

Meeting of Lanarkshire
NHS Board
25th March 2020

NHS Lanarkshire
Kirklands
Fallside Road
Bothwell
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Telephone: 01698 855500
www.nhslanarkshire.org.uk



SUBJECT: FINANCIAL PLAN: 2019/20 UPDATE

1. PURPOSE

This paper is coming to the Board:

For approval	<input checked="" type="checkbox"/>	For endorsement	<input type="checkbox"/>	To note	<input checked="" type="checkbox"/>
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This paper presents the 3 year financial plan prior to any impact from Covid-19. Mitigating the impact of the outbreak will require a rapid, unprecedented redistribution of existing resource and increased spending. Once under control there will be a prolonged recovery phase where deferred activity is rescheduled. During the emergency response many previously agreed efficiency plans will be in abeyance. The following plan represents the baseline projection, a point of departure for the emergency measures that are now needed. The Board is asked to note it as such.

The Board is also asked to note that the list of desired capital expenditure exceeds the income available in the current and next 2 years. There may be natural slippage given the immediate focus on Covid-19 response. Once that has been assessed there is still likely to be a need to prioritise and scale back elements of the plan.

2. ROUTE TO THE BOARD

The process of developing the plan has involved Corporate Management Team discussions, 2 Board development sessions, and a preliminary overview to the Board in January 2020. Links with the IJBs' Chief Finance Officer have been made in developing the planning assumptions for the health element of the IJB budgets. There has been engagement with the APF and ACF on the savings section of this plan.

3. SUMMARY OF KEY ISSUES

The plan will need a wholesale revision once the impact of the Covid-19 response is better known.

The baseline projections prior to this showed that, even with efficiency schemes being delivered as assessed, the NHS Board would still have a gap of £10.030m, rising to £29.271m in 2021/22 and £37.505m in 2022/23 if no further action is taken. There are some non-recurring options for closing the gap in 2020/21 but these would not resolve the underlying gap. It should be noted that the recurring gap moving from 2020/21 to 2021/22 is estimated at £22.452m. The Covid-19 response means many of the more complex efficiency schemes will not be advanced as staff have been diverted to immediate emergency care.

The desired capital expenditure exceeds forecast income. However it is likely that there will be slippage as entry to clinical areas will be severely curtailed in the coming months. Once this is better known the plan will be recast.

4. STRATEGIC CONTEXT

This paper links to the following:

Corporate objectives	<input checked="" type="checkbox"/>	LDP	<input checked="" type="checkbox"/>	Government policy	<input type="checkbox"/>
Government directive	<input checked="" type="checkbox"/>	Statutory requirement	<input checked="" type="checkbox"/>	AHF/local policy	<input type="checkbox"/>
Urgent operational issue	<input type="checkbox"/>	Other	<input type="checkbox"/>		

5. CONTRIBUTION TO QUALITY

This paper aligns to the following elements of safety and quality improvement:

Three Quality Ambitions:

Safe	<input type="checkbox"/>	Effective	<input checked="" type="checkbox"/>	Person Centred	<input type="checkbox"/>
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Six Quality Outcomes:

Everyone has the best start in life and is able to live longer healthier lives; (Effective)	<input type="checkbox"/>
People are able to live well at home or in the community; (Person Centred)	<input type="checkbox"/>
Everyone has a positive experience of healthcare; (Person Centred)	<input type="checkbox"/>
Staff feel supported and engaged; (Effective)	<input type="checkbox"/>
Healthcare is safe for every person, every time; (Safe)	<input type="checkbox"/>
Best use is made of available resources. (Effective)	<input checked="" type="checkbox"/>

6. MEASURES FOR IMPROVEMENT

Achievement of AOP agreed position for revenue resource limit, capital resource limit and efficiency target.

7. FINANCIAL IMPLICATIONS

As set out in the paper.

8. RISK ASSESSMENT/MANAGEMENT IMPLICATIONS

As set out in the paper.

