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| Board Meeting: | 1 August 2019  | dual branding.jpg |
| Subject: | Finance Report – May 2019 |
| Recommendation:  | Members are asked to:

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| --- | --- |
| Discuss and Note | X |
| Discuss and Approve |  |
| Note for Information only |  |

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#### Introduction/Key Issues

The month two year to date results show a total surplus on core funding of £1.065m, which is made up of the following:

* Income – above target by £0.016m;
* Core Expenditure – under-spend of £1.049m

Non-core expenditure reflects a small surplus position of £0.029m.

This therefore reflects a £1.094m surplus on total core/non-core position and aligns with our financial plan trajectory within the Forecast Financial Plan of £1.00m under-spend against core RRL by the end of quarter 1- June 2019.

There are no reasons, at this early stage in the financial year, that cause any undue concern. It is therefore anticipated that the Board will achieve the target agreed with the Scottish Government Health and Social Care Directorate and the delivery of our approved financial plan.

1. **Annual Operational Plan meeting - Scottish Government Funding**

Following the submission of the Boards Annual Operational Plan to Scottish Government, agreement of funding assumptions will be discussed through GJ Annual Operational plan meetings and the financial plan future funding forecast will reflect the outcome of these discussions.

Subject to final approval by GJ income assumptions from Scottish Government (including £0.600m towards Cardiology or Cardiac activity pressures) then budget will be released accordingly and service plans put in place until final regional agreement on activity increases are funded.

1. **Efficiency Savings**

At month two, efficiency savings schemes are not yet fully defined and calculated while work continues in agreeing the full year target with corporate schemes being finalised by finance and the budget holders.

For the full year target there remains a gap of £0.955m to achieve financial plan target and this will be monitored against the projected forecast. Note this gap has reduced from the £1.4m gap described within the financial plan so good progress is being made, and the indicative additional corporate schemes once fully costed are likely to reduce the £0.955m gap further by £0.200m. The savings achieved reported from month three will be shown in the Scottish Government monitoring table to demonstrate achievement against planned trajectory.

1. **Conclusion**

Members are asked to note the finance report for the period ended 31 May 2019.

**Colin Neil**

**Director of Finance**

**3 July 2019**

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

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