

NHS Greater Glasgow and Clyde	Paper No. 26/111
Meeting:	NHSGGC Board Meeting
Meeting Date:	27 August 2026
Title:	NHSGGC Finance Report – Month 3 (June 2026)
Sponsoring Director/Manager:	Michael Breen, Deputy Chief Executive and Director of Finance
Report Author:	Stuart Wilson, Deputy Director of Finance- Financial Planning and Performance

1. Purpose

The purpose of this paper is to provide the NHSGGC Board with a summary update on the Board's financial position as at 30 June 2026 (Month 3).

The new detailed Month 3 Finance Report is attached at **Appendix 1** and provides analysis and commentary on:

1. Background
2. 2026-27 Financial Plan
3. Revenue Position
4. Sustainability and Value Programme
5. Income Position
6. Capital Position
7. Forecast Year-End Position
8. Conclusion

The report sets out the Board's revenue and capital performance at Month 3, progress against delivery of the 2026–27 Sustainability and Value Programme, the principal financial risks and opportunities currently emerging, and the actions being taken across services to maintain financial balance and support delivery of the Board's financial objectives for the year.

2. Executive Summary

A. Headline Financial Position

NHS GGC is reporting an overall net expenditure deficit of **-£29,872,145** at Month 3.

Table 1 below describes the financial performance of the Health Board for each reporting month to date in 2026-27.

Table 1

Month	Month Ending	Budget to Date	Actual to Date	Year to Date Variance	Monthly Movement
Month 1	30 April 2026	£195,232,756	£212,928,452	-£17,695,696	-£17,695,696
Month 2	31 May 2026	£477,730,379	£506,919,721	-£29,189,342	-£11,493,646
Month 3	30 June 2026	£1,025,682,299	£1,055,554,444	-£29,872,145	-£682,803

Table 2 below presents the year-to-date revenue variances for each financial reporting period in 2026-27, together with a comparison to the equivalent reporting periods in 2025-26.

To support interpretation of the reported position, each variance is also benchmarked against **-1%** of the Health Board's estimated baseline Revenue Resource Limit (RRL) for 2026-27. This comparison contextualises the reported variance against the Health Board's overall revenue allocation, illustrating the scale and materiality of the overspend and the extent of the financial recovery challenge facing NHS GGC during the current financial year. Whilst the year-to-date variance is an improvement on the trajectory in 2025-26, this is in part due to earlier recognition of financial management and non-recurring opportunities.

Table 2

Month	Month Ending	2026-27 Year to Date Variance	2025-26 Year to Date Variance	2026-27 1% RRL	Break Even
Month 1	30 April 2026	-£17,695,696	-£20,207,361	-£33,647,367	0
Month 2	31 May 2026	-£29,189,342	-£28,072,543	-£33,647,367	0
Month 3	30 June 2026	-£29,872,145	-£42,779,659	-£33,647,367	0

• Financial Position by Reporting Areas

A summary of the overall financial position by **Reporting Areas** is provided in **Table 3** below.

Table 3

Reporting Area	Annual Budget	Budget to Date	Actual to Date	Variance
Acute Division	£1,444,149,076	£401,141,681	£423,031,205	-£21,889,524
Estates & Facilities	£344,218,250	£87,988,936	£91,548,474	-£3,559,538
Corporate Departments	£273,930,641	£66,911,532	£67,664,488	-£752,955
Healthcare Purchases	£65,143,325	£16,234,831	£16,741,058	-£506,226
Hosted Corporate	£21,622,452	£5,676,430	£5,631,722	£44,708
Other Board-Corporate	-£40,630,483	-£4,443,548	-£1,234,941	-£3,208,607
Research & Development	£0	£0	£0	-£0
Board Reserves	-£3,972,226,322	-£4,710,592	-£4,710,592	£0
Non-Core Expenditure	£111,180,000	£25,597,904	£25,597,904	£0
Board Position	-£1,752,613,061	£594,397,174	£624,269,318	-£29,872,145
Total Partnerships	£1,752,613,061	£431,285,125	£431,285,125	£0
Total Net Expenditure	£0	£1,025,682,299	£1,055,554,444	-£29,872,145

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The adverse financial position is concentrated within Acute Services, which is reporting an overspend of **-£21,889,524**, together with overspends in Other Board Corporate of **-£3,208,607** and Estates and Facilities of **-£3,559,538**. Partnerships are reporting a nil variance position after the application of relevant reserve transfers.

• Financial Position by Expenditure Categories

Table 4 below details the overall financial position by **Reporting Category**.

Of the **-£29,872,145** overspend reported at Month 3, **-£20,847,975** is attributable to the underachievement of required savings. However, of significant concern is the underlying expenditure position, with Pay and Non-Pay budgets collectively reporting an overspend of **-£8,611,585**. This reflects sustained cost pressures within services and highlights the need for both accelerated delivery of savings plans and strengthened financial control measures.

Table 4

Reporting Category	Annual Budget	Budget to Date	Actual to Date	Variance
Pay	£2,208,449,396	£559,883,080	£562,476,541	-£2,593,462
Non-Pay	£771,600,138	£140,958,719	£146,976,842	-£6,018,123
Purchase of Healthcare	£76,416,321	£22,415,645	£23,273,007	-£857,362
Savings	-£151,329,043	-£20,847,975	£0	-£20,847,975
PFI	£47,964,120	£10,825,872	£10,825,873	-£1
Family Health Services	£488,415	£106,450	£120,769	-£14,319
Capital Charges	£111,390,928	£27,800,714	£27,767,495	£33,218
Total Expenditure	£3,064,980,275	£741,142,504	£771,440,527	-£30,298,023
Total Income	-£4,817,593,336	-£146,745,331	-£147,171,208	£425,878
Net Expenditure	-£1,752,613,061	£594,397,174	£624,269,318	-£29,872,145

Material items for both Pay and Non-Pay are noted below

Pay

- Overspends in Acute Senior Medical **-£1,583,289** and Resident doctors **-£356,607**, primarily due to high use of agency and bank to cover vacancies and absences.
- Acute nursing is overspent by **-£2,495,819**. There is a high use of nurse bank and agency to cover constant observations, vacancies and sickness absence.
- Favourable variances in Admin and Clerical, Support Services and Healthcare Sciences are partially offsetting the overspends.

Non-Pay

- **-£3,051,040** overspend against Drug budgets within acute. Several efficiency schemes remain outstanding, and NHS GGC's 2026-27 Financial plan set a strategy to contain pressures relating to growth and new medicines.
- Acute equipment adverse **-£836,146**, partly due to increase spend in respiratory services.
- Property Maintenance is currently **-£494,000** adverse year-to-date. The pressure is mainly due to response to emerging issues at Glasgow Royal Infirmary.
- A PFI VAT reclaim has resulted in a **-£512,000** adverse variance within Estates and Facilities.

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- Corporate Services non-pay overspend is primarily due to high levels of spend within Human resources on recruitment. There is an adverse variance of **-£493,000** due to high spend on visas and PVG fees. There is a further pressure of **-£203,000** resulting from increased spend on interpreter services.

B. Sustainability & Value (S&V) Programme

The NHS GGC 2026-27 Financial Plan set out a requirement to deliver £194,706,876 of savings in year to achieve breakeven.

On an in-year basis, £43,377,833 or 22.28% of the £194,706,876 overall financial challenge has been delivered as of Month 3. This leaves a balance of **-£151,329,043** still to be resolved in year.

Table 5 below provides details on S&V across the Reporting Areas

Table 5

Reporting Area	Savings Target	Non-Recurring Savings Achieved	Recurring Savings Achieved	Total Savings Achieved	Savings Balance Remaining	Percentage Achieved
Acute Division	£84,083,648	£365,695	£9,007,110	£9,372,805	-£74,710,843	11.15%
Estates & Facilities	£16,559,470	£973,096	£733,937	£1,707,033	-£14,852,437	10.31%
Corporate Departments	£15,093,437	£15,093,437	£0	£15,093,437	£0	100.00%
Other Corp Areas	£78,970,321	£15,204,559	£2,000,000	£17,204,559	-£61,765,762	21.79%
Board Position	£194,706,876	£31,636,787	£11,741,047	£43,377,834	-£151,329,043	22.28%

The three-year Financial Plan for 2026-27 to 2028-29 identified a recurring savings requirement of **£107,951,490**. As at Month 3, recurring full-year equivalent savings of **£12,133,418** had been delivered, representing **11.24%** of the total recurring financial challenge. Savings delivery remains significantly behind the level required to achieve financial balance on a recurring basis.

