

Financial Performance Report

*For the 4 months ended
31 July 2024*

Executive Summary

Following a review of the Trusts response to the in-year additional savings target of £3.35m, the Permanent Secretary has written to the Trust on 5th August 2024 to advise that whilst he understands the additional target will increase risk and challenge to the Trust, he has stressed that as a system and at Trust level, if we are unable to deliver these savings all higher impact savings measures must be reconsidered which would have a much more detrimental impact to our services. Given the level of in-built financial risk, he has advised we should not expect any additional funding to resolve the projected deficits in-year. The Trust has been asked to respond with a final position by mid-September.

Following the first Recovery Plan workshop on 13th August 2024 with SPPG and DoH, the Director of Finance, SPPG has written to the Trust on 21st August to provide further information and clarity on how we progress the production of a five-year Recovery Plan. A number of planning assumptions have been provided outlining assumptions relating to income, availability of deficit funding and funding for growth or other cost increases. The Trust has been asked to provide a first draft impact assessed plan by 27th September 2024.

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 currently projecting a deficit position of £3.5m for 2024/25.</p>	
2. Manage within allocated Capital Resource Limit (CRL)	
<p>The Trust has been notified of a total capital allocation (Capital Resource Limit) of £39.16m. Capital expenditure to the end of June 2024 is £2.416m.</p>	
3. Prompt payment target – 95% of suppliers within 30 days	
<p>The Trust has paid 91% of its undisputed invoices with suppliers within 30 days at 31 July 2024 against its target of 95%. In the month of July 2024, 94.66% of undisputed invoices with suppliers were paid within 30 days.</p>	

Financial plan and performance 31 July 2024

The Trust is reporting a deficit of £1.7m at 31 July 2024. This is against the forecast deficit of £3.5m for 2024/25 as summarised in Table 1 as follows:

Table 1. Projected Deficit 2024/25 and Performance

	2024/25 Projected Deficit at Aug 24 £'m	Position at 31 July 2024 £'m
Opening Deficit 2024/25	31.4	11.2
Demography & Demand 2024/25 (net of indicative funding)	1.2	0.2
SPPG Deficit Funding	(31.5)	(10.5)
Total Financial Pressures	1.1	0.9
Recurrent savings targets	26.4	5.9
Projected Deficit 2024/25	27.5	6.8
Low/medium savings plan 2024/25	(24.0)	(5.1)
Forecast deficit	3.5	1.7

Financial Plan

DoH has advised that a funding allocation will be provided for the element of the Trust deficit that could only be addressed through high or catastrophic savings measures. This has reduced the projected deficit for 2024/25 from £59m to £27.5m.

The Trust still has ambitious contingency savings targets in 2024/25, which we consider to have low and medium impact to

services. Projected savings plans totalling £24m have been developed, with £9.9m assessed as low impact and £14.2m assessed as medium impact. The scale of these savings plans is ambitious and at the highest level ever set by the Trust in a single financial year. They are therefore considered collectively to be high risk against delivery. Performance against the savings targets is programme managed through the Trust Delivering Value Management Board.

The Trust is currently undertaking a mid-year assessment of the financial position which will take account of all income, including funding confirmed by SPPG, as well as a robust review of expenditure trajectories.

Financial Performance at 31 July 2024

The Trust is reporting an overspend against its budgets of £1.7m at 31 July 2024. Table 2 below summarises the financial performance by Directorate. Directorates are reporting an overspend of 4.6% for the period against the restated prior year reported budget variance of 3.3%. The bottom-line position for the Trust is an overspend of 0.5% against budget.

Elective Care 2024/25

The Trust has been advised of an indicative allocation of £12m for the delivery of elective care across a range of specialties for in house and independent sector activity. The Trust is reporting expenditure of £2.6m at 31 July 2024.

Month 4 financial performance indicates an increased variance against 2023/24 restated figures. This is attributable to the full year effect of growth experienced in 2023/24 as well as new growth year to date.

