

NHS Greater Glasgow and Clyde	Paper No. 26/136
Meeting:	NHSGGC Board Meeting
Meeting Date:	29 October 2026
Title:	NHSGGC Finance Report – Month 6 (September 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 NHS GGC Board with a summary update on the Board's financial position as at 30 September 2026 (Month 6).

The detailed Month 6 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 6, progress against delivery of the 2026–27 Sustainability and Value Programme and Accelerated Improvement Programme, the principal financial risks and opportunities, and the actions being taken across services to improve the financial position 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 **-£38,832,346** at Month 6, an improvement of £4,099,610 from Month 5.

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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
1	30 April 2026	£195,232,756	£212,928,452	-£17,695,696	-£17,695,696
2	31 May 2026	£477,730,379	£506,919,721	-£29,189,342	-£11,493,646
3	30 June 2026	£1,025,682,299	£1,055,554,444	-£29,872,145	-£682,803
4	31 July 2026	£1,398,250,724	£1,437,845,681	-£39,594,957	-£9,722,812
5	31 August 2026	£1,736,393,803	£1,779,325,759	-£42,931,956	-£42,931,956
6	30 September 2026	£2,076,380,620	£2,115,212,966	-£38,832,346	-£38,832,346

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
1	30 April 2026	-£17,695,696	-£20,207,361	-£33,647,367	0
2	31 May 2026	-£29,189,342	-£28,072,543	-£33,647,367	0
3	30 June 2026	-£29,872,145	-£42,779,659	-£33,647,367	0
4	31 July 2026	-£39,594,957	-£55,473,395	-£33,647,367	0
5	31 August 2026	-£42,931,956	-£46,063,058	-£33,647,367	0
6	30 September 2026	-£38,832,346	-£46,450,995	-£34,330,902	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	£1,507,713,281	£796,866,096	£831,996,585	-£35,130,489
Estates & Facilities	£356,172,232	£177,101,368	£181,660,659	-£4,559,291
Corporate Departments	£288,820,424	£137,780,765	£138,297,825	-£517,060
Healthcare Purchases	£65,352,848	£32,574,424	£32,738,949	-£164,525
Hosted Corporate	£23,958,539	£11,944,278	£10,953,610	£990,668

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Other Board Corporate	-£20,959,543	-£11,410,359	-£11,955,265	£544,906
Research & Development	£3,445	£3,445	£0	£3,445
Board Reserves	-£4,095,310,388	-£53	-£53	£0
Non-Core Expenditure	£111,180,000	£54,584,192	£54,584,192	£0
Board Position	-£1,763,069,164	£1,199,444,155	£1,238,276,501	-£38,832,346
Total Partnerships	£1,763,069,164	£876,936,465	£876,936,465	£0
Total Net Expenditure	£0	£2,076,380,620	£2,115,212,966	-£38,832,346

The adverse financial position is concentrated within Acute Services, reporting an overspend of -£35,130,489, and Estates & Facilities, reporting an overspend of -£4,559,291. Corporate Departments and Healthcare Purchases report overspends of -£517,060 and -£164,525 respectively, partially offset by favourable variances in Hosted Corporate of £990,668, Other Board Corporate of £544,906 and Research & Development of £3,445. Partnerships report a nil variance after reserve transfers; the underlying HSCP adverse variance of -£5,612,734 is offset within Other Partnership. Updated forecasts and recovery actions will follow completion of Quarter 2 HSCP review meetings.

- Financial Position by Expenditure Categories**

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

Please note: unallocated Acute and Estates & Facilities savings targets were apportioned across Pay and Non-Pay budgets to strengthen accountability for delivery. S&V reporting continues against original savings targets, with variances reflected in the underlying budget positions.

Of the -£38,832,346 overspend reported at Month 6, -£25,169,055 is attributable to Pay budgets and -£12,137,460 to Non-Pay budgets, excluding IJBs. Pay represents approximately 65% of the overall net revenue overspend. These sustained pressures highlight the need to accelerate savings delivery and strengthen financial controls.

Table 4

Reporting Category	Annual Budget	Budget to Date	Actual to Date	Variance
Pay	£2,202,253,401	£1,104,873,757	£1,130,042,812	-£25,169,055
Non-Pay	£781,375,937	£422,335,249	£434,472,708	-£12,137,460
Purchase of Healthcare	£80,502,322	£44,289,099	£45,111,521	-£822,422
Savings	-£13,487,604	-£1,429,570	£0	-£1,429,570
PFI	£48,196,124	£21,608,932	£21,599,807	£9,125
Family Health Services	£25,840,657	£220,999	£217,530	£3,468
Capital Charges	£111,388,468	£55,797,588	£55,731,151	£66,436
Total Expenditure	£3,236,069,306	£1,647,696,052	£1,687,175,530	-£39,479,478
Total Income	-£4,999,138,469	-£448,251,897	-£448,899,029	£647,132
Net Expenditure	-£1,763,069,164	£1,199,444,155	£1,238,276,501	-£38,832,346

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

Pay

- Medical & Dental is overspent by **-£12,611,887**, with actual staffing exceeding budget by 28.5 WTE. The financial pressure reflects workforce mix, premium costs, and other pay-related pressures, rather than establishment numbers alone.
- Nursing & Midwifery is overspent by **-£10,145,411**, with actual staffing of 12,997.0 WTE against a budgeted establishment of 12,732.0 WTE, an excess of 265.0 WTE. Overall Board-controlled staffing is 34.9 WTE below budget, indicating that supplementary staffing, workforce composition, and other pay pressures contribute to the overall overspend.

Non-Pay

- **-£1,274,181** overspend against CSSD/Diagnostic Supplies. Drugs report a further adverse variance of **-£550,728**.
- Surgical Sundries is the largest non-pay pressure, reporting an overspend of **-£5,053,951** in Appendix 1, Table 7, and requiring detailed review.
- Equipment reports an adverse variance of **-£1,751,861**, with Hotel Services overspent by **-£1,893,442**.
- Property reports an adverse year-to-date variance of **-£1,734,615**. Estates & Facilities also identifies maintenance, clinical waste, bedding, and linen pressures.
- Utilities rate issues have resulted in a **-£2,500,000** adverse variance within estates and facilities.
- Corporate Services non-pay overspend is primarily due to high levels of spend within Human resources on recruitment. There is an adverse variance of **-£1,093,941** due to high spend on visas and PVG fees. There is a further pressure of **-£586,414** resulting from increases spend on interpreter services.

B. Sustainability & Value (S&V) Programme

The 2026-27 NHS GGC Financial Plan set out an overall financial challenge of **£194,706,877** to achieve breakeven. Delivery includes cash-releasing Sustainability & Value savings and cost-reduction measures through the Accelerated Improvement Programme (AIP).

