

# Finance Report

Month 4 July 2024

## **Executive Summary**

For period ending July 2024, the Trust is reporting a year to date deficit of £1.2m with a full year deficit of £3.7m

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

The Trust has been notified of non recurrent deficit funding totalling £30.8m, and this has reduced the deficit significantly from the £34.5m reporting in Month 2, leaving the Trust with a residual forecast deficit of £3.7m.

We continue to work with SPPG/DOH colleagues to attempt to collectively resolve the remaining deficit, with the expectation currently that the Trust will develop further savings plans to reach a break-even position.

To achieve this would require the Trust to achieve savings of £30.5m – a level which we have not been able to achieve in one financial year in our recent history. This represents a significant risk for the organisation, and will require close review and management as we move through the financial year.

## **Underlying Expenditure Trends**

In month 3, a fully funded pay award for 23/24 was paid out for both AFC and Medical & Dental staff. This included 14 months of back-pay. With the new rates now in place, we will continue to monitor these costs closely as the year progresses.

We continue to review and analyse increased spend in the social care sector, which is trending above our forecast levels, along with inflationary pressures across all areas.

# 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 JULY 24			FORECAST	SPEND YEAR TO DATE JULY 24
	SALARIES & WAGES	GOODS & SERVICES	TOTAL VARIANCE	FORECAST POSITION 24-25	TOTAL SPEND PER DIRECTORATE
	£'000	£'000	£'000	£'000	£'000
ADULT & PRISON SERVICES	2,762	1,695	4,457	2,210	51,897
CHILDRENS SERVICES	470	3,572	4,042	8,614	31,712
ENCOMPASS	0	0	0	0	867
PRIMARY CARE & OLDER PEOPLE	(454)	13,006	12,552	14,652	100,758
FINANCE & ESTATES	290	3,979	4,269	4,151	18,329
MEDICAL DIRECTOR & RISK	102	426	528	686	1,512
SURGERY, ELECTIVE, MATERNITY & PAEDS	1,529	3,381	4,910	5,255	61,990
PLANNING, IT & PERF MGT	(292)	(146)	(438)	(57)	5,963
TRANSFORMATION/OTHER RINGFENCED	0	0	0	0	2,913
COVID	0	0	0	0	1,456
DIRECTOR OF NURSING & USER EXPERIENCE	13	1,248	1,261	996	18,749
UNSCHEDULED CARE, MEDICINE & CANCER	6,146	1,152	7,298	15,978	60,625
NO MORE SILOS	206	26	232	0	2,578
PEOPLE & ORG DEVELOPMENT	133	67	200	704	3,020
CHIEF EXEC & PR	(5)	1	(4)	(3)	146
<b>TOTAL</b>	<b>10,900</b>	<b>28,407</b>	<b>39,307</b>	<b>53,186</b>	<b>362,515</b>
COST PRESSURES/SAVINGS/INCOME ANTICIPATED				(49,486)	
YEAR END CLOSING POSITION - DEFICIT				3,700	



## 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 £3.7m assuming full achievement of £26.8m low/medium savings and receipt of £30.8m of assumed non recurrent deficit funding,

SPPG has requested a further £3.7m of savings to bring the Trust to a breakeven position. To date the Trust has not identified plans to achieve this additional target.

## Statutory Financial Performance Targets

RAG  
status

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

Current CRL is £23.4m and we are currently forecasting a breakeven position.

CRL has increased by £7.4m since the last report mainly due to increases in the following:

- General Capital £1.4m
- Invest to Save Energy Efficiency £4.6m
- GP Improvement scheme - Crossgar £0.9m

The Trust has reported the follow spend against CRL funding to 31<sup>st</sup> July 2024:

<i>CRL Description</i>	<b>CRL £'000</b>	<b>Spend: 31st July 2024 £'000</b>
GP Improvement Scheme - Trust Owned - Bangor HC	418	35
GP Improvement Scheme - Trust Owned - Struell & Downe	55	5
Research & Development	81	7
ICT - General Capital	1,211	103
General Capital	10,991	934
Invest to Save - Energy Efficiency	4,568	388
Backlog Maintenance	4,125	351
Car Parking - Hospital Parking Charges Act	1,105	94
Task & Finish	470	40
Imaging Diagnostics	330	28
<b>Total</b>	<b>23,353</b>	<b>1,985</b>



## 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.

Savings achieved year to date is 22% of the planned £26.8m, although risks remain around some of the plans, specifically relating to contracts and some of the corporate targets.

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 work of the regional delivering value programme board continues to attempt to pull together the various strands of productivity and cash releasing efficiencies that are happening regionally. These include:

- Work on standardisation of rates paid to locum and agency staffing
- Regional pharmacy savings
- Patient level costing benchmarking information
- Regional benchmarking of theatre efficiency / DNA rates
- Procurement savings work

The Trust continues to work actively within each of these groups, as well as exploring local opportunities for efficiency and cash releasing savings.



