

Core brief

Wednesday, 30 March 2016

Introduction

This issue of Core Brief details a message from Director of Finance, Mark White to all NHSGGC budget holders.

MESSAGE TO ALL NHSGGC BUDGET HOLDERS FROM FINANCE DIRECTOR MARK WHITE

ALL staff will already be aware of the financial challenges we face going into the new financial year.

In some ways this is business as usual - we have an excellent track record of investing in change and improving our services. We are adept at finding new and more efficient ways of working to maximise our resources. But in 2016/17 there are additional factors creating extra pressures and the need to identify significant cash releasing efficiencies and extra vigilant budgetary prudence.

As widely reported, we have received a record uplift in funding. However, our costs also continue to rise significantly, with new medicines and treatments rising much more rapidly than inflation. Patient demands on our services are also at record levels and continue to increase...and as an employer we have significantly increased our investment in staffing through the national pay award and increased National Insurance and pensions contributions.

Efficiency and modernisation programmes in previous years have helped us achieve financial balance – but each year finding more efficiency becomes ever more challenging. As a result, it is essential every member of staff adopts yet more rigorous prudence when it comes to budget expenditure.

Effective budget management tools, such as the online PECOS e-procurement ordering system, are in place to ensure the right products at the right time, and best value for every pound spent. But we need to achieve more by applying even more rigorous and prudent management of discretionary spending.

Across the whole system we need to identify savings of around £70m from our £3billion budget – by achieving just a 5 per cent reduction in discretionary spend, which is typically made at an operational level, we could deliver £20m of that cash releasing target.

With finance and procurement colleagues I am leading the “Effective Budget Management Project” which will set out to deliver these savings that will not impact on service delivery or patient care, and will communicate directly with budget holders right across our organisation in the days and weeks ahead to give more detail on how together we can achieve this.

The full Financial Plan to identify how the remaining cash efficiencies can be achieved, continues to be worked on and will be presented to the June Board meeting.