9. FIT WITH BEST VALUE CRITERIA

This paper aligns to the following best value criteria:

Vision and leadership	<input type="checkbox"/>	Effective partnerships	<input type="checkbox"/>	Governance and accountability	<input checked="" type="checkbox"/>
Use of resources	<input checked="" type="checkbox"/>	Performance management	<input checked="" type="checkbox"/>	Equality	<input type="checkbox"/>
Sustainability	<input checked="" type="checkbox"/>				

10. EQUALITY AND DIVERSITY IMPACT ASSESSMENT

An E&D Impact Assessment has not been completed

Yes
No

This is a factual position report prepared from information in the financial ledger. It contains no proposals with an equality and diversity impact.

11. CONSULTATION AND ENGAGEMENT

In addition to the engagement described in the route to the Board the input of those with specialist knowledge has been sought on specific areas, most notably in forecasting drug pricing and usage trends.

12. ACTIONS FOR THE BOARD

The Board is asked to approve the financial framework, noting the risks and uncertainties.

Approval	<input checked="" type="checkbox"/>	Endorsement	<input type="checkbox"/>	Identify further actions	<input type="checkbox"/>
Note	<input checked="" type="checkbox"/>	Accept the risk identified	<input type="checkbox"/>	Ask for a further report	

13. FURTHER INFORMATION

For further information about any aspect of this paper, please contact *Laura Ace, Director of Finance*
Telephone: 01698 858190.

Laura Ace
Director of Finance

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The Board is also asked to note that the list of desired capital expenditure exceeds the income available in the current and next 2 years. There may be natural slippage given the immediate focus on Covid-19 response. Once that has been assessed there is still likely to be a need to prioritise and scale back elements of the plan.

2. Overall assessment

Cost growth is forecast to outstrip income growth as shown in the table below.

	2020/21	21/22	22/23
	£ms	£ms	£ms
Income Growth	88.143	59.678	60.819
Bfwd recurring gap	-8.853	22.452	32.777
Available income	79.290	37.226	28.042
Cost growth	109.286	66.496	65.547
Gap between income and costs	-29.997	29.271	37.505

The gap needs to be closed by delivering existing services with increased efficiency so that funding can be released to fund the new cost rises. Work on identifying efficiency schemes has been underway since early 2019/20 and the risk assessed summary of deliverable schemes can be found in appendix D.

If all schemes were to be delivered as assessed the NHS Board would still have a gap of £10.030m, rising to £29.271m in 2021/22 and £37.505m in 2022/23 if no further action is taken. There are some non recurring options for closing the gap in 2020/21 but these would not resolve the underlying gap. It should be noted that the recurring gap moving from 2020/21 to 2021/22 is estimated at £22.452m. The Covid-19 response means many of the more complex efficiency schemes will not be advanced as staff have been diverted to immediate emergency care.

3. Opening Financial Position

Despite being below its target share of national resources (by an estimated £8-9m), NHS Lanarkshire has consistently lived within its resources. However after a decade of allocation uplifts that are less than the unavoidable cost rises and a reliance on increasingly hard to find efficiency measures to fill the gap, financial balance in 2019/20 relied on a degree of non recurring savings and funding. The plan opens with a need to find recurring savings of £8.853m. There is one off funding which NHS Lanarkshire has preserved with Scottish Government to provide temporary support but the recurring challenge remains.

4. Income Expectations

The 2020/21 settlement brings a 3% uplift to the base revenue resource limit. This equates to £36.936m of which £8.213m will go to North Lanarkshire IJB and £5.663m to South. There is no additional funding this year to bring NHS Lanarkshire closer to its share of the national resource allocation formula (NRAC) as the £17m available nationally has been targeted at Boards more than 0.8% away.

We have been told to expect waiting times funding equal to last year and have built in £11.3m. Money has been made available for the national trauma strategy and we have assumed £0.670m as a contribution to the c £1.4m recurring cost of our Trauma and Orthopaedic plans. We have funding sitting with SGHSCD, delayed from previous years, that we intend to call on during 2020/21, to cover additional waiting times activity and infrastructure projects.

