

Finance Report

Month 2 May 2024



Executive Summary

For period ending May 2024, the Trust is reporting a YTD deficit of £5.7m and a full year deficit of £34.5m

This figure is dependent on the Trust achieving £26.8m of low/medium impact savings in year.

To date, we have received only an indicative funding allocation, and this has been used to build opening budgets.

Underlying Expenditure Trends

At this early part of the year, expenditure trends are showing small increases against those in prior year, over and above funded tariff increases in the social sector. At this early stage of the year, it is difficult to draw any assumptions from this slight increase in spend, and we will continue to monitor closely.

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 MAY 24			FORECAST	SPEND YEAR TO DATE MAY 24
	SALARIES & WAGES	GOODS & SERVICES	TOTAL VARIANCE	FORECAST POSITION 23-24	TOTAL SPEND PER DIRECTORATE
	£'000	£'000	£'000	£'000	£'000
ADULT & PRISON SERVICES	1,337	(462)	875	1,412	23,971
CHILDRENS SERVICES	380	1,881	2,261	9,201	15,670
ENCOMPASS	0	0	0	0	405
PRIMARY CARE & OLDER PEOPLE	320	6,480	6,800	13,295	50,124
FINANCE & ESTATES	(115)	2,146	2,031	4,092	9,075
MEDICAL DIRECTOR & RISK	46	138	184	405	663
SURGERY, ELECTIVE, MATERNITY & PAEDS	1,733	3,914	5,647	5,164	31,622
PLANNING, IT & PERF MGT	(104)	205	101	(109)	2,917
TRANSFORMATION/OTHER RINGFENCED	0	0	0	0	1,290
COVID	0	0	0	0	704
DIRECTOR OF NURSING & USER EXPERIENCE	177	644	821	667	9,380
UNSCHEDULED CARE, MEDICINE & CANCER	4,280	549	4,829	14,668	30,446
NO MORE SILOS	44	(43)	1	0	1,132
PEOPLE & ORG DEVELOPMENT	69	30	99	596	1,455
CHIEF EXEC & PR	(6)	6	0	8	66
TOTAL	8,161	15,488	23,649	49,399	178,920
COST PRESSURES/SAVINGS/INCOME ANTICIPATED				(14,914)	
YEAR END CLOSING POSITION				35,485	



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 £34.5m after achieving £26.8m of low/medium savings.

There are ongoing discussions with Department of Health regarding the overall current funding shortfall across health, and the possible decisions that may need to be taken as a result of the Budget settlement.

Statutory Financial Performance Targets

RAG
status

Manage within allocated Capital Resource Limit (CRL)

Capital Resource Limit (CRL)

	£m
General capital funds	9.585
GP Practice Improvement Scheme	0.473
ICT Specific allocation	0.754
Hospital Parking Charges Act – Car Parking	1.105
Backlog maintenance	4.125
Imaging Diagnostics	0.33
Task & Finish	0.47
TOTAL Allocation	16.842

Proposed Allocation of General Capital £9.585m :

	£m
Contractual commitments	5.213
New schemes : Estates Service Developments	1.96
New schemes : Equipment	3.349
Total	10.522
Current over-commitment of General Capital (This can be managed out through the year as business cases are finalised)	0.937



Other Financial Performance Targets

RAG status

1. Achieve in year savings targets

The Trust has identified a number of low/medium savings targets totalling £26.8m (see Page 8).

These plans are across a range of areas predominantly in the area of reducing payroll costs, but also through reducing goods & services spend along with an element of income generation.

Progress on these savings will be monitored closely during the year and will be subject to significant scrutiny to ensure meeting this extremely challenging target remains on track.

2. Delivering value

The regional Delivering value programme Board has been reconstituted and aims to focus on a number of key regional areas of efficiency including future use of patient level costing information. It will also aim to take forward regional procurement savings using work currently underway from the GIRFT (getting it right first time) review of corporate functions.

Locally the progress against in-year savings plans is being monitored through monthly finance focus groups, and regular reports will be fed through to Executive management team.



Other financial performance targets

RAG status

3. Achieve Recurrent Breakeven Position

The Trust is currently forecasting a deficit position of £34.5m after achieving £26.8m of low/medium savings.

To reach breakeven, the Trust would be required to implement further high and catastrophic savings totalling £34.5m, detail of which have been submitted to Strategic Planning and Performance Group (SPPG) within Department of Health.

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

The Trust paid 94% of our suppliers within 30 days in month 2. We will continue to focus on this in the coming months with the aim of returning to target levels.

2024/24 Low/Medium Impact Savings Plans – Main Areas

	£m
Staff utilisation reviews including nursing and Allied Health Professionals	2.7
Medical Locums	1.1
Managing goods & services spend	1.8
Minor building works and maintenance	1.4
Enhanced scrutiny of social care contracts	1.8
Review of agency rates	4.3
Income generation and efficiencies	1.85
Slowing implementation of service developments/efficiencies/limited vacancy control	11.85
Target Savings	26.8
Achieved to Date May 24	2,969

Underlying Assumptions

- Funding will be received as per indicative list from SPPG
- Any announced pay awards for 24/25 will be fully funded.
- Full savings of £26.8m Low/Medium will be achieved
- All Covid vaccine programs will be fully funded
- All agreed levels of Waiting List Initiative will be funded.
- All Encompass funding as agreed per discussions with BSO will be received