

Meeting of
Lanarkshire NHS Board
28 July 2010

Lanarkshire NHS Board
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SUBJECT: FINANCE REPORT FOR THE PERIOD ENDED 30 JUNE 2010

1. PURPOSE

The attached report provides the NHS Board with the financial performance to June 2010.

2. CONTENT / SUMMARY OF KEY ISSUES

To achieve the Board's objectives while still living within available funding the 2010/11 financial plan had to deliver £17.100m of efficiency savings and utilise £4.469m of the brought forward surplus. This plan left the Board with £7.600m of retained surplus at the end of the year (0.76%) which is fully committed over 2011 to 2013.

At the end of June 2010 the Board is reporting a £2.307m under spend against RRL as a result of sound management against budgets and good progress with efficiency schemes. Although this is a very positive start, new pressures such as the VAT increase, the revenue element of the laboratory case and service issues will express themselves later in the year. Further action will be required to deliver our £7.600m target.

Key risks to achieving the Board's financial targets are being assessed and managed. The most significant at this stage is that prescribing costs cannot be contained as envisaged in the plan.

The Board is still on track to deliver its £37.922m capital programme although minor adaptations will be needed for the impact of the VAT increase.

3. CONCLUSION

The NHS Board are asked to note the contents of the report.

4. FURTHER INFORMATION

For further information or clarification of any issues in this paper, please contact:

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Laura Ace
Director of Finance
19 July 2010

NHS LANARKSHIRE

FINANCE REPORT FOR THE PERIOD ENDED 30 JUNE 2010

1. Introduction

- 1.1. The purpose of this report is to provide the NHS Board with a summary of revenue and capital financial performance for the first three months of the financial year 2010/11.

2. Overview

- 2.1. The 2010/11 financial plan sets out a year end recurring surplus of £0.552m alongside a non recurring overspend of £5.021m. When added to the confirmed cumulative surplus of £12.069m at 31 March 2010, this will leave NHS Lanarkshire with £7.600m of accumulated funds for use in 2011/12 and beyond.
- 2.2. Key to achieving this is the ability to deliver £17.100m of efficiency savings including prescribing efficiencies which will offset primary care prescribing growth.
- 2.3. April's prescribing expenditure figures, May's muted volume growth and achievement of efficiencies in the prescribing action plan have allowed a breakeven prescribing forecast for the first quarter.
- 2.4. Combining this with the performance of our operating divisions, who are managing well within the financial constraints, leads to a £2.307m underspend at the end of June 2010 as detailed in Table 1.
- 2.5. Although this is slightly ahead of the target position of ending the year with £7.600m retained funds, additional cost pressures will emerge in the second half of the year which will require further tightening of the financial plan.
- 2.6. The Board is still on track to deliver its 2% efficiency HEAT target. The Board will also remain within its Capital Resource Limit although plans will need to be revised to take into account the VAT increase on 4 January 2011.

	YTD Budget £M	YTD Actual £M	YTD Variance £M
Acute Operating Division	63.270	63.270	0.000
North CHP	24.763	24.549	0.214
South CHP	11.113	11.093	0.020
Primary Care Other Services	63.817	63.929	(0.112)
Headquarters / Corporate Functions Service Level Agreements / Other	27.322	27.282	0.040
Healthcare Providers	34.232	34.011	0.221
NHSL - wide	2.739	0.815	1.924
Net operating costs	227.256	224.949	2.307

3. Revenue Resources

- 3.1. The Revenue Resource Limit (RRL) for all Boards including NHS Lanarkshire has now been changed as advised by Scottish Government policy colleagues to reflect the move to producing financial statements under International Financial Reporting Standards (IFRS) as adopted by the European Union and as interpreted for the public sector.
- 3.2. At the end of June 2010 the Financial Allocation now consists of two elements Core Revenue Resource Limit £752.553m and Non Core Revenue Resource Limit £68.223m details of which are noted in Annex A.
- 3.3. The Board has now received confirmation that the cumulative surplus of £12.069m in the audited accounts to 31 March 2010 will form part of its 2010/11 allocation.
- 3.4. The Core Revenue Resource Limit reflects the £4.500m removal of cost of capital which we had planned for when submitting our 2010/11 LDP in March 2010. We anticipate at least another £88.000m of core revenue resources, including the carry forward and the GMS allocations. There is also likely to be a number of smaller allocations, the majority being of a non recurring nature.
- 3.5. The two areas still to be confirmed with greatest impact on risk assessments round the plan are around access targets and the potential top slice for nationally negotiated drug price discounts. These, and any further allocations, will be monitored closely as part of the wider management of the overall financial position.

4. Acute Division

- 4.1. The Acute Division is reporting a break even position for the period to the end of June 2010, as detailed in Table 2.

