

Financial Performance Report

*For the 7 months ended
31 October 2024*



Executive Summary

Financial Plan 2024/25

During November 2024, the Trust repeated its comprehensive review of the financial position, concluding that we are now positioned to deliver a breakeven position in 2024/25. There are, however several moving parts in the assessment: increased income is balanced by challenges in expenditure and while some savings work-streams are delivering as planned, some continue to be at risk. The assumptions underlying this position therefore carry a high level of risk requiring careful monitoring and management. DoH/SPPG have been advised accordingly and we will continue to carefully monitor our position to ensure that we remain on track to deliver this position at 31 March 2025. We are also considering options to support the closure of the in-year gap in the AFC pay award for 2024/25 as part of a HSC-wide exercise and in discussions to date, options and suggestions have been provided to SPPG which can support this exercise and not place significant risk to our plan to achieve break-even.

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 breakeven position 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 £38.92m. Capital expenditure to the end of September 2024 is £11.570m.</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 31 October 2024 against its target of 95%. In the month of October 2024, 94% of undisputed invoices with suppliers were paid within 30 days.</p>	

Financial plan and performance 31 October 2024

The Trust is reporting a breakeven position at 31 October 2024 and a forecast position of breakeven for 2024/25 as summarised in Table 1 as follows:

Table 1. Projected Deficit 2024/25 and Performance

	2024/25 Projected Deficit at Oct 24 £'m	Position at 31 Oct 2024 £'m
Opening Deficit 2024/25	31.4	18.8
Demography & Demand 2024/25 (net of indicative funding)	1.8	0.6
Total Financial Pressures	33.3	19.4
Recurrent savings targets	26.4	12.3
Projected Deficit 2024/25	59.7	31.7
Low/medium savings plan 2024/25	(23.1)	(10.4)
SPPG Deficit Funding	(31.5)	(18.4)
Other solutions	(5.1)	(2.9)
Forecast position	0.0	0.0

Financial Plan

The Trust mid-year assessment of the financial position in September reduced the projected deficit from £3.5m to £1.3m. This review was repeated in November 2024. Whilst the Trust continues to be challenged in relation to expenditure and the delivery of some of our savings work-streams, we have

benefited from income above levels originally indicated from SPPG and increased client contributions. On balance, the outcome of the assessment is that we should be in a position to deliver a breakeven position in 2024/25. This does not come without a high degree of risk as we need to absorb the unfunded element of costs associated with Encompass, sustained levels of escalation beds in our acute and mental health hospitals and the management of commitments relating to high cost clients in the independent sector.

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 remain at £23.1m, following the adjustment for the regionally accepted gap in the MORE programme. Trust savings plans remain ambitious and at the highest level ever set by the Trust in a single financial year. Directors have acknowledged, where their plans are not on track to deliver against their target in full, that they will identify alternative solutions to ensure that savings are delivered in full. 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.

Financial Performance at 31 October 2024

The Trust is reporting a breakeven position against its budgets at 31 October 2024. Table 2 below summarises the financial performance by Directorate. Directorates are reporting an overspend of 4.5% for the period against the restated prior year reported budget variance of 3.3%.

Elective Care 2024/25

The Trust has been advised of an indicative allocation of £12.04m for the delivery of elective care across a range of specialties for in house and independent sector activity. The Trust is reporting expenditure of £6.9m at 31 October 2024.

Month 7 financial performance indicates a growth in run rates against 2023/24 restated figures. In the period service Directorates have grown their variances with higher staffing utilisation as a contributory factor. Directors must continue to review their trajectories and take action to address.