## Other financial performance targets

## RAG status

### 3. Achieve Recurrent Breakeven Position

As part of a regional piece of work, all Trusts have been requested to submit an initial draft of a 5 year recovery plan, with the aim of achieving break-even by year 3, and recurrent break-even by year 5.

This plan is due for submission by the end of September, and will be predicated on a number of assumptions – some regional and some local.

The Trust continued to work with SPPG/DOH and regional colleagues to ensure consistency of approach to the preparation of this plan.

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

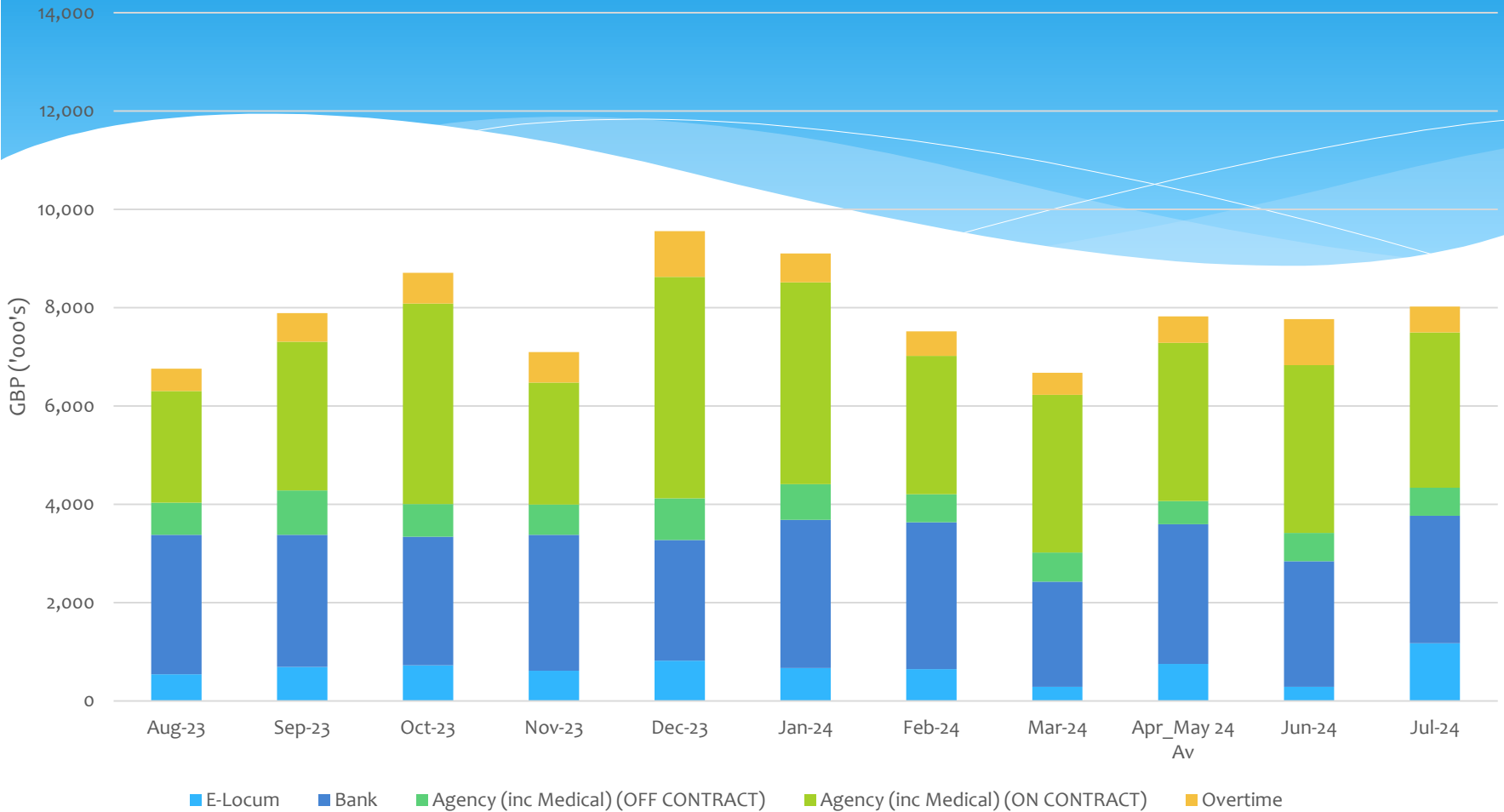
The Trust paid 97.3% of our suppliers within 30 days in month 4.

## 2024/25 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
<b>Target Savings</b>	<b>26.8</b>
Achieved to Date Jul 24	6.1
% Completion Year to Date	22%



## S&W - Flexible Staffing Costs - Trust 23-24 to 24-25



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.)

## 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 vaccine programs will be fully funded
- All agreed levels of Waiting List Initiative work will be funded.
- All Encompass funding as agreed per discussions with BSO will be received
- All PHA agreed funding will forthcoming