Greater Glasgow and Clyde NHS Board

17 June 2014

Director of Finance **Paper No. 14/41**

2014/15 Financial Plan

Summary

The purpose of this paper is to provide an overview to Board Members of the key elements within the financial plan, highlighting key assumptions and risks and explaining how it is proposed to address the cost savings challenge which the Board faces in order to achieve a balanced financial outturn in 2014/15. The paper comprises:

- An overview of the process used to develop the financial plan;
- A brief explanation of the funding uplift that the Board will receive in 2014/15;
- A summary of the plan;
- Proposals for funding of pressures and investments.
- The cost savings plan for 2014/15 that will enable the Board to address that financial challenge and deliver a break even financial outturn for the year;
- An explanation of the risks in the plan;
- An indication of the likely financial position for 2015/16 & 2016/17, which will inform the Board's medium term financial strategy.

The enclosed financial plan has been produced to deliver a balanced outturn for 2014/15 and to anticipate the more significant challenges and risks that the Board will face subsequently

The 14/15 plan contains a number of risks that may need to be met through the use of its contingency and/or non-recurring monies. The Board has assessed those risks, which include medicines, the first double running costs of the new hospital and the challenge of responding to the financial impact of changes to its boundaries. Further risks attach to the years following. This paper sets out how the Board will respond to these and the other financial risks that are also set out herein.

This plan has been scrutinised by the Board's Quality and Performance Committee.

Recommendation

Members are asked to approve the plan.

1. Introduction

The process for producing the Board's financial plan has followed a similar course to previous years. In autumn 2013 the Director of Finance proposed a cash releasing savings (CRES) target of £32.9m and targets were allocated to divisions. That overall target has since been maintained although some changes have been made in the pressures estimated.

Proposals have since been produced that meet the financial challenge for 2014/15. The Board has reviewed these proposals.

In addition to the proposals referred to above, it is important to note that this year's plan identifies a number of assumptions and risks that may require the Board to reassess its financial position during the year. These are set out in more detail in this paper and the Board has required subsequent assurance that there are adequate ways of addressing them.

The forecast financial challenges in 2015/16 and 2016/17 are more significant than in recent years. This is because they are inflated by material external factors outwith the control of the Board. Unless these externally driven challenges alter the Board will need to plan changes if it is to have confidence that it can deliver a sustainable financial position over the medium term. The Chief Executive is in the process of making representations to Scottish Government in this respect.

In addition to producing proposals for cash releasing savings the Board will also produce proposals for non-cash releasing savings that, when combined with our CRES plans, allow us to declare an efficiency target of 3%. This is the expectation of Scottish Government. This paper focuses on the cash releasing savings only.

The Board submitted the draft financial plan to SGHD in February 2014, as required, as part of its Local Delivery Plan submission. The Board then submitted an update to the draft plan to SGHD in March 2014, again as part of the Local Delivery Plan submission.

2. Overview of Process to Develop the Financial Plan

In late 2013 the Corporate Management Team (CMT) approved a draft cash-releasing savings target of £32.9m for 2014/15. Of this total, £18.9m was given to the Acute division, £6.0m was given to Partnerships, £1.5m to Corporate and £6.5m was given to prescribing. The CMT recognised that non cash releasing schemes would also be developed to meet SGHD's target for 3% efficiency savings. At a recent Board Seminar, the Board accepted the CMT's conclusion that it was appropriate to aim to deliver a cash-releasing savings target of £32.9m. This was discussed and accepted again at the Board Awayday on 13 & 14 February 2014.

The Director of Finance has overseen the process of developing the financial plan. Board Members were updated on progress in January and given the opportunity to comment and advise. Following further discussions the plans were scrutinised by the Quality and Performance Committee in May and there was a further follow up, to address risk management, in June at the Board seminar.

3. Funding

SGHD has confirmed a headline funding uplift for 2014/15 of £53.6m, or 2.7%. In line with SG's original plan there is also a £2.1m reduction in the Change / Integration Fund. NHSGGC does not receive a share of the funding awarded to some other Boards in order to bring them closer to NRAC parity. The uplift is shown in the table below.

	All Boards £m		NHS GGC £m		Para
Base Uplift @ 2.7%	215.6		53.6		3.1
NRAC Parity	40.0		0.0		3.2
Adult Social Care Change / Integration Fund	(10.0)		(2.1)		3.3
SGHD Uplift	245.6		51.5		
Income from Other Boards			4.3		3.4
Total Uplift			**55.8**		

3.1. A general uplift is provided by SGHD to support Boards in meeting expected additional costs related to pay, supplies (which includes prescribing growth and utilities charges) and capital charges.

