

# Finance Report

Month 9 December 2023



## **Executive Summary**

For the period ending December 2023, the Trust is reporting a Year To Date deficit of £9.4m and a full year forecast deficit of £12.5m.

This position has improved by £0.5m since previous report at end of October due to a movement of costs from revenue into capital, following a review.

We continue to forecast savings of £22.7m out of a £28.2m target savings, though as the year progresses, we are placing increased reliance on non-recurrent measures - details of this are on Pages 8-9 of this report.

## **Underlying Expenditure Trends**

The forecast relies on both the achievement of savings, and the holding of current forecast positions. Normal trends would suggest that December through to February represent peak unscheduled demand pressures in our system, and this brings with it additional costs for staffing and independent sector support.

Some of this is slow to hit our bottom line, but we have attempted to make an allowance for it in our forecast, along with allowances for normal year-end accounting adjustments as we move to close of the financial year. The full extent of the pressure is difficult to predict.

# 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 DECEMBER 23			FORECAST	SPEND YEAR TO DATE DECEMBER 23
	SALARIES & WAGES	GOODS & SERVICES	TOTAL VARIANCE	FORECAST POSITION 23-24	TOTAL SPEND PER DIRECTORATE
	£'000	£'000	£'000	£'000	£'000
ADULT & PRISON SERVICES	6,010	680	6,690	4,134	123,929
CHILDRENS SERVICES	1,651	7,719	9,370	6,103	68,982
ENCOMPASS	1,231	243	1,474	0	2,401
PRIMARY CARE & OLDER PEOPLE	(174)	8,527	8,353	9,185	189,447
FINANCE & ESTATES	44	6,887	6,931	3,821	38,895
MEDICAL DIRECTOR & RISK	15	551	566	617	2,488
SURGERY, ELECTIVE, MATERNITY & PAEDS	3,591	9,627	13,218	4,936	133,516
PLANNING, IT & PERF MGT	(63)	(157)	(220)	59	13,382
TRANSFORMATION/OTHER RINGFENCED	371	(377)	(6)	0	6,257
COVID	(71)	(93)	(164)	0	3,266
DIRECTOR OF NURSING & USER EXPERIENCE	(1,032)	1,656	624	651	39,284
UNSCHEDULED CARE, MEDICINE & CANCER	16,813	363	17,176	15,239	131,325
NO MORE SILOS	(131)	(491)	(622)	0	3,553
PEOPLE & ORG DEVELOPMENT	151	509	660	762	6,804
CHIEF EXEC & PR	(5)	(14)	(19)	(25)	313
<b>TOTAL</b>	<b>228,401</b>	<b>35,630</b>	<b>64,031</b>	<b>45,482</b>	<b>763,842</b>
COST PRESSURES/SAVINGS/INCOME ANTICIPATED				(38,332)	
DEFICIT (INCL RINGFENCED)				7,150	
FURTHER TRUST SAVINGS –YET TO BE IDENTIFIED				5,384	
YEAR END CLOSING POSITION				12,534	



## Statutory Financial Performance Targets

## RAG status

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

The Trust is currently forecasting a deficit of £12.5m, even after the delivery of £22.7m of savings.

Our forecast has remained stable for the last number of months but increases in demand are putting growing pressure on our ability to hold this position. There are no reasonable actions the Trust could now take to reduce our forecast position, and only the receipt of additional deficit support will allow us to achieve a break-even position.

Department of Health (DOH) are fully aware of our position, and our forecast deficit forms part of the overall health budget deficit, which sits at around £150m.

We continue to work closely with DOH colleagues to clarify the specific elements of our deficit position, and work collectively towards management of the overall position.

## Statutory Financial Performance Targets

RAG  
status

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

Current CRL is £27.8m. This has increased by £1.825m since the previous update in November.

The Trust has received the following additional CRL funding:

- £228k ICT.
- £351k Regional Mammography.
- £604k GP Improvement Schemes.
- £170k Research & Development.
- £370k Invest to Save Energy Efficiency.
- £102k Public Realm Works.

