



NHS Board Meeting  
28 July 2021

Lanarkshire NHS Board  
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**SUBJECT: FINANCE REPORT FOR THE PERIOD ENDED 30 JUNE 2021**

**1. PURPOSE**

This paper is coming to the Board members:

For approval	<input type="checkbox"/> For endorsement	<input type="checkbox"/> To note	<input checked="" type="checkbox"/>
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**2. ROUTE TO THE BOARD**

As agreed, this report comes straight to the Board from the Director of Finance. The Acute Governance Committee and Health and Social Care Partnership Management Teams receive financial reports for their own area.

**3. SUMMARY OF KEY ISSUES**

The Board's financial plan reflected the costs of normal operating and assumed any additional Covid-19 costs would be funded by the Scottish Government. To balance, it relied on £30.693m of savings. An estimated £25.773m of savings had still to be identified when submitting the plan meaning the Board started the year with costs exceeding income producing monthly deficits. The aspiration was to have identified sufficient measures by November 2021 to climb back to break-even at the year end. Pressures on services have meant no further progress has been made in closing the gap in the first quarter.

The NHS will remain on an emergency footing due to the Covid-19 pandemic until at least 30 September. Services are not yet at full capacity due to the need to maintain distancing and greater time between each patient. £11.132m of additional cost has been incurred in the first three months through cover for staff isolation, additional cleaning, separate Covid-19 pathways still in place, the costs of testing, tracing, outbreak control and vaccination. Costs are being logged and reported to SGHSCD quarterly through an agreed national process. An initial allocation has been received giving 50% funding of the estimated costs for testing and tracing, the Covid-19 and extended flu vaccination programme and general costs outside of the HSCPs. IJBs are expected to use relevant reserves to fund initial costs associated with Covid-19 before calling on further funding.

£16.719m of funding has also been received for the 2021/22 Agenda for Change pay settlement. This has to cover our own employees, the impact on our healthcare service level agreements with other NHS Boards and the impact on some other bodies. The impact of the scale point movements in year 4 of the previous 3 year deal has not been funded.

At the end of June 2021 the Board is reporting a £5.935m over spend which is £0.073m better than the financial plan year to date trajectory. This includes a reported over spend within the Acute Division of £0.585m.

There are still some key uncertainties over income and expenditure, most notably on drugs. Reasonable assumptions have been used in preparing the month 3 figures but the degree of estimation means a high level of caution is required.

The costs of some of the projects in the capital plan have increased and there is an early indication that many of the schemes will be affected by a general increase in construction costs. This, and potential sources of funding for the increase in costs in projects are being explored and will be subject of further reports to the Board.

#### 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 Management	<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**

This is a largely factual position report prepared from information in the financial ledger. The investment proposals are linked back to previous Board strategic priorities, action plans or business cases and have been checked for suitability with the officers of the IJB.

**12. ACTIONS FOR THE BOARD**

The Board is asked to note the contents of the report.

Approve	<input checked="" type="checkbox"/>	Accept the assurance provided	<input checked="" type="checkbox"/>	Note the information provided	<input checked="" type="checkbox"/>
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**13. FURTHER INFORMATION**

For further information about any aspect of this paper, please contact *Laura Ace, Director of Finance*  
 Telephone: 01698 752774.

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*Laura Ace*  
*Director of Finance*