- Position to Month 6

On an in-year basis, including AIP cost-reduction measures, £134,637,187 or 69.15% of the £194,706,877 challenge has been delivered at Month 6, comprising £52,621,852 recurring and £82,015,335 non-recurring measures. This leaves **-£60,069,690** to be resolved in year.

Table 5 below provides details on achieved S&V and AIP actions across the Reporting Areas

Table 5

Reporting Area	Savings Target	Non-Recurring	Recurring	Total Achieved	Balance Remaining	% Achieved
Acute Division	£84,083,649	£7,319,648	£30,725,597	£38,045,245	-£46,038,404	45.25%
Estates & Facilities	£16,559,470	£4,806,132	£2,550,845	£7,356,977	-£9,202,493	44.43%
Corporate	£15,093,437	£7,550,765	£7,542,673	£15,093,437	£0	100.00%
Other Corporate	£78,970,321	£62,338,790	£11,802,737	£74,141,527	-£4,828,794	93.89%
Total	£194,706,877	£82,015,335	£52,621,852	£134,637,187	-£60,069,690	69.15%

- Forecast Position at Month 6

Forecast in-year totals £187,350,289, or 96.22% of the £194,706,877, leaving a forecast shortfall of **-£7,356,588**. This includes cost reduction measures through AIP.

Table 6

Reporting Area	Savings Target	Non-Recurring	Recurring	Total Achieved	Balance Remaining	% Achieved
Acute Division	£84,083,649	£7,319,648	£51,612,071	£58,931,719	-£25,151,930	70.09%
Estates & Facilities	£16,559,470	£12,591,340	£5,343,448	£17,934,788	£1,375,318	108.31%
Corporate	£15,093,437	£7,550,765	£7,550,765	£15,101,529	£8,092	100.05%
Other Corporate	£78,970,321	£83,579,516	£11,802,737	£95,382,253	£16,411,932	120.78%
Total	£194,706,877	£111,041,269	£76,309,020	£187,350,289	-£7,356,588	96.22%

- Recurring Savings

On an in-year basis, £76,309,020 of recurring savings and cost reductions are forecast to be delivered against a target of £107,951,489. This forecast includes the estimated impact of AIP actions which have been initially identified as recurring.

On a full year (FYE) basis, further work is required to validate the level of AIP actions that are budget releasing and therefore improve the underlying financial deficit. This will be developed further and included within the Month 7 Finance Report.

Table 7

Reporting Area	Recurring Savings Target	In-Year Recurring Savings Achieved	In-Year Forecast Recurring Savings	2027-28 Full Year Effect Recurring
Acute Division	£84,083,649	£30,725,597	£51,612,071	£45,972,519
Estates & Facilities	£6,367,841	£2,550,845	£5,343,448	£10,292,000
Corporate	£0	£7,542,673	£7,550,765	£15,093,437
Other Corporate	£17,500,000	£11,802,737	£11,802,737	£11,802,737
Total	£107,951,489	£52,621,852	£76,309,020	£83,168,785

C. Capital Position

Key spend includes radiotherapy equipment at the Beatson Cancer Centre, four QEUH rectification projects, PET CT replacement, and relocation of the Radionuclide Dispensary to the Gartnavel campus.

The capital-to-revenue transfer has increased from £3 million to £8 million. Declared slippage of £1,928,000 and approximately £800,000 of unallocated capital will support the overall capital-to-revenue transfer.

Against a revised capital allocation of **£83,152,816**, year-to-date actual and committed expenditure totals **£47,501,701**, of which **£24,945,952** has been incurred at Month 6. The year-end forecast is £83,152,816. Further detail is provided in **Table 8**.

Expenditure remains weighted towards Quarters 3 and 4. Capital Finance continues to work with governance groups, project leads and departments to maximise use of funding, identify delivery risks and reallocate resources where required. The full capital allocation is expected to be utilised by year end, although there is expected to be little further flexibility within formula capital.

Table 8

Category	Capital Plan V2	Actual & Committed	Remaining
Formula Capital	£41,258,858	£22,710,398	£18,548,460
Capital to Revenue Transfer	-£8,000,000	£0	-£8,000,000
Rectification Works	£12,708,000	£6,264,855	£6,443,145
Other Scottish Government Funded Capital	£27,558,292	£9,059,216	£18,499,076
Total Core	£73,525,150	£38,034,469	£35,490,681
Total Non-Core	£8,561,000	£8,561,000	£0
Asset Disposals and Revenue Funded Capital	£1,066,666	£906,231	£160,435
Total Capital	£83,152,816	£47,501,701	£35,651,115

D. 2026-27 Forecast

The Board's approved 2026-27 Financial Plan set out delivery of a breakeven position. At Month 3, a forecast overspend of **-£58,041,628** was reported, based on the Quarter 1 review, confirmed S&V opportunities, financial flexibilities, and historical performance.

Following submission of recovery plans from Acute Directorates and Estates & Facilities, modelling of planned actions identified best-case, probable, and worst-case scenarios. Further mitigating actions and savings opportunities have subsequently been identified and implemented.

Based on the assessments and work completed, the current Month 6 forecast has therefore improved to an overspend of **-£29,573,674**. This outcome depends on significant improvement from planned actions and requires full Corporate Management Team support to deliver the actions and mitigate any further pressures arising later in the year.

The forecast will continue to be monitored monthly and all available options will be considered to improve the projected position. The full capital allocation is forecast to be utilised by year end.

E. Risk Management

At Month 6, Risk 3036: Financial Sustainability – In-Year (2026/27) Revenue remains assessed as 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

NHS GGC Board is asked to note the following:

1. A net revenue overspend of **-£38,832,346** is reported at 30 September 2026.
2. Savings and AIP cost-reduction measures of £134,637,187 have been delivered in year at Month 6, comprising £52,621,852 recurring and £82,015,335 non-recurring measures. This represents 69.15% of the £194,706,877 target, leaving **-£60,069,690** to be delivered.

Total forecast reductions in year of £187,350,289 represent 96.22% of the target, leaving a forecast shortfall of **-£7,356,588**.

3. At Month 6, a forecast overspend of **-£29,753,674** is projected. However, this is dependent on significant improvement relating to planned actions and this requires full support of Corporate Management Team to deliver these actions and to mitigate any further financial pressures that may arise later in the year. This includes the positive impact of the agreed £8 million capital to revenue transfer.
4. Immediate action remains required across all areas, particularly Acute Services and Estates & Facilities, to strengthen expenditure controls, reduce current run-rates and maximise delivery of approved savings plans.
5. Risk 3036 Financial Sustainability: In-Year Revenue Position (2026/27) remains assessed as Very High, with a risk score of 20.
6. Against an approved capital allocation of £83,152,816, actual and committed expenditure totals £47,501,701, of which £24,945,952 has been incurred at Month 6. The full allocation is forecast to be utilised by year end.