3.2. This funding allocation is available exclusively to those NHS Boards whose current general funding allocation is below NRAC formula parity levels, to move them closer to NRAC parity. As NHSGGC's funding level currently exceeds NRAC parity, it does not receive a proportion of this funding allocation. However, as in previous years, SGHD has not sought to reduce NHSGGC's core funding level. This reflects the measured approach which SGHD continues to take in progressing implementation of NRAC recommendations, thereby avoiding creating financial turbulence within NHS Scotland.

3.3. As the final stage for the Change Fund as it is replaced by the Integration Fund, the total across Scotland is reduced by £10.0m.

3.4. By applying an agreed general inflationary uplift to the value of service level agreements with other NHS Boards related to patient services provided by NHSGGC, NHSGGC can reasonably expect to receive further income of around £4.3m in 2014/15.

4. Financial Plan Summary

A summary of the financial plan is shown below. Each of the items is explained in more detail in Appendix 1. The Board is in recurring balance so there are no figures for recurring brought forwards from 13/14 or carry forwards to 15/16. In 2013/14, as planned, £3.0m of the opening £4.2m contingency was released to fund the additional cost of auto-enrolment, leaving a residual provision of £1.2m. £3.8m is now being reinstated to the contingency. The contingency for 2014/15 will therefore be £5.0m.

	Feb 14 £m		June 14 £m	Section
2014/15 Funding Uplift				
Total uplift	55.7		55.8	3
Carry Forward from 2013/14				
Forecast recurring over/under commitment	(0.0)		(0.0)	
Cost Drivers				**Appendix 1**
Pay Cost Growth	(18.7)		(18.8)	1
Prescribing Cost Growth	(30.2)		(33.2)	2
Energy Cost Growth	(3.0)		(1.0)	3
Capital Charges Growth	(2.0)		(2.0)	4
Other Cost Inflation	(12.3)		(12.4)	5
	(66.2)		(67.4)	
Service Commitments				
New South Glasgow Hospital	(4.4)		(4.4)	6
Pressures & Investments	(14.2)		(13.1)	7
Reinstatement of Board Contingency	(3.8)		(3.8)	
	(22.4)		(21.3)	
Cash Releasing Financial Challenge	**(32.9)**		**(32.9)**	
Cash Releasing Financial Challenge	**1.6%**		**1.6%**	

5. Changes made since February 2014

The Board was previously shown a different plan and several changes, some minor, have since been made. The main changes that have been reflected since the previous draft relate to:

- Funding uplift: there has been a minor change of £0.1m.

- Pay cost growth: there is a net increase of £0.1m. This includes an additional £1.0m for discretionary points, offset by a reduction of £0.9m reflecting national insurance thresholds.

- Prescribing: We have carried out a detailed assessment of the likely increase in prescribing costs and the possible reimbursement from SG for end of life and orphan drugs. This reassessment has included the transfer of £3.0m (now earmarked for Sofosbuvir) from the “pressures and investments” line to prescribing.

- Energy cost growth: The stabilisation of gas prices has allowed this provision to be reduced to £1.0m.

- Other cost inflation has been modified by £0.1m.

- Pressures & Investments have reduced by a net £0.9m. £3.0m, originally earmarked for Hepatitis C and now allocated to Sofosbuvir, has been moved to Prescribing. The R&D pressure has been reduced by £0.3m to £1.1m. The CNORIS provision has been increased by £0.9m. National Services commitments have been included at a cost of £1.3m.

6. Cost Savings Plan

There have been several changes to the financial plan since the previous version was discussed with the Board. A summary of those changes is described earlier in this paper. Although the components of the challenge have been reviewed and revised the changes offset each other and the cash-releasing financial challenge remains at £32.9m. In addition to the cash releasing savings, we will deliver additional non-cash-releasing savings so as meet SGHD's target for 3% efficiency savings.

Throughout the year the Medium Term Finance Strategy (MTFS) Group has been working on the development of a cost savings plan for 2014/15 with a view to delivering savings with a full year effect of £32.9m. Because the size of the challenge is unaltered this work remains valid.

