

NHS Greater Glasgow and Clyde	Paper No. 25/134
Meeting:	NHSGGC Board Meeting
Meeting Date:	30 October 2025
Title:	NHSGGC 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: Provide the Board with an update on the monthly finance position as at 31st August 2025, including the position of the Sustainability and Value and Capital Programme for 2025/26

The format of the report covers;

- i) The Month 5 Revenue position (pages 3-4)
- ii) The Month 5 Additional Information (pages 5-7)
- iii) The Month 5 Sustainability and Value position for 25/26 (pages 8-11)
- iv) The Month 5 Capital position (pages 12-16)
- v) 2025/26 year end position (pages 16-18)
- vi) Conclusion (pages 19-20)

2. Executive Summary

The paper can be summarised as follows:

Month 5 Position 2025/26

As at the 31st of August 2025 NHSGGC's financial ledger highlights an overspend of £46.0m (£55.4m at month 4) of which £40.4m relates to unachieved savings and there is a pay and non-pay overspend of £5.5m. Acute is overspent by £11.6m and Corporate areas are underspent by £1.8m for pay and non-pay. Partnerships has a pay and non-pay underspend of £4.2m.

Additional Information

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

- Additional planned care allocation of £28.6m to support delivery of 52 week wait patients by 31st March 2026, with a further £10m confirmed on the 4th of August 2025. The year-to-date costs are £4.8m
- Unscheduled Care Funding of £21m to support delivery of high impact actions to improve flow and patient access and Hospital @ Home funding of £2.6m. The ledger spend of £0.45m in the first five months of the year is due to the timing of confirmation of the allocations.

Sustainability and Value

In terms of Sustainability and Value, £24.4m has been achieved on a full year recurring basis. On an in-year basis (recurring and non-recurring) £102.9m has been achieved. The recurring forecast is c£45m which is currently short of the recurring target of £93.7m. The pace of both delivery and identification of savings will require to increase to achieve the Boards financial targets.

Capital Expenditure

Total capital expenditure incurred to 31st August 2025 is £16.4m, this amounts to 20% of the capital budget (of the £81.5m Plan, which has been fully allocated via the Business Continuity Plan process). At month 5, £50.4m (62%) of the total capital allocation has firm orders or incurred spend which is in line with expectations for this point of the year. There is £31.1m of the capital allocation which is profiled to future months, from Business Continuity Plan priorities, and of this sum £6.4m requires reallocation due to slippage or timing from original assumptions and this will allow re-allocation to the Business Continuity Plan priority headings through the normal governance routes.

2025/26 Year End Position

The overall financial challenge for NHSGGC in 2025/26 is £217.8m. This is based on a recurring deficit carried forward from 2024/25 of £162.8m. The financial plan incorporates a non-recurring sustainability payment from SG of £55.1m, a recurring savings target of £93.7m and a non-recurring target of £69.0m to derive a balanced position.

The financial position is continually reviewed and based on the position at Quarter 1 the decision was taken to revise the current forecast to show a **deficit of £45m**. This position is mainly due to the current operational pressures NHSGGC is facing and a slower uptake on the Sustainability and Value programme. A further review has taken place at month 5 and the forecast deficit is remaining at £45m, give the current position. Dedicated and regular meetings have taken place with all Directorates to progress the S&V programme.

3. Recommendations

The Board is asked to consider the following recommendations:

- i) Note the revenue position at Month 5
- ii) Note the Month 5 position re additional information
- iii) Note the Month 5 position for Sustainability and Value and progress for 25/26
- iv) Note the capital position at Month 5;
- v) Note the 2025/26 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:

Corporate Management Team – 2 October 2025

Finance, Planning and Performance Committee – 9 October 2025

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 on: 15 October 2025

Issued on: 22 October 2025

NHSGGC- Finance Report Month 5 (August 2025)

Board Meeting

30th October 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 2025/26

The format of the report covers;

- i) The Month 5 Revenue position (pages 3-4)
- ii) The Month 5 Additional Information (pages 5-7)
- iii) The Month 5 Sustainability and Value position for 25/26 (pages 8-11)
- iv) The Month 5 Capital position (pages 12-16)
- v) 2025/26 year end position (pages 16-18)
- vi) Conclusion (pages 19-20)

Members are asked to :

- i) Note the Month 5 revenue position
- ii) Note the Month 5 position re additional information
- iii) Note the Month 5 position for Sustainability and Value and progress for 25/26
- iv) Note the capital position at Month 5; and
- v) Note the 2025/26 position.