Based on current approved and planned schemes, substantial further work is required to identify, develop and implement additional recurring savings initiatives. A remaining recurring challenge of **£95,818,072** must be addressed if the Board is to achieve both **in-year financial breakeven** and a sustainable improvement in its underlying recurring financial position. Continued focus on accelerating the delivery of existing programmes, together with the development of further transformational and service redesign opportunities, will be essential to closing the gap.

C. Capital Position

Against an approved **Capital Plan V1 of £94,896,772**, actual capital expenditure of **£13,223,923** had been incurred by Month 3, representing **13.9%** of the annual programme. Year to date committed expenditure totals **£36,489,955** (39%). Further detail on capital expenditure by programme and project is provided in **Table 6** below.

Consistent with previous years, expenditure is forecast to be weighted towards **Quarters 3 and 4**, reflecting the timing and delivery profile of major infrastructure and equipment investments.

A comprehensive review of all capital spend profiles will be undertaken by the end of **Quarter 2 (September 2026)** to assess progress against plan and identify any requirements for corrective

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action, re-profiling of expenditure or reallocation of funding. This will help maximise utilisation of available capital resources and support delivery of the overall Capital Plan by year-end.

Table 6

Category	Capital Plan V1	Actual + Committed	Capital Budget Remaining
Built Environment	£13,000,000	£8,019,995	£4,980,005
Service Development	£9,600,000	£2,712,143	£6,887,857
Reduced Ligature Works	£3,600,000	£2,294,005	£1,305,995
Equipment	£9,059,000	£2,357,627	£6,701,373
Digital	£3,000,000	£399,820	£2,600,180
Capital Reserve	£0	£0	£0
Capital to Revenue Transfer (Hold)	£3,000,000	£0	£3,000,000
Formula Capital	£41,259,000	£15,783,590	£25,475,410
Capital to Revenue Transfer (Out)	-£3,000,000	£0	-£3,000,000
QEUH Rect Overarching Fees	£70,000	£40,933	£29,067
QEUH Atrium Remediation	£6,630,000	£994,216	£5,635,784
QEUH Manifold Replacement	£5,033,000	£3,611,056	£1,421,944
QEUH Fire Door Remedials	£8,796,000	£2,251,189	£6,544,811
Rectification Works	£20,529,000	£6,897,395	£13,631,605
Radionuclide Dispensary	£2,410,000	£2,116,146	£293,854
Radiotherapy Equipment	£14,301,000	£3,210,280	£11,090,720
National LIMS Project	£382,000	£94,441	£287,559
Sustainable Energy Awards	£4,595,000	£554	£4,594,446
BCP / NIB	£5,360,000	-£106,609	£5,466,609
SG Funding Total	£47,577,000	£12,212,206	£35,364,794
Total Core	£85,836,000	£27,995,796	£57,840,204
GP Sustainability Loans	£0	£0	£0
Leases (IFRS 16)	£8,561,000	£8,561,000	£0
Total Non-Core	£8,561,000	£8,561,000	£0
Revenue Funded Capital	£499,772	£499,322	£450
Total Capital	£94,896,772	£37,056,118	£57,840,654

D. 2026-27 Forecast

The NHSGGC Board approved a financial plan for 2026-27 which set out delivery of a breakeven position.

Taking into account known confirmed S&V opportunities, financial flexibilities, and historic performance, the first forecast position for 2026-27 is a projected overspend of **-£58,041,628** (1.71% of baseline RRL). Whilst this forecast is based on only three months of data,

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this position makes a number of high-level assumptions based on historical trajectories and financial recovery actions being implemented and should be considered high risk. Therefore, considerable cost control measures now need to be implemented within the Acute Division to mitigate the in-year overspend and significant under-delivery against approved savings targets.

In addition, enhanced cost containment is required across the organisation, particularly Estates & Facilities in order to improve the NHSGGC financial outlook for 2026-27 and provide an opportunity to deliver a breakeven position.

This position assumes no financial support is required for IJBs in 2026-27. The forecast position will continue to be monitored on monthly basis.

E. Risk Management

At Month 3, Risk 3036: Financial Sustainability - In Year (2026/27) Revenue remains very high with a risk score of 20 (Likelihood 4 Impact 5).

“Risk 3036- There is a risk that NHS Greater Glasgow and Clyde cannot deliver the statutory duty of achieving in year (2026/27) financial balance whilst delivering the expected level of service commitments which results in the potential for financial overspend and/or service reduction”

3. Recommendations

The Board is asked to note the following:

1. A net revenue overspend of **-£29,872,145** is reported at 30 June 2026.
2. In relation to Sustainability and Value, £12,133,418 has been achieved on a full-year recurring basis. On an in-year basis, incorporating both recurring and non-recurring measures, £43,377,833 has been delivered, leaving a remaining requirement of £151,329,043 to achieve the Financial Plan target.
3. A detailed assessment of the financial position has been undertaken as part of the Quarter 1 review. An overspend of **-£58,041,628** is forecast. This position makes a number of high-level assumptions based on historical trajectories and financial recovery actions being implemented and should be considered high risk
4. Immediate and significant action is required across all areas, in particular the Acute Division to reduce costs.
5. Risk 3036 Financial Sustainability: In-Year Revenue Position (2026/27) remains assessed as Very High, with a risk score of 20 (Likelihood 4, Impact 5).
6. Against an approved capital allocation of £94,896,772, year-to-date committed expenditure totals £37,056,118, of which £13,223,923 has been incurred at month 3. Capital expenditure is currently in line with the planned profile, and the full allocation is forecast to be utilised by the end of the financial year.

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:

- 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:

Finance, Planning and Performance Committee – 6 August 2026
Corporate Management Team - 10 August 2026

8. Date Prepared & Issued

Paper prepared: 20 July 2026

Paper issued: 19 August 2026



Finance Report

**30 June 2026
(Month 3)**

NHSGGC Board

The purpose of this report is to provide NHSGGC Board with the most recent Monthly Financial position for NHSGGC.

The Finance Report for the period ending 30 June 2026 (Month 3) covers:

1. Background (Page 3)
2. 2026-27 Financial Plan (Page 3)
3. Revenue Position (Pages 3-13)
4. Sustainability and Value Programme (Pages 14-17)
5. Income Position (Pages 17-18)
6. Capital Position (Pages 18-20)
7. Forecast Year End Position (Pages 20-21)
8. Conclusion (Page 21)

1. Background

NHS Scotland Boards are required to operate within the Revenue Resource Limit (RRL), Capital Resource Limit (CRL) and Cash Requirement allocated annually by the Scottish Government Health and Social Care Directorates (SGHSCD). NHS Greater Glasgow and Clyde is required to manage its financial performance within each of these statutory limits and deliver a breakeven outturn at year end.

The principal financial controls are:

- Revenue Resource Limit (RRL): the annual resource allocation available to support the Board's day-to-day operational and service delivery activities.
- Capital Resource Limit (CRL): the annual allocation available to fund capital investment, including infrastructure developments, equipment replacement, and other approved capital projects.
- Cash Requirement: the cash financing allocation provided to support the expenditure associated with both revenue operations and capital investment and to ensure the Board maintains appropriate liquidity throughout the financial year.

Performance against each of these limits is monitored regularly and reported through the Health Board's governance arrangements to ensure compliance with the financial targets and statutory duties set by the Scottish Government.

2. 2026-27 Financial Plan

NHS GGC's approved 2026-27 Financial Plan (excluding Integration Joint Boards) identified a projected funding gap of **-£194,706,876** between forecast expenditure and available revenue resources.

