

NHS Greater Glasgow & Clyde	Paper No. 20/26
Meeting:	Board Meeting
Date of Meeting:	30th June 2020
Purpose of Paper:	For Noting
Classification:	Board Official
Sponsoring Director:	Director of Finance

NHSGGC – Board Meeting 30th June 2020 Financial Position – Month 2 Summary

Board members are asked to:

- Note the additional COVID-19 costs incurred by the Board in the first two months of financial year 2020/21.

Purpose of Paper

The Board normally receives the first financial report at the end of quarter one and then monthly through the year. However, taking account of the Board's current situation, good governance dictates the Board should have sight of the additional COVID-19 costs incurred in the first two months of the year.

This report also provides high level commentary on the funding position of these additional costs and their impact on the overall financial position of the Board.

2020/21 Additional COVID-19 Spend

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

However, all these predictions and projections have now been superseded following the COVID-19 outbreak.

The Scottish Government 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 to, and accompanies, the Board's and individual IJB's Mobilisation Plans. The financial template is updated and submitted to the Scottish Government on a fortnightly basis – soon to become monthly.

BOARD OFFICIAL

Outlined below is a summary of the key areas of additional COVID-19 spend in April and May 2020 for the Board (IJBs have yet to be finalised at the time of this report);

Area of Spend	Description	£m
Additional Hospital Bed Capacity/Costs	Additional 144 beds and a significant increase in ICU capacity.	6.8
Testing	Testing costs.	2.0
Personal Protective Equipment	Items of PPE purchased by the Board.	1.5
Deep cleans	Deep-clean costs.	2.6
Equipment	Equipment costs - infusers, pumps, blood monitors etc.	1.2
Additional staff overtime	Additional staff overtime - increases in overtime/ enhancements and excess hours, also increase in Junior doctor bandings for a number of rotas.	1.3
Additional temporary staff spend	Additional temporary staff costs for bank and agency.	1.5
Annual Leave Accrual Pressure	Annual leave accrual projected costs of £5m - based on the % reduction in leave taken in April 2020 compared to April 2019.	4.0
Loss of income	Loss of income from shops, ACS service, R&D, RTA's, OATS, cost per case etc	0.8
Staffing – Student Nursing band 4	Additional costs for 6 months.	2.3
Staffing - Student Nursing band 3	Additional contracted to the end of August.	0.8
Unachieved Savings	The other main cost is the unachieved CRES savings for the full year. This is the unattributed amount for the first 2 months.	14.5
Miscellaneous	-	3.0
TOTAL		42.3

Detailed cost/income projections have been calculated for the remainder of the financial year. This includes additional COVID-19 costs based on a range of scenarios, and costs of remobilisation based on planned increasing activity levels. These will be reported to the Board in due course.

Month 2 – Overall Financial Position

As outlined above, the Board has incurred additional COVID-19 costs for the first two months of the financial year of £42.3m. The Scottish Government has advocated these additional costs will be funded.

Due to the current level of patient activity (elective and unscheduled), and the lack of significant property maintenance spend, there are a range of underspends/offsets in variable costs against normal levels of budgeted spend. As such, assuming the Scottish Government will cover COVID-19 costs, the Board is in a break-even position at the end of Month 2.

Projection and Risk

However, the current level of activity and corresponding spend is not sustainable, with unscheduled care and the elective programme both likely to increase in both activity and cost.

Financial modelling based on the activity levels in the Remobilisation Plan and the property maintenance plan indicate that financial equilibrium could be achieved through the year if the Scottish Government fund the full costs of COVID-19 and financial grip is maintained on areas of cost pressure, including the additional costs of social distancing.

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