took place at Month 7 and due largely to additional income expected in 2025-26 from the SLAs with other NHS Scotland Boards and further financial management work the 2025-26 forecast to 31 March 2026 was reduced down to a projected deficit of **-£39.6m** (positive movement of £5.4m). The forecast deficit for Month 8 was held at **-£39.6m**.

At Month 9, which is Quarter 3 of 2025-26 a deeper dive has been completed, and the forecast has been improved to **-£18.4m**. The improvement is across a number of areas including reviewing current balance sheet liabilities, testing financial plan assumptions, trends to date as well as recognising some improvements within the planning assumptions around new medicines income and the expected CNORIS NRAC share.

3. Recommendations

The Board is asked to consider the following recommendations:

- 1) Note the overall revenue position of **-£43.8m** at Month 9
- 2) Note the Month 9 additional information.
- 3) Note the Month 9 position for Sustainability and Value with £133.5m delivered on an in-year basis.
- 4) Note the capital position at Month 9 with expenditure to date of £36.8m
- 5) Note the 2025-26 Forecast Year End Position of **-£18.4m** which is an improvement to the Month 8 position of **-£39.6m**

4. Response Required

This paper is presented for the purpose of **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:

- Reviewed by the Finance Senior Management Team
- Sustainability and Value performance discussed at the S&V Programme Board
- Capital performance is discussed at the Capital Planning Group

7. Governance Route

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

Corporate Management Team- 16 February

8. Date Prepared & Issued

Date prepared: 28 January 2026

Date issued: 19 February 2026

Finance Report Month 9 (December 2025)

NHS GGC Board Meeting

26 February 2026



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 9 Revenue position (pages 3-4)
- ii) The Month 9 Additional Information (pages 5-8)
- iii) The Month 9 Sustainability and Value position for 2025/26 (pages 9-12)
- iv) The Month 9 Capital position (pages 13-18)
- v) 2025/26 year end position (pages 19-20)
- vi) Conclusion (pages 21-22)

Members are asked to :

- i) Note the Month 9 revenue position
- ii) Note the Month 9 position re additional information
- iii) Note the Month 9 position for Sustainability and Value and progress for 25/26
- iv) Note the capital position at Month 9; and
- v) Note the 2025/26 position.

Month 9 Revenue Position

Month 9 - Overall Position

Financial Performance – Month 9

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

Area	Annual Budget	Pays, Non Pays Position	Unachieved Savings	Final Reported Position	% of Annual Budget
	£m	£m	£m	£m	%
Acute	2,212.6	(22.0)	(45.6)	(67.6)	(3.1%)
Partnerships	1,786.9	5.3	(5.3)	(0.0)	(0.0%)
Corporate Departments	721.2	32.6	(8.9)	23.7	3.3%
Financial Position at 31st December 2025	4,720.8	16.0	(59.8)	(43.8)	(0.9%)

As outlined above, the Board recorded a deficit of £43.8m at 31st December (£42.7m at month 8).

The deficit is made up of the following:-

- Pay and non-pay underspend of £16.0m. Acute is overspent by £22.0m and Corporate areas are underspent by £32.6m. Partnerships has a pay and non pay underspend of £5.3m.
- Unachieved savings at month 9 amount to £59.8m.

Month 9 Additional Information

Planned Care Funding
Unscheduled Care Funding

Additional Planned Care Funding Allocation 2025/26

NHSGGC has received £38.8m of funding to support delivery of 52 week wait patients by 31st March 2026. The original allocation was for £28.6m was allocated across a range of specialties with the longest waits greater than 52 weeks with a further £0.3m allocated for plastics and £10m allocated to deliver activity through outsourcing. The funding is dependant on delivery of the activity and a monthly monitoring return is submitted to SG capturing the spend to date and the activity delivered. The first tranche was received in October and is coming on monthly basis.

For the period April to December £20.51m has been incurred and total activity of 42,372 has been delivered, 823 of this activity has been delivered through outsourcing. Diagnostic imaging accounts for 30% of spend and 34% of activity.