To achieve a breakeven financial outturn, the gap is required to be addressed through the delivery of the Board's Sustainability and Value Programme, comprising £107,951,489 of recurring savings and £86,755,385 of non-recurring measures.

Achievement of the Financial Plan is therefore dependent upon the successful delivery of these recurring and non-recurring initiatives, together with robust financial management throughout the year. The planned position also assumes that all six Integration Joint Boards (IJBs) will achieve a breakeven financial outturn in 2026-27 and that no additional financial pressures arise which would require support from the Health Board's core revenue allocation.

3. Revenue Position

• Headline Financial Position

NHS GGC is reporting an overall net expenditure deficit of **-£29,872,145** at Month 3.

Table 1 below describes the financial performance of the Health Board for each reporting month to date in 2026-27.

Table 1

Month	Month Ending	Budget to Date	Actual to Date	Year to Date Variance	Monthly Movement
Month 1	30 April 2026	£195,232,756	£212,928,452	-£17,695,696	-£17,695,696
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Month 3	30 June 2026	£1,025,682,299	£1,055,554,444	-£29,872,145	-£682,803

Table 2 below presents the year-to-date revenue variances for each financial reporting period in 2026-27, together with a comparison to the equivalent reporting periods in 2025-26. To support interpretation of the reported position, each variance is also benchmarked against **-1%** of the Health Board's estimated baseline Revenue Resource Limit (RRL) for 2026-27. This comparison contextualises the reported variance against the Health Board's overall revenue allocation, illustrating the scale and materiality of the overspend and the extent of the financial recovery challenge facing NHS GGC during the current financial year. Whilst the year-to-date variance is an improvement on the trajectory in 2025-26, this is in part due to earlier recognition of financial management and non-recurring opportunities.

Table 2

Month	Month Ending	2026-27 Year to Date Variance	2025-26 Year to Date Variance	2026-27 1% RRL	Break Even
Month 1	30 April 2026	-£17,695,696	-£20,207,361	-£33,647,367	0
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Month 3	30 June 2026	-£29,872,145	-£42,779,659	-£33,647,367	0

• Financial Position by Reporting Areas

A summary of the overall financial position by **Reporting Area** is provided in **Table 3** below.

Table 3

Reporting Area	Annual Budget	Budget to Date	Actual to Date	Variance
Acute Division	£1,444,149,076	£401,141,681	£423,031,205	-£21,889,524
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Hosted Corporate	£21,622,452	£5,676,430	£5,631,722	£44,708
Other Board Corporate	-£40,630,483	-£4,443,548	-£1,234,941	-£3,208,607
Research & Development	£0	£0	£0	-£0
Board Reserves	-£3,972,226,322	-£4,710,592	-£4,710,592	£0
Non-Core Expenditure	£111,180,000	£25,597,904	£25,597,904	£0
Board Position	-£1,752,613,061	£594,397,174	£624,269,318	-£29,872,145
Total Partnerships	£1,752,613,061	£431,285,125	£431,285,125	£0
Total Net Expenditure	£0	£1,025,682,299	£1,055,554,444	-£29,872,145

As per the request at the last FPP meeting 'Other Board Corporate' will be split further from Month 4 onwards.

The adverse financial position is concentrated within Acute Services, which is reporting an overspend of **-£21,889,524**, together with overspends in Other Board Corporate of **-£3,208,687** and Estates and Facilities of **-£3,559,538**. Partnerships are reporting a nil variance position after the application of relevant reserve transfers.

• Financial Position by Expenditure Categories (excluding IJBs)

Table 4 below details the overall financial position by **Reporting Category**.

Of the **-£29,872,145** overspend reported at Month 3, **-£20,847,975** is attributable to the underachievement of required savings. However, of significant concern is the underlying expenditure position, with Pay and Non-Pay budgets collectively reporting an overspend of **-£8,611,585**. This reflects sustained cost pressures within services and highlights the need for both accelerated delivery of savings plans and strengthened financial control measures.

Table 4

Reporting Category	Annual Budget	Budget to Date	Actual to Date	Variance
Pay	£2,208,449,396	£559,883,080	£562,476,541	-£2,593,462
Non-Pay	£771,600,138	£140,958,719	£146,976,842	-£6,018,123
Purchase of Healthcare	£76,416,321	£22,415,645	£23,273,007	-£857,362
Savings	-£151,329,043	-£20,847,975	£0	-£20,847,975
PFI	£47,964,120	£10,825,872	£10,825,873	-£1
Family Health Services	£488,415	£106,450	£120,769	-£14,319
Capital Charges	£111,390,928	£27,800,714	£27,767,495	£33,218
Total Expenditure	£3,064,980,275	£741,142,504	£771,440,527	-£30,298,023
Total Income	-£4,817,593,336	-£146,745,331	-£147,171,208	£425,878
Net Expenditure	-£1,752,613,061	£594,397,174	£624,269,318	-£29,872,145

• Financial Position by Pay Categories (Excluding IJBs)

Pay expenditure represents the largest element of NHS GGC Board-controlled costs and remains a key driver of the overall financial position. At Month 3, Pay expenditure is reporting an overspend of **-£2,593,462**, representing approximately 9% of the Board's overall net revenue overspend.

Further detail on the overall pay position can be seen in **Table 5** and **Table 6** below and accompanying narrative.

Table 5

Pay Category	Annual Budget	Budget to Date	Actual to Date	Variance
Admin & Clerical	£229,881,318	£56,066,778	£52,985,201	£3,081,576
Allied Health Professionals	£129,768,324	£32,956,591	£32,902,046	£54,545
Budget Reserves Pay	-£14,344,754	-£3,597,685	£0	-£3,597,685
Healthcare Sciences	£127,295,954	£32,660,746	£32,148,573	£512,173
Medical Dental Support	£18,868,969	£4,915,543	£4,955,703	-£40,160
Medical & Dental	£641,679,767	£164,186,122	£165,701,340	-£1,515,218
Nursing & Midwifery	£823,186,341	£208,828,491	£210,253,185	-£1,424,694
Other Therapeutic	£55,667,922	£14,213,948	£14,217,710	-£3,762
Personal Social Care	£7,013,351	£1,796,218	£1,652,565	£143,653
Senior Managers	£6,364,227	£1,613,897	£1,588,811	£25,086

Support Services	£183,067,977	£46,242,431	£46,071,407	£171,023
Total Pay	£2,208,449,396	£559,883,080	£562,476,541	-£2,593,462

Table 6

Pay Category	Variance	Budget WTE	Actual WTE	Variance WTE
Admin & Clerical	£3,081,576	4,350.3	4,060.0	290.20
Allied Health Professionals	£54,545	2,131.5	1,956.9	174.60
Budget Reserves Pay	-£3,597,685	0	0-	0.00
Healthcare Sciences	£512,173	1,897.8	1,811.4	86.50
Medical Dental Support	-£40,160	334.7	331.9	2.80
Medical & Dental	-£1,515,218	4,031.7	3,974.6	57.20
Nursing & Midwifery	-£1,424,694	12,698.2	12,906.5	-208.30
Other Therapeutic	-£3,762	844.3	819.4	24.80
Personal Social Care	£143,653	95.1	88.9	6.10
Senior Managers	£25,086	57.4	59.1	-1.70
Support Services	£171,023	3,581.1	3,813.6	-232.50
Total Pay	-£2,593,462	30,022.1	29,822.3	199.80

The adverse position is principally driven by Medical and Dental and Nursing and Midwifery staff groups, which are reporting overspends of £1,515,218 and £1,424,594, respectively. Nursing and Midwifery staffing is also exceeding workforce plans, with actual staffing of 12,906.5 WTE compared with a budgeted establishment of 12,698.2 WTE, representing an excess of 208.3 WTE.

Conversely, Medical and Dental staffing remains 57.2 WTE below budget (3,974.6 WTE actual compared with 4,031.7 WTE budgeted), indicating that the overspend is being driven by factors other than establishment numbers alone, including workforce mix, premium costs, and other pay-related pressures.

