

SUBJECT: FINANCE REPORT FOR THE PERIOD ENDED 31 MARCH 2021

1. PURPOSE

This paper is coming to the Board:

| | | | |
|--------------|---|---|-------------------------------------|
| For approval | <input checked="" type="checkbox"/> For Assurance | <input checked="" type="checkbox"/> For Information | <input checked="" type="checkbox"/> |
|--------------|---|---|-------------------------------------|

2. ROUTE TO THE BOARD

This paper has been prepared by the Director of Finance and as agreed, this report comes straight to the Board. The Acute Management Team and Health and Social Care Partnership Management Teams receive financial reports for their own area.

3. SUMMARY OF KEY ISSUES

The Board moved into emergency response mode on 2 March 2020. From the outset, 2020/21 expenditure patterns varied from the financial plan based on business continuing as usual. The IJBs incurred expenditure of £51.902m in responding to the Covid-19 pandemic across Health and Social Care and the rest of Health incurred an additional £43.446m. These costs were fully met by the Scottish Government.

Having been covered for the additional Covid-19 expenditure, the Board is reporting that all 3 financial targets were met in 2020/21. A breakeven position was reported against the Revenue Resource limit (RRL) of £1.549.633m, the Board also stayed within its Capital Resource Limit of £23.340m (including additional funding) and its cash limit. These results are subject to audit during May and June of 2021.

The Board did not seek any support from Scottish Government for circa £8.5m of savings undelivered because of the need to focus on the Covid-19 response, covering any gap instead from areas where the growth in costs had been less than predicted in the financial plan. Although this position is relatively better than the national experience it still leaves the Board with a greater recurring challenge moving forwards than it might otherwise have had. Once non-recurring savings are taken out the picture 2021/22 opens with a recurring gap of £17.356m.

In line with guidance, the year-end position treats the £56.639m unspent balance on funding delegated to the IJBs as being transferred to IJB reserves and therefore it has a neutral impact on the Board's own performance against RRL.

4. STRATEGIC CONTEXT

This paper links to the following:

| | | | | | |
|--------------------------|-------------------------------------|-----------------------|-------------------------------------|-------------------|--------------------------|
| Corporate objectives | <input checked="" type="checkbox"/> | AOP | <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"/> |
|------|--------------------------|-----------|-------------------------------------|----------------|--------------------------|

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

The traditional measures would be achievement of AOP agreed position for revenue resource limit, capital resource limit and efficiency target. Given the NHS is on an emergency footing the target for 2020/21 was to live within the funding envelope agreed with SGHSCD whilst delivering on immediate priorities.

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 largely factual position report prepared from information in the financial ledger.

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"/> |
|---------|-------------------------------------|-------------------------------|-------------------------------------|-------------------------------|-------------------------------------|