Table 2. Summary Financial Performance by Directorate

Directorate	Budget	Expenditure	October Variance		September Variance		Restated Variance 2023/24
	£'000	£'000	£'000	%	£'000	%	%
Unscheduled Care, Cancer, Diagnostics & Medicine	120,390	137,061	16,671	13.8%	13,942	13.5%	14.4%
Surgery, Paediatrics & Women's Services	78,464	85,152	6,688	8.5%	5,588	8.3%	8.9%
Adult Mental Health & Disability	85,571	88,565	2,994	3.5%	2,403	3.3%	2.2%
Community & Older People's Services	115,613	119,421	3,808	3.3%	3,195	3.2%	3.0%
Nursing, Midwifery & AHP's	22,472	21,331	(1,141)	(5.1%)	(899)	(4.7%)	(6.9%)
Children & Families	51,328	51,765	437	0.9%	270	0.6%	0.4%
Medical	2,815	2,745	(70)	(2.5%)	(28)	(1.2%)	(2.7%)
Planning, Performance & Corporate Services	40,003	37,961	(2,042)	(5.1%)	(1,863)	(5.4%)	(7.2%)
Finance, Contracts & Capital Development	3,354	3,297	(57)	(1.7%)	(71)	(2.5%)	(4.8%)
Human Resources	4,196	4,111	(85)	(2.0%)	(64)	(1.8%)	(2.7%)
Corporate	1,168	1,321	153	13.1%	130	12.9%	8.8%
Trust Wide Corporate Services	52,516	57,519	5,003	9.5%	3,959	8.9%	6.6%
Opportunities against Directorate Pressures	6,030		(6,030)	(100.0%)	(5,203)	(100.0%)	(100.0%)
Directorate sub-total	583,920	610,249	26,329	4.5%	21,359	4.3%	3.3%
Covid19	2,092	2,103	11	0.5%	4	0.2%	18.7%
Savings Targets 2024/25	(12,352)		12,352	(100.0%)	10,225	(100.0%)	(100.0%)
Low / medium Savings Achieved 2024/25	10,399		(10,399)	100.0%	(8,551)	100.0%	100.0%
Other opportunities	28,253	-	(28,253)	(100.0%)	(22,353)	(100.0%)	(44.1%)
Reported Deficit	612,312	612,352	40	0.0%	684	0.1%	0.0%

Flexible Staffing Expenditure

Total expenditure in 2024/25 to date is £49.7m and is summarised by Directorate below.

Table 3. Total Flexible Payroll Expenditure

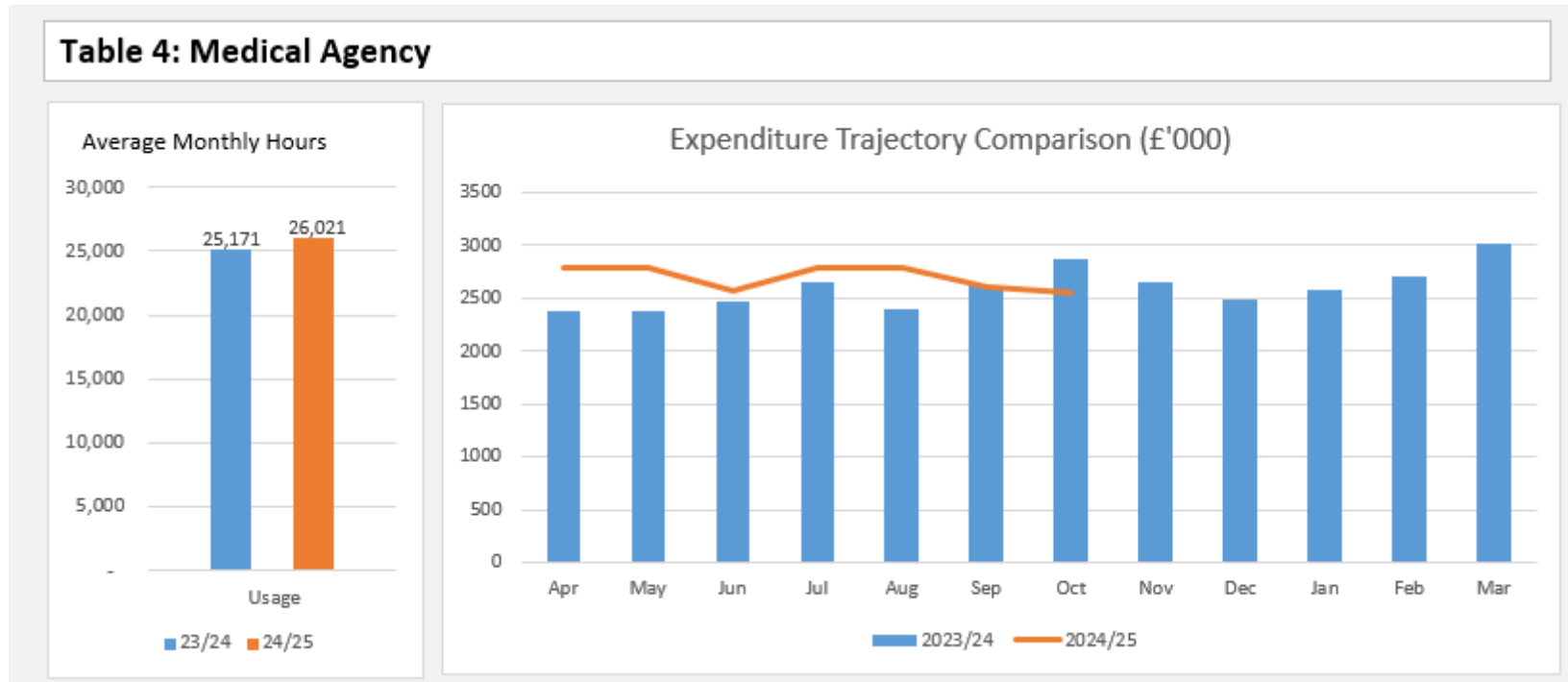
Directorate	Cum to October 2024					Cum to September 2024
	Overtime	Agency	Bank	Total	Growth from Prior Period	Total
	£'000	£'000	£'000	£'000	%	£'000
Unscheduled Care, Cancer, Diagnostics & Medicine	801	17,888	2,187	20,876	(0.0%)	17,896
Surgery, Paediatrics & Women's Services	426	7,374	836	8,636	(1.2%)	7,480
Adult Mental Health & Disability	311	5,211	3,259	8,781	1.7%	7,419
Children & Families Directorate	380	673	1,941	2,994	(1.7%)	2,604
Nursing, Midwifery & AHP's	47	289	133	469	(4.7%)	419
Community & Older Peoples Services	445	2,620	1,695	4,759	(0.6%)	4,101
Finance, Contracts & Capital Development	3	87	11	100	25.8%	70
Human Resources	11	44	127	182	(1.4%)	158
Medical Directorate	0	1	0	1	-	1
Chief Executive Office	0	-	-	0	-	0
Planning, Performance & Corporate Services	221	107	2,447	2,775	0.1%	2,377
COVID19 - commissioned	6	26	103	134	11.7%	104
Total	2,650	34,319	12,738	49,707	(0.1%)	42,631