Favourable variances are being reported within a number of staff groups, most notably Admin and Clerical, which is underspent by £3,081,576 and is operating 290.2 WTE below budget (4,060.0 WTE against a budgeted 4,350.3 WTE). Further underspends are evident within Allied Health Professionals (174.6 WTE below budget) and Healthcare Sciences (86.5 WTE below budget).

Overall, actual staffing levels of 29,822.3 WTE remain broadly aligned with the budgeted workforce of 30,022.1 WTE, representing a net reduction of 199.8 WTE against plan. Despite this, pay expenditure is overspent, suggesting that the underlying financial pressures are attributable not only to workforce numbers but also to workforce composition, use of supplementary staffing, and other pay cost pressures across a number of services.

The negative Budget Reserves Pay variance of £3,597,685 reflects the application of 5% budget reductions within Corporate Departments. These budgets will be reallocated during the year to offset vacancies, underspends, and other favourable movements as part of the Board's ongoing financial management arrangements.

• Financial Position by Non-Pay Categories (Excluding IJBs and Non-Core)

Detail on the overall Non-Pay position can be seen in **Table 7** below and accompanying narrative.

Table 7

Non-Pay Category	Annual Budget	Budget to Date	Actual to Date	Variance
Budget Reserves Non-Pay	£30,289,362	-£176	£0	-£176
CSSD/Diagnostic Supplies	£53,981,846	£14,142,174	£14,320,207	-£178,033
Drugs	£288,438,107	£86,294,205	£89,260,948	-£2,966,743
Equipment	£61,098,416	£17,123,037	£17,673,538	-£550,501
Heating Fuel And Power	£50,567,349	£12,704,269	£12,891,344	-£187,075
Hotel Services	£31,171,883	£8,293,586	£8,891,452	-£597,865
Other Admin Supplies	£55,891,557	£8,765,353	£8,762,932	£2,421
Other Supplies	£15,912,389	£7,408,219	£7,806,083	-£397,864
Other Therapeutic Supplies	£25,939,713	£7,318,102	£6,008,986	£1,309,116
Property	£65,568,809	£17,902,890	£18,401,183	-£498,293
Surgical Sundries	£92,740,705	£25,248,402	£27,201,511	-£1,953,109
Total Non-Pay	£771,600,138	£205,200,061	£211,218,184	-£6,018,123

The non-pay position at Month 3 is reporting an adverse year-to-date variance of **-£6,018,123**. The principal driver of this position is Drugs, which is overspent by **-£2,966,743**, representing the most significant non-pay pressure and requiring detailed review in relation to prescribing, medicines usage, activity levels, and high-cost drug expenditure.

Further material pressures are evident in Surgical Sundries, overspent by **-£1,953,109**, and Hotel Services, overspent by **-£597,865**. Additional adverse variances are reported in CSSD/Diagnostic Supplies, Equipment, Other Supplies, Property and Heating, Fuel and Power.

These pressures are partially offset by a favourable variance in Other Therapeutic Supplies of £1,309,116.

Overall, the non-pay position demonstrates a material expenditure pressure, with the most significant risks concentrated in Drugs, Surgical Sundries and Hotel Services. These areas should be prioritised for further analysis as part of review, including assessment of run-rate, recurrent impact, budget phasing, prescribing and clinical consumables usage, and opportunities for targeted corrective action.

• Reporting Area Detail

Acute Division

The reported variance of **-£21,889,524** against Acute can be broken down further by sector.

As set out in **Table 8** and **Table 9** the largest variances can be seen in the three Acute Sectors, Regional and Women & Children's Services Directorate, with the majority of the adverse variance due to under-delivery against savings targets but also pressure across pay and non-pay budgets.

Table 8

Reporting Area	Annual Budget	Budget to Date	Actual to Date	Variance	% Variance
Clyde Sector	£278,505,670	£73,731,736	£76,577,514	-£2,845,778	-3.9%
North Sector	£332,811,660	£87,039,426	£90,392,665	-£3,353,239	-3.9%
South Sector	£503,338,109	£141,103,058	£147,781,083	-£6,678,025	-4.7%
Regional Services	£427,187,514	£117,044,982	£120,528,700	-£3,483,718	-3.0%
Diagnostics Directorate	£283,306,240	£74,422,119	£76,263,593	-£1,841,474	-2.5%
Women & Children	£318,869,903	£85,603,477	£90,180,411	-£4,576,934	-5.3%
Acute All Other Codes	-£699,870,021	-£177,803,116	-£178,692,760	£889,644	0.5%
Acute Total	£1,444,149,076	£401,141,681	£423,031,205	-£21,889,524	-5.5%

Table 9

Reporting Area	Total Variance	Income Variance	Pay Variance	Non-Pay Variance	Savings Variance	Other Variances
Clyde Sector	-£2,845,778	-£14,195	-£907,638	£25,289	-£1,949,089	-£145
North Sector	-£3,353,239	£18	-£1,038,261	-£18,327	-£2,296,669	£0
South Sector	-£6,678,025	-£12,452	-£1,726,447	-£1,383,221	-£3,312,443	-£243,463
Regional Services	-£3,483,718	£137,223	£1,130,737	-£2,478,345	-£2,085,485	-£187,848
Diagnostics Directorate	-£1,841,474	-£49,954	£209,959	-£24,047	-£2,089,498	£112,067
Women & Children	-£4,576,934	-£3,337	-£1,366,689	-£992,455	-£2,213,063	-£1,390
Acute All Other Codes	£889,644	-£57,303	£725,058	£227,709	£0	-£5,821
Acute Total	-£21,889,524	£0	-£2,973,280	-£4,643,399	-£13,946,247	-£326,599

At Month 3, the key issues reported within the Acute Division are as follows:

The Acute Division is reporting an adverse year-to-date variance of **-£21,889,524**, equivalent to **-5.5%** of budget. Financial pressures are evident across all Acute Sectors and Directorates and are principally driven by under-delivery against Sustainability and Value savings plans **-£13,946,247** together with continuing pay **-£2,973,280** and non-pay **-£4,643,399** expenditure pressures. The reduction this month in the trajectory of the overspend is due in part to the backdating for prior months of historical non-recurring support and the provision of additional support for targeted areas.

The largest adverse variances are reported within South Sector **-£6,678,025**, Women & Children's Services **-£4,576,934**, Regional Services **-£3,483,718**, North Sector **-£3,353,239** and Clyde Sector **-£2,845,778**. The Diagnostics Directorate is reporting an adverse variance of **-£1,841,474**, while Acute All Other Codes report a favourable variance of £889,644.

Savings under-delivery remains the most significant contributor to the overall position, accounting for 63.7% of the total Acute overspend. The largest savings shortfalls are reported within South Sector **-£3,312,443**, North Sector **-£2,296,669**, Women & Children's Services **-£2,213,063**, Diagnostics Directorate **-£2,089,498**, Regional Services **-£2,085,485** and Clyde Sector **-£1,949,089**.

Pay expenditure is reporting an adverse variance of **-£2,973,280**, with the most significant pressures arising within South Sector **-£1,726,447**, Women & Children's Services **-£1,366,689**, North Sector **-£1,038,261** and Clyde Sector **-£907,638**. These overspends are partially offset by favourable pay

positions within Regional Services £1,130,737 and Diagnostic Directorate £209,959. The position for resident doctors improved this month as a result of funding being allocated to provide 4% leave cover.

Non-pay expenditure is reporting an adverse variance of **-£4,643,399**, primarily driven by Regional Services **-£2,478,345**, South Sector **-£1,383,221** and Women & Children's Services **-£992,455**. North Sector is reporting a non-pay overspend of **-£18,327** while the Diagnostics Directorate reports **-£24,047**. Adverse variances within surgical sundries, equipment and hotel services improved this month due to the provision of additional funding. The main adverse variance is within prescribing. A detailed review of acute prescribing has been commissioned to understand the drivers and develop a plan to reduce expenditure where possible.

Income performance across the Division remains neutral overall, reflecting only minor fluctuations across sectors and directorates.

Action(s):

The Month 3 position demonstrates the need for all Acute Sectors and Directorates to accelerate financial recovery actions, strengthen expenditure controls and maximise delivery of approved savings plans. Immediate action is required to reduce current expenditure and operate within budgeted levels.