	Budgeted Operating Costs 30/06/2010 £M	Actual Operating Costs 30/06/2010 £M	Actual saving / (excess) 30/06/2010 £M
Pay	58.317	57.683	0.634
Non Pay	16.008	16.633	(0.625)
Gross operating costs	74.325	74.316	0.009
Less: miscellaneous income	(11.055)	(11.046)	(0.009)
Net operating cost	63.270	63.270	0.000

- 4.2. Underlying this position is a pattern of non pay overspends (particularly in laboratories and anaesthetics and theatres) amounting to over £0.900m to date partly offset by pay underspends, mostly arising from medical vacancies. Success in our continued efforts to recruit will remove this compensating factor.
- 4.3. The figures reported for the period to the end of June 2010 continue to show previous years cost pressures having an impact within the Clinical Divisions. The break even position has only been achieved by utilising £0.353m of uncommitted reserves which is £0.142m more than last month and £0.492m less than the amount required this time last year.

5. Primary Care

- 5.1. Across the Primary Care sector, there is an under spend of £0.122m for the period to the end of June 2010.
- 5.2. The North CHP is reporting an under spend of £0.214m for the period to the end of June 2010, as detailed in Table 3, an increase of £0.124m from the previous month. The under spend of £0.200m against pay budgets continues to be within the North Addictions service, CAMHS and Childrens Services. These are all areas where developments are taking place and recruitment is still in progress.

5.3.

	Budgeted Operating Costs 30/06/2010 £M	Actual Operating Costs 30/06/2010 £M	Actual saving / (excess) 30/06/2010 £M
Pay	21.601	21.401	0.200
Non Pay	3.162	3.148	0.014
Net operating cost	24.763	24.549	0.214

5.4. The South CHP is reporting an under spend of £0.020m for the period to the end of June 2010, as detailed in Table 4, unchanged from the previous month. The under spend of £0.099m against pay budgets continues to be within the South Addictions service, the Dental Service and also the Occupational Therapy service. The over spend against non pay budgets is mainly within travel budgets across all areas of the South CHP.

	Budgeted Operating Costs 30/06/2010 £M	Actual Operating Costs 30/06/2010 £M	Actual saving / (excess) 30/06/2010 £M
Pay	9.883	9.784	0.099
Non Pay	1.230	1.309	(0.079)
Net operating cost	11.113	11.093	0.020

5.5. Primary Care Other Services are reporting an over spend of £0.112m for the period to the end of June 2010, as detailed in Table 5, an increase of £0.004m from the previous month. The figures below assume a breakeven position within prescribing as explained in paragraph 5.5. The over spend of £0.159m against pay budgets is largely due to timing differences between expenditure and funding and should progressively be resolved.

	Budgeted Operating Costs 30/06/2010 £M	Actual Operating Costs 30/06/2010 £M	Actual saving / (excess) 30/06/2010 £M
Pay	4.302	4.461	(0.159)
Non Pay	2.452	2.398	0.054
Family Health Services	34.912	34.912	0.000
Prescribing	28.197	28.197	0.000
Gross operating costs	69.863	69.968	(0.105)
Less: Family Health Service income	(2.440)	(2.440)	0.000
Less: Miscellaneous income	(3.606)	(3.599)	(0.007)
Net operating cost	63.817	63.929	(0.112)

- 5.6 The 2009/10 prescribing budget had received an uplift of £3.891m, which was ultimately overspent by £5.700m. The 2010/11 prescribing budget was given an uplift of £8.642m to cover the overspend and forecast growth at month 10. Specific plans for more cost effective prescribing were to deliver a net £3.440m of savings. So for the financial plan to hold, prescribing costs would need to come in £0.498m under last year's outturn. At this stage only April's prescribing costs are known and these are within budget. Other early indicators (item growth in May and achievement against the Board's prescribing action plans) are positive, leading to the breakeven estimate used in this report.

6. Headquarters/Area Wide Departments

- 6.1. The Headquarters and Area Wide Departments are reporting an under spend of £0.040m for the period to the end of June 2010, as detailed in Table 6, an improvement of £0.042m from the previous month's over spend.

	Budgeted Operating Costs 30/06/2010 £M	Actual Operating Costs 30/06/2010 £M	Actual saving / (excess) 30/06/2010 £M
Pay	8.473	8.380	0.093
Non Pay	18.849	18.902	(0.053)
Net operating cost	27.322	27.282	0.040

- 6.2. Non pay pressures include catering, franking, transport, engineering works and photocopying. These are being offset by pay underspends.

7. Service Level Agreements/Other Healthcare Providers

- 7.1. Service Level Agreements and Other Healthcare Providers are reporting an under spend of £0.221m for the period to the end of June 2010, as detailed in Table 7, an increase of £0.121m from the previous month.
- 7.2. The under spend of £0.153m within service level agreements continues to be due to the revision in the agreement with NHS Forth Valley Acute primarily as to the way Obstetrics, NICU and SCBU activity levels are recorded and charged.
- 7.3. The under spend of £0.045m being reported against out of area treatments (oats) is mainly due to Lanarkshire patients treated out with Scotland being lower than expected for the period. Activity in this area however is subject to fluctuations and with the summer months activity not yet billed, the current under spend may not be maintained.

