

Finance Report

Month 11 February 2025



Executive Summary

The Trust continues to report a breakeven position year to date and is also forecasting breakeven for the financial year ending March 2025.

Given the proximity to financial year-end, the risks around the ability to achieve break-even have considerably reduced. A remaining risk is around any year-end unexpected adjustments or costs adversely impacting on our position.

Discussions continue about the potential impacts on the health and care system of the draft NI budget for 2025/26.

Underlying Expenditure Trends

There have been no unusual spikes in expenditure trends in-month. It is expected that there will be spikes in expenditure in Month 12 with the pay award, backdated to the start of the year-end, together with normal year-end adjustments.

Summary of Directorate Positions

NB: In the following table, columns 1-3 show variances (budget vs actual). A negative figure represents an underspend against budget, with a positive figure indicating an overspend.

The last column represents spend per Directorate.

	(SURPLUS)/ DEFICIT YEAR TO DATE FEBRUARY 25			FORECAST	SPEND YEAR TO DATE FEBRUARY 25
	SALARIES & WAGES	GOODS & SERVICES	TOTAL VARIANCE	FORECAST POSITION 24-25	TOTAL SPEND PER DIRECTORATE
	£'000	£'000	£'000	£'000	£'000
ADULT & PRISON SERVICES	5,830	2,093	7,923	5,097	150,508
CHILDRENS SERVICES	1,418	7,856	9,274	7,423	89,227
ENCOMPASS	0	0	0	0	2,369
PRIMARY CARE & OLDER PEOPLE	(2,083)	25,568	23,485	20,801	284,142
FINANCE & ESTATES	429	8,863	9,292	4,903	51,449
MEDICAL DIRECTOR & RISK	128	973	1,101	890	3,931
SURGERY, ELECTIVE, MATERNITY & PAEDS	(401)	12,917	12,516	7,502	178,661
PLANNING, IT & PERF MGT	(779)	(19)	(798)	(33)	16,330
TRANSFORMATION/OTHER RINGFENCED	0	0	0	0	7,835
COVID	0	0	0	0	3,252
DIRECTOR OF NURSING & USER EXPERIENCE	(1,595)	2,605	1,010	935	51,657
UNSCHEDULED CARE, MEDICINE & CANCER	19,433	(909)	18,524	20,157	173,786
NO MORE SILOS	495	82	577	0	6,935
PEOPLE & ORG DEVELOPMENT	347	146	493	757	8,322
CHIEF EXEC & PR	39	(3)	36	46	463
TOTAL	23,261	60,172	83,433	68,478	1,028,867
COST PRESSURES/SAVINGS/INCOME ANTICIPATED				(68,478)	
YEAR END CLOSING POSITION - DEFICIT				0	



Statutory Financial Performance Targets

RAG status

Manage within allocated Revenue Resource Limit (RRL) / Achieve financial break-even

The Trust is currently forecasting a breakeven position for 2024/25 assuming the full achievement of £27.3m of agreed savings plans, together with a further £3.2m of additional non-recurrent measures.

As reported on page 8, the Trust's achievement of the original £27.3m is currently sitting at approximately 66%. We have been able to identify a range of further non-recurrent measures, mainly through using additional information to inform a re-analysis of accounting estimates and remaining forecast pressures. These will be used to compensate for the non-delivery of savings.

Other Financial Performance Targets

RAG status

1. Achieve in year savings targets

Details of achievement against original identified savings are outlined on Page 8. The Trust has achieved 66% of its original savings target, with non-recurrent measures supporting a large element of this.

At this stage of the year further step improvements in the achievement of savings are unlikely. However the Trust has been able to maintain a break-even forecast through further use of technical adjustments and natural slippage that has been identified.

2. Delivering value

Regional work continues across a number of areas:

- Work on standardisation of rates paid to locum and agency staffing – HSC has now released the new tender for medical and dental locum agencies, with an intention to remove off-contract agencies when this tender is complete.
- Regional pharmacy savings
- Patient level costing benchmarking information
- Regional benchmarking of theatre efficiency / DNA rates
- Procurement savings work

The Trust continues to work actively within each of these groups, as well as exploring local opportunities for efficiency and Cash releasing savings. The longer term recovery plans for the HSC will require these regional initiatives to deliver at pace and scale.



Other Financial Performance Targets

RAG status

3. Achieve Recurrent Breakeven Position

The Trust submitted a draft contingency plan with a range of possible scenarios to achieve break-even in 2025/26, based on the draft budget.

The budget remains in draft form, and therefore no opening allocation for 2025/26 has yet been received. The Trust awaits further discussions at Departmental and Executive level around the approach for 2025/26.

In the meantime the Trust continues to consider what further measures can be considered to achieve cash releasing savings, and begin to help address some of the longer term financial recovery issues facing the organisation.

This is within the context that the draft cost indices for 2023/24 are showing that South Eastern Trust has overall the highest efficiency index when compared to all other Trusts in NI.

