

NHS Greater Glasgow & Clyde	Paper Number: 20/18
Meeting:	Board Meeting
Date of Meeting:	5th May 2020
Purpose of Paper:	For Noting
Classification:	Board Official
Sponsoring Director:	Mark White, Director of Finance

Paper Title

Finance Update

Recommendation

Board members are asked to:

- I. Note the recorded financial out-turn for 2019/20 and a summary of the Covid 19 related financial pressures.

Purpose of Paper

The purpose of this paper is to provide the Board with a high level summary of the current financial position and financial pressures.

Key Issues to be Considered

The 2019/20 Financial Plan presented to the Board outlined a potential “gap” of £20m at 31 March 2020. As previously reported, a greater number of significant, unforeseen, cost pressures emerged in-year and the projected deficit was revised to £29.8m in Month 5.

Following extensive work by the Finance Team, including a line by line assessment of all assumptions, budgets and savings opportunities, the projected deficit was reduced throughout the final half of the year. Increased financial control by every budget holder across the organisation in the later part of the year, the FIP, a milder winter and support from the SG around our repairs and maintenance spend has improved the financial performance in the final part of the year.

The Board can now confirm that all 3 financial targets have been met; the Revenue Resource Limit, the Capital Resource Limit, and the Cash Requirement.

BOARD OFFICIAL

The Board has also been working closely with our partner IJBs and the Scottish Government to identify the potential costs of the Covid 19 outbreak. These numbers are reviewed and refined on a daily basis and will be presented following Month 1 actuals.

Any Patient Safety /Patient Experience Issues

Yes, all financial issues and areas of spend have an impact on patient experience.

Any Financial Implications from this Paper

The paper reflects the financial position.

Any Staffing Implications from this Paper

None identified

Any Equality Implications from this Paper

None identified.

Any Health Inequalities Implications from this Paper

None identified.

Has a Risk Assessment been carried out for this issue? If yes, please detail the outcome.

Financial risk is well documented in the Corporate Risk Register and inherent in all business decision making.

Highlight the Corporate Plan priorities to which your paper relates

The paper covers each of the four key themes outlined in the 2019-20 Corporate Objectives.

Author: Mark White

Tel No: 0141 201 4609

Date: 2 May 2020

NHSGGC – Board Meeting 5th May 2020 Financial Position – Summary

Board members are asked to:

- I. Note the recorded financial out-turn for 2019/20 and a summary of the Covid 19 related financial pressures.

Purpose of Paper

The purpose of this paper is to provide the Board with a high level summary of the current financial position and financial pressures.

2019/20 – Financial Out-turn

The 2019/20 Financial Plan presented to the Board outlined a potential “gap” of £20m at 31 March 2020. As previously reported, a greater number of significant, unforeseen, cost pressures emerged in-year and the projected deficit was revised to £29.8m in Month 5.

Following extensive work by the Finance Team, including a line by line assessment of all assumptions, budgets and savings opportunities, the projected deficit was reduced throughout the final half of the year. Increased financial control by every budget holder across the organisation in the later part of the year, the FIP, a milder winter and support from the SG around our repairs and maintenance spend has improved the financial performance in the final part of the year.

Due to the Covid 19 outbreak, the Board did incur additional spend in the final 2 weeks of March 2020. The exact amounts have yet to be finally analysed and confirmed. This is due to complex accruals around untaken annual leave, additional overtime, and significant increases in primary care prescribing ahead of lockdown.

In the case of primary care prescribing, 5 of the Board’s IJBs will fund that themselves. The Scottish Government has confirmed the remaining Covid 19 related costs will be covered.

As such, the Board can now confirm that all 3 financial targets have been met; the Revenue Resource Limit, the Capital Resource Limit, and the Cash Requirement.

A full 2019/20 Financial Out-turn report will be presented to the June 2020 Board meeting. As things stand, it is proposed the Annual Accounts will be prepared for the end of July 2020, with the Annual Audit taking place through August and September 2020.

2020/21 Financial Projections

An Initial 2020/21 Financial Plan was presented to the February 2020 Finance and Planning Committee and the February 2020 Board Meeting. This accompanied the 2020 Annual Operating Plan.

However, all these predictions and projections have now been superseded following the Covid 19 outbreak.

The Scottish Government have issued a template for the Board and the 6 IJBs to record projected Covid 19 spend for the year. For the IJBs, this includes all Health and Social Care spend and cost pressures. This is aligned and accompanies the Boards and individual IJBs Mobilisation Plans. Both have been presented to the Boards Covid SIG. The Financial Template is updated on a daily basis and submitted to SG on a weekly basis (now fortnightly). A report will be presented to the Board following the analysis and adjustment for April 2020 actual costs.

Attached is a summary of the areas of projected additional Covid 19 spend and cost pressure implications split between Boards and IJBs;

NHSGGC Board

- Main costs are additional beds and significant increases in ICU capacity, including beds freed up due to switching off the elective programme.
- There will be offset's against the additional ICU beds as theatre staff have supported these beds.
- Additional testing costs.
- Significant nursing recruitment.
- Unachieved savings due to the temporary suspension of the FIP.
- Offsets through underspends in areas such as repairs and maintenance – however, these will require to be “caught up” in due course.

NHSGGC 6 IJBs

- The most significant projected cost is related to additional payments to third party providers for additional costs they have incurred.
- Costs of Community Hubs (Assessment Centres).
- The cost of uplifting contracted payments to meet the Scottish Living Wage.
- HSCPs have entered a number of arrangements to purchase additional bed capacity. Some of these arrangements are block bookings and potentially may not be required.

Author: Mark White
Tel No: 0141 201 4609
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