**NHS Golden Jubilee**

**(Also known as The National Waiting Times Centre)**

**Three-Year Financial Plan 2022/23 to 2024/25**



**Scottish Government Financial Planning Process**

This paper aligns with the Scottish Government Financial Planning Guidance issued to NHS Scotland Health Boards, Health, and Social Care Partnerships (HSCP) on 2 February 2022. This guidance issued and applied supports the completion of the 2022/23 NHS Scotland Financial Plans, to ensure consistency and aid meaningful comparisons across NHS Scotland Boards.

This sets out the Scottish Government aim to revert to the, pre Covid-19, three-year financial planning to facilitate an improved strategic approach to remobilisation and beyond.

In recognising the pressures that Boards are currently working under, together with the high level of uncertainty and volatility that remains in the system, and to align with operational planning, Scottish Government have split these three year plans across two phases.

**Phase one** – NHS Boards in Scotland initially asked to set out their financial plans for 2022/23 ahead of the start of the financial year.

These plans are to cover a **period of one year for revenue and five years for capital**.

Draft Financial Plans, consisting of the financial template and a supporting narrative, were to be submitted by **Friday** **18 February 2022.**

The plan is then for Scottish Government to review and feedback to each NHS Board and HSCP ahead of the revised submissions that are to be submitted to Scottish Government by **Friday** **18 March 2022.**

The initial 18 February 2022 deadline and completed financial template with supporting narrative have been submitted to Scottish Government in line with the first step defined within Phase one above.

A meeting has been held with Scottish Government mid-March 2022 to inform the review and feedback key points prior to the second step 18th March 2022 submission deadline noted in Phase one above.

**Phase two** – This involves the initial NHS GJ Financial Plan being updated to provide forecasts for financial years 2023/24 and 2024/25 and 2022/23 information can be revised, as appropriate, to align with the 3-year integrated operational plans. This plan is to be submitted at part of the 3-year integrated plans and alongside Quarter 1 reporting (in July 2022).

To simplify the process of updating the Financial Plans both phase one and two are to be submitted using the same financial template.

**NHS Golden Jubilee Three Year Financial Planning**

The NHS Annual Delivery Plan for 2022/23 recognises that the NHS remains in a fluid position, however with a focused aim to transition from the non-recurring covid-19 NHS management plan to a recurring recovery and business as usual strategy.

This financial plan also considers the broader medium term strategic priorities for the following two years, covering 2023/24 and 2024/25 and our continued contribution to delivering high quality care through collaboration. Robust finance, workforce and activity planning strengthen this financial plan.

The Cabinet Secretary has set out that the 2022/23 budget is a transitional budget, paving the way for the full resource spending review due for publication in May 2022.

Priorities on improving patient outcomes focus on Primary Care, waiting times recovery; investment in mental health and CAMHS; Trauma Networks and Drugs Deaths and contribute to the delivery of greater progress and pace in the integration of Health and Social Care. This will incorporate how NHS Golden Jubilee financial strategy activities will contribute to:

* Anticipated covid-19 commitments continuing throughout 2022/23
* Support in the delivery of the Medium Term Financial Framework, review and revisit of the publication in October 2018 on completion of the May 2022 resource spending review;
* the relevant health and social care commitments contained in ‘Protecting Scotland’s Future: The Government’s Programme for Scotland 2019/20’;
* Scottish Government’s National Performance Framework; and
* NHS Boards Annual Delivery Plans , with particular focus on financial year 2022/23

This three-year financial plan identifies the key points from this wider Scottish Government context as defined within the Health and Social Care Delivery Plan that relate specifically to NHS Golden Jubilee and the financial assumptions and impact of these over the next three years.

In addition, the financial plan identifies investment to transform the way our healthcare services are provided, support transformational recruitment, training and development and to meet the changing needs of the future.