Month 5 Revenue Position

Month 5 - Overall Position

Financial Performance – Month 5

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

Area	Annual Budget	Pays, Non Pays Position	Unachieved Savings	Final Reported Position	% of Annual Budget
	£m	£m	£m	£m	%
Acute	2,050.7	(11.6)	(28.5)	(40.1)	(2.0%)
Partnerships	1,762.6	4.2	(4.2)	(0.0)	(0.0%)
Corporate Departments	703.9	1.8	(7.7)	(5.9)	(0.8%)
Financial Position at 31st August 2025	4,517.2	(5.5)	(40.4)	(46.0)	(1.0%)

As outlined above, the Board recorded a deficit of £46.0m at 31st August 2025 (£55.4m at month 4).

The deficit is made up of the following:-

- Pay and non-pay overspend of £5.5m. Acute is overspent by £11.6m and Corporate areas are underspent by £1.8m. Partnerships has a pay and non pay underspend of £4.2m.
- Unachieved savings at month 5 amount to £40.4m.

Month 5 Additional Information

Planned Care Funding
Unscheduled Care Funding



Additional Planned Care Funding Allocation 2025/26

The original additional funding allocated to support delivery of 52 week wait patients by 31st March 2026 was £28.6m. The funding was allocated across a range of specialties with the longest waits greater than 52 weeks. Breakdown of the funding can be seen in table 1 below. This funding has not been received as yet, it will be dependant on delivery of the activity and a monthly monitoring return is submitted to SG capturing the spend to date and the activity delivered. It is not expected any funding will be received until the end of quarter 3. For the period April to August £4.8m has been incurred and total activity of 21,648 has been delivered. The breakdown can be seen in table 2 below. Diagnostic imaging accounts for 42% of spend and 44% of activity.

A further £10m of funding has been agreed to deliver a further 2,191 of activity through outsourcing and a breakdown of this can be seen in table 3. This funding was confirmed in August and therefore no spend has yet been incurred.

Table 1: Funding allocation

Specialty	ADP Funding £m	OP ADP Activity	IP/DC ADP Activity	Diagnostics(Imaging & Endoscopy) Activity
Ophthalmology	0.4	4,620	378	
Gynaecology	3.3	8,904	666	300
ENT	1.1	4,633	704	
General surgery,including Breast	1.3	2,365	208	
Plastics	1.0	864	205	
Orthopaedics	8.3	4,602	1,716	
Urology	1.7	7,169	1,178	
Endoscopy	1.6			2,770
Diagnostics	9.9			53,017
Totals	28.6	33,157	5,055	56,087

Table 2: Month 5 actual spend and activity

Specialty	YTD spend August 25 £m	YTD OP August 25 Activity	YTD IP/DC August 25 Activity	Diagnostics (Imaging & Endoscopy) August 25 Activity
Ophthalmology	0.2	1,064	144	
Gynaecology	0.4	3,292		
ENT	0.2	1,539	13	
General surgery,including Breast	0.4	751	119	
Plastics	0.1	177	92	
Orthopaedics	0.8	1,132	421	
Urology	0.2	2,368	150	
Endoscopy	0.4			814
Diagnostics	2.0			9,572
Totals	4.8	10,323	939	10,386

Table 3: Outsourcing Allocation

Specialty	ADP Funding £m	IP/DC ADP Activity
Neurosurgery	1.0	200
Gynaecology	1.7	400
Adult Plastic Surgery	0.9	267
ENT	0.5	60
Ophthalmology	0.3	115
Orthopaedics	3.0	350
General Surgery	2.6	799
Totals	10.0	2,191

Additional Urgent Unscheduled Care Funding 2025/26

Additional funding confirmed by SG of £21.0m to support delivery of high impact actions to improve flow and patient access. A range of actions are in place with quarterly reporting to SG on delivery of the agreed performance metrics and monthly reporting to SG of the spend incurred against the confirmed funding.

