# Ref: GJF/2018/06/14



# Board Meeting: 21 June 2018

**Subject:** Finance Report, March 2018

**Recommendation:** Members are asked to discuss and note this report for the period to 31 March 2018

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#### Introduction/Key Issues

The year-end results to March 2018 show a small surplus of £3k. This includes both core and non-core expenditure, and is in line with the breakeven forecast in the finance plan. This surplus is made of the following:

* Income – ahead of target by £614k YTD;
* Core Expenditure – overspend of (£611k) YTD; and
* Non-core Expenditure – underspend of £3k YTD.

The summary income and expenditure is included at appendix one. The key points in our income and expenditure to highlight are detailed below (efficiency savings are discussed in section six);

**Income**

* This is showing a continued improvement in performance against plan for Research and Development projects and other income, which offsets the reported performance behind plan for the Golden Jubilee conference Hotel

**Expenditure**

* As with prior months, Pay pressure within Medical staff pay costs remains an issue due to cover for vacancies, unplanned leave and therefore the need for additional waiting list sessions and flexible cover.
* Overall,nursing retains a positive financial position with cost pressures noted within Cardiology wards and Cath Lab and these are offset by under-spends within Surgical Services Theatre Nursing, outpatients and critical care service.
* The non-pays position within Core Expenditure and specifically corporate supplies and reserves has seen an adverse movement during March 2018. This is due to planned expenditure and is aligned with year-end budget phasing and financial plans.
* Surgical Supplies year to date continues with an underspend, mostly attributable to Theatres and Cardiology Devices as a result of realised efficiency benefits. In month reflects an adverse position as a result of planned expenditure and year-end stock adjustments.

The Board has achieved the target agreed with the Scottish Government Health and Social Care Directorate (SGHSCD) reflecting a small surplus of £3k and in line with the Boards 2017/18 breakeven financial plans.

#### Capital Out-turn for 2017/18

The capital spend for 2017/18 was £7.436m against a budget of £7.436m thus demonstrating a breakeven position, this number has been subject to audit. The breakdown of this spends is noted below:

|  |  |  |
| --- | --- | --- |
| At year end | Allocation  £’000 | Spend to date year-end  £’000 |
| Formula capital | 4,288 | 4,288 |
| Capital Stimulus | 2,463 | 2,463 |
| Elective Centre | 685 | 685 |
| **Total** | **7,436** | **7,436** |

The position reported above has also been agreed with SGHSCD. In addition the balance of the capital stimulus money not utilised in year will be transferred to next year. The total remaining balance of the £5m capital stimulus money will be utilised to fund the second CT scanner, with any remaining funds thereafter contributing the phase one of the expansion.

#### Annual Accounts 2017/18

The annual audit of the Directors Report and Annual Accounts has been undertaken with no significant issues being identified. The final exit meeting with the Auditors has been arranged for 31 May.

The accounts were approved at the Senior Management Team prior to being presented to the Board for approval on 21 June 2018.

#### Endowments Annual Accounts 2017/18

As with the Board accounts, the audit of the Charity’s accounts has also now been completed, again with no significant issues identified. We are now in the process of consolidating these into the Board accounts.

The accounts and annual report will be presented to the Endowments sub-committee and then the Board of Trustees prior to submission to the Office of the Scottish Charity Regulator (OSCR).

#### Efficiency Savings

At month 12, total efficiency savings delivered were £4.542m against a Local Delivery Plan (LDP) target of £4.5m, reporting £42k favourable performance against plan at this stage. This is in line with the planned trajectory and reflects a small over achievement of our Board efficiency savings annual target.

The savings achieved to date are split with recurring efficiency savings achieved of £3.516m and non recurring savings of £1.026m. Details of this are included in Appendix 1, page 5.

There are no key movements in this month’s reported position; the achievement is in line with forecast year-end performance.

#### Conclusion

Members are asked to note this finance report for the period ended 31 March 2018.

## Julie Carter

**Director of Finance**

**17 May 2018**

**(Lily Bryson, Assistant Director of Finance – Governance and Financial Accounting)**

**(Elizabeth O’Brien – Assistant Director of Finance – Financial Management)**