We attach our response to the Health and Sport Committee budget scrutiny questionnaire. Our budget for 2014/15 remains a draft and has not yet been approved by our Board. This will happen in June.

As a result the questionnaire has been completed on the basis of the current draft and the statements and figures remain subject to change.

Paul James

Director of Finance NHS Greater Glasgow and Clyde

Service development

Question 1 (a) Service Developments

Examples of our planned local service developments are shown in the table below:

Service	Expenditure 2013-14	Planned expenditure 2014-15
Health Board wide 'Healthy Child Programme' that includes increased capacity in both health visiting and school nursing to ensure that services can provide more support for vulnerable children and families (92 new posts in health visiting teams recruited during 2013/14 and 19 new school nursing posts still to be recruited)	Approx £1.7m	Approx £2.2m
The major focus for the Acute Services Division in this (2013/14) and the coming year (2014/15) is the migration of services, staff and facilities onto the new South Glasgow Hospitals campus. This not only involves services from across the city moving into the new South Glasgow Adult and Children's Hospitals, but also involves the commissioning of a number of associated developments such as the Teaching & Learning Centre, the new Office Accommodation Block, the Clinical Research Facility, the construction of an Energy Centre and a number of brand new multi storey car parks.	In addition to the normal service expenditure we are making significant non-recurring provision for the one-off costs of this move. This includes the generation of a £10m non recurring surplus in 13/14, which, with the agreement of colleagues at Scottish	

Service	Expenditure 2013-14	Planned expenditure 2014-15
	government, will be returned to the Board when needed, in either 14/15 or 15/16.	
Our plan includes significant additional expenditure on medicines. Much of this relates to new medicines for use within our acute hospitals, including medicines for cancer, end of life and Hepatitis C. We are also making significant provision for increased prescribing of new anti-coagulants.		The gross uplift in our medicines budget is planned to be £33.7m.

Question 1(b) – uses of additional funding

With additional funding we would consider a number of alternative service and estate enhancements. Depending upon priorities selected these might include the following:

Backlog Maintenance – as mentioned last year NHS GG&C has made significant progress in rationalising the estate, either by refurbishing existing buildings, or by providing new facilities (such as the new hospital mentioned above). Nevertheless we still have a very significant and aged estate footprint, and these very old buildings need to be maintained. Additional capital funding would nevertheless be welcome to accelerate the refurbishment of our existing estate or to fund the construction of new facilities across the Board's area**.**

Drug and alcohol recovery networks - the further development of drug and alcohol recovery networks, in partnership with local authority partners, is consistent with our review of community-based addictions teams and the Health Board's Clinical Services Review.

Community-based rehabilitation teams – the further development of these teams would aim to support timely discharge from both acute and mental health in-patient settings.

Increased mental health/counselling input for HIV patients or for patients at high risk of HIV.

The above suggestions are simply four examples amongst others. They do not necessarily reflect currently agreed Board priorities.

Question 1(c) - service withdrawals and redesigns

Linked to the introduction of our new hospital there are a number of acute services that will be withdrawn from their existing locations, redesigned and relocated so that we can operate them as effectively as possible within our new facilities.

Question 2 - Consultation during 2014-15

The proposed infrastructure changes that will be made as a result of our new hospital have been in the public domain for several years. We do not currently have any specific plans for new consultations in 2014/15.

Preventative spending

Question 3 – Prevention programmes

Some examples of the preventative health programmes, that are included in our budgets for 2014 – 2015, are shown in the table below, together with budgeted spend:

Programme area	Expenditure 2013-14 £m	Planned expenditure 2014-15 £m
Smoking prevention/cessation	1.1	1.1
Weight management (child/adult)	1.3	1.3
Keep Well	No investment other than ring-fenced allocation	No investment other than ring-fenced allocation
Blood borne virus prevention	No investment other than ring-fenced allocation	No investment other than ring-fenced allocation *
Immunisation programmes	5.8	5.8
Universal Neonatal Hearing Screening Diabetic Retinopathy Screening	0.6 0.8	No change

Bowel Screening Abdominal Aortic Aneurysm Screening	2.0 1.0	
Sexual health programmes		0.1. We are investing £742,000 in sexual health prevention. However there is central ring fenced funding of £598,000, leaving a net GG&C investment of £144,000.
Drug and alcohol programmes	0.4	0.4
Screening Programmes	Emilia	

It should also be noted that there will be funding from the health board for the new hepatitis C drugs. This is primarily seen as treatment, but there is a significant preventative element to treating.