**2022/23 Scottish Government Budget**

The Scottish Government issued its 2022/23 budget letter to NHS Boards on 9 December 2021, which described an increase in spending on frontline NHS Boards, which compromised the following key areas,

* Additional baseline funding uplift of 2% or £340.7m, of which NHS GJ will receive £2.2m
* Increase in improving patient outcomes funding of £70m (from £775.9m to £845.9m)
* Covid-19 Funding - £30m on recurring basis to support the ongoing recruitment to vaccination staffing, £33m for the first 6 months for the National Contact Centre and Test and Protect staffing, £17.5m for mobile testing units and £4.1m for regional labs staffing

**Baseline funding uplift modelling**

The baseline uplift includes the following,

* 2% baseline uplift, in addition, those Boards furthest from NRAC parity will receive a further share of £28.6m to maintain a position of all Boards within 0.8% of NRAC.
* In terms of pay, initial funding has been allocated in line with the Scottish Public Sector Pay Policy
* All Other NHS Boards SLA uplifts, due to NHS GJ, are subject to the Corporate Finance Network (CFN) SLA inflationary uplift agreement. Whilst this awaits formal agreement, for modelling purposes within this plan, 2% has been applied.

**2022/23 Pay award uplift**

In terms of pay uplift, this reflects the current Scottish Public Sector Pay Policy (SPSPP) for planning purposes i.e.

* A new £10.50 wage floor,
* A guaranteed cash uplift of £775 for those earning £25,000 and below. This delivers a pay increase of more than three per cent to the lowest earners.
* The policy also delivers a progressive headline pay increase of £700 for those earning over £25,000 and up to £40,000.
* With a £500, pay uplift to those earning over £40,000.

NHS Boards have used the above SPSPP for planning purposes at this stage as advised by Scottish Government; however, there is recognition that this may not reflect the final pay policy decision for financial year 2022/23. National discussions around the 2022/23 pay award uplift are ongoing at this stage.

The Financial plan assumes that any movement in the pay policy uplift detailed above will be supported via further funding support from Scottish Government.

**Remobilisation, Recovery and Redesign Plan**

Financial Planning Template – This was due, and submitted, to Scottish Government on the 18 February 2022. Whilst this is a three-year template, SG requested that **only 2022/23** was completed for this date. As detailed within the Scottish Government Financial Planning Process, the return will be refreshed for a full three-year plan later in the year, alongside submission of a three-year operational plan.

**Annual Delivery Plan (ADP)**

Activity planning assumptions for NHS GJ Board are now complete. The full 3-year ADP submission is due by July 2022.

The final 2022/23 activity submissions for the Board reflect 23,484 cases for Cancer and National Elective Services specialisms with 58,074 cases for Heart, Lung and Diagnostic service areas and specialisms.

The table below summarises the 2022/23 activity position alongside the comparison to pre-covid performance and current forecast outturn for 2021/22.



The above 2022/23 position is prior to funding bid support through the Waiting Times Improvement fund for key planned care improvement interventions including additional capacity developments in support of Independent Sector contracts. These interventions include,

* Independent Sector Weekend Eyes/NHS GJ Hybrid model of additional activity provided by NHS GJ weekdays and some IS Weekend operating provision, forecast delivery of 12,065 procedures in total with additional funding of £0.730m (excluding associated marginal costs funded via NHS Boards top-slice SLA). Planned commencement beginning of May 2022.
* Endoscopy Mobile Unit continuation. An additional 2,409 procedures provided via this mobile Unit contract over a 12- month period with additional funding of £2.974m, commencing June 2022.
* Main Suite Theatre Capacity - Independent Sector Theatre Team provision, extension of existing contract up to a maximum of two 12 week periods providing additional 200 cases across General Surgery, Colorectal and Cancer.
* General Surgery provision – acceleration of Phase 2 workforce and activity plans to support provision of major colorectal cases, including Robotic colorectal, upper GI in addition to laparoscopic cholecystectomy.
* EP/Coronary Saturday sessions - Implement over a 6 month period delivering 108-144 additional procedures on the basis of 75% of all these sessions undertaken.
* Mobile Cath Lab – fully staffed for 8 weeks during May 2022 and June 2022 supporting 20 EP cases and 224 Coronary cases.
* Independent Sector Cardiac Theatre team – to enable 4 Theatres activity and support a minimum of 3 extra cases per week for 16 weeks.

Scottish Government has approved the first four of these interventions at this stage. The three remaining Heart and Lung associated developments are incorporated within the Scottish Government Planned Care Improvement template for consideration against Waiting Time Improvement funding. Therefore, these interventions have not been reflected in the current 2022/23 financial plan position at this stage. This will follow a review of all national requests for Access Support funding.

