




Financial Performance Report

*For the 9 months ended
31 December 2023*

Executive Summary

The Trust has undertaken a detailed assessment of the Trust financial plan which was developed as part of our financial mid-year review.

While expenditure has risen above forecast levels over the last few months, as a consequence of service pressures in our hospital and community system, other income has also risen and therefore I am not reporting any change to the projected year-end deficit forecast of £11.4m.

Statutory Financial performance targets	RAG STATUS
1. Manage within allocated Revenue Resource Limit (RRL) / Operate within Control Total	
<p>The Trust continues to liaise with SPPG in relation to the Trust financial plan. The Trust is projecting a deficit position of £11.4m for 2023/24.</p>	
2. Manage within allocated Capital Resource Limit (CRL)	
<p>The Trust has received a total capital allocation (Capital Resource Limit) of £30.97m. Capital expenditure to the end of November 2023 is £14.7m.</p>	
3. Prompt payment target – 95% of suppliers within 30 days	
<p>The Trust has delivered 95% payment of its undisputed invoices with suppliers within 30 days at 31 December 2023 against its target of 95%. In the month of December 2023, 94.02% of undisputed invoices with suppliers were paid within 30 days. Achievement of this target is currently at risk as a consequence of staffing absence issues within the Nurse Bank agency office.</p>	

Financial plan and performance 31 December 2023

The Trust is reporting a deficit of £8.6m at 31 December 2023 against a forecast deficit of £11.4m for 2023/24 as summarised in Table 1 below.

Table 1. Projected Deficit 2023/24 and performance

	2023/24 Projected Deficit at Jan 23 £'m	Position at 31 Dec 2023 £'m
Opening Deficit 2023/24	3.3	4.3
Pressures 2023/24 (net of funding & other opportunities)	7.3	4.5
Covid pressures	4.5	2.5
SPPG Deficit funding	(9.8)	(7.3)
Projected Deficit 2023/24 excl. Savings Target	5.3	4.0
Savings target 2023/24	25.2	19.2
Savings planned/ achieved 2023/24	(19.1)	(14.6)
Deficit	11.4	8.6

The detailed assessment of the financial plan forecasts and assumptions indicate that the Trust remains on target to report a deficit of £11.4m for 2023/24.

This deficit position is dependent on delivery of the following planning assumptions:

- Planned savings of £19.1m will be delivered in full;
- Expenditure will remain in line with forecast trajectories;
- Continued planned containment of COVID expenditure by Directors.

In relation to Elective Care financial performance, the Trust has a plan in place totalling £10.9m for elective care across a range of specialties for both in-house and independent sector activity. The Trust is reporting expenditure of £9.1m at 31 December 2023.

Table 2 below summarises the financial performance by Directorate. Directorates are reporting an over-spend of 3.3% for the period by comparison to 3.4% for the prior period, demonstrating, during a very challenging month, the application of financial control against budgets where it has been possible.

The bottom-line position for the Trust is an over-spend of £8.5m, 1.2% against budget, consistent with the prior month.

The main drivers for the increase in Directorates over-spends are:

(1) Pay Pressures

Medical: The Trust has experienced an increase in medical agency utilisation. The increased premium cost of medical staffing in 2023/24 is £2.2m. Table 4 below provides more detail including comparative data for 2022/23.

Nursing: Whilst there are reductions in nursing agency specifically relating to the implementation of the agency framework (Tables 5 & 6), there are increases in other flexible staffing and payroll costs particularly in unscheduled care/ medical specialties, surgical services and mental health crisis and inpatient facilities.

(2) Non Pay Pressures

The Trust is experiencing elevated rates of inflation for catering services, labs, building & engineering supplies, community equipment and pharmacy as well as increased expenditure in independent homes (Table 6) due to high demand for nursing and dementia bed provision against a limited supply, resulting in higher costs.

(3) COVID transition pressures

The mid-year assessment revised the in-year unfunded pressure from £4.1m to £4.5m. This is due to outbreak volumes and IPC requirements in community facilities. The Trust is committed to the principle of withdrawal from existing arrangements during this year.

Monthly Directorate Finance Focus meetings continue to prioritise discussions in relation to areas of highest overspend and new and emerging issues.

The financial performance by service directorates is a growth in run rates against 2022/23 figures, which is attributable in part to the full-year effect of the growth trajectory experienced in 2022/23 as well as new growth year to date.