It is not expected any funding will be received until the end of Quarter 3, which will be based on outcomes. A breakdown of the funding can be seen in the tables below. Work continues to firm up actions and review delivery timescales and outcomes.

It should be noted that further funding of £2.6m has been confirmed for Hospital @ Home and work is underway to create a governance framework and priority actions.

Table 1: Funding allocation by objective

Objective	Actions	Full year £m	Part year £m	Spend YTD August 25 £m
Create an interface Division, supporting the whole system structure	Director, Chief of Medicine and Chief nurse appointed.	5.6	4.6	0.04
Virtual Hospital	OPAT expansion, Doclare software, enhanced AHP provision, expand	4.1	2.5	
Admission avoidance	Home First Response , Frailty at the front door	2.2	1.0	
Supporting discharge	Intermediate care beds	2.5	1.7	0.11
Supporting discharge	Additional social worker support	0.2	0.1	
Supporting discharge	Reduce LoS for AWI patients	0.7	0.5	
Supporting Discharge- complex patients	30 additional care home beds	3.6	2.4	0.30
Reducing hospital admissions	Rapid Assessment Care model	1.1	0.4	
Support redirection of patients	eTriage	0.5	0.3	
	Other tbc	0.5	0.5	
Total		21.0	14.1	0.45

Table 2: Funding allocation by owner

Allocation by Owner	Full year £m	Part year £m	Spend YTD August 25 £m
Wider GGC actions	12.7	8.8	0.04
Glasgow City HSCP	5.7	3.8	0.38
Inverclyde HSCP	1.0	0.5	
Renfrewshire HSCP	0.6	0.3	0.00
East Dumbartonshire HSCP	0.3	0.2	
West Dumbartonshire HSCP	0.6	0.3	
East Renfrewshire HSCP	0.1	0.1	0.04
	21.0	14.1	0.45

Due to the timing of the confirmation of allocations, £0.45m has been spent up to the 31st of August 2025.

Sustainability and Value

Sustainability and Value Programme

Month 5 Position

The position as of Month 5 shows that on a recurring basis, £24.4m or 26% of the £93.7m target has been achieved. On an in-year basis (recurring and non-recurring) £102.9m or 47.2% of the £217.8m overall financial challenge has been delivered as of month 5.

The main areas of growth in the savings achieved in Month 5 was in relation to a further £22.5m in non-recurring and £2.5m of recurring savings being recognised from the wider financial plan. Growth of £2.3m non recurringly and £1.2m in recurring savings was delivered via the current programme of savings from both the Acute and Corporate services. Table 1 below details the Month 5 position.

Table 1 Month 5 position

Area	CYE Target	CYE	CYE Gap	FYE Target	FYE	FYE Gap
	£m	£m	£m	£m	£m	£m
Acute	73.9	5.7	(68.2)	73.9	6.4	(67.5)
Corporate	23.0	6.2	(16.8)	23.0	2.1	(20.9)
	96.9	11.9	(85.0)	96.9	8.5	(88.4)
Financial Plan	120.9	91.0	(29.9)	(3.2)	15.9	19.1
Total	217.8	102.9	(114.9)	93.7	24.4	(69.3)
% achieved		47.2%			26.0%	

Sustainability and Value Programme

2025/26 Month 5 forecast

The Month 5 forecast has been updated to reflect the current levels of risk within the programme. On a recurring basis, the forecast is £44.8m (48%) and on a non-recurring in-year basis, £112.7m (52%). Month 5 has seen some improvement in the forecast levels of current year savings. However there has been less movement on the recurring schemes, there remains a level of high-risk projects that could improve our position if mitigated or resolved.

