

**NHS GOLDEN JUBILEE**

**FINAL SUMMARY FINANCIAL REPORT**

**2024/25**

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| **FINANCIAL POSITION – Final Summary Financial Report 2024/25** |
| **EXECUTIVE SUMMARY** |
| 1. **2024/25 to 2026/27 FINANCIAL PLAN**   The final efficiency savings trajectory is **(£10.480m)** which is £535k above the agreed level of the 2024/25 efficiency plan of **(£9.945m).**  The final year position reports a £74k surplus,(subject to external audit verification) with the recurring gap of savings now built into the renewed 3 year plan.  **DELIVERY OF 2024/25 FINANCIAL PLAN**   |  |  | | --- | --- | | **Current Risk Rating** | **Low** |   The final core revenue position is a favourable variance of £74k. This represents a variance of 0.03%, within the 1% Break-even range.  **2025/2026 TO 2027/28 FINANCIAL PLAN**   |  |  | | --- | --- | | **Current Risk Rating** | **Medium** |   The revised draft 2025/26 to 2027/28 3 year plan was submitted to SG in March 2025, following approval at ELT. This shows a savings requirement of (£8.358m) for 2025/26, rising to (£9.270m) for 2026/27 and (£10.853m) for the final year of the plan in 2027/28.    Given the scale of the challenge as we move into a 3 year planning cycle a more robust focus on identifying and delivering recurrent savings will be required. |
| 1. **2024/25 CORE INCOME POSITION**  |  |  | | --- | --- | | **Current Risk Rating** | **Low** |   Income is £2.045m or 0.76% above the Financial Plan at year-end. The key areas of over-performance relates to the Non West Of Scotland Boards’ SLAs, over performance on SPVU and SACCS as well as VAT rebates. |
| 1. **2024/25 CORE EXPENDITURE POSITION**   Core Expenditure is (£1.971m) or -0.73% above the Financial Plan at year-end.  **PAY COSTS**   |  |  | | --- | --- | | **Current Risk Rating** | **Low** |   Pay costs are underspent by £1.871m or 1.04% below the total pay budget.  There continues to be pressures across medical staffing areas relating to WLIs and agency  incurred throughout the year.  **NON PAY COSTS**   |  |  | | --- | --- | | **Current Risk Rating** | **Very High** |   Non Pay costs are overspent by (£3.842m) equating to -4.27% above the year end budget across a number of Board Expenditure Categories. The year-end variance now reflects the activity undertaken against planned activity along with ongoing cost pressures relating to energy costs, surgical supplies and medicines. |
| 1. **2024/25 EFFICIENCY REQUIREMENT**  |  |  | | --- | --- | | **Current Risk Rating** | **Low** |   The (£9.945m) efficiency requirement within the Financial Plan to achieve the targeted break-even position for 2024/25 has been met for this year.  **FULL YEAR SAVINGS PLAN**  Full year achievement of (£10.480m) savings delivered. An overachievement of **£535k.** |
| 1. **NON-CORE REVENUE POSITION**  |  |  | | --- | --- | | **Current Risk Rating** | **Low** |   Non-Core position is break-even (expenditure matched by SG Income). |
| 1. **CAPITAL INCOME AND EXPENDITURE**  |  |  | | --- | --- | | **Current Risk Rating** | **Low** |   The Board’s Core Capital allocations for the year is now confirmed at **£14.635m.** This funded the capital expenditure in-year as per the table below.   |  |  | | --- | --- | | Formula Core Capital | 2.691 | | 23/24 carried forward | 1.265 | | Lifts | 0.705 | | Academy | 0.27 | | CT Scanner | 1.023 | | Additional Core Funding | 1.819 | | Hepma | 0.239 | | Energy Efficiency | 0.806 | | **Total Core Allocation** | **8.818** | | Phase 2 | 5.41 | | **Total Inc Phase 2** | **14.228** | | Asset Sales | 0.011 | | **Total CRL (excluding leases)** | **14.217** | | Leases Funding via capital | 0.416 | | **Total CRL (including leases)** | **14.635** |   As at 31st March 2025, actual capital spend totalled £14.644m, with £11k of asset sales requiring a total Capital Resource Limit Allocaiton of £14.635m. |
| **FINANCIAL REPORT – Final Summary Financial Report 2024/25** |
| **SECTION 1: NHS GOLDEN JUBILEE- OVERALL POSITION**  The table below provides the high level summary position of the Board as at year-end. The net position shows a £74k favourable position, with over-recovery of income of **£2.045m** offsetting expenditure pressures of **(£1.971m)**.  **Table 1 – All Income and Funding Sources against all expenditure** |