Table 2. Summary Financial Performance by Directorate

Directorate	Budget	Expenditure	July Variance		June Variance		Restated Variance 2023/24
	£'000	£'000	£'000	%	£'000	%	%
Unscheduled Care, Cancer, Diagnostics & Medicine	68,123	77,777	9,654	14.2%	6,963	13.7%	14.4%
Surgery, Paediatrics & Women's Services	44,390	48,148	3,758	8.5%	2,805	8.4%	8.9%
Adult Mental Health & Disability	48,563	50,287	1,724	3.6%	1,159	3.2%	2.2%
Community & Older People's Services	65,459	67,604	2,145	3.3%	1,564	3.2%	3.0%
Nursing, Midwifery & AHP's	12,871	12,301	(570)	(4.4%)	(341)	(3.5%)	(6.9%)
Children & Families	29,198	29,359	161	0.6%	210	1.0%	0.4%
Medical	1,602	1,580	(22)	(1.4%)	(30)	(2.5%)	(2.7%)
Planning, Performance & Corporate Services	22,759	21,805	(954)	(4.2%)	(754)	(4.4%)	(7.2%)
Finance, Contracts & Capital Development	1,910	1,858	(52)	(2.7%)	(90)	(6.0%)	(4.8%)
Human Resources	2,356	2,327	(29)	(1.2%)	(37)	(2.1%)	(2.7%)
Corporate	670	756	86	12.8%	47	9.3%	8.8%
Trust Wide Corporate Services	29,903	32,607	2,704	9.0%	2,125	9.5%	6.6%
Opportunities against Directorate Pressures	3,470	0	(3,470)	(100.0%)	(2,499)	(100.0%)	(100.0%)
Directorate sub-total	331,274	346,409	15,135	4.6%	11,122	4.5%	3.3%
Covid19	1,329	1,333	4	0.3%	3	0.3%	18.7%
Savings Targets 2024/25	(5,944)	0	5,944	(100.0%)	3,189	(100.0%)	(100.0%)
Low / medium Savings Achieved 2024/25	5,140	0	(5,140)	100.0%	(2,586)	100.0%	100.0%
Other opportunities	14,271	0	(14,271)	(100.0%)	(2,706)	(100.0%)	(44.1%)
Reported Deficit	346,070	347,742	1,672	0.5%	9,022	3.6%	0.0%

Flexible Staffing Expenditure

Total expenditure in 2024/25 to date is £28.5m and is summarised by Directorate below.

Table 3. Total Flexible Payroll Expenditure

Directorate	Cum to July 2024					Cum to June 2024
	Overtime	Agency	Bank	Total	Growth from Prior Period	Total
	£'000	£'000	£'000	£'000	%	£'000
Unscheduled Care, Cancer, Diagnostics & Medicine	496	10,558	1,220	12,274	0.5%	9,174
Surgery, Paediatrics & Women's Services	283	4,252	469	5,004	0.5%	3,739
Adult Mental Health & Disability	205	2,804	1,808	4,817	4.4%	3,498
Children & Families Directorate	242	346	1,107	1,695	6.0%	1,217
Nursing, Midwifery & AHP's	35	205	63	303	3.0%	222
Community & Older Peoples Services	282	1,483	979	2,744	(1.5%)	2,081
Finance, Contracts & Capital Development	1	28	6	36	3.7%	26
Human Resources	8	24	68	100	42.6%	57
Medical Directorate	0	-	0	0	-	0
Chief Executive Office	0	-	-	0	-	0
Planning, Performance & Corporate Services	127	63	1,302	1,492	6.5%	1,067
COVID19 - commissioned	4	(3)	55	56	(9.6%)	45
Total	1,685	19,760	7,076	28,521	1.7%	21,126