30 July 2021

# **NHS LANARKSHIRE**

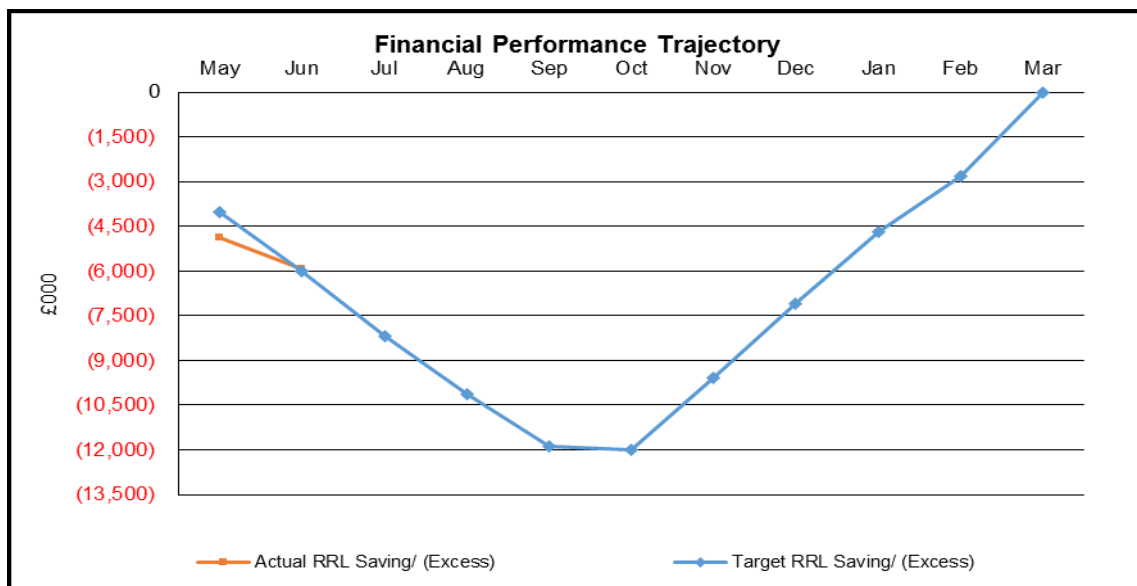
## **FINANCE REPORT FOR THE PERIOD ENDED 30 JUNE 2021**

### **1. Introduction**

- 1.1. The purpose of this report is to provide the Board with a summary of revenue and capital financial performance for the first three months of 2021/22. The unusual level of uncertainty due to the impact of Covid-19 on services means these figures should be regarded as provisional. Work is ongoing to assess the continuing impact of the pandemic.

### **2. Overview**

- 2.1. The 2021/22 financial plan was submitted to the Scottish Government Health and Social Care Department (SGHSCD) in March 2021. It reflected the continued response to the Covid-19 pandemic, assuming separate funding would continue. Otherwise it assumed that the underlying budgets would roll forwards and be impacted by pay deals, supplies inflation, drugs growth and any agreed developments.
- 2.2. Although non-recurring savings meant the Board broke even in 2020/21, the recurring expenditure is estimated to be £17.365m higher than the recurring income. On top of this costs in 2020/21 are predicted to rise by more than the 1.5% allocation uplift plus any supplementary funding. Contributory factors are the previous and new AfC pay deals, hospital drugs growth and a range of national commitments and local cost pressures. Taken together all these factors have led to a prediction that by the end of the year there will be a gap between the allocation uplift and cost rises of £30.693m. Efficiency savings were required to close this gap and at the time of submitting the plan £25.773m of those efficiency savings still had to be identified.
- 2.2. As the £25.773m had not been identified at 31 March 2021 it was assumed expenditure would exceed income until October 2021 at which point that Board would have implemented plans for financial balance and would see an improvement in the second half of the year. The assumed trajectory was as set out below.



- 2.3 To the end of June 2021, Acute and Corporate have recorded a total of £10.022m as being attributable to Covid-19 and the health element of the Health and Social Care Partnerships £1.110m. It has been assumed that these costs will be funded either directly from Scottish Government or from reserves held by IJB's from funding issued by S.G in 2020/21 for this purpose therefore this additional expenditure will not impact on the bottom line.
- 2.4 The financial sustainability programme is still suspended so all service focus can be on the impact of the pandemic. No inroads have been made into the initial £25.773m gap.
- 2.5 Table 1 below shows the split by Division, further explained in sections 4 to 7. The negative balance against Area Wide reflects the fact budgets have been handed out to cover pay rises and other cost increases agreed in the financial plan but the cash releasing efficiency savings needed to fund these budgets have not been made.

