

NHS Greater Glasgow and Clyde	Paper No. 25/45
Meeting:	NHSGGC Board Meeting
Meeting Date:	29 April 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 28th February 2025, including the position of the Sustainability and Value and Capital Programme for 2024/25

The format of the report covers;

- i) The Month 11 Revenue position (pages 3-4)
- ii) The Month 11 Sustainability and Value position for 24/25 (pages 4-7)
- iii) The Month 11 Capital position (pages 8-11)
- iv) 2024/25 year end position (pages 12-13)
- v) Conclusion (pages 14-15)

2. Executive Summary

The paper can be summarised as follows:

Month 11 Position 2024/25

At the 28th February 2025 NHSGGC's financial ledger highlights an overspend of £4.36m of which £20.34m is attributed to unachieved savings and a pay and non-pay underspend of £15.98m. Acute is overspent by £26.58m and Corporate areas are underspent by £39.67m for pay and non-pay. Partnerships has a pay and non-pay underspend of £2.88m, following the utilisation of reserves.

Sustainability and Value

In terms of Sustainability and Value, £54.0m has been achieved on a full year recurring basis. On an in-year basis (recurring and non-recurring) £218.6m has been achieved. As at month 11 there are forecast pipeline savings, excluding high risk projects, of £218.9m against the £226.9m challenge, with £55.6m identified on a recurring basis against the £128.6m target. The pace of delivery has slowed down over the past few months and its imperative that there is a push to deliver the remaining savings over the final month of the year. The recurring savings of £55.6m needs to be delivered in order to ensure the recurring deficit carried forward into 2025/26 is not above the level included in the draft financial plan and at this stage this is expected to be achieved.

Capital Expenditure

Total capital expenditure incurred to 28th February 2025 is £44.8m, this amounts to 69% of the capital budget (of £65.1m) leaving a balance of £20.03m to be incurred to the 31st of March 2025. At month 11 all of the total capital allocation has firm orders or incurred spend.

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 forecast has been reviewed and based on the month 11 position the forecast deficit has been reduced to a **break-even position** from £48.3m. This is mainly attributable to an improvement in the run rate, receipt of a historical VAT reclaim, reduction in CNORIS charges, additional funding received for Service Level Agreements and the release of AFC non pay reform funding. This position would not have been possible without the additional in year flexibility from the AFC non pay reform funding.

3. Recommendations

The Board is asked to consider the following recommendations:

- i) Note the revenue position at month 11
- ii) Note the Month 11 position for Sustainability and Value and progress for 24/25
- iii) Note the capital position at Month 11; 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 | <u>Positive</u> impact |
| • Better Care | <u>Positive</u> impact |
| • Better Value | <u>Positive</u> impact |
| • Better Workplace | <u>Positive</u> impact |
| • Equality & Diversity | <u>Positive</u> impact |
| • Environment | <u>Positive</u> impact |

6. Engagement & Communications

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

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

7. Governance Route

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

8. Date Prepared & Issued

Prepared: 15 April 2025

Issued: 17 April 2025

NHSGGC - Month 11 Finance Report

Board Meeting

April 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 11 Revenue position (pages 3-4)
- ii) The Month 11 Sustainability and Value position for 24/25 (pages 4-7)
- iii) The Month 11 Capital position (pages 8-11)
- iv) 2024/25 year end position (pages 12-13)
- v) Conclusion (pages 14-15)

Members are asked to :

- i) Note the Month 11 revenue position
- ii) Note the Month 11 position for Sustainability and Value and progress for 24/25
- iii) Note the capital position at Month 11; and
- iv) Note the 2024/25 position.

Month 11 - Overall Position

Financial Performance – Month 11

This section of the report provides analysis of the financial position as at 28th February 2025.

Area	Annual Budget	Pays, Non Pays Position	Unachieved Savings	Final Reported Position	% of Annual Budget
	£m	£m	£m	£m	%
Acute	2,132.03	(26.58)	(36.39)	(62.97)	(3.0%)
Partnerships	1,715.25	2.88	(2.88)	0.00	0.0%
Corporate Departments	794.53	39.67	18.93	58.61	7.4%
Financial Position at 28th February 2025	4,641.81	15.98	(20.34)	(4.36)	(0.1%)

As outlined above, the Board recorded a deficit of £4.36m at 28th February 2025. (Month 10 reported a deficit of £10.03m, this is against an annual budget of c£4.6 billion).

