

# Finance Report

Month 8 November 2021

## **Executive Summary**

For the period ended 30 November 2021, the Trust is reporting an in-year deficit of £9.2m, and a forecast deficit of £14.2m. This is an improvement from the Month 7 reported position of a £16.4m deficit, due to the receipt of funding for some key pressures in excess of that which had originally been indicated.

Subsequent to the finalisation of the Month 8 figures, the Trust has been informed of in-year deficit support funding of £13.3m, which has now been received. This funding, together with the receipt of outstanding COVID related expenditure funding places us in a strong position to achieve in-year break-even.

There remains some volatility within our expenditure forecasts but as the year progresses the risk of this impacting on break-even diminishes.

## **Underlying expenditure trends**

Careful management and monitoring of expenditure trends have allowed us to maintain a degree of accuracy around our forecasts which has assisted in securing the appropriate level of support to achieve in-year break-even. COVID expenditure remains difficult to predict – particularly usage of PPE. As we begin to look into 2022/23 we will need to consider what COVID related costs now need to be fed into our baseline.

## Summary of Directorate Positions

**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 NOVEMBER 21			DIRECTORATE FORECAST YEAR END POSITION £'000
	SALARIES AND WAGES	GOODS AND SERVICES	TOTAL	
	£'000	£'000	£'000	
ADULT & PRISON SERVICES	1,365	3,945	5,310	3,920
CHILDRENS SERVICES	820	4,767	5,587	6,002
PRIMARY & ELDERLY SERVICES	(867)	5,002	4,135	3,394
FINANCE & ESTATES	395	4,043	4,438	985
HOSPITAL SERVICES	5,016	13,167	18,183	16,300
PLANNING, IT & PERF MANGEMENT	(423)	315	(108)	199
HUMAN RESOURCES & CORP AFFAIRS	60	1,323	1,383	963
TRANSFORMATION (NDNA)	7,398	771	8,169	440
NO MORE SILOS (NMS)	2,121	87	2,208	0
COVID RESPONSE/REBUILD	27,756	21,683	49,439	0
	43,641	55,103	98,744	32,203
COST PRESSURES/SAVINGS/INCOME ANTICIPATED				(17,991)
(SURPLUS)/DEFICIT				14,212
FURTHER TRUST SAVINGS – TO BE IDENTIFIED				0
YEAR END PROJECTION				14,212

## Statutory Financial Performance Targets

RAG  
status

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



Given recent information on in-year deficit support funding we are now forecasting achievement of the in-year break-even target. Some residual risks remain around elements of outstanding COVID support, further pressure on energy costs and a small number of regional technical accounting issues. We continue to work through these with the HSCB and DOH.

### Manage within allocated Capital Resource Limit (CRL)



The Trust's CRL funding (as at 30/11/21) is £46.312m. Of this amount £12.246m is to cover Ulster Hospital Phase B expenditure.

Total capital expenditure to the end of November 2021 is £14.097m. The Trust anticipates full spend against remaining CRL funding received.

In addition to the Ulster Hospital Phase B redevelopment funding noted above, we continue to manage a significant number of capital projects, comprising investment in general capital and backlog maintenance schemes (£24.1183m), new equipment and ICT innovation for the new Lisburn PCCC (£3.656m), general Trust wide ICT schemes (£4.661m) and investment in replacing ageing radiology/Imaging equipment (£1.566m).

## 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 our anticipated shortfall on this is part of our reported deficit position. We have identified £12.5m of savings, the majority of which are non recurrent, along with 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 Nov is slightly lower at £2.5m per month which is 6.0% of core staffing costs. The graph on page 9 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



Ring fenced funding has now been largely confirmed for the year and we are left with a residual shortfall of approx. £0.4m. Funding for COVID related expenditure as we have forecast it, has been confirmed in full, although elements of it have not been received.



## Other financial performance targets

## RAG status

### 4. Achieve Recurrent Breakeven Position



The draft budget represents a challenging position for all health bodies. Whilst significant additional funding is proposed it remains insufficient to cover current levels of spend as at 21/22, without considering any demographic or service-specific growth.