**Table 1 - Summary Financial Position 2021/22**

	YTD Budget £M	YTD Actual £M	YTD Variance £M
Acute Operating Division	101.694	102.279	(0.585)
North Lanarkshire Health & Social Care Partnership	76.192	75.369	0.823
South Lanarkshire Health & Social Care Partnership	107.206	106.941	0.265
Estates, E health and Other Corporate Functions	49.416	49.073	0.343
Service Level Agreements / Other Healthcare Providers	66.293	66.333	(0.040)
NHSL - Area Wide	(16.424)	(10.771)	(5.653)
<b>Net operating costs</b>	<b>384.377</b>	<b>389.224</b>	<b>(4.847)</b>
Remove IJB Position	(183.398)	(182.310)	(1.088)
<b>Revised Net operating costs</b>	<b>200.979</b>	<b>206.914</b>	<b>(5.935)</b>

### **3. Revenue Resources**

- 3.1. At the end of June 2021, the Core Revenue Resource Limit (RRL) for NHS Lanarkshire was £1,368.022m, details of which are noted in Annex A.
- 3.2. An advance allocation to cover Covid-19 related expenditure was notified on 2 July. The funding represents 50% of our share of national estimates and will be reviewed throughout the year. We received £7.360m of the £90.3m allocated nationally at this stage for the costs of testing and tracing. We received £6.433m of £76.8m vaccination funding released to cover the Covid-19 and extended flu vaccination programmes to cover the costs of staffing, premises, storage and transport and any other administration. In addition £12.090m was received from £127.026m released nationally to cover other Covid-19 expenditure. Nothing has been released in respect of HSCP expenditure as reserve balances from last year's funding are to be used first.
- 3.3. An additional uplift of 1.3% (£16.719m) has been made to our Revenue Resource limit (RRL), to recognise costs of the 2021/22 AFC pay deal. This followed work undertaken through Corporate Finance Network to collect the costs across NHS Scotland which quantified the impact at circa 4.1%. There is also the residual impact of the previous 3 year pay deal and the final scale point consolidation on bands 5 – 7 which was quantified at circa 0.56% of RRL and has not been funded. The funding received (£16.719m) has to cover our own employees, the impact on our healthcare service level agreements with other NHS Boards and the impact on some other bodies. It should be noted that the Medical and Dental pay deal has not yet been announced and the funding above relates only to Agenda for Change.
- 3.4. S.G has released 6 months funding to aid with recovery of planned care activity which equates to £9.812m. The Board's Recovery and Remobilisation Plan stated that £15.3m would be required for the full year and dialogue will continue throughout the year with S.G. The normal expectation prior to the pandemic would be £11.25m.
- 3.5. The June 2021 Core Revenue Resource Limit includes confirmed resources of £0.303m for hosting the Managed Clinical Network for Neurosurgery, £1.227m for supporting the Flow Navigation Centre arrangements put in place last year and, £0.822m for the Redesign of Urgent Care. The latter is the continuation of funding which was first issued, and fully utilised in 2015/16. £0.978m has been issued to allow NHS Lanarkshire to implement its 4 bed share of the national increase of 30 level 3 Intensive Care (ICU) beds during the current financial year. The funding was not issued as recurring but we have been asked to assume it will be and recruit on a permanent basis.
- 3.6. The June 2021 Core Revenue Resource Limit also includes the following confirmed resources for Health and Social Care Partnerships; £3.975m from the Mental Health Recovery and Renewal Fund, £0.172m Mental Health support for those hospitalised with Covid-19, £1.962m being the first tranche of Mental Health Strategy Action 15, £8.558m being the first tranche from the Primary Care Improvement Fund, £1.656m to invest in services to reduce problem alcohol and drug use, £0.599m for additional district nurse posts, £0.138m for Maternity and Neonatal Psychological interventions,

£0.981m for Perinatal and Infant Mental Health, £0.253m for child healthy weight and £0.684m for type 2 diabetes and adult weight management programmes.

- 3.7. The 2021/22 Outcomes Framework has been set at £74.1m as outlined in the Scottish Government Budget. This includes a 3% uplift on the previous year which equates to £0.212m more funding than the 2020/21 Outcomes Framework bundle. This year's Framework also includes the shingles immunisations programme which had been paused in 2020/21 due to the Covid-19 response with our share of funding being £0.362m. Therefore from the £74.1m Outcomes Framework allocated to NHS Boards in the June letter for 2021/22 Lanarkshire received £7.641m.
- 3.8. The top slice of £0.302m is Lanarkshire's share of funding for a national service level agreement for in-patient services provided by Quarriers, originally provided on a cost per case basis. The Implementation Leads Group (regional lead Chief Executives and others) agreed in October 2020 that NHS Ayrshire and Arran would act on behalf of Health Boards in dealings with Quarriers.
- 3.9. We are anticipating at least an additional £109m of specific allocations, the largest component of which would be approximately £104m in standard primary care allocations.

