

Financial Performance Report

*For the 6 months ended
30 September 2024*

Executive Summary

Financial Plan 2024/25

Following the Trust's letter of 16 September where the forecast deficit position reduced to £1.3m, the Permanent secretary has written to the Trust on 24 September noting both the reduced forecast deficit and that the Trust is not proposing to move to implement any high impact measures to address the remaining assessed deficit. The Trust will be repeating the comprehensive review of our financial position in November 2024 to assess if there are opportunities to close the remaining gap.

There have been no further updates on the Regional financial position

Recovery Planning

Trusts have been working with SPPG/ DoH on a phased approach to recovery planning. The first phase has been a finance-focused five year forecasting exercise submitted to SPPG on 30 September. A bilateral meeting with SPPG/ DoH has been arranged for 30th October 2024 to build on a meeting earlier in the year when we submitted our contingency plan document.

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 £1.3m 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 £42.87m. Capital expenditure to the end of August 2024 is £7.045m.</p>	
3. Prompt payment target – 95% of suppliers within 30 days	
<p>The Trust has paid 92% of its undisputed invoices with suppliers within 30 days at 30 September 2024 against its target of 95%. In the month of August 2024, 94% of undisputed invoices with suppliers were paid within 30 days.</p>	

Financial plan and performance 30 September 2024

The Trust is reporting a deficit of £0.7m at 30 September 2024. This is against the forecast deficit of £1.3m for 2024/25 as summarised in Table 1 as follows:

Table 1. Projected Deficit 2024/25 and Performance

	2024/25 Projected Deficit at Sept 24 £'m	Position at 30 Sept 2024 £'m
Opening Deficit 2024/25	31.4	16.1
Demography & Demand 2024/25 (net of indicative funding)	2.0	0.6
Total Financial Pressures	33.4	16.7
Recurrent savings targets	26.4	10.2
Projected Deficit 2024/25	59.8	26.9
Low/medium savings plan 2024/25	(23.1)	(8.5)
SPPG Deficit Funding	(31.5)	(15.8)
Other solutions	(3.9)	(1.9)
Forecast deficit	1.3	0.7

Financial Plan

The Trust mid-year assessment of the financial position in September reduced the projected deficit from £3.5m to £1.3m. This took account of our income assumptions, as well as a robust review of expenditure trajectories and other solutions which could contribute towards the financial position. The Trust

continues to be concerned that the scale of the risk to the Trust is still high at this early stage of the year.

The in-year position remains dependent on the following planning assumptions:

- Expenditure to remain in line with forecast trajectories;
- No additional unfunded growth in financial pressures;
- Savings plans will be achieved in line with current projections. Directors are actively developing alternative measures where gaps are emerging;
- Financial pressures associated with legislative change, DoH policy and commissioning decisions outside our control are funded.

Projected contingency savings in 2024/25 which we consider to have low and medium impact to services have been revised to £23.1m, following the adjustment for the regionally accepted gap in the MORE gap. Trust savings plans remain ambitious and at the highest level ever set by the Trust in a single financial year. While delivery risk remains high and is challenging for Directorates, there is extensive discussion around plans through the Trust Delivering Value Management Board as well as Monthly Finance Focus meetings.

The Trust will be repeating the comprehensive review of our financial position in November 2024 to assess if there are opportunities to close the remaining gap.

Financial Performance at 30 September 2024

The Trust is reporting an overspend against its budgets of £0.7m at 30 September 2024. Table 2 below summarises the financial performance by Directorate. Directorates are reporting an overspend of 4.3% 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 0.1% against budget.

Elective Care 2024/25

The Trust has been advised of an indicative allocation of £11.9m for the delivery of elective care across a range of specialties for in house and independent sector activity. The Trust is reporting expenditure of £5.8m at 30 September 2024.

Month 6 financial performance indicates a growth in run rates against 2023/24 restated figures. In September 2024, Directorate variances have remained constant at 4.3% demonstrating improved budgetary management, albeit operating at 1% above 2023/24 figures.