Work has now commenced with HSCB colleagues to identify the roll forward position when the non-recurrent funding made available to the Trust is removed, and no recurrent source is indicated to us.

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

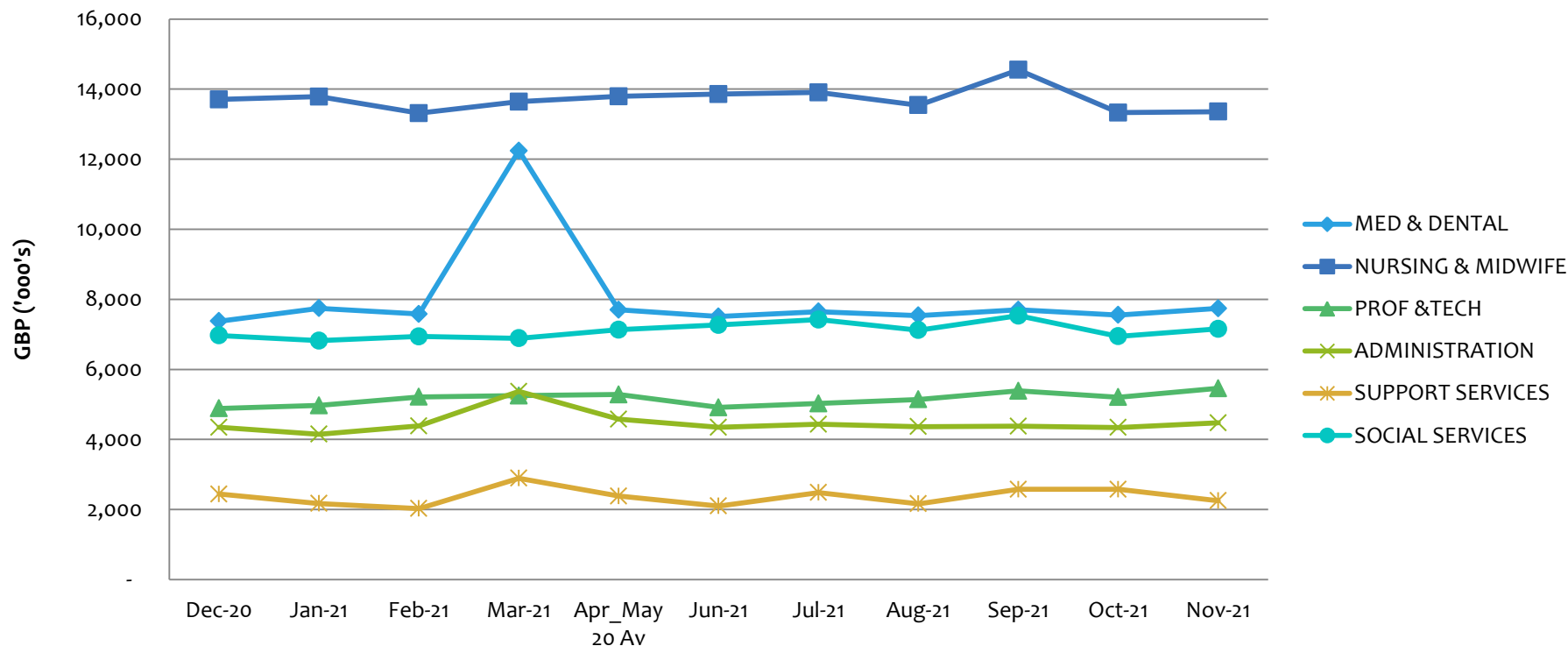


The Trust paid 97.45% of suppliers within 30 days despite paying 6,300 more invoices in November 21 compared to October 21.