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:

- | | |
|------------------------------------|-----------------|
| • Improve Outcomes for People | Positive impact |
| • Health Quality Care & Experience | Positive impact |
| • Digital First Approach | Positive impact |
| • Sustainability and Value | Positive impact |
| • Supported Workforce | 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
- Presented to Corporate Management Team

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- 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:

As above

8. Date Prepared & Issued

Paper prepared on: 21 October 2026

Paper issued on: 21 October 2026



Finance Report

**30 September 2026
(Month 6)**

NHSGGC Board

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

The Finance Report for the period ending 30 September 2026 (Month 6) covers:

1. Background (Page 3)
2. 2026-27 Financial Plan (Page 3)
3. Revenue Position (Pages 3-13)
4. Sustainability and Value Programme (Pages 13-15)
5. Income Position (Pages 15-16)
6. Capital Position (Pages 16-18)
7. Forecast Year End Position (Pages 19)
8. Conclusion (Page 19-20)

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 **-£38,832,346** at Month 6.

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 5	31 August 2026	£1,736,393,803	£1,779,325,759	-£42,931,956	-£3,336,999

Month 6	30 September 2026	£2,076,380,620	£2,115,212,966	-£38,832,346	£4,099,610
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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
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Month 6	30 September 2026	-£38,832,346	-£46,450,995	-£34,330,902	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	£1,507,713,281	£796,866,096	£831,996,585	-£35,130,489
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Healthcare Purchases	£65,352,848	£32,574,424	£32,738,949	-£164,525
Hosted Corporate	£23,958,539	£11,944,278	£10,953,610	£990,668
Other Board Corporate	-£20,959,543	-£11,410,359	-£11,955,265	£544,906
Research & Development	£3,445	£3,445	£0	£3,445
Board Reserves	-£4,095,310,388	-£53	-£53	£0
Non-Core Expenditure	£111,180,000	£54,584,192	£54,584,192	£0
Board Position	-£1,763,069,164	£1,199,444,155	£1,238,276,501	-£38,832,346
Total Partnerships	£1,763,069,164	£876,936,465	£876,936,465	£0
Total Net Expenditure	£0	£2,076,380,620	£2,115,212,966	-£38,832,346

The adverse financial position is concentrated within Acute Services, which is reporting an overspend of **-£35,130,489** with Estates and Facilities reporting an overspend of **-£4,559,291**. 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 **-£38,832,346** overspend reported at Month 6, **-£25,169,055** is attributable to an overspend on Pay budgets and **-£12,137,460** to an overspend on Non-Pay budgets. This reflects sustained cost pressures within services and highlights the need for both accelerated delivery of savings plans and strengthened financial control measures.

As reported at Month 4, unallocated savings balances have been apportioned across pay and non-pay expenditure lines.

Table 4

Reporting Category	Annual Budget	Budget to Date	Actual to Date	Variance
Pay	£2,202,253,401	£1,104,873,757	£1,130,042,812	-£25,169,055
Non-Pay	£781,375,937	£422,335,249	£434,472,708	-£12,137,460
Purchase of Healthcare	£80,502,322	£44,289,099	£45,111,521	-£822,422
Savings	-£13,487,604	-£1,429,570	£0	-£1,429,570
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Total Income	-£4,999,138,469	-£448,251,897	-£448,899,029	£647,132
Net Expenditure	-£1,763,069,164	£1,199,444,155	£1,238,276,501	-£38,832,346

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 6, Pay expenditure is reporting an overspend of **-£25,169,055**, representing approximately 65% 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	£216,381,626	£105,689,612	£106,195,564	-£505,953
Allied Health Professionals	£127,833,766	£64,704,204	£66,308,035	-£1,603,830
Budget Reserves Pay	-£408,315	-£211,822	£0	-£211,822
Healthcare Sciences	£125,854,326	£63,930,979	£64,383,098	-£452,119
Medical Dental Support	£19,138,254	£9,805,595	£9,967,723	-£162,128
Medical & Dental	£645,542,777	£323,045,188	£335,657,075	-£12,611,887
Nursing & Midwifery	£815,379,029	£410,907,335	£421,052,746	-£10,145,411
Other Therapeutic	£56,760,314	£28,562,982	£28,633,111	-£70,129
Personal Social Care	£6,794,044	£3,451,669	£3,306,744	£144,925
Senior Managers	£6,421,244	£3,456,044	£3,182,896	£273,148

Support Services	£182,556,338	£91,531,971	£91,355,821	£176,151
Total Pay	£2,202,253,401	£1,104,873,757	£1,130,042,812	-£25,169,055

Table 6

Pay Category	Variance	Budget WTE	Actual WTE	Variance WTE
Admin & Clerical	-£505,953	4,382.7	4,097.7	285.0
Allied Health Professionals	-£1,603,830	2,133.0	1,979.0	154.0
Budget Reserves Pay	-£211,822	0.0	0.0	0.0
Healthcare Sciences	-£452,119	1,921.0	1,833.0	88.1
Medical Dental Support	-£162,128	336.0	337.2	(1.1)
Medical & Dental	-£12,611,887	4,081.0	4,109.5	(28.5)
Nursing & Midwifery	-£10,145,411	12,732.0	12,997.0	(265.0)
Other Therapeutic	-£70,129	849.8	857.9	(8.2)
Personal Social Care	£144,925	95.4	87.8	7.6
Senior Managers	£273,148	57.7	58.0	(0.4)
Support Services	£176,151	3,636.4	3,833.0	(196.6)
Total Pay	-£25,169,055	30,224.9	30,190.0	34.9

The adverse position is principally driven by Medical and Dental and Nursing and Midwifery staff groups, which are reporting overspends of £12,611,887 and £10,145,411, respectively. Nursing and Midwifery staffing is also exceeding workforce plans, with actual staffing of 12,997.0 WTE compared with a budgeted establishment of 12,732.0 WTE, representing an excess of 265.0 WTE.

Medical and Dental staffing is only exceeding workforce plans by 28.5 WTE (4,109.5 WTE actual compared with 4,081.0 WTE budgeted), indicating that the overspend is mainly being driven by factors other than establishment numbers alone, including workforce mix, premium costs, and other pay-related pressures.

The other area of significant overspend is Allied Health Services which is overspent by £1,603,380. Within Allied Health Professionals and most of the other pay categories which are overspent, the staffing remains below the budgeted establishment. This is because unachieved savings have been allocated across pay budgets with no corresponding decrease in budgeted establishment.