Specialty	Funding Approved 2025 £m	YTD Funding December 25 £m	YTD spend December 25 £m	Slippage December 25 £m	Forecast To March £m	Year end Slippage £m	YTD OP December Activity	YTD IP/DC December Activity	Diagnostics (Imaging & Endoscopy) December Activity
Ophthalmology	0.75	0.48	0.57	(0.09)	0.73	0.01	1,434	382	
Gynaecology	5.01	3.09	2.41	0.69	4.49	0.52	6,112	401	
ENT	1.60	0.98	1.54	(0.57)	2.44	(0.84)	2,476	803	
General surgery,including Breast	3.90	2.23	2.01	0.22	3.95	(0.05)	4,567	277	
Plastics	1.81	1.06	0.99	0.07	1.82	(0.01)	247	193	
Orthopaedics	11.29	6.78	4.77	2.01	11.49	(0.20)	2,407	1,385	
Urology	1.73	1.18	1.14	0.04	1.61	0.12	5,037	727	
Endoscopy	1.35	1.01	0.88	0.14	1.20	0.15			1,635
Diagnostics	10.10	7.26	6.11	1.15	9.88	0.22			14,273
Neuro Spinal	1.02	0.51	0.09	0.42	1.03	(0.00)		17	
Clinical Validation	0.25	0.13	0.00	0.13	0.25	0.00			
	38.82	24.7	20.51	4.21	38.89	-0.07	22,279	4,185	15,908

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.

The initial tranche of funding was received in December. A breakdown of the funding plan can be seen in the tables below. Work continues to firm up actions and review delivery timescales and outcomes.

It should be noted that further funding of £2.6m has been confirmed for Hospital @ Home and the model is being finalised so that recruitment can commence, no costs to date.

Table 1: Funding allocation by objective

Objective	Actions	Full year £m	YTD Funding £m	Spend YTD December £m	YTD Funding Slippage £m	Forecast Spend to March 2026 £m
Create an interface Division, supporting the whole system structure	Director, Chief of Medicine and Chief nurse appointed.	5.58	4.19	0.32	3.87	1.70
Virtual Hospital	OPAT expansion, Doclare software, enhanced AHP provision, expand traditional H@H	4.33	3.26	0.16	3.08	1.07
Admission avoidance	Home First Response , Frailty at the front door	2.20	1.65	0.03	1.62	0.57
Supporting discharge	Intermediate care beds	2.53	1.90	0.74	1.16	1.29
Supporting discharge	Additional social worker support	0.19	0.14	0.06	0.07	0.13
Supporting discharge	Reduce LoS for AWI patients	0.71	0.54	0.01	0.53	0.15
Supporting Discharge- complex patients	30 additional care home beds	3.60	2.70	1.51	1.19	2.36
Reducing hospital admissions	Rapid Assessment Care model	1.07	0.80	0.00	0.80	0.00
Support redirection of patients	eTriage	0.50	0.37	0.00	0.37	0.08
	Acute additional projects			1.76	-1.76	7.15
	Uncommitted	0.24	0.18	0.00	0.18	0.00
Total		20.95	15.72	4.58	11.13	14.50

Additional Urgent Unscheduled Care Funding 2025/26

Table 2 below shows the split of the allocations and spend by owner. Due to the timing of the confirmation only £4.58m of the funding has been spent up to 31st December 2025. £14.5m is forecast to be spent by year end.

Table 2: Funding allocation by owner

Allocation by Owner	Full year	YTD Funding	Spend YTD December 2025	YTD Funding Slippage	Forecast Spend to March 2026	Projected slippage to March 2026
	£m	£m	£m	£m	£m	£m
Wider GGC actions	1.0	0.7	0.0	0.7	0.1	0.9
Interface including virtual Hospital, Raac and Digital Triage	9.1	6.9	0.4	6.5	2.5	6.6
Acute	3.0	2.3	1.8	0.4	7.7	(4.7)
Glasgow City HSCP	5.7	4.3	1.9	2.3	3.3	2.4
Inverclyde HSCP	0.6	0.4	0.1	0.3	0.1	0.5
Renfrewshire HSCP	0.6	0.4	0.1	0.3	0.2	0.3
East Dumbartonshire HSCP	0.3	0.2	0.1	0.1	0.2	0.1
West Dumbartonshire HSCP	0.6	0.4	0.1	0.4	0.2	0.4
East Renfrewshire HSCP	0.1	0.1	0.1	0.0	0.1	0.0
Total	20.95	15.72	4.58	11.13	14.50	6.45

Sustainability and Value

Sustainability and Value Programme

Month 9 Position

The position as of Month 9 shows that, on a recurring basis, £29.2m or 31.2% of the £93.7m target has been achieved. On an in-year basis, recurring and non-recurring £133.5m or 61.3% of the £217.8m overall financial challenge has been delivered as of Month 9.