13. FURTHER INFORMATION

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

Laura Ace
Director of Finance

14 May 2021

NHS LANARKSHIRE

FINANCE REPORT FOR THE PERIOD ENDED 31 MARCH 2021

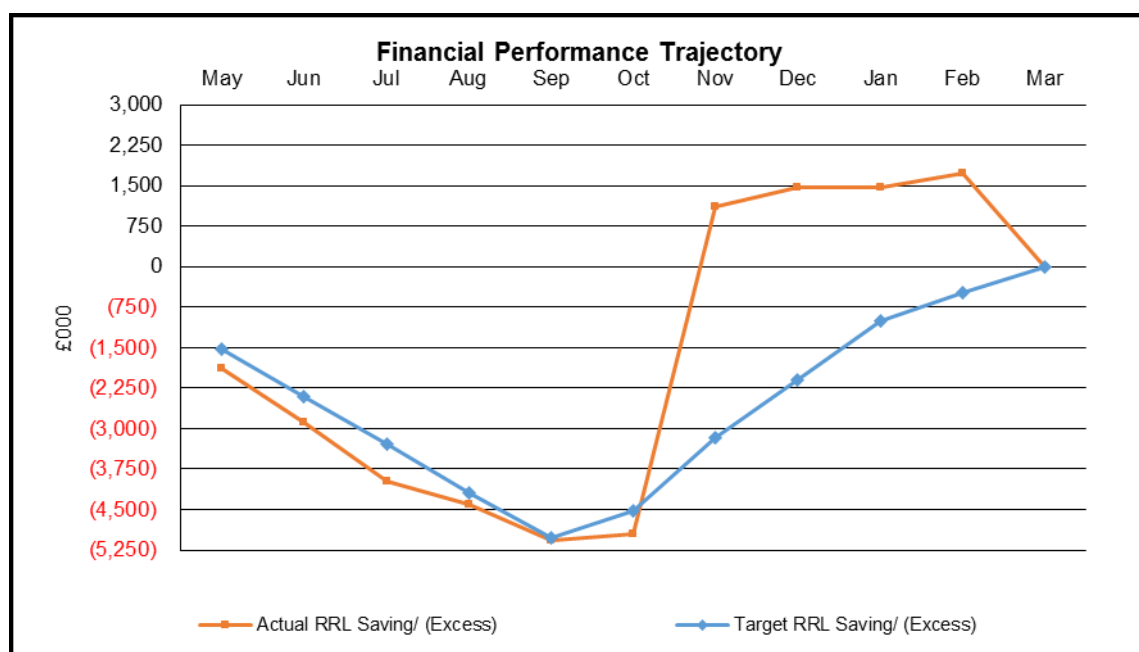
1. Introduction

1.1. The purpose of this report is to provide the Board with a summary of revenue and capital financial performance for the year to 31st March 2021.

2. Overview

2.1. The 2020/21 financial plan was submitted to the Scottish Government Health and Social Care Department (SGHSCD) in March 2020 reflecting the Board's plans pre Covid-19. At that point costs were expected to grow by more than the 3% allocation uplift, leaving a gap of £29.828m to be filled by efficiency savings. Factors influencing that assessment were the 4.57% estimated impact of the 3rd year of the Agenda for Change pay deal, a 10.9% potential increase in hospital drugs and a range of national commitments. Despite initiating an enhanced financial sustainability programme in June 2019, at the time of submitting the plan £10.030m of efficiency savings needed to close the gap still had to be identified.

2.2. Prior to the start of the year the Board moved on to an emergency footing and since then the priority has been to respond to the Covid-19 pandemic. This has resulted in a very different use of resources in year than envisaged in the original Annual Operational Plan (AOP). Significant additional costs have been incurred in the Covid-19 response. Other less urgent planned developments have either been deferred or happened more slowly. The rise in the cost from new drugs was less steep than predicted and the notified expansion in specialist services did not fully materialise. Work on the financial sustainability programme was suspended although some savings were still achieved. Performance against trajectory is set out below.



- 2.3. The trajectory above reflects the lower savings achievement in the first part of the year followed by recognition after receiving mid-year information that elements of previously predicted cost growth would not happen so the gap would be less than first predicted. Towards the year end some costs, most notably high cost drugs out of region, did start to grow, hence the move from a small temporary surplus to break even at the year end.
- 2.4. Table 1 below shows the split by Division, further explained in sections 4 to 7.

| | YTD Budget £M | YTD Actual £M | YTD Variance £M |
|---|---------------------|---------------------|-----------------------|
| Acute Operating Division | 428.261 | 428.240 | 0.021 |
| North Lanarkshire Health & Social Care Partnership | 344.681 | 344.681 | 0.000 |
| South Lanarkshire Health & Social Care Partnership | 479.250 | 479.250 | 0.000 |
| Estates and Corporate Functions | 180.686 | 179.157 | 1.529 |
| Service Level Agreements / Other Healthcare Providers | 218.842 | 217.738 | 1.104 |
| NHSL - wide | 23.572 | 26.226 | (2.654) |
| Net operating costs | 1,675.292 | 1,675.292 | 0.000 |
| Remove IJB Position | (823.931) | (823.931) | 0.000 |
| Revised Net operating costs | 851.361 | 851.361 | 0.000 |