#### 4. Acute Division

- 4.1. The Acute Division is reporting an over spend of £0.585m for the period to the end of June 2021, as detailed in Table 2. Budget has been released to match the £2.273m of costs attributed to Covid-19 up to the end of June. The over spend is £0.186m more than at the same point in the previous year.

	<b>Budgeted Operating Costs 30/06/2021 £M</b>	<b>Actual Operating Costs 30/06/2021 £M</b>	<b>Actual saving / (excess) 30/06/2021 £M</b>
Pay	83.725	84.246	(0.521)
Non Pay	25.669	25.733	(0.064)
Healthcare Purchases	0.251	0.251	0.000
<b>Gross operating costs</b>	<b>109.645</b>	<b>110.230</b>	<b>(0.585)</b>
Less: miscellaneous income	(10.224)	(10.224)	0.000
<b>Net operating cost</b>	<b>99.421</b>	<b>100.006</b>	<b>(0.585)</b>
Covid-19 Spend	2.273	2.273	0.000
<b>Revised Net operating cost</b>	<b>101.694</b>	<b>102.279</b>	<b>(0.585)</b>

- 4.2. The estimated overspend is driven by pay costs in excess of budget (nursing £0.322m, Medical £0.145m and Healthcare scientists £0.072m). Non pay costs are also in excess of budget with an over spend on drugs (£0.659m) offset against an under spend of £0.534m on laboratory and theatres supplies largely due to reduced elective activity.
- 4.3. At £14.539m, the first 3 month's Lanarkshire hospitals drug spend is 24% more than at the same point last year and 16.5% more than the same point in 2019/20. At this stage nothing is known about the out of area high cost drugs which now make up

approximately one third of our hospital drug spend. The financial plan uplift for drugs growth in 2021/22 (8.4%) has been held back and not issued to budget until more is known.

- 4.4. In calculating the additional costs of Covid-19 no offsetting cost reductions have been assumed at this early stage.

## 5. Health and Social Care Partnerships

- 5.1. Across the Health and Social Care Partnerships, there is an under spend of £1.088m for the period to the end of June 2021 (North IJB - £0.823m; South IJB - £0.265m). There are pay underspends in all North localities and in the South hosted services due to vacancies within Community dental services, OOH and physiotherapy.
- 5.2. In accordance with S.G. guidance the Covid-19 costs up to the end of June. (North IJB - £0.722m; South IJB - £0.388m) are being met from IJB reserves created from funding issued by Scottish Government in 2020/21. It is hoped there will soon be clarity on which of the 2020/21 allocations are to be used for this purpose and the process to be followed when these are exhausted.
- 5.3. Prescribing figures have been received for April 2021 only. As expected, the volumes are higher than in April 2020 which was atypically low because of stocking up in March 2020 in advance of the pandemic. It is too early to predict future months trends so a neutral break-even position has been assumed for both IJBs.
- 5.4. A proportion of the planned savings have been deducted from the opening budgets (North £1.186m out of the original £2.082m, South £0.682m out of the original £2.172m). As both IJB's are showing a first quarter underspend despite the gap in savings against initial estimates, this will be re-evaluated as the year progresses.
- 5.5. Tables 3 and 4 show the position in each partnership.

	<b>Budgeted Operating Costs 30/06/2021 £M</b>	<b>Actual Operating Costs 30/06/2021 £M</b>	<b>Actual saving / (excess) 30/06/2021 £M</b>
Pay	35.977	35.050	0.927
Non Pay	20.608	20.713	(0.105)
Prescribing	17.560	17.560	0.000
<b>Sub Total</b>	<b>74.145</b>	<b>73.323</b>	<b>0.822</b>
Primary Care Transformational Fund	0.000	0.000	0.000
Share of Primary Care Other Services	2.047	2.046	0.001
Family Health Services	0.000	0.000	0.000
<b>Net operating cost</b>	<b>76.192</b>	<b>75.369</b>	<b>0.823</b>
Less: Covid-19 spend	(0.722)	(0.722)	0.000
<b>Revised net operating cost</b>	<b>75.470</b>	<b>74.647</b>	<b>0.823</b>



