

<b>Meeting:</b>	<b>Board Meeting</b>
<b>Meeting date:</b>	<b>25 August 2021</b>
<b>Title:</b>	<b>Finance Monitoring M3 2021/22</b>
<b>Item:</b>	<b>6.1</b>
<b>Responsible Executive/Non-Executive:</b>	<b>Debbie Bozkurt, Director of Finance &amp; Procurement</b>
<b>Report Author:</b>	<b>Same as above.</b>

## 1 Purpose

**This is presented to the Board for:**

- Discussion

**This report relates to a:**

- Annual Operation Plan

**This aligns to the following NHSScotland quality ambition(s):**

- Effective

## 2 Report summary

### 2.1 Situation

At 30th June 2021 the Board is showing an in year underspend of £410k and at year end the Board is showing a break-even position assuming the Board receives funding for all projected COVID spend. The Board however will only claim costs incurred and there may be slippages in some of the expenditure lines. Covid actual costs will be reviewed monthly as there will be Covid costs sitting in other services.

### 2.2 Background

The financial monitoring report attached provides a summary of the position of the Board and details variances per Executive Lead and by Services.

### 2.3 Assessment

This report reflects the spend to date (as recorded in the Board's financial systems) and explains any recurring cost pressures and non recurring cost pressures variances which have arisen in the first **3** months of the year which are likely to have an impact on our year end outturn.

### Main Cost Pressures

*OOH* – There is an identified pressure of £200k in the Boards OOH service for both managing St Brendans hospital and for the normal GP OOH service. An option paper has been drawn up and we are hoping to put in place a cost neutral solution if recruitment is possible. The projected overspend has assumed the solution will be in place by October 2021. If there are delays this overspend may increase.

*Acute Nursing* – There are emerging pressures on the Acute Nursing budget due to known pressures in our renal service as the aging population has grown requiring more staff to manage the increased number of patients. A review is taking place on projected bank costs in other ward areas as there are some Covid-19 costs that need to be transferred out of Acute Nursing and we are expecting the pressures to ease but not necessarily bring back to budget as there is high levels of sickness in some wards.

*Laboratory* – The laboratory is under pressure both financial and workforce related. We have some vacancies being covered by agency staff, which are at a premium due to COVID testing requirements UK wide.

*Community Hospitals* - There is a projected overspend of £194k due to the use of agency staff and bank to cover vacancies and sickness. The staffing costs will be reviewed to ensure there are no vaccination costs that need to be transferred to Covid-19 funds.

### Savings

The Board had £4.410m of savings of which £0.990m was unidentified. Work is underway and the Board is confident by month 4 they will reduce the unidentified savings considerably albeit in a non-recurring manner. Some of the high value savings are on target to be achieved and at present we are assuming all savings will be achieved. Savings will be monitored in detail on a month-by-month basis.

### Capital

The Board's baseline Capital Resource Limit (CRL) for 2021/2022 is £1.233million. In July 2021, £400,000 of additional capital resource was allocated to the Board for replacing the scope service in OUAB. At the beginning of the financial year, the Board's capital programme was overcommitted by £400k; although still a significant amount, due to additional funding received in 2020/2021, the Board were able to address some key capital risk areas and reduce the ongoing pressures present around capital requirement and resource.

Projects have been prioritised and we have brought forecast spend back within the CRL. In order to get to that balanced financial position in 2020/2021, £410k of projects were placed on a 'deferred list', should funding become available in the year (either through local slippage on prioritised projects or further central funding allocated) these projects will go ahead. The nature of these projects is urgent but not yet at a critical level of risk in terms of patient safety and continuation of service. Further details are in section 18 of this report.

#### **2.3.1 Quality/ Patient Care**

N/A

#### **2.3.2 Workforce**

N/A.

#### **2.3.3 Financial**

The Board is predicting a break-even position after contingency has been applied and the remaining Covid-19 funding is received.

#### **2.3.4 Risk Assessment/Management**

N/A.

#### **2.3.5 Equality and Diversity, including health inequalities**

An impact assessment has not been completed because it is not required in this instance

#### **2.3.6 Other impacts**

N/A.

#### **2.3.7 Communication, involvement, engagement and consultation**

N/A

#### **2.3.8 Route to the Meeting**

### **2.4 Recommendation**

- **Discussion** – Examine and consider the implications of a matter.

## **3 List of appendices**

The following appendices are included with this report:

- Financial Monitoring Month 3 Report