Table 2. Summary Financial Performance by Directorate

Directorate	Budget	Expenditure	September Variance		August Variance		Restated Variance 2023/24
	£'000	£'000	£'000	%	£'000	%	%
Unscheduled Care, Cancer, Diagnostics & Medicine	103,144	117,086	13,942	13.5%	11,726	13.7%	14.4%
Surgery, Paediatrics & Women's Services	67,408	72,996	5,588	8.3%	4,551	8.1%	8.9%
Adult Mental Health & Disability	73,263	75,666	2,403	3.3%	2,087	3.4%	2.2%
Community & Older People's Services	98,702	101,897	3,195	3.2%	2,578	3.1%	3.0%
Nursing, Midwifery & AHP's	19,242	18,343	(899)	(4.7%)	(861)	(5.4%)	(6.9%)
Children & Families	44,078	44,348	270	0.6%	223	0.6%	0.4%
Medical	2,398	2,370	(28)	(1.2%)	(26)	(1.3%)	(2.7%)
Planning, Performance & Corporate Services	34,270	32,407	(1,863)	(5.4%)	(1,552)	(5.4%)	(7.2%)
Finance, Contracts & Capital Development	2,869	2,798	(71)	(2.5%)	(53)	(2.2%)	(4.8%)
Human Resources	3,569	3,505	(64)	(1.8%)	(57)	(1.9%)	(2.7%)
Corporate	1,004	1,134	130	12.9%	126	15.0%	8.8%
Trust Wide Corporate Services	44,694	48,653	3,959	8.9%	3,481	9.4%	6.6%
Opportunities against Directorate Pressures	5,203	-	(5,203)	(100.0%)	(4,337)	(100.0%)	(100.0%)
Directorate sub-total	499,844	521,203	21,359	4.3%	17,886	4.3%	3.3%
Covid19	1,828	1,832	4	0.2%	3	0.2%	18.7%
Savings Targets 2024/25	(10,225)	-	10,225	(100.0%)	8,204	(100.0%)	(100.0%)
Low / medium Savings Achieved 2024/25	8,551	-	(8,551)	100.0%	(6,809)	100.0%	100.0%
Other opportunities	22,353	-	(22,353)	(100.0%)	(18,681)	(100.0%)	(44.1%)
Reported Deficit	522,351	523,035	684	0.1%	603	0.1%	0.0%

Flexible Staffing Expenditure

Total expenditure in 2024/25 to date is £42.6m and is summarised by Directorate below.

Table 3. Total Flexible Payroll Expenditure

Directorate	Cum to September 2024					Cum to August 2024
	Overtime	Agency	Bank	Total	Growth from Prior Period	Total
	£'000	£'000	£'000	£'000	%	£'000
Unscheduled Care, Cancer, Diagnostics & Medicine	694	15,325	1,878	17,896	(2.8%)	15,275
Surgery, Paediatrics & Women's Services	380	6,396	704	7,480	(0.8%)	6,278
Adult Mental Health & Disability	280	4,352	2,787	7,419	0.4%	6,164
Children & Families Directorate	327	582	1,695	2,604	(1.5%)	2,198
Nursing, Midwifery & AHP's	43	271	105	419	(6.0%)	368
Community & Older Peoples Services	396	2,232	1,472	4,101	(0.5%)	3,431
Finance, Contracts & Capital Development	3	58	10	70	21.4%	50
Human Resources	9	44	105	158	(5.0%)	137
Medical Directorate	0	1	0	1	-	0
Chief Executive Office	0	-	-	0	-	0
Planning, Performance & Corporate Services	183	93	2,102	2,377	4.2%	1,915
COVID19 - commissioned	5	18	81	104	(2.1%)	89
Total	2,321	29,371	10,938	42,631	(1.3%)	35,905