3. Revenue Resources

- 3.1. The latest confirmed Core Revenue Resource Limit (RRL) for 2020/21 for NHS Lanarkshire was £1,549.633m and the Non-Core Revenue Resource Limit was £30.300m, details of which are noted in Annex A. The Board will also receive £95.359m in respect of Family Health Services Non-Discretionary spend.
- 3.2. On the 30th November 2020, the Scottish Government announced a £500 one off payment for all health and care staff as a thank you for helping Scotland cope with Covid-19. It has now been confirmed that NHS Lanarkshire will receive £7.571m for Board employed staff and £1.927m to be passed to Primary Care Practitioners and their staff.
- 3.3. The March 2021 Core Revenue Resource Limit includes confirmed resources of £0.146m for NHS Emergency Public Health research, £0.140m for PFI review and £15.575m funding for the impact of annual leave not taken during the Covid-19 pandemic.
- 3.4. Further funding was returned to NHS Lanarkshire, £0.237m from the Golden Jubilee National Hospital for capacity planning and £0.244m from NSD in respect of Lanarkshire's share of further funds unspent this year from the national risk sharing of specialist services. These both helped offset savings that could not be delivered.

- 3.5. The National Distribution Centre acts as the central distribution point consolidating many supplies and deliveries for the NHS in order to gain better prices. NHS Boards are top-sliced to fund this and £1.241m (unchanged from last year) was deducted from the Board's allocation. NSS was funded directly by SG for the additional costs of distributing Covid-19 supplies such as PPE.
- 3.6. We have received a further £6.092m to supplement the £1.030m already received for the impact of the NHS pay deal for the period December 2020 to March 2021 and £0.229m for the cost of revenue equipment and consumable purchases by Scottish Government and transferred to Boards through payments on behalf.
- 3.7. Also received are non-core technical adjustments (£0.087m) in respect of Cnoris to comply with Scottish Government funding and accounting treatments and (£0.090m) for depreciation charges incurred in respect of medical equipment assets purchased by both the Department of Health and Scottish Government and transferred to Boards Asset registers in 2020/21. These have no financial impact and are in line with Financial Plan expectations.

4. Acute Division

- 4.1. The Acute Division is reporting an under spend of £0.021m for the period to the end of March 2021, as detailed in Table 2. Budget has been released to match the £25.829m of costs relating to the Covid-19 response up to the end of March. Although this looks better than at the same point last year, the Acute Division has been unable to release the expected funding from its efficiency programme and because of the immediate need to focus resources on treating patients with Covid-19 a significant backlog of planned procedures has built up.

Table 2 - Acute Division 2020/21

| | Budgeted Operating Costs 31/03/2021 £M | Actual Operating Costs 31/03/2021 £M | Actual saving / (excess) 31/03/2021 £M |
|--------------------------------------|---|---|---|
| Pay | 344.231 | 344.210 | 0.021 |
| Non Pay | 96.475 | 96.475 | 0.000 |
| Healthcare Purchases | 2.223 | 2.223 | 0.000 |
| Gross operating costs | 442.929 | 442.908 | 0.021 |
| Less: miscellaneous income | (40.497) | (40.497) | 0.000 |
| Underlying Net operating cost | 402.432 | 402.411 | 0.021 |
| Covid-19 Spend | 25.829 | 25.829 | 0.000 |
| Net operating cost | 428.261 | 428.240 | 0.021 |

- 4.2. In calculating the additional costs of Covid-19, £5.115m of offsetting cost reductions including theatre consumables and the lower than expected charge from the Golden Jubilee have been netted off.
- 4.3. The acute hospital drug spend in the first 12 months is 4.9% less than that in the comparative period of 2019/20. Based on twelve month information for out of area high cost drugs the growth in new drugs is below the financial planning estimates at the time of the AOP submission with only £2.255m being required from the £4.387m set aside for specialist out of region centres in 2020/21.

