

Outline Financial Plan

2023/24

Summary financial context

The South Eastern HSC Trust has a strong record of robust financial management and forecasting but, in common with a number of organisations across the HSC, has been sustained by the provision of non-recurrent deficit funding, and by the delivery of non-recurrent savings, over a number of years.

For 23/24, the DOH have initially advised a level of assumed income to address a number of the recurrent pressures facing the Trust. Whilst this is welcome in terms of providing a sustainable platform for some of these services, the level of funding is insufficient to address the underlying cost pressures within the organisation.

A longer term system wide efficiency and productivity agenda across all HSC services is needed to provide longer term financial sustainability for the service. We welcome the regional approach to this work and are keen to engage with independent expertise to identify areas to further improve.

The Trust has a strong record of efficiency and delivery, having taken a number of measures over the years to reduce from 3 to 1 in terms of 24/7 Emergency departments, improve productivity through regional daycase work, avoid admission through establishment of ambulatory care hubs and Enhanced Care at Home teams.

We have the lowest level of off-contract agency usage in the region, and have invested in other efficiency measures such as digitisation for domiciliary care work scheduling, investment in electric fleet vehicles, and invest to save energy efficient lighting.

Summary outlook for 2023/24

For 23/24 we are making an initial assessment of a roll forward deficit of £39m, and further new inescapable financial pressures of £30m.

The largest elements of the new inescapable pressures are:

- New individual high cost cases in childrens and adult services. Regionally there is a lack of available suitable placements for these complex and challenging cases. The Trust seeks to cohort similar clients where this is feasible and meets the assessed needs of the individuals. We test all options around providing suitable care for each of these clients to ensure value for money is achieved.
- The additional 45 beds in the Ulster Hospital. These beds were commissioned on a non-recurrent basis in the middle of 21/22. The funding provided covers only nursing costs – there is no provision for pharmacy, AHPs, patient support or medical costs in respect of these beds. The Trust is running at occupancy levels of well over 100% , including these 45 beds so to close them would represent a major patient safety risk. A full business case for these beds is with SPPG.
- Above 3% inflationary costs – these are particularly significant in building and engineering costs
- Demographic pressures – the normal demand management pressures, seen across all services, but particularly material in domiciliary care and direct payments given the scale of these budgets.

23/24 Funding

- * No Budget for 23/24 for NI has yet been agreed and therefore the Trust has no indicative or formal budget allocation for 23/24.
- * However DOH are clear that the likely budget scenario will result in a significant funding gap for the entire HSC system.
- * DOH have therefore formally requested that the Trust commence delivery of a range of measures identified by the Trust as having a low/medium impact on HSC services.
- * These have an estimated cash releasing impact of £17m (FYE).
- * Even if the Trust were to deliver these in full, this would not be sufficient in itself to delivery a break-even position.

Detail of measure	£k
Slippage / technical adjustments	3,000
Hold on discretionary spend	876
Hold on minor capital works / F&Fs	800
Procurement	1,330
Reductions in drug wastage through increased use of PODs	500
Reductions in all but mandatory training unless funded through charitable funds	230
Income generation through energy buy-back	240
Income generation through CSSD with private sector	500
Standardised locum rate across all Trusts for all medical grades	3,086
Stop use of off-contract agency	2,669
Reduce use of critical shift	2,673
Removal of all social work agency (move to use of bank only)	812
Review of transport - both non-urgent ambulance and community including taxis	491

Next steps

- * Regional communications agreed and issued locally regarding stopping use of off-contract nursing/midwifery and social work agency – local risk assessments and phasing to be managed.
- * Working with operational teams and regionally regarding other low/medium measures.
- * New regional framework for medical locums to be agreed to allow standardisation of medical locum costs.
- * Trust wide task and finish group established to consider further work needed around management of agency spend and enhanced rate payments.

Next steps

- * Continued engagement with SPPG/DoH to ensure maximum levels of available funding are secured.
- * Further opening 23/24 budget information to be approved by Trust Board when overall budget is set or indicative budget is provided.