**Vaccination**

Included in the Financial Planning Template – Testing and Vaccinations, for NHS GJ submitted costs of £100k for Both Covid and Flu Vaccination programmes continuing into 2022/23.

**Test & Protect**

Included within the template at £205k based on existing mobile testing facility. This incorporates both the staffing to support this mobile testing facility and the rental of the Marquee and Portacabin.

**Golden Jubilee Conference Hotel**

Due to guidance in the 2022/23 budget letter confirming funding for support of the ongoing recruitment to vaccination staffing, for the National Contact Centre, Test and Protect staffing, for mobile testing units and for regional labs staffing only no formal value was submitted within the 18 February 2022 Financial Planning Template form 7 – Covid-19 Health Board costs.

However, £1.5m is described as a forecast shortfall for the GJCH into 2022/23. This risk will be a key focus in financial discussions with Scottish Government and as part of the mid-March review meeting given the financial implication for NHS GJ Board and this income pressure driven as a direct result of Scottish Government guidance around the hospitality sector during Covid-19.

The GJCH financial performance position assumes some crucial changes in terms of charging rates for patient rooms, on-call rooms and internal NHS GJ board funding support that requires further review before finalising and completion of the July 2022 3-year integrated plans submission.

**Heart, Lung & Diagnostic Recovery** **Funding**

The Board previously received non-recurring funding to support the workforce implemented into the H, L&D division to bridge implications from 4 nations’ guidance, patient distancing, flow implications and change in patient complexity coming through due to delayed presenting within the health pathway. This area together with the Cardiology strategy will also be discussed with Scottish Government to gain a financial conclusion for the July 2022 3-year integrated plans submission.

**Financial Plan Key Developments**

**NHS Scotland Academy (NHSSA)**

On the basis of the previous business case the 18 February planning template assumed 70% of the full £2.063m funding will be required within NHS GJ during 2022/23 in addition, the Finance Plan assumes a cost neutral income and expenditure position. In discussion with the Director of the NHSSA the original £2.063m business case funding has been reviewed due to additional training programmes and developments and a revised funding position of £2.5m is now indicated. This will be confirmed as part of the mid-March 2022 financial planning template review meeting with Scottish Government.

No inclusion has been made at this stage in relation to the further £4.5m of funding included within the National Treatment Centre Resource and Investment paper defining training funding to broaden the scope of accelerated workforce development programmes in the future, however this will be included upon formal release and phasing, and will be cost neutral in nature.

**Centre for Sustainable Delivery**

This assumes a cost neutral position within the Finance Plan with £5.34m workforce baseline, £369k additional for Innovation and Strategy Programme and £7.5m programme budgets (the latter to be finalised for 2022/23 with SG, however this will include a cost neutral income and expenditure position).

**Elective Treatment Centre**

Assumes a cost neutral position, ADP activity plan assumptions and aligned with original Phase 1&2 FBC position plus the impact of the 2 additional Endoscopy rooms. This also incorporates acceleration of plans associated with workforce recruitment and 2022/23 ADP activity plans.

**International Recruitment**

No Income assumed at this stage in relation to this development albeit it is recognised that investment was made during 2021/22 by SG but not yet defined for 2022/23. Costs assumptions of £905k align with the business case in final stages of development. It is expected that a level of funding will be defined in collaboration with Scottish Government although it is acknowledged that an element of internal costs may need to be funded directly via the Board – these internal costs reflect a cost in the region of £0.240m to £0.286m per annum.

**Band 2 to 3 Grading review**

Financial Plan incorporates £0.300m in relation to this review of Band 2 roles with clinical duties linked to the national grading appeal. No detriment impact means due to unsocial payments within existing Band 2 roles that transition onto Band 3 scale may be higher than the minimum point in many cases, and the above total incorporates this into the calculation.

**Health & Wellbeing**

Inclusion of £90k provision within the Financial Plan, this will look to support existing developments including the Mental Health First Aid, Telephone Consultation, Resilience framework, staff support roles and promotional materials.

The budget and costs for Health and Wellbeing developments and support are separately defined within NHS GJ financial reporting to allow transparency on the investment in this area and to ensure staff are effectively supported from various health perspectives within the workplace.