Favourable variances are being reported only within Personal Social Care (£144,925 underspent and 7.6 WTE below budget), senior managers (£273,148 underspent but 0.4 WTE above budget) and Support Services (£176,151 underspent but 196.6 wte above budget).

Overall, actual staffing levels of 30,190.0 WTE remain broadly aligned with the budgeted workforce of 30,224.9 WTE, representing a net reduction of 34.9 WTE against budget. Despite this, pay expenditure is overspent, suggesting that the underlying financial pressures are attributable not only to workforce numbers and allocation of savings targets, 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 £408,315 reflects of vacancy targets that have been applied in previous months.

• 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	-£12,663,641	-£347	£247	-£595
CSSD/Diagnostic Supplies	£55,771,833	£28,362,166	£29,636,347	-£1,274,181
Drugs	£309,937,720	£182,505,639	£183,056,367	-£550,728
Equipment	£62,515,743	£32,834,078	£34,585,939	-£1,751,861
Heating Fuel And Power	£50,061,409	£21,462,517	£24,124,031	-£2,661,513
Hotel Services	£30,759,850	£16,606,596	£18,500,038	-£1,893,442
Other Admin Supplies	£57,635,627	£19,691,216	£19,249,786	£441,430
Other Supplies	£36,267,588	£19,420,786	£17,656,750	£1,764,036
Other Therapeutic Supplies	£22,760,285	£12,443,480	£11,865,519	£577,961
Property	£70,348,382	£37,283,790	£39,018,405	-£1,734,615
Surgical Sundries	£97,981,140	£51,725,328	£56,779,280	-£5,053,951
Total Non-Pay	£781,375,937	£422,335,249	£434,472,708	-£12,137,460

The non-pay position at Month 6 is reporting an adverse year-to-date variance of **-£12,137,460**. The principal driver of this position is Surgical Sundries, which is overspent by **-£5,035,951**, representing the most significant non-pay pressure and requiring detailed review.

Further material pressures are evident in, Heating, Fuel and Power, overspent by **-£2,661,513**, Equipment, overspent by **-£1,751,861**, Hotel Services, overspent by **-£1,893,442** and Property, overspent by **-£1,734,615**. Additional adverse variances are reported in CSSD/Diagnostic Supplies and Drugs.

These pressures are partially offset by a small favourable variance in Other Supplies of £1,764,036, Other Therapeutic Supplies of £577,961 and Other Admin Supplies £441,430.

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

• Reporting Area Detail

Acute Division

The reported variance of **-£35,130,189** 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, Diagnostics Directorate and Women & Children's Services Directorate, with the majority of the adverse variance due to pressure across pay and non-pay budgets.

Table 8

Reporting Area	Annual Budget	Budget to Date	Actual to Date	Variance	% Variance
Clyde Sector	£289,251,187	£150,212,164	£154,597,543	-£4,385,380	-2.9%
North Sector	£341,663,970	£175,576,434	£182,940,426	-£7,363,992	-4.2%
South Sector	£533,342,203	£287,127,040	£298,620,348	-£11,493,308	-4.0%
Regional Services	£453,970,951	£244,172,003	£245,716,964	-£1,544,961	-0.6%
Diagnostics Directorate	£292,022,213	£149,158,376	£152,774,705	-£3,616,329	-2.4%
Women & Children	£334,052,357	£176,117,028	£185,463,130	-£9,346,103	-5.3%
Acute All Other Codes	-£736,589,600	-£385,496,949	-£388,116,532	£2,619,584	-0.7%
Acute Total	£1,507,713,281	£796,866,096	£831,996,585	-£35,130,489	-4.4%

Table 9

Reporting Area	Total Variance	Income Variance	Pay Variance	Non-Pay Variance	Savings Variance	Other Variances
Clyde Sector	-£4,385,380	£4,375	-£4,294,655	-£92,629	-£1,857	-£614
North Sector	-£7,363,992	£24	-£6,516,921	-£847,078	-£1	-£16
South Sector	-£11,493,308	£3,212	-£8,481,411	-£2,518,036	-£69,176	-£427,897
Regional Services	-£1,544,961	£446,210	-£384,161	-£1,511,584	-£10,417	-£85,009
Diagnostics Directorate	-£3,616,329	-£6,392	-£2,362,532	-£1,074,493	-£88,738	-£84,174
Women & Children	-£9,346,103	£1,984	-£6,716,152	-£2,414,082	-£220,472	£2,618
Acute All Other Codes	£2,619,584	-£449,414	£1,375,674	£1,707,290	£0	-£13,966
Acute Total	-£35,130,489	£0	-£27,380,159	-£6,750,612	-£390,660	-£609,059

At Month 6, the key issues reported within the Acute Division are as follows:

The Acute Division is reporting an adverse year-to-date variance of **-£35,130,489**, equivalent to **-4.4%** of budget. Financial pressures are evident across all Acute Sectors and Directorates and are principally driven by continuing pay **-£27,380,159** and non-pay **-£6,750,612** expenditure pressures.

The largest adverse variances are reported within South Sector **-£11,413,308**, Women & Children's Services **-£9,346,103**, North Sector **-£7,363,992** and Clyde Sector **-£4,385,380**. The Diagnostics Directorate is reporting an adverse variance of **-£3,616,329** and Regional Services an adverse variance of **-£1,544,961** while Acute All Other Codes report a favourable variance of £2,619,584.

Pay expenditure is the most significant contributor to the overall position, reporting an adverse variance of **-£27,380,159**, with the most significant pressures arising within South Sector **-£8,481,411**, Women & Children's Services **-£6,716,152**, North Sector **-£6,516,921** and Clyde Sector **-£4,294,655**. There are also overspends within Diagnostics Directorate **-£2,362,532** and Regional Services **-£384,161**. These are partially offset by an underspend in Acute Other, £1,375,674.

Non-pay expenditure is reporting an adverse variance of **-£6,750,612**, primarily driven by South Sector **-£2,518,036**, Women & Children's Services **-£2,414,082** and Regional Services **-£1,511,584**. Diagnostics Directorate is reporting and a non-pay overspend of **-£698,600**, whilst North Sector is reporting a non-pay overspend of **-£847,078** and Clyde Sector an overspend of **-£92,629**. The main adverse variance is within surgical sundries.