The savings position is explored more fully in **Section 4** of this report.

Estates & Facilities

At Month 3, Estates & Facilities is reporting an adverse variance of **-£3,559,538**, representing **-4.0%** of budget. The overspend is primarily driven by a shortfall in Sustainability and Value savings delivery of **-£2,863,706**, partially offset by favourable income and pay variances. **Table 10** sets out the financial position across the Directorate's reporting areas, whilst **Table 11** provides an analysis of the variance by expenditure category.

Table 10

Reporting Area	Annual Budget	Budget to Date	Actual to Date	Variance	% Variance
Capital Planning	£150,793	£717,210	£622,112	£95,097	13.3%
CFSU	£5,142,247	£1,289,844	£1,379,808	-£89,965	-7.0%
Decontamination	£14,571,650	£3,684,532	£3,794,279	-£109,747	-3.0%
Estates Clyde	£8,905,275	£2,253,705	£2,457,930	-£204,225	-9.1%
Estates Corporate	£3,352,231	£741,925	£752,939	-£11,013	-1.5%
Estates North	£12,334,148	£3,253,086	£4,033,755	-£780,669	-24.0%
Estates Partnerships	£13,104,822	£3,453,448	£3,116,927	£336,521	9.7%
Estates South	£14,756,255	£4,066,038	£4,310,137	-£244,099	-6.0%
Directorate Admin	£7,152,721	£658,063	£478,832	£179,231	27.2%
FM Operations Clyde	£34,260,456	£8,661,307	£9,140,559	-£479,251	-5.5%
FM Operations North	£32,390,019	£8,507,774	£9,039,636	-£531,862	-6.3%
FM Operations South	£53,950,886	£13,538,226	£13,926,412	-£388,186	-2.9%
Laundry	£7,784,120	£1,936,567	£1,888,407	£48,160	2.5%
Performance + Quality	£1,053,103	£232,224	£205,433	£26,792	11.5%
Pfi's/Hub's	£46,355,019	£11,917,385	£11,906,286	£11,100	0.1%
Rates	£30,610,556	£8,336,635	£8,321,518	£15,116	0.2%
Retail Catering	£495,768	£114,499	£93,977	£20,522	17.9%
Sustainability	£742,550	£197,497	£196,958	£539	0.3%

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Transport	£6,836,329	£1,707,697	£1,988,617	-£280,920	-16.5%
Utilities	£50,269,302	£12,721,272	£13,893,951	-£1,172,679	-9.2%
Total	£344,218,250	£87,988,936	£91,548,474	-£3,559,538	-4.0%

Table 11

Reporting Area	Total Variance	Income Variance	Pay Variance	Non-Pay Variance	Savings Variance	Other Variances
Capital Planning	£95,097	£0	£93,444	£14,216	-£12,563	£0
CFPU	-£89,965	£2,185	-£1,638	-£36,857	-£53,654	£0
Decontamination	-£109,747	£0	£213,050	-£108,743	-£214,055	£0
Estates Clyde	-£204,225	-£2,617	£49,508	-£146,612	-£104,504	£0
Estates Corporate	-£11,013	£0	£76,059	-£47,723	-£39,350	£0
Estates North	-£780,669	£879	-£23,971	-£661,498	-£96,079	£0
Estates Partnerships	£336,521	£945	£157,175	£329,550	-£151,151	£0
Estates South	-£244,099	£0	-£173,203	£96,685	-£167,582	£0
Directorate Admin	£179,231	-£37,225	£39,689	£14,627	£162,141	£0
FM Operations Clyde	-£479,251	-£574	-£35,972	-£41,198	-£401,507	£0
FM Operations North	-£531,862	£71,759	-£64,293	-£141,124	-£398,204	£0
FM Operations South	-£388,186	£33,476	£160,609	£37,936	-£620,207	£0
Laundry	£48,160	-£7,798	£123,021	-£17,269	-£49,795	£0
Performance + Quality	£26,792	£0	£30,140	-£3,379	£30	£0
Pfi's/Hub's	£11,100	£1,696	£9,407	-£3	£0	-£1
Rates	£15,116	£1,120	£0	£13,996	£0	£0
Retail Catering	£20,522	£2,894	£53,385	£27,401	-£63,158	£0
Sustainability	£539	£0	£18,848	-£18,309	£0	£0
Transport	-£280,920	£4,170	-£99,000	-£106,801	-£79,289	£0
Utilities	-£1,172,679	-£19,505	£0	-£578,395	-£574,780	£0
Total	-£3,559,538	£51,407	£626,259	-£1,373,497	-£2,863,706	-£1

At Month 3, the key issues reported within Estates & Facilities are as follows:

The most significant adverse positions are reported within Utilities -£1,172,679, Estates North -£780,66, FM Operations North -£531,862, FM Operations Clyde -£479,251, FM Operations South -£388,186 and Transport -£280,920. These are partially offset by favourable variances within Estates Partnerships £336,521 and Directorate Admin £179,231.

Savings under-delivery remains the primary financial challenge across the Directorate, with the largest shortfalls reported within FM Operations South -£620,207, Utilities -£574,780, FM Operations Clyde -£401,507, FM Operations North -£398,204 and Decontamination -£214,055.

Non-pay expenditure is reporting an overall adverse variance of -£1,373,497, driven largely by pressures within Estates North -£661,498, Utilities -£578,695, Estates Clyde -£146,612, FM Operations North -£141,124, Estates Clyde -£146,612, Decontamination -£108,743 and Transport -£106,801. The adverse non-pay position is driven by a one-off PFI VAT payment of £0.5 million, property maintenance costs and further pressures across clinical waste, bedding and linen, and carbon emission penalties.

Action(s):

The Month 3 position confirms the need for focus on accelerated savings delivery and stronger cost controls within Estates and Facilities services to improve the financial position during 2026-27.

Corporate Departments

At Month 3, Corporate Departments are reporting an adverse variance of **-£752,955**, equivalent to **-0.2%** of budget. As set out in **Table 12**, the most significant overspends are reported within Medical Director portfolio **-£737,309** and Human Resources **-£512,131**.

Table 13 demonstrates that the overall adverse position is primarily attributable to non-pay expenditure pressures of **-£590,141**, together with a pay overspend of **-£275,484** partially offset by favourable income variances of £83,467.

Key drivers of the adverse non-pay position are recruitment costs (Visas and PVG fees) and interpreter fees within Human Resources. A proposal to reallocate Visas and PVG costs to the relevant departmental areas is being drafted for consideration of CMT. In addition, a review will be undertaken of the base budget for Medical Director for Month 4 with reference to the overall 5% savings target.

Table 12

Reporting Area	Annual Budget	Budget to Date	Actual to Date	Variance	% Variance
Medical Director	£61,964,279	£14,998,299	£15,735,608	-£737,309	-4.9%
Population Health	£749,556	£126,671	£126,671	£0	0.0%
Corporate Comms	£1,664,219	£415,033	£440,830	-£25,798	-6.2%
Corporate Finance	£25,040,746	£6,359,035	£6,417,284	-£58,249	-0.9%
Corporate Services	£10,046,341	£2,613,883	£2,754,543	-£140,660	-5.4%
Digital Services	£102,481,826	£25,239,184	£25,412,927	-£173,743	-0.7%
Human Resources	£24,074,904	£6,030,464	£6,542,594	-£512,131	-8.5%
Nursing	£15,131,984	£4,070,946	£4,010,028	£60,918	1.5%
Public Health	£32,776,785	£7,058,018	£6,224,002	£834,016	11.8%
Total	£273,930,641	£66,911,532	£67,664,488	-£752,955	-1.1%

Table 13

Reporting Area	Total Variance	Income Variance	Pay Variance	Non-Pay Variance	Savings Variance	Other Variances
Medical Director	-£737,309	-£38,181	-£631,683	-£96,437	£0	£28,992
Centre for Pop. Health	£0	£0	£0	£0	£0	£0
Corporate Communications	-£25,798	£0	-£19,413	-£6,385	£0	£0
Corporate Finance	-£58,249	£30,829	£55,632	-£144,710	£0	£0
Corporate Services	-£140,660	-£0	-£140,005	-£655	£0	£0
Digital Services	-£173,743	£720	-£259,270	£84,808	£0	£0
Human Resources	-£512,131	-£6,873	£399,377	-£905,187	-£0	£552
Nursing	£60,918	£0	£8,860	£52,058	£0	£0
Public Health	£834,016	£96,972	£311,019	£426,367	£0	-£341
Total	-£752,955	£83,467	-£275,484	-£590,141	-£0	£29,203

At Month 3, the key issues reported within Corporate Directorates are;

The most significant adverse positions are reported within Medical Director **-£737,309**, Human Resources **-£512,131**, Digital Services **-£173,743** and Corporate Services **-£140,660**. These are partially offset by favourable variances within Public Health £834,016 and Nursing £60,918.