- 7.4. The over spend of £0.012m being reported against the Independent Sector includes an over spend of £0.089m in forensic mental health referrals which is partly being offset with under spends within other areas of the sector.

	Budgeted Operating Costs 30/06/2010 £M	Actual Operating Costs 30/06/2010 £M	Actual saving / (excess) 30/06/2010 £M
Service Level Agreements	21.939	21.786	0.153
Unpacs and Oats	0.951	0.906	0.045
Resource Transfer and Bridging	8.454	8.421	0.033
Independent Sector	2.842	2.854	(0.012)
Mental Health	0.046	0.044	0.002
Gross operating costs	34.232	34.011	0.221
Less: miscellaneous income	0.000	0.000	0.000
Net operating cost	34.232	34.011	0.221

8. CRES/Efficiency

- 8.1 The Board has both a HEAT target and an internal target to meet in terms of efficiency. Delivering the internal target will ensure we meet the HEAT target.
- 8.2 Progress against the 122 schemes that seek to deliver £15.000m of efficiency savings is being monitored on an ongoing basis with a standard monthly review for all. Annex D gives a progress report. At the end of June 2010, the assessment was that the actions to date were sufficient to guarantee £7.539m of this target. Slippage is being experienced in the out of hours and x-ray reviews because of extended consultation requirements. A number of ehealth schemes are still being scoped and negotiated. There is a concern that some of the procurement savings will be lost through higher than expected price inflation. Overall, however, schemes are progressing well.

9. Risks

- 9.1 Key risks at this stage are set out in Annex B. Both on likelihood of materialising and potential value, the inability to fully contain GP prescribing costs sits as the highest risk.

10. Capital

- 10.1 The Scottish Government has agreed the NHS Lanarkshire Capital Resource Limit at £37.922m for 2010/11 confirmation around the balance between use of previously banked funds and allocations around Primary Care Modernisation Fund and E-health projects requires to be confirmed.

- 10.2 Capital expenditure of £4.970m has been incurred against the net capital allocation of £37.922m. Details of the actual expenditure position for the three months ended 30 June 2010 are set out in Table 9. Annex C provides a more detailed analysis by scheme.

	Annual Plan	Actual 30/06/2010
	£M	£M
Capital Allocation	37.922	4.970
Capital Expenditure		
Developments under construction	22.642	3.611
Business cases in progress	3.500	0.108
Business cases under discussion	0.500	0.000
Ring Fenced Equipment	3.350	0.034
Capital Grants	1.800	0.172
Other	6.130	1.045
	37.922	4.970
Net under / (over) spend	0.000	0.000

- 10.2 The Adult with Complex Needs Centre, Coathill (named Glencairn) was handed over in the week beginning 5 July 2010 and patients and staff transferred to the building on the 12 July 2010.
- 10.3 The remaining bundled projects, being delivered by Graham Construction are proceeding well as reported in previous months, some delays have now been confirmed and the revised delivery of the projects are as detailed. These delays will not have any adverse impact on our plans to occupy the buildings or the financial position of the bundled projects. An open book audit of the schemes is scheduled to take place on 22 July 2010 and thereafter an update on the projected spend against the 2010/11 allocation will be provided and the impact on the full year Capital spend can be assessed and reported.

Project	Start Date	End Date	Status
Adult with Complex Needs - Caird House	May - 09	Dec - 10	Adverse weather 4 weeks delay
Carluk Community Health Centre	Oct - 08	Aug - 10	Roads and services works 4 weeks & adverse weather 4 weeks delay
Learning Disability Assessment & Treatment Centre - Kirklands	Apr - 09	Aug - 09	Adverse weather 4 weeks delay

- 10.4 The Buchanan Centre at Coatbridge was handed over in May and has now been successfully occupied. A final account has now been received and the final cost of the project is being assessed. Additional Capital Expenditure of £0.092m has been reflected in this report. There have been problems with excessive heat in the building and a resolution to this is being pursued with North Lanarkshire Council but this should not have additional impact on the cost of the project.
- 10.5 Airdrie demolition is proceeding but there have been minor delays in obtaining the appropriate permissions to allow service disconnections to progress to the expected timetable. The contractor Morgan Sindall (formerly Morgan Ashurst) remain confident that the time can be recovered to allow demolition to complete by the end of September 2010.
- 10.6 Biggar Dental facility has been successfully completed and handed over with the project being completed on time and within budget.
- 10.7 Estates rationalisation is mainly in respect of the development of a Headquarters facility on the site utilising the main building and Kirklands House. Work with Interserve, the Board's Preferred Supply Chain Partner, is progressing to deliver a target price.
- 10.8 Work is currently being undertaken by the Core Equipment Group to develop the 2010/11 Investment Programme. Expenditure incurred to date comprises of building work at Monklands in respect of "housing" specified equipment and investment in additional beds.
- 10.9 As part of the Airdrie Final Business Case the board are required to contribute to the cost of provision of car parking to support this development. The agreed accounting treatment of this is by way of a Capital Grant and expenditure in the three months to June 2010 represents the board's contribution to the design fees incurred in respect of the car park facility. There has been some delay in the planning process around the development and North Lanarkshire Council are being pursued to secure resolution to this issue.
- 10.10 During this first quarter, IM&T investment was on two major projects, namely wireless networking across the acute sites, and server virtualisation. This latter project involves establishing an enterprise class virtual platform with virtual host facilities, thus reducing the amount of physical servers by approximately 60.
- 10.11 A business case has been produced to address areas within the eHealth Infrastructure Section where carbon and cost savings can be achieved. The proposals follow a wider Infrastructure strategy which is being outlined by the Head of IT Infrastructure.
- 10.12 Other major IM&T expenditure include citrix data protection and £0.555m on the Patient Management System.

