

Risks to the Financial Position

Key Assumptions/Risks	Partner	Risk rating	Impact
Scottish Government Health Directorate (SGHD) Allocations	NHS	High Risk	<p>There is a high degree of uncertainty relating to SG allocations leaving services uncertain around ongoing funding for delivery plans and recruitment.</p> <p>The SG are working at improving the distribution of allocations in 2023/24 and the finance team are linked in with colleagues to ensure any potential risks are notified early. The level of risk is anticipated to reduce during the year as more allocations are distributed.</p>
Availability of trained staff/ use of supplementary staffing	NHS	High Risk	<p>The NHS Board has a corporate risk for sustainable workforce which has recently been downgraded from Very High to High.</p> <p>The organisation is experiencing a reduction in available workforce supply in critical disciplines and more generally across all job families, which results in smaller pools for selections and a consequent inability recruit to all vacant posts.</p> <p>The availability of trained staff, has resulted in supply issues which has seen an increased use in agency staff not only within medical but increasing levels within nursing, AHPs and labs.</p> <p>The financial impact of the implementation of the Safer Staffing act is also underway within the Board and this is currently not fully included within the current Financial Plan.</p> <p>In addition to covering vacancies, supplementary staffing pressures are also being seen for issues in rotas, on call and staff absence as well as maintaining capacity at higher than funded levels.</p> <p>The finance staffing workstream is reviewing expenditure on a monthly basis and highlighting any areas of concern to the organisation including off framework activity.</p> <p>New protocols issued on nursing have been applied locally and a review of protocols for other job families is being carried out.</p>

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Efficiency Savings	Council/ NHS	High Risk	<p>The recurring savings target set for the year is considered to be challenging and is based on the historical level of savings previously delivered. For the NHS, it is not at the 3% savings level expected by SG and the balance is expected to be delivered on a non-recurring basis.</p> <p>The three areas of focus are: medicines, estates and digital and service reviews and the three programmes are all at different stages of development. More robust plans have been identified for medicines and estates and digital, service reviews are likely to be the more challenging area to deliver recurring savings.</p> <p>While the level of activity remains high within both Acute service, Mental Health services and Community, there is also a significant risk that Directorate teams are unable to provide sufficient focus on the delivery of the programme.</p> <p>The balance of non-recurring savings to achieve the 3% is considered achievable.</p> <p>This risk is being managed through Financial Recovery Board and the Health and Social Care Leadership Team.</p>
Unscheduled Care	NHS	High Risk	<p>There is a risk that it will cost us more than current funding levels based on the current activity levels which are in excess of funded establishments.</p> <p>The budget set for costs is to be within normal tolerance levels. Current levels of activity are already showing a continued increase and therefore it is expected that current funding levels will not be sufficient to support this.</p> <p>This pressure is being reflected in both Acute and Mental Health services, where additional unfunded beds have been used on an ongoing basis.</p>
Planned Care	NHS	High Risk	<p>The risk that the anticipated funding (current financial planning assumption is based on 2022/23 funding received of £3m) is not sufficient to deliver the required performance on planned care.</p>
Pay Award	NHS	Medium Risk	<p>There is a risk that the pay settlement finally agreed (including impact on service level agreements) results in an additional cost burden to the Board which is not fully funded by the SG. Current assumptions made are that pay awards will be fully funded.</p>

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Emerging operational risks	Council/ NHS	Medium Risk	There is a risk that costs currently being experienced as temporary costs continue to be required and that service models will require additional funding to run the services being provided.
General Dental Services	NHS	Medium Risk	Impact of emerging services pressures in dental services is fully funded by SG. No provision in the Financial Plan.
General Practice	NHS	Medium Risk	Assumption that no further GP practices come under 2C during the year and that any GP practices requiring short term sustainability funding can be managed within the existing resources.
Medicines	NHS	Medium Risk	The 2023/24 Financial Plan included provision to for 2022/23 unit cost and activity, along with a further estimate for future unit cost growth and a small provision for horizon scanning. Both unit cost and activity remain highly volatile and continue to be difficult to forecast.
Energy	NHS	Medium Risk	The 2023/24 Financial Plan includes provision for energy at 2022/23 volumes and an estimate for the increase in the unit costs. However, energy costs have been volatile and there is a risk that costs may increase beyond that anticipated, although based on the work at Q1 this time this is not expected.
Post Covid-19 funding	NHS	Medium Risk	There is a risk that the funding received, and funding included within the 2023/24 Financial Plan are not sufficient to cover the costs being incurred on delivery of the post Covid-19 programmes including vaccine delivery.
Delayed Discharge	NHS	Medium Risk	There is a requirement to manage the volume of delayed discharges - the estimate for 2023/24 does not consider any further deterioration in this area. The Financial Plan includes provision on a non-recurring basis for a number of additional beds/placements while the Right Care, Right Place consultation concludes. The recurring impact of this will require to be included within this wider piece of work.
Impact of national and regional business cases	NHS	Medium Risk	There is a small provision within the 2023/24 Financial Plan for costs associated with decisions taken regionally and nationally, however, it is not expected that this will be sufficient over future years.
Capital Funding		Low Risk	The level of available Capital Funding in future years poses operational risk for supporting infrastructure both planned and unplanned. The provision within the 2023/24 plan is sufficient for the programme underway.