5. Health and Social Care Partnerships

- 5.1. Under the Public Bodies (Joint Working) (Scotland) Act 2014, The NHS Board delegates responsibility for a specified range of services to the North and South Integrated Joint Boards (IJB's) and passes the budgets associated with these services to the IJBs. The IJBs then direct the NHS Board to operationally deliver services in line with its a strategic commissioning plan, paying back to the NHS Board the funding needed to deliver the services. In 2020/21 the IJB budget transfer and the payment direction were originally back to back, for the same amount. As new income is received throughout the year, the budget is amended. These transactions are book entries rather than physical cash transfers.
- 5.2. Throughout the year the NHS Board has received reports of the expenditure against this funding. Under the Integration Financial guidance however any funding unspent by the year end belongs to the IJB and should be returned to them to be held in reserve for use in future years. £25.304m was returned to North IJB for 2020/21 and £31.335m is being returned to South IJB and these will be added to reserves remaining from the 2019/20 balances. Each IJB will be considering its plans for use or retention of reserves. £28.836m of this surplus comes from a range of allocations from SG issued in the January allocation letter and reported to the NHS Board in February 2021.
- 5.3. The costs attributed to Covid-19 up to the end of March are £22.624m for North Lanarkshire IJB, of which £15.197m relates to social care and £29.278m for South Lanarkshire IJB of which £20.385m relates to social care. Health incurred additional costs in running the Community Hub and assessment centres, mental health assessment centres to divert attendances from A & E, additional psychological, physiotherapy and occupational therapy support, the Flu vaccination programme and additional staffing to cover absences. The funding issued more than covered the final costs leaving North Lanarkshire IJB with £1.931m to transfer to reserves for future expenditure related to Covid-19 and South Lanarkshire IJB, £6.587m.
- 5.4. Prescribing volumes overall were 3% less in the period to end of January 2021 than in the equivalent period in the previous year. Both HSCPs had a prescribing efficiency plan and the target amount has been withdrawn from the opening budget. Both IJBS are demonstrating achievement of efficiencies. The price of two drugs was nationally recognised as having been increased during the pandemic and funding received in January to cover the additional Covid-19 costs included for £1.797m to recognise price increases in two drugs. This has allowed the South Lanarkshire HSCP to move to a small surplus position for prescribing. Earlier predictions had been for an over spend caused in part by repayment of £0.429m bridging funding to cover higher prescribing volumes in March 2020.
- 5.5. A proportion of the planned efficiency savings judged necessary in the pre Covid-19 financial plan had been deducted from the opening budgets (North £2.539m out of the original £2.775m, South £1.058m out of the original £2.194m). The residue of savings was not required in year due to lower costs than predicted in some areas.

5.6. Tables 3 and 4 show the position in each partnership.

| Table 3 - North Lanarkshire Health & Social Care Partnership 2020/21 | | | |
|---|---|---|---|
| | Budgeted Operating Costs 31/03/2021 £M | Actual Operating Costs 31/03/2021 £M | Actual saving / (excess) 31/03/2021 £M |
| Pay | 144.748 | 138.646 | 6.102 |
| Non Pay | 118.248 | 102.751 | 15.497 |
| Prescribing | 71.588 | 69.088 | 2.500 |
| Sub Total | 334.584 | 310.485 | 24.099 |
| Primary Care Transformational Fund | 0.000 | 0.000 | 0.000 |
| Share of Primary Care Other Services | 10.097 | 8.892 | 1.205 |
| Family Health Services | 0.000 | 0.000 | 0.000 |
| IJB Cfwd to Reserves | 0.000 | 25.304 | (25.304) |
| Net operating cost | 344.681 | 344.681 | 0.000 |

| Table 4 - South Lanarkshire Health & Social Care Partnership 2020/21 | | | |
|---|---|---|---|
| | Budgeted Operating Costs 31/03/2021 £M | Actual Operating Costs 31/03/2021 £M | Actual saving / (excess) 31/03/2021 £M |
| Pay | 73.118 | 70.147 | 2.971 |
| Non Pay | 109.085 | 88.188 | 20.897 |
| Prescribing | 67.124 | 66.624 | 0.500 |
| Sub Total | 249.327 | 224.959 | 24.368 |
| Primary Care Improvement Fund | 12.824 | 7.015 | 5.809 |
| Share of Primary Care Other Services | 9.701 | 8.543 | 1.158 |
| Family Health Services | 207.398 | 207.398 | 0.000 |
| IJB Cfwd to Reserves | 0.000 | 31.335 | (31.335) |
| Net operating cost | 479.250 | 479.250 | 0.000 |

6. Estates and Corporate Departments

6.1. The Estates and area wide corporate departments are reporting an under spend of £1.529m for the period to the end of March 2021, as detailed in Table 5. Budget has been released to match the £17.617m of costs attributed to Covid-19 up to the end of March.

