South Eastern Health and Social Care Trust

Finance Report

Month 5 August 2021

Executive Summary

For the period ended 31 August 2021, the Trust is reporting an in-year deficit of £12m, and forecasting a deficit for the financial year of approximately £30m. There has been little change in our forecast position since that reported last month although we are now moving closer to the lower end of our initial £30m-£35m estimate.

However we are aware of recent announcements in England of a further allocation of £5.4BN to the NHS in 2021/22 – the NI consequentials of this are approximately £120m.

In addition we are aware that a bid has been made for additional in-year monies in October monitoring round.

The table overleaf illustrates the large elements of assumed income at this stage of the year (over £76m). Allocations from HSCB have been slow to filter through to the Trust but the level of assumed income is reviewed with HSCB on a monthly basis.

Underlying expenditure trends

Our overall expenditure trend remains stable. The increase we have seen in the earlier months in Hospital Services staffing costs, has been maintained, but has not worsened.

Summary of Directorate Positions

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

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	(SURPLUS)/ DEFICIT YEAR TO DATE AUGUST 21			
	SALARIES AND WAGES	GOODS AND SERVICES	TOTAL	DIRECTORATE FORECAST YEAR END POSITION
	£'000	£'000	£'000	£'000
ADULT & PRISON SERVICES	1,842	3,283	5,125	4,444
CHILDRENS SERVICES	661	3,829	4,490	3,958
PRIMARY & ELDERLY SERVICES	(504)	4,381	3.878	3,153
FINANCE & ESTATES	198	896	1,094	1,599
HOSPITAL SERVICES	4,256	12,652	16,908	16,421
PLANNING,IT & PERF MANGEMENT	(56)	90	34	310
HUMAN RESOURCES & CORP AFFAIRS	(15)	1,124	1,108	931
TRANSFORMATION (NDNA)	4,572	452	5,024	5,029
NO MORE SILOS (NMS)	1,254	54	1,308	3,100
COVID RESPONSE/REBUILD	17,911	15,348	33,259	66,757
	30,119	42,109	72,228	105,702
COST PRESSURES/SAVINGS/INCOME ANTICIPATED				(75,672)
(SURPLUS)/DEFICIT				30,030
FURTHER TRUST SAVINGS – TO BE IDENTIFIED				0
YEAR END PROJECTION				30,030

Statutory Financial Performance Targets	RAG status
Manage within allocated Revenue Resource Limit (RRL) / Achieve financial break-even	
The Trust's forecast in-year deficit position is in the region of £30m. We await the outcome of October monitoring as well as the decisions around the allocation of additional funding to the NI Block as a result of announcements by the Chancellor. The outcome of these should help our in- year position considerably. However achieving breakeven in the current uncertain operating environment is still going to be a significant challenge.	
Manage within allocated Capital Resource Limit (CRL)	
As advised in last month's report the Trust has now declared slippage on the Ulster Hospital Phase B scheme, leading to a reduction in CRL of £4.8m. Our revised spend this year is £15.8m ,of which over £4m has already been spent. Currently all other capital spend, both ring-fenced and general is on track to spend, (total of £27.5m) although actual spend recorded year to date is always slow to materialise. We have bid for a small element of further general capital in October monitoring to support further equipment purchases.	

Other Financial Performance Targets	RAG status
1. Achieve in year savings targets	
The Trust has received a savings target for MORE (Regional Pharmacy Savings) of £980k in year, and we continue to work to identify how we can achieve this specific target. We have identified £11m of non recurrent savings/ technical adjustments to support the in-year position and we are on target to deliver these in full.	
2. Minimise expenditure on agency and locum	
Average spend per month on locum/agency (excluding COVID related agency/locum spend) in 2020/21 was £2.5m which represented approximately 6.2% of staffing costs. In 2021/22 the average over Apr to Aug is £2.6m per month which is 6.4% of core staffing costs. The graph on page 13 illustrates all our flexible staffing costs. A number of our wards are operating at levels above their funded establishment due to the increased acuity of the patients.	
3. Manage ring-fenced funding within allocations	
Included in our current deficit figures is approx. £6m in respect of shortfalls in ring-fenced schemes – this has decreased slightly since last month due to some funding received . We are therefore continuing to work with HSCB to identify funding to sustain these elements of our service.	

South Eastern Health and Social Care Trust

Other financial performance targets	RAG status
4. Achieve Recurrent Breakeven Position	Red
As outlined in previous pages our in year forecast position remains extremely challenging, and many of the pressures identified have the real potential to increase our recurrent deficit by the end of this financial year. Recent announcements around future additional funding to support in particular, social care, are to be welcomed ,but must be balanced with the underlying historic deficits of health and social care organisations.	
5. Prompt Payment Target - 95% of suppliers within 30 days	Green
The Trust paid 97.31% of suppliers within 30 days. We continue to perform strongly in this area.	