The pace of delivery in Month 9 has remained slow and behind the required trajectories, on a recurring basis £1m was delivered and on an in-year basis £7.4m of savings were delivered in comparison to Month 8.

Table 1 Month 9 position

Area	CYE Target £m	CYE £m	CYE Gap £m	FYE Target £m	FYE £m	FYE Gap £m
Acute	73.9	14.4	-59.5	73.9	8.7	-65.2
Corporate	23.0	12.1	-10.9	23.0	4.6	-18.4
	96.9	26.5	-70.4	96.9	13.3	-83.6
Financial Plan	120.9	107.0	-13.9	-3.2	15.9	19.1
Total	217.8	133.5	-84.3	93.7	29.2	-64.5
% achieved		61.3%			31.2%	

Sustainability and Value Programme

2025/26 Month 9 forecast

The Month 9 forecast has been updated to reflect the current levels of risk within the programme. On a recurring basis, the forecast is £53.9m (58%) and on a non-recurring in-year basis, £155.4m (71%).

While the Month 9 forecast has improved against the overall £217.8m financial challenge there still remains a significant gap in our plans against the Boards financial targets for the year 2025/26. The levels of risk in the current programme have again been reviewed and refined in Month 9.

Table 2 Month 9 Forecast

Area	Total Planned CYE (£m)	Total Planned FYE (£m)	Comments
Sectors/ Directorate plans (Month 9 pipeline)	137.3	35.8	Includes £1.6m high risk projects
SLA Income	18.7	18.7	30% Quarter 1 (achieved) remainder Quarter 3
WGACH	0.0	1.0	Quarter 4- dependant on remaining areas vacating building
Further Corporate savings	0.0	0.0	Throughout the year
Total	156.0	55.5	
High Risk Schemes	(0.7)	(1.6)	Reported Month 9 risk
Total less high risk	155.4	53.9	
% identified	71%	58%	
Financial Challenge	217.8	93.7	
Gap (after adjusting for high risk)	(62.4)	(39.7)	

The HSCPs are also forecasting savings of £30.9m in the current year of which £18.7m is recurring, which are not included in the figures above.

Month 9 S&V Summary and next steps

As of Month 9, the Board continues to face a significant challenge in meeting its financial targets for 2025/26. The Month 9 in-year forecast position of £155.4m represents 71% of the total financial challenge (£217.8m) for the year, while the forecast against the recurring financial target is £53.9m or 58% of the £93.7m challenge and this reflects the continued slow pace of progress.

There remains a gap of £62.4m against the overall in-year financial challenge for the year and we have yet to identify a route to address this gap against the Boards financial targets.

Work is ongoing to identify steps to mitigate and reduce this gap and this has included a detailed review of all remaining schemes.

The wider national situation shows the constrained and challenging environment that the NHS is facing and where NHSGGC's financial position is in relation to other Boards.

The Board has commenced its planning for the coming financial year 2026/27 and is also reviewing the recent Scottish Budget to understand the implications for these plans.

Capital Position



Capital Position

Capital Expenditure – 31st December 2025

• Total Gross Capital Expenditure to date	: £36.8m (41% of plan)
• Annual Capital Budget at 31/12/25	: £89.6m
• Balance of Budgeted Cap. Ex. to be incurred	: £52.8m (59%)
• Total Expenditure Committed at Month 9	: £76.7m (86%)
• Uncommitted Budget	: £12.9m (14%)

* Committed [Expenditure incurred + Orders placed]

Total gross capital expenditure incurred to 31st December 2025 is £36.8m amounting to 41% of the annual plan (of £89.6m, which has been fully allocated via the Business Continuity Plan process). This leaves a balance of £52.8m (59%) of expenditure to be incurred by 31st March 2026. At month 9, £76.7m (86%) of the total capital allocation has firm orders or incurred spend which is in line with expectations for this point of the year.

There is an uncommitted budget balance of £12.9m of the capital allocation. £12.6m of this amount has been allocated to projects with the remaining £0.3m assigned to emergency medical equipment replacements in Q4 2025/26.

Capital Funding increased this month by £0.1m – due to additional Scottish Government Funding for GP Loans.

The total forecasted Core Capital Resource Limit (CRL) is £87.2m as at 31st December 2025 of which £36.1m (41%) has been achieved.

