

SUBJECT: FINANCE REPORT FOR THE PERIOD ENDED 31 MARCH 2023

1. PURPOSE

This paper is coming to 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 is reporting that all 3 of its financial targets were met in 2022/23. At the year end the NHS Board has broken even against the Revenue Resource limit (RRL) of £1,569.874m and the Non-Core Revenue Resource Limit of £39.638m. The Board also stayed within its Capital Resource Limit of £33.322m and its cash limit. These results are subject to audit during May and June of 2023.

The initial plan, prepared when there was still considerable uncertainty over income and expenditure, had forecast that the best that could be achieved in reducing the £38.223m opening gap was to take it to a deficit of £14.868m. Although individual estimates were revised during the year as more information became available, this overall assessment proved reliable. The release of an unanticipated £12.324m of funding for new medicines by SG, a reduction in our risk pool contribution (CNORIS) of £1.291m, and the reversal of the 1.25% increase in employers NIC are the main factors that eliminated that predicted in year deficit. There has also been substantial reliance on non-recurring income, slippage and savings to achieve this position, leaving much of the opening gap still to be resolved in 2023/24.

In line with guidance, the £33.514m unspent balance on funding delegated to the IJBs is transferred to IJB reserves and treated as expenditure in the Board's accounts, balancing out IJB income and expenditure to leave no net impact on the Board's own performance against RRL.

4. STRATEGIC CONTEXT

This paper links to the following:

Corporate objectives	<input checked="" type="checkbox"/>	ADP	<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

Given the month 12 results Risk ID 2123 (that there is a significant risk that NHS Lanarkshire will be unable to realise required savings for year 2022/23 and deliver a balanced budget whilst maintaining essential services, meeting legislative requirement whilst being responsive to strategic change) has been closed.

Given the non recurring nature of most of the measures to close the gap, a new risk that the Board will not be able to achieve breakeven over the next 3 year planning cycle has been opened and rated very high.

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 / FAIRER SCOTLAND DUTY

An E&D / FSD 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. Any 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 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.

Laura Ace
Director of Finance
15 May 2023

NHS LANARKSHIRE

FINANCE REPORT FOR THE PERIOD ENDED 31 MARCH 2023

1. Introduction

- 1.1. The purpose of this report is to provide the Board with a summary of the financial performance against the revenue and capital limits for the year to 31st March 2023.

2. Overview

- 2.1. A breakeven position was reported against the Revenue Resource limit (RRL) of £1,569.874m and the Non-Core Revenue Resource Limit of £39.638m. The Board also stayed within its Capital Resource Limit and its cash limit meaning all three financial targets were met. These results are subject to audit during May and June of 2023.
- 2.2. In March 2022 the Board approved an opening 2022/23 financial plan which set out a £38.223m gap between projected costs and income. Excluding the HSCPs, £5.669m of efficiency savings could reasonably be assumed, leaving the means with which to close the remaining £32.554m gap still to be identified. It was estimated, based on previous years' experience, that the Board might find means to reduce the gap to £14.868m and this was submitted as an opening target to SGHSCD.
- 2.3. Key steps in reducing the £32.554m towards £14.868m were:
- The draw down of £14.083m banked credits from previous years;
 - £5.115m of additional drug price savings;
 - c£5m from recognising delays mainly in national and regional service developments;
 - a £2.443m surplus against corporate budgets;
 - £1.495m of other savings identified through the finance recovery group work.
- 2.4. At the time of preparing the plan there was considerable uncertainty about income and the impact of inflation on supplies and energy prices. The gap widened in year when the allocation to cover the excess costs of responding to Covid-19 was issued at £14m less than our forecast expenditure. This gap was eventually covered bar £0.160m through attracting £5m of additional SG funding, reducing local costs as far as we could and finally receiving £3.844m of support from the IJBs for the unscheduled care impact.
- 2.5. The gap in year also increased by recognising the continued rise in energy prices to around £5m more than originally estimated. The Acute deficit, at £17.948m was also more than had been provided for based on previous years. Conversely some of the opening estimates about funding and pay costs proved to be overly pessimistic and there were elements of funding within budgets that were identified as surplus at the mid-year stage broadly bringing the forecasts back on trajectory towards the original £14.868m deficit.