The allocation also provides £100m extra nationally for social care. The national split of this was continued delivery of the real Living Wage (£25 million), uprating of free personal and nursing care payments (£2.2 million), implementation of the Carer's Act in line with the Financial Memorandum of the Carers' Bill (£11.6 million) along with further support for school counselling services. North Lanarkshire IJB will receive £5.690m and South £5.750m.

An additional £12.7m has been announced nationally for Alcohol and Drug partnerships. We estimate North Lanarkshire IJB will receive £0.799m and South £0.768m. Previous announcements have heralded increases in the funding for mental health and primary care. The Primary Care Fund was to be increased nationally by £50m from £155m in 2019/2020 to £205 million in 2020/2021. This is intended to support the implementation of the GP contract and the development of new models of primary care where multidisciplinary teams of nurses, doctors, pharmacists, AHPs

and other clinicians work together to meet the needs of their communities. Estimating the exact impact in 2020/21 is complicated by the change in 2019/20 that required IJBs to use up reserves prior to calling down funding so there is now a mismatch between the allocation announced and the amount issued in year. Our best estimate is that £15.827m will be called down and spent in year. As South hosts Primary care it has been shown here against South Lanarkshire IJB although in the IJB accounts it will be split between both IJBs.

Likewise North Lanarkshire IJB's best estimate of the additional mental health funding in 2020/21 is £0.450m. As part of the Mental Health Strategy 2017-2027, Scottish Government Ministers made a commitment to provide funding to support the employment of 800 additional mental health workers to improve access in key settings such as Accident and Emergency departments, GP practices, police station custody suites and prisons. The first tranche of this funding of £12m for Scotland was made available in 2018/2019 and is expected to continue to increase annually up to £35m by 2021/2022.

There has been no announcement of the funding uplifts NHS Boards could expect for 2021 onwards. The plans assumption of a 3% per annum uplift for these years might previously have been seen as reasonable given election pledges on NHS funding however given unprecedented economic turbulence may now be optimistic.

These funding assumptions have been pulled together in a table in appendix A.

5. Expenditure Assumptions

5.1 Pay Assumptions

NHS L's opening recurring pay budget for directly employed staff is c £560m, £424m of which relates to staff covered by Agenda for Change and the balance mostly medical and dental grades, with a small element in senior managers terms and conditions. We also pick up NHS pay costs indirectly when we purchase £198m of health care from other NHS organisations.

2020/21 is the final year of the 3 year Agenda for Change Pay deal. Modelling our staff profile against the 2020/21 pay scales indicates a 4.57% rise should be expected. This means the pay rise for the largest group of staff will exceed the general 3% uplift by £6.642m and is a significant contribution to the final gap in the 2020/21 financial plan.

For other staff groups we have been advised to assume 3%.

For future years we have assumed 3% for all staff groups which matches the allocation uplift assumption and doesn't increase the gap.

There are other in year pay pressures. The 3% for doctors does not include the impact of incremental progression or discretionary points. These are a net of staff moving up the scale and staff retiring and being replaced nearer the start of the scale, but due to the length of the consultants scale and the formula for discretionary points these are still a net expenditure increase each year of over £1m.

Finally an unfunded national re-grading of Health Visitors in previous years is still having an impact as staff move up the new scale, giving a cost pressure of £0.254m to be met from IJB allocations.

The pay inflation increase on our existing recurring pay budgets (excluding the indirect impact from Healthcare SLAS) is estimated at £24.842m.

5.2 Drug Uplift Assumptions

The hospital drugs bill is predicted to be the fastest growing element of health expenditure. A continued expansion in the number of people being treated for hepatitis C, ophthalmology and inflammatory conditions increases back ground expenditure. Policies increasing access to new treatments, often high cost, for cancer, cystic fibrosis and a range of rare conditions, are also having a significant impact on drug costs. The drugs budget for 2019/20 for our local acute hospitals and patients seen at tertiary centres (predominantly Glasgow) is £75.689m. Forecasts combining trends in existing drugs with clinician led forecasts for new drugs suggest a rise of £8.281m in 20/21 (10.9%). Future years have been forecast at 10.49% and 10.38%. As these significantly exceed the 3% allocation uplift these estimates contribute over £6m per annum to the financial gap.