In addition to the cash releasing savings, we will deliver £28.5m of non cash releasing savings developed to meet SGHD's target for 3% efficiency savings.

A financial summary of the targets is provided below.

	FYE £m	
Prescribing	6.5	
Acute	18.9	
Partnerships	6.0	
Corporate	1.5	
Cash Releasing	**32.9**	**1.6%**
Non Cash Releasing	28.5	
Total	**61.4**	**3.0%**

The plan shows a cash releasing target of £32.9m for the year. Although recurring savings proposals have been produced it has proved difficult for divisions to suggest adequate in-year savings to address the full financial challenge we face. Recurring savings proposals by divisions are largely in line with the £32.9m target but it is likely that the "current year" impact in 14/15 of savings proposed to date will only be £24.2m. This creates an in-year gap of £8.7m., which will be funded non-recurringly.

£4.4m of the £8.7m gap relates to capital charges that will not be needed until the beginning of 15/16, leaving a figure of £4.3m to be funded. It is therefore proposed to provide non-recurring funding of £4.3m in order to bridge the gap. This plan also allows the Board to retain its recurring contingency of £5m. The in-year commencement of schemes that will impact on subsequent years allows the Board to plan to remain in recurring balance by the end of 2014/15.

As divisions produce further proposals that meet their overall 14/15 targets there will be a favourable impact on the plans for 15/16, funding the £4.4m of capital charges that will not strictly be required until the beginning of 15/16. These further proposals will be brought to the Quality and Performance Committee when available. This will give the Board a start towards the further significant challenges it faces in 2015/16 and beyond.

7. Risks

The Board has sought an assurance that the risks identified in the plan for 2014/15 can be managed. These assurances were presented to the Board at a seminar in early June 2014.

The financial plan shows that we have reinstated the Board's £5.0m recurring contingency. It is not appropriate to decide at this stage how these funds will be used but it is clearly prudent to build some central flexibility into a plan that has £3.0bn of expenditure, potential unexpected pressures and a larger number of areas of significant financial risk.

In addition, we agreed with Scottish Government that we can deliver a non-recurring surplus of £10m in 2013/14 and that this surplus will be returned to us in 2015/16. However, if some of the £10m is required in 2014/15, we have agreed with Scottish Government that we can call down some of the funding.

We will continue to push for further efficiencies throughout the year. We will identify areas where estimates of costs move favourably so that any underspend can be used to cover cost pressures elsewhere. We will re-evaluate risk areas whenever new intelligence becomes available. The combination of these measures, plus the availability of the £5.0m contingency and some non-recurring funds, should be sufficient to manage the 2014/15 risks identified below. Risks for 2015/16 and beyond will be addressed in the 2015/16 financial plan.

2014/15

Some of the key risks that the Board will face in 2014/15 include boundary changes, medicines and the double running costs of the new hospital. These and other risks are described below

- **Boundary Changes:** On 4 June 2013, the Cabinet Secretary announced changes to NHS Board boundaries, with effect from April 2014, to ensure that they are aligned to local authority boundaries. There is a major loss of funding to the board as a result of the changes to the board's boundaries and its population. These funds will flow instead to Lanarkshire, who will have to provide services to that population in the future. Discussions have been ongoing with Lanarkshire over the costs that will need to transfer, monies that might be repaid and any changes in cross boundary flow. Those cost transfers, coupled with specific savings identified locally for this purpose, have allowed us to assume that the impact on the 2014/15 plan is cost neutral. We are continuing to work with NHS Lanarkshire to ensure that this assumption is valid. To ensure consistency amongst Boards, we have agreed with Scottish Government and NHS Lanarkshire that 2014/15 plans should not be adjusted for the implications of the boundary changes. This will need to be kept under review.

- **Medicines:** Medicines risks include the cost of new medicines, such as Sofosbuvir, and orphan/ultra-orphan and end of life medicines. The plan has prudently included some assumptions about a limited amount of funding provided by the Scottish Government from the proposed new medicines fund. This is thought to represent a likely minimum level of funding. The plan has not assumed any funding from a risk sharing arrangement for Sofosbuvir although it has been recommended that Chief Executives should give this consideration. Any additional monies received from the new medicines fund or from a risk sharing arrangement would have a positive impact of the Board's plan.