Total agency expenditure is £34.3m, which includes £18.9m (56%) of medical agency staff, £12.65m (36%) of nursing agency staff and £2.76m (8%) across other professional groups. Expenditure on bank staff over the same period is £12.74m. 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.

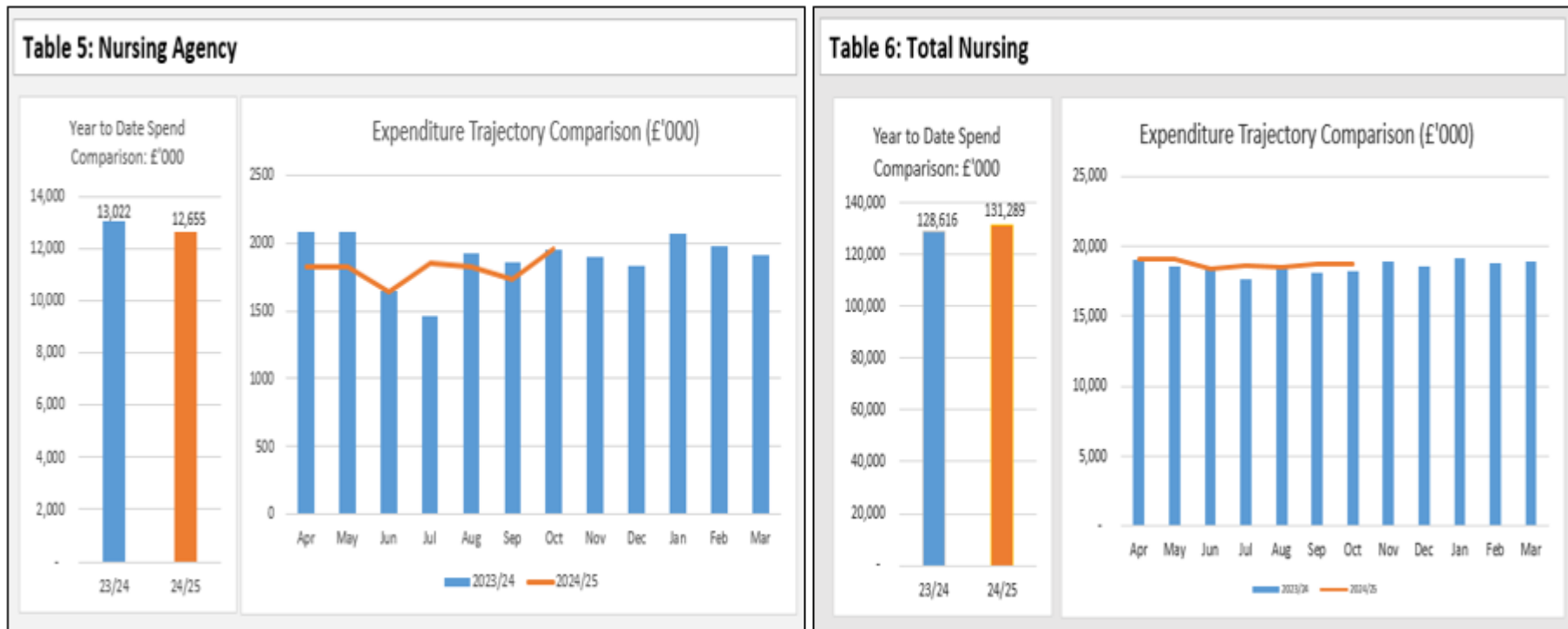
Medical Agency

Table 4 illustrates an increase in medical agency cost in terms of both usage, where average monthly hours have increased by 3.4%, and expenditure, which has increased by 6.33% when compared to the same period in 2023/24. The targeted focus on agency usage continues to have a positive impact on volume with a further reduction in hours in October 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 3-4% when compared to the prior year. The bespoke recruitment project to India has seen 40 posts offered to date with 24 accepted/ started with