The GP prescribing budget sits at just over £137m. With North forecast to be underspend in 2019/20 and South marginally over its share. The increase in budget provision for North in 2020/21 has been set at £1.733m with South's set at £2.696m to reflect the less positive starting position. Future years' rises have been estimated at 2.75% and 2.5%.

5.3 Other Supplies

The general supplies budget of just over £121m has been forecast to rise by CPI (1.8%). Bespoke modelling has been done for utilities and the PFI contracts. As all the costs of the hospitals and community facilities sit outside the IJBs the other supplies inflation estimate is split £0.197m North, £0.116m South and £3.831m for the rest of health. Future years are estimated at similar levels.

5.4 Health care Agreements with other NHS Bodies

NHS Lanarkshire residents receive over £197m of healthcare from other NHS bodies. This is partly through accessing very specialist services but partly due to geography with particularly the boundary change population of Cambuslang, Rutherglen and the Northern corridor finding it easier to access Glasgow hospitals. Inter Board SLAs have

in recent years been increased by the allocation uplift and so modelling has been done on the basis of 3%.

5.5 Health and Social care Agreements with other bodies

A further £120m is spent in resource transfer to the local authorities, passing over social care funding and agreements with third sector or private contractors. These too have been modelled at 3% but the majority expenditure falls within the IJBs and the final agreements will be advised by them

5.6 Developments, Cost pressures and Infrastructure Projects

National and regional decisions on service developments require the Board to find £5.927m from its general revenue allocation and the IJBs to find £0.380m from their budgets. £2.919m of this relates to specialist services and drugs which are provided on a national basis with each Board being levied their share. A predicted increase in the range and volume of drugs for very rare conditions, implementing NICE guidance on Cochlear implants, the switch to the new HPV test are the largest components of this, alongside side a list of smaller developments.

A national contract for Microsoft Office 365 was signed in 18/19. The increased costs of implementing this have been estimated at £1.857m, of which £0.380m will fall against the IJB budgets.

The Golden Jubilee has expanded its Ophthalmology provision, intended to pick up the growth in procedures. Our share of this starts at £0.247m and increases each year with demand projections. The Golden Jubilee has also opened a 5th cardiac catheterisation lab to cope with demand and our share is £0.169m.

To sustain vascular services NHS Lanarkshire is set to become a regional hub for its own population and for Dumfries and Galloway and Ayrshire and Arran. Enhancing rota cover will bring an increased revenue cost of £0.162m. There are substantial capital costs associated with this development to bring in an additional theatre kitted with interventional radiology equipment.

There are a range of other costs, some one-off. Appendix B gives a full list.

Non recurring funding, has been set aside in previous years for infrastructure projects and this will be called down in 2020/21 to support the in year costs. The HEPMA business case also had a £0.516m recurring cost which the business case envisaged as being covered through efficiencies in drugs costs, paper costs and time. An efficiency scheme to find them is in place but has not yet yielded results.

In 2018/19 the Board approved a reconfiguration of Trauma and Orthopaedics and £0.805m was set aside to recognise the increased local costs. The move should be completed in 2020/21. An additional £0.670m has been reflected in that year, the funding for which is expected to come from the national allocation for the Trauma centres.

There is additional unscheduled care capacity in the system which, even prior to the Covid-19 response, was not able to be stood down on the 1 April because of the level of pressure in the system. The winter efforts in the past 2 years have cost more than the recurring and SG funding available. The A & E departments are operating over budget. Unscheduled care workshops had been scheduled for April and May to determine the best long term response. This plan flagged a minimum £2.390m likely recurring investment which in the short term would bridge existing excess capacity until decisions were made. It should be noted that although the likely need to invest has been flagged, until an efficiency plan that releases the funding is devised, this is an over commitment.

It is proposed to top up the £11.3m of anticipated SG waiting times funding with £3m of further funding currently lodged with SG. This had initially been issued in 2019/20 but was returned in February 2020 as the Board was able to cover its waiting times commitments from its general allocation.