**Table 4 - South Lanarkshire Health & Social Care Partnership 2021/22**

	<b>Budgeted Operating Costs 30/06/2021 £M</b>	<b>Actual Operating Costs 30/06/2021 £M</b>	<b>Actual saving / (excess) 30/06/2021 £M</b>
Pay	17.478	17.319	0.159
Non Pay	16.609	16.504	0.105
Prescribing	16.582	16.582	0.000
<b>Sub Total</b>	<b>50.669</b>	<b>50.405</b>	<b>0.264</b>
Primary Care Transformational Fund	1.513	1.513	0.000
Share of Primary Care Other Services	1.967	1.966	0.001
Family Health Services	53.057	53.057	0.000
<b>Net operating cost</b>	<b>107.206</b>	<b>106.941</b>	<b>0.265</b>
Less: Covid-19 spend	(0.388)	(0.388)	0.000
<b>Revised net operating cost</b>	<b>106.818</b>	<b>106.553</b>	<b>0.265</b>

## 6. Estates, e-Health and Other Corporate Functions

- 6.1. Corporate functions are reporting an under spend of £0.343m for the period to the end of June 2021, as detailed in Table 5. Budget has been released to match the £7.749m of costs attributed to Covid-19 up to the end of June.

**Table 5 - Estates, E Health and Other Corporate Functions**

	<b>Budgeted Operating Costs 30/06/2021 £M</b>	<b>Actual Operating Costs 30/06/2021 £M</b>	<b>Actual saving / (excess) 30/06/2021 £M</b>
Pay	17.783	17.285	0.498
Non Pay	25.976	26.131	(0.155)
Gross operating costs	43.759	43.416	0.343
Less: miscellaneous income	(2.092)	(2.092)	0.000
<b>Net operating cost</b>	<b>41.667</b>	<b>41.324</b>	<b>0.343</b>
Covid-19 Spend	7.749	7.749	0.000
<b>Revised Net operating cost</b>	<b>49.416</b>	<b>49.073</b>	<b>0.343</b>

- 6.2. The under spend sits largely within Other Corporate Functions (£0.130m) and Occupational Health (Salus) (£0.186m) whose income generating activities are pre-planned to make a contribution to other Board overheads. Typically this will be assessed part way through the year and if guaranteed, transferred to our efficiency total.

## 7. Service Level Agreements/Other Healthcare Providers

- 7.1. Service Level Agreements and Other Healthcare Providers are reporting an over spend of £0.040m for the period to the end of June 2021, as detailed in table 6.

<b>Table 6 - Service Agreements / Other Healthcare Providers 2021/22</b>			
	<b>Budgeted Operating Costs 30/06/2021 £M</b>	<b>Actual Operating Costs 30/06/2021 £M</b>	<b>Actual saving / (excess) 30/06/2021 £M</b>
Service Level Agreements	58.476	58.493	(0.017)
Unpacs and Oats	7.695	7.671	0.024
Independent Sector	0.122	0.169	(0.047)
<b>Net operating cost</b>	<b>66.293</b>	<b>66.333</b>	<b>(0.040)</b>

- 7.2. The under spend of £0.017m being reported against service level agreements is based on the continuation of the 2020/21 position.
- 7.3. National discussions on how inter Board SLA's should be calculated are to continue through July. Apart from Glasgow who operate two years in arrears, most Boards would have been expected to revise their charges based on a three year rolling average of activity to 2020/21. However there is widespread agreement that 2020/21 was so atypical due to Covid-19 that the previous 3 year rolling average will be retained. It is expected, as well as passing on the allocation uplift, any specific uplift provided for the AFC pay deal will be factored in to the SLAs. It was agreed at a national Directors of Finance meeting that the SLAs should also be uplifted for the unfunded cost pressure of the 0.56% impact of the previous AFC pay deal. This prevents provider Boards having a larger deficit because they are picking up the cost pressure for both their own populations service use and that of other Boards cross boundary activity. However it presents a problem to the exporting Board as it means the saving has to be made from its own directly managed cost base which is smaller because of the volume of exported activity. We are assessing the full impact of this.