- 2.6. In the final quarter two tranches of funding totalling £12.324m were released by SGHSCD to cover the costs of new medicines which has been a long standing cost pressure, the CNORIS risk charge was reduced by £1.291m and we were able to release the aspired £0.780m from the capital funding to cover revenue backlog maintenance. Through this and other small movements the Board was able to achieve a better than predicted position of breakeven.
- 2.7. Annex C provides a summary of the main movements between the opening position and year-end breakeven.
- 2.8. The narratives and figures above apply to the budgets directly managed by the NHS Board. The IJBs face a different cost and income profile. The absence of a carried forward recurring gap, the presence of reserves and a degree of insulation from some of the higher cost items such as hospital drugs and energy meant initially breakeven was predicted. Although they are seeing a faster increase in prescribing costs than had been forecast which will be a growing problem moving into 2023/24, their actual year end position is a surplus. This is due to vacancies, recruitment difficulties and time lags in setting up new services from development funding.
- 2.9. The table 1 below gives the summary by division at the end of March 2023. Sections 4 to 7 provide more detail on each area. The table below includes the Covid-19 costs which are also summarised in table 8 in section 10.

Table 1 - Summary Financial Position 2022/23			
	YTD Budget £M	YTD Actual £M	YTD Variance £M
Acute Operating Division	490.192	508.140	(17.948)
North Lanarkshire Health & Social Care Partnership	355.239	331.486	23.753
South Lanarkshire Health & Social Care Partnership	499.438	489.677	9.761
Estates, E health and Other Corporate Functions	203.427	200.984	2.443
Service Level Agreements / Other Healthcare Providers	243.915	243.121	0.794
NHSL - wide	(79.248)	(93.959)	14.711
Underlying net operating cost	1,712.963	1,679.449	33.514
Remove IJB Position	(854.677)	(821.163)	(33.514)
Revised underlying net operating cost	858.286	858.286	0.000

- 2.10. At the start of the year the demands for capital far exceeded income and the approach agreed with the Board was to continue to work up projects to establish realistic timelines while allowing more advanced priority items to proceed. The Board had been successful in 3 bids for National Infrastructure Board funds resolving the gap. In February a request for further funding to create more space in the Wishaw emergency department was approved given its immediate high service priority even though that temporarily overcommitted the capital plan. General slippage between then and the year end resolved this and we were still able to make the planned capital to revenue transfer to cover backlog maintenance projects under way.

3. Revenue Resources

- 3.1. The final Core Revenue Resource Limit (RRL) for 2022/23 for NHS Lanarkshire was £1,569.874m and the final Non-Core Revenue Resource Limit was £39.638m, details of which are noted in Annex A. The Board will also receive £103.451m in respect of Family Health Services Non-Discretionary spend to match expenditure.
- 3.2. The March 2023 Core Revenue Resource Limit includes the following confirmed resource adjustments for Health and Social Care Partnerships; £1.300m for Mental Health Outcomes Framework and £0.123m for Learning Disability Health Checks. Both partnerships returned further funding to Scottish Government from surplus Covid-19 reserves (North £1.865m and South £1.745m) which was redistributed across the NHS to meet Covid-19 priorities.
- 3.3. The March 2023 Core Revenue Resource Limit also includes £0.416m being the second tranche of Test and Protect funding, £0.232m for the new Specialty Doctors contract, £0.780m moving sums between capital and revenue and technical adjustments in respect of supplies issued by NSS for PPE and other pandemic stock £1.386m, medical equipment £0.029m and Cytosponge Devices £0.055m.
- 3.4. The following amounts were also deducted from our March 2023 Core Revenue Resource Limit; £2.400m for IAS17/IFRS16 reclassification, £0.100m returned against the Cervical Audit underspend, £3.591m transferred to the Golden Jubilee National Hospital in respect of Lanarkshire waiting times activity and £1.152m transferred to National Shared Services for PET scanning which is £0.038m more than the amount top sliced last year reflecting increased activity.
- 3.5. The Board also received funding for non-core expenditure to comply with Scottish Government funding and accounting treatments including £2.400m for IFRS 16 Right of Use asset depreciation, £0.044m for donated asset depreciation costs, £8.155m for impairments, £0.072m for Peppercorn leases depreciation, £6.103m for the provision of medical negligence costs, £15.803m for depreciation against buildings and equipment owned and £7.061m for PFI depreciation costs. These give a Non-Core Revenue Resource Limit of £39.638m and are in line with year-end financial planning expectations.

