

Quarter One Financial Plan Update 2020/21 - Risks and Assumptions

Key Assumptions/Risks	Value £	Risk rating	Impact/£
Allocations - general	£3m	High Risk	Only baseline allocation for 2020/21 has been received.
Allocations – Primary Care Improvement Fund	£1.6m	Medium Risk	Aware of SG repriorisation and concerned that risk of insufficient funding to support existing commitments against Primary Care Improvement Fund and MH Action 15 specifically if last years allocations are used as basis for 2020/21.
Allocations – MH Action 15	£0.2m	Medium Risk	Aware of SG repriorisation and concerned that risk of insufficient funding to support existing commitments against Primary Care Improvement Fund and MH Action 15 specifically if last year’s allocations are used as basis for 2020/21.
Covid-19 Mobilisation (including savings slippage)	£16m	High Risk	Funding to date for Covid-19 reflects the allocations to the Local Authority for Social Care. Whilst funding for Quarter One spend is anticipated during September, additional funding to support the requirements of the Remobilisation Plan and other aspects of Covid-19 is still to be agreed and reflects an additional requirement of £22.5m.
Remobilisation	£6.63m	High Risk	Additional funding requirement to support remobilisation of services as set out in plan at end of July (numbers updated in Q1 Covid-19 costs return)
CRES Delivery	£15.6m	High Risk	Opening Plan CRES requirement of £26.6m, £11m has been identified but risk around delivery of original £11m due to Covid-19. £8m gap on plan factored into Covid-19 costs return, leaving the original gap of £15.6m.
New Medicines Fund/ PPRS	£1m	High Risk	Advised by SG that level of NMF for 2020/21 is likely to be reduced. Unclear of financial impact but highlighting as risk. Assess that financial impact could be as significant as £1m but no real basis for this number. Anticipated allocation based on 2019/20 basis of share of £80m.
Prescribing - GP	£2m	Medium Risk	Latest estimates based on one month’s activity with spend more volatile during the peak Covid-19 period. Latest information reflects that it is likely that activity and spend will increase as we start to bring more activity on line.

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Workforce/Recruitment	£5m	High Risk	Recruitment to medical vacancies has remained a significant challenge for the Board, with the average level of vacancy for NHS consultants continuing to remain above 20%. In addition, there has been a rise in the level of gaps across the junior doctor rotas (especially within GP training posts) which are not expected to be remedied in the forthcoming financial year. This is an increasing problem across Scotland and the UK as a whole. An assessment of the additional cost of medical locum provision has been included within the Financial Plan, along with assumptions of reducing cost and demand with the investment of a new permanent recruitment project team. Containment of locum and agency costs remains a priority.
Externals (Out of Area SLAs)	£2m	Medium Risk	The level of activity sent outwith the Board's area has been reduced during the early months of the year due to Covid-19 but this has also impacted on our income. Whilst this is being worked through and agreed the risk is being flagged in relation to Vascular (our transfer of activity to Lanarkshire), the Golden Jubilee Cardiology activity and the 5 th Cath Lab, our SLA agreements with Glasgow and Lothian being the key risk areas.
Developments and Cost Pressures	£2m	Medium Risk	A sum of £5.3m has been set aside to cover the costs of future regional and national developments, cost pressures and any other critical or must do developments.
Pay Inflation/Incremental Drift	£0.15m	Medium Risk	Robust financial planning information exists to allow accurate estimates of basic pay settlements for 2020/21 and beyond. The Medical Pay award has yet to be agreed and we believe there may be potential for costs to increase beyond the 2.5% set aside in the plan.
Delivery of Elective Waiting Time Targets	£3.1m	High Risk	No additional provision has been made in year to support waiting time pressures within the Acute and Diagnostics Directorate. It has been assumed this will be supported by Scottish Government through additional funding. Delivery of targets is contingent upon receipt of appropriate funding to support the WTIP. This financial risk is factored into the Remobilisation Plan (including remobilisation figures).
Statutory Change/Changes to legislation	Not known	Unknown	The Financial Plan reflects the current known position in relation to any statutory compliance in relation to VAT/NI and pensions. Any future changes to current regulations and compliance would impact on the overall Financial Plan. These are reviewed regularly by the central financial team and any changes reflected through financial estimates.
IT developments/ Office 365	£0.5 - £1m	Medium Risk	The costs associated with the migration to Windows 10 and Office 365 are significant and whilst £0.5m has been provided for within cost pressures there remains a financial risk associated with this programme which has yet to be mitigated.
EU exit	£???	High Risk	Difficult to quantify risk at this point.