Question 4 (a) – savings anticipated from prevention

The savings delivered by prevention programmes are always very difficult to calculate. Some examples would be reductions on smoking related disease including lung cancer (acknowledging the lag effect especially for women), COPD, CHD, premature birth and childhood diseases related to second-hand smoke such as Asthma.

The new treatments of Hepatitis C may lead to savings in the long- term but currently the planning relates to increased costs of the drugs.

Question 4(b) - savings reflected in the plan from prevention

There are currently no results of such assessments reflected in our financial planning.

Change Fund / Integration Fund

Question 5(a) – services funded by the change fund

The table below shows 3 services we will fund using Change Funds in 2014/2015

Programme	Spend 2013-14 £'000	Planned spend 2014-15 £'000	Outcome measures	Progress on outcome measures
Renfrewshire rehabilitation program to deliver effective care at transition points (both in and out of hours)	655	711		
Glasgow COPD program to further develop community based responses to patients with long term conditions	519	394		
East Dunbarton Adults With Incapacity (AWI) Project	67	67	Delayed Discharges for AWI Bed days lost to delayed discharge for AWI	Zero delays since Aug 2012 Zero bed days lost since Aug 2012

Question 5(b) – evaluation

Each partnership continues to monitor and evaluate investment of change fund resources including the impact on bed days occupied by patients who are assessed as being ready for discharge. This work will further inform the future investment of Integration Funds and the future HSCP joint commissioning strategies.

Question 5(c) & 6 – planned investment from Integration Fund

We would like to continue to fund these projects. We expect to need to continue most of our change fund investments to ensure that patients are effectively managed through the care system. We are not at present planning to change our approach until final national guidance is issued.

Reducing inequalities

Question 7 - Specific programmes aimed at reducing inequalities

Health Improvement / Public Health or Corporate Inequalities programmes are the primary delivery mechanisms through which NHSGGC aims to achieve population equality outcomes.

All of our public health resources have an inequalities aspect either directly (as staff work on anti-poverty strategies with Community planning partnerships) or indirectly on topics such as smoking, which is more prevalent in deprived communities.

Two other specific examples are shown below:

Programme	Spend 2013-14	Planned spend 2014-15	Outcome measures	Progress on outcome measures
Healthier Wealthier Children	£165,000	£200,000	Income generated for children and families to improve health and reduce child poverty	Apr 2013 – Dec 2013 £2.3 million (1035 referrals) Apr 2012- Mar 13 £1.8 million Improved budgeting; reduced stress; grants for white goods
Interpreting Service	Current year spend is £2.4 million to January 2014	£2.5 million	Equity of access to health services. Patients to have active involvement in their health.	Patient evaluation - 93% of respondees thought their appointment was improved by having the interpreter there. 69% stated that accuracy the service was 'very good.' 7 people out of 83 said that the service was 'ok' the rest said it was good or very good. No one said it was poor or very poor.

Backlog maintenance

Question 8(a) – actions

We have a large estate and a complex requirement for backlog maintenance that will change significantly as we open our new hospital and transfer services from other locations. This means we will need to keep our plans under regular review.

Three actions include

- We intend to utilise EAMs to target Backlog Maintenance, coupled with a review of the risk ratings attaching to individual requirements.
- We will also create a disposal plan which may release some funds.
- In addition we expect to engage in selective demolition planning as sites and funding become available.

Question 8(b) – planned expenditure/receipts – three examples

- The Board is expecting to receive circa £10 million Formula Capital allocation, of this circa £4 million is expected to be spent on backlog. Currently there is little by way of planned receipts expected in 2014-2015.
- In preparation for disposals beyond 2014/15 and in conjunction with SFT the Board are progressing a disposals strategy and are actively developing their plans to dispose of 3 Main hospital sites in Glasgow city; namely the Victoria Infirmary, Yorkhill/QMH and the Mansion House Unit.
- In addition there are further 11 sites that are being similarly progressed for disposal with the majority of the disposals expected 2015-2018

As part of the estate rationalisation process several sites, both active and inactive, have been identified that would be suitable for demolition of selected properties. Demolitions chosen will, however, be dependent on the future site strategy. Available funding for demolitions may be offset against anticipated related capital receipts or capital allocations, when available.