**Endoscopic Vein Harvest**

The 2022/23 new revenue costs of £110k for consumables associated with new equipment have been included within the plan. This is based on the H, L&D paper taken through the NHS GJ governance process around this new development. This procedure offers a minimally invasive option for Coronary Artery Bypass Surgery to reduce the impact on patients recovery from long leg wound surgery, as a result of vein harvesting, and improve return to routine daily life duties and minimize pain.

**National Developments**

This includes cost consideration of national developments including e-rostering, O365, PACS and CNORIS totalling £273k. These developments and associated business cases including financial implications have been presented through the Corporate Finance Network for support. There is continuing dialogue with Scottish Government around national funding support levels, however until this is complete NHS Boards are incorporating the additional costs for their own respective boards to support these areas of development. This full cost is included within the finance plan.

**Energy Increase**

Due to the national implications on energy prices initial data shared across NHS Scotland indicated 86.9% for gas and 12.8% for electricity forecast within the NHS equating to £40.5m with NHS GJ estimated impact of £880k. However, this is an area of high volatility, due to ongoing pressure associated with supply across Europe. Recent communications from Scottish Government indicates that a further 35% of costs increase above the £40.5m should be considered with NHS Estates and Facilities Management advising that this further increase should be modelled on 50%.

The above position reflects sensitivity and scenario planning against the 2022/23 financial plan.

**Cardiology Strategy - Cath Lab 5**

No external funding support has been approved to support this development and additional supplies implications at full activity of £1.1m included. Workforce costs already in baseline service costs. Discussions ongoing via regional planning and boards, and will be the subject of discussion when the CE and DoF meet with Scottish Government.

**Independent Sector**

Assumes cost neutral position in relation to the additional activity interventions described within the Annual Delivery Plan section of this paper. Specific areas of Mobile Endoscopy, Weekend Eyes and theatre teams have all been approved and included.

**General Surgery Development**

Inclusion of the £468k cost increase through the acceleration of Phase 2 workforce funding is modelled within the 2022/23 financial plan, with associated funding approved with the Access Support Team in relation to NHS GJ Phase 2 Surgical expansion.

**Service Planning**

Collation of these across services incorporated development plans to increase sessional availability. Further work will be required to prioritise these developments and take proposals to Scottish Government for funding. At this stage no direct provision has been made in the finance plan. Initial consolidation estimated a cost of circa £3.5m against c21.5 posts, which would clearly be phased over a period of time, development of new service proposals identified further resource of 9.5-wte and circa £1.5m. This area will be subject to further detailed Executive review during the early part of 2022/23.

**Carry forward savings position**

The finance plan incorporates £1.3m recurring carried forward, this is associated with delays in releasing recurring medical WLI and locum costs efficiency due to covid and change in complexity in some service areas, reduced level of procurement savings, lower level income generation on the PJI lab, catering price changes paused and patient flow restrictions on service redesign.

**E-health Investment**

Additional support incorporated linked to recent investment paper and in light of server issues experienced over the last 2 years and evolving demand on the e-health team from agile working, system response requirements and national system upgrades and innovative technologies. This amounts to c£0.2m-£0.3m in year.

**Income, Cost and Efficiency Savings**

From current models the efficiency savings programme is likely to be in the region of £4.5m for financial year 2022/23 as detailed below.



The construction of the finance plan is clearly multifactorial, however the main drivers for £4.5m financial gap and resulting efficiency savings target required to support a break-even position are noted below;

* Carry forward savings - £1.3m
* SPSPP gap - £0.6m
* Supplies Inflation – £0.5m
* Drugs Inflation - £0.4m
* Band 2 to 3 - £0.3m
* Energy costs - £0.9m
* Developments - £0.5m

Whilst some elements understandably require finalisation or further definition relating to cost pressures and funding uplifts which may impact on the £4.5m gap, it is the case that this presents the most reasonable case based on all information known. This includes some elements where modelling has been constructed on a national basis and hence has been subject to multiple evaluations across the national corporate finance network.

The overall gap remains within a tolerance experienced in recent years, and whilst the recurring / non-recurring element of achievement will require some work, this is a value which has been mitigated in recent years to provide a break-even outturn.