# Ref: GJF/2017/10/11

# GJF LogoBoard Meeting: 26 October 2017

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**Subject:** Finance Report – August 2017

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

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#### Introduction/Key Issues

The year-to-date (YTD) results show a total surplus of £480k. This includes both core and non-core expenditure, this is in line with the forecast in the finance plan. This planned surplus is made of the following:

* Income – over target by £289k YTD;
* Core Expenditure – under spend of £236k YTD; and
* Non-core Expenditure – overspend of £46k 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 five).

**Income**

* This is showing improved performance against plan for Heart and Lung services; mainly related to an increase in Non-West of Scotland patients.

**Expenditure**

* Increased costs in Medical Staff pay are due to an increase in the number of Waiting List Initiative sessions worked to assist other Boards to treat patients within the appropriate time frame.
* Overall nursing has seen an improved financial position although we continue to see a slight overspend within Regional and National Division nursing staff costs as a result of continued costs of supplementary staffing to cover sickness absence, annual leave and maternity leave.
* Surgical Supplies continues with an under spend, mostly attributable to Theatres and Cardiology Devices as a result of efficiency benefits realised through procurement savings.

At this stage it is anticipated that the Board will achieve the target agreed with the Scottish Government Health and Social Care Directorates (SGHSCD) and in line with the Board’s financial plan. The full year forecast undertaken at month five indicated that a breakeven position would still be achieved by year-end, with no significant risks to highlight.

#### Electronic Patient Records (ePR) Programme

A business case describing the non recurring funding requirements for the implementation of ePR within the Board was taken and approved at the Senior Management Team meeting in August.

The move towards an ePR, through the digitisation of case notes, the rationalisation of e-Health systems, and implementation of portal technologies to support patient pathways and delivery of high quality care, is a key feature of the Board’s approved e-Health Strategy.

It is anticipated that this programme of work will comprise of four distinct work streams and take around 21 months to complete, completing in March 2019. The phasing of the work streams will not be sequential but delivered in tandem, with clear identification and management of any inter-dependencies, to ensure a successful outcome.

The four distinct work streams are:

* Document Scanning (digitisation of patient records);
* Regional Portal (sharing of patient information between Boards);
* Development of electronic solutions for the capture and storage of clinical data; and
* Development of a GJNH patient portal.

An ePR Implementation Group has been established to oversee the development and implementation of GJNH ePR and to ensure the realisation of associated benefits and the management of risks. This group is chaired by the Director of Operations, has senior representation from all clinical and service areas and reports to eHealth Steering Group on a quarterly basis.

In order to support the successful delivery of the ePR programme, a resource plan has been developed which highlights the additional resources, over and above substantive eHealth staff, required during the programme lifecycle.

The indicative recurring and non-recurring revenue costs associate with the project are noted below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Resource** | **Cost**  **2017/18** | **Cost**  **2018/19** | **Cost**  **2019/20** | **Cost**  **2020/21** |
| Non-Recurring | £214,682 | £154,236 | £25,859 | £0 |
| Recurring | £39,853 | £88,988 | £88,988 | £88,988 |
| Total | **£254,535** | **£243,224** | **£114,847** | **£88,988** |

The funding has been included within the Board’s financial plan, recognising the significant efficiency benefits delivered by this project.

#### Capital Investment Approval

The Scottish Government’s Director of Health Finance issued guidance on the updated approval process for capital investment on 5 September. The key points of this are noted below:

* requirement now to establish strong and effective regional planning and delivery;
* NHS Boards need to work collaboratively and effectively with each other and other partners; and
* strategic assessment will require to focus on:
* improved patient outcomes;
* financial sustainability; and
* workforce sustainability.

Recognising the creation of regional and national delivery plans to ensure delivery of the points noted above and in order to support these new delivery plans the approval/governance process for capital investment projects is being revised. The key changes are noted below.

* New submissions to the Capital Investment Group must be reviewed and agreed as part of the regional planning process, and included in the regional plans.
* A strategic assessment of the estate will be undertaken which will include:
* mapping the acute estate;
* strategic service modelling; and
* whole system working across all sectors.

The output from this piece of work will lead to the creation of a whole system service planning tool specifically for NHSScotland.

As this work is still ongoing, we will bring back updates on any further changes to the approval process going forward taking into account any impact this will have on the Golden Jubilee elective centres expansion.

#### Efficiency Savings

At month five, total efficiency savings delivered were £1.938m against a Local Delivery Plan (LDP) target of £1.681m, reporting £257k favourable performance against plan at this stage. This is ahead of the planned trajectory and we expect to meet our Board efficiency savings annual target at this stage.

This savings achieved to date are split with recurring efficiency savings achieved £1.082m and non-recurring savings of £856k. Details of this are included in Appendix 1, page 5. The key movements in this relate to:

* positive movement with a non-recurring Orthopaedic Theatres surgical supplies efficiency realised from this month in relation to procurement opportunities offset against; and
* development of joint posts potentially within Ophthalmology and other Surgical Specialties not yet realised as a solution to offset the current waiting list initiative payments;

#### Conclusion

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

## Julie Carter

**Director of Finance**

**20 September 2017**

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

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