Table 2 Month 5 Forecast

Area	Total Planned CYE (£m)	Total Planned FYE (£m)	Comments
Sectors/ Directorate plans (Month 5 pipeline)	18.8	22.7	As per table 2
Boardwide	90.9	15.9	Boardwide initiatives
SLA Income	3.5	7.0	30% Quarter 1 (achieved) remainder Quarter 3
WGACH	0.0	2.0	Quarter 4- dependant on remaining areas vacating building
Prescribing	0.5	0.2	Throughout the year
Further Corporate savings	0.2	0.5	Throughout the year
Total	113.9	48.3	
High Risk Schemes	(1.2)	(3.5)	Reported Month 5 risk
Total less high risk	112.7	44.8	
% identified	52%	48%	
Financial Challenge	217.8	93.7	
Gap (after adjusting for high risk)	(105.1)	(48.9)	

Sustainability and Value Programme



Month 5 S&V Summary and next steps

As of Month 5, the Board continues to face a significant challenge in meeting its financial targets for 2025/26. While there has been further growth in the pipeline of projects, the overall pace of delivery remains below the level required to address the targeted levels of savings.

The Month 5 forecast position of £44.8m (48%) recurring and £112.7m (52%) on a non-recurring basis while showing some improvement still presents the Board with no clear pathway for the Board to achieve its stated financial targets for the year.

The S&V Board continues to meet on a frequent basis to review and challenge plans. Work is also ongoing with respect to further detailed review of wider NHS Scotland plans and detailed reviews of non-pay areas and drugs savings being an area of focus.

Capital Position



Capital Position

Capital Expenditure – 31st August 2025

- Total Gross Capital Expenditure to date : £16.4m (20% of plan)
- Annual Capital Budget at 31/08/25 : £81.5m
- Balance of Budgeted Cap. Ex. to be incurred : £65.1m
- Total Expenditure Committed at Month 5 : £50.4m (62%)
- Expenditure commitments profiled months 6 - 12 : £31.1m (38%)

* Expenditure Committed at month 5 includes [Expenditure incurred + Orders placed]

Total gross capital expenditure incurred to 31st August 2025 is £16.4m amounting to 20% of the annual plan (of the £81.5m Plan, which has been fully allocated via the Business Continuity Plan process). At month 5, £50.4m (62%) of the total capital allocation has firm orders or incurred spend which is in line with expectations for this point of the year.

There is £31.1m of the capital allocation which is profiled to future months, from Business Continuity Plan priorities, and of this sum £6.4m requires reallocation due to slippage or timing from original assumptions and this will allow re-allocation to the Business Continuity Plan priority headings through the normal governance routes.

Capital Funding decreased this month by £1.0m – due to the reprofile of LIMS funding requirement to 2026/27.

The total forecasted Core Capital Resource Limit (CRL) is £80.3m as at 31st August 2025 of which £16.4m (20%) has been achieved.