## 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:

### Core Salaries & Wages 20/21 to 21/22

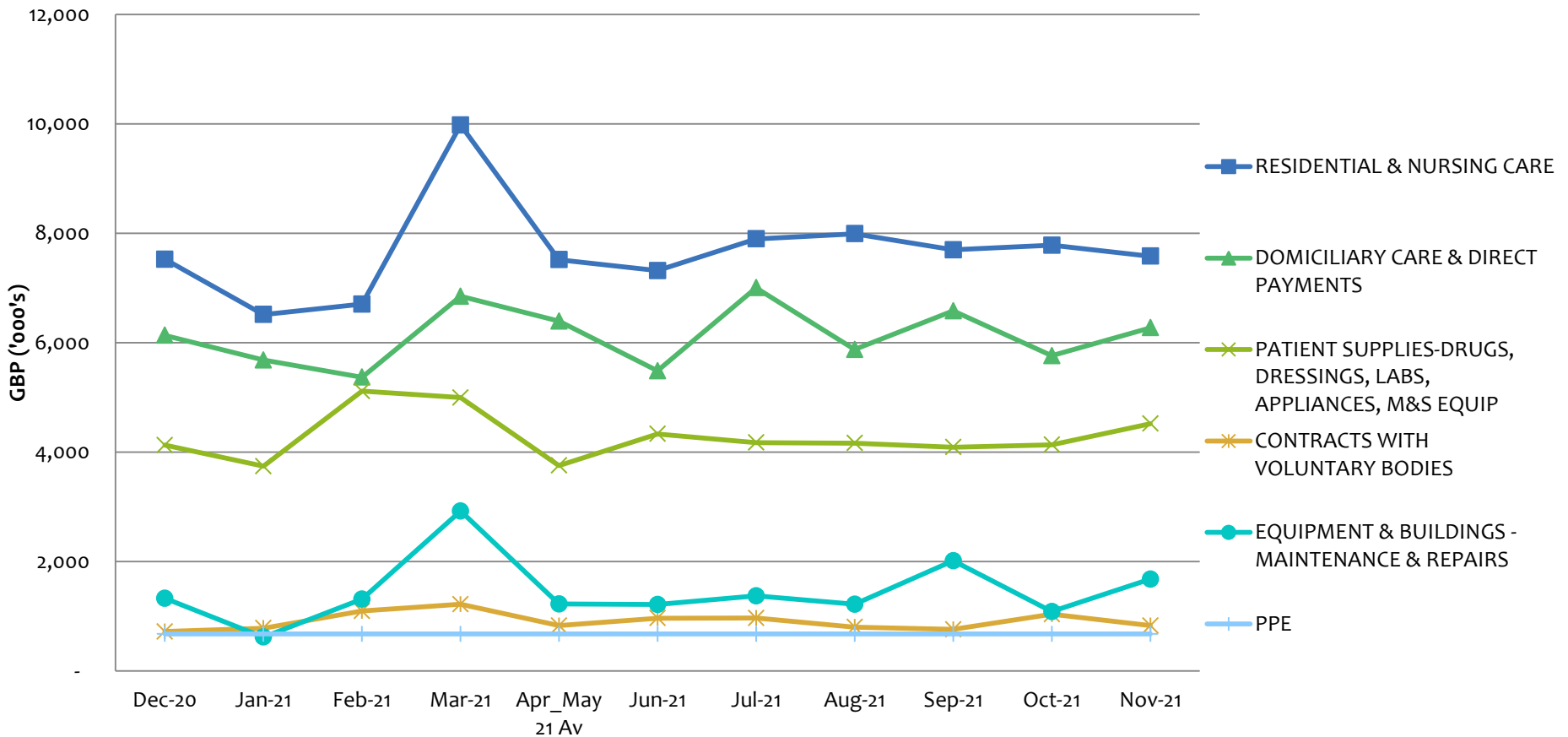


Payroll costs are affected by whether there are four or five pay days for weekly paid staff (Oct was a 4 week month as was Nov.).

