

Financial Performance Report

*For the 12 months ended
31 March 2024*

Executive Summary




The Trust is reporting a financial break-even position against its budget for 2023/24 subject to the completion of the external audit.

The draft Annual Report and Accounts for the period ended 31 March 2024 will be submitted to the Department of Health and Northern Ireland Audit Office (NIAO) on Friday 3 May 2024. Deloitte will commence their audit during week commencing May 2024. The Audit & Risk Assurance Committee will review the draft accounts at the meeting scheduled on 13 May 2024 and their update from the Committee will be provided to Trust Board at its meeting dated 6 June 2024.

NIAO will provide their draft Report to Those Charged with Governance by 10 June 2024. The Audit & Risk Assurance Committee is scheduled for 12 June 2024 to receive the draft report from NIAO and for their consideration of recommendations for approval of the Accounts to Trust Board

An exceptional Trust Board meeting is being scheduled the following week at which Members will consider the recommendations of the Audit & Risk Assurance Committee. Signed accounts must be submitted to NIAO on or before Wednesday 26 June 2024 with submission to DoH before Wednesday 3 July 2024. NIAO will provide the final Report to Those Charged with Governance by 26 August 2024.

I would like to take the opportunity to extend my thanks to Directors for their support to this financial out-turn and to acknowledge that it has been a very challenging year across our Health and Social Care services, which makes this excellent out-turn to be even more commendable. I would also thank members of Trust Board, particularly those members of the Finance & Performance Committee and the Audit & Risk Assurance Committee, for their engagement, effective challenge and support during the period.

Statutory Financial performance targets	RAG STATUS
1. Manage within allocated Revenue Resource Limit (RRL) / Operate within Control Total	
<p>The Trust is reporting a breakeven position at 31 March 2024</p>	
2. Manage within allocated Capital Resource Limit (CRL)	
<p>The Trust has received a total capital allocation (Capital Resource Limit) of £34.05m. Capital expenditure to the end of March 2024 is £34.05m.</p>	
3. Prompt payment target – 95% of suppliers within 30 days	
<p>The Trust has delivered 91.5% payment of its undisputed invoices with suppliers within 30 days at 31 March 2024 against its target of 95%. In the month of March 2024, 79.78% of undisputed invoices with suppliers were paid within 30 days. Achievement of this target has been impacted by delays in approval of nurse agency invoices due to vacancies in the bank office and significant queries with supplier invoices.</p>	

Financial plan and performance 30 March 2024

The Trust is reporting a breakeven position at 31 March 2024.

Table 1. Projected Deficit 2023/24 and performance

	2023/24 Projected Deficit at Mar 24 £'m	Position at 31 Mar 2024 £'m
Opening Deficit 2023/24	3.3	5.6
Pressures 2023/24 (net of funding & other opportunities)	8.8	7.6
Covid pressures	4.5	3.4
SPPG Deficit funding	(22.7)	(22.7)
Projected Deficit 2023/24 excl. Savings Target	(6.1)	(6.1)
Savings target 2023/24	25.2	25.2
Savings planned/ achieved 2023/24	(19.1)	(19.1)
Deficit	0.0	0.0

The summary table of financial performance for the 2023/24 financial year does not do justice to the extent to which the Trust has managed to survive an extremely challenging year. The Trust opened in 2023/24 with a financial deficit of £3.3m, the lowest deficit ever in our history. A poor budget settlement for HSC NI 2023/24 resulted in a cash savings target of £25.2m and the withdrawal of COVID funding. Other factors impacting financial out-turn included increased medical locum agency premium costs, limited demographic growth funding, very high costs for complex

placements of clients within the Independent Sector, unfunded non-pay inflation and limited opportunities for savings in a system which had already delivered against a challenging recovery plan in the four years prior. Our ability to deliver against the statutory break-even duty was considerably threatened. Early forecasts in 2023/24 indicated an out-turn of £46m, this reduced to £27.6m in July 2024 following the confirmation of the Trust budget in early June by SPPG and the production of our month 2 financial performance figures. The mid-year assessment which we conducted in September resulted in a further reduction to our forecast deficit of £22m as a consequence of confirmation of additional funding from SPPG, a review of other income levels, our review of expenditure trajectories and other opportunities. The Trust forecast for income and expenditure was demonstrated to be robust in the latter two quarters of the year, with the progression to a break-even position resulting as a consequence of deficit funding from SPPG and enabling our forecasts to £11.4m, then £10.9m and then finally to break-even.

