

Meeting date: 30 November 2022

Item: 6.1

Title: Director of Finance Narrative Report M6

Responsible Executive/Non-Executive: Debbie Bozkurt Director of Finance and Procurement

Report Author: Debbie Bozkurt Director of Finance and Procurement

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

NHS Western Isles had to provide a Month 6 Financial Position to the Scottish Government with Covid monitoring, current variances and emerging risk'

2.2 Background

The attached report is the narrative that went to the Scottish Government for Month 6 at the end of October– not only concentrating on financial risk but demographic and subsequently workforce risk

2.3 Assessment

The report attached 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 6 months of the year which are likely to have an impact on our year end outturn.

As of 30th September 2022, the Board is showing an in year overspend of **£696k** and at year end the Board is showing a projected overspend position of **£1,630k** assuming the Board receives funding for the increased pay awards for agenda for change staff and medical and dental staff.

The Board's annual plan for 22/23 showed an amended savings target of £4.015m, of which £1.025m was to be achieved through financial flexibility and £1.221m was unidentified. At Month 6 £0.334m remain unidentified but financial flexibility has been identified and by Month 7 all unidentified savings will be achieved. The overspend of £1,630k is due to in year pressures (detailed further into the narrative) not able to be contained within further flexibilities and reserves rather than unachievable saving (albeit saving identified to close original gap are non-recurring in nature). To note vacancy savings are on the whole fortuitous savings due to the inability to recruit in a timely manner (due to shortage of available workforce) not because a decision has been taken to hold posts.

2.3.1 Quality/ Patient Care

N/A

2.3.2 Workforce

N/A

2.3.3 Financial

The Board is showing an in year overspend of **£696k** and at year end the Board is showing a projected overspend position of **£1,630k**

2.3.4 Risk Assessment/Management

NA

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

The Report has been presented to the Corporate Management Team on the 11.11.22

2.4 Recommendation

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

3 List of appendices

- 6.1.1 Main Narrative Report