The deficit is made up of the following:-

- Pay and non-pay underspend of £15.98m. Acute is overspent by £26.58m and Corporate areas are underspent by £39.67m which holds all in year flexibility to mitigate pressures. Partnerships has a pay and non pay underspend of £2.88m, following the utilisation of reserves.
- Unachieved savings at month 11 amount to £20.34m.

Sustainability and Value

Sustainability and Value Programme

Month 11 Position

The position as of Month 11, shows that on an in-year basis (recurring and non-recurring) £218.6m / 96.3% has been achieved against the overall financial challenge of £226.9m. Month 11 also shows £54m / 42% has been achieved on a recurring basis against the target of £128.6m. This shows growth of £17.4m on an in-year basis and £3m on a recurring basis compared to Month 10.

The table below shows the areas of savings achieved as of Month 11.

Table 1 Month 11 position

Area	CYE Target	CYE	CYE Gap	FYE Target	FYE	FYE Gap
	£m	£m	£m	£m	£m	£m
Acute	69.2	29.6	(39.6)	69.2	14.3	(54.9)
Corporate	25.3	19.8	(5.5)	25.3	10.7	(14.6)
	94.5	49.4	(45.1)	94.5	25.0	(69.5)
Financial Plan	132.4	169.2	36.8	34.1	28.9	(5.1)
Total	226.9	218.6	(8.3)	128.6	54.0	(74.6)
% achieved		96.3%			42.0%	

The largest amount of savings achieved can be seen from the Financial plan and this is predominantly due to non-recurring underspends, relief and carry forward of the consequential income from 2023/24. Of the above figures the sectors and directorates have delivered £25m on a FYE and £49.4m on a CYE.

Sustainability and Value Programme

Planned Savings

The table below shows the value of all known projects on the ledger. To date we have initial plans for £220.0m on an in-year basis (recurring and non-recurring), of which £1.1m is high risk, giving a forecast of £218.9m/ 96.5% against the overall financial challenge of £226.9m. £55.6m/43.2% has been identified on a recurring basis against the £128.6m target, given £5.0m is identified as high risk.

Month 11 Forecast

Area	CYE Target £m	CYE £m	CYE Gap £m	FYE Target £m	FYE £m	FYE Gap £m
Acute	69.2	30.8	(38.4)	69.2	18.9	(50.3)
Corporate	25.3	20.0	(5.3)	25.3	12.7	(12.6)
	94.5	50.8	(43.7)	94.5	31.6	(62.9)
Financial Plan	132.4	169.2	36.8	34.1	28.9	(5.1)
Total	226.9	220.0	(6.9)	128.6	60.6	(68.0)
High Risk Projects		(1.1)			(5.0)	
	226.9	218.9	(6.9)	128.6	55.6	(68.0)
% achieved		96.5%			43.2%	

Work continues to mitigate the high-risk projects to further narrow the gap between planned savings and targets. The forecast levels of savings have improved on a non-recurring basis by £16.5m compared to the Month 10 position, while the recurring forecast remains at £55.6m for Month 11.

It is important to note that the Financial Plan for 2025/26 has been compiled on the basis that £55.6m of recurring savings will be achieved in 2024/25. If this is not the case then any gap will have an impact on the overall recurring deficit going into the coming year. It remains that this is expected to be achieved.

Sustainability and Value Programme



S&V Summary

As of Month 11, we have yet to identify sufficient plans to fully address the financial challenge, albeit in total terms slippage from the AfC reform will provide coverage. Efforts continue to focus on high-risk areas of the plan in order to maximise the levels of savings achieved in the final weeks of the year.

The Month 11 forecast shows us to be on track to achieve the minimum levels of recurring savings for £55.6m and we anticipate an overall balanced in year position by financial year end.

Planning for 2025/26 is already underway. Based on our current performance, the draft financial plan shows an overall financial challenge of £217.8m. Work is continuing to develop the 2025/26 plan and the overall approach to S&V along with a refreshed communications and engagement plan.

Capital Position



Capital Position

Capital Expenditure – 28th February 2025

- Total Gross Capital Expenditure to date : £44.8m (69% of plan)
- Annual Capital Budget at 28/02/25 : £65.1m
- Balance of Budgeted Cap. Ex. to be incurred : £20.4m
- Total Expenditure Committed : £65.1m (100%)
- Uncommitted Budget : nil

* Committed [Expenditure incurred + Orders placed]

Total gross capital expenditure incurred to 28th February 2025 is £44.8m amounting to 69% of the annual plan (of £65.1m). This leaves a balance of £20.4m of expenditure to be incurred by 31st March 2025.