Applying the principle of a “doable ask”, ambitious but realistic targets were proposed and agreed by Directors who delivered in full and are to be fully commended for this, given the scale of service challenge which they have also been managing.

Highlights in the year include that we secured £6.5m for the No More Silos investment in Hospital Services, we re-secured the commitment from DoH/SPPG for the recurring cost of PFI inflation, we have entirely eliminated our dependency on social work agency staff and off-contract nurse agency staff, we have continued to build an improved data analytics baseline to support our delivering value work-streams and will have successfully implemented our objectives in the rota optimisation project securing both cash and non-cash savings. Finally, the Trust can be very proud of how it has positioned itself in the region.

Directorates are reporting an overspend of 3.3% for the period which is an increase from the prior month reported budget variance of 3.1%. The bottom-line position for the Trust is a breakeven position.

Table 2. Summary Financial Performance by Directorate

Directorate	Budget	Expenditure	March Variance		February Variance		Variance 2022/23 Restated
	£'000	£'000	£'000	%	£'000	%	%
Diagnosics, Cancer & Medical Specialities	189,389	218,529	29,140	15.4%	26,143	15.1%	10.2%
Surgery, Paediatrics & Women's Services	125,315	136,511	11,196	8.9%	10,008	8.7%	4.8%
Adult Mental Health & Disability	136,214	139,222	3,008	2.2%	2,546	2.0%	(0.3%)
Community & Older People's Services	181,612	186,507	4,895	2.7%	4,307	2.6%	1.7%
Nursing, Midwifery & AHPs	36,357	34,255	(2,102)	(5.8%)	(2,035)	(6.1%)	(4.4%)
Children & Families	83,966	84,464	498	0.6%	465	0.6%	1.5%
Medical	4,413	4,292	(121)	(2.7%)	(124)	(3.1%)	(3.4%)
Planning, Performance & Corporate Services	64,032	60,279	(3,753)	(5.9%)	(3,393)	(5.8%)	(7.2%)
Finance, Contracts & Capital Development	5,631	5,358	(273)	(4.8%)	(241)	(4.7%)	(6.1%)
Human Resources	6,208	6,130	(78)	(1.3%)	(73)	(1.3%)	(5.3%)
Chief Executive Office	2,078	2,255	177	8.5%	112	5.9%	1.2%
Trust Wide Corporate Services e.g. E-Roster, Bank Office & Staff Side	848	832	(16)	(1.9%)	(11)	(1.4%)	1.3%
Corporate Pay & Non-Pay e.g. Energy/Pharmacy	87,751	94,353	6,602	7.5%	6,492	8.1%	4.0%
Opportunities against Directorate Pressures	18,453	0	(18,453)	(100.0%)	(16,912)	(100.0%)	
Directorate sub-total	942,267	972,987	30,720	3.3%	27,284	3.1%	2.9%
COVID	4,314	5,122	808	18.7%	417	11.4%	0.0%
Savings Target 2023/24 (£25.2m)	(25,215)	0	25,215	(100.0%)	23,837	(100.0%)	(100.0%)
Savings Achieved 2023/24	19,147	0	(19,147)	100.0%	(18,272)	100.0%	100.0%
Other opportunities	85,317	47,683	(37,634)	(44.1%)	(23,291)	(100.0%)	(0.0%)
Reported Surplus	1,025,830	1,025,792	(38)	0.0%	9,975	1.1%	0.0%

Flexible Staffing Expenditure

Total expenditure in 2023/24 is £85.7m, a marginal increase of 0.3% from the prior period and is summarised by Directorate below.