| **SECTION 2: 2024/25 CORE INCOME POSITION**  Income is **£2.045m** or 0.76% above the Financial Plan at Month 12.  **REVENUE RESOURCE LIMIT (RRL)**  RRL allocations of **£171.258m** for the year have been received and released into position.  **£31.106m** of the annual RRL relates to the marginal SLAs undertaken within NES for other Territorial Boards.  **SERVICE LEVEL AGREEMENTS (SLA INCOME)**  Total SLA income is **£932k** over-recovered at year-end.  **Table 2**    Cardiac activity is above plan by **£645k** this relates to £663k NSD and a small underperformance of -£5k ACT and Junior Doctors in Month 12.  Thoracic activity is above plan by **£96k** due to increasein NWoS.  Cardiology activity is above plan by **£400k** this relates to over performance of £543k SACCs - offset by the underperformance in NWoS of £143k.  SPVU is over performing by £176k in activity.  **HOTEL AND OTHER INCOME**  **Table 3**    GJ Conference Hotel income is (**£276k)** under-recovered at year end. The main driver is the reduction in sales of food and beverages and Health Club – this is offset by room income (including patient rooms).  Other Income sources that are over performing at a total of **£1.390m** include:-   * R&D £368k due to additional studies and excess treatment costs. * Catering £101k due to increased activity * NHS GJ Shop £37k * Pharmacy Drugs of £332k not included in SLA Pathways invoiced to various health boards. * CNORIS claims £97k * Staff Secondment of £445k invoicing to various health boards (matched by relevant costs). |
| **SECTION 3: 2024/25 CORE EXPENDITURE POSITION**  Total expenditure for the year was £271.286m above the annual budget of £269.315m resulting in an adverse variance of (£1.971m) overall (-0.73%).   * Pay Costs underspend of £1.871m, 1.04% * Non-Pay Costs (£3.842m), -4.27%   **PAY COSTS AT YEAR END**  **Table 4 – Pay Costs**    **MEDICAL PAY COSTS**  The overspend within Medical staff category is **(£523k)** – the main drivers are within NES division with a high rate of WLI being paid but staff have now been recruited to some posts so costs should reduce next financial year.  HL&D division are now showing a £355k underspend at year end the main driver of this is the vacancies within Cardiology.  The key pressures within medical pay relates to medical agency costs and Waiting List initiative payments in the following areas:  **Table 5 – Medical staff key expenditure pressures**   |  |  |  |  | | --- | --- | --- | --- | | **Pressure** | **HLD** | **NES** | **Total** | | **Agency:-** |  |  |  | | Radiology | -£135k |  | -£135k | | Cardiac Registrars | -£113k |  | -£113k | | Ophthalmology |  | -£531k | -£531k | | General Anaesthetics Registrars |  | -£0k | -£0k | | Orthopaedics |  |  |  | |  | **-£248k** | **-£531k** | **-£779k** | | **Waiting List Initiatives:-** |  |  |  | | Cardiac | -£346k |  | -£346k | | Cardiology | £68k |  | £68k | | CT Anaesthetics | -£677k |  | -£677k | | General Anaesthetics |  | -£617k | -£617k | | Orthopaedics |  | -£214k | -£214k | | Ophthalmology |  | -£302k | -£302k | | General Surgery |  | -£822k | -£822k | |  | **-£1.091m** | **-£1.955m** | **-£3.046m** | | **Grand Total of Medical Pressures** | **-£1.339m** | **-£2.486m** | **-£3.825m** |   These pressures are partially offset with the level of vacancy underspends across both Divisions, demonstrating the current recruitment challenges faced by the Board.  **NURSING PAY COSTS**  Nursing pay costs are underspent by **£1.477m**. This figure is after phasing part of the Nurse vacancy efficiency saving target of **£3.304m** into the position at year-end.  This reflects the on-going level of vacancies across the system and the scale of the on-going recruitment challenge. Whilst this is supporting the current efficiency position, Divisions continue to work with Finance and Performance colleagues to identify recurring transformational savings plans.  **CLINCIAL PAY COSTS**  Clinical pay costs underspends are **£211k** at year-end. This is after **£476k** of efficiency savings have been factored into the year-end position relating to the vacancy management workstream for Clinical staffing.  **SUPPORT PAY COSTS**  Support pay costs in all divisions are showing an underspend of **£368k** at year end.  Efficiency savings of **£175k** have been factored into the year-end position relating to the vacancy management workstream for Support staffing - they have underachieved by **(£41k)**.  **ADMIN PAY COSTS**  Admin pay costs are underspent by **£339k** at year end, NES is showing an overspend of (**£213k)** and Hotel **(£50k)** – the other divisions are all underspent at year-end.  Efficiency savings of **£1.268m** have been factored into the year-end position relating to the vacancy management workstream for Administrative staffing – which has underachieved by **(£70k)** at year-end.  **NON PAY COSTS AT YEAR-END**  Total Non-Pay costs are overspent at year-end by **(£3.842m)**.  **Table 6 – Non-Pay Summary**    **PHARMACY SUPPLIES (£148K) (2.65% of year-end Budget)**  The key areas of pressure across pharmacy supplies relates to HL&D **-£439k** overspend all other divisions are underspent at year-end.  Savings identified to-date relate to specific medicine switches and contract changes totalling **£277k**.    **SURGICAL SUPPLIES** **(£1.237m) (2.89% of annual Budget)**  Surgical Supplies are overspent across all Divisions reflecting the increase in costs of consumables and devices along with the increased activity undertaken against plan throughout the year.  NES pressures are showing **(£844k)** overspend at year-end. There is a reduction in costs due to ongoing action by procurement and finance to investigate invoicing discrepancies from Stryker. Some credit notes have been received and this is also reflected in the total costs.  HL&D pressures are (**£298k)** at year-end which relates mainly to phasing of TAVI devices with increased activity in this area.  **LAB/RADIOLOGY SUPPLIES (£415k) (21.03% of annual Budget)**  HL&D are showing an overspend of (**£375k)** at year-end. The main driver of this relates to Tissue Typing and SACCS Cath Lab increased use of Septal Occluders. Funding has only been provided at the level of the current SLA with NSD.  **PPE** **(£470k) (4.00% of annual Budget)**  Increase in spend over the majority of divisions but Corporate is the main driver (**£452k)** with pressures relating to maintenance and contractual works across Estates and Facilities – this is offset with underspends on service contracts and backlog maintenance at year-end.  **FM** **(£1.112m) (8.21% of annual Budget)**  Corporate overspend is **(£714k)** at year end – a deep dive into the utilities spend has produced more robust information to drop aged accruals but there continues to be high levels of spend and the water charges are high this year compared to 2023/24.  HL&D overspend is **(£67k)** the main pressure relating to disposables, laundry and cleaning materials associated with year-end activity.  NES is overspent by **(£215k)** Transport and provisions are the main areas of overspends at year-end.    **CS&R&S (£459k) (3.32% of annual Budget)**  HL&D **(£122k)** at year end – Postage and Printing, Advertising, travel and training are the main drivers in this division.  NES **(£215k)** at year end– Carriage, postage and stationery, travel and training are the main drivers in this division.  Corporate and Others are also underspent **£19k –** main driver’sreview of the provision relating to bad and doubtful debts, underspend in patient rooms and L&OD at year-end. |
| **SECTION 4: NHS GOLDEN JUBILEE- DIVISIONAL PERFORMANCE**  At Month 12, NHS Golden Jubilee has a Pay underspend of **£1.871m** and a Non-Pay overspend  of **(£3.842m)**.  The following Table provides details of these variances for both Pay and Non-Pay together with an analysis over each of the Divisions.  **Table 7 – Pay and Non-pay Variances by Division** |
| **SECTION 5: 2024/25 RRL ALLOCATIONS AND AME and Non-CORE Allocations**  **Table 8 –Revenue Resource Limit final allocations as at year-end** |