All planned expenditure has now been fully committed (Goods or services ordered or received).

The total capital budget has remained at £65.1m.

The total forecasted Core Capital Resource Limit (CRL) is £62.6m as at 28th February 2025 of which £44.1m (70%) has been achieved.

Capital Position

Capital Expenditure – to 28th February 2025: £44.8m

Main areas of Expenditure as below:

- £4.9m : New build : Glasgow North East Health & Social Care Centre.
- £3.3m : New build : Bishopton Health Centre

- £11.9m of 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 & Other works
 - INS : Ward 68 Upgrade
 - GRI : Completion of Theatre C upgrade
 - RAH : Maternity Cladding works
 - VoL : Musculoskeletal Clinic Reconfiguration
 - Gartnavel : Radionuclide Dispensary relocation

- £0.6m : eHealth
- £11.4m : Medical Equipment
- £0.4m : PCIP Works to Glasgow Health Centres
- £2.4m : Minor Works & Energy Schemes
- £6.9m : Radiotherapy Equipment Replacement Programme
- £0.4m : Ligature risk reduction works
- £1.8m : Clyde TSSU Air Handling Units Replacement
- £0.5m : Board wide accommodation works to support WGACH move
- £0.2m : GP Loans
- £0.4m : Other

Capital Position

Proposed Capital Disposals

Forecast Sales : (NBV provides Capital Funding)

Asset	Est Year	Est Receipt	NBV
Well progressed			
Dykebar Land (Due to conclude by end of March 2025)	2024/25	£13.6m	£0.71m
Early stages			
Netherton Clinic	2025/26	£tbc	£0.32m
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

*NBV net of Revaluation Reserve

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 forecast has been reviewed and based on the month 11 position the forecast deficit has been reduced to a **break-even position** from £48.3m, as can be seen in the table below. This is mainly attributable to an improvement in the run rate, receipt of a historical VAT reclaim, reduction in CNORIS charges, additional funding received for Service Level Agreements and the release of non-recurring AFC reform funding.

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

It remains important that there is continued improvement in the value of savings plans over the final month of the financial year and that SRO's progress the overarching workstreams, combined with the agreed CMT actions to reduce the pressures.

The IJB's all have approved financial plans showing a break-even position, however are facing a number of pressures and high value of savings plans. Five of the 6 IJB's currently references a year-end break-even position, although two are in financial recovery. East Renfrewshire are also in financial recovery however current pressures are likely to impact on the ability to break-even at the year end, as was the case in the last financial year, and provision has been made in the year-end forecast. Regular meetings remain in place to monitor and review corrective actions and impact on any potential year-end adverse variance being forecast.

Conclusion

Conclusion

At the 28th February 2025 NHSGGC's financial ledger highlights an overspend of £4.36m of which £20.34m is attributed to unachieved savings and a pay and non-pay underspend of £15.98m. Acute is overspent by £26.58m and Corporate areas are underspent by £39.67m for pay and non-pay. Partnerships has a pay and non pay underspend of £2.88m.

The NHSGGC is still facing a number of pressures at Month 11, however due to an improvement in run rate and additional funding the deficit has now been reduced to a **break-even position**. This has been as a result of the in year flexibility in the AFC reform funding and by the financial year-end this forecast position will be achieved.

In terms of Sustainability and Value, £54.0m has been achieved on a full year recurring basis. On an in-year basis (recurring and non-recurring) £218.6m has been achieved. As at month 11 there are forecast pipeline savings, excluding high risk projects, of £218.9m against the £226.9m challenge, with £55.6m identified on a recurring basis against the £128.6m target. The pace of delivery has slowed down over the past few months and its imperative that there is a push to deliver the remaining savings over the final month of the year. The recurring savings of £55.6m needs to be delivered in order to ensure the recurring deficit carried forward into 2025/26 is not above the level included in the draft financial plan.

Total capital expenditure incurred to 28th February 2025 is £44.8m, this amounts to 69% of the capital budget (of £65.1m) leaving a balance of £20.03m to be incurred to the 31st of March 2025. At month 11 all of the total capital allocation has firm orders or incurred spend.

In summary, Members are asked to :

- i) Note the revenue position at month 11
- ii) Note the Month 11 position for Sustainability and Value and progress for 24/25
- iii) Note the capital position at Month 11; and
- iv) Note the 2024/25 position.