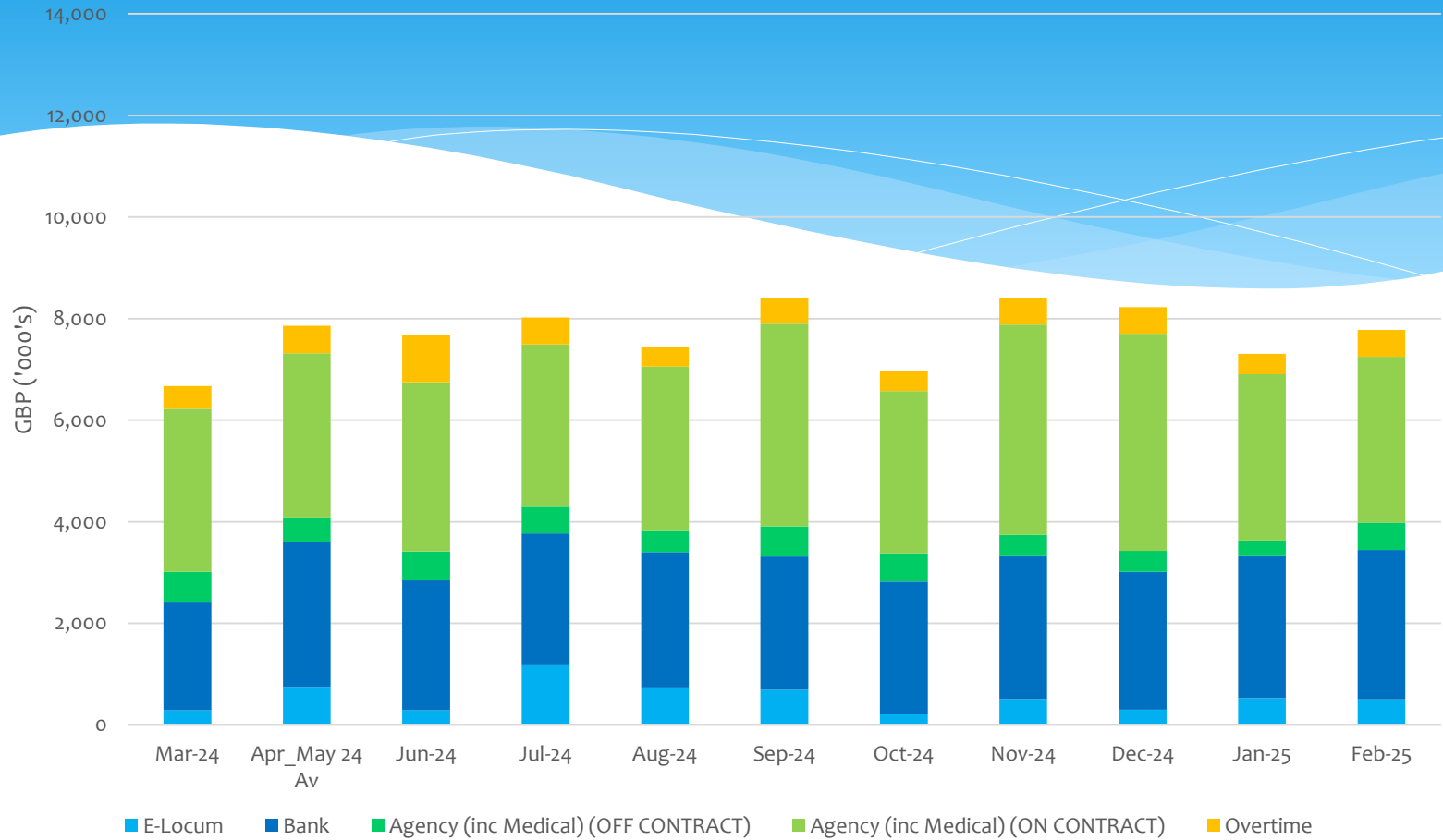
4. Prompt Payment Target - 95% of suppliers within 30 days

We paid 97.5% of our suppliers within 30 days in February 2025.

2024/25 Low/Medium Impact Savings Plans – Main Areas

	£m
Staff utilisation reviews including nursing and Allied Health Professionals	2.7
Medical Locums	1.1
Managing goods & services spend	1.8
Minor building works and maintenance	1.4
Enhanced scrutiny of social care contracts	1.8
Review of agency rates	4.3
Income generation and efficiencies	2.35
Slowing implementation of service developments/efficiencies/limited vacancy control	11.85
Target Savings	27.3
Achieved to Date Feb 25	18.1
% Completion Year to Date	66%

S&W - Flexible Staffing Costs - Trust 23-24 to 24-25



The graph illustrates the trend in flexible payroll costs for a rolling period of twelve months. (Figures have been adjusted to remove anomalies created by 4 and 5 week months.)

Underlying Assumptions

- The 12 month impact of the 2024/25 pay award is due for payment in March 2025. At this stage we are assuming the allocation provided for this pay award will cover in full the cost.