1. I submit the audited accounts of Lanarkshire Health Board and the auditors’ report in terms of section 22(4) of the Public Finance and Accountability (Scotland) Act 2000, together with this report which I have prepared under section 22(3) of the Act.

2. The auditors’ report, which is incorporated at pages 24 – 25 of the accounts, highlights a failure to meet a financial target although the auditors’ opinion is not qualified in this respect. An NHS board’s net resource outturn should not exceed its Revenue Resource Limit (RRL). In 2005/06, Lanarkshire Health Board recorded a net resource outturn of £731.691 million against an RRL of £723.298 million, resulting in an excess against the RRL of £8.393 million. This represents 1.16% of the total RRL.

3. The excess against RRL was caused by the deficit of £20.042 million brought forward from previous years. The Board made an in-year surplus of £11.6 million in 2005/06. The Board has approved a financial recovery plan to eliminate the underlying recurring deficit and achieve recurrent financial break-even by the end of 2007/08. The Board expects to clear its remaining brought forward RRL deficit in 2006/07 through a capital receipt from the sale of land at the former Law Hospital site.

4. I will also prepare an overview report on the NHS. This report will comment on significant issues arising from the 2005/06 audits of NHS bodies including qualifications by auditors and financial performance.

ROBERT W BLACK
Auditor General for Scotland
11 September 2006