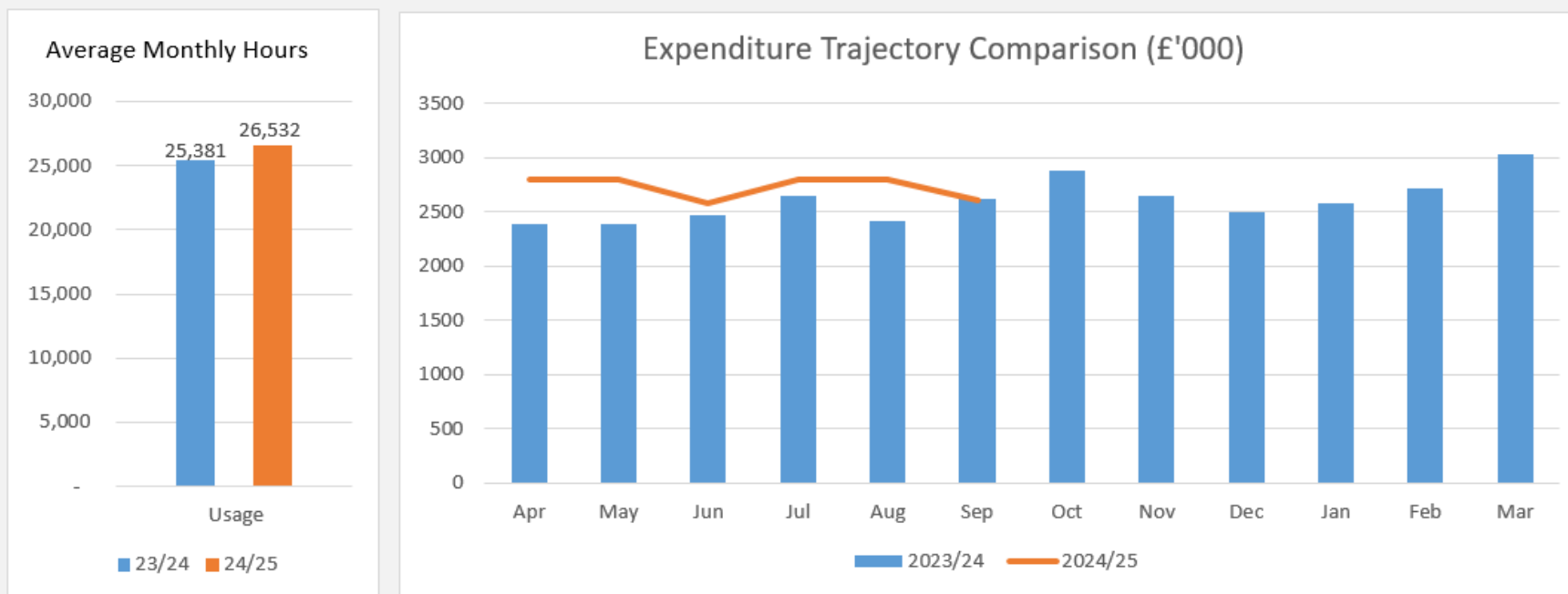
Total agency expenditure is £29.37m, which includes £16.36m (56%) of medical agency staff, £10.69m (36%) of nursing agency staff and £2.32m (8%) across other professional groups. Expenditure on bank staff over the same period is £10.94m. The average expenditure on flexible staffing for 2024/25 has decreased by 0.6% on the average spend during 2023/24.