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

Action(s):

The Month 6 position demonstrates the continued 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 6, Estates & Facilities is reporting an adverse variance of **-£4,559,291**, representing **-2.6%** of budget. The overspend is primarily driven by a Non-Pay variance of **-£4,749,096**. **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	£4,098,471	£4,053,986	£1,477,375	£2,576,611	63.6%
CFPU	£5,184,470	£2,524,895	£2,783,028	-£258,133	-10.2%
Decontamination	£15,326,520	£7,718,495	£7,463,546	£254,949	3.3%
Estates Clyde	£9,025,963	£4,606,583	£5,189,880	-£583,297	-12.7%
Estates Corporate	£3,173,242	£1,489,459	£1,502,651	-£13,191	-0.9%
Estates North	£12,627,545	£6,504,771	£8,091,218	-£1,586,447	-24.4%
Estates Partnerships	£13,414,650	£6,973,419	£6,637,758	£335,661	4.8%
Estates South	£16,150,066	£9,033,256	£9,885,554	-£852,298	-9.4%
Directorate Admin	£6,565,746	£1,228,685	£162,088	£1,066,598	86.8%
FM Operations Clyde	£35,263,484	£17,601,690	£18,379,268	-£777,578	-4.4%
FM Operations North	£32,728,107	£16,249,743	£17,103,707	-£853,965	-5.3%
FM Operations South	£54,865,923	£27,395,081	£27,997,011	-£601,931	-2.2%
Laundry	£7,741,549	£3,767,450	£3,721,404	£46,046	1.2%
Performance + Quality	£976,229	£480,226	£408,688	£71,539	14.9%
Pfi's/Hub's	£46,612,199	£23,810,378	£23,776,004	£34,375	0.1%
Rates	£32,417,502	£16,732,693	£16,709,638	£23,055	0.1%
Retail Catering	£682,161	£328,319	£69,159	£259,160	78.9%
Sustainability	£742,550	£379,181	£354,355	£24,827	6.5%
Transport	£6,763,976	£3,401,720	£3,825,453	-£423,733	-12.5%
Utilities	£51,811,878	£22,821,336	£26,122,875	-£3,301,538	-14.5%
Total	£356,172,232	£177,101,368	£181,660,659	-£4,559,291	-2.6%

Table 11

Reporting Area	Total Variance	Income Variance	Pay Variance	Non-Pay Variance	Savings Variance	Other Variances
Capital Planning	£2,576,611	£0	£79,331	£1,953,621	£543,659	£0
CFPU	-£258,133	£3,735	£5,716	-£177,452	-£90,131	£0
Decontamination	£254,949	£2,000	£396,411	-£104,265	-£39,196	£0
Estates Clyde	-£583,297	-£5,236	-£22,612	-£535,664	-£19,785	£0
Estates Corporate	-£13,191	£0	£115,916	-£119,760	-£9,348	£0

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Estates North	-£1,586,447	-£389	-£101,653	-£1,465,508	-£18,897	£0
Estates Partnerships	£335,661	£1,891	£155,594	£206,363	-£28,187	£0
Estates South	-£852,298	£0	-£452,536	-£302,534	-£97,228	£0
Directorate Admin	£1,066,598	£1,404	£748,289	£229,509	£87,396	£0
FM Operations Clyde	-£777,578	-£705	-£72,296	-£403,168	-£301,409	£0
FM Operations North	-£853,965	£155,937	-£98,492	-£362,282	-£549,126	£0
FM Operations South	-£601,931	£55,144	£57,677	-£355,410	-£359,342	£0
Laundry	£46,046	£1,566	£107,939	-£76,203	£12,743	£0
Performance + Quality	£71,539	£0	£67,113	£1,750	£2,676	£0
Pfi's/Hub's	£34,375	£9,082	£6,019	£378	£0	£18,895
Rates	£23,055	£2,240	£0	£20,816	£0	£0
Retail Catering	£259,160	£64,141	£109,681	£97,003	-£11,664	£0
Sustainability	£24,827	£0	£35,815	-£10,989	£0	£0
Transport	-£423,733	£6,665	-£103,591	-£226,437	-£100,370	£0
Utilities	-£3,301,538	-£50,922	-£61,283	-£3,118,864	-£60,700	-£9,770
Total	-£4,559,291	£246,551	£973,039	-£4,749,096	-£1,038,911	£9,125

At Month 6 the key issues reported within Estates & Facilities are as follows:

The most significant adverse positions are reported within Utilities -£3,301,538, Estates North -£1,586,447, FM Operations North -£853,965, FM Operations Clyde -£777,578, FM Operations South -£601,931, Estates Clyde -£583,297, Transport -£423,733, and CPFU -£258,133. These are partially offset by favourable variances within Capital Planning £2,576,611, Directorate Admin £1,066,598, Estates Partnerships £335,661 Retail Catering and £259,160.

Non-pay expenditure is the primary financial challenge across the Directorate which is reporting an overall adverse variance of -£4,749,096, driven largely by pressures within Utilities -£3,118,864, Estates North -£1,465,508, Estates Clyde -£535,644, FM Operations Clyde -£403,168, FM Operations North -£362,282, FM Operations South -£355,410, Estates South -£302,534 and Transport -£226,437. The adverse non-pay position is driven by utilities rates issues at ACAD Sites of £2.5m, property maintenance costs of £1.9m and further pressures across clinical waste, bedding, and linen.

Action(s):

The Month 6 position confirms the need for immediate financial recovery actions and stronger cost controls within Estates and Facilities services to improve the financial position during 2026-27.

Corporate Departments

At Month 6, Corporate Departments are reporting an adverse variance of -£517,060, equivalent to -1.0% of budget. As set out in **Table 12**, the most significant overspends are reported within Medical Director portfolio -£1,491,888 and Human Resources -£870,802.

Table 13 demonstrates that the overall adverse position is primarily attributable to non-pay expenditure pressures of -£1,329,536, partially offset by a favourable pay variance of £482,788, income variance of £273,731 and other variances of £55,956.

Key drivers of the adverse non-pay position are recruitment costs (Visas and PVG fees) and interpreter fees within Human Resources.