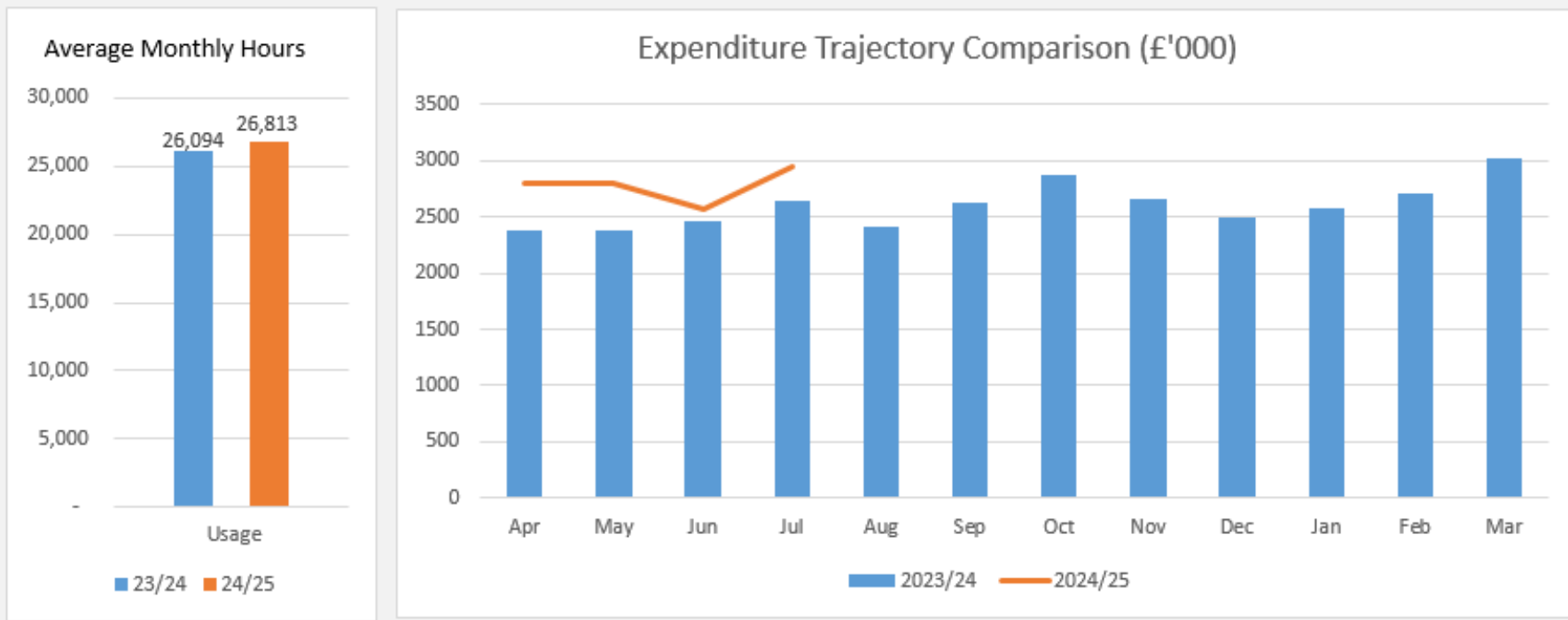
Total agency expenditure is £19.76m, which includes £11.12m (56%) of medical agency staff, £7.13m (36%) of nursing agency staff and £1.51m (8%) across other professional groups. Expenditure on bank staff over the same period is £7.1m. The average expenditure on flexible staffing for 2024/25 has decreased by 0.2% on the average spend during 2023/24.

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

Medical Agency

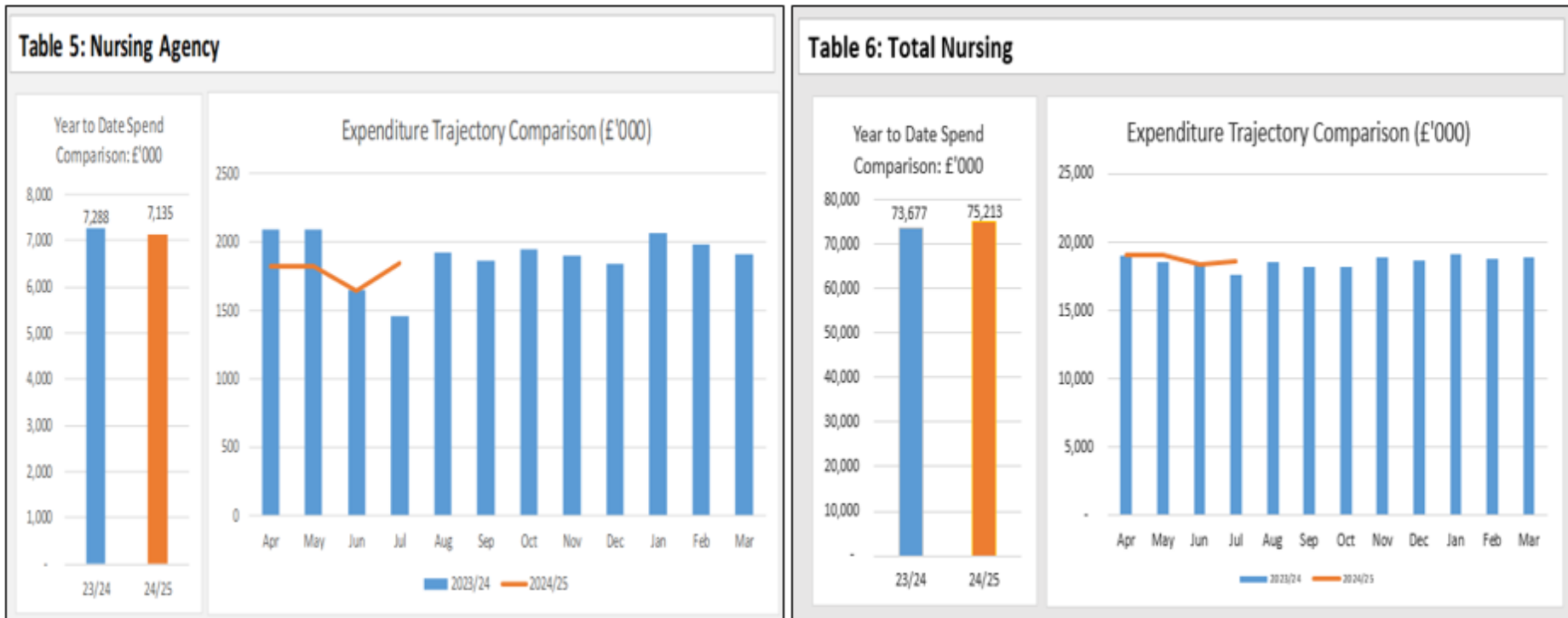
Table 4 illustrates an increase in medical agency cost in terms of both usage, where average monthly hours have increased by 2.8%, and expenditure, which has increased by 12.5% when compared to the same period in 2023/24. The work-streams in our Delivering Value Programme continue to deepen our insights into the medical workforce environment. Further work is required by Directorates to counteract the increase in agency hours noted below, particularly those at premium rates whilst ensuring the delivery of safe services.