4. Acute Division

- 4.1. The Acute Division is reporting an over spend of £17.948m for the period to the end of March 2023, including a £0.018m overspend against the Covid-19 envelope, as detailed in Table 2. The over spend is £14.652m more than last year due to a steep increase in agency nursing alongside bank use, unfunded medical posts, higher laboratory supplies costs and expanded use of new higher cost drugs.

Table 2 - Acute Division 2022/23			
	Budgeted Operating Costs	Actual Operating Costs	Actual saving / (excess)
	31/03/2023	31/03/2023	31/03/2023
	£M	£M	£M
Pay	390.092	402.794	(12.702)
Non Pay	133.233	138.460	(5.227)
Healthcare Purchases	7.249	7.250	(0.001)
Gross operating costs	530.574	548.504	(17.930)
Less: miscellaneous income	(48.669)	(48.669)	0.000
Underlying Net operating cost	481.905	499.835	(17.930)
Covid-19 Spend	8.287	8.305	(0.018)
Revised Net operating cost	490.192	508.140	(17.948)

- 4.2. Pay costs are the largest factor behind the overspend (nursing £8.151m and medical and dental £5.205m). The total nursing spend in excess of budget for the 12 months to March is £13.597m of which £5.446m has been covered from the Covid-19 funding envelope leaving £8.151m within the Acute deficit. The factors influencing this are covering for high sickness absence levels and the continued use of agency workers to complement other supplementary staffing solutions. Nurse agency spend continues to be much higher than pre-pandemic levels and totals £25.882m for the 12 months of the year. This compares with an Agency spend for the comparable period last year of £13.159m and a total spend in 2018/19 of £1.936m. Supernumerary posts and rota compliance are contributing to the medical overspend.
- 4.2.1. The expenditure on laboratory and theatres supplies in the 12 months of 2022/23, at £41.856m is £7.964m (23.5%) more than in the 12 months of the previous year as more services continue to open up after the lifting of Covid-19 restrictions with the laboratory supplies spend now c£1.5m than the budgeted level for the contract. Drugs costs were £0.462m over budget, equipment £0.901m and property and hotel services £0.635m.
- 4.3. At £71.177m, the 12 month's Lanarkshire hospitals drug spend is 10.5% more than at the same point last year, 36% more than the same point in 2020/21 and 29% more than pre-pandemic levels. The 12 month's expenditure for out of area drugs (excluding oncology which is only 9 months with a 3-month estimate) is now known which, combined with twelve months' information from the Lanarkshire acute hospitals, led to an actual rise in hospital drugs costs more than the drug reserve set aside in the financial plan.

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 2022/23 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. £23.753m was returned to North IJB for 2022/23 and £9.761m is being returned to South IJB and these will be added to reserves remaining from the 2021/22 balances. Each IJB will be considering its plans for use or retention of reserves.
- 5.3. The opening prescribing budget received the general 2% allocation uplift. The growth in numbers of items dispensed is accelerating and provisional February figures suggest item numbers are 3.19% than in the comparative period last year. The price per item is also higher than last year when national tariff reductions theoretically mean it should be less so this too is adding to the pressure. The volume increase and average price is higher in South than in North but both are now showing an overspend which is forecast to grow over the remaining months of the year. Although both HSCPs have saving schemes in place only North deducted the identified savings (£1.068m) from budget as it looked safe to do so at the start of the year whereas South kept the rollover budget given the overspend position.
- 5.4. Tables 3 and 4 show the position in each partnership. Both have pay underspends due to vacancies across locality community services, hosted services and areas where recruitment is still progressing against new funding such as addictions.