Question 8(c) – impact on backlog maintenance risk profiles

Currently we are reviewing our backlog maintenance to confirm the relevance of the risk ratings applied. To date we have confirmed £17.5 million rated as high risk. Significant risk is also being progressed and uploaded on to the EAMs system. The significant risk figure will be confirmed when this process has been completed early in April 2014.

Thereafter a risk analysis will be undertaken and a programme of works identified to make best use of the expected allocations for back log and any other monies made available for this purpose. The impact in 2014/15 is likely to be small.

However it must be noted that the advent of the new hospital will alter the risk profile. In conjunction with SFT we are progressing the disposal of 3 main sites together with the Western infirmary which has already been sold to the University of Glasgow. The vacation of these sites, once the New Southern General opens in 2015, will see a significant fall in backlog maintenance needed for operational sites. These buildings are old and require significant sums spent on backlog maintenance. When these sites are disposed of, their removal from our portfolio will do much to reduce our backlog requirements in 2015-2017.

The ability to demolish selected buildings would also have a very positive effect upon the reported back log maintenance costs and would result in the reduction of a significant amount of high and significant backlog costs.

Question 8(d) – proportion of spending on backlog maintenance

Our capital budget is highly distorted by the capital requirements of the new hospital and does not therefore provide a meaningful figure for comparison with our backlog expenditure. We have currently allocated 40% of our formula capital to help tackle the backlog in high and significant risk maintenance requirements. However, as explained above, that profile will change after we have opened the new hospital.

Brokerage

Question 9(a) & (b) - brokerage in 2013-14?

We are in recurring balance in our revenue account and did not require any additional monies from Scottish Government in 2013/14. We expect this to remain the case at the forthcoming year-end.

However, during the year we have recognised the need for additional non-recurring monies in 2014/15 and 2015/16. This need arises because we will incur double running costs and one-off expenditure when we open the new hospital. We have therefore planned our finances to deliver a year-end surplus of circa £10m, derived from unallocated and non-recurring monies. So, whilst we will remain in recurring balance operationally, we have agreed with Scottish Government that we will produce a year end surplus of £10m and that this will be made available to us in either 2014/15 or 2015/16 as required.

Question 10(a) – brokerage in 2014-15

We expect to remain in recurring balance. However we will require some funding to cover double running and one-ff costs related to the new hospital as described above.

NRAC formula

Question 11 - Progress towards NRAC parity

We have been informed that Scottish Government intends to bring all Boards, who are below parity, to within 1% of NRAC parity by 2015/16. Glasgow has been perceived to be above parity. As a result Glasgow tends to receive a minimum uplift each year whereas some other Boards receive more.

NRAC, like all funding formulae, has advantages and disadvantages. Questions can be raised over the census figures used, the adjustments made for need and so forth. It is not appropriate to go into detailed arguments in this questionnaire but we do question whether the continued application of a minimum uplift in Glasgow is appropriate, causing increasing financial pressures at a time when all Boards anticipate further financial challenges and continued austerity.

Equalities

Question 12 – impact of equality & diversity assessments on budget decisions

We perform an EQIA assessment on all relevant proposed service changes as a part of our annual budgeting process. It is not meaningful, therefore, to select any three particular schemes. However, we also attempt to target some of our planned initiatives towards deprivation and specific need. For example, within the services provided to address blood borne viruses, the focus of work tends to be around the needs of populations with protected characteristics or deprived populations.

Sustainable development

Question 13 – examples of sustainable development

The Government's sustainable development strategy is intended to align with the UK strategy and is a wide ranging initiative that embraces not only energy and greenness but also jobs and several other important factors. Our three examples below reflect that breadth. They include

- We have developed a series of initiatives for better energy management, including the construction of an energy centre at the new hospital
- We have partnered with the builders of the new hospital, ensuring that that they provide jobs and skills for those who were unemployed. This provides focused support to the economy without adding cost.
- The Board has invested in modern apprenticeships. This contributes to the desire to improve the skills and experience of the Scottish workforce which should, in turn, contribute to the delivery of stronger economic prospects in the future.