11. Conclusion

The Board is asked to note:

- the actual revenue under spend of £2.307m as at 30 June 2010;
- the planned in year deficit of £4.459m per the approved Financial Plan;
- the revised forecast cumulative surplus of £7.610m as at 31 March 2011;
- the capital expenditure plan of £37.922m and expenditure of £4.970m in the three months to 30 June 2010.

LAURA ACE
DIRECTOR OF FINANCE
19 July 2010

REVENUE RESOURCE LIMIT 2010/11

	Baseline Recurring £M	Earmarked Recurring £M	Non Recurring £M	Total £M
Core Revenue Resource Limit as at 31 May 2010	798.404	10.413	1.812	810.629
Reimbursement of GVA Grimley Practice valuation costs	0.000	0.000	0.002	0.002
ehealth Financial Budget	0.000	0.000	4.424	4.424
Reimbursement of GVA Grimley Practice valuation costs	0.000	0.000	0.001	0.001
Disestablished Posts - ENT & Ophthalmology	0.038	0.000	0.000	0.038
ehealth Financial Budget - Revenue	0.000	0.000	0.109	0.109
Community Pharmacy Champions	0.000	0.033	0.000	0.033
Community Pharmacy Palliative Care Model Schemes	0.000	0.045	0.000	0.045
Long Term Conditions - Quarters 1 - 2 Funding	0.000	0.096	0.000	0.096
18 Weeks Allocations to NHS Boards Q1 & Q2	0.000	0.293	0.000	0.293
Hepatitis C Action Plan - Phase 2	0.000	0.758	0.000	0.758
CYP Specialist Services National Delivery Plan	0.000	1.466	0.000	1.466
Maternal and Infant Nutrition (CEL 36)	0.000	0.000	0.760	0.760
HNC Continuing Student Funding - 4th Quarter	0.000	0.000	0.044	0.044
HNC Year 1 Student Funding - 4th Quarter	0.000	0.000	0.042	0.042
HAI Funding	0.000	0.179	0.000	0.179
Cancer Waiting Times - Patient Pathway Co-ordination & Tracking	0.000	0.000	0.082	0.082
Childsmile Core	0.000	0.733	0.000	0.733
Childsmile & School	0.000	0.455	0.000	0.455
SDNAP Co-ordinator	0.000	0.060	0.000	0.060
Other Non Cash Expenditure	0.000	0.000	(16.226)	(16.226)
UK GAAP Revenue PFI	0.000	0.000	(46.969)	(46.969)
Cost of Capital	(4.517)	0.000	0.000	(4.517)
Core Revenue Resource Limit as at 30 June 2010	793.925	14.529	(55.921)	752.533
Non Core Revenue Resource Limit as at 31 May 2010	0.000	0.000	0.000	0.000
Annually Managed Expenditure	0.000	0.000	1.610	1.610
Other Non Cash Expenditure	0.000	0.000	16.226	16.226
Capital Grants	0.000	0.000	1.800	1.800
IFRS Revenue PFI	0.000	0.000	48.587	48.587
Non Core Revenue Resource Limit as at 30 June 2010	0.000	0.000	68.223	68.223
Total Revenue Resource Limit as at 30 June 2010	793.925	14.529	12.302	820.756