- **New South Glasgow Hospitals:** The double running costs of the new hospital are non-recurring in nature. Some of them will have an impact on the Board in 2014/15. Others will arise in the following years. In 2014/15, if needed, the Board will have access to an additional £10m of non-recurring monies for which it has made provision in 2013/14. During 2014/15 the Board will, in the normal way, monitor underspends and slippage in order to release monies and fund any risks. If monies become available to support double running costs this would allow the Board to defer all, or some, of the £10m drawdown into 2015/16.

- **Savings Schemes:** The delivery of savings schemes, including the bed model, at a time when capacity is already stretched is a challenge. However this risk is a recurring one for the Board and is managed by the regular review of savings scheme delivery.

- **Youth Employment:** The Chief Executive has agreed to create a number of modern apprenticeships in 2014/15. It is possible that this may incur costs of £0.8m in a full year. However the Director of Finance and the Director of Human Resources have agreed that these positions are expected to be created in areas of existing service need, for which there are existing budgets, or to help backfill preparations for the new hospital, for which there is a non-recurring contingency. In addition, the Chief Executive is proposing that Divisions should match fund this expenditure. Finally, it is anticipated that the full effect will not be incurred in 2014/15. As a result, at present, the additional cost implications for the Board's financial plans are considered to be minimal. It has also been agreed that a management plan will be developed in order to minimise the incremental financial impact.

- **Winter Pressures:** We recognise the seasonal impact that winter has on demand for services. We intend to make funding available non-recurringly to meet the additional costs incurred.

- **CNORIS:** CNORIS is the risk sharing arrangement for the claims arising from clinical negligence. Claims costs can fluctuate from year to year. As far as possible SGHD tries to ensure that fluctuations in costs are smoothed between years. However, it is possible for actual costs to vary significantly from original projections. This is a recurring risk and we have made provision for the estimated likely contribution to CNORIS.

2015/16 & Beyond

The other main risks to the plan relate to subsequent years so they do not affect the validity of the plan for 2014/15. Those identified to date are set out below.

- **Cross Boundary Flow:** For several years NHSGGC has not been paid the full income due from NHS Highland or NHS Western Isles. This income fluctuates with activity but tends to total between £6m and £7m, most of which is due from NHS Highland. The loss of income causes us to make savings that we would not otherwise have to make. In 2013/14 NHS Highland did not pay the Board the £1m part-payment that had been assumed. In order to improve matters for 2014/15 the Director of Finance has recently agreed a budgeted payment of £1.5m with the NHS Highland Director of Finance and the SGHD Director of Finance. This allows us to fund monies we will have to pay to NHS Lanarkshire for shifts in activity, which would otherwise create a further pressure in our plan. The Director of Finance has also made a suggestion to the SGHD Director of Finance about a way of repaying the balance in 2015/16. This proposal involves changes to the funding of both Boards and has been discussed with NHS Highland's Director of Finance. Such funding decisions however rest with SGHD Director of Finance so we now await a formal response. Given that an agreement has been struck for 2014/15, this risk therefore has an impact on 2015/16.

- **Integration:** In order to plan prudently for integration, the Board will need to prepare proposed budgets for each HSCP during 2014/15. To address a potentially significant financial challenge in 2015/16 it is intended that the Chief Executive and the Director of Finance will conduct a challenge process on existing partnership budgets during the summer. Any additional savings that result will be incorporated into a revised plan for discussion by the Q&P Committee.

8. Indication of Financial Challenge in 2015/16 and beyond

SGHD has given no formal indication of the possible uplift beyond 2014/15. It is possible that pay increases will not be as low as in recent years. In addition, as the Board will need to continue to build up funding to cover the transitional costs and double running costs of moving in to the new South Glasgow Hospitals, the scale of the future financial challenge remains uncertain and subject to variability.

Some of the more material issues which we will have to consider as a part of our medium term financial strategy include:

- NRAC – we need to ensure that we plan for future changes in our funding stream, both as a result of NRAC changes and also as a result of the possible impact of UK austerity;
- Integrating health and social care – we have to monitor the development of proposals and establish the impact on our medium term financial strategy;
- New South Glasgow Hospital – we need to decide how to rebalance budgets over the next few years so that we are able to reflect the changes in our cost base that will occur when the New South Glasgow hospital becomes operational
- Clinical services review – we will need to prioritise and then recognise the financial implications of implementing the service redesigns that are emerging;
- Employers' Superannuation – we will need to plan for the likely increase in employers' superannuation contributions in 2015/16.
- Employers' National Insurance – we will need to evaluate and plan for the abolition of the employers' contracted-out rebate in 2016/17. This could be significant.
- Prescribing – we need to ensure that our horizon scanning is accurate and helps us to manage the risk that results from the variability in prescribing costs;
- Research & Development – we need to ensure that we plan intelligently for ongoing reductions in future funding.