## **8. CRES/Efficiency**

- 8.1. The financial plan was prepared on the basis of historic budgets and agreed developments. It was assumed any additional Covid-19 costs would be funded. Taking account of the opening gap of £17.635m and modelling the pay and supplies price increases and the previous trend on high cost drugs produced a cost increase £30.693m greater than the income increase. To balance this the Board would have needed to release £30.693m of cash from budgets through efficiency savings (CRES). At the time of submitting the financial plan the Board had identified proposals for all but £25.773m of this total. Due to Covid-19 no inroads have been made into that gap in the first 3 months.
- 8.2. In 2020/21 NHS Lanarkshire, unlike other Boards did not claim any compensatory funding for savings unable to be delivered due to Covid-19. The Board may have to make a claim this year although this can only be a short term proposition and the need to look for future efficiencies remains.
- 8.3. As services are still unable to resume normal operating, cost and growth patterns may deviate from the financial plan assumptions. The intention is to review this once the first quarter's results are available and more is known of the progress with

remobilisation and the Covid-19 impact. This may lead to the level of in year gap being revised.

- 8.4. Table 7 below gives a provisional assessment of month 3 performance against the opening financial plan submission. Savings to date include rebates on drug list prices, small property or equipment savings and the estimated impact of the HSCP prescribing efficiency plans. On top of this there will be some in year underspends which will be able to contribute to closing the gap but at this stage they have not been transferred in to the CRES report below.

<b>Financial Plan description</b>	<b>Annual Operating Plan £m</b>	<b>Revised Annual Plan £m</b>	<b>Plan to date £m</b>	<b>Actual to Date £m</b>
Service redesign	0.147	0.147	-	-
Drugs & prescribing	0.617	0.617	0.005	0.005
Workforce	-	-	-	-
Procurement	2.250	2.250	0.338	0.532
Infrastructure	1.906	1.906	1.457	1.491
Other	-	-	-	-
Financial Management / Corporate Initiatives	-	-	-	-
Unidentified Savings	25.773	25.773	-	-
<b>Total Core NHS Board Savings</b>	<b>30.693</b>	<b>30.693</b>	<b>1.799</b>	<b>2.027</b>
<b>Savings delegated to Integration Authorities</b>	<b>4.254</b>	<b>4.254</b>	<b>0.467</b>	<b>1.155</b>
<b>Total Savings Required</b>	<b>34.947</b>	<b>34.947</b>	<b>2.266</b>	<b>3.183</b>

## 9. Capital

- 9.1 The Scottish Government has confirmed the initial NHS Lanarkshire Capital Formula Allocation for 2021/22 at £12.392m, no change from the previous year. NHS Lanarkshire will also be allowed to retain an estimated £0.535m property receipts to support capital plans and will receive £5.0m towards the Monklands replacement or refurbishment business case and £0.232m regional support for the Vascular Surgery Theatre. We also anticipate £0.450m from partners for West of Scotland Laundry improvements and our revenue plans already identify £1.979m of revenue funding to transfer to capital.
- 9.2 £0.440m of the £0.515m property receipts has already been secured. The others are not yet guaranteed, though the overall exposure this year is low.
- 9.3 £0.900m of funding had been identified in the opening plan for new CAMHS accommodation, the building element of which was expected to cost £0.800m. The tenders received are being evaluated but are indicating a cost potentially double initial estimates. Solutions are being worked through at the local capital investment group including any potential of a contribution from revenue. Until resolved, this puts the forecast capital plan out of balance.

- 9.4 A number of smaller requests for immediately necessary work or equipment have come forward and being approved, also worsening the position.
- 9.5 Early indications in other projects are that there may be a widespread impact of increased construction costs. The risk is being evaluated. Although a prioritised list for medical equipment replacements has been drawn up elements may need to be deferred if there is insufficient funding to do both these and essential building works.
- 9.6 The cost of e health projects put forwards exceeds the initial budget. Those relating to security and business continuity have been approved. Those relating more to service improvement have had a decision deferred until the overall capital position and other solutions can be assessed.
- 9.7 Expenditure to the value of £1.772m has been incurred in the first three months as detailed in Annex B.