The list in appendix B also includes agreed invest to save schemes, the costs of which should be covered by the efficiencies released, and a couple of IJB cost pressures. The latter are being covered in the IJB financial plans.

Appendix C pulls together the overall position.

6. Capital Plan

The formula allocation will be at the same level as last year (£12.393m). It is assumed we will keep £1.665m of property receipts. The Monklands replacement project will receive separate central funding. Contributions from other Boards are expected for regional projects.

The ongoing heavy demand for backlog maintenance in Monklands, the trauma and orthopaedic strategy and the regional vascular hub development means this funding is insufficient to cover existing plans and essential replacements. There may however be slippage during the year, particularly now the national Covid-19 response is underway. The Board has presented an over committed plan with the intention to keep it under regular review and as spend patterns become clearer, develop a plan for pulling this back within available resource.

The capital plan is in appendix D.

7. Recommendations

The Board is asked to note:

- The financial planning assumptions as the baseline position prior to the Covid-19 response;
- Whilst one off money or savings could have been used to balance this plan in 2020/21, efficiency schemes in 2020/21 still fell £22.452m short of ensuring recurring financial balance. Substantial extra work would have been required to stabilise the 3 year financial position;
- The list of desired capital expenditure exceeds the income available by £4.347m and will have to be managed either through natural slippage or decisions on priority;
- The covid-19 response will significantly change how we use existing resource, will generate increased expenditure and mean efficiency programmes will largely be put on hold. The Board will need to recast the entire plan once the response and recovery plans are developed.

LAURA ACE
DIRECTOR OF FINANCE
20 March 2020

ITEM 8B

Appendix A											
NHS Lanarkshire Income Assumptions 2020-2023											
	Rest of Health			Delegated to IJBs							
	2020/21	2020/21	2020/21	2020/21	2020/21	2021/22	2021/22	2021/22	2022/23	2022/23	2022/23
	Rec	Non rec	Total	North	South	Rec	Non rec	Total	Rec	Non rec	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Income											
General Allocation	23.060		23.060	8.213	5.663	38.044		38.044	39.185		39.185
NRAC	0.000		0.000			0.000		0.000	0.000		0.000
New Social Care funding			0.000	5.690	5.750			0.000			0.000
Primary Care Improvement Fund			0.000		15.827		15.827	15.827		15.827	15.827
Waiting Times Allocation		11.300	11.300					0.000			0.000
Alcohol and Drug Partnership			0.000	0.799	0.768		1.567	1.567		1.567	1.567
Mental Health Action 15			0.000	0.450				0.000			0.000
Trauma centre funding	0.670	0.000	0.670			0.000	0.000	0.000	0.000	0.000	0.000
Banked Funding		5.713	5.713					0.000			0.000
New Medicines Fund		4.240	4.240				4.240	4.240		4.240	4.240
cfwd recurring	-8.853		-8.853			-22.452		-22.452	-32.777		-32.777
	14.877	21.253	36.130	15.152	28.008	15.592	21.634	37.226	6.408	21.634	28.042

NB this table assumes the first call on any in year funding is the brought forward recurring gap.

