

***SOUTH EASTERN HSC TRUST***  
***FINANCE REPORT***  
***11 MONTHS TO 28 FEBRUARY 2018***

### Overall Position

At month 11 the Trust is reporting a year to date surplus of £2K and a year-end breakeven position.

This position is dependent upon the trust receiving £1.2m of assumed income to address the following pressures:

- Shortfall in the achievability of the Regional Pharmacy Savings Target of £1.05m.
- The balance of 16-17 pressures/additional superannuation charge of £0.15m.

At the Strategic Finance Forum meeting of 12<sup>th</sup> January 2018, the Deputy Secretary Resources and Performance Management Group confirmed that an allocation of £1.2m would be made to the Trust to cover the above pressures. As a result the Trust is now in a position to forecast a breakeven year end position.

Whilst the Trust is forecasting financial breakeven in 2017-18, this has been achieved through a number of measures, the majority of which are non-recurrent and the Trust is forecasting a significant recurring deficit moving into 2018-19.

### Savings Requirement 2017-18

As previously reported, the Trust had been set a Savings Target in 2017-18 of £12.354m. The Trust has subsequently received £2.05m to avoid having to implement the

major/controversial savings proposals. The Trusts revised saving target for 2017-18 is £10.304m. This consists of the following:

		£M
Trust Savings (share of £70m)	10.800	
Income to address major/controversial savings proposals	(2.050)	
Revised Trust Savings		8.750
Regional Pharmacy Savings (share of £12.5m)		1.554
<b>Total Savings Requirement 2017-18</b>		<b>10.304</b>

The Trust is on target to achieve it's in year Savings Requirement target, although the majority of the savings have been achieved non-recurrently.

### Key Assumptions/Risks

- No unexpected costs arise in the final month of the financial year.
- There will be no major accounting changes or provisions at year end.

### Highlights of Month 11 Performance

Expenditure trends in month 11 are relatively stable. The 17-18 pay award and associated arrears have been processed this month. This increase in expenditure is reflected in the salaries and wages analysis on page 5 of this report.

The Trust has either received or is assuming funding to address its identified funding pressures. The Trust is therefore able to forecast a 2017-18 breakeven position.

There are still a number of allocations and cost pressures that have not yet been allocated to individual Directorates. These are accounted for in the overall Trust position and will be allocated to Directorates at the end of the financial year.

### ***Conclusion***

The Trust is confident of achieving its breakeven duty in respect of 2017-18, albeit it, through largely non-recurrent measures.