## 10. Development and Approvals

- 10.1 S.G have indicated they will release 50% of the Covid-19 funding sought in the original plan in July although specific elements such as the professional support to care homes and the test and protect service have been given specified guaranteed funding. S.G will collect and review Covid-19 costs quarterly with further funding to be agreed later in the year.
- 10.2 Table 8 summarises the Covid-19 costs to 30 June 2021. Costs continue to be incurred to respond to Covid-19. The test and protect initiative, care home support and the Covid-19 vaccination programme sit within the corporate functions as does any system wide e health or estates support.

<b>Table 8 - Covid-19 Revenue &amp; Capital Spend</b>	
<b>Area</b>	<b>Revenue 2021/22 £m</b>
Acute Operating Division	2.273
Corporate including Covid vaccinations and Test and Protect	7.749
<b>Total Board</b>	<b>10.022</b>
North Lanarkshire Health & Social Care Partnership	0.722
South Lanarkshire Health & Social Care Partnership	0.388
<b>Total Health &amp; Social Care Partnership</b>	<b>1.110</b>
<b>Total Board and Health &amp; Social Care Partnership</b>	<b>11.132</b>
Capital Spend	0.000
<b>Total Revenue and Capital</b>	<b>11.132</b>

## **11. Risk Assessment**

The overall financial risk has been assessed as very high. Risks are from multiple sources starting with the underlying £25.773m of unidentified savings but compounded by uncertainties over funding, significant additional Covid-19 costs and the SLA uplift including an allowance for cost pressures for which there is no S.G funding. As the year progresses uncertainties can begin to be defined into more meaningful ranges.

## **12. Conclusion**

The Board is asked to note:

- the actual revenue over spend of £5.935m as at 30 June 2021;
- Covid-19 expenditure as at 30 June 2021 is £11.132m and continuing;
- the initial assessment that month 3 is broadly in line with trajectory but the turnaround plans envisaged for October have not been able to be progressed;
- the significant risks highlighted in section 11;
- early pressure on the capital plan.

**LAURA ACE**  
**DIRECTOR OF FINANCE**  
**30 July 2021**

<b>REVENUE RESOURCE LIMIT 2021/22</b>				
	<b>Baseline Recurring £M</b>	<b>Earmarked Recurring £M</b>	<b>Non Recurring £M</b>	<b>Total £M</b>
<b>Core Revenue Resource Limit as at 31 May 2021</b>	<b>1,285.937</b>	<b>0.000</b>	<b>0.000</b>	<b>1,285.937</b>
<b>June Adjustments to Allocations Confirmed:</b>				
Mental Health Recovery and Renewal Fund (CAMHS and PT)	0.000	0.000	3.975	3.975
Mental Health Support for those hospitalised with Covid-19	0.000	0.000	0.172	0.172
Gypsy Traveller work - post hosted at NHS Lanarkshire	0.000	0.000	0.030	0.030
6 Essential Actions - Building Capacity to Support Recovery	0.000	0.000	0.822	0.822
Redesign of Urgent Care Programme	0.000	0.000	1.227	1.227
ICU baseline bed capacity uplift	0.000	0.000	0.978	0.978
District Nurse Posts	0.000	0.599	0.000	0.599
RMP3 Elective Care Activity allocations	0.000	0.000	9.812	9.812
Child Healthy Weight	0.000	0.000	0.253	0.253
Type 2 Diabetes / Adult weight management	0.000	0.000	0.684	0.684
Round Two of Neurological Framework funding projects	0.000	0.000	0.064	0.064
MSN Neurosurgery	0.000	0.303	0.000	0.303
Test & Protect	0.000	0.000	7.360	7.360
Mental Health Strategy Action 15 Workforce - First Tranche	0.000	1.962	0.000	1.962
Covid and Extended Flu Vaccinations	0.000	0.000	6.433	6.433
Outcome Framework 2021-22	0.000	7.641	0.000	7.641
Primary Care Improvement Fund - Tranche 1	0.000	8.558	0.000	8.558
PASS contract	0.000	(0.071)	0.000	(0.071)
Top slice - NHS Ayrshire & Arran - Quarrier Unit	0.000	0.000	(0.302)	(0.302)
Maternity and Neonatal Psychological Interventions	0.000	0.000	0.138	0.138
Perinatal and Infant Mental Health Services	0.000	0.981	0.000	0.981
Agenda for Change 21-22	16.719	0.000	0.000	16.719
Q1 Covid funding 2021-22	0.000	0.000	12.090	12.090
Funding uplift for Alcohol and Drug Partnerships	0.000	1.656	0.000	1.656
<b>Core Revenue Resource Limit as at 30 June 2021</b>	<b>1,302.656</b>	<b>21.630</b>	<b>43.736</b>	<b>1,368.022</b>
<b>Non Core Revenue Resource Limit as at 31 May 2021</b>	0.000	0.000	0.000	0.000
	0.000	0.000	0.000	0.000
<b>Non Core Revenue Resource Limit as at 30 June 2021</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Total Revenue Resource Limit as at 30 June 2021</b>	<b>1,302.656</b>	<b>21.630</b>	<b>43.736</b>	<b>1,368.022</b>