Table 2. Summary Financial Performance by Directorate

Directorate	Budget	Expenditure	December Variance		November Variance		Variance 2022/23 Restated
	£'000	£'000	£'000	%	£'000	%	%
Diagnosics, Cancer & Medical Specialities	140,122	161,885	21,763	15.5%	19,482	15.7%	10.2%
Surgery, Paediatrics & Women's Services	94,178	102,119	7,941	8.4%	6,921	8.2%	4.8%
Adult Mental Health & Disability	101,244	103,435	2,191	2.2%	2,006	2.2%	(0.3%)
Community & Older People's Services	136,152	139,883	3,731	2.7%	3,271	2.7%	1.7%
Nursing, Midwifery & AHPs	27,114	25,540	(1,574)	(5.8%)	(1,291)	(5.4%)	(4.4%)
Children & Families	62,707	63,370	663	1.1%	534	1.0%	1.5%
Medical	3,315	3,222	(93)	(2.8%)	(108)	(3.7%)	(3.4%)
Performance & Service Improvement	47,659	45,046	(2,613)	(5.5%)	(2,109)	(5.0%)	(7.2%)
Finance & Contracting	4,193	4,010	(183)	(4.4%)	(171)	(4.6%)	(6.1%)
Human Resources	4,636	4,619	(17)	(0.4%)	1	0.0%	(5.3%)
Chief Executive Office	1,529	1,583	54	3.5%	68	5.1%	1.2%
Trust Wide Corporate Services e.g. E-Roster, Bank Office & Staff Side	635	618	(17)	(2.7%)	(20)	(3.5%)	1.3%
Corporate Pay & Non-Pay e.g. Energy, Rates, Pharmacy etc.	64,770	70,049	5,279	8.2%	4,671	8.2%	4.0%
Opportunities against Directorate Pressures	13,545	0	(13,545)	(100.0%)	(12,040)	(100.0%)	
Directorate sub-total	701,799	725,379	23,580	3.3%	21,215	3.4%	2.9%
COVID	3,259	3,610	351	10.8%	338	11.2%	0.0%
Savings Target 2023/24 (£25.2m)	(19,175)	0	19,175	(100.0%)	16,798	(100.0%)	(100.0%)
Savings Achieved 2023/24	14,621	0	(14,621)	100.0%	(12,751)	100.0%	100.0%
Other opportunities – Mid-Year Review	19,931	0	(19,931)	(100.0%)	(18,031)	(100.0%)	(0.0%)
Reported Deficit	720,435	728,989	8,554	1.2%	7,569	1.2%	0.0%

Flexible Staffing Expenditure

A significant factor for the Trust in recent years has been a reliance on flexible staffing with a significant proportion of expenditure with agencies including off-contract. Total expenditure in 2023/24 to date is £64.2m. Total spend in these areas by Directorate is summarised below. It is noted that there has been new growth across flexible staffing during the December 2023 period.