Table 3. Total Flexible Payroll Expenditure

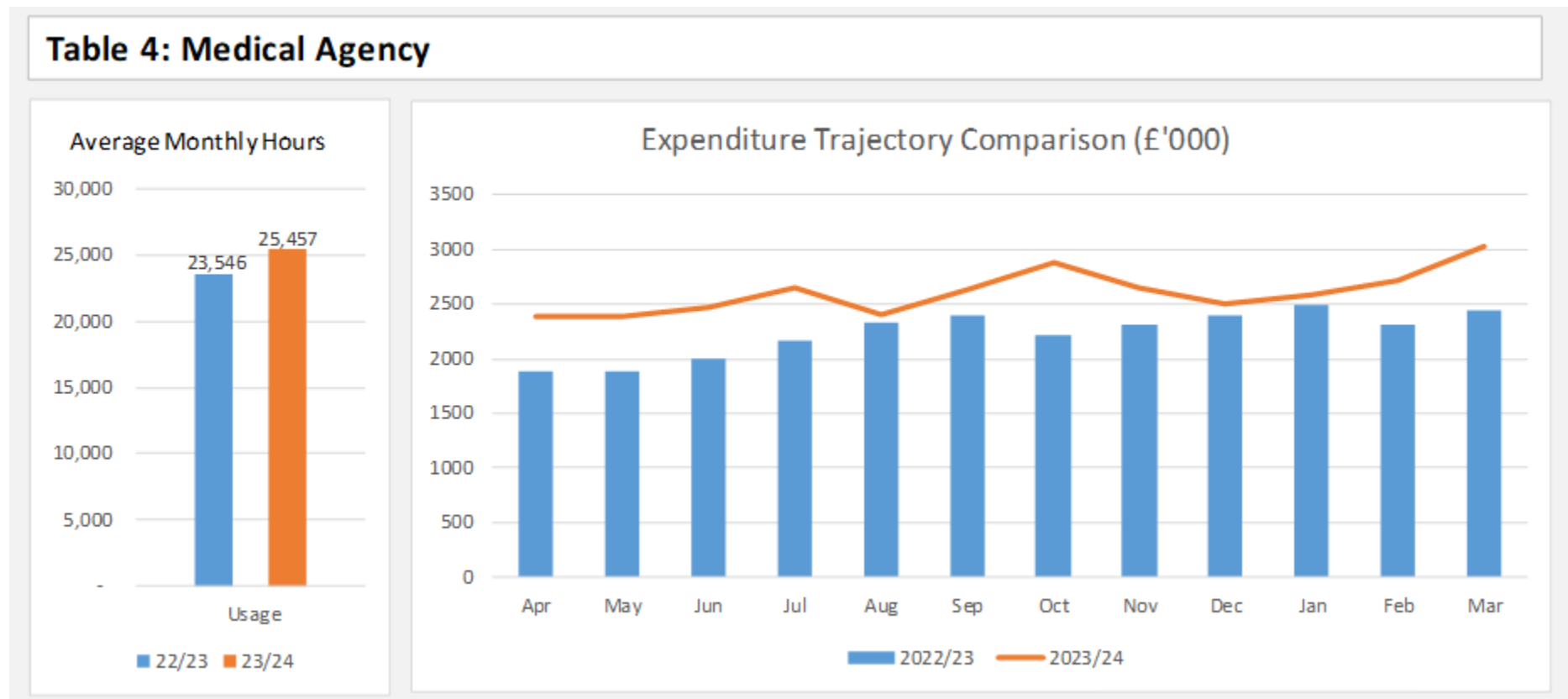
	Cum to March 2024					Cum to February 2024
	Overtime £'000	Agency £'000	Bank £'000	Total £'000	% Growth from the Prior Period	Total £'000
Directorate						
Diagnostics, Cancer & Medical Specialites	1,337	33,053	2,991	37,381	(0.3%)	34,354
Surgery, Paediatrics & Women's Services	607	14,107	1,629	16,343	0.8%	14,875
Adult Mental Health & Disability Services	449	6,192	5,241	11,883	2.0%	10,694
Children & Families Directorate	957	1,136	3,250	5,343	(0.7%)	4,930
Nursing, Midwifery & AHP's	92	284	209	585	1.9%	527
Community & Older Peoples Services	712	4,383	2,698	7,794	1.9%	7,021
Finance, Contracts & Capital Development	10	78	1	89	(2.2%)	83
Human Resources	5	25	197	228	(1.6%)	212
Medical Directorate	7	1	0	8	(9.1%)	8
Chief Executive Office	13	52	2	67	1.7%	60
Planning, Performance & Corporate Services	266	1,786	3,582	5,635	(1.5%)	5,237
COVID19 - commissioned	24	151	216	392	(0.5%)	361
	4,481	61,249	20,016	85,746	0.3%	78,363

Total agency expenditure is £61.2m, which includes £31.2m (51%) of medical agency staff, £22.7m (37%) of nursing agency staffing and £7.3m (12%) across other professional groups. Expenditure on bank staff over the same period is £20.0m. The average expenditure on flexible staffing for 2023/24 has increased by 1.2% on the average spend during 2022/23.