<b>NHS LANARKSHIRE CAPITAL EXPENDITURE TO 30th June 2021</b>			
	<b>2021/22 A.O.P £M</b>	<b>2021/22 Forecast £M</b>	<b>Actual £M</b>
<b>Initial Capital Formula Allocation: Capital Resource limit adjustments:</b>	<b>12.392</b>	<b>12.392</b>	<b>1.332</b>
<b>ADJUSTED NET ALLOCATION</b>	<b>£12.392</b>	<b>£12.392</b>	<b>£1.332</b>
<b>Anticipated Capital Resource Limit Adjustments :</b>			
Additional Central Resource Allocation	5.000	5.000	
West of Scotland Laundry - Transfer from other boards	0.300	0.450	
Regional Capital Contribution - Vascular Surgery Theatre	0.232	0.232	
Revenue to Capital Transfers	1.550	1.979	
GP Sustainability	0.000	1.624	
Dental Education Pods	0.000	0.143	
UHH Theatre 7 Refurbishment	0.000	0.250	
	<b>£7.082</b>	<b>£9.678</b>	<b>£0.000</b>
<b>Other Income Adjustments:</b>			
Other Income	0.018	0.018	
	<b>£0.018</b>	<b>£0.018</b>	<b>£0.000</b>
<b>Disposal Programme:</b>			
Property Disposals	0.535	0.515	0.440
	<b>£0.535</b>	<b>£0.515</b>	<b>£0.440</b>
	<b>£20.027</b>	<b>£22.603</b>	<b>£1.772</b>
<b><u>CAPITAL EXPENDITURE:</u></b>			
<b><u>Business Cases</u></b>			
Monklands general business continuity	5.500	6.360	0.507
Acute Property Works	1.750	1.432	0.038
New Monklands Fees	5.000	5.000	0.875
	<b>12.250</b>	<b>12.792</b>	<b>1.420</b>
<b><u>Medical Equipment</u></b>	3.977	3.613	0.076
	<b>3.977</b>	<b>3.613</b>	<b>0.076</b>
<b><u>Other Service Developments</u></b>			
Northern Corridor	1.000	1.000	0.009
METC	0.400	0.800	0.185
CAMHS	0.800	1.500	0.000
	<b>2.200</b>	<b>3.300</b>	<b>0.194</b>
<b><u>Other Expenditure</u></b>			
CHP HM	0.100	0.100	0.023
PSSD Equipment	0.750	1.169	0.000
GP Sustainability	0.000	1.624	0.000
Dental Education	0.000	0.143	0.000
CAFM Replacement	0.000	0.275	0.000
Clydesdale	0.000	0.020	0.000
<i>subtotal</i>	<b>0.850</b>	<b>3.331</b>	<b>0.023</b>
I.M.&T Projects	0.750	1.015	0.059
	<b>1.600</b>	<b>4.346</b>	<b>0.082</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>£20.027</b>	<b>£24.051</b>	<b>£1.772</b>
<b>(OVER) / UNDER COMMITTED</b>	<b>£0.000</b>	<b>-£1.448</b>	<b>£0.000</b>