A summary of the Board's indicative financial plan for 2015/16 and beyond is provided at **Appendix 2**. This contains significant indicative challenges for those years, based on a series of initial assumptions regarding funding and likely expenditure growth.

APPENDIX 1

Notes to pressures & investments

1. Pay cost growth:

Pay cost growth comprises:

	£m
Provision for 1% uplift	14.1
Provision for additional low pay costs	2.0
Provision for Paid as if at Work (PAIAW)	1.7
Provision for Discretionary Points	1.0
Provision for incremental progression	0.0
	18.8

Pay provision: Current indications are that a provision of 1.0% for pay uplift in 2014/15 is reasonable. On top of the 1%, provision has been made for a minimum payment of £300 for staff earning up to £21,000. The pay provision includes the cost of consolidation in 2014/15 of the previously non consolidated element of the 2013/14 pay uplift.

Paid as if at Work: A provision of £1.7m has been made for the recurring implications of the Paid as if at Work guidance.

Discretionary Points: A provision of £1.0m has been made for the on-going impact of funding additional discretionary points.

Incremental pay progression: The experience of monitoring Agenda for Change (AfC) related pay trends has helped the Board develop a detailed understanding of the effect of incremental pay progression. This has enabled us to carry out a detailed forecast of pay growth for 2014/15, using current staff turnover ratios by staff category. The pay modelling has indicated incremental pay progression will not be a cost pressure in 2014/15, so no provision has been made for additional costs.

2. Prescribing: The prescribing cost growth projection for 2014/15 is based on information from the Board's Prescribing Advisers. It includes provision for likely cost increases related to growth in new and existing drug treatments within Acute Sector, including new drugs approved by SMC, and makes a realistic level of provision for likely growth in volume / prices, based on current trends, related to drug treatments prescribed within Primary Care. The results of this work are summarised below.

	£m
Primary Care	17.0
Acute	22.1
Less Funded by New Medicines Fund	(5.9)
Total	**33.2**

The plan assumes that the following estimated costs will be funded by the New Medicines Fund – Ivacaftor (£3.0m), End of Life Drugs (£2.4m) and Orphan Drugs (£0.5m).

3. **Energy:** Energy cost growth is forecast based on the estimated volumes of gas and electricity required in 2014/15, applying prevailing prices (based on contracted advance purchase prices) for both raw energy purchases and regulator charges. The forecast change in usage for 2014/15 is minimal. The factors which have contributed to increase forecast energy costs by £1.0m in 2014/15 are:

   - Further increases in gas / electricity tariffs which impact on the cost of energy advance purchased for 2014/15;
   - Increase in regulator imposed charges for electricity.

4. **Capital charges:** Indexation of asset values is anticipated to add £2.0m to capital charges.

5. **Other costs inflation:** 1.0% general provision has been set aside for inflation on non-pay costs excluding prescribing costs, energy costs, and capital charges costs. 2.0% has been set aside for uplifts to Resource Transfer, in line with the national agreement. In line with the allocation uplift, 2.7% has been set aside for inflation on legal / contractual cost commitments and inflation on amounts payable to other NHS Boards, Local Authorities and Voluntary Organisations, related to SLAs.

6. **New South Glasgow Hospitals:** £4.4m has been targeted as an initial contribution to the capital charges of the new hospitals. This funding will not be required in 2014/15 for capital charges, so it is proposed to use it non-recurringly in 2014/15 to fund in-year costs e.g. winter pressures or non recurring savings relief. The £4.4m will then be available in 2015/16 for capital charges, reducing the savings challenge in that year.

