# Ref: GJF/2017/05/13

# GJF Logo Board Meeting: 11 May 2017

**Subject:** Finance Report – March 2017

**Recommendation:** Members are asked to note this   
report for the period to 31 March 2017

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#### Introduction/Key Issues

The year-end position shown is as forecast, demonstrates a breakeven financial position for the year. This includes both core and non-core expenditure, this is broadly in line with the forecast in the finance plan.

This is made up of the following:

* Core Position – breakeven;
* Non-core Position – breakeven; and
* Total Position – breakeven.

The net core financial position is showing a breakeven position against a breakeven forecast plan and the net non-core position also reflecting a breakeven position. This is as reported throughout the year.

This position is subject to audit.

Variances have occurred in the year which has been explained in previous reports;the final outturn is in line with the forecast plan.

#### Capital Out-turn for 2016/17

The capital spend for 2016/17 was £4.947m against a budget of £4.947m, demonstrating a breakeven position, this number is also subject to audit.

#### Budgets 2017/18

The draft budgets for each of the Divisions and Corporate functions are in the final stages of being agreed; these will then be consolidated into the overall budget for the Board, which will be in line with the approved three year finance plan.

We implemented the use of the Health Sector Budgeting module within e-Financials systems in prior years, which means that the recurring elements of the budgets are automatically rolled-over from 2016/17 to 2017/18, saving a significant amount of staff time and therefore meaning that we are able to produce financial information for period one. This process has worked well during the prior year’s budget roll-over. The budgets will roll-over in the system following the final close of 2016/17 on 27 April 2017.

The final budgets are due to be agreed by the end of May with a paper regarding the position being presented to the next Senior Managers Meeting. Following the budget sign-off we will provide monthly reports and analysis to the budget holders.

#### Annual Accounts 2016/17

The annual audit of the Directors Report and Annual Accounts will be undertaken during the two weeks commencing 3 May 2017.

The accounts will be present to the next Senior Mangers Meeting, prior to being presented to the Board for approval on 15 June 2017.

#### Endowments Annual Accounts 2016/17

As in prior year it is planned that the annual accounts and report for the Board charity will be undertaken in tandem with the Board accounts. We have reviewed the income received and there is no requirement to consolidate the charity and the Board accounts for the year 2016/17. This position is reviewed on an annual basis by the Audit and Risk Committee and the auditors.

The accounts and annual report will be presented to the Endowments Sub-committee and then the Board of Trustees prior to submission to OSCR.

#### Payroll Services SLA

The formal SLA that the Board have with NHS Greater Glasgow and Clyde (NHS GG&C) for the provision of payroll services has been reviewed and updated with the Representation from NHSGG&C and the Assistant Director of Finance and Director of Finance forming part of the review.

The new SLA reflecting the increased level of staff has been in effect from 1 April and will be reviewed an updated on an annual basis going forward.

Comparison has been carried out with the new charges and the NHS payroll benchmarking data. This identified that the cost and service provided from NHS GG&C is the lower cost in the benchmarking data from payroll services across NHS Scotland. Performance indicators have also been reviewed and agreed. HR have also supported this review.

It has therefore been agreed to approve the new SLA.

#### Efficiency Savings

At month 12, the total efficiency savings achieved were £4.355m against a target of £3.952m. The recurring savings were slightly behind plan by £64k however this variance has been compensated by the significant overachievement in the non-recurring savings to date of £467k above plan. This gives a net over achievement in savings of £403k.

#### Efficiency Savings 2017/18

The Board Financial Plan for 2017/18 was approved by the Board and has been submitted to Scottish Government in support of the Board Local Delivery Plan. The plan is forecasting a breakeven position for 2017/18 with efficiency savings required of £4.5m. It has also been agreed that additional non-recurring resources for project management input will be identified in 2017/18 to support some of the redesign projects identified within the efficiency plans. Specifically these projects are:

* To support the national theatre work to ensure maximum utilisation of all of our theatres;
* Further development of the e-job planning system to produce capacity planning and modelling;
* Further work on the radiology capacity review;
* Progress a project looking at the overall laboratory capacity including out of hours; and
* Support the move of the laundry contract to NHS GG&C from November 2017.

The Efficiency and Productivity group will also identify if any further resources or project support is required in their review of progress against the plans.

#### 9. Conclusion

Members are asked to note this finance report for the period ended 31 March 2017.

## Julie Carter

**Director of Finance**

**24 April 2017**

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

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