ITEM 8B

Appendix B												
Developments and Cost pressures												
	Rest of Health			Delegated to IJBs								
	2020/21	2020/21	2020/21	2020/21	2020/21	2021/22	2021/22	2021/22	2022/23	2022/23	2022/23	
	Rec	Non rec	Total	North	South	Rec	Non rec	Total	Rec	Non rec	Total	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
Infrastructure Projects												
PACS V12 - refresh		0.154	0.154				0.154	0.154		0.129	0.129	
LIMS new system		0.560	0.560				0.198	0.198		0.198	0.198	
Community IT and wifi		0.000	0.000				0.326	0.326		0.326	0.326	
Instruments and equipment		1.707	1.707					0.000			0.000	
HEPMA (recurring cost has to be pic	0.516	0.292	0.808					0.000			0.000	
Total Infrastructure Projects	0.516	2.713	3.229	0.000	0.000	0.000	0.678	0.678	0.000	0.653	0.653	
Cost Pressures - Local			0.000					0.000			0.000	
Additional unscheduled care costs	2.930		2.930					0.000			0.000	
strathcarron hospice beds continued			0.000	0.568				0.000			0.000	
Discharge to assessment and rehabilitation			0.000	0.168				0.000			0.000	
Invest to save	0.398	0.150	0.548									
waiting times		3.000	3.000					0.000			0.000	
Total Local Pressures	3.328	3.150	6.478	0.736	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Nationally funded initiatives												
Waiting Times Allocation		11.300	11.300					0.000			0.000	
T & O phase 1 A: Trauma centre	0.670		0.670									
Mental Health Action 15			0.000	0.450				0.000			0.000	
Social Care funding			0.000	5.690	5.750			0.000			0.000	
Primary Care Improvement Fund			0.000		15.827		15.827	15.827		15.827	15.827	
Alcohol and Drugs Partnership			0.000	0.799	0.768		1.567	1.567		1.567	1.567	
Total Nationally funded	0.670	11.300	11.970	6.939	22.345	0.000	17.394	17.394	0.000	17.394	17.394	
Developments Approved - National & Regional												
W.o.S ChemoCare v6 upgrade		0.019	0.019				0.007	0.007	0.001		0.001	
Diabetic Retinal Screening (DRS)		0.005	0.005					0.000			0.000	
National specialist Services	2.919		2.919			0.667		0.667			0.000	
NHS Scotland Microsoft Cloud Comp	1.206	0.270	1.476	0.190	0.190	0.126	0.270	0.396	0.000		0.000	
TB Molecular testing	0.030		0.030					0.000			0.000	
CIVAS+		0.035	0.035					0.000			0.000	
Scottish Radiology Transformation		0.206	0.206				0.228	0.228		0.227	0.227	
Cardiology Centre (5th Cath Lab)	0.169		0.169					0.000			0.000	
W.o.S - partial nephrectomy	0.042		0.042					0.000			0.000	
Clinical Waste Contingency		0.365	0.365					0.000			0.000	
Vascular Services	0.162		0.162					0.000			0.000	
Phase One - Ophthalmology Expans	0.247		0.247			0.050		0.050	0.051		0.051	
Phase Two - Orthopaedic Surgery, General Surgery and			0.000			1.601		1.601	0.483		0.483	
Positron Emission Tomography	0.251		0.251			0.037		0.037	0.033		0.033	
Total National and Regional	5.026	0.901	5.927	0.190	0.190	2.481	0.505	2.985	0.568	0.227	0.795	
Total Developments/Pressures	9.540	18.064	27.604	7.866	22.535	2.481	18.577	21.057	0.568	18.274	18.842	

ITEM 8B

Appendix C : Overall Position												
	Rest of Health			Delegated to IJBs								
	2020/21	2020/21	2020/21	2020/21	2020/21	2021/22	2021/22	2021/22	2022/23	2022/23	2022/23	
	Rec	Non rec	Total	North	South	Rec	Non rec	Total	Rec	Non rec	Total	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
Income	23.730	21.253	44.983	15.152	28.008	38.044	21.634	59.678	39.185	21.634	60.819	
Less BFWD recurring Gap	-8.853	0.000	-8.853	0.000	0.000	-22.452	0.000	-22.452	-32.777	0.000	-32.777	
Available income per APP. A	14.877	21.253	36.130	15.152	28.008	15.592	21.634	37.226	6.408	21.634	28.042	
Pay Inflation	15.498	0.000	15.498	5.925	3.419	22.564	0.000	22.564	22.980	0.000	22.980	
Drugs Cost Rise	8.281	0.000	8.281	1.773	2.696	12.707	0.000	12.707	13.273	0.000	13.273	
Other Supplies	3.831	0.000	3.831	0.197	0.116	4.053	0.000	4.053	4.154	0.000	4.154	
Health and Social Care Agreements	5.738	0.000	5.738	2.030	1.778	6.115	0.000	6.115	6.299	0.000	6.299	
Developments/Pressures	9.540	18.064	27.604	7.866	22.535	2.481	18.577	21.057	0.568	18.274	18.842	
	42.888	18.064	60.952	17.791	30.543	47.920	18.577	66.496	47.273	18.274	65.547	
Gap between Income and Expenditure Growth	-28.011	3.189	-24.822	-2.639	-2.535	-32.328	3.057	-29.271	-40.865	3.360	-37.505	
Identified Efficiency Schemes	5.559	9.233	14.792	2.775	2.194	0.000	0.000	0.000	0.000	0.000	0.000	
Residual Gap	-22.453	12.422	-10.030	0.136	-0.341	-32.328	3.057	-29.271	-40.865	3.360	-37.505	