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Neil Guckian

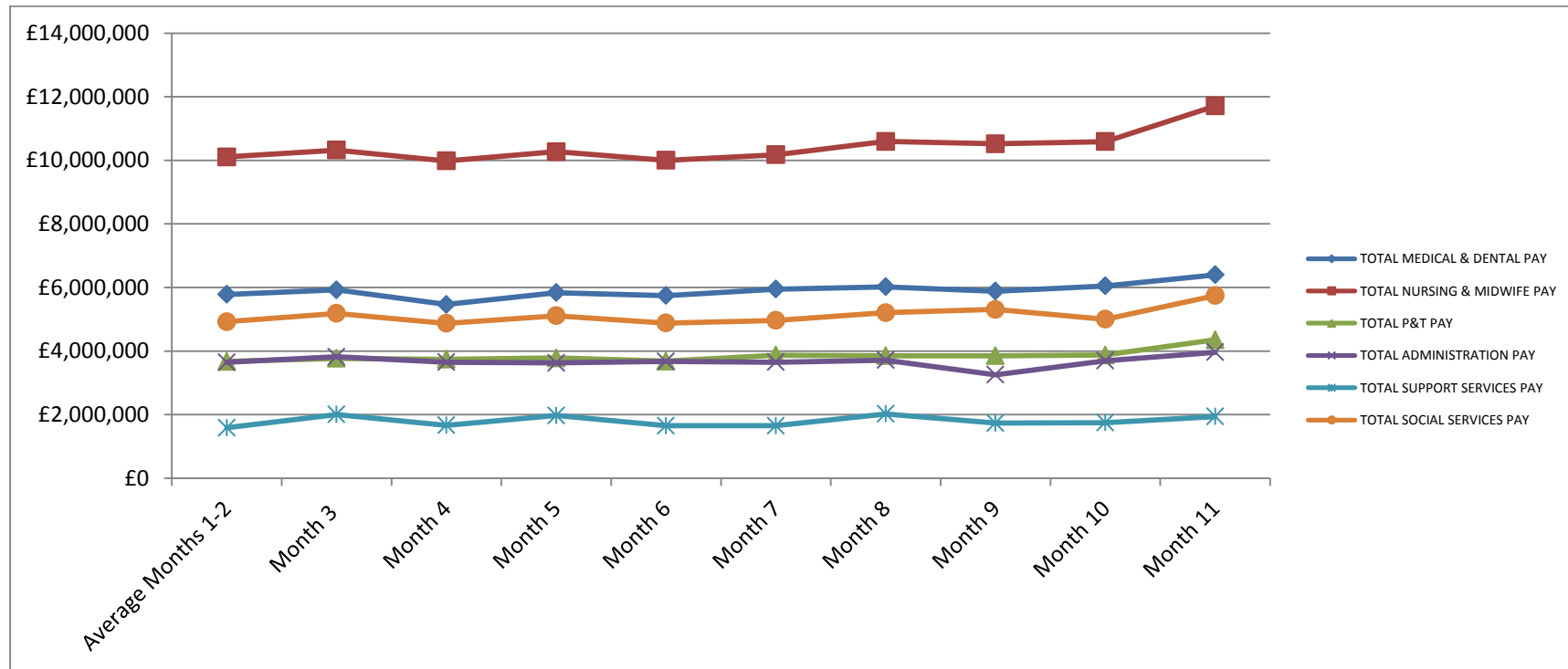
**Summary Financial Position**

The Trust has reported a surplus at month 11 of £2K a forecast year end breakeven position – reported results for the financial year to date are as follows.

Period ended:	Reported( Surplus) / Deficit £m	Forecast year end (surplus) /Deficit £m
Draft Savings Plan (revised)		46.5
31 <sup>st</sup> May 2017	N/A	N/A
30 <sup>th</sup> June 2017	N/A	N/A
31 <sup>st</sup> July 2017	3.6	7.0
31 <sup>st</sup> August 2017	4.3	8.1
30 <sup>th</sup> September 2017	1.2	2.6
31 <sup>st</sup> October 2017	1.7	2.6
30 <sup>th</sup> November 2017	0.8	1.2
31 <sup>st</sup> December 2017	0.04	(0.05)
31 <sup>st</sup> January 2018	(0.11)	(0.05)
28 <sup>th</sup> February 2018	(0.002)	0

**Overall Salaries and Wages Spend**

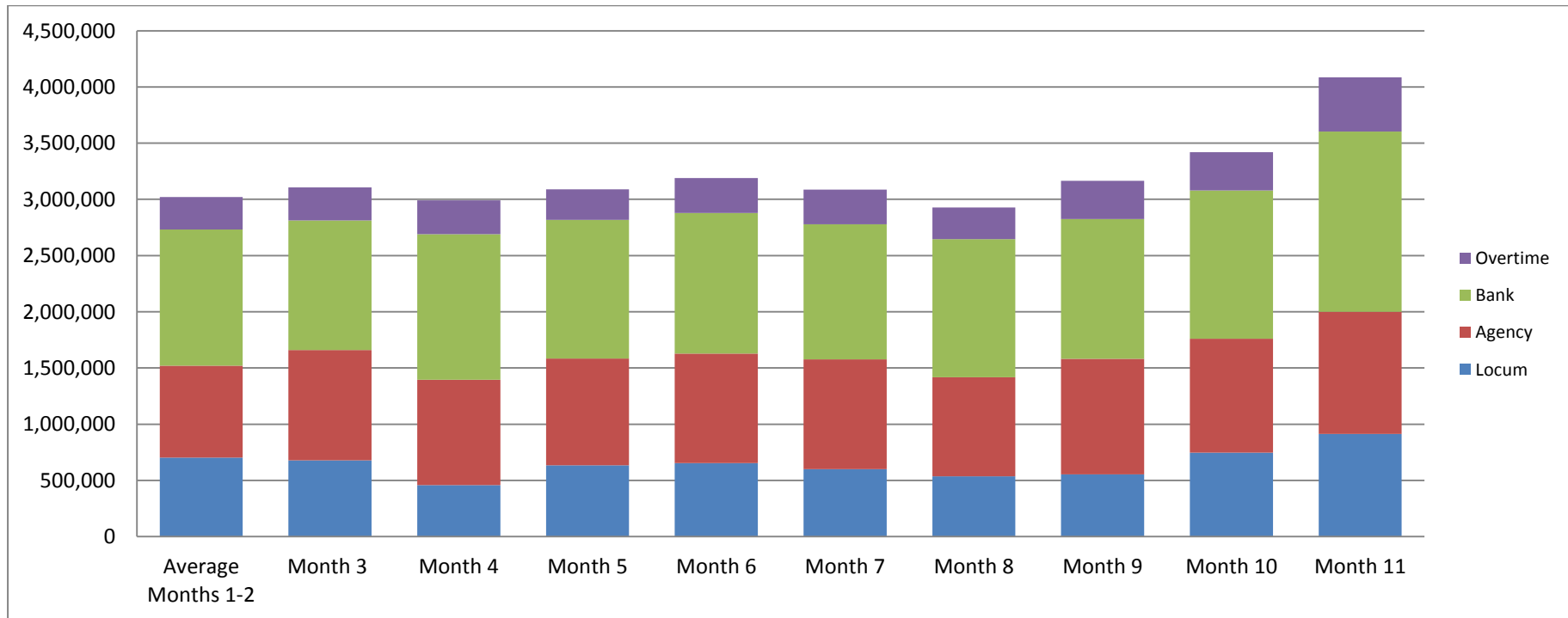
The graph below illustrates the stable trends in payroll spend across the Trust – our top six spend areas in terms of salaries and wages are shown below – representing over 90% of our total monthly pay bill:



Month 1 and 2 expenditure has been averaged to remove the effect of the listing of year end creditors. It is also normal to witness spikes in expenditure towards year end. Payroll costs are affected by whether there are four or five pay days for weekly paid staff (month 10 and month 11 are both 4 week months). The increase in Salaries and wages costs in month 11 is largely attributable to the payment of the 1% pay award and arrears of approximately £3m.

**Flexible Staffing Costs**

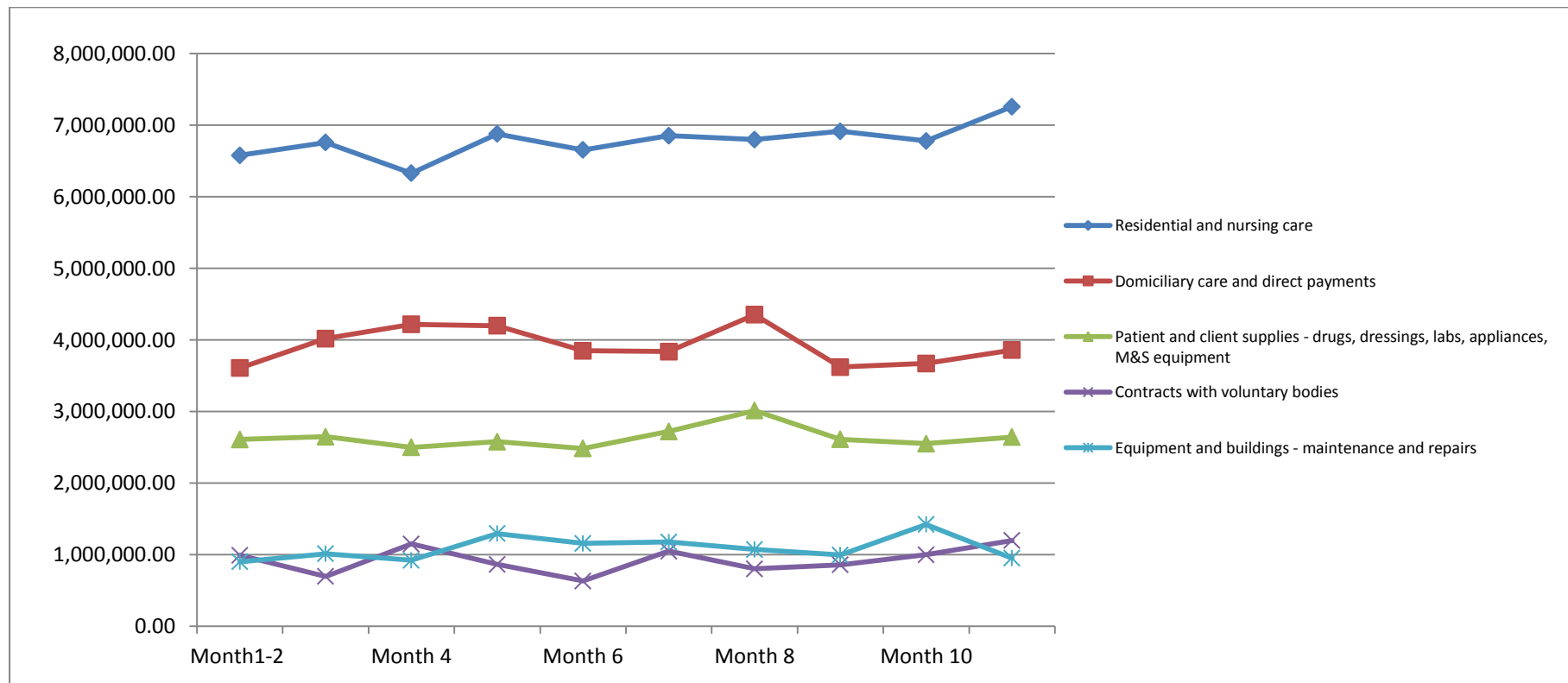
An area which we have particularly focused on to deliver out workforce elements of our savings plans in the past, has been our reliance on flexible staffing. The total spend on these areas each month is highlighted below: (figures have been adjusted to remove anomalies created by 4 and 5 week months. (January and February were both 4 week months).



