# NHS Golden Jubilee

### **Meeting: NHS GJ Board**

### **Meeting date: 27 March 2025**

### **Title: Financial Plan 2025/26 to 2027/28**

### **Responsible Executive/Non-Executive: Jonny Gamble, Director of Finance**

### **Report Author: Jonny Gamble, Director of Finance**

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## 1 Purpose

### This is presented to NHS GJ Board for:

### Decision

### This report relates to:

* Board Strategy
* Government policy/directive
* Legal requirement
* Local Policy

### This aligns to the following NHS Scotland quality ambition(s):

* Safe
* Effective
* Person Centred

**This aligns to the following NHSGJ Corporate Objectives:**

1. Leadership, Strategy & Risk
2. High Performing Organisation

## 2 Report summary

## 2.1 Situation

NHS GJ Board is presented with the Financial Plan 2025/26 to 2027/28 for formal approval, following submission to Scottish Government (SG) on 17March 2025.

## 2.2 Background

**Introduction**

NHS Golden Jubilee is required to submit a Three-Year Financial Plan to SG in line with the timetable as set out within SG Financial Planning documents. The ‘final draft’ Financial Plan submission was submitted to SG on 17 March 2025 following approval by FPC on 11 March 2025.

Core Revenue Resource Financial Plan 2025/26 to 2027/28

Table 1 below presents a summary of NHS GJ 2025/26 to 2027/28 final draft Financial Plan

**Table 1- Summary 2025/26 to 2027/28**



**Key Assumptions included within the Financial Plan**

The key Assumptions within the above financial figures are as follows:-

* Pay Award will be funded in full above the 3% contained in recurring baseline uplifts
* Employers NICs will be funded 60% directly by SG from National funding and 40% from SG sustainability funds
* Agreed inflationary pressures are as per SG Financial Planning Guidance
* SLA uplifts are subject to Corporate Finance Network agreement, with 3% assumed in the plan at this moment in time

Further detail on the above key assumptions behind the final draft Financial Plan are included within Appendix 1.

**Current Position as at March 2025**

This Financial Plan represents the most reasonable case based on all information known at this time. This Financial Plan also includes some elements where modelling has been constructed on a national basis in line with SG guidance.

It is assumed that as advised by SG, the impact of any pay award or changes to Agenda for Change (AfC) working practices will be funded in full (e.g. revised Band 5 to Band 6 re-gradings, protected learning time and the reduced working week).

**The Efficiency Gap in all of the years above has been assessed by the Executive, whilst challenging, to be achievable. It also aligns with the expectations set by SG to NHS Boards around delivering 3% cost reductions on an annual basis. As such the recommendation of this paper is that the Board put forward a Breakeven Plan for each of the three years.**

**Key Risks included in the Financial Plan**

## The challenging position facing NHS Scotland over the course of the next 3 years reflects the increasing inflationary pressures seen across all Boards.

The following is a list of the key assumptions and potential risks within the current Financial Plan:-

* Inflationary pressures above assumptions in the plan – most notably SG guidance suggests a 19% reduction in Energy costs. The phasing and introduction of this real terms reduction is unclear and local modelling suggests the lower figure of 15% used in this Financial Plan.
* Agreement of SLA income with NSD and West of Scotland Boards to fund the ADP and inflationary pressures for HLD ADP as well as the additional growth in TAVIs to be funded by SG.
* Related to this is the delivery of activity beyond the funding agreed in these SLAs as well as the NES activity plan.
* Funding of Pay inflation beyond the 3% baseline uplift is assumed to be cost neutral.
* Increase in Employers National Insurance Contributions to be funded at 60% directly by SG with the remaining 40% to be sourced from SLA uplifts and SG Sustainability fund ~£1.7m risk.
* Confirmation of funding for Phase 1 and Phase 2 costs – especially the increase in Rates and Utilities for the new Surgical Centre.
* Delivery of Efficiency Plan in full to achieve a Breakeven position.

## Capital Planning 2025-26 to 2029-30

The capital planning process within NHS Golden Jubilee is now well established with a Core Capital Group meeting monthly to review the approved capital plan and a strategic Capital Programme Group meeting bi-monthly to review changes in-year.

**Summary 5 year Capital Plan detail by area 2025-26-2029-30**

Following detailed discussions with SG regarding the expected capital support from 2025-26 onwards the capital plan for the next five years is included below.



The 2025-26 and 2026-27 through to 2027-28 funding for Phase 2 is still subject to the current review of the cost advisor’s final cost report and the Health Finance Capital Team are aware that the current position is indicative only at this stage. This position will be clarified in the coming weeks for the split of funding between the next 3 years.

**Non-core funding associated with capital plan**

The non-core funding associated with the elective center work, namely:

* Deprecation
* Impairment
* IFRS implication

The funding for impairment and depreciation for the building has not been finalised for the building works as this will be dependent on the value of impairment on completion which will not be known until 31 March 2025 for Phase Two Surgical Centre new build. NHS Golden Jubilee staff will meet with our Valuers to discuss likely impairment levels for Phase Two works completed to date. It is expected this will be resolved in 2024-25 and will not be factored into this revised 3 year Financial Plan.

The depreciation for the equipment will be updated following the actual procurement of the items which is phased for both projects. We will not know the associated depreciation for the building until competition of the project and the valuation has been undertaken.

## 2.3 Assessment

### 2.3.1 Quality/ Patient Care

Assists in the Board’s governance to ensure quality of care and patient services.

### 2.3.2 Workforce

Some workforce considerations are considered in this report. For example, details of expected pay costs for the periods under consideration.

### 2.3.3 Financial

This papers ensures effective financial planning, governance processes, risk management, reporting and scrutiny is in place.

### 2.3.4 Risk Assessment/Management

Ensures effective governance is in place to ensure relevant risk assessment and mitigations are in place.

### 2.3.5 Equality and Diversity, including health inequalities

None directly

### 2.3.6 Other impacts

Not applicable.

### Communication, involvement, engagement and consultation

Iterations of the Financial Plan and overall financial strategy being proposed to NHS Golden Jubilee Board have been discussed and approved by members of the Executive Leadership Team and FPC.

### Route to the Meeting

Executive Leadership Team on 25 February 2025.

## 2.4 Recommendation

### Decision – NHS GJ Board are asked to:

Discuss, consider and approve the NHS Golden Jubilee 2025/26 to 2027/28 Financial Plan for final approval.

## Appendices

Appendix 1 – Financial Plan Key Assumptions and detailed tables on Income and Expenditure