Capital Position

Capital Expenditure – to 31st December 2025 : £36.8m

Main areas of Expenditure as below:

- £9.9m : New build Radionuclide Dispensary
- £1.8m : New build Glasgow North East Health & Social Care Centre.
- £4.3m : Rectification Works QEUEH Atrium
- £2.4m : Rectification Works QEUEH Manifold
- £0.6m : Rectification Works QEUEH Fire Doors
- £0.2m : Radiotherapy Equipment Replacement Programme
- £0.3m : LIMS
- £1.1m : RAH Maternity Brickwork
- £0.8m : Clyde TSSU Air Handling Units
- £0.4m : GRI Filtration Plant
- £0.7m : INS Ward 68 Upgrade
- £0.3m : Safety Critical Maintenance Projects
- £0.4m : High Risk Maintenance Projects
- £0.6m : Relocation of WGACH Services
- £0.5m : Reduced Ligature Works
- £1.6m : New build Bishopton Health Centre
- £1.0m : New Bishopbriggs Treatment Rooms
- £0.2m : RAH Emergency Department Redesign
- £6.4m : Medical Equipment

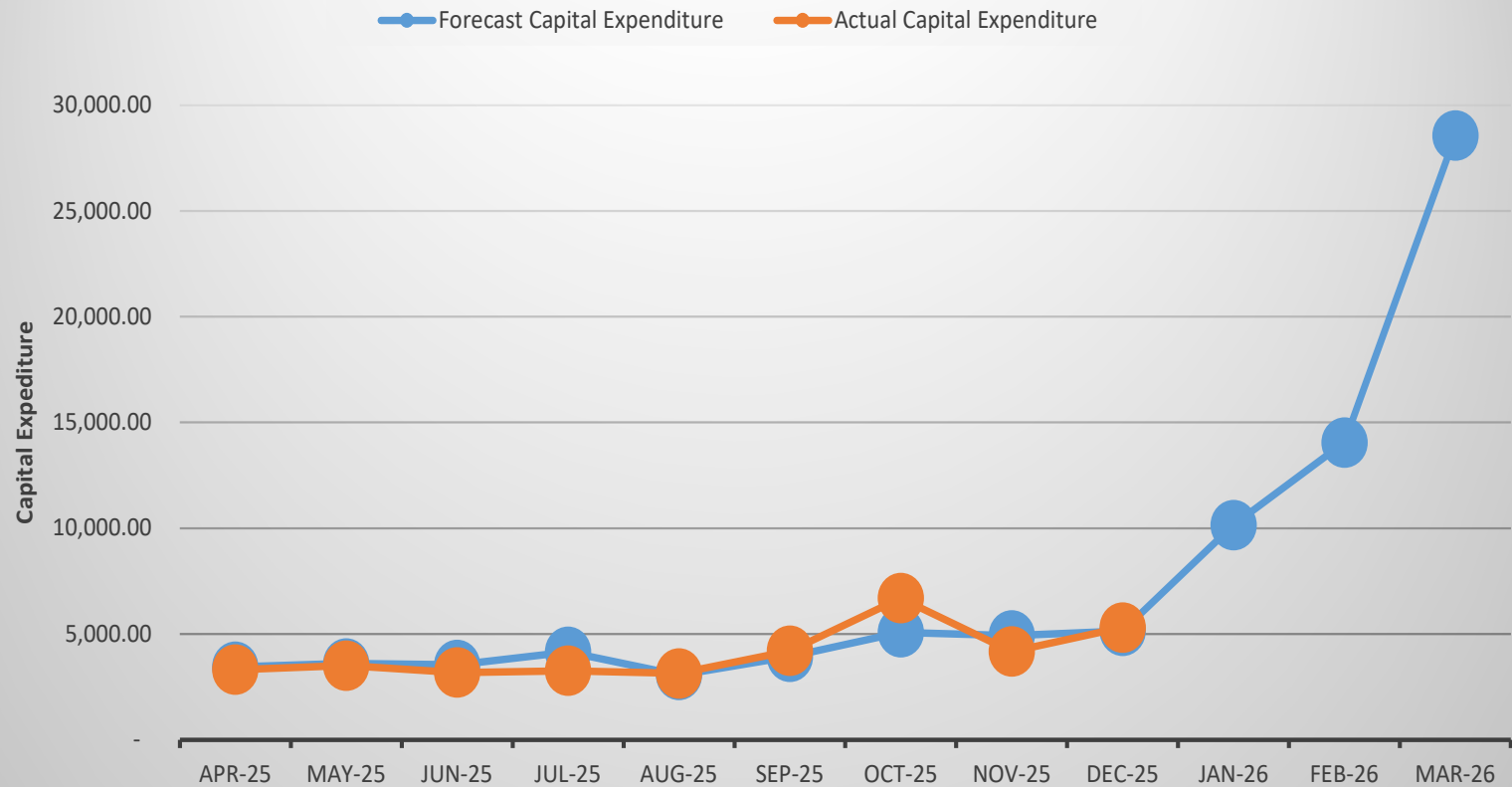
Capital Position

Capital Expenditure – cont.

Main areas of Expenditure as below:

- £0.7m : Non-Clinical Equipment
- £1.7m : eHealth
- £0.2m : FNC+
- £0.4m : GP Loans
- £0.3m : Other

Monthly Capital Expenditure Profile 2025/26



Capital Position

Capital Disposals

Forecast Sales : (NBV provides Capital Funding)

Asset	Est Year	Est Receipt	NBV
Complete			
Hardgate Clinic * Sold Nov 2025	2025/26	£0.20m	£0.15m
Early stages			
Netherton Clinic	2026/27	£0.28m	£0.62m*
Dumbarton Cottage Hospital	2026/27	£0.03m	£0.03m
Cathcart Centre Greenock	2026/27	£0.14m	£0.25m*
Woodilee Cottage	2026/27	Not available	£-
Blythswood House	2026/27	Not available	£1.33m
Blythswood House Land	2026/27	Not available	£0.79m

* Impairment to be carried out in 2025/26

Future Years

Stoneyetts Phase 2	Not available	£ -
Lennox Castle Land Phase 2	£ 2.00m	£0.35m
Lennox Castle Phases 3 & 4	Not available	£1.55m
Yorkhill : Queen Mother's Hospital	Not available	£0.23m
Yorkhill : RHC Land	Not available	£2.58m

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 was 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 national 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 further 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 was taken to revise the current forecast to show a deficit of £45m. This position was mainly due to the current operational pressures NHSGGC is facing and a slow uptake on the Sustainability and Value programme. The forecast deficit was reduced in month 7 to £39.6m due to additional income from the SLAs and additional financial management work. Based on further review of financial assumptions and on notification of additional funding from the Scottish Government, the decision was taken in month 9 to **reduce the forecast deficit to £18.4m.**