South Eastern Health and Social Care Trust

Comparative HSC performance - Community and Hospital Indices

2019/20

Summary

On an annual basis all HSC Trusts participate in a costing exercise to turn year-end expenditure into a series of indicators measuring the full cost for a range of services across hospital and community.

This information is prepared at Trust level using agreed principles and guidance. It is collated regionally and then overall results are sent back to Trusts.

The process does not formally start until the final accounts for the year are completed – it takes a period of months to work through this process and therefore information is always 12-18 months behind the year we are in.

The indices below are based on relative performance of each hospital and Trust – 100 is the average, with the lower the number, meaning improved relative efficiency.

Smaller hospitals tend to be less efficient, also newer hospitals tend to perform less well in this measure.

Summary of Hospitals Indices

Combined Index 2019-20 (inc First and Follow Ups)

Provider	Index 19/20	Index 18/19
Tyrone & Fermanagh		
Muckamore Abbey	145	158
South West Acute	135	138
Mid Ulster	129	111
Causeway	121	119
Knockbracken	114	114
Downe	110	115
Omagh/Tyrone County	110	113
South Tyrone	108	105
Musgrave	108	101
Lurgan	107	105
Royal	104	102
BCH	103	104
Altnagelvin	101	107
Mater	99	92
Antrim	97	94
Whiteabbey	97	91
Lagan Valley	96	96
Armagh Community Hospital	93	98
Banbridge	93	96
Ulster	90	90
CAH	88	86
Daisy Hill	85	92
Mullinure	77	143
Downshire	76	50
Bluestone Unit	58	81
St Luke's	57	72
Longstone	52	36
Gransha	38	34
Total	100	100

Summary of Community Indices

Table 1: Summary of community and PSS indices

	2019/20	2018/19	
TRUST	Index	Index	
WESTERN	108.69	106.74	
BELFAST	103.24	100.16	
Northern	98.01	101.38	
Southern	99.20	97.27	
South Eastern	**92.01**	**94.80**	

Table 2: Sample of average costs

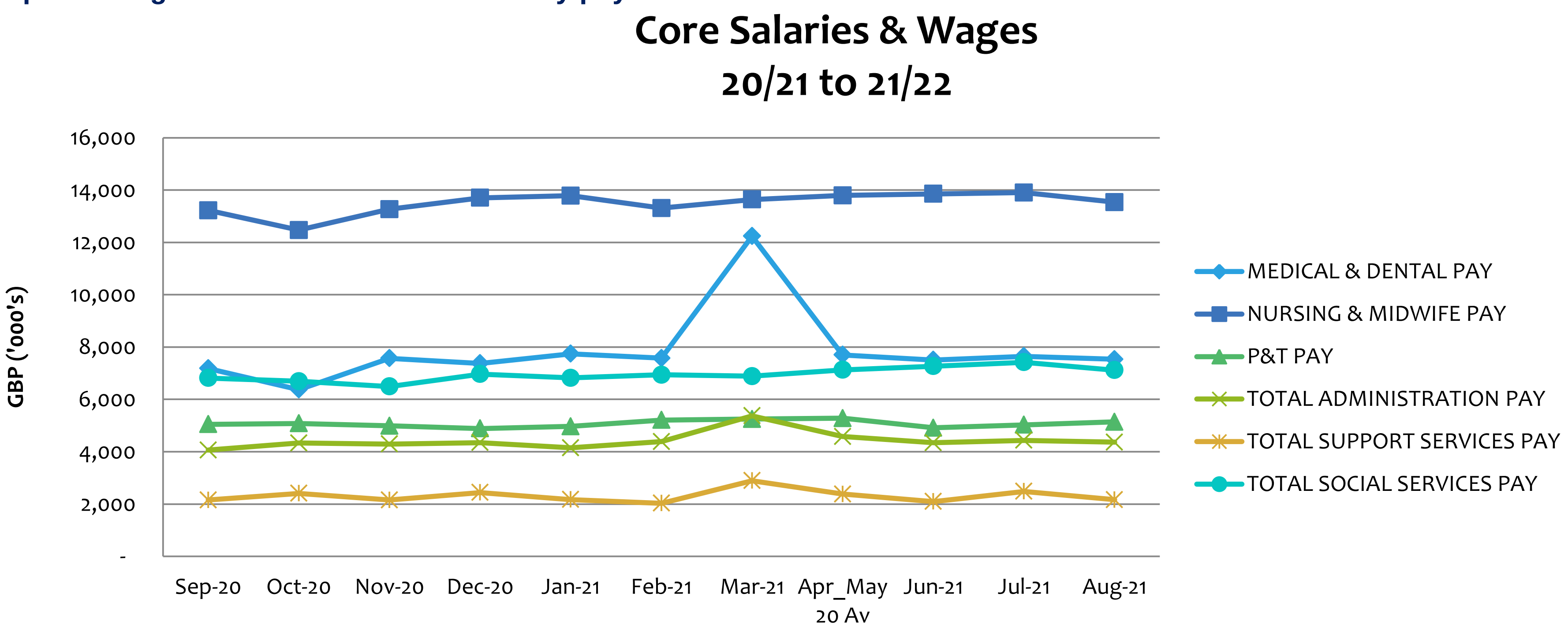
		2019/20
Service	Mean Average	SET
	£	Ranking *
District Nursing (Core)	45.05	4/5
Community Dental	175.82	2/5
Community Midwives	51.11	2/5
Community Psychiatric Nursing	144.88	5/5
Health Visiting	63.44	5/5
LD Nurses	232.18	4/5
Occupational Therapy	133.91	5/5
Physiotherapy	59.58	4/5
Podiatry	61.31	5/5
Speech and Language Therapy	113.01	5/5
Family Planning	124.78	
Clinical Psychology	205.11	4/5
Dietetics	72.70	5/5
Orthoptics	51.78	4/5