Table 3 - North Lanarkshire Health & Social Care Partnership 2022/23			
	Budgeted Operating Costs 31/03/2023 £M	Actual Operating Costs 31/03/2023 £M	Actual saving / (excess) 31/03/2023 £M
Pay	170.438	155.727	14.711
Non Pay	103.453	93.238	10.215
Prescribing	69.582	71.332	(1.750)
Sub Total	343.473	320.297	23.176
Primary Care Improvement Fund	0.000	0.000	0.000
Share of Primary Care Other Services	11.766	11.189	0.577
Family Health Services	0.000	0.000	0.000
IJB Cfd to Reserves	0.000	23.753	(23.753)
Net operating cost	355.239	355.239	0.000

	Budgeted Operating Costs 31/03/2023 £M	Actual Operating Costs 31/03/2023 £M	Actual saving / (excess) 31/03/2023 £M
Pay	98.139	87.196	10.943
Non Pay	82.089	82.673	(0.584)
Prescribing	67.621	71.371	(3.750)
Sub Total	247.849	241.240	6.609
Primary Care Improvement Fund	13.569	10.971	2.598
Share of Primary Care Other Services	11.305	10.751	0.554
Family Health Services	226.715	226.715	0.000
IJB C fwd to Reserves	0.000	9.761	(9.761)
Net operating cost	499.438	499.438	0.000

6. Estates, e-Health and Other Corporate Functions

- 6.1. Estates, e-Health and Other Corporate functions are reporting an under spend of £2.443m for the period to the end of March, including a £0.142m overspend against the Covid-19 envelope, as detailed in Table 5.
- 6.2. The costs of Test and Protect, the Vaccination programme, community testing and enhanced cleaning across all of NHS Lanarkshire are being reflected in the Corporate section of the ledger rather than spread across the Divisions.

	Budgeted Operating Costs 31/03/2023 £M	Actual Operating Costs 31/03/2023 £M	Actual saving / (excess) 31/03/2023 £M
Pay	82.746	80.210	2.536
Non Pay	114.702	114.653	0.049
Gross operating costs	197.448	194.863	2.585
Less: miscellaneous income	(9.379)	(9.379)	0.000
Underlying Net operating cost	188.069	185.484	2.585
Covid-19 Spend	15.358	15.500	(0.142)
Revised Net operating cost	203.427	200.984	2.443

- 6.3. The under spend is spread across Corporate Departments (£1.734m) and Central Services (£1.448m) offset against an overspend of (£0.739m) within Property and Support Services.
- 6.4. Funding of £0.408m was withdrawn from the Occupational Health (SALUS) budget as an agreed contribution towards the Board's cash releasing efficiency savings plan.

7. Service Level Agreements/Other Healthcare Providers

- 7.1. Service Level Agreements and Other Healthcare Providers are reporting an under spend of £0.794m for the period to the end of March 2023, as detailed in table 6.

	Budgeted Operating Costs 31/03/2023 £M	Actual Operating Costs 31/03/2023 £M	Actual saving / (excess) 31/03/2023 £M
Service Level Agreements	206.747	205.422	1.325
Unpacs and Oats	36.448	37.260	(0.812)
Independent Sector	0.720	0.439	0.281
Net operating cost	243.915	243.121	0.794

- 7.2. The under spend of £1.325m being reported against service level agreements is based on the continuation of the 2021/22 position. 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 2021/22. There is widespread agreement however that the previous two years' activity was so atypical due to Covid-19 that the previous 3 year rolling average will be retained.
- 7.3. The £0.812m over spend being reported against Unplanned and Oats activity is due charges received from NHS Greater Glasgow and Clyde which were £0.471m higher than the budget available. High cost drugs including oncology (£0.164m), Bone Marrow Transplant charges (£0.578m) offset against a reduction of (0.271m) in Home Ventilation packages. There was also an increase in unplanned referrals to other NHS Boards resulting in £0.119m over budget. Specialist high cost cases treated outside Scotland ended the year £0.222m over budget.