Table 3. Total Flexible Payroll Expenditure

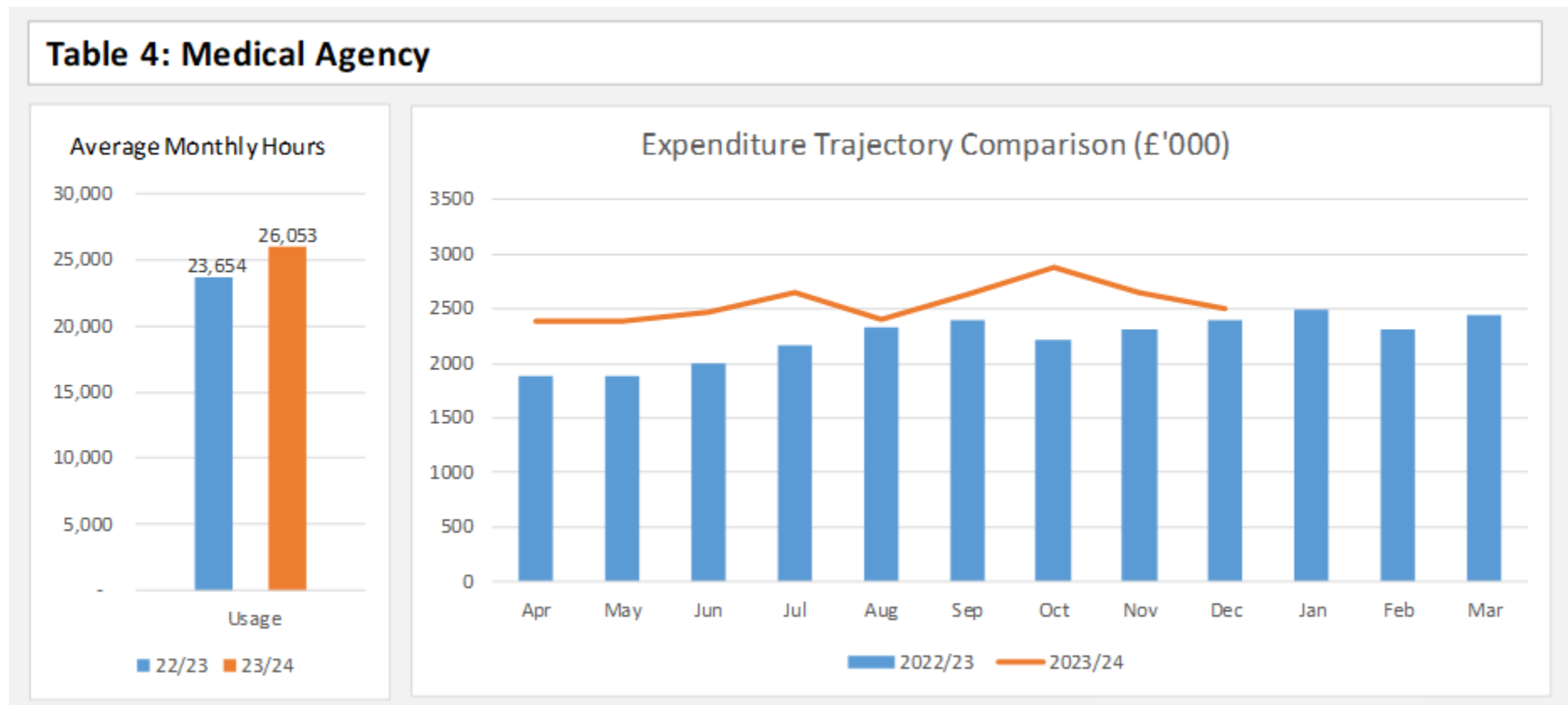
	Cum to December 2023					Cum to November 2023
	Overtime £'000	Agency £'000	Bank £'000	Total £'000	% Growth from the Prior Period	Total £'000
Directorate						
Diagnostics, Cancer & Medical Specialites	1,036	24,827	2,259	28,123	(0.6%)	25,138
Surgery, Paediatrics & Women's Services	435	10,317	1,251	12,003	0.9%	10,584
Adult Mental Health & Disability Services	322	4,418	3,977	8,717	(0.7%)	7,796
Children & Families Directorate	810	936	2,406	4,152	1.6%	3,638
Nursing, Midwifery & AHP's	76	183	166	425	0.3%	377
Community & Older Peoples Services	533	3,162	2,012	5,706	1.2%	5,018
Finance, Contracts & Capital Development	9	61	-	70	10.2%	57
Human Resources	4	17	154	175	(0.2%)	156
Medical Directorate	7	1	0	8	9.5%	7
Chief Executive Office	10	38	2	50	(0.3%)	44
Performance & Service Improvement	181	1,515	2,757	4,453	(2.4%)	4,043
COVID19 - commissioned	20	120	182	321	21.9%	239
	3,442	45,595	15,166	64,203	(0.1%)	57,097

Total agency expenditure is £45.6m, which includes £22.9m (50%) of medical agency staff, £16.8m (37%) of nursing agency staffing and £5.9m (13%) across other professional groups. Expenditure on bank staff over the same period is £15.2m. The average expenditure on flexible staffing for 2023/24 has increased by 1.0% on the average spend during 2022/23.

The tables below provide further detail on medical agency and nursing expenditure.