Table 5 - Headquarters / Corporate Functions 2020/21

| | Budgeted Operating Costs 31/03/2021 £M | Actual Operating Costs 31/03/2021 £M | Actual saving / (excess) 31/03/2021 £M |
|--------------------------------------|---|---|---|
| Pay | 67.215 | 67.226 | (0.011) |
| Non Pay | 102.704 | 101.164 | 1.540 |
| Gross operating costs | 169.919 | 168.390 | 1.529 |
| Less: miscellaneous income | (6.850) | (6.850) | 0.000 |
| Underlying Net operating cost | 163.069 | 161.540 | 1.529 |
| Covid-19 Spend | 17.617 | 17.617 | 0.000 |
| Net operating cost | 180.686 | 179.157 | 1.529 |

6.2. The under spend is spread across Corporate Departments (£0.478m), Central Services (£1.033m) and Property and Support Services (£0.018m).

7. Service Level Agreements/Other Healthcare Providers

7.1. Service Level Agreements (SLAs) and other healthcare provider costs are reporting an under spend of £1.104m for the period to the end of March 2021, as detailed in table 6.

Table 6 - Service Agreements / Other Healthcare Providers 2020/21

| | Budgeted Operating Costs 31/03/2021 £M | Actual Operating Costs 31/03/2021 £M | Actual saving / (excess) 31/03/2021 £M |
|---------------------------|---|---|---|
| Service Level Agreements | 187.010 | 186.138 | 0.872 |
| Unpacs and Oats | 30.778 | 30.606 | 0.172 |
| Independent Sector | 1.054 | 0.994 | 0.060 |
| Net operating cost | 218.842 | 217.738 | 1.104 |

7.2. Due to Covid-19 the activity levels out of area will be significantly reduced. However as the provider Boards will still be incurring costs the national agreement was for SLAs to be paid at historic levels.

7.3. As services continue to be disrupted due to the pandemic and travel restrictions imposed across many council areas of Scotland fewer Lanarkshire patients accessed services from other Boards including cross border which has resulted in the Unplanned and Oats area reporting an under spend of £0.172m for the period to the end of March 2021. The one area where activity has increased is with NHS Forth Valley who have assisted our own Acute Division through Mutual Aid on numerous occasions.

8. CRES/Efficiency

- 8.1. To balance the financial plan in 2020/21 the Board needed to release £29.828m of cash from budgets through efficiency savings (CRES). £24.822m of this fell against the Acute and Corporate budgets. At the time of submitting the financial plan the Board had identified proposals for all but £10.030m of this total, although a reliance on non-recurring savings meant the estimate of the recurring gap was c £22.450m.
- 8.2. Within the Acute Division it has been assumed that planned savings from the drugs bill and from theatre consumables would be secured by the end of the year and they were deducted from budget. However the response to Covid-19 means that savings associated with reductions in temporary workforce, theatre productivity and some smaller service redesigns have not been able to be advanced.
- 8.3. A number of corporate savings had been secured in advance of the start of the year. Budgets were reduced to recirculate the funding to cover the excess rise in pay, drugs and other costs identified in the original plan. Overall the corporate budgets are underspent indicating they are living within the reduced budget. Three of the four planned property sales have been achieved. The corporate departments are forecast to exceed the risk adjusted forecast at the time of the Annual Operational Plan (AOP) submission.
- 8.4. The net impact of these early Acute and Corporate forecasts combined with slippage against financial plan estimates primarily the drug reserve and NSD for the return of funding not required from the national risk sharing scheme has allowed us to eliminate the 2020/21 savings gap. In order to report against the original submission the slower growth in drugs costs and specialist services has been recorded in the financial management line even though it is a changed cost profile rather than a true efficiency. The original assumption on slippage in drugs growth proved to be too high and costs accelerated towards the year end meaning part of the original financial plan provision had to be reinstated leaving a potential £1.250m gap. Late slippage in other areas fortunately was able to compensate for this and NHS Lanarkshire did not have to make any claim to SG for compensation for savings undelivered due to Covid-19. This contrasts with a national estimate of £149m submitted by other Boards in March 2021.
- 8.5. Both IJBs received the full allocation uplift on their recurring budget. An assessment was made of the likely cost rises to be funded from this and the gap determined their individual savings requirement. At the time of the AOP, both IJBs had identified long lists of efficiencies to close the gap. North IJB has achieved and removed from budget all but £0.070m of the initially assessed amount. South IJB has at this stage only identified £1.058m of its initial target of £2.194m savings. The target itself was reviewed downwards as more was known about the actual level of cost rises and the health element of the budget in both HSCPS was underspent at the yearend indicating enough efficiency had been delivered to bridge any in year gap. No claim was made from SG for undelivered health savings due to Covid-19. £3.874m was claimed and received on behalf of social care savings undelivered in the local authorities.