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

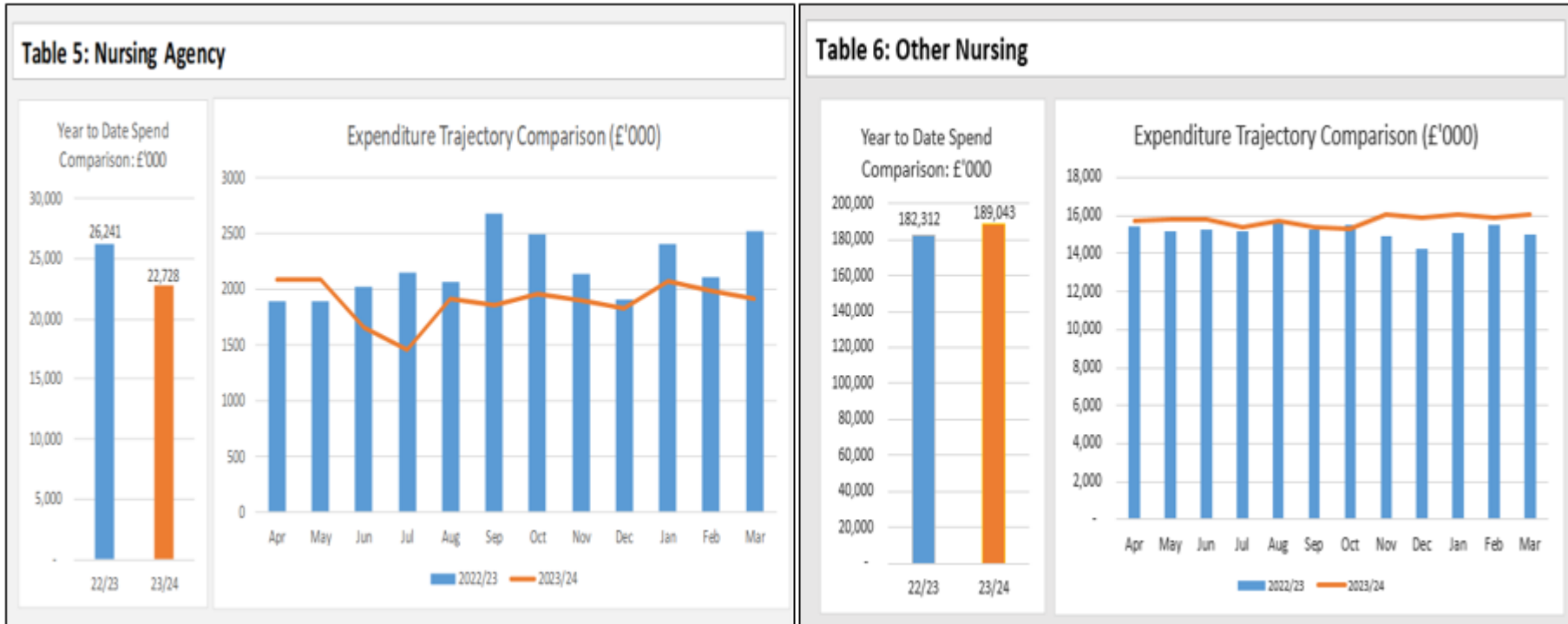
Medical Agency

Table 4 illustrates the increase in medical agency cost both in terms of usage, where average monthly hours have increased by 8.1% in particular at consultant grade, and expenditure which has increased by 16.4% when compared to the same period in 2022/23.