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 £24.254m and modelling the pay and supplies price increases and the previous trend on high cost drugs produced a cost increase £38.223m greater than the income increase. To balance this the Board would have needed to release £38.223m of cash from budgets through efficiency savings (CRES). At the time of submitting the financial plan the Board had only identified proposals for £5.669m of this total.
- 8.2. Table 7 mirrors the month 12 efficiency submission to SGHSCD which includes all the gains that took the Board towards breakeven, whether true efficiency or not. Savings to date include rebates on drug list prices, small property or equipment savings. The headings "other" and "financial management" contain income in excess of the confirmed opening plan such as the £12.324m new medicines fund and £14.083 use of banked credits, slippage or underspends. Annex C provides a summary of the main movements from the opening plan which sets out some of these in more detail.

Table 7			
Financial Plan description	Annual Operating Plan £m	Revised Annual Plan £m	Actual to Date £m
Service redesign	-	-	-
Drugs & prescribing	0.500	0.600	0.567
Workforce	-	-	-
Procurement	4.500	8.500	8.816
Infrastructure	0.669	2.894	2.794
Other	-	26.407	26.407
Financial Management / Corporate Initiatives	-	24.720	24.537
Unidentified Savings	32.554	-	-
Total Core NHS Board Savings	38.223	63.121	63.121
Savings delegated to Integration Authorities	4.132	5.414	5.414
Total Savings Required	42.355	68.535	68.535

9. Capital

- 9.1 The initial plan presented to the Board in March 2022 reflected the £13.012m formula allocation, an anticipated £13.156m towards the Monklands Replacement (MRP) business case and an estimated £0.551m of funding from revenue sources and other sources. Since then the main change to income has been as a result of a successful bids to the National Infrastructure Board (NIB) for £2.163m funding for higher value equipment replacements, £3m backlog maintenance funding and £0.6m to cover the laundry equipment on the request of other West of Scotland Boards who wanted to cover their 50% contribution this way.
- 9.2 The year end spend on MRP was £11.853m. We transferred £0.780m of the NIB funding to revenue to cover backlog maintenance classified as revenue and received allocations to cover the technical requirements of IFRS 16.
- 9.3 As is often the case, the list of requests for capital far exceeded known income at the start of the year. The Board in March 2022 was asked only to approve £5.120m of priority projects either already in progress or needing to start soon. As well as seeking additional funding the local capital investment group worked through the lists of projects under development or equipment requests, assessing priority and deliverability to ensure there could be maximum benefit from available funding. This approach has allowed further risk reduction in Monkland's backlog maintenance, additional equipment replacement and work to commence on expanding space within Wishaw Emergency Department and starting work to improve the fabric of Kylepark. The overall programme was delivered within the resource envelope in 2022/23 though the level of continuing schemes means much of 2023/24 funding is pre committed.

9.4 Expenditure to the value of £33.383m has been incurred in the twelve months as detailed in Annex B.

10. Development and Approvals

10.1 Covid-19 and Test & Protect incurred expenditure as detailed in Table 8. Although a combination of cost reductions and identifying other funding covered the costs for 2022/23 there will be no further funding in 2023/24 apart from the vaccination programme and some public health costs. Funding for the vaccination programme in 2023/24 has been confirmed as £9.825m, £1.593m less than the 2022/23 expenditure as the service model is being reworked in line with the new programme and funding.

Area	Budgeted Operating Costs 31/03/2023 £m	Actual Operating Costs 31/03/2023 £m	Actual saving / (excess) 31/03/2023 £m
Acute Operating Division	8.287	8.305	(0.018)
Estates, E-health and Other Corporate Functions	15.358	15.500	(0.142)
Total Board	23.645	23.805	(0.160)
North Lanarkshire Health & Social Care Partnership	5.730	5.730	0.000
South Lanarkshire Health & Social Care Partnership	4.047	4.047	0.000
Total Health & Social Care Partnership	9.777	9.777	0.000
Total Board and Health & Social Care Partnership	33.422	33.582	(0.160)

10.2 Annex D sets out the actual spend on Covid-19 related expenditure. Test and Protect is being funded separately. The 2023/24 allocation for continued surveillance and outbreak control measures has still not being confirmed.