- 8.6. Recording areas where cost growth was less than estimates in the original plan under the heading financial management in Table 7 below shows how the NHS Board closed the previously identified gap. A significant element of the savings were delivered on a one off basis and so 2021/22 opens with a recurring gap of £17.356m. As set out in section 5.5 the original IJB target was revised downwards.

| Financial Plan description | Annual Operating Plan £m | Revised Annual Plan £m | Actual Outturn £m |
|---|-------------------------------------|-----------------------------------|------------------------------|
| Service redesign | 0.170 | 0.140 | 0.140 |
| Drugs & prescribing | 0.836 | 0.892 | 0.930 |
| Workforce | 1.060 | 0.686 | 0.732 |
| Procurement | 3.666 | 3.580 | 3.156 |
| Infrastructure | 2.320 | 3.893 | 4.002 |
| Other | 6.740 | 6.738 | 6.738 |
| Financial Management / Corporate Initiatives | - | 9.174 | 9.174 |
| Unidentified Savings | 10.030 | | |
| Total Core NHS Board Savings | 24.822 | 25.102 | 24.872 |
| Savings delegated to Integration Authorities | 5.006 | 3.810 | 3.810 |
| Total Savings Required | 29.828 | 28.911 | 28.682 |

9. Capital

- 9.1 At the outset, the demands of the 20/21 capital programme exceeded the resources available. Rather than rule out any of the priority projects at the start of the year, the Board approved a management strategy of monitoring expenditure for slippage and trying to maximise opportunities for additional funding with a fall back of delaying some expenditure on equipment into April 2021 should the position remain unchanged. This strategy paid off. By the end of October the initial known allocations had been supplemented by sufficient additional funding to balance the original aspirations.
- 9.2 £2.640m of the targeted £3.080m property receipts has already been secured, which given the uncertainty in the market during Covid-19 is a strong achievement. The missives for the remainder have been concluded with the sale now scheduled for April 2021.
- 9.3 As the year progressed, additional demands emerged, particularly from the ongoing review of the risks to business continuity in Monklands but conversely initial timescales to complete some of the projects proved optimistic. The hybrid theatre for the regional vascular service and an invest to save energy efficiency project will now be finalised in 2021/22. The medical equipment replacement programme for 2021/22 has been advanced to bring forwards some purchases into 2020/21 to balance off the expenditure between the two years.

- 9.4 The original plans for a 24 bedded ward were revised in the light of the Covid-19 experience and converted to a 17 bedded solution which opened during November.
- 9.5 A late addition to the capital plan was the purchase of the practice owned element of Rutherglen Health centre. Discussions had been advanced though the primary care premises group under the sustainability loan scheme and only connected with the capital programme at a late stage. SGHSCD provided the funding to allow this to happen.
- 9.6 A year end technical adjustment was to take on to our books Covid-19 equipment which had been supplied by the Department of Health
- 9.7 Expenditure to the value of £25.998m has been incurred in the twelve months as detailed in Annex B.

10. Development and Approvals

- 10.1 Expenditure to manage the Covid-19 response continues to be incurred, captured and reported to SGHSCD. Table 8 summarises the Covid-19 costs to 31 March 2021.

| Table 8 - Covid-19 Revenue & Capital Spend | | |
|---|----------------|----------------|
| Table 8 | Revenue | Capital |
| Area | 2020/21 | 2020/21 |
| | £m | £m |
| Acute Operating Division | 25.829 | 0.000 |
| Headquarters / Corporate Functions | 17.617 | 0.000 |
| Total Board Areas | 43.446 | 0.000 |
| North Lanarkshire Health & Social Care Partnership | 22.624 | 0.000 |
| South Lanarkshire Health & Social Care Partnership | 29.278 | 0.000 |
| Total Health & Social Care Partnership | 51.902 | 0.000 |
| Total Board and Health & Social Care Partnership | 95.348 | 0.000 |
| Capital Spend | 0.000 | 1.538 |
| Total Revenue and Capital Spend | 95.348 | 1.538 |

- 10.2 In January the Board and HSCPs submitted their latest forecast of costs likely to be incurred up to 31 March 2021 on responding to the Covid-19 pandemic. SGHSCD then issued the balance between the £96.685m forecast and the funding previously released. At the year-end an additional £0.088m was required to cover the actual expenditure incurred by the acute and corporate functions and this was provided by SGHSCD. The IJB expenditure was £8.518m less than the funding provided based on earlier forecasts and this is being retained in reserves to meet Covid-19 related expenditure in 2021/22.