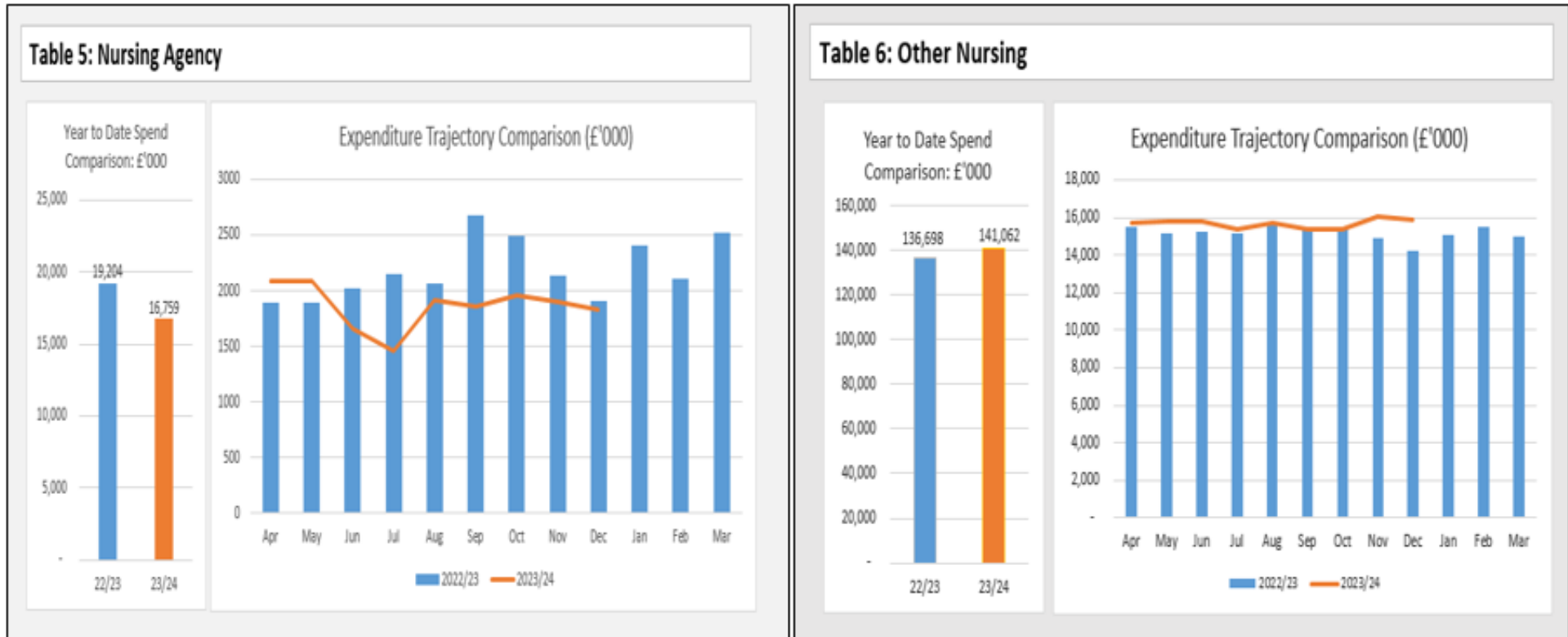
Medical Agency

Table 4 illustrates the increase in medical agency both in terms of usage, where average monthly hours have increased by 10.14%, and expenditure which has increased by 17.1% when compared to the same period in 2022/23. At consultant grade there is an in-year increase in hours of 37% and increases in rates of between 2% to 5% across grades.



Nursing

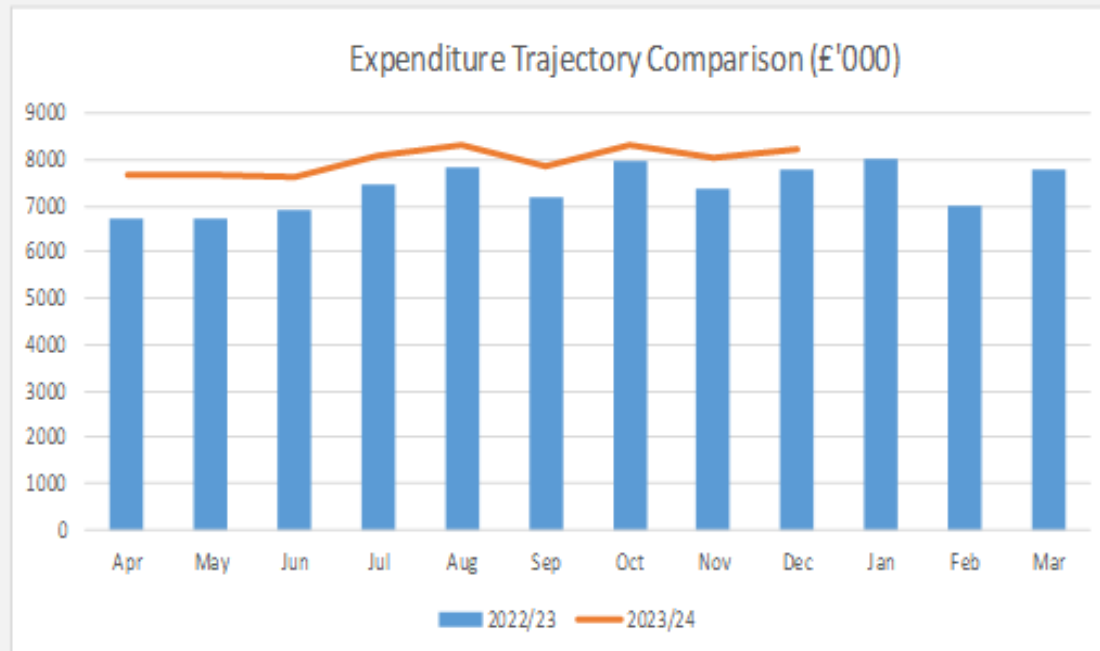
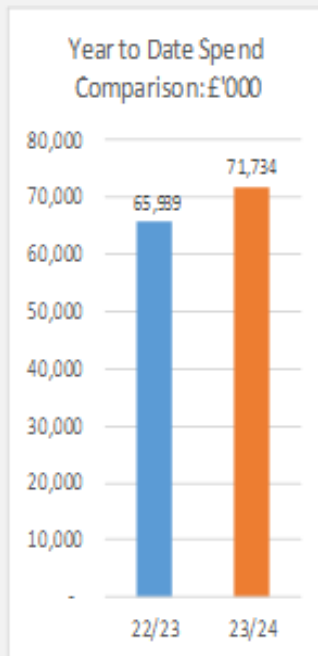
The graphs below illustrate that whilst there has been a decrease in nursing agency expenditure of 12.7% when compared to the same period in 2022/23 mainly as a direct result of the cessation of off-contract nurse agency, the Trust has seen an increase in other nursing expenditure. Other nursing expenditure to date has increased by 3.1% when compared to the same period in 2022/23 particularly within acute hospital services and mental health inpatient and crisis.