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

Medical Agency

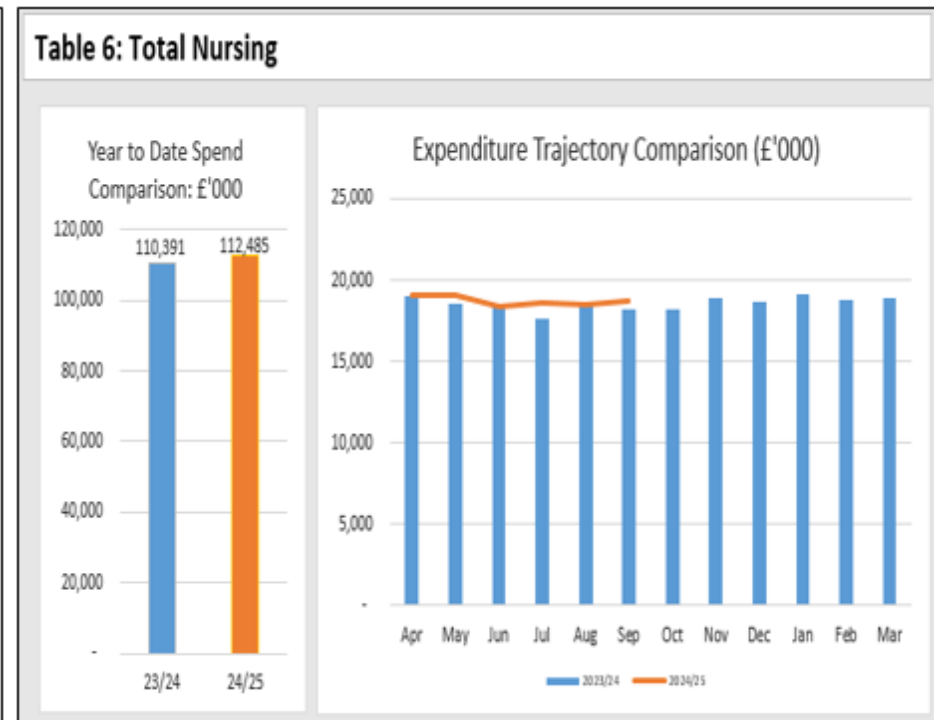
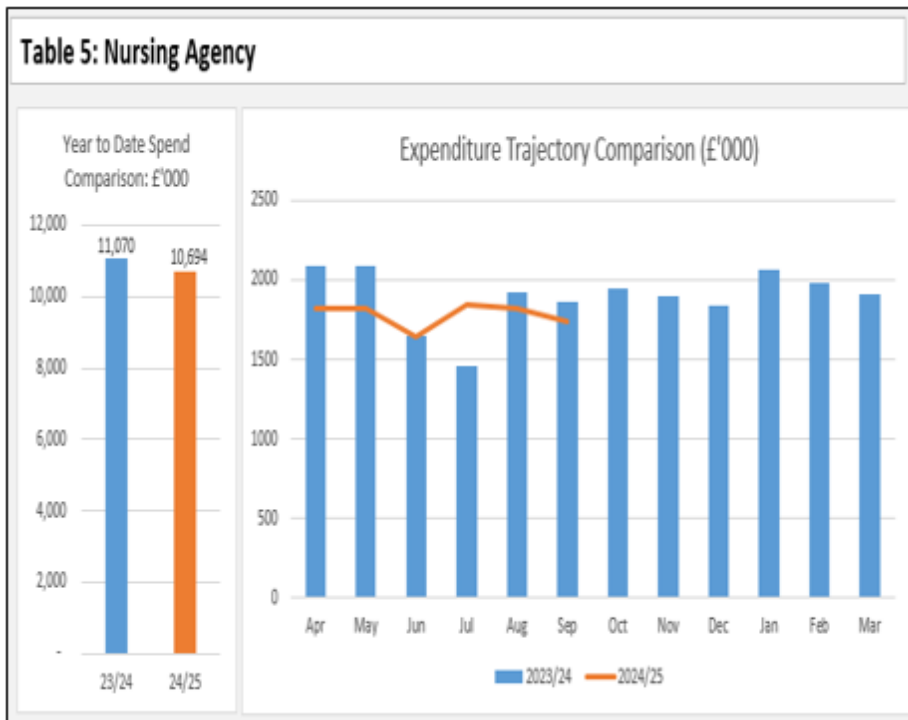
Table 4 illustrates an increase in medical agency cost in terms of both usage, where average monthly hours have increased by 4.5%, and expenditure, which has increased by 9.7% when compared to the same period in 2023/24. The targeted focus on agency usage is starting to have a positive impact on volume with a reduction in hours in September when compared to year to date average hours. The medical locum engagement team continues to challenge and negotiate rates, however market-driven rates have risen by approximately 5% when compared to the prior year. The bespoke recruitment project to India has seen 38 posts offered to date with approximately 23 accepted and others considering offers. There will be a focus over the remainder of the year on specific high usage specialties including ED.