11. Risk Assessment

11.1 The Board has achieved its year end targets so the risk profile is now low. Any residual risk relates to the fact that the audit process has still to conclude and until that happens there is always the potential for differences to be identified. There has already been debate at national level on how certain transactions should be reflected which has resulted in late changes to the Board's final figures so it is hoped this risk is immaterial.

12. Conclusion

The Board is asked to note:

- the contents of the paper and in particular the forecast that all 3 financial targets covered in this paper have been met;
- the reported breakeven position as at 31 March 2021, recognising that at the year-end the under spend on Health and Social Care partnerships was transferred to IJB reserves for future use;
- the £28.682m of efficiency savings recorded, the fact NHS Lanarkshire did not claim support from SG for undelivered savings in 2020/21 but faces a recurring gap of £17.356m moving in to 2020/21;
- that full funding has been received for the costs attributed directly to the Covid-19 response;
- the Board has delivered a £25.998m capital programme within its Capital resource limit.

LAURA ACE
DIRECTOR OF FINANCE
14 May 2021

| REVENUE RESOURCE LIMIT 2020/21 | | | | |
|---|-----------------------------|------------------------------|------------------------|------------------|
| | Baseline Recurring £M | Earmarked Recurring £M | Non Recurring £M | Total £M |
| Core Revenue Resource Limit as at 28 February 2021 | 1,266.933 | 129.807 | 121.476 | 1,518.217 |
| GJNH - Top slice adjustment - Boards SLA's | 0.000 | 0.000 | 0.237 | 0.237 |
| NHS Emergency Public Health research | 0.000 | 0.000 | 0.146 | 0.146 |
| NSD Topslice return | 0.000 | 0.000 | 0.244 | 0.244 |
| Annual Leave Additional Accrual | 0.000 | 0.000 | 15.575 | 15.575 |
| Hospices Additional Accrual | 0.000 | 0.000 | 2.102 | 2.102 |
| PFI review | 0.000 | 0.140 | 0.000 | 0.140 |
| NDC Topslice | 0.000 | (1.241) | 0.000 | (1.241) |
| Insulin Pumps correction including VAT | 0.000 | 0.000 | 0.697 | 0.697 |
| Insulin Pumps - Reversal of 1024 | 0.000 | 0.000 | (0.618) | (0.618) |
| Shielding - Social Care Support Fund - Payments made by LA's | 0.000 | 0.000 | 0.038 | 0.038 |
| Pay award - 1% increase | 0.000 | 0.000 | 1.030 | 1.030 |
| £500 "Thank you" Payments - NHS | 0.000 | 0.000 | 7.571 | 7.571 |
| £500 "Thank you" Payments - PSD | 0.000 | 0.000 | 1.927 | 1.927 |
| £500 "Thank you" payments - Hospice Staff | 0.000 | 0.000 | 0.156 | 0.156 |
| Hospices Additional Accrual - reversal of 1097 | 0.000 | 0.000 | (2.102) | (2.102) |
| £500 "Thank you" payments - Hospice Staff - reversal of 1141 | 0.000 | 0.000 | (0.156) | (0.156) |
| Hospice - Loss of Income - reversal of 42 | 0.000 | 0.000 | (1.211) | (1.211) |
| Covid 19 Medical Equipment purchased by DHSC | 0.000 | 0.000 | 0.077 | 0.077 |
| Additional Covid funding | 0.000 | 0.000 | 0.088 | 0.088 |
| Covid-19 Community Testing | 0.000 | 0.000 | 0.396 | 0.396 |
| Covid 19 Medical Equipment purchased by NSS | 0.000 | 0.000 | 0.229 | 0.229 |
| AfC Pay Award Accrual Funding | 0.000 | 0.000 | 6.092 | 6.092 |
| Core Revenue Resource Limit as at 31 March 2021 | 1,266.933 | 128.706 | 153.993 | 1,549.633 |
| Non Core Revenue Resource Limit as at 28 February 2021 | 0.000 | 0.000 | 30.198 | 30.198 |
| IFRS revenue PFI correction | 0.000 | 0.000 | 6.552 | 6.552 |
| IFRS revenue PFI - reversal of 944 | 0.000 | 0.000 | (6.552) | (6.552) |
| Non-core expenditure - AME impairments - reversal of 942 | 0.000 | 0.000 | (8.789) | (8.789) |
| Non-core expenditure - AME impairments - correction | 0.000 | 0.000 | 8.789 | 8.789 |
| Non-core expenditure - AME provisions CNORIS | 0.000 | 0.000 | (0.087) | (0.087) |
| Non-core expenditure - AME donated asset depn - reversal of 943 | 0.000 | 0.000 | (0.042) | (0.042) |
| Non-core expenditure - AME donated asset depn correction | 0.000 | 0.000 | 0.042 | 0.042 |
| Non-core expenditure - AME provisions - reversal of 941 | 0.000 | 0.000 | 0.300 | 0.300 |
| Non-core expenditure - AME provisions - correction | 0.000 | 0.000 | (0.201) | (0.201) |
| Non-core expenditure - depreciation - reversal of 939 | 0.000 | 0.000 | (15.115) | (15.115) |
| Non-core expenditure - depreciation - correction | 0.000 | 0.000 | 15.205 | 15.205 |
| Non Core Revenue Resource Limit as at 31 March 2021 | 0.000 | 0.000 | 30.300 | 30.300 |
| Total Revenue Resource Limit as at 31 March 2021 | 1,266.933 | 128.706 | 184.293 | 1,579.933 |