Non-pay expenditure represents the principal pressure across Corporate Directorates, with the largest adverse variances reported within Human Resources **-£905,187**, Corporate Finance **-£144,710** and Medical Director **-£96,437**.

Pay expenditure is also overspent overall, driven mainly by Medical Director **-£631,683**, Digital Services **-£259,270**, Corporate Services **-£140,005** and Corporate Communications **-£19,413**. Favourable pay positions within Human Resources £399,377 and Public Health £311,019 provide some mitigation against these pressures, whilst income performance is broadly in line with plan across the Directorates.

Action(s):

The Month 3 position highlights the need for continued scrutiny of non-pay expenditure, particularly within Human Resources, alongside workforce management actions to address emerging pay pressures and contain the overall overspend position during 2026-27.

Other Board Corporate Areas

At Month 3, Other Corporate Areas are reporting an adverse variance of **-£3,670,126**. As set out in **Table 14**, the overspend is attributable to Other Board Expenditure which is reporting an adverse variance of **-£3,208,607** and Healthcare Purchases **-£506,226**, partially offset by favourable positions within Hosted-Corporate £44,708.

Table 15 demonstrates that the adverse position is principally driven by a shortfall in centrally held savings targets of **-£4,038,022**, partially mitigated by favourable income variances of £291,004, favourable pay variances of £35,376 and favourable non-pay variances of £582,583.

Table 14

Reporting Area	Annual Budget	Budget to Date	Actual to Date	Variance	% Variance
Healthcare Purchases	£65,143,325	£16,234,831	£16,741,058	-£506,226	-3.1%
Hosted Corporate	£21,622,452	£5,676,430	£5,631,722	£44,708	0.1%
Other Board Expenditure	-£40,630,483	-£4,443,548	-£1,234,941	-£3,208,607	72.2%
Research & Development	£0	£0	£0	£0	0.0%
Total	£46,135,294	£17,467,713	£21,137,839	-£3,670,126	-29.1%

Table 15

Reporting Area	Total Variance	Income Variance	Pay Variance	Non-Pay Variance	Savings Variance	Other Variances
Healthcare Purchases	-£506,226	£0	£0	£0	£0	-£506,226
Hosted Corporate	£44,708	£0	£72,782	-£27,985	£0	-£90
Other Board Expenditure	-£3,208,607	£291,004	-£37,406	£610,567	-£4,038,022	-£34,750
Research & Development	£0	£0	£0	£0	£0	£0
Total	-£3,670,126	£291,004	£35,376	£582,583	-£4,038,022	-£541,066

The key issue reported within Other Corporate Areas relates to the under-achievement of central financial management savings targets, which account for the vast majority of the reported overspend. The adverse savings variance of **-£4,038,022** within Other Board & Corporate Expenditure reflects the timing and delivery profile of planned recurrent savings included within the approved Financial Plan.

Action(s):

A detailed review of the central savings programme was undertaken as part of the Quarter 1 financial review process to confirm opportunities to mitigate the current shortfall. This is reflected in the reported forecast.

HSCP Partnerships

At Month 3, Partnerships overall are reporting a break-even position after reserves transfers. **Table 16** describes the overall position per each of the 6 Partnerships within NHS GGC. **Table 17** provides a further analysis of the variances across each Partnership.

Table 16

Reporting Area	Annual Budget	Budget to Date	Actual to Date	Variance	% Variance
East Dun HSCP	£173,050,289	£47,286,281	£46,783,653	£502,629	1.1%
East Ren HSCP	£101,061,515	£21,649,026	£21,734,708	-£85,682	-0.4%
Glasgow City HSCP	£961,743,999	£244,548,305	£245,298,213	-£749,907	-0.3%
Inverclyde HSCP	£116,477,885	£30,296,441	£29,804,618	£491,823	1.6%
Renfrewshire HSCP	£230,852,856	£59,497,401	£61,391,416	-£1,894,015	-3.2%
West Dun HSCP	£126,160,807	£28,305,192	£28,035,103	£270,089	1.0%
Total HSCPs	£1,709,347,350	£431,582,646	£433,047,710	-£1,465,064	-0.3%
Other Partnership	£43,265,710	-£297,521	-£1,762,585	£1,465,064	-0.4%
Total Partnerships	£1,752,613,061	£431,285,125	£431,285,125	£0	0.0%

Table 17

Reporting Area	Total Variance	Income Variance	Pay Variance	Non-Pay Variance	Savings Variance	Other Variances
East Dun HSCP	£502,629	-£177	£813,098	£126,595	-£178,118	-£258,769
East Ren HSCP	-£85,682	-£213,838	£5,670	£344,580	-£208,600	-£13,493
Glasgow City HSCP	-£749,907	-£149,211	-£642,335	-£933,783	-£28,773	£1,004,194
Inverclyde HSCP	£491,823	-£160	£393,732	£115,363	-£72,218	£55,105
Renfrewshire HSCP	-£1,894,015	-£314	-£1,398,474	-£187,783	£0	-£307,444
West Dun HSCP	£270,089	-£302	-£188,558	£460,380	£0	-£1,431
Total HSCPs	-£1,465,064	-£364,002	-£1,016,867	-£74,649	-£487,709	£478,162
Other Partnership	£1,465,064	£35	£13,239	£1,451,771	£0	£20
Total Partnerships	£0	-£363,967	-£1,003,628	£1,377,122	-£487,709	£478,182

A more comprehensive assessment will be available following completion of the Quarter 1 review meetings with each HSCP, with updated forecasts and recovery actions incorporated into future financial reporting.

4. Sustainability & Value Programme

In Year Position Summary

On an in-year basis, £43,377,833 or 22.28% of the £194,706,876 overall financial challenge has been delivered as of Month 3. This leaves a balance of **-£151,329,043** still to be resolved in year.

Table 18 describes the S&V position across each of the Reporting Areas

Table 18

Reporting Area	Savings Target	Non-Recurring	Recurring	Total Achieved	Balance Remaining	% Achieved
Acute Division	£84,083,648	£365,695	£9,007,110	£9,372,805	-£74,710,843	11.15%
Estates & Facilities	£16,559,470	£973,096	£733,937	£1,707,033	-£14,852,437	10.31%
Corporate Depts	£15,093,437	£15,093,437	£0	£15,093,437	£0	100.00%
Other Corporate	£78,970,321	£15,204,559	£2,000,000	£17,204,559	-£61,765,762	21.79%
Total	£194,706,876	£31,636,787	£11,741,047	£43,377,834	-£151,329,043	22.28%

As can be seen,

- The Acute Division has delivered £9,372,805 (11.15%) against its savings target at Month 3, highlighting a significant gap to be addressed to achieve the full-year position. See **Table 19** for further detail.
- Estates & Facilities have delivered £1,707,033 against its £16,559,470 target, representing 10.31% achievement at month 3. See **Table 20** for further detail.
- Corporate Departments has fully delivered its savings target at month 3, with achievement of £15,093,437. See **Table 21** for further detail.
- Other Corporate Areas as a '*holding structure*' have a significant level of the overall savings portfolio. This includes both financial management and all other cost containment schemes which are NHS GGC wide. See **Table 22** for further detail.