Table 4: Medical Agency



Nursing

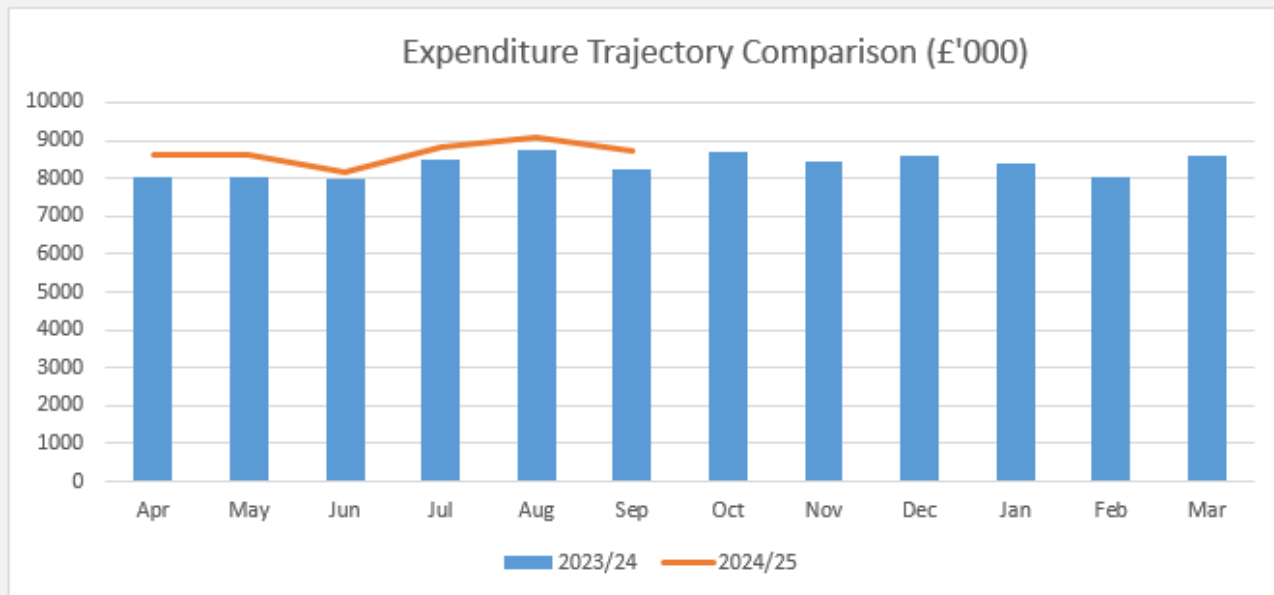
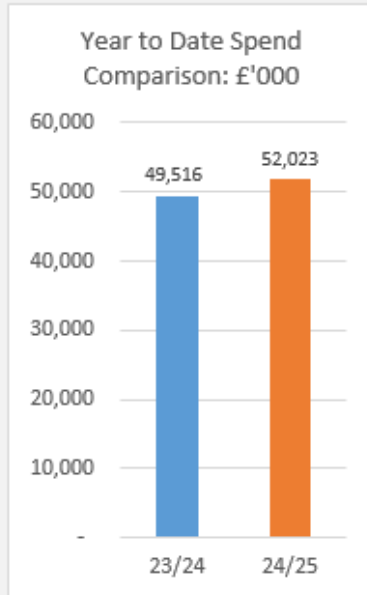
The graphs below illustrate that whilst there has been a decrease in nursing agency expenditure of 3.4% when compared to the same period in 2023/24, mainly as a direct result of the cessation of off-contract nurse agency, the Trust has experienced an increase in total nursing expenditure of 1.9% when compared to the same period in 2023/24. The Executive Director of Nursing is leading on an active programme of nurse staffing reviews to assess appropriate nurse staffing levels taking account of patient acuity, increasing escalation beds and patient safety. Roster planning and management coupled with protocols to manage patient acuity and escalations beds are seen as key enablers to this work.