the Trust and others considering offers. There will be a focus over the remainder of the year on specific high usage specialties including ED and on the most expensive locums. The Trust is also actively engaged in the Regional programme of work which is supported by the medical director, Trust analysts and service Directors.



Nursing

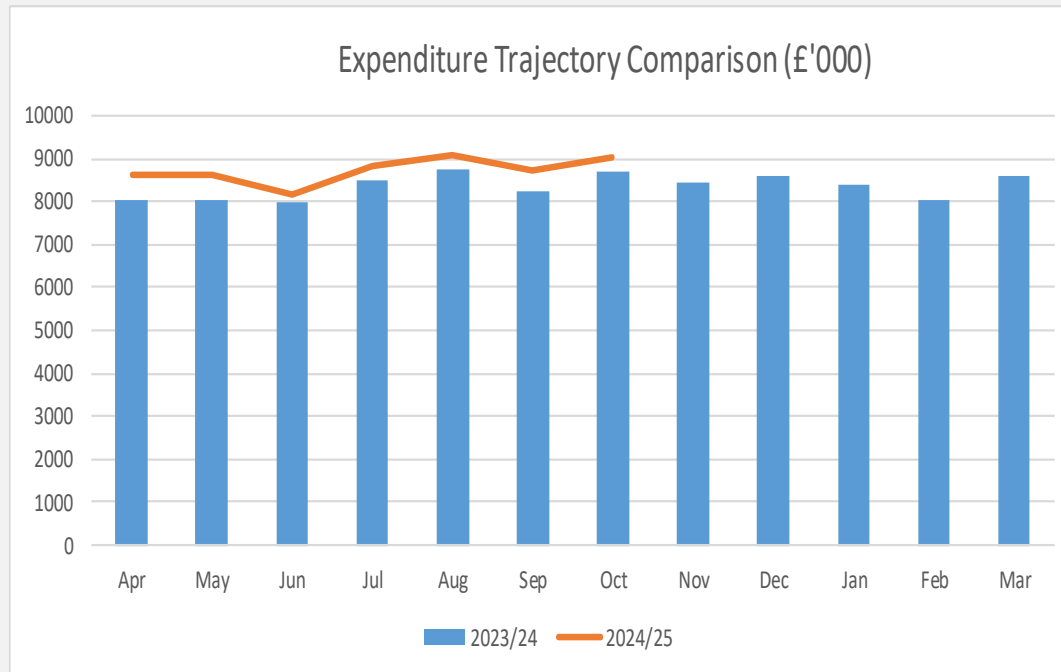
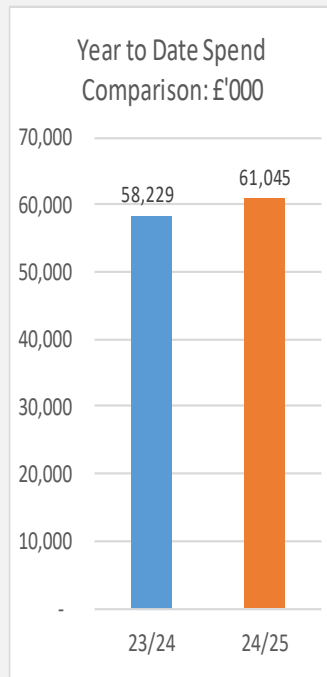
The graphs below illustrate that whilst there has been a decrease in nursing agency expenditure of 2.8% when compared to the same period in 2023/24, mainly as a direct result of the cessation of off-contract nurse agency, the Trust has experienced an increase in total nursing expenditure of 2.08% when compared to the same period in 2023/24. 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. It is anticipated this work will support the financial recovery agenda.