Nursing

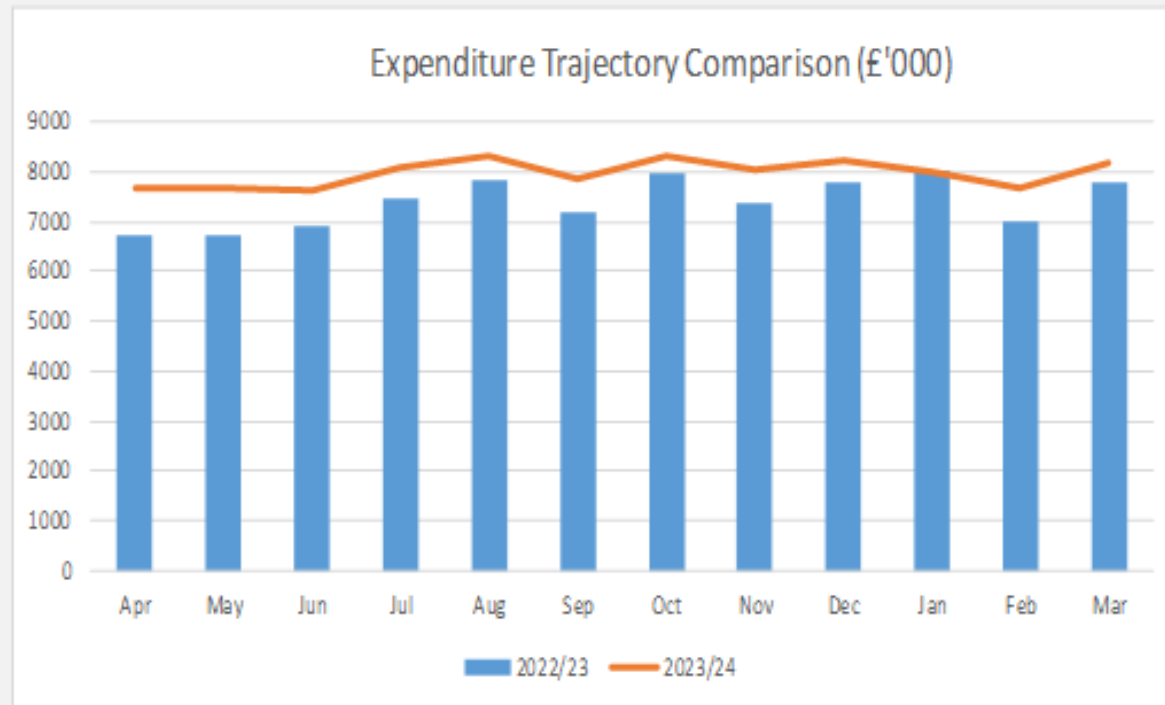
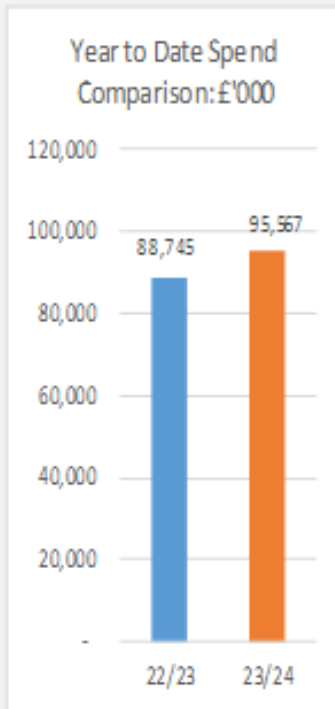
The graphs below illustrate that whilst there has been a decrease in nursing agency expenditure of 13.4% when compared to the same period in 2022/23, mainly as a direct result of the cessation of off-contract nurse agency, the Trust has experienced an increase in other nursing expenditure. Other nursing expenditure to date has increased by 3.6% when compared to the same period in 2022/23. Increases are predominantly within acute hospital and mental health inpatient and crisis services.



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 7.7% compared to the same period in 2022/23, adjusted for inflation.

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 is reporting savings of £19.1m at March 2024 in line with our in year plan. Directors have performed extremely well against savings plans in very challenging circumstances.

Capital Expenditure

The Trust has received a total capital allocation (Capital Resource Limit) of £34.05m from the Department of Health. The table below details expenditure at 31 March 2024

Table 8. Capital Expenditure

Project	Capital Resource Limit (CRL)	Expenditure at 31 March 2024
	£'000	£'000
Altnagelvin 5.1 - Tower Block Development - North Block	4,376	4,333
Cityside H&CC	1,494	1,500
Lisnaskea H&CC	1,276	1,343
GP Improvement Scheme Trust Owned	230	236
Western Trust - R&D Commercial Income	(400)	(400)
Western Trust - R&D Commercial Income Spend	400	400
Research & Development	933	933
Regional Mammography	829	823
ICT - Various	2,849	2,836
General Capital	13,480	13,433
Backlog Maintenance	4,921	4,926
Invest to Save	1,963	1,979
MH Task and Finish	720	729
NDNA Altnagelvin Interim Training Facilities	350	350
IFRS16 leases	430	430
Imaging Diagnostics	185	182
Elective Care Equipment & Minor Works	45	46
Disposals - other assets	(26)	(26)
Total	34,054	34,053

Key Messages

- The Trust is reporting a breakeven position at 31 March 2024.
- The Trust has delivered £19.1m of savings in year.
- 91.5% of undisputed invoices were paid within 30 working days of receipt against the target of 95%.

Eimear McCauley
Executive Director of Finance, Contracts & Capital Development