## Core Goods and Services

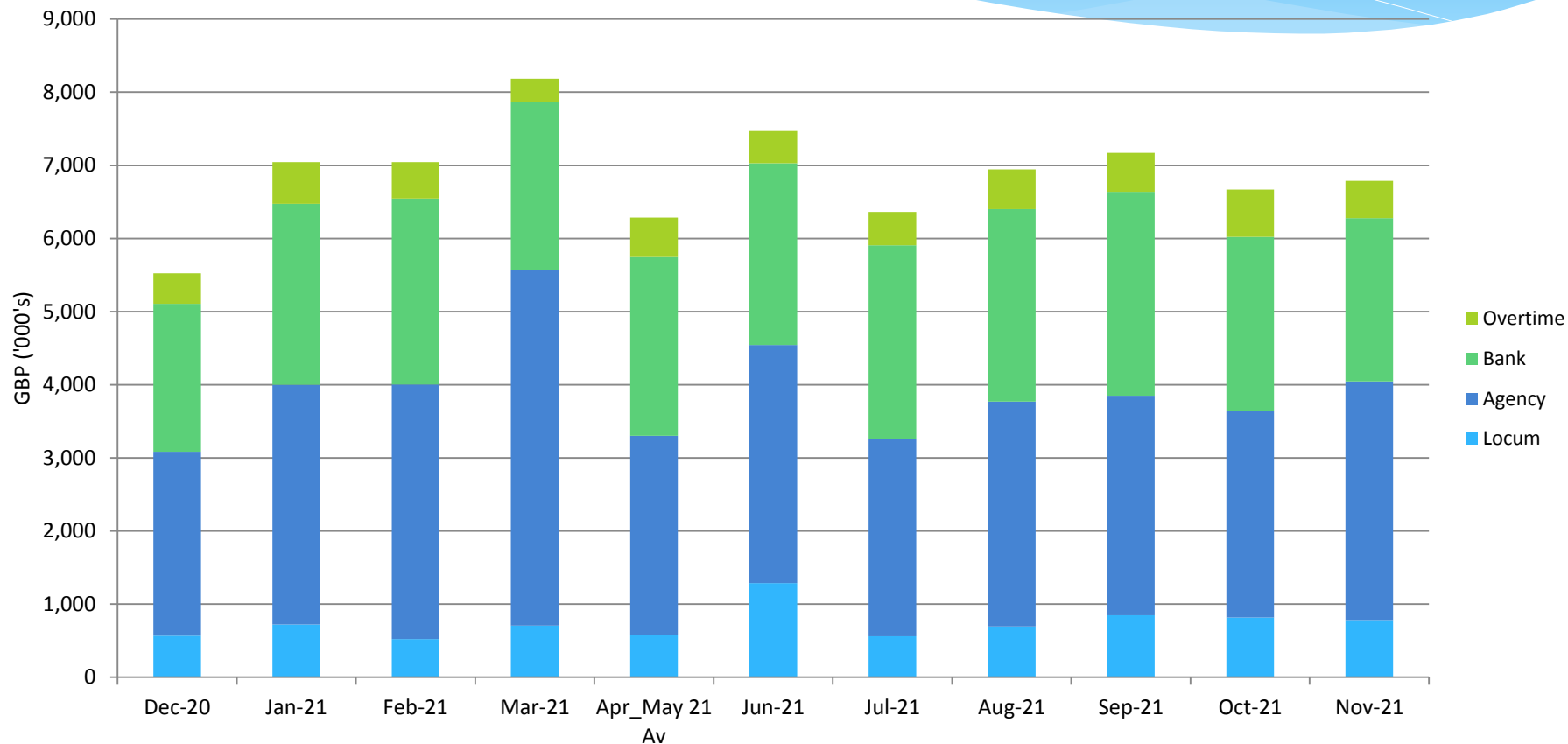
Almost 80% of the Trust's monthly goods and services can be represented in the six categories below – monthly trends in this expenditure have remained relatively stable. Domiciliary Care expenditure is impacted by 4 and 5 weekly months (Oct was a 4 week month as was Nov.)

### Core Goods & Services





### S&W - Flexible Staffing Costs - Trust



*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-  
**RESOLVED IN YEAR**
- All additional costs in respect of Covid-19 Response will be fully funded.-**RESOLVED IN YEAR**
- Any additional costs in respect of EU Exit will be funded – **NO DIRECT COSTS IDENTIFIED AND NOW UNLIKELY TO BE MATERIAL**
- 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.-**RESOLVED IN YEAR.**