Independent Section Residential & Nursing Homes

One of the most significant areas of overspend in non-pay is independent homes. Expenditure to date has increased by 8.8% compared to the same period in 2022/23 adjusted for inflation. The Trust has participated in a regional review of Independent Sector provision and price. A report was issued to Trusts in December 2023. SPPG indicate that the report will support the Regional Delivering Value Programme and that a regional workshop is being planned to consider the recommendations and develop associated actions.

Table 7: Independent Homes



Savings Targets 2023/24

The Trust has a confirmed savings target of £25.1m as a recurrent retraction from the Trust baseline budget. The Trust has developed a plan for £19.1m which includes proposals that have a low or medium risk service impact and in year financial accounting opportunities. The planning gap of £6.1m is included in the Trust forecast deficit position. The Trust is reporting savings of £14.6m (76% of planned savings) at December 23 with £8.8m delivered by Directorates and £5.8m from financial accounting opportunities. Directors have performed extremely well against savings plans.

Capital Expenditure

The Trust has received a total capital allocation (Capital Resource Limit) of £30.97m, per the letter dated 16th January 2024 from the Department of Health. The table below shows the expenditure to 30th November 2023 and planned year end position to 31st March 2024 as follows:-

Table 8. Capital Expenditure

Project	Capital Resource Limit (CRL) £'000	Expenditure at 30th November 2023 £'000	Forecast Expenditure at 31 March 2024
Altnagelvin 5.1 - Tower Block Development - North Block	3,933	3,284	3,933
GP Improvement Scheme Trust Owned	40	40	40
Western Trust – R&D Commercial Income	-400	-158	-400
Western Trust – R&D Commercial Income Spend	400	158	400
Research & Development	320	320	320
Cityside HCC	1,629	851	1,629
Lisnaskea	1,030	940	1,030
NDNA Altnagelvin Interim Training Facilities	350	0	350
Regional Mammography	829	0	829
ICT - Digital Identity Service	23	23	23
ICT - BloodPat	15	12	15
ICT - General Capital	300	216	300
ICT - TEP Implementation	224	149	224
ICT - Viewpoint	194	0	194
ICT - LIMS	92	23	92
ICT - NIPACS+	68	46	68
General Capital	12,601	5,430	12,601
Disposals - Other Assets	-26	-26	-26
Car Parking - Hospital Parking Charges Act	734	0	734
Backlog Maintenance	4,921	3,275	4,921
Invest to Save - Energy Efficiency	1,963	0	1,963
MH Task and Finish	720	0	720
IFRS16 - Leases	656	122	656
Elective Care Equipment & Minor Works	45	0	45
Total	30,661	14,705	30,661

Key Messages

- The Trust is reporting a financial deficit of £8.6m at 31 December 2023.
- We reported a Directorate sub-total level deficit of 3.4% for the period ended 30 November 2023, the comparative for the current period is 3.3% and thus a marginal financial improvement in this period, in spite of the very challenging period for hospital and community services.
- The forecast deficit for 2023/24 remains at £11.4m for the year. This is following completion of a detailed assessment of the mid-year forecasts and assumptions. Directors are asked to continue to ensure effective control over expenditure for the remainder of this financial year.
- 95% of undisputed invoices were paid within 30 working days of receipt against the target of 95%, while excellent, this performance is threatened as a consequence of staff absence.

Eimear McCauley
Executive Director of Finance, Contracts & Capital Development