11. Risk Assessment

As a result of the additional income notified for month 11, Risk ID 2123 (that there is a significant risk that NHS Lanarkshire will be unable to realise required savings for year 2022/23 and deliver a balanced budget whilst maintaining essential services, meeting legislative requirement whilst being responsive to strategic change) was reduced from high to low and finally closed after the month 12 figures were assessed.

The one off nature of many of the gains mean there has been no improvement in the forecasts for 2023/24.

12. Conclusion

The Board is asked to note:

- the contents of the paper and in particular the initial assessment that all 3 financial targets covered in this paper have been met;
- the reported breakeven position as at 31 March 2023, recognising that at the year-end the under spend on Health and Social Care partnerships was transferred to IJB reserves for future use;
- the Board has delivered a £33.383m capital programme within its Capital resource limit.

LAURA ACE
DIRECTOR OF FINANCE
15 May 2023

REVENUE RESOURCE LIMIT 2022/23				
	Baseline Recurring £M	Earmarked Recurring £M	Non Recurring £M	Total £M
Core Revenue Resource Limit as at 28 February 2023	1,347.338	176.442	68.056	1,591.836
March Adjustments to Allocations Confirmed:				
GJNH - Top slice adjustment - Boards SLA's	0.000	0.000	(3.591)	(3.591)
Young Patients Family Fund	0.000	0.000	0.028	0.028
MSN Neurosurgery	0.000	0.000	0.054	0.054
Positron Emission Tomography Scans - Adjustment	0.000	0.000	(1.152)	(1.152)
Learning Disability Health Checks	0.000	0.246	0.000	0.246
Test and protect spend tranche 2	0.000	0.000	0.416	0.416
SDCEP Post - double payment made in 2022/23	0.000	0.000	(0.070)	(0.070)
Learning Disability Health Checks - Reversal of 336	0.000	0.000	(0.123)	(0.123)
Mental Health Outcomes Framework 2022/23	0.000	1.300	0.000	1.300
SG funded Cytosponge Devices	0.000	0.000	0.055	0.055
SG funded payments on behalf - medical consumables	0.000	0.000	0.029	0.029
SG funded payments on behalf - PPE	0.000	0.000	1.386	1.386
Speciality and Specialist Doctors Contract Accrual	0.000	0.000	0.232	0.232
Cervical Audit return funds	0.000	0.000	(0.100)	(0.100)
Infrastructure support	0.000	0.000	0.780	0.780
Return of funding	0.000	0.000	(1.865)	(1.865)
Core RRL - IAS17/IFRS16 reduction	0.000	0.000	(2.466)	(2.466)
Core RRL - IFRS 16 interest	0.000	0.000	0.128	0.128
Depreciation transfer from core to non core	0.000	0.000	(15.504)	(15.504)
Return of funding	0.000	0.000	(1.745)	(1.745)
Core Revenue Resource Limit as at 31 March 2023	1,347.338	177.987	44.548	1,569.874
Non Core Revenue Resource Limit as at 28 February 2023	0.000	0.000	0.000	0.000
Non-core RRL - IFRS 16 RoU asset depreciation	0.000	0.000	2.400	2.400
Non-core expenditure - AME donated asset depreciation	0.000	0.000	0.044	0.044
Annually Managed Expenditure - Impairments	0.000	0.000	8.155	8.155
Non-core expenditure - AME Peppercorn leases depreciation	0.000	0.000	0.072	0.072
Non-core expenditure - AME provisions	0.000	0.000	6.103	6.103
Non core expenditure - Depreciation	0.000	0.000	15.803	15.803
IFRS Revenue PFI	0.000	0.000	7.061	7.061
Non Core Revenue Resource Limit as at 31 March 2023	0.000	0.000	39.638	39.638
Total Revenue Resource Limit as at 31 March 2023	1,347.338	177.987	84.186	1,609.512