Table 19

Acute Division	Savings Target	Non-Recurring	Recurring	Total Achieved	Balance Remaining	% Achieved
Clyde Sector	£13,673,786	£76,019	£65,684	£141,703	-£13,532,083	1.04%
North Sector	£9,342,702	£0	£170,997	£170,997	-£9,171,705	1.83%
South Sector	£7,889,945	£0	£48,257	£48,257	-£7,841,688	0.61%
Regional Services	£8,546,026	£0	£217,712	£217,712	-£8,328,314	2.55%
Diagnostics	£10,003,467	£289,676	£739,224	£1,028,900	-£8,974,567	10.29%
Women & Children	£8,865,883	£0	£14,376	£14,376	-£8,851,507	0.16%
Acute Drugs	£25,761,839	£0	£7,750,860	£7,750,860	-£18,010,979	30.09%
Total	£84,083,648	£365,695	£9,007,110	£9,372,805	-£74,710,843	11.15%

Table 20

Reporting Area	Savings Target	Non-Recurring	Recurring	Total Achieved	Balance Remaining	% Achieved
Capital Planning	£3,158,000	£0	£0	£0	-£3,158,000	0.00%
CFPU	£238,267	£96,308	£0	£96,308	-£141,959	40.42%
Decontamination	£867,580	£0	£0	£0	-£867,580	0.00%
Estates Clyde	£418,015	£0	£0	£0	-£418,015	0.00%
Estates Corporate	£157,398	£0	£0	£0	-£157,398	0.00%
Estates North	£384,316	£0	£0	£0	-£384,316	0.00%
Estates Partnerships	£604,602	£0	£0	£0	-£604,602	0.00%
Estates South	£670,328	£0	£0	£0	-£670,328	0.00%
Directorate Admin	£638,365	£450,578	£692,514	£1,143,092	£504,727	179.07%
FM Operations Clyde	£1,665,397	£37,649	£0	£37,649	-£1,627,748	2.26%
FM Operations North	£1,699,402	£84,376	£0	£84,376	-£1,615,026	4.97%
FM Operations South	£2,623,462	£108,352	£0	£108,352	-£2,515,110	4.13%
Laundry	£376,700	£104,860	£20,000	£124,860	-£251,840	33.15%
Performance + Quality	£47,273	£42,900	£0	£42,900	-£4,373	90.75%
Retail Catering	£256,123	£0	£0	£0	-£256,123	0.00%
Transport	£321,357	£0	£0	£0	-£321,357	0.00%
Utilities	£2,432,885	£48,073	£21,423	£69,496	-£2,363,389	2.86%
Total	£16,559,470	£973,096	£733,937	£1,707,033	-£14,852,437	10.31%

Table 21

Reporting Area	Savings Target	Non-Recurring	Recurring	Total Achieved	Balance Remaining	% Achieved
Corporate Finance	£1,266,979	£1,266,979	£0	£1,266,979	£0	100.00%
Public Health	£2,039,614	£2,039,614	£0	£2,039,614	£0	100.00%
Nursing	£675,129	£675,129	£0	£675,129	£0	100.00%
Corporate Communications	£83,648	£83,648	£0	£83,648	£0	100.00%
Human Resources	£1,164,183	£1,164,182	£0	£1,164,182	£0	100.00%
Board Medical Director	£3,099,280	£3,099,280	£0	£3,099,280	£0	100.00%
Hosted Services	£1,156,998	£1,156,998	£0	£1,156,998	£0	100.00%
Corporate Services	£469,397	£469,397	£0	£469,397	£0	100.00%
Digital Services	£5,138,209	£5,138,210	£0	£5,138,210	£0	100.00%
Total	£15,093,437	£15,093,437	£0	£15,093,437	£0	100.00%

Table 22

Reporting Area	Savings Target	Non-Recurring	Recurring	Total Achieved	Balance Remaining	% Achieved
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Financial Management	£55,970,321	£13,992,559	£0	£13,992,559	-£41,977,762	25.00%
Cost Containment	£10,000,000	£700,000	£0	£700,000	-£9,300,000	23.63%
Income Maximisation	£2,000,000	£0	£2,000,000	£2,000,000	£0	100.00%
Procurement	£10,000,000	£512,000	£0	£512,000	-£9,488,000	5.12%
Salary Sacrifice	£1,000,000	£0	£0	£0	-£1,000,000	0.00%
Total	£78,970,321	£15,204,559	£2,000,000	£17,204,559	-£61,765,762	21.79%

• Recurring Savings (2027-28 Full Year Effect)

The Financial Plan for 2026-27 set out a requirement of £107,951,490 of recurring savings. On a recurring full year equivalent basis, £12,133,418 or 11.24% of the £107,951,490 recurring financial challenge has been delivered as of Month 3. This leaves a balance of -£95,818,072 still to be delivered.

Table 23 details the recurring savings achieved to date within 2026-27 as well as an assessment of the full year effect for 2027-28.

Table 23

Area	Recurring Savings Achieved	2027-28 Full Year Effect
Clyde Sector	£65,684	£55,066
North Sector	£170,997	£234,841
South Sector	£48,257	£65,684
Regional Services	£217,712	£739,224
Diagnostics	£739,224	£238,927
Women & Children	£14,376	£23,680
Acute Drugs	£7,750,860	£8,042,059
Acute Division	£9,007,110	£9,399,481
Capital Planning	£0	£0
CFPU	£0	£0
Decontamination	£0	£0
Estates - Clyde	£0	£0
Estates - Corporate	£0	£0
Estates - North	£0	£0
Estates - Partnerships	£0	£0
Estates - South	£0	£0
Directorate Admin	£692,514	£692,514
FM Operations - Clyde	£0	£0
FM Operations - North	£0	£0
FM Operations - South	£0	£0
Laundry	£20,000	£20,000
Performance + Quality	£0	£0
Pfi's/hub's	£0	£0
Rates	£0	£0

Retail Catering	£0	£0
Sustainability	£0	£0
Transport	£0	£0
Utilities	£21,423	£21,423
Capital Planning	£0	£0
CFPU	£0	£0
Estates & Facilities	£733,937	£733,937
Board Medical Director	£0	£0
Corporate Comms	£0	£0
Corporate Finance	£0	£0
Corporate Services	£0	£0
Hosted Services	£0	£0
Digital Services	£0	£0
Human Resources	£0	£0
Nursing	£0	£0
Public Health	£0	£0
Corporate Departments	£0	£0
Financial Management	£0	£0
Cost Containment (excl drugs)	£0	£0
Income Maximisation	£2,000,000	£2,000,000
Procurement	£0	£0
Estates Strategy	£0	£0
Other Corporate Areas	£2,000,000	£2,000,000
Grand Total	£11,741,047	£12,133,418

5. Income Position

• Core Revenue Resource Limit (RRL)

At the end of the reporting Month 3, the confirmed Core Revenue Resource Limit (RRL) for NHS GGC is £3,687,582,386.

The June 2026 allocation letter provided confirmation of a further £66,106,171 in Core Revenue Resource Limit allocations, the largest being £40,282,615 for Primary Care Improvement. Other significant amounts include £8,396,095 for Alcohol and Drug Partnerships, £3,909,633 for World Cup public holiday and £2,057,147 Respiratory Testing.

• Anticipated Allocations - Core

Ahead of the first submission to Scottish Government, NHS GGC undertook a full review of anticipated allocations. This included key elements set out in the 2026-27 financial plan and subsequently confirmed by Scottish Government. This includes;

- £30,000,000 Support Funding (Non-Recurring)
- £32,580,000 Sustainability (Non-Recurring)
- £21,614,000 Operational Improvement Funding (Recurring)

- £54,865,000 New Medicines Funding (Non-Recurring)

• Anticipated Allocations - Other

As at Month 3, NHS GGC is also anticipating £145,980,000 in non-core allocations.

• Operating Income

At Month 3, NHS GGC has an income budget to date of £229,276,548 with actuals of £229,338,459 resulting in a favourable income variance of £61,910. **Table 24** provides further details of expected income. Please note this income is reflected in the budget analysis elsewhere in this report.