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 5.06% compared to the same period in 2023/24. However, the level of growth experienced to date in this budget for 2024/25 has been funded from the demographic investment allocation provided.

Table 7: Independent Homes



Contingency Savings Targets

Projected contingency savings in 2024/25 which we consider to have low and medium impact to services have been revised to £23.1m, following the adjustment for the regionally accepted gap in the MORE gap. Trust savings plans remain ambitious and at the highest level ever set by the Trust in a single financial year. While delivery risk remains high and is challenging for Directorates, there is extensive discussion around plans through the Trust Delivering Value Management Board as well as Monthly Finance Focus meetings.

Savings achieved to date are £8.5m. There is extensive focus within Directorates on their plans in relation to the medical and nursing targets and high risk that savings will not materialise in full. There are a range of work-streams which will contribute to savings in the latter part of this year and Directorates are taking forward comprehensive assessments to inform our financial plan review and consider mitigations.

Table 10: Savings Target Monitoring at September 2024

Directorate	In Year Target £'m	Saving at 30 September 2024			
		Planned Savings £'m	Actual Savings £'m	(Surplus) / Shortfall £'m	% of Total Target Achieved
Community care service reduction	2.2	0.9	0.9	-	39%
High cost cases reduction	1.0	-	-	-	0%
PSI various programmes (estates etc.)	1.2	0.4	0.4	-	33%
Corporate opportunities: Workforce Controls	4.4	2.4	2.4	-	55%
Removal of expensive medical locums	3.0	0.4	0.4	-	12%
Nurse agency staffing reductions	3.0	0.4	0.4	-	12%
Embedding current nursing agency prices reset, removal of off contract and implementing further contractual opportunities	3.2	1.6	1.6	-	50%
Other including agency inflation control	3.7	1.8	1.8	-	50%
Acute goods & services deep dive, including specialist and non specialist drugs regime change and medical & surgical consumables	1.5	0.8	0.8	-	51%
Total	23.1	8.5	8.5	-	37%

Capital Expenditure

The Trust has received a total capital allocation (Capital Resource Limit) of £42.87m, as per the latest letter dated 17th October 2024 from the Department of Health. The table below shows the expenditure to 31st August 2024 and planned year end position to 31st March 2025 as follows:-

Table 11. Capital Expenditure

Project	Capital Resource Limit (CRL) £'000	Expenditure at 31st August 2024 £'000	Forecast Expenditure at 31 March 2025 £'000
Altnagelvin 5.1 - Tower Block Development	2,315	117	2,315
GP Improvement Scheme – Carrickmore HC	70		70
Research & Development	853	200	853
Lisnaskea	3,000	81	3,000
Cityside H&CC	1,249		1,249
NDNA Altnagelvin Interim Training Facilities	150	144	150
Regional Mammography	252		252
ICT - General Capital	300		300
ICT - BloodPat	141	52	141
ICT - LIMS	200	108	200
ICT - NIPACS+	72	31	72
Encompass	10,346	1,484	10,346
MSEA Microsoft Licences	63	14	63
General Capital	11,569	4,045	11,569
Car Parking - Hospital Parking Charges Act	734		734
Backlog Maintenance	5,875	754	5,875
Invest to Save	2,470		2,470
MH Task and Finish	475	15	475
IFRS16 Leases	1,882		1,882
Imaging Diagnostics	675		675
Elective Care Equipment	180		180
Total	42,871	7,045	42,871

Key Messages

- The Trust is reporting a financial deficit of £0.7m at 30 September 2024.
- The Trust is projecting a financial deficit of £1.3m for 2024/25. This projection will be reviewed in November 2024 to assess if there are further opportunities to close the remaining gap in the context of some very significant risk factors which have been highlighted in this report and communicated to DoH.
- 92% 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