Flexible staffing covers agency, locum, bank and overtime costs for the organisation and we can see these are overall fairly stable. Some fluctuations can be experienced due to time lags in agency invoicing, particularly in respect of invoices issued around the year end.

**Goods and Services Spend**

Almost 80% of the Trust’s monthly goods and services can be represented in the five categories below – monthly trends in this expenditure have remained relatively stable – some such as domiciliary care are impacted by 4 and 5 weekly months (month 10 was a 4 week month, month 10 was a four week month). Month 1 and 2 expenditure has been averaged to remove the effect of the listing of year end creditors. It is also normal to witness spikes in expenditure towards year end.



**Directorate Performance – Summary**

**NB: In the following tables a negative figure represents an underspend against budget, with a positive figure indicating an overspend**

	(SURPLUS)/ DEFICIT YEAR TO DATE			DIRECTORATE FORECAST YEAR END POSITION
	SALARIES AND WAGES	GOODS AND SERVICES	TOTAL	
	£'000	£'000	£'000	£'000
ADULT & PRISON SERVICES	352	(1,801)	(1,449)	(718)
CHILDRENS SERVICES	(471)	1,816	1,345	1,383
PRIMARY & ELDERLY SERVICES	(2,153)	2,112	(41)	(708)
FINANCE & ESTATES	(109)	664	555	395
HOSPITAL SERVICES	2,019	3,293	5,312	6,297
PLANNING,IT & PERF MANGEMENT	(344)	(294)	(638)	(698)
HUMAN RESOURCES & CORP AFFAIRS	(499)	716	217	204
	(1,205)	6,506	5,301	<b>6,155</b>
COST PRESSURES/SAVINGS/INCOME ANTICIPATED			(5,303)	(6,155)
(SURPLUS)/DEFICIT			(2)	<b>0</b>
FURTHER TRUST SAVINGS – TO BE IDENTIFIED				<b>0</b>
YEAR END PROJECTION				<b>(0)</b>



### Individual Directorate Breakdown

ADULT SERVICES	S&W variance YTD	G&S variance YTD	Total variance YTD
DIR ADULT & PSYCHOLOGY SERV	(249,770)	(44,293)	(294,063)
DISABILITY	(69,852)	(1,441,173)	(1,511,025)
MENTAL HEALTH	535,844	(10,448)	525,396
PRISON SERVICES	135,461	(305,294)	(169,833)
TOTAL	351,683	(1,801,208)	(1,449,525)

### Commentary

Adult Services are reporting a surplus at month 11 of £1,449K and a forecast year end surplus of £718K.

CHILDREN'S SERVICES	S&W variance YTD	G&S variance YTD	Total variance YTD
	£	£	£
CARED FOR CHILDREN	633,570	1,660,132	2,293,702
CHILDRENS HEALTH	(993,634)	(223,764)	(1,217,398)
DIR. CHILD SERV & SWK GOV.	(85,530)	(129,109)	(214,639)
SOCIAL WORK QUALITY IMPROVEMENT, PRACTICE DEVELOPMENT & WORKFORCE	(122,052)	54,919	(67,133)
PREVENTION POPULATION HEALTH	(35,405)	24,450	(10,955)
SAFEGUARDING CHILDREN	125,330	402,598	527,928
SURESTART	6,946	26,940	33,886
TOTAL	(470,775)	1,816,166	1,345,391

### Commentary

Children's Services are reporting a deficit at month 11 of £1,345K and a forecast year end deficit of £1,383K. The forecast year-end deficit is largely attributable to pressures within Independent Fostering.