RISKS

Area	Description	Level
Prescribing 2010/11	Delivering sufficient savings to offset the financial impact of continued volume growth remains a significant challenge.	H
Laboratory Information System	A funding strategy has still to be devised for the implementation costs of the LIMS system. The original budget for this was lost because of higher than expected costs in other areas in closing the 9/10 accounts.	M
Growth demand in and other cost pressures	There is a possibility that the actions to use resources more efficiently (e.g. use of bank and overtime or reduction in supplies costs) may be successful but the cash impact will not be seen because of growth in demand or other cost pressures. Also as planned recruitment to medical vacancies takes place laboratory and theatres non pay overspends will express themselves on the bottom line.	M
Technical adjustments round asset valuations	The accounting treatment and funding rules for assets classed as available for disposal under IFRS need to be discussed fully with SGHD as there is a risk that technical adjustments could have an adverse impact on our revenue position. Also, although the £5.000m capital funding for Monklands is secure, only expenditure which the valuer deems to have added to the overall value of the building can technically be classed as capital so early dialogue with the valuer and SGHD is required.	H
Schemes involving wider engagement	£162k of savings are in schemes with delays due to extended external consultation. £278k of savings are in schemes with extended internal consultation.	L
Unavoidable costs	To secure medical rotas in emergency medicine additional investment in staffing is likely to be required, bringing the need for further in year savings. Unavoidable costs around the provision of new technologies are also likely to arise, though of lower magnitude than the staffing risk.	M/H
VAT increase	This is estimated to cost NHSL £0.550m in 2010/11.	M

ANNEX C

NHS LANARKSHIRE
CAPITAL EXPENDITURE TO 30 JUNE 2010

	ANNUAL PLAN £M	ACTUAL TO DATE £M
Initial Capital Formula Allocation:	25.398	4.970
Medical Equipment	3.034	
E-Health	0.574	
Total Capital Allocation:	29.006	4.970
Banked Funds & Unconfirmed Allocations	8.416	
Potential Sales	0.500	
ADJUSTED NET ALLOCATION	£37.922	£4.970
<u>CAPITAL EXPENDITURE:</u>		
<u>Business Cases ~ Approved</u>		
Adults Complex Needs - Caird House	3.269	0.866
Adults Complex Needs Ward - Coathill	1.140	0.533
Airdrie Resource Centre	9.500	0.392
Biggar Dental	0.100	0.095
Carlisle Community Health Centre	1.568	0.699
Coatbridge Dental & Integrated Resource Centre	0.500	0.093
LD Assessment & Treatment Centre	1.565	0.786
Monklands Projects	5.000	0.147
	22.642	3.611
<u>Business Cases ~ In Progress</u>		
Estates Rationalisation	3.500	0.108
	3.500	0.108
<u>Business Cases ~ Under Discussion</u>		
Acute Mental Health	0.500	-
	0.500	0.000
<u>Ring-Fenced Expenditure</u>		
Medical Equipment	3.350	0.034
	3.350	0.034
<u>Capital Grants</u>		
Airdrie Car Park	1.000	0.117
Dental Decontamination & Refurbishment	0.500	0.055
Patient Management System	0.300	-
	1.800	0.172
<u>Other Expenditure</u>		
Board Risk Pool	0.400	-
I M & T	1.500	0.490
Statutory	1.000	-
Patient Management System	1.400	0.555
Single Lab System	1.200	-
GPAS	0.630	-
	6.130	1.045
TOTAL CAPITAL EXPENDITURE	37.922	4.970
(OVER) / UNDER COMMITTED	0.000	0.000

Scheme No.	Status	Scheme Title	Lead ED	Planned CRES 2010-11	Revised Plan 2010-11	Actual 2010-11		Risk
1	D	Implement key elements of COPD pilot	RL	200	200	200	Service designed and staffed appropriately. Financial plan amended.	L
2	D	Streamline Discharge Process	RL	124	124	73	Process streamlined. Staff redeployed. Budget adjusted. £124k saved but £51k relates to previous budget overspend. Mechanism for adjusting TBA.	L
3	D	Stand down 16 Surgical beds at Monklands in quieter months	RL	300	300	90	Operating successfully without beds April to July 2010 with every indication this will continue .	L
4	P	Review of continuing care bed provision	RL				Engagement, option appraisal and business case development under way	
5	P	Review X Ray Provision	RL	100	100		Consultation and option appraisal underway. Scheme start delayed	M
6	I	Reduce duplicate and unnecessary lab tests using LIMS	RL				Business case incorporating savings from 2011 approved. LIMS contract awarded.	
7	I-D	Reduce Laboratory Activity	RL	50	50	13	Guidance distributed on targeted tests. Being monitored on a monthly basis	M
8	D	Review Acute management structure	RL	40	40	40	Savings removed from budget	L
9	I-D	A&C 3% Budget Reduction - Acute Division	RL	406	406	101	Posts have been identified across the division and been removed from budget. Reviewed on a monthly basis to ensure no backfill from additional hours.	M
10	I	Review use of A & C overtime in Acute	RL	50	50		Mechanisms in place to control and monitor. Discussion still to take place on how to capture saving.	M
11	I-D	Service reviews : Laboratory management structure	RL	59	59		Change in management structure agreed. Savings will take effect following retiral at end of July.	L
12	P	Service reviews : Laboratory configuration	RL				Well established Laboratory review group working through options in partnership.	
13	I-D	Service reviews : Radiology management structure	RL	59	59	59	Vacancies used to remove post from structure and budget.	L
14	P	Review use of medical locums	RL	200	200	50	Removed from budget and monthly monitoring in place.	M
15	I-D	Review Acute nursing use of bank and overtime	RL	500	500		Reduction in use of bank and overtime has been achieved. Discussion still to take place on how to capture savings since other factors are causing budget to overspend.	M
16	I	Effective Theatre Stock Management	RL	100	100		System being implemented with October go live date planned	M
17	D	Better contract for drug eluting stents	RL	100	100	25	Interim local price agreement in place which is delivering lower prices. Awaiting new national contract. Savings removed from budget.	L
18	D	Implantable Cardiac Devices	RL	45	45	45	Contract with desired price improvement in place for 2010/11. Savings removed from budget	L

