

Western Isles Health Board

Meeting: **BOARD MEETING**
 Date: 27.06.18
 Agenda Item: 6.1
 Location of Full Report:
 Author: Ms. Debbie Bozkurt, Head of Finance and Procurement
 Executive Sponsor: Mr. Gordon Jamieson, Chief Executive

TITLE: DRAFT YEAR END FINANCIAL POSITION 2017/18

Purpose:	To inform the Board of the Draft Year End Financial Position of the Board 2017/18
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Recommendation:	<i>The Board / Committee is invited to:</i>	
	Note for Information / Assurance	✓
	Approve	
	Discuss	

Summary / Key Points:	<i>This should provide sufficient information to enable the committee to understand the key points of the paper being presented. If covering a large complex document specific pages or sections of relevance should be highlighted. This should enable members to contribute to a focused discussion and, if necessary, make an informed decision.</i>
	<p><u>Summary</u></p> <p>The Board's pre-audited accounts show a small surplus of £12k as shown overleaf after all contingency and any RRL held central was allocated. Audit Scotland will be on site for 3 weeks from the 14 May to audit the Health Board accounts. At present I have no indication that there could be anything of a material value that could result in the Board not being able to report a breakeven position.</p> <p>I would also like to provide assurance to the Healthcare Governance and Audit Committee that our accounts have been produced in accordance with the Financial Reporting Manual (FReM)</p>

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	Limit as set by SGHSCD	Actual Outturn	Variance (Over) / Under
	£'000	£'000	£'000
1 Core Revenue Resource Limit	82,154	82,142	12
- Non Core Revenue Resource Limit	2,208	2,208	0
2 Core Capital Resource Limit	2,848	2,847	1
- Non Core Capital Resource Limit			
3 Cash Requirement	85,237	85,237	0

Memorandum for in year outturn

Brought forward deficit (surplus) from previous financial year	£'000 (51)
Saving/(excess) against in year total Revenue Resource Limit	(39)

Variances

The key variances during the year were as follows:

- There was a year overspend of **£157k** on Community Hospital Nursing. From 1 November strict controls have been put in place to activity reduce bank and overtime use where possible. There has been a small decrease in bank usage to date which has reduced the projected overspend slightly.
- There was an increase in spending on adult mental health, the overspend pre-contingency allocation was **£316k**. This is due to continuing high cost placements at a secure unit and increase placements at NHS units.
- GP Prescribing was under pressure in 17/18 and without the transfer of contingency would have been **£317k** overspent. The overspend was in part to a lower than expected national agreed pricing on the drug Pregablin, a shortage of a number of drugs and a harsh winter resulting in an increase in respiratory illnesses.
- The Highlands and Islands travel scheme was **£347k** overspent at year end. The overspend is due in part to an increase in bookings and as yet no major achievement in savings attributed to Patient Travel. There has however been a decrease in the overspend from month 9 year end projection as process changes in the way escorts

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are booked are starting to make a difference.

- There is an in yearend overspend on Laboratories of **£395k**. The overspend within the laboratory service partly relates to the Blood Transfusion service. The Board has signed a Memorandum of Understanding with National Services Scotland (NSS) through its strategic business unit Scottish National Blood Transfusion Service (SNBTS), to support the Board in ensuring the clinical safety of patients. The Board is also getting support from a consultant employed by NSS. The cost of this ongoing support is not within the laboratory budget and therefore is resulted in an overspend. There is also an overspend relating to the use of agency staff to cover vacancies and increased reagents within the laboratory.
- The Board has experienced unprecedented levels of high cost drugs with regards to off island treatments. The main increases are due to changes in drug treatment for known conditions, for example, Multiple Sclerosis and Chron's Disease. There has also been an increase in Hep C treatment and increase in oncology and haematology drugs. Off Island Therapeutics is overspent by **£419k**.

Capital

In terms of the Board's capital programme, the Board has discharged its Capital Resource Limit of £2,848k. The CT scanner is being replaced at a total project cost of circa £800k, The CDU redesign project has commenced at a total project cost of circa £730k. Scope capacity in Uist and Barra hospital was increased together with replacement scopes at the Western Isles Hospital at the cost of £405k

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Risk:	<i>Are there any significant risks related to this topic? ✓</i>	
	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/> <i>If yes, please describe below:</i>
	<i>Risk Register – If the risk on the Corporate Risk Register please detail, including the specific Risk ID</i>	

Competence	<i>Does the topic have any impact on the following Governance Standards: ✓</i>	
	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/> <i>If yes, please describe below:</i>
Financial Impact		
Clinical Impact	<i>Does the topic have any impact on the following Governance Standards: ✓</i>	
	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/> <i>If yes, please describe below:</i>
Human Resource Impact		

Approval Pathways	<i>Committees presented to:</i>	<i>Date:</i>
	<i>Committees to be presented to:</i>	<i>Date:</i>