<b>PRIMARY CARE AND ELDERLY SERVICES</b>	S&W variance YTD	G&S variance YTD	Total variance YTD
	£	£	£
ALLIED HEALTH PROFESSIONALS	(247,829)	638,518	390,689
CARE PROVISION	(1,549,451)	372,073	(1,177,378)
DEMENTIA SERVICES	257,934	(6,405)	251,529
DIRECTORS & ASSISTANTS	(46,977)	472,968	425,991
ELDERLY SERVICES	(341,655)	685,062	343,407
PRIMARY CARE	(225,187)	(50,351)	(275,538)
<b>TOTAL</b>	<b>(2,153,165)</b>	<b>2,111,865</b>	<b>(41,300)</b>

### Commentary

The Directorate is reporting a surplus at month 11 of £41K and a forecast year end surplus £708K. The under spend in salaries and wages is attributable to scheduled recruitment which hasn't yet occurred.

<b>CORPORATE DIRECTORATES</b>	S&W variance YTD	G&S variance YTD	Total variance YTD
	£	£	£
FINANCE AND ESTATES	(108,573)	663,993	555,420
PLANNING,IT & PERF MANGEMENT	(344,332)	(293,727)	(638,059)
HUMAN RESOURCES & CORP AFFAIRS	(498,754)	715,848	217,094
TOTAL	(951,659)	1,086,114	134,455

### **Commentary**

Overall the Corporate Directorates are reporting a deficit at month 11 of £134K and a forecast year-end surplus of £99K.

HOSPITAL SERVICES	S&W variance YTD	G&S variance YTD	Total variance YTD
	£	£	£
BANK NURSES SE TRUST	1,255	64,014	65,269
DIR. OF GENERAL MEDICINE	2,844,795	256,294	3,101,089
DIRECTORATE OF SURGERY	(769,081)	1,758,790	989,709
ELECTIVE CARE REFORM	0	1	1
EMERGENCY CARE REFORM	152,324	(663)	151,661
OPERATIONAL SUPPORT MEDICAL	(440,333)	(584,138)	(1,024,471)
WOMEN AND CHILD HEALTH	230,468	1,798,994	2,029,462
TOTAL	2,019,428	3,293,292	5,312,720

### Commentary

Hospital Services are reporting a deficit at month 11 of £5,312K and a year-end forecast deficit of £6,297K.

### Capital Expenditure Month 11

The Trust's Capital Delegated Expenditure Limit (DEL) for 2017/18 has increased to £43.799m as per the Department of Health's (DoH's) letter of 7 March 2018. This is an increase of £2.513m reflecting additional ICT funding.

The Trust's 2017/18 Capital DEL of £43.799m comprises of £30.780m for the Ulster Hospital Phase B, £6.226m Other Specific Schemes (Lagan Valley enabling works and ICT) plus £6.793m General Capital. The Trust continues to work closely with CPD-Health Estates, and key personnel across the Trust, to ensure forecasting and spend are on target for 31 March 2018.

The following table summarises the 2017/18 Capital DEL, together with expenditure of £33.208m as at 28 February 2018 and forecast of £43.799m to 31 March 2018. Cumulative expenditure at month 11 continues to be low, with significant spend forecast in March 2018, reflecting the spend profile associated with significant general and ICT capital funding received in the latter part of 2017/18.

	2017/18 Indicative Capital DEL for Maintaining Essential Services as per DoH's letter issued 13/2/18  £'000	2017/18 Indicative Capital DEL for Maintaining Essential Services as per DoH's letter issued 7/3/18  £'000	Expenditure to 28/2/18 £'000	Forecast to 31/3/18 £'000
Ulster Hospital Phase B	30,780	30,780	25,705	30,780
Other Specific Schemes	3,713	6,226	3,245	6,226
General Capital	6,793	6,793	4,258	6,793
<b>Total</b>	<b>41,286</b>	<b>43,799</b>	<b>33,208</b>	<b>43,799</b>