19	I-D	Standardise surgical gloves used	RL	100	100	13	Greater standardisation achieved but still discussing final pan lanarkshire position.	M
20	I-D	Standardise exam/ward gloves used	RL	75	75	9	Greater standardisation achieved but still discussing final pan lanarkshire position.	M
21	D	Implement national contract for renal consumables	RL	30	30	8	Contract implemented.	L
22	I-D	Standardise drapes used and make best use of contract	RL	30	30	8	Contract implemented but savings still to be fully validated.	L
23	D	Scopes rental cancellation	RL	52	52	52	Rental agreements cancelled and savings secured.	L
24	I-D	NDC Product Rationalisation	RL	100	100	25	Number of product lines has been rationalised and work is continuing in this area. Not yet able to quantify savings reliably.	M
25	I-D	Ensure all using national contract for stationery/computer cons.	RL	50	50	12	Contract being used. Evidence of lower spend. Need to be tracked on a monthly basis and budgets across Lanarkshire identified for reduction.	M
26	I-D	Reduce use of taxis, especially for deliveries	RL	50	50	13	Use of taxis has reduced.	M
27	I-D	Review provision of Orthodontic supplies	RL	20	20	7	Early savings from product and contract switches. Protocols in place so that remainder of savings accrue throughout the year.	L
28	I-D	Review Provision of Adult Critical Care Unit supplies	RL	50	50	29	Price savings of £27k secured and work ongoing to secure other savings.	L
29	I-D	AHP vacant post reductions	RL	150	185	49	AHP restructuring plan approved. Hosting arrangements revised. Vacant posts being identified as opportunities to move to new structure.	L
30	I-D	AHP Review	PW	270	235	59	AHP restructuring plan approved. Hosting arrangements revised. Vacancies being used to deliver savings while moving to new structure. Total savings between schemes 29 and 30 should be £500k with £80k set aside for invest to save.	M
31	P	Community nursing review	PW				Work ongoing to prepare for 2011/12 delivery	
32	D	Review CHP management structure	CS/AL	800	800	800	New structure in place. HR process successfully completed. Savings removed from budget.	L

33	P	Better match Out of Hours provision to demand	AL	62	62		Consultation underway. Scheme likely to be delayed.	M
34	D	Reprofile mental health developments	CS	250	250	250	Achieved for 2010/11 with redesign achieving the aims of first tranche of new investment. Mental health strategy to be presented to September Board.	L
35	D	Review domestic abuse service structure	AL	35	35	35	Structure revised.	L
36	D	Remove longstanding community dental vacancies	CS	164	164	164	Budget surrendered and service provided through alternative means.	L
37	D	Remove discretionary primary care investment budgets	AL/CS	256	256	256	Discretionary spend suspended and budgets removed.	L
38	D	Reduce non pay budget for digital retinopathy	AL	54	54	54	Budget surrendered without impact on service provision.	L
39	D	End pilot arrangement using paramedics in OOH	AL	175	175	175	Service changed and funding transfer agreed with SAS.	L
40	I-D	Health Improvement/Public Health Department Review	HK	1,000	1,000	841	Review and restructuring process complete. Still working through HR processes for redeployment or protection for some posts. Looking for additional non recurring savings to balance this off in year.	
41	P	Primary Care Pharmacy Review	AL	13			Existing postholders retain entitlements. Savings cannot be achieved.	H
42	D	Pharmacy staffing budget re-alignment	RL	49	49	49	Budget realigned and savings surrendered.	L
43	P	Other Pharmacy Savings	AL	90	90		Still working through plans.	M
44	I-D	Evaluation of patients own medicine pilot	AL	150	150		Business case revised setting out £150k of savings. Lockers and protocols to allow use of patients own drugs being rolled out across Hairmyres and Monklands (already in Wishaw)	M
45	I-D	Substance Misuse	CS	360	360	348	Project team has worked through various strands of efficiency and savings have been substantially delivered.	L
46	P	Review use of drugs not approved by SMC	AG	200	200		Acute drug project board and action plan established.	H
47	I-D	Further review of prescribing within Acute division	AL	500	500	63	Acute drug project Board and action plan established. Full savings tracking to be established.	M
48	I-D	More cost effective primary care prescribing	AL/CS	1,900	1,900	410	Year end outturn was £1.4 m higher than position on which plan was based so would need overachievement of original plan to balance. Prescribing action plan 6a is delivering savings, combined with lower volume growth in April and a further action plan (7). Overall costs contained within budget in April.	H