Table 12

Reporting Area	Annual Budget	Budget to Date	Actual to Date	Variance	% Variance
Medical Director	£59,838,463	£28,852,333	£30,344,221	-£1,491,888	-5.2%
Population Health	£799,708	£296,494	£296,494	£0	0.0%
Corporate Comms	£1,769,496	£904,478	£874,749	£29,729	3.3%
Corporate Finance	£25,064,494	£12,678,452	£12,363,898	£314,554	2.5%
Corporate Services	£11,735,446	£5,801,748	£6,023,534	-£221,786	-3.8%
Corporate Planning	£3,594,416	£1,692,008	£1,601,346	£90,662	5.4%
Digital Services	£103,274,110	£51,353,196	£51,368,449	-£15,253	-0.0%
Human Resources	£103,274,110	£51,353,196	£51,368,449	-£870,802	-6.7%
Nursing	£14,215,630	£7,614,855	£7,531,135	£83,720	1.1%
Public Health	£42,778,948	£15,649,124	£14,085,118	£1,564,005	10.0%
Total	£288,820,424	£137,780,765	£138,297,825	-£517,060	-1.0%

Table 13

Reporting Area	Total Variance	Income Variance	Pay Variance	Non-Pay Variance	Savings Variance	Other Variances
Medical Director	-£1,491,888	-£77,238	£1,212,822	-£255,519	£0	£53,691
Centre for Population Health	£0	£0	£0	£0	£0	£0
Corporate Communications	£29,729	£0	£11,903	£17,826	£0	£0
Corporate Finance	£314,554	£315,505	£187,960	-£188,911	£0	£0
Corporate Services	-£221,786	-£0	-£223,711	£1,925	£0	£0
Corporate Planning	£90,662	£0	£82,367	£8,295	£0	£0
Digital Services	-£15,253	£477	-£323,300	£307,570	£1	£0
Human Resources	-£870,802	£34,991	£817,531	-£1,726,153	-£1	£2,828
Nursing	£83,720	£0	£8,761	£74,959	£0	£0
Public Health	£1,564,005	-£4	£1,134,100	£430,472	£0	-£563
Total	-£517,060	£273,731	£482,788	-£1,329,536	£0	£55,956

At Month 6, the key issues reported within Corporate Directorates are;

The most significant adverse positions are reported within Medical Director -£1,491,888, Human Resources -£870,802, Corporate Services -£221,786 and Digital Services -£15,253. These are partially offset by favourable variances within Public Health £1,564,005, Finance £314,554, Corporate Services £90,662, and Nursing £83,720.

Non-pay expenditure represents the principal pressure across Corporate Directorates, with the largest adverse variances reported within Human Resources -£1,726,153, Medical Director -£255,519 and Corporate Finance -£188,911.

Pay expenditure is also overspent overall, driven mainly by Medical Director -£1,212,822, Corporate Services -£223,711 and Digital Services -£323,300. Favourable pay positions within Public Health £1,134,100, Human Resources £817,531 and Corporate Finance £187,960 provide some mitigation against these pressures, whilst income performance is broadly in line with plan across the Directorates.

Action(s):

The Month 6 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 6, Other Corporate Areas are reporting a positive variance of £1,374,494. As set out in **Table 14**, the underspend is attributable to Hosted-Corporate which is reporting an underspend of £990,668 and Other Board Expenditure which is reporting an underspend of £544,906. The underspend is partially offset by an adverse variance within Healthcare Purchases of **-£164,525**.

Table 15 demonstrates that the positive position is principally driven by a favourable pay variance of £755,277, non-pay variance of £691,704 and income variance of £126,849, partially offset by an overspend on non-pay **-£199,415**.

Table 14

Reporting Area	Annual Budget	Budget to Date	Actual to Date	Variance	% Variance
Healthcare Purchases	£65,352,848	£32,574,424	£32,738,949	-£164,525	-0.7%
Hosted Corporate	£23,958,539	£11,944,278	£10,953,610	£990,668	6.7%
Other Board Expenditure	-£20,959,543	-£11,410,359	-£11,955,265	£544,906	-4.8%
Research & Development	£3,445	£3,445	£0	£3,445	0.0%
Total	£68,355,289	£33,111,788	£31,737,293	£1,374,494	4.1%

Table 15

Reporting Area	Total Variance	Income Variance	Pay Variance	Non-Pay Variance	Savings Variance	Other Variances
Healthcare Purchases	-£164,525	£0	£0	£0	£0	-£164,525
Hosted Corporate	£990,668	-£60	£845,419	£145,399	£0	-£90
Other Board Expenditure	£544,906	£122,943	-£90,143	£546,906	£0	-£34,800
Research & Development	£3,445	£3,967	£0	-£522	£0	£0
Total	£1,374,494	£126,849	£755,277	£691,704	£0	-£199,415

Action(s):

A detailed review of the central savings programme was undertaken as part of the Quarter 2 financial review process to confirm opportunities to mitigate the current shortfall. This is reflected in the reported forecast. This will continue to be monitored on a quarterly basis.

HSCP Partnerships

At Month 6, 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	£174,345,505	£92,711,032	£91,538,441	£1,172,592	1.3%
East Ren HSCP	£100,994,996	£43,781,646	£51,131,755	-£7,350,110	-16.8%
Glasgow City HSCP	£955,583,267	£492,123,749	£493,031,175	-£907,426	-0.2%
Inverclyde HSCP	£116,687,682	£60,355,918	£59,158,590	£1,197,327	2.0%
Renfrewshire HSCP	£238,792,422	£122,606,820	£122,811,159	-£204,339	-0.2%
West Dun HSCP	£126,377,912	£67,007,447	£66,528,225	£479,221	0.7%
Total HSCPs	£1,712,781,782	£878,586,612	£884,199,346	-£5,612,734	-0.6%
Other Partnership	£50,287,381	-£1,650,147	-£7,262,881	£5,612,734	-340.1%
Total Partnerships	£1,763,069,164	£876,936,465	£876,936,465	£0	0.0%

Table 17

Reporting Area	Total Variance	Income Variance	Pay Variance	Non-Pay Variance	Savings Variance	Other Variances
East Dun HSCP	£1,172,592	£19,680	£1,856,811	-£32,613	-£109,134	-£562,153
East Ren HSCP	-£7,350,110	£413,409	-£431,667	£272,305	-£484,684	-£7,119,474
Glasgow City HSCP	-£907,426	£642,595	£972,755	-£2,136,767	-£2,073,648	£1,687,638
Inverclyde HSCP	£1,197,327	-£304	£826,348	£83,987	£203,619	£83,677
Renfrewshire HSCP	-£204,339	-£551	£342,072	-£263,763	£749,668	-£1,031,765
West Dun HSCP	£479,221	-£297	-£733,739	£942,961	£390,045	-£119,748
Total HSCPs	-£5,612,734	£1,074,533	£2,832,581	-£1,133,889	-£1,324,133	-£7,061,826
Other Partnership	£5,612,734	£34	£19,453	£5,593,209	£0	£38
Total Partnerships	£0	£1,074,566	£2,852,035	£4,459,320	-£1,324,133	-£7,061,788

A more comprehensive assessment will be available following completion of the Quarter 2 review meetings with each HSCP, with updated forecasts and recovery actions incorporated into future financial reporting.

4. Sustainability & Value Programme

The 2026-27 NHS GGC Financial Plan set out an overall financial challenge of £194,706,877 to achieve breakeven. Delivery includes cash-releasing Sustainability & Value savings and cost-reduction measures through the Accelerated Improvement Programme (AIP).

- Position to Month 6

On an in-year basis, including AIP cost-reduction measures, £134,637,187 or 69.15% of the £194,706,877 challenge has been delivered at Month 6, comprising £52,621,852 recurring and £82,015,335 non-recurring measures. This leaves **-£60,069,690** to be resolved in year.

Table 18 below provides details on achieved S&V and AIP actions across the Reporting Areas

Table 18

Reporting Area	Savings Target	Non-Recurring	Recurring	Total Achieved	Balance Remaining	% Achieved
Acute Division	£84,083,649	£7,319,648	£30,725,597	£38,045,245	-£46,038,404	45.25%
Estates & Facilities	£16,559,470	£4,806,132	£2,550,845	£7,356,977	-£9,202,493	44.43%
Corporate	£15,093,437	£7,550,765	£7,542,673	£15,093,437	£0	100.00%
Other Corporate	£78,970,321	£62,338,790	£11,802,737	£74,141,527	-£4,828,794	93.89%
Total	£194,706,877	£82,015,335	£52,621,852	£134,637,187	-£60,069,690	69.15%

- Forecast Position at Month 6

Forecast in-year totals £187,350,289, or 96.22% of the £194,706,877, leaving a forecast shortfall of - **£7,356,588**. This includes cost reduction measures through AIP as described in **Table 19** below.

Table 19

Reporting Area	Savings Target	Non-Recurring	Recurring	Total Achieved	Balance Remaining	% Achieved
Acute Division	£84,083,649	£7,319,648	£51,612,071	£58,931,719	-£25,151,930	70.09%
Estates & Facilities	£16,559,470	£12,591,340	£5,343,448	£17,934,788	£1,375,318	108.31%
Corporate	£15,093,437	£7,550,765	£7,550,765	£15,101,529	£8,092	100.05%
Other Corporate	£78,970,321	£83,579,516	£11,802,737	£95,382,253	£16,411,932	120.78%
Total	£194,706,877	£111,041,269	£76,309,020	£187,350,289	-£7,356,588	96.22%

- Recurring Savings

On an in-year basis, £76,309,020 of recurring savings and cost reductions are forecast to be delivered against a target of £107,951,489. This forecast includes the estimated impact of AIP actions which have been initially identified as recurring.

On a full year (FYE) basis, further work is required to validate the level of AIP actions that are budget releasing and therefore improve the underlying financial deficit. This will be developed further and included within the Month 7 Finance Report.

Table 20

Reporting Area	Recurring Savings Target	In-Year Recurring Savings Achieved	In-Year Forecast Recurring Savings	2027-28 Full Year Effect Recurring
Acute Division	£84,083,649	£30,725,597	£51,612,071	£45,972,519
Estates & Facilities	£6,367,841	£2,550,845	£5,343,448	£10,292,000
Corporate	£0	£7,542,673	£7,550,765	£15,093,437
Other Corporate	£17,500,000	£11,802,737	£11,802,737	£11,802,737
Total	£107,951,489	£52,621,852	£76,309,020	£83,168,785

5. Income Position

- **Core Revenue Resource Limit (RRL)**

At the end of the Month 6, the confirmed Core Revenue Resource Limit (RRL) for NHS GGC is £3,798,976,845.

The September 2026 allocation letter provided confirmation of a further £34,899,867 in Core Revenue Resource Limit allocations, the largest being £12,445,048 for General Medical Services Uplift. Other significant amounts include £12,007,685 for Pay Funding, £5,000,000 for Legal Fees and £3,445,563 for NHS Pay Parity for Independent Hospices.

• Anticipated Allocations - Core

As part of monthly submissions to Scottish Government, NHS GGC has undertaken regular review of anticipated allocations. This includes;

- £30,000,000 Support Funding (Non-Recurring)
- £54,865,000 New Medicines Funding (Non-Recurring)
- £10,246,000 Investment in Planned Care (Non-Recurring)

• Anticipated Allocations - Other

As at Month 6, NHS GGC is also anticipating £140,119,000 in non-core allocations.

• Operating Income

At Month 6, NHS GGC has an income budget to date of £489,084,733 with actuals of £490,773,271 resulting in a favourable income variance of £1,688,538. **Table 21** provides further details of expected income. Please note this income is reflected in the budget analysis elsewhere in this report.

Table 21

Income Source	Annual Budget	Budget to Date	Actual to Date	Variance	% Variance
Admin Income	-£13,115	-£6,642	-£20,230	£13,589	-205%
Non-Disc FHS	-£21,683,468	-£11,377,920	-£11,377,954	£34	0%
Other Healthcare Income	-£28,918,936	-£14,805,708	-£14,838,542	£32,833	0%
Other Operating Income	-£60,001,523	-£36,026,906	-£37,427,961	£1,401,055	-4%
Private Patients	-£149,919	-£135,434	-£115,151	-£20,282	15%
Other Scottish Bodies	-£858,379,315	-£426,640,056	-£426,905,018	£264,962	-0%
Social Work Income	-£18,899	-£18,899	-£18,900	£1	0%
Unified FHS	-£121,022	-£73,169	-£69,516	-£3,654	5%
Total	-£969,286,197	-£489,084,733	-£490,773,271	£1,688,538	0%

6. Capital Position

NHS GGC has now received its 2026 -27 base formula capital allocation from the Scottish Government. It remains remain at the 2025-26 value of £41,258,858. Some additional funding has also been received from the Scottish Government for an Invest to Save project to Digitise Lab services at the Dental Hospital.

In addition, NHS GGC also expects additional funding to be received for approved ring-fenced Radiotherapy Equipment Replacement including replacement of one of 2 PET CT's, Sustainability/ Decarbonisation of the estate, Business Continuity Funding (BCP) for both backlog maintenance and equipment from Business Continuity Planning (BCP) funding and the completion of both the relocation of

the Radionuclide Dispensary Relocation and the remedial works to the QEUH Atrium this financial year. Funding was awarded this month from NSD capital equipment and Digital Refresh Funding as part of national initiatives.

We have with agreement from Scottish Government, increased our capital to revenue transfer this year which has increased from £3m to £8m reducing our capital resources by £5m from last month's position.

Given the above, the capital allocation for Core Capital is currently forecast at £73,525,150, Non-Core Capital of £8,561,000, asset disposals of £160,000 and revenue funded capital of £906,666 which totals £83,152,816. Individual components within the fully balanced Capital Plan V1 are detailed within **Table 22** below.

Table 22

Category	Capital Plan V1
Formula Capital	£41,258,858
Capital to Revenue Transfer	-£8,000,000
Rectification Works	£12,708,000
Radionuclide Dispensary	£2,410,000
Radiotherapy Equipment	£9,161,000
PET CT Replacement	£3,186,000
National LIMS Project	£382,000
Sustainable Energy Awards	£4,595,000
BCP / NIB	£6,176,192
Digital Refresh Funding	£800,000
NSD Funded Equipment	£443,100
SG Funded Capital Equip -Other	£405,000
Total Core Capital	£73,525,150
GP Sustainability Loans	0
Leases (IFRS 16)	£8,561,000
Total Non-Core	£8,561,000
Asset Disposals	£160,000
Revenue Funded Capital	£906,666
Total Capital	£83,152,816

At Month 6, year-to-date committed expenditure totalling £47,501,701, of which £24,945,952 has been incurred. The current year-end forecast to March 2027 stands at £83,152,816, which includes £1,928,000 of declared slippage, however this slippage will now be utilised via the capital to revenue transfer. This indicates a full allocated capital plan but contains circa £800k of unallocated capital, which will now also support the increased capital to revenue funding transfer.

Table 23

Category	Capital Plan – V2	Actual & committed	Capital Remaining
Built Environment	£9,834,858	£8,484,784	£1,350,074
Service Development	£5,277,000	£3,640,892	£1,636,108
Reduced Ligature Works	£5,757,000	£2,712,116	£3,044,884
Equipment	£7,603,000	£5,560,272	£2,042,728
Digital	£1,986,000	£1,513,571	£472,429
Capital Staff Costs	£1,240,000	£513,000	£727,000
Capital Non Pay in Revenue	£1,300,000	£285,763	£1,014,237
Capital Reserve	£421,000	£0	£421,000
Asset Disposals NBV in Above	-£160,000	£0	-£160,000
Capital to Revenue Transfer (Hold)	£8,000,000	£0	£8,000,000
Formula Capital	£41,258,858	£22,710,398	£18,548,460
Capital to Revenue Transfer (Out)	-£8,000,000	£0	-£8,000,000
QEUH Rect Wks Overarching Fees	£70,000	£42,992	£27,008
QEUH Atrium Remediation	£4,300,000	£1,837,532	£2,462,468
QEUH Manifold Replacement	£2,037,000	£2,036,541	£459
QEUH Fire Door Remedials	£5,996,000	£2,157,933	£3,838,067
QEUH New Adult BMT Unit	£305,000	£189,856	£115,144
Rectification Works Total	£12,708,000	£6,264,855	£6,443,145
Radionuclide Dispensary	£2,410,000	£2,287,101	£122,899
Radiotherapy Equipment	£9,161,000	£3,233,101	£5,927,899
PET CT Replacement	£3,186,000	£2,797,448	£388,552
National LIMS Project	£382,000	£235,695	£146,305
Sustainable Energy Awards	£4,595,000	-£0	£4,595,000
Digital Refresh Funding	£800,000	£0	£800,000
NSD Funded Equipment	£443,100	£0	£443,100
SG Funded Capital Equip -Other	£405,000	£0	£405,000
BCP / NIB	£6,176,192	£505,871	£5,670,321
SG Funding Total	£40,266,292	£15,324,071	£24,942,221
Total Core	£73,525,150	£38,034,469	£35,490,681
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
Asset Disp NBV in Cap Reserve	£160,000	£0	£160,000
Revenue Funded Capital	£906,666	£906,231	£435

Total Capital	£83,152,816	£47,501,701	£35,651,115
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Although there is still significant expenditure to incur in the final 6 months of the year, total expenditure is slightly higher than last financial year at the half year mark.

Key spend includes a new linear accelerator at the Beatson Cancer Centre as part of the Radiotherapy Equipment Replacement Programme (£3,210,440), expenditure on the four QEUH Rectification projects (£4,717,106), and £1,737,855 relating to the relocation of the Radionuclide Dispensary to the Gartnavel campus. The Board's own formula is being spent on projects such as the RAH Maternity Façade, INS W67 HAI Upgrade and lift upgrade programme mainly at the GRI. We are also concluding works to various sites as part of the Yorkhill Site exit package of works.

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

Capital 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 has been undertaken and action has been taken to redirect funding via the Director of Finance to increase the support to the revenue position. It is expected there will be little ability to allocate any further formula capital this financial year, but funding may still come via SG for specific projects.

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. Based on Q1 review and taking into account known confirmed S&V opportunities, financial flexibilities and historic performance, a forecast overspend of **-£58,041,628** (1.71% of baseline RRL) was reported at month three. Whilst this forecast was based on only three months of data, this position made a number of high-level assumptions based on historical trajectories and financial recovery actions being implemented and was considered high risk.

Following submission of financial recovery plans from Acute Directorates and Estates & Facilities, modelling was undertaken on planned recovery actions and reported to Scottish Government on best-case **(-£40,607,602)**, worst-case **(-£70,497,203)** and probable **(-£57,842,633)** scenarios.

Subsequently, action has been taken to mitigate overspends and identify further savings opportunities and the forecast has been revised to **-£29,573,674**. Whilst **-£29,573,674** is the current forecast at this time, this is dependent on significant improvement relating to planned actions and this requires full support of Corporate Management Team to deliver these actions and to mitigate any further financial pressures that may arise later in the year.

The forecast will continue to be monitored each month and all options will be considered to improve the projected position.

• Capital Forecast Outturn

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

• Risk Impact

At Month 6, 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. Summary

1. A net revenue overspend of **-£38,832,346** is reported at 30 September 2026.
2. In relation to savings, including cost reduction measures through the Accelerated Improvement Programme (AIP), £134,637,187 has been delivered on an in-year basis at Month 6, comprising £52,621,852 of recurring savings and £82,015,335 of non-recurring measures. This represents 69.15% of the £194,706,877 Financial Plan target, leaving **-£60,069,690** still to be delivered. Total in-year benefits are forecast to reach £187,350,289, equivalent to 96.22% of the target, leaving a forecast shortfall of **-£7,356,588**. Separately, full-year equivalent recurring S&V savings are forecast at £64,571,942, with a further £40,929,054 of full-year equivalent AIP cost reductions anticipated, subject to further validation.
3. A deficit of **-£29,753,674** is forecast at month 6, however, this is dependent on significant improvement relating to planned actions and this requires full support of Corporate Management Team to deliver these actions and to mitigate any further financial pressures that may arise later in the year.
4. Risk 3036 Financial Sustainability: In-Year Revenue Position (2026/27) remains assessed as Very High, with a risk score of 20.
5. Against an approved capital allocation of £83,152,816, year-to-date committed expenditure totals £47,501,701, of which £24,945,952 has been incurred at month 6. 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.