	CRL at 20th October 2023	Additional CRL	CRL at 16th January 2024
	£'000	£'000	£'000
Ulster Hospital Phase B	360	-	360
GP Improvement Scheme	360	604	964
ICT	5080	228	5308
General Capital	12037	-	12037
Invest to Save	1450	370	1820
Backlog Maintenance	4101	-	4101
Task & Finish (Ward 12 LVH)	330	-	330
Elective Care Equipment	704	-	704
Research & Development	240	170	410
Car Parking	1218	-	1218
IFRS 16 Leasing	109	-	109
Regional Mammography	-	351	351
Public Realm Works	-	102	102
<b>Total</b>	<b>25989</b>	<b>1825</b>	<b>27814</b>

Total capital paid expenditure to the 31<sup>st</sup> December 2023 was £8.3m. The Trust is forecasting breakeven.



## Other Financial Performance Targets

## RAG status

### 1. Achieve in year savings targets

The Trust has identified a range of low/medium impact measures, totalling £22.7m. These are predominantly in the area of reducing payroll costs, through reduced reliance on off-contract agency, and also reductions in premiums paid to staff. Whilst progress in some areas has been achieved, we are reliant on regional actions to achieve some elements of this plan. Due particularly to our location a regional approach to the rates we pay staff is vital to achieving any sustainable reductions.

It is important to note that our forecast deficit of £12.5m, assumes full achievement of the £22.7m of cash releasing savings.

A detailed breakdown of progress against savings is provided on page 8-9. The growth in reliance in non-recurrent measures is concerning as it moves us further away from a recurrent break-even position.

### 2. Delivering value

The Trust's delivering value programme is aligned to the regional programme, and is focusing on both cash releasing (as highlighted above), and a range of longer term projects which aim to deliver productivity/efficiency and/or expenditure reductions.

Internally there has been a renewed focus in month on work to review and standardise nurse utilisation, in an effort to understand and manage demand for additional shifts which drive agency expenditure. In addition work progresses on the regional non-medical and medical frameworks to standardise rates paid to these staff groupings. Risk assessments have commenced in areas where there is current use of off-contract agency in these staff groupings.

There is little expectation of any significant further in-year cash savings from any of these projects.



## Other financial performance targets

## RAG status

### 3. Achieve Recurrent Breakeven Position

The Trust was requested and has submitted some outline financial scenarios to the Department of Health for the 2024/25 year. The Trust has also done some initial work around our opening recurrent deficit position, and this is with the Department of Health for consideration.

More detailed information on our opening 2024/25 position will be brought to a future Trust Board.