7. **Pressures and Investments:** £13.1m has been set aside to fund the following pressures and investments:

	£m	
Nurse Staffing	2.7	FYE of £4.0m in 2013/14
Information Technology	1.5	To stabilise funding
National Services	1.4	Including Adult Bone Marrow
Acute Services Team	1.2	Recurring funding of team
Research & Development	1.1	Reduction in funding
CNORIS	0.9	Increase in national contribution
Internships	0.8	Reduction in national funding
Children & Family Teams	0.8	FYE of £1.2m in 2013/14
Primary Care & District Nurse IT	0.8	Recurring impact of N/R investment
Police Custody	0.7	FYE of £0.3m in 2013/14
Junior Doctors Phase 2	0.5	Paediatrics & Neonatology
Additional Cost of Teaching	0.5	Final step in move to funding parity
Satellite Radiotherapy	0.4	Contribution per business case
Immunisation Schemes	0.4	Per business case
Reduction in Change Fund	(2.1)	To match reduction in funding
Other Small Schemes	1.5	All other schemes
	13.1	

APPENDIX 2

Description	2015/16 (Indicative) Recurring £m	2015/16 (Indicative) Non Recurring £m	2015/16 (Indicative) Total £m	2016/17 (Indicative) Recurring £m	2016/17 (Indicative) Non Recurring £m	2016/17 (Indicative) Total £m	Notes
Opening Surplus / (Deficit)	0.0	0.0	0.0	0.0	0.0	0.0	1
Additional Funding							
General Funding Uplift	36.8		36.8	37.5		37.5	2
Other Funding Uplifts	4.3		4.3	4.3		4.3	3
PMS & PCS NCL	1.6		1.6	1.6		1.6	4
	42.7		42.7	43.4		43.4	
General Inflation, Growth etc							
Pays	42.0		42.0	46.4		46.4	5
Supplies & Services	7.1		7.1	6.3		6.3	6
Prescribing Growth	27.2		27.2	27.5		27.5	7
Energy	3.0		3.0	3.0		3.0	8
Capital Charges	2.0		2.0	1.0		1.0	9
Other Providers	3.9		3.9	4.0		4.0	10
PMS & PCS NCL	1.6		1.6	1.6		1.6	11
	86.8		86.8	89.8		89.8	
Unavoidable Service Commitments							
Acute ASR Programme - NSGH	13.0		13.0				12
Other Investments	2.6	0.8	3.4	1.9		1.9	13
	15.6	0.8	16.4	1.9		1.9	
Other Service Commitments							
General Provision for New Service Commitments	10.0		10.0	10.0		10.0	14
	10.0		10.0	10.0		10.0	
Cost Savings Plan							
Cost Savings Plan	(69.7)	(0.8)	(70.5)	(58.3)		(58.3)	15
	(69.7)	(0.8)	(70.5)	(58.3)		(58.3)	
In Year Surplus / (Deficit)	0.0	0.0	0.0	0.0	0.0	0.0	

APPENDIX 2

Notes

1. Represents the excess of recurring expenditure commitments over recurring funding carried forward from 2014/15.

2. An uplift of 1.8% has been assumed.

3. Assumed uplift to existing funding allocations where notification remains outstanding. This includes uplifts to a number of SGHD funding allocations, uplifts to national services and service level agreements with other Boards.

4. 0.5% uplift assumed for Primary Care Medical Services (PMS) & non cash limited funding and associated expenditure. Cost neutral impact.

5. For 2015/16 & 2016/17 a provision of 1.0% for general pay uplifts with a minimum of £300 for lower paid staff has been made. In addition, provision has been made in 2015/16 for expected changed in employers' superannuation contributions and in 2016/17 for possible changes in employers' national insurance contributions.

6. This covers anticipated price inflation related to existing PPP commitments plus 1% to cover general inflation and growth on non pay costs.

7. This is based on an assessment of prescribing advisers' outline cost projections for acute and primary care services in 2015/16 (5.5% for Primary Care, 8.7% for Acute). For 2016/17 indicative values of 6% for Primary Care and 8% for Acute have been used. This is a volatile area where, depending on drug approvals, cost pressures could be significant.

8. Provision for ongoing real increase in energy costs. The provision is an estimate of the possible increase in tariff charges.

9. Provision for increase in capital charges as a result of indexation of asset values.

10. Provision for inflationary uplift of service level agreements with other NHS Boards related to NHSGGC patients and of resource transfer agreements with local authorities.

11. 0.5% provision for increased spend on PMS & non cash limited services is in line with assumption of 0.5% increase in funding allocation. The overall impact is cost neutral.

12. Provision for New South Glasgow Hospital capital charges.

13. This grouping includes all other unavoidable service commitments including:

- satellite radiotherapy;
- nurse internships / one year job guarantee;
- possible loss of R&D income.

14. Provision for cost pressures to come. This amount required will be kept under review.

15. Cost savings values required to bring the plan into balance

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