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 4.84% 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

Contingency savings which we consider to have a low and medium impact to services have been revised to £23.1m, following an adjustment for the regionally accepted gap in the MORE savings programme. 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 £10.4m. There is extensive focus within Directorates on their plans in relation to the medical and nursing targets and whilst we are seeing some reassuring progress in nurse agency savings and we expect our recent international medical recruitment exercise in India to yield some positive results, there is still a high risk that savings will not materialise in full.

Table 10: Savings Target Monitoring at October 2024

Directorate	In Year Target £'m	Saving at 31 October 2024			
		Planned Savings £'m	Actual Savings £'m	(Surplus) / Shortfall £'m	% of Total Target Achieved
Community care service reduction	2.2	1.0	1.0	-	46%
High cost cases reduction	1.0	-	-	-	0%
PSI various programmes (estates etc.)	1.2	0.5	0.5	-	39%
Corporate opportunities: Workforce Controls	4.4	2.9	2.9	-	66%
Removal of expensive medical locums	3.0	0.5	0.5	-	18%
Nurse agency staffing reductions	3.0	0.6	0.6	-	20%
Embedding current nursing agency prices reset, removal of off contract and implementing further contractual opportunities	3.2	1.8	1.8	-	58%
Other including agency inflation control	3.7	2.1	2.1	-	58%
Acute goods & services deep dive, including specialist and non specialist drugs regime change and medical & surgical consumables	1.5	1.0	1.0	-	64%
Total	23.1	10.4	10.4	-	45%

Capital Expenditure

The Trust has received a revised capital allocation (Capital Resource Limit) of £38.93m, as per the latest letter dated 20th November 2024 from the Department of Health. The capital allocation has reduced by £4m due to delays in project timelines for Lisnaskea Health & Care Centre and Altnagelvin redevelopment Phase 5.1. The table below details expenditure to 30th September 2024 and the planned year end position to 31st March 2025 as follows:-

Table 11. Capital Expenditure

Project	Capital Resource Limit (CRL) £'000	Expenditure at 30th September 2024 £'000	Forecast Expenditure at 31 March 2025 £'000
Altnagelvin 5.1 - Tower Block Development	320	136	320
GP Improvement Scheme – Carrickmore HC	70		70
Research & Development	853	293	853
Lisnaskea	1,050	102	1,050
Cityside H&CC	1,249	13	1,249
NDNA Altnagelvin Interim Training Facilities	150	150	150
Regional Mammography	252	124	252
ICT – Various Projects	776	292	776
Encompass	10,346	3,396	10,346
General Capital	11,569	5,033	11,569
Car Parking - Hospital Parking Charges Act	734	58	734
Backlog Maintenance	5,875	1,272	5,875
Invest to Save	2,470	34	2,470
MH Task and Finish	475	110	475
IFRS16 Leases	1,882	557	1,882
Imaging Diagnostics	675		675
Elective Care Equipment	180		180
Total	38,926	11,570	38,926

Key Messages

- The Trust is reporting a breakeven position at 31 October 2024.
- The Trust is projecting a breakeven position for 2024/25.
- 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