Table 4: Medical Agency



Nursing

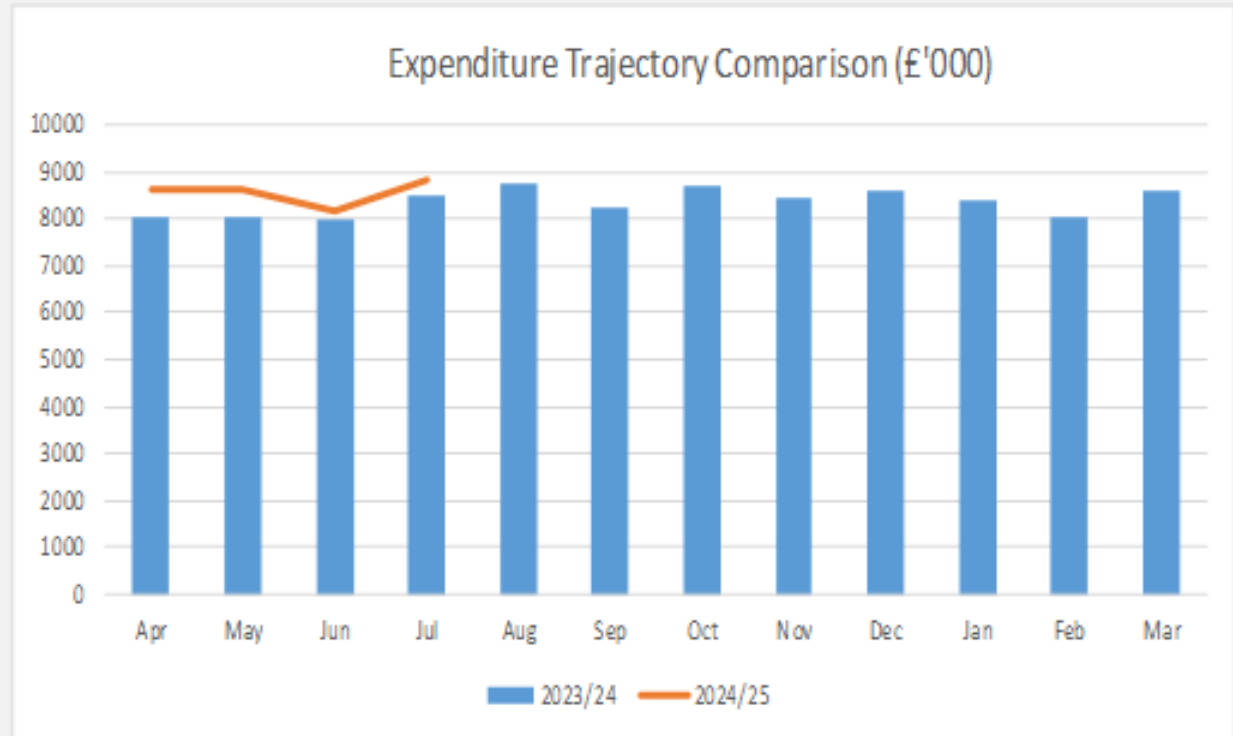
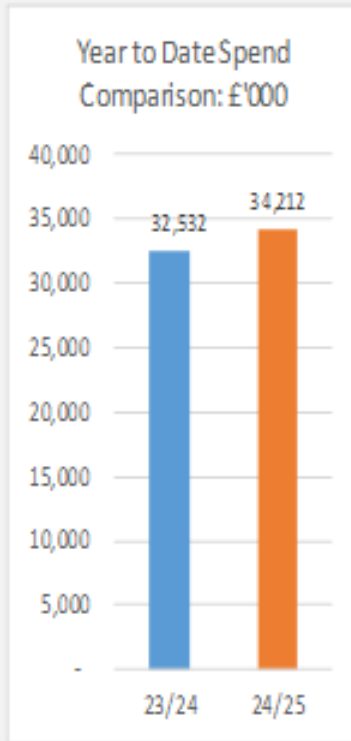
The graphs below illustrate that whilst there has been a decrease in nursing agency expenditure of 2.1% when compared to the same period in 2023/24, mainly as a direct result of the cessation of off-contract nurse agency, the Trust has experienced an increase in total nursing expenditure of 2.08% when compared to the same period in 2023/24. We continue to experience sustained levels of escalation beds particularly in the acute and mental health hospital settings and increases in enhanced care provision to manage a higher profile of patient acuity.