| **SECTION 6: 2024/25 EFFICIENCY REQUIREMENT**  The **(£9.945m)** efficiency requirement within the Financial Plan has been achieved for 2024/25.  The actual current savings trajectory achieved **(£10.480m)** which is **£535k** above the agreed level of the 2024/25 efficiency plan of **(£9.945m).**  **Full Year Savings Plan**  The table below provides a summary of the workstreams identified and the amounts achieved by division.  **Table 9**    Whilst a significant proportion of this is down to the release of in-year financial flexibility, there have been a number of areas that have also contributed to the year-end position – most notably, Nursing vacancies and other vacancies to-date.  Finance will continue to work closely with all budget holders to identify other opportunities and areas for efficiency savings within their divisions in the next financial year.  The graph below provides a high level overview of the progress made at year-end by each workstream:-  **Graph 1**    **Sustainability & Value**  Achieving the Balance Programme has been integrated to the Board’s reporting structure, reviewing all workstreams for progress and update on risks and recurring delivery.  The revised governance arrangements in place ensure all schemes are reviewed regularly to highlight all opportunities. All areas identified within the ’15 box grid’ have been built into the workstream areas the Board is progressing. In particular a review of temporary staffing expenditure across all staff groups has identified the current level of expenditure associated with funded vacant posts, as well as costs incurred to recover the Waiting Times Targets.  This has already supported the work undertaken in HLD in identifying potential savings across many areas. Further work is required to review similar areas across NES Division.  This work will support the revised governance arrangements associated with ‘Achieving a Balanced System’. |
| **SECTION 7: NON CORE PERFORMANCE**  Non-Core position at year-end is break-even (expenditure below matched by SG Income).  The main elements of Non-Core funding are shown in the table below, subject to final confirmation of the valuers report on the new surgical centre:  **Table 11**   |  |  | | --- | --- | | Category | Annual Budget £ | | Annually Managed Expenditure (AME) | 326,000 | | Depreciation (Donated Assets) (AME) | 9,000 | | Impairment of Phase 2 | 20,696,000 | | Depreciation (Board Capital) | 13,852,000 | | Total | 34,883,000 | |
| **SECTION 8: CAPITAL INCOME AND EXPENDITURE**  As previously highlighted by Scottish Government, capital funding is only being made available to all Boards based upon their Resource Formula for Capital expenditure.  This places a significant level of risk on the Golden Jubilee’s replacement programme for medical equipment and infrastructure changes that have been previously highlighted in our 5 year plan.  A risk workshop was undertaken in May by the Capital Delivery Group (CDG) who risk rated all proposed capital schemes which created a prioritised list of all capital requests from the highest risk to the lowest risk.  This list of priorities were subsequently approved by the Strategic Capital Programme Group (SCPG) and then by ELT.  The original capital plan was based on anticipated allocations of £4.637m related to core, with Phase 2 and capitalised leases to be funded at expected levels as shown in the table below as £7.541m. In December 2025, a number of additional capital allocations were made available. Following re-phasing of Phase 2 and CT Scanner spend, along with yearend adjustments, the final CRL and spend for 2024/25 is £14.635  The Table below provides a summary of the anticipated Capital Resource Limit (CRL) for 2024/25:  **Table 12**   |  |  | | --- | --- | | Formula Core Capital | 2.691 | | 23/24 carried forward | 1.265 | | Lifts | 0.705 | | Academy | 0.27 | | CT Scanner | 1.023 | | Additional Core Funding | 1.819 | | Hepma | 0.239 | | Energy Efficiency | 0.806 | | **Total Core Allocation** | **8.818** | | Phase 2 | 5.41 | | **Total Inc Phase 2** | **14.228** | | Asset Sales | 0.011 | | **Total CRL (excluding leases)** | **14.217** | | Leases Funding via capital | 0.416 | | **Total CRL (including leases)** | **14.635** | |

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| **Decision–**    **(1) Approve the Final Summary Financial Report 2024/25** |

**Jonny Gamble**

**Director of Finance**

**NHS Golden Jubilee**