NHS LANARKSHIRE		
CAPITAL EXPENDITURE TO 31st March 2023		
	2022/23 A.O.P £M	2022/23 Actual £M
Initial Capital Formula Allocation:	13.012	13.012
Capital Resource Limit Adjustments:		
NES Funding - Cytology	0.000	0.030
Bronchoscopy simulators	0.000	0.058
National Treatment Centre - Cumbernauld	0.000	0.193
Monklands Replacement Project	13.156	11.855
National Infrastructure Board - AAA Ultrasounds	0.000	0.093
Transfer Trolleys	0.000	0.051
National Infrastructure Board - Equipment	0.000	2.163
National Infrastructure Board - Backlog Maintenance	0.000	3.600
Capital to Revenue Transfer	0.513	-0.780
Leases (IFRS 16)	0.000	3.047
GP Sustainability Loans - Blackwood Medical Centre	0.000	0.043
FINAL CAPITAL RESOURCE LIMIT	£26.681	£33.365
Other Income Adjustments:		
Other Income	0.018	0.018
Property Disposals	0.020	0.000
	£0.038	£0.018
	£26.719	£33.383
<u>CAPITAL EXPENDITURE:</u>		
<u>Business Cases</u>		
Monklands Replacement Project	13.156	11.855
Monklands General Business Continuity	2.267	5.404
Acute Property Works including Brain Injury	1.737	3.397
CAMHS South Lanarkshire Base	0.316	0.667
Kylepark	0.000	0.194
GP Sustainability Loans	0.000	0.043
National Treatment Centre - Cumbernauld	0.000	0.192
Other	0.000	0.343
	17.476	22.095
<u>Medical Equipment</u>	0.500	4.833
	0.500	4.833
<u>Other Expenditure</u>		
General Estates Work	0.000	0.897
West of Scotland Laundry - Replacement	0.000	0.632
Fleet Decarbonisation	0.000	0.352
Leases (IFRS 16)	0.000	3.047
	0.000	4.928
	0.300	1.527
	0.300	6.455
TOTAL CAPITAL EXPENDITURE	£18.276	£33.383
(OVER) / UNDER COMMITTED	£8.443	£0.000

Summary of Main Movements in Financial Position

ANNEX C

Opening Position	£m
Gap between cost and income growth as assessed March 2022	-38.223
Identified Efficiency Schemes March 2022	5.669
Net Position March 2022	-32.554
Improvements	
Savings identified through finance recovery group or other local work	1.495
Additional national savings	5.115
Financial Management Options - use of banked funds or previous credits	15.801
Financial Management Options - release of accruals	2.412
Slippage on planned developments	5.116
Net gain against financial plan on income and cost estimates excluding energy and acute deficit	1.865
NIC benefit	1.605
CNORIS (reduction from risk share of £70m to £60m)	1.291
Underspend on corporate and out of area budgets	3.238
New Medicines Fund (share of increase in national PPRS receipts from £100m to £200m)	12.324
	17.707
Cost Pressures	
Acute deficit	(17.948)
Less: Elements of deficit covered from provisions in financial plan	5.705
Other healthcare providers deficit	(0.306)
Increase in energy costs	(5.159)
Actual surplus/ (deficit) 2022/23	0.000

Covid-19 - Forecast year end expenditure for Health Services		
Revenue - Forecast Expenditure £000s	2022-23 Out-turn	2021-22 Out-turn
Scale up of Public Health Measures	677	623
Flu Vaccination & Covid-19 Vaccination (FVCV)	11,418	16,725
Additional Bed Capacity/Change in Usage	1,078	1,407
Additional Staff Costs (Contracted staff)	840	0
Additional Staff Costs (Non-contracted staff)	4,917	9,840
Drug Related Costs	18	0
Additional Equipment and Maintenance	220	0
Additional Infection Prevention and Control Costs	375	1,927
Additional PPE		11
Digital & IT costs	309	0
Loss of Income		234
Other	265	1,791
Payments to Third Parties		331
Staff Wellbeing	483	
Patient Transport	360	0
Total Covid-19 Costs	20,961	32,889
Unachievable Savings	0	9,000
Remobilisation Costs	0	685
Test and Protect Costs	2,844	8,156
Grand Total	23,804	50,730