Independent Sector Residential & Nursing Homes

One of the most significant areas of overspend in non-pay is independent homes. Expenditure to date has increased by 5.16% compared to the same period in 2023/24, adjusted for inflation.

Table 7: Independent Homes



Contingency Savings Targets

The Trust has received a recurrent retraction of £26.4m from the Trust baseline budget associated with a savings target. The Trust has been ambitious in identifying £24m of savings plans, which are assessed as low and medium against impact to services. The planning gap of £2.4m is part of the Trust forecast deficit position. Performance is being monitored and reported to the Trust Delivery Value Management Board. While the scale of individual impacts of savings proposals are assessed as low or medium, the scale of this across the Trust represents a much higher risk. The management of the risk of these plans will be undertaken through individual SRO led projects.

Table 10: Savings Target Monitoring at July 2024

Directorate	In Year Target £'m	Saving at 31 July 2024			
		Planned Savings £'m	Actual Savings £'m	(Surplus) / Shortfall £'m	% of Total Target Achieved
Community care service reduction	2.2	0.5	0.5	-	25%
High cost cases reduction	1.0	-	-	-	0%
PSI various programmes (estates etc.)	1.2	0.3	0.3	-	22%
Corporate opportunities: Workforce Controls	4.4	1.6	1.6	-	36%
Removal of expensive medical locums	3.0	0.1	0.1	-	4%
Nurse agency staffing reductions	3.0	0.0	0.0	-	1%
Embedding current nursing agency prices reset, removal of off contract and implementing further contractual opportunities	3.2	1.1	1.1	-	33%
Other including agency inflation control	3.7	1.2	1.2	-	33%
Acute goods & services deep dive, including specialist and non specialist drugs regime change and medical & surgical consumables	2.4	0.4	0.4	-	16%
Total	24.0	5.2	5.2	-	22%

Capital Expenditure

The Trust has received a total capital allocation (Capital Resource Limit) of £39.16m per the latest letter dated 15th August 2024 from the Department of Health. The table below shows the expenditure to 30th June 2024 and planned year end position to 31st March 2025 as follows:-

Table 11. Capital Expenditure

Project	Capital Resource Limit (CRL) £'000	Expenditure at 30th June 2024 £'000	Forecast Expenditure at 31 March 2025 £'000
Altnagelvin 5.1 - Tower Block Development	4,487	65	4,487
Research & Development	106		106
Cityside H&CC	1,249		1,249
NDNA Altnagelvin Interim Training Facilities	150	95	150
Regional Mammography	252		252
ICT - General Capital	300		300
ICT – BloodPat	141		141
ICT – LIMS	200		200
ICT – NIPACS+	72		72
Encompass	10,346	150	10,346
MSEA Microsoft Licences	63		63
General Capital	11,569	2,080	11,569
Car Parking - Hospital Parking Charges Act	734		734
Backlog Maintenance	5,875	26	5,875
Invest to Save	2,470		2,470
MH Task and Finish	475		475
Imaging Diagnostics	675		675
Total	39,164	2,416	39,164

Key Messages

- The Trust is reporting a financial deficit of £1.7m at 31 July 2024.
- The Trust is projecting a financial deficit of £3.5m for 2024/25. This financial forecast is subject to review as we complete our mid-year financial assessment.
- 91% of undisputed invoices were paid within 30 working days of receipt against the target of 95%, largely in relation to absence in the small Trust nurse bank agency office in the early part of the year.

Eimear McCauley
Executive Director of Finance, Contracts & Capital Development