Board Finance Plan	Fin Plan April 25	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Movement Fin Plan v Month 9
	£m's	£m's	£m's	£m's	£m's	£m's	£m's	£m's	£m's
Core (Deficit)/Surplus	0.0	(45.0)	(45.0)	(45.0)	(45.0)	(39.6)	(39.6)	(18.4)	(18.4)
Total Deficit	0.0	(45.0)	(45.0)	(45.0)	(45.0)	(39.6)	(39.6)	(18.4)	(18.4)

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 31st December 2025 NHSGGC's financial ledger highlights an overspend of £43.8m (£42.7m at month 8) of which £59.8m relates to unachieved savings and there is a pay and non-pay underspend of £16.0m. Acute is overspent by £22.0m and Corporate areas are underspent by £32.6m for pay and non-pay. Partnerships has a pay and non pay underspend of £5.3m.

The Board is still facing a number of pressures at Month 9 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 month 9, the decision has been taken to reduce the current forecast to a **deficit of £18.4m**.

In terms of Sustainability and Value, £29.2m has been achieved on a full year recurring basis. On an in-year basis (recurring and non-recurring) £133.5m has been achieved. The recurring forecast is £53.9m 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.

Total capital expenditure incurred to 31st December 2025 is £36.8m, this amounts to 41% of the capital budget (of £89.6m) leaving a balance of £52.8m to be incurred to the 31st of March 2026. At month 9, £76.7m (86%) of the total capital allocation has firm orders or incurred spend which is in line with expectations for this time of the year. There is £12.9m uncommitted across specific projects across the business continuity project. Only £0.3m remains unallocated but this has been assigned to emergency medical equipment replacements.

In summary, Members are asked to :

- i) Note the revenue position at Month 9
- ii) Note the Month 9 position re additional information
- iii) Note the Month 9 position for Sustainability and Value and progress for 25/26
- iv) Note the capital position at Month 9;
- v) Note the 2025/26 position.