1

South Eastern Health and Social Care Trust

Core Salaries and Wages

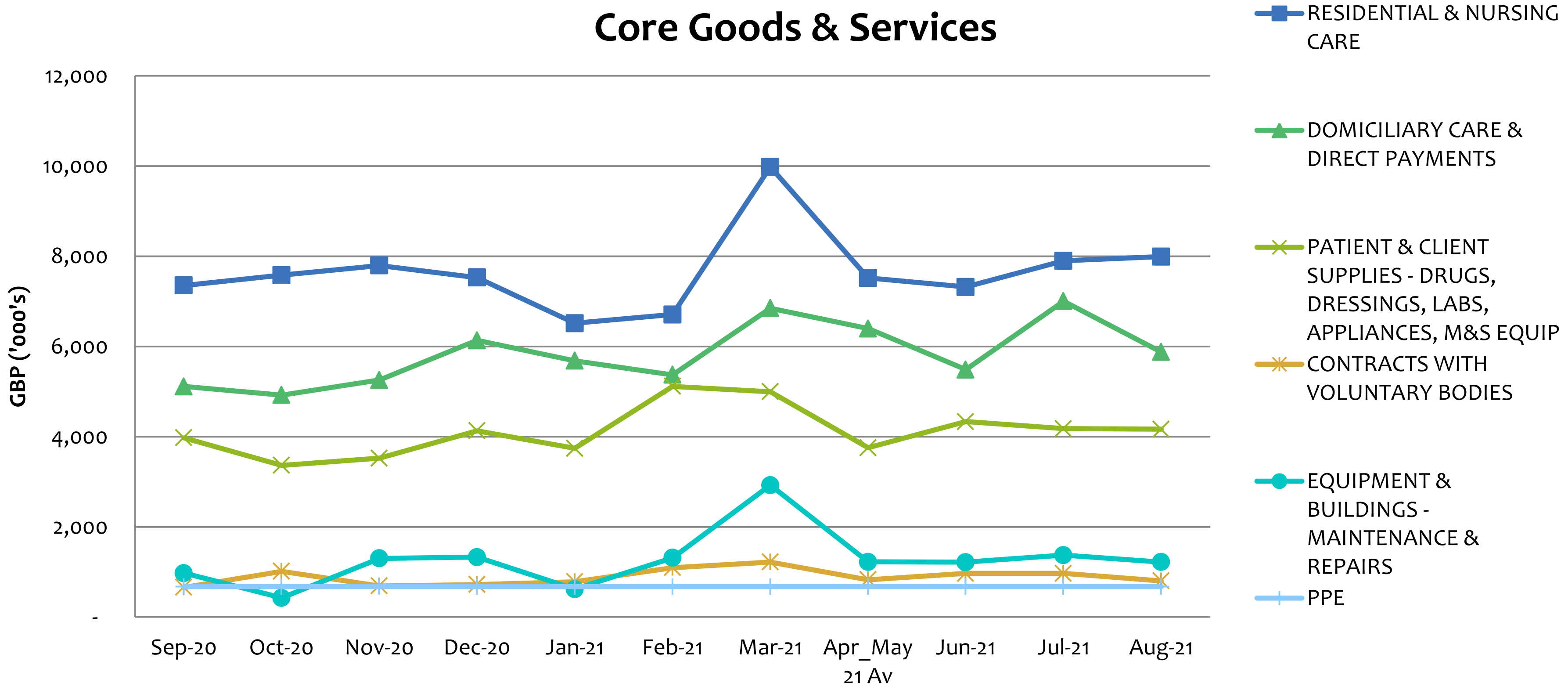
The graph below illustrates the stable trends in core payroll (excluding Covid-19 expenditure) spend across the Trust for a rolling period of twelve months – our top six spend areas in terms of salaries and wages are shown below – representing over 90% of our total monthly pay bill:

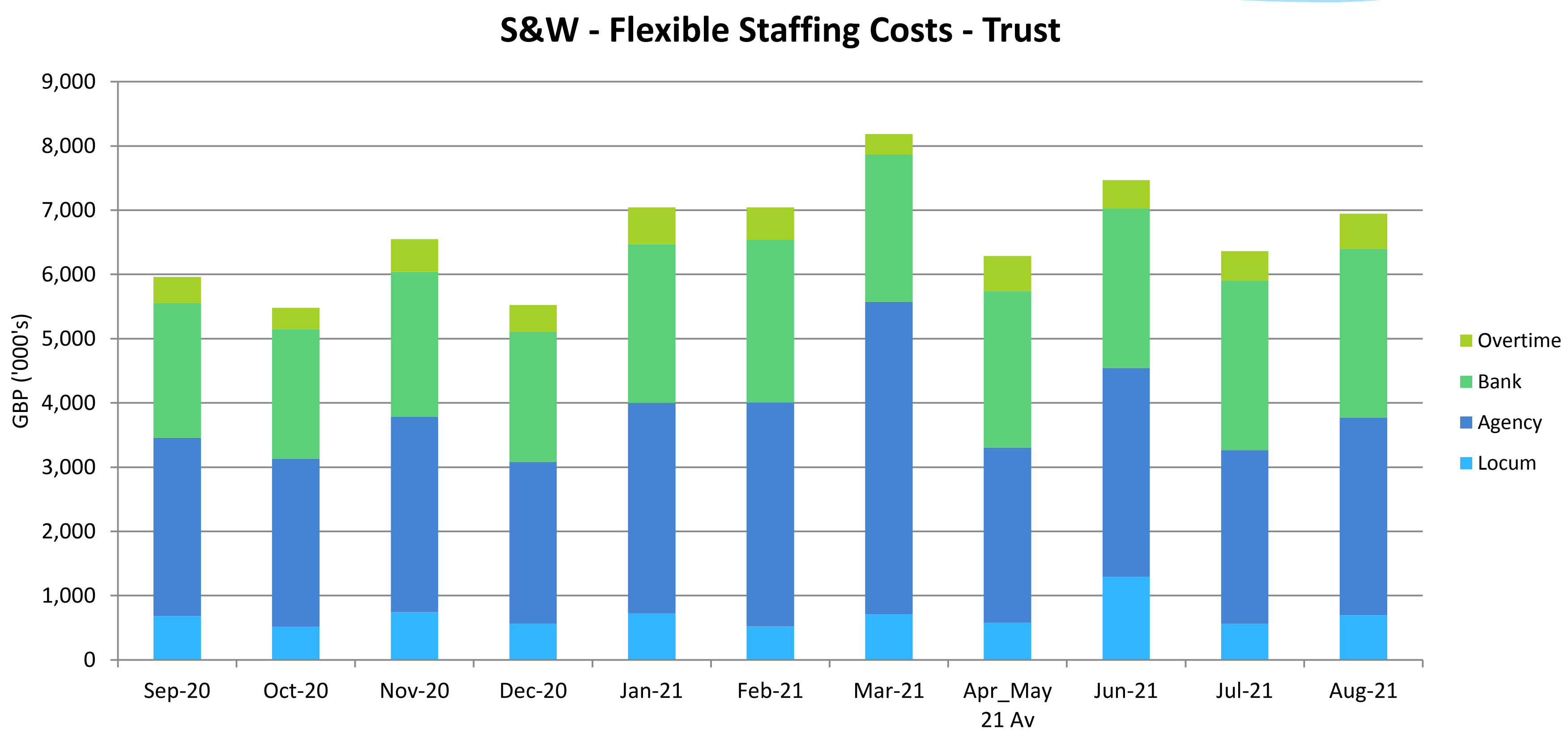


Payroll costs are affected by whether there are four or five pay days for weekly paid staff (Jul was a 5 week month and Aug was a 4 week mth.).

Core Goods and Services

Almost 80% of the Trust's monthly goods and services can be represented in the six categories below – monthly trends in this expenditure have remained relatively stable. Domiciliary Care expenditure is impacted by 4 and 5 weekly months (Jul was a 5 week month, Aug was a 4 week month.)





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 and include both core and COVID-19 related spend.)

Underlying Assumptions

- Cost in respect of 21/22 Pay Award and all regional pay issues will be funded
- All additional costs in respect of Covid-19 Response will be fully funded.
- Any additional costs in respect of EU Exit will be funded
- There will be no major accounting changes or provisions at year end.
- The additional in-year revenue costs of the opening of the new Acute Services Block will be fully funded.