Capital Position

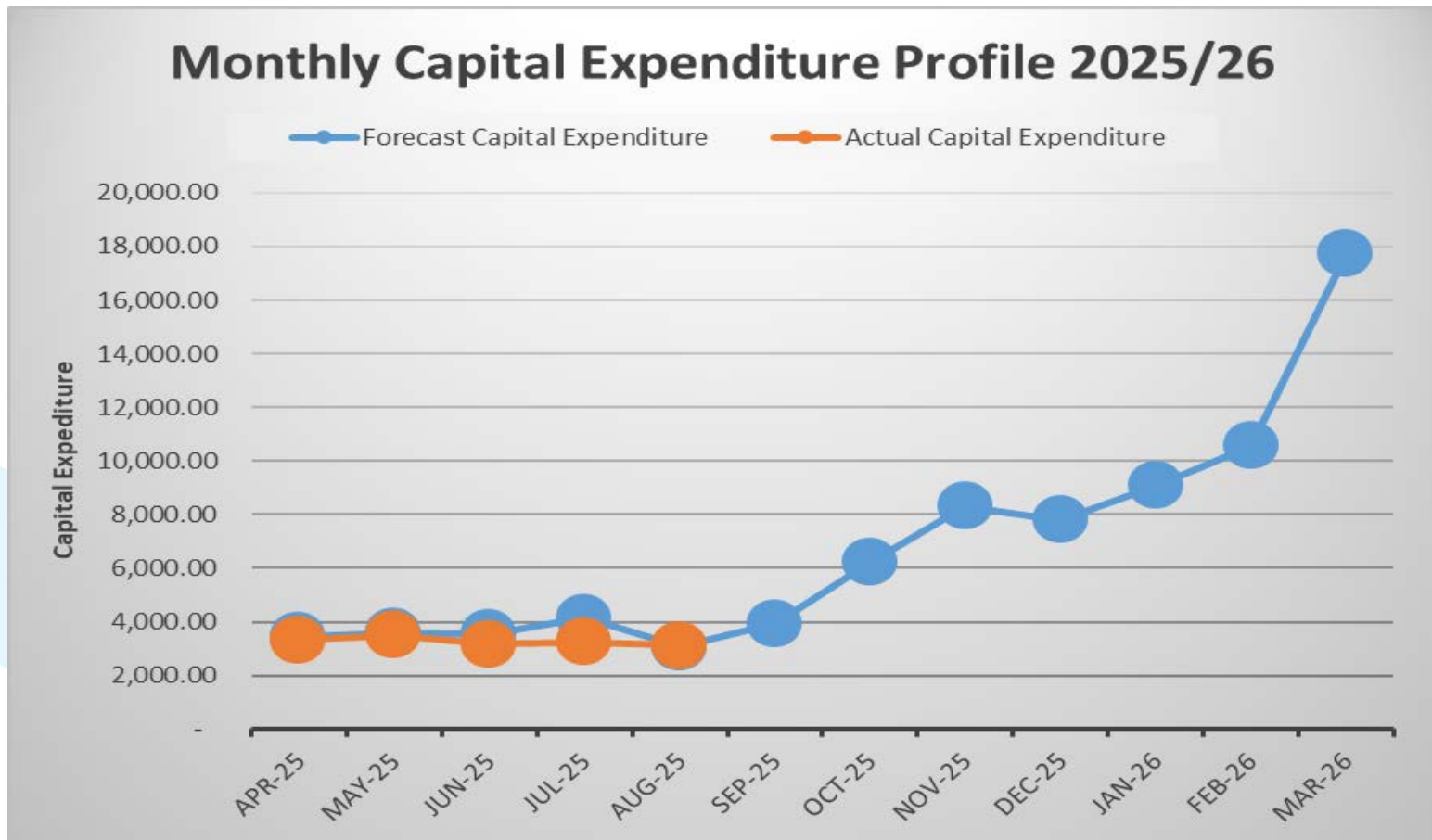
Capital Expenditure – to 31st August 2025 : £16.4m

Main areas of Expenditure as below:

- £3.6m : New build Radionuclide Dispensary
- £0.9m : New build Glasgow North East Health & Social Care Centre.
- £2.6m : Rectification Works QEUH Atrium
- £1.8m : Rectification Works QEUH Manifold
- £0.4m : Rectification Works QEUH Fire Doors
- £0.2m : RERP
- £0.1m : LIMS
- £0.6m : Safety Critical Maintenance Projects
- £0.5m : High Risk Maintenance Projects
- £0.2m : GRI Filtration Plant
- £0.7m : INS Ward 68 Upgrade
- £0.5m : WGACH Phase 1
- £0.4m : Reduced Ligature Works
- £1.4m : New build Bishopton Health Centre
- £0.6m : Bishopbriggs Treatment Rooms
- £0.4m : Relocation of WGACH Services
- £1.1m : Medical Equipment
- £0.2m : Non Clinical Equipment
- £0.2m : GP Loans

Capital Position

- The increase forecast in November is due to the anticipated delivery of a CT Simulator and other equipment
- The increase in March reflects the £6.4m unallocated budget and the £7.7m funding received in May for medical equipment that will not be delivered until later in the year.