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

Paid 94.5% of our suppliers within 30 days. Just under target

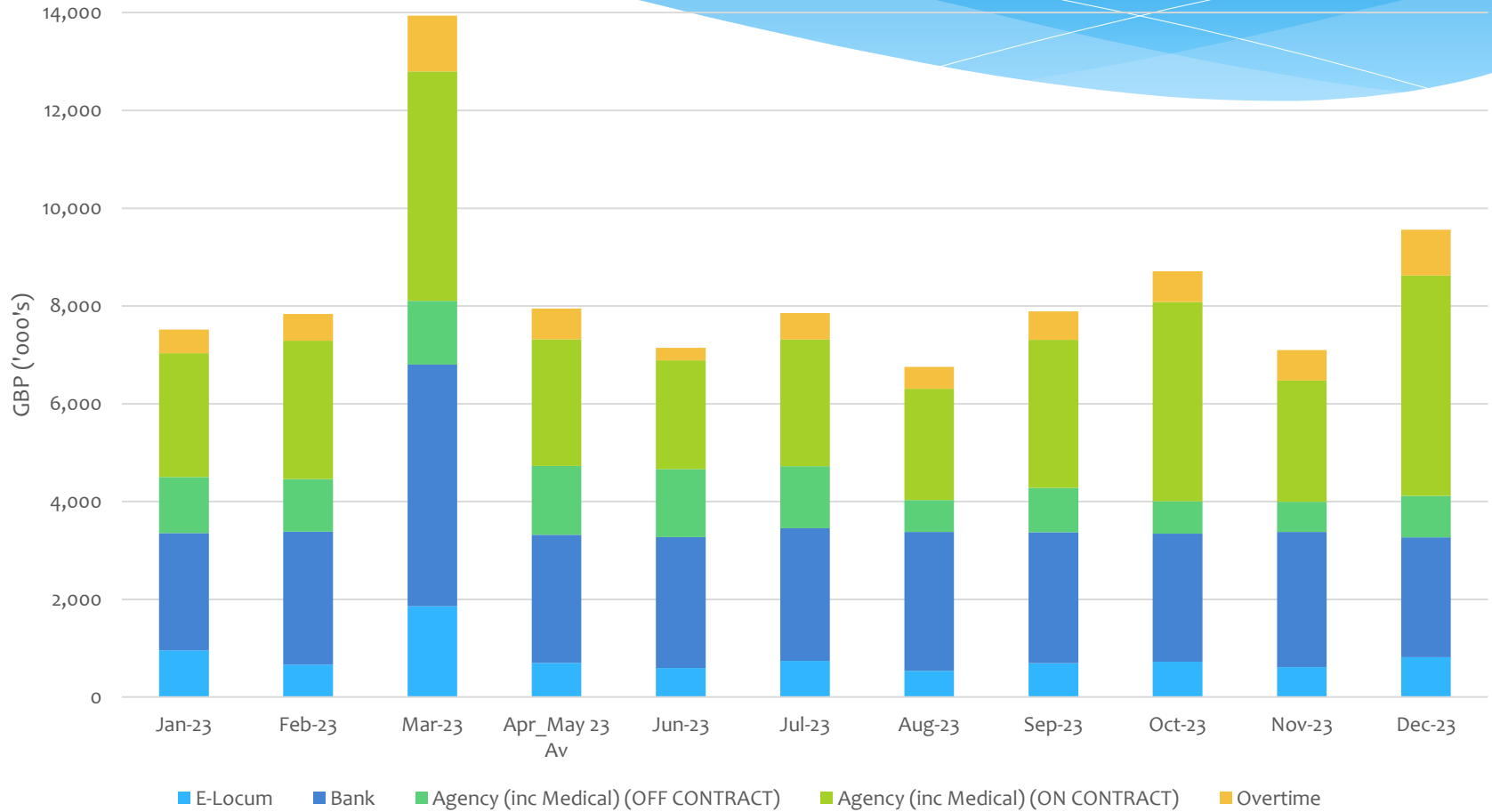


Summary of progress on savings	TARGET £k	ACH'D £K	RAG STATUS
Slippage / technical adjustments	8,000	8,000	Green
Hold on discretionary spend	819	339	Yellow
Hold on minor capital works / F&Fs	800	600	Green
Procurement	447	8	Yellow
Income – Energy/Scopes	740	531	Green
Reductions in drug wastage through increased use of PODs	456	-	Yellow
MORE Savings	456	100	Yellow
Reduction in training (use of charitable funds where possible)	230	-	Yellow
Taxis/Transport/Other	301	310	Green
Stop use of off-contract agency	1,670	958	Yellow
Stop use of any critical shift / COVID rate	2,135	1,059	Yellow
Remove all social work agency (move to use of bank only)	812	748	Green
Standardised locum rate across all Trusts for all medical grades	39	0	Yellow



Detail of measure	TARGET £k	ACH'D £K	RAG STATUS
Reduction in cost of non emergency ambulance provision	29	23	
Other non recurrent savings	5,803	5,803	
<b>TOTAL</b>	<b>22,737</b>	<b>18,479</b>	<b>81%</b>

## S&W - Flexible Staffing Costs - Trust 22-23 to 23-24



*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.) March figures include backdated 22/23 pay award and all year end adjustments relating to flexible staffing.*

## Underlying Assumptions

- Any announced pay award will be fully funded.
- Cash releasing savings of £22.7m are achieved.