49	I-D	Further primary care prescribing efficiencies	AL	1,400	1,400	350	Assumptions round generic switches still in place. Overall costs contained within budget in April.	H
50	D	Lower enabling costs in first year of prescribing efficiency scheme	AL	140	140	140	Plans adjusted accordingly.	M
51	P	E Health 1 - Medical Records - Reception Areas	AL	68	68		Work ongoing at Hairmyres but still staffing issues to be resolved.	M
52	P-I	E Health 2 - Medical Records - Case Notes Monklands	AL	102	102		Work being progressed but not yet in place.	M
53	P	E Health 3 - Medical Records - Record Retrieval	AL				Work ongoing for 2011/12 delivery	
54	P	E Health 4 - Medical Records - Case Notes Provision	AL				Work ongoing for 2011/12 delivery	
55	P	E Health 5 - Medical Records - A&E/OOH Reception	AL				Work ongoing for 2011/12 delivery	
56	I-D	E Health 6 - Medical Records - E-Vetting Software	AL	34	17		Roll out commenced. Impact on workload being monitored.	M
57	D	E Health 7 - Primary Care - GP Scanner Maintenance	AL	13	13	3	Contract revised and savings accruing.	L
58	D	E Health 8 - Primary Care - bring back outsourced function	AL	29	29	7	Contract ended and service being delivered in house at lower cost.	L
59	D	E Health 9 - Primary Care - PIMS Hardware	AL	40	40	10	Contract revised and savings accruing.	L
60	P	E Health 10 - Primary Care - Infrastructure Savings	AL	50	50			
61	I-D	E Health 11 - Departmental Staff Travel Reduction	AL	10	10	2	Travel being monitored on a monthly basis.	
62	P	E Health A - Child Health Services Records Rationalisation	AL				Work ongoing for 2011/12 delivery	
63	P	E Health D - Mobile Phone Review	AL	20	20		Scoping work still to be completed.	M
64	P	E Health F - Virtualisation of IT Estate	AL				Work ongoing for 2011/12 delivery	
65	P	E Health F - Full Network Review	AL				Work ongoing for 2011/12 delivery	
66	P	E Health H - Reduction of Printer Estate	AL	30	30		Pilot site potential evaluated and report presented for agreement on direction	M
67	I-D	Energy Efficiency Projects	IR	183	183		Work to improve efficiency of 6 poorest site has been completed. Monitoring systems to track consumption being implemented. Savings may be being achieved but awaiting first quarters bill.	M
68	D	Electricity Billing Savings	IR	13	13	13	Discount agreed. Saving removed from budget.	L

69	P	Energy Awareness, PC switch off	IR	100	100		Energy awareness campaign undertaken. PC Switch off software still to be deployed. Monitoring systems to track consumption being implemented. Savings may be being achieved but needs validated.	M
70	D	Contract Review & Savings	IR	14	14	14	Discount agreed. Saving removed from budget.	L
71	D	Waste	IR	12	12	3	Efficiency measures in place	L
72	I-D	Postage Review	IR	120	120	10	New arrangements in place for second class mail. Costs and activity will be monitored . Early evidence of costs reducing across sites.	M
73	I-D	Maintenance Services staffing - call outs	IR	13	13	3	Additional controls in place. Living within budget.	L
74	P-I	Review non-patient catering services	IR	108	108	14	Extensive work in partnership to explore options for removing subsidy on non patient catering. Elements of schemes implemented, measures being reviewed and further action taken as necessary.	M
75	P	Cleaning in non-clinical areas	IR	30	30	30	New work schedules implemented and staffing realigned.	L
76	D	Transport Services	IR	29	29	29	New work schedules implemented and staffing realigned.	L
77	I-D	Dental Transport	IR	12	12		Van to be decommissioned september 2010.	L
78	P	External Advertising on NHSL vehicles	IR	5	5		Scheme not achievable	H
79	I	Caretaker review - Community sites	IR	7	7	7	Hours realigned.	L
80	P	Improve space utilisation of estate	IR	22	22		Property stratgey group established to look at space utilisation and lease arrangements alongside service plans. No savings to date but future potential identified and being pursued.	L
81	D	Security Review	IR	215	215	53	Law sale site buildings demolished. Arrangements reviewed across NHSL.	L
82	D	WRVS Lease Monklands	IR	55	55	55	Income received	L
83	D	Staffing review within Capital Services.	IR	50	50	50	Post removed from structure following retiral.	L
84	P	Laundry Sleep Knit	IR				Undertaking trails to see if viable for 2011/12 implementation	
85	I-D	Laundry Linen Review	IR	8	8		Product switch took place as planned and would have produced cash releasing savings had the overall price of cotton products not risen by 35%	H
86	I-D	Laundry Cage Tracker	IR	7	7		Tracker in place. Monitoring to see if cage losses reduced.	M
87	D	Extract Pacs element from PFI contract	IR/LA	540	540	540	Contract renegotiated and saving removed from budget	L
88	D	PFI margin debt reduction	IR	12	12	12	Interest renegotiated, savign removed from budget.	L
89	D	Calibrate voluntary sector agreement and service level 2	IR	69	69	69	Achieved.	L

