

**Financial Performance Report
For the 9 Months Ended 31st December
2019**

Key Contact:
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Executive Summary – Corporate Position

For the nine month period ended 31st December 2019 the Trust is reporting a deficit of £1.4m, with a small in-month surplus.

This outturn position has been established measuring actual expenditure to date against all revenue resource limit confirmations, (RRL), received from both HSCB/PHA and all other income received outside of HSCB/PHA funding. As previously reported the Trust was successful in securing some additional non-recurrent assistance totalling £1.5m to assist with ongoing pressures. £990k of this income has been factored into the outturn reported and the balance will be phased over the remaining months of the financial year.

The cumulative main variances for each Directorate are:

Directorate	Income £'000s	Payroll £'000s	Non Pay £'000s	Total £'000s
OPPCS	714	2,579	(431)	2,862
CYPS	24	96	(326)	(206)
Acute	191	(8,267)	(2,242)	(10,318)
MHD	708	719	4,419	5,846
Corporate	140	1,083	(759)	464
Total	1,777	(3,790)	661	(1,353)

As members will be aware, income from Non-RRL sources is subject to fluctuations throughout the financial year. Currently we have received £1.7m more than expected at this stage in the reporting period. Without this the reported deficit would have been £3.2m.

The Trust submitted a balanced Trust Delivery Plan after securing both additional funding from HSCB/DoH and agreement to a number of measures to address the remaining gap. A number of these measures are due to take effect during the last 4 months of the financial year and, as a direct result of this phasing, the Trust was expecting to be reporting a budget deficit as at 31st December 2019 of c£500k. However, the extent of increased expenditure continues to erode the expected benefits from the natural slippage of allocations and to increase the deficit being reported to date. The main contributory factors continue to be:-

- Transformation - work continues with DoH, HSCB and project owners in relation to the funding to support all transformational projects. The Trust remains optimistic that full funding will be secured for all outstanding initiatives, however at month 9 expenditure has exceeded funding by c£188k. The positive movement in month is due to securing slippage funding of £214k current year effect for unfunded Transformation Governance and HR posts.
- During the winter period 2018/19 the Trust opened additional beds on 3 North; these attracted funding only until the 31st March 2019. However, the extent of unscheduled care pressures is such that these beds remain open. As previously reported the Trust was successful in securing £1.5m of additional non-recurrent funding to assist in year with both these beds and the normative nursing cost pressure in our Acute Mental Health Wards. Whilst this additional funding will not remove the cost pressure in full, it is a significant contribution. This funding combined with recurrent funding for Winter Pressures, which is applied for the remainder of this financial year, has reduced the bed cost pressure down to £243k as at 31st December.