Table 24

Income Source	Annual Budget	Budget to Date	Actual to Date	Variance	% Variance
Admin Income	-£13,115	-£3,330	-£3,457	£126	-4%
Non-Disc FHS	-£21,683,468	-£5,770,307	-£5,770,341	£34	-0%
Other Healthcare Income	-£27,530,235	-£6,230,181	-£6,444,958	£214,778	-3%
Other Operating Income	-£51,786,521	-£17,483,638	-£17,688,516	£204,879	-1%
Private Patients	-£131,091	-£109,363	-£99,817	-£9,545	-9%
Other Scottish Bodies	-£818,360,994	-£199,627,650	-£199,281,353	-£346,297	-0%
Social Work Income	-£13,044	-£13,044	-£13,044	£0	0%
Unified FHS	-£110,841	-£39,036	-£36,972	-£2,064	-5%
Total	-£919,629,308	-£229,276,548	-£229,338,459	£61,910	-0%

6. Capital Position

To date, the NHS GGC allocation letter from the Scottish Government has not confirmed the base formula capital allocation for 2026-27. For planning purposes, it has been assumed this will remain at the 2025-26 value of £41,259,000.

In addition, NHS GGC also expects additional funding to be received for approved ring-fenced Radiotherapy Equipment Replacement, and Sustainability/ Decarbonisation of the estate. Further additional funding is expected to be received for Business Continuity Planning (BCP) core funding.

Allocations have also been made for capital projects that have revenue funding support.

Given the above, the capital allocation for Core Capital is currently forecast at £85,836,000, Non-Core Capital of £8,561,000 and revenue funded capital of £499,772 which totals £94,896,772. Individual components within the fully balanced Capital Plan V1 are detailed within **Table 25** below.

Table 25

Category	Capital Plan V1
Formula Capital	£41,259,000
Capital to Revenue Transfer	-£3,000,000
Rectification Works	£20,529,000
Radionuclide Dispensary	£2,410,000
Radiotherapy Equipment	£14,301,000

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National LIMS Project	£382,000
Sustainable Energy Awards	£4,595,000
BCP / NIB	£5,360,000
Total Core Capital	£85,836,000
GP Sustainability Loans	0
Leases (IFRS 16)	£8,561,000
Total Non-Core	£8,561,000
Revenue Funded Capital	£499,772
Total Capital	£94,896,772

At Month 3, year-to-date committed expenditure totalling £37,056,118, of which £13,223,923 has been incurred. The current year-end forecast to March 2027 stands at £94,896,772, which includes £1,551,000 of declared slippage, primarily expected to be absorbed in Quarter 4.

Table 26

Category	Capital Plan - V1	Actual & committed	Capital Remaining
Built Environment	£13,000,000	£8,019,995	£4,980,005
Service Development	£9,600,000	£2,712,143	£6,887,857
Reduced Ligature Works	£3,600,000	£2,294,005	£1,305,995
Equipment	£9,059,000	£2,357,627	£6,701,373
Digital	£3,000,000	£399,820	£2,600,180
Capital Reserve	£0	£0	£0
Capital to Revenue Transfer (Hold)	£3,000,000	£0	£3,000,000
Formula Capital	£41,259,000	£15,783,590	£25,475,410
Capital to Revenue Transfer (Out)	-£3,000,000	£0	-£3,000,000
QEUH Rect Wks Overarching Fees	£70,000	£40,933	£29,067
QEUH Atrium Remediation	£6,630,000	£994,216	£5,635,784
QEUH Manifold Replacement	£5,033,000	£3,611,056	£1,421,944
QEUH Fire Door Remedials	£8,796,000	£2,251,189	£6,544,811
Rectification Works Total	£20,529,000	£6,897,395	£13,631,605
Radionuclide Dispensary	£2,410,000	£2,116,146	£293,854
Radiotherapy Equipment	£14,301,000	£3,210,280	£11,090,720
National LIMS Project	£382,000	£94,411	£287,559
Sustainable Energy Awards	£4,595,000	£544	£4,594,446
BCP / NIB	£5,360,000	-£106,609	£5,466,609
SG Funding Total	£47,577,000	£12,212,206	£35,364,794
Total Core	£85,836,000	£27,995,796	£57,840,204
GP Sustainability Loans	£0	£0	£0
Leases (IFRS 16)	£8,561,000	£8,561,000	£0

Total Non-Core	£8,561,000	£8,561,000	£0
Revenue Funded Capital	£499,772	£499,322	£450
Total Capital	£94,896,772	£37,056,118	£57,840,654

Capital expenditure at Month 3 is broadly in line with the expected profile for the start of the financial year and is in line with previous financial years. Key spend to date includes a new linear accelerator at the Beatson Cancer Centre as part of the Radiotherapy Equipment Replacement Programme (£3,008,641), expenditure on the three QEUH Rectification projects (£1,948,006), and £1,356,774 relating to the relocation of the Radionuclide Dispensary to the Gartnavel campus.

As in previous years, expenditure is weighted towards Quarters 3 and 4, reflecting the time required for procurement, mobilisation, and commencement of capital projects.

Finance continues to work closely with governance groups, project leads and departments to maximise utilisation of approved funding and identify any emerging delivery risks at an early stage. This enables mitigating action to be taken and, where necessary, funding to be reallocated to deliverable schemes to ensure optimum use of available resources.

A review of all Capital Plan spend profiles will be undertaken during Quarter 2 (September/October 2026) to confirm deliverability, identify any slippage risks, and support full utilisation of the capital allocation.

7. Forecast Year End Position

• Revenue Forecast Outturn

The NHSGGC Board approved a financial plan for 2026-27 which set out delivery of a breakeven position.

Taking into account known confirmed S&V opportunities, financial flexibilities, and historic performance, the first forecast position for 2026-27 is a projected overspend of **-£58,041,628** (1.71% of baseline RRL).

Whilst this forecast is based on only three months of data, this position makes a number of high-level assumptions based on historical trajectories and financial recovery actions being implemented and should be considered high risk. Therefore, considerable cost control measures now need to be implemented within the Acute Division to mitigate the in-year overspend and significant under-delivery against approved savings targets.

In addition, enhanced cost containment is required across the organisation, particularly Estates & Facilities in order to improve the NHSGGC financial outlook for 2026-27 and provide an opportunity to deliver a breakeven position.

This position assumes no financial support is required for IJBs in 2026-27. The forecast position will continue to be monitored on monthly basis.

• Capital Forecast Outturn

It remains our expectation that the total capital allocation will be fully spent in year.

• Risk Impact

At Month 3, Risk 3036: Financial Sustainability - In Year (2026/27) Revenue remains very high with a risk score of 20 (Likelihood 4 Impact 5).

“Risk 3036- There is a risk that NHS Greater Glasgow and Clyde cannot deliver the statutory duty of achieving in year (2026/27) financial balance whilst delivering the expected level of service commitments which results in the potential for financial overspend and/or service reduction.”

8. Conclusions

1. A net revenue overspend of **-£29,872,145** is reported at 30 June 2026.
2. In relation to Sustainability and Value, £12,133,418 has been achieved on a full-year recurring basis. On an in-year basis, incorporating both recurring and non-recurring measures, £43,377,833 has been delivered, leaving a remaining requirement of £151,329,043 to achieve the Financial Plan target.
3. A detailed assessment of the financial position has been undertaken as part of the Quarter 1 review. An overspend of **-£58,041,628** is forecast. This position makes a number of high-level assumptions based on historical trajectories and financial recovery actions being implemented and should be considered high risk
4. Immediate and significant action is required across all areas, in particular the Acute Division to reduce costs.
5. Risk 3036 Financial Sustainability: In-Year Revenue Position (2026/27) remains assessed as Very High, with a risk score of 20 (Likelihood 4, Impact 5)
6. Against an approved capital allocation of £94,896,772, year-to-date committed expenditure totals £37,056,118, of which £13,223,923 has been incurred at Month 3. Capital expenditure is currently in line with the planned profile, and the full allocation is forecast to be utilised by the end of the financial year.