90	D	Calibrate voluntary sector agreement and service level 1	IR	20	20	20	Achieved.	L
91	P	Surrender uncommitted budget	IR	35	35	35	Achieved although formal transfer still to take place.	L
92	P	Efficiency offset in VS uplift	IR	34	34	34	Achieved.	L
93	D	Fully recover lease car insurance costs	LA	43	43	11	Arrangements in place for full year. Cost savings to be validated at 6 month stage.	L
94	I-D	Make lease car scheme economically viable	LA	94	94	24	New leased car scheme in place for full year. Savings to be validated and adjusted at 6 month stage.	M
95	I-D	Reduce miles travelled by all users	IR	20	20		Protocols, communication plan and monitoring in place. Still validating savings.	M
96	D	Reduce training programmes	KS	85	85	85	Training programme revised. Budget removed.	L
97	D	Review use of NHSL libraries and materials	KS	15	15	15	Subscriptions reviewed and rationalised. Two libraries integrated.	L
98	I-D	Spiritual care and diversity non pay	KS	20	20	5	Revised spending plan agreed. Budget removed.	L
99	I-D	Cease development event	KS	16			Although no plans to have event, savings had been surrendered in previous year in anticipation.	H
100	P-I	25% reduction on general courses and conferences	KS	100	100		Guidance developed and cascaded through management teams. Monitoring arrangement to be put in place. Mechanism for extracting savings from budgets to be agreed.	H
101	I-D	OD balance of 10%	KS	39	39	39	Saving delivered non recurringly through staff secondment arrangement.	L
102	D	C & I Team restructuring	IR	57	57	57	Post removed from structure following retiral.	L
103	D	Transfer of C+I Staff to LEAN	IR	66	66	66	Transfer in place.	L
104	D	Review secretarial hours within Planning & Performance Directorate	IR	9	9	9	Hours reduced.	L
105	I-D	C & I non pay budget reduction	IR	25	25	6	Saving removed from budget and department living within budget.	L
106	D	Comms Web management	IR	12	12	12	Hours reduced.	L
107	D	Comms Photography	IR	4	4	1	Revised protocol in place.	L
108	I-D	Finance 10%	LA	438	438	299	All staffing proposals implemented with exception of payroll department as still working on roll out plan for e expenses and reducing the weekly pay numbers. A number of non pay savings schemes to be delivered in year.	M
109	D	HR Directorate 10%	LK	212	212	212	Staffing restructuring implemented, change in recruitment practices implemented, full savings achieved	L

110	P-I	Procurement 10%	LA	135	135	24	Savings being delivered non recurrently through vacancies and non pay savings. Recurrent plan to be agreed in conjunction with procurement workplan.	M
111	D	Reduced sessional fees corporate affairs	NA	33	33	33	Achieved and savings removed from budget.	L
112	D	Corporate affairs: reduced stationery and advertising costs	NA	25	25	25	Measures in place, savings being delivered.	L
113	D	Nursing directorate 10%	PW	200	200	200	Bankaide and PDC service redesign implemented, full savings removed	L
114	D	Salus 10%	KS	313	313	313	Savings to be delivered from securing external business. Plans on track.	L
115	I-D	Review clinical effectiveness/governance/medical audit activity	AG	88	88	7	Central structure agreed, budgets transferred and staff movements agreed	L
116	I-D	Review of Learning Disabilities service	CS	151	151	132	Changes to medical and nursing establishment fully implemented. A & C changes scheduled for July.	L
117	P-I	Orthopaedic kit rationalisation	RL	50	50		Clinical user group selected Standard list of products , specification written and tendered.	M
118	I-D	More cost effective arrangements for GP computing	AL	20	20		New GP IT arrangements being rolled out. Savings potential to be reassessed once implementation experience better known.	H
119	P	Estates Rationalisation	IR/LA				Project Board and subgroups well advanced. Sign off decision to come to September Board	M
120	P	50% reduction in Hospitality costs		50	50		Scheme still to be progressed.	M
121	D	Review Staffing for Cancer Services	RL	20	20	20	Changes identified and implemented	L
122	D	Review of Admin Staffing - Training	KS	18	18	18	Vacant post removed from structure.	L
123		Estimated Slippage Through implementation delays		(375)	(329)			
Totals				15,000	15,000	7,539		

P	Proposal being scoped	1,109	1,096	149
I	In process of implementation	157	157	7
D	Scheme delivered	5,037	5,037	4,412
P-I	implementation	495	495	38
I-D	Implementation almost complete	8,577	8,544	2,934
	Other	(375)	(329)	
Total		15,000	15,000	7,539