ITEM 8B

Appendix D: Cash Releasing Savings Requirement	2020-21			2021-22			2022-23		
	Rec	Non-Rec	Total	Rec	Non-Rec	Total	Rec	Non-Rec	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Forecast variance against Core RRL	(22,452)	22,452	0	(32,328)	3,057	(29,271)	(40,865)	3,360	(37,505)
Savings forecast to be delivered (detailed in table below)	9,997	19,831	29,828	0	0	0	0	0	0
Savings required to break even	32,449	(2,621)	29,828	32,328	(3,057)	29,271	40,865	(3,360)	37,505
Savings as % of Baseline	3%	-	2%	3%	-	2%	3%	-	3%

Savings planned to be delivered:	2020-21			Risk rating			2021-22			Risk rating			2022-23			Risk rating		
	Rec	Non-Rec	Total	High	Med	Low	Rec	Non-Rec	Total	High	Med	Low	Rec	Non-Rec	Total	High	Med	Low
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Service redesign	170		170	100		70			0			0			0			0
Drugs and prescribing	836		836	75	11	750			0			0			0			0
Workforce	1,060		1,060	289	225	546			0			0			0			0
Procurement	2,666	1,000	3,666		211	3,455			0			0			0			0
Infrastructure (e.g. facilities management, IT, other support services)	827	1,493	2,320	12	413	1,895			0			0			0			0
Other		6,740	6,740			6,740			0			0			0			0
Total Efficiency Savings workstreams	5,559	9,233	14,792	476	860	13,456	0	0	0	0	0	0	0	0	0	0	0	0
Financial Management / Corporate Initiatives			0			0			0			0			0			0
Unidentified savings assumed to be delivered in year		10,030	10,030	10,030		0			0			0			0			0
Total core NHS Board Savings	5,559	19,263	24,822	10,506	860	13,456	0	0	0	0	0	0	0	0	0	0	0	0

Savings delegated to Integration Authorities	4,438	568	5,006			5,006			0			0						0
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Savings Challenge Remaining	22,452	(12,422)	10,030
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	32,328	(3,057)	29,271
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	40,865	(3,360)	37,505
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APPENDIX E – CAPITAL PLAN

NHS Lanarkshire			
Capital Income v Desired Expenditure			
	2020/21	21/22	22/23
	£ms	£ms	£ms
Income			
Formula Allocation:	12.392	12.392	12.392
MRRP Business Case Funding	3.000	6.000	30.000
Regional Capital Contribution - WOSL	0.300	0.210	0.160
Regional Capital Contribution - Vascular Surgery	1.350		
Retained Property Receipts	1.665	0.000	0.000
Other Income	0.018		
Anticipated Income	18.725	18.602	42.552
Expenditure			
Monklands Replacement Programme	3.000	6.000	30.000
Monklands General Business Continuity	6.032	5.500	5.500
Hairmyres vascular surgery business case	3.000		
Wishaw 24 bedded Ortho. Ward	2.847		
Ophthalmology Surgicube	0.200		
Other		1.500	1.500
Acute Property	15.079	13.000	37.000
Medical equipment	3.908	6.100	6.100
Imaging Equipment	0.820	1.500	1.500
Northern Corridor	0.050	2.000	
Laundry	0.600	0.420	0.320
I.M.&T Projects	0.875	1.500	1.500
Invest to save	1.400		
PSSD system	0.340		
Total Expenditure Requests	23.072	24.520	46.420
Overcommitment to be managed	-4.347	-5.918	-3.868