

Greater Glasgow NHS Board

Board Meeting

17th September 2002

Board Paper No. 02/62

Director of Finance

2002/03 Financial Monitoring Report for four months ended July 2002

Recommendation:

The Board is asked to:

- note the results reported for the first four months ended 31 July 2002.

Summary

The financial performance for the four months ended 31 July 2002 has been reported by each Trust and summarised as follows:

TRUST FINANCIAL MONITORING

APRIL - JULY 2002

	<u>North</u> £000	<u>South</u> £000	<u>Yorkhill</u> £000	<u>PCT</u> £000	<u>Total</u>
INCOME	150,395	68,073	29,560	163,729	411,757
EXPENDITURE	144,342	63,480	28,797	161,740	398,359
SURPLUS BEFORE INTEREST	6,053	4,593	763	1,989	13,398
INTEREST (NET)	6,238	4,569	1,063	1,863	13,733
SURPLUS	(185)	24	(300)	126	(355)
FORECAST	(142)	0	0	100	(42)

Details of issues affecting individual Trusts is given in the narrative. At this early stage in the year, the forecast out-turn for NHS Greater Glasgow remains break-even at the year end.

2002/3 Financial Monitoring Report for four months ended June 2002

Introduction

At its May 2002 meeting, the Board approved the 2002/3 Startpoint Revenue Allocations and thereby confirmed the distribution of new monies available to the Trusts and other relevant healthcare organisations.

Those new funds have now been added to Trusts' existing baseline allocations to produce the 2002/3 startpoint budgets against which their performance will be monitored in year. This report therefore:

- reports on performance against those baselines for the four months ended 31 July 2002.

In agreeing the allocation of new funds, the Board acknowledged the degree of risk inherent in Trust startpoint allocations. In this context, the results for the first four months are encouraging. However, concern exists around remaining difficulties in agreeing uplifts to existing service contracts with some West of Scotland Health Boards.

Overall Position

	<u>North</u> £000	<u>South</u> £000	<u>Yorkhill</u> £000	<u>PCT</u> £000	<u>Total</u>
INCOME	150,395	68,073	29,560	163,729	411,757
EXPENDITURE	144,342	63,480	28,797	161,740	398,359
SURPLUS BEFORE INTEREST	6,053	4,593	763	1,989	13,398
INTEREST (NET)	6,238	4,569	1,063	1,863	13,733
SURPLUS	(185)	24	(300)	126	(355)
FORECAST	(142)	0	0	100	(42)

General context.

The above information is based on the results prepared by each of the Trusts and shows the actual performance against the break-even target for the first four months of the financial year. It is always difficult to draw firm conclusions at this early stage in the financial year before clear patterns of expenditure have been established. Based on the actual performance, and taking into account the early stage in the year, the Trusts continue to forecast achieving break-even.

EMBARGOED UNTIL DATE OF MEETING

The following gives fuller details of the position in each Trust:

North Glasgow

	BUDGET £000	ACTUAL £000	VARIANCE £000
Income	150,369	150,395	26
Expenditure	144,203	144,342	(139)
Surplus	6,166	6,053	(113)
Interest	6,308	6,238	70
Surplus/(Deficit)	(142)	(185)	(43)

The Trust reports a deficit of £185K for the period against a planned deficit of £142K.

The implementation of saving programmes are placed more heavily towards the later part of the year and will result in a balanced position being achieved for the full year.

In common with other Glasgow Trusts the annual level of monies from non-Glasgow Boards is not fully agreed and therefore presents some risk.

South Glasgow

	BUDGET £000	ACTUAL £000	VARIANCE £000
Income	68,073	68,073	0
Expenditure	63,553	63,480	73
Surplus	4,520	4,593	73
Interest	4,520	4,569	(49)
Surplus/(Deficit)	0	24	24

The first three months shows a surplus of £24K against a planned break-even position. Overspending in supplies, particularly pharmacy, was more than offset by underspending caused by a significant number of staff vacancies. As the year progresses it is anticipated that many of the vacancies will be filled and that this could create pressure on the achievement of break-even.

Yorkhill Trust

	BUDGET £000	ACTUAL £000	VARIANCE £000
Income	29,562	29,560	(2)
Expenditure	<u>28,499</u>	<u>28,797</u>	<u>(298)</u>
Surplus	1,063	763	300
Interest	<u>1,063</u>	<u>1,063</u>	<u>0</u>
Surplus/(Deficit)	<u>0</u>	<u>(300)</u>	<u>(300)</u>

The Trust reports a deficit of £300K against the break-even target for the four months to July 2002. This shortfall was largely the result of overspending in pharmacy supplies. This needs careful review at the Trust to establish if this overspend is the result of an atypical pattern of expenditure which will return to a more normal pattern in future months. On this assumption the Trust is forecasting a break-even position for the full year.

Primary Care Trust

	BUDGET £000	ACTUAL £000	VARIANCE £000
Income	163,729	163,729	0
Expenditure	<u>161,746</u>	<u>161,740</u>	<u>6</u>
Surplus	1,983	1,989	6
Interest	<u>1,883</u>	<u>1,863</u>	<u>20</u>
Surplus/(Deficit)	<u>100</u>	<u>126</u>	<u>26</u>

Expenditure in the Mental Health and Learning Disabilities divisions is in line with plan and it is expected to continue this way throughout the year.

At this early stage in the year there is little information on Primary Care expenditure to support forecasts for the year.

Early indications on prescribing expenditure for April and May show higher than planned values. The June expenditure is being analysed to establish latest trends.

Subject to the outcome on prescribing expenditure, the Trust continues to forecast break-even for the year.