| NHS LANARKSHIRE CAPITAL EXPENDITURE TO 31st March 2021 | | |
|---|--------------------------------|----------------------------------|
| | 2020/21 Plan £M | 2020/21 Actual £M |
| Initial Capital Formula Allocation: | 12.392 | 12.392 |
| Capital Resource limit adjustments: | | |
| Additional Central Capital Allocations | 4.500 | 9.020 |
| MARCH 2021 CAPITAL RESOURCE LIMIT | £16.892 | £21.412 |
| Further Capital Resource Limit Adjustments: | | |
| Regional Capital Contribution - Vascular Surgery BC | 0.000 | 0.012 |
| NES - Endoscopy Simulator | 0.000 | 0.082 |
| COVID 19 - Equipment via NSS | 0.000 | 1.556 |
| DoH COVID 19 - Capital Purchases | 0.000 | 0.278 |
| | £0.000 | £1.928 |
| FINAL MARCH 2021 CAPITAL RESOURCE LIMIT | £16.892 | £23.340 |
| Other Income Adjustments: | | |
| Other Income | 0.018 | 0.018 |
| | £0.018 | £0.018 |
| Disposal Programme: | | |
| Property Disposals | 1.665 | 2.640 |
| Property Disposals returned to S.G. | 0.000 | 0.000 |
| | £1.665 | £2.640 |
| | £18.575 | £25.998 |
| CAPITAL EXPENDITURE: | | |
| <u>Business Cases</u> | | |
| Monklands general business continuity | 5.528 | 3.858 |
| Acute Property Works | 5.700 | 5.871 |
| New Monklands Fees | 3.000 | 2.600 |
| | 14.228 | 12.329 |
| <u>Medical Equipment</u> | 3.860 | 6.529 |
| | 3.860 | 6.529 |
| <u>Other Service Developments</u> | | |
| Northern Corridor | 0.050 | 0.076 |
| CAMHS | | 0.000 |
| | 0.050 | 0.076 |
| <u>Other Expenditure</u> | | |
| CHP Hairmyres | 0.700 | 1.676 |
| PSSD Equipment | 0.300 | 0.611 |
| Rutherglen Health Centre | 0.000 | 0.687 |
| Covid-19 costs | 0.000 | 3.224 |
| | 1.000 | 6.198 |
| I.M.&T Projects | 0.708 | 0.866 |
| | 1.708 | 7.064 |
| | | |
| TOTAL CAPITAL EXPENDITURE | £19.846 | £25.998 |
| | | |
| (OVER) / UNDER COMMITTED | -£1.271 | £0.000 |