Capital Position

Capital Disposals

Forecast Sales : (NBV provides Capital Funding)

Asset	Est Year	Est Receipt	NBV
Early stages			
Hardgate Clinic	2025/26	£0.20m	£0.15m
Netherton Clinic	2026/27	£0.28m	£0.62m*
• *Impairment to be carried out in 2025/26			
Future Years			
Cathcart Centre Greenock		£ 0.14m	£0.25m
• Previous marketing did not bring forward any offers. May be taken forward via auction			
Lennox Castle Land Phase 2		£ 2.00m	£0.35m
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 land		Not available	£2.58m

NBV net of Revaluation Reserve

2025/26 Position

2025/26 Position

The 3-year financial plan was approved by the Board on the 29th of April 2025. The financial plan highlighted a balanced position for 2025/26 with the overall financial challenge for the year of £217.8m. This is based on a recurring deficit carried forward from 2024/25 of £162.8m. The financial plan incorporates a non-recurring sustainability payment from SG of £55.1m, a recurring savings target of £93.7m and a non-recurring target of £69.0m to derive a balanced position.

A national target has been set that 3% recurring savings should be achieved against baseline funding, with the remaining savings requirement to reach financial balance to be delivered through further choices and further actions. The total savings requirement for the Board is the full amount of the deficit and for NHSGGC this is £217.8m.

The financial position is continually reviewed and based on the position at Quarter 1 the decision was taken to revise the current forecast to show a **deficit of £45m**. This position is mainly due to the current operational pressures NHSGGC is facing and a slower uptake on the Sustainability and Value programme. A further review has taken place at month 5 and due to limited movement on the S&V programme the forecast deficit is remaining at £45m. Dedicated meetings have taken place with all Directorates to progress the S&V programme.

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

The forecast position will continually be reviewed throughout the year as will the progress of the Sustainability and Value programme. It is extremely important that all sectors and directorates continue to increase and identify savings against their targets and that CMT progress with the plans that were identified.

The IJB's all have approved financial plans showing a break-even position, however they are facing a number of pressures and high value of savings plans. This area will continue to be closely monitored.

Conclusion

Conclusion

As at the 31st August 2025 NHSGGC's financial ledger highlights an overspend of £46.0m (£55.4m at month 4) of which £40.4m relates to unachieved savings and there is a pay and non-pay overspend of £5.5m. Acute is overspent by £11.6m and Corporate areas are underspent by £1.8m for pay and non-pay. Partnerships has a pay and non pay underspend of £4.2m.

The Board is still facing a number of pressures at Month 5 and although some progress can be seen, every effort needs to be made to reduce these pressures going forward. The financial position is continually being reviewed and based on the position at month 5, the decision has been taken to retain the current forecast at a **deficit of £45m**. Significant reduction in overspends and improvement in delivery of savings is required to achieve this forecast.

In terms of Sustainability and Value, £24.4m has been achieved on a full year recurring basis. On an in-year basis (recurring and non-recurring) £102.9m has been achieved. The recurring forecast is c£45m which is significantly short of the recurring target of £93.7m. The pace of both delivery and identification of savings will have to increase if the Boards targets are to be achieved.

Total capital expenditure incurred to 31st August 2025 is £16.4m, this amounts to 20% of the capital budget (of £81.5m) leaving a balance of £65.1m to be incurred to the 31st of March 2026. At month 5, £50.4m (62%) of the total capital allocation has firm orders or incurred spend which is in line with expectations for the start of the year.

In summary, Members are asked to :

- i) Note the revenue position at Month 5
- ii) Note the Month 5 position re additional information
- iii) Note the Month 5 position for Sustainability and Value and progress for 25/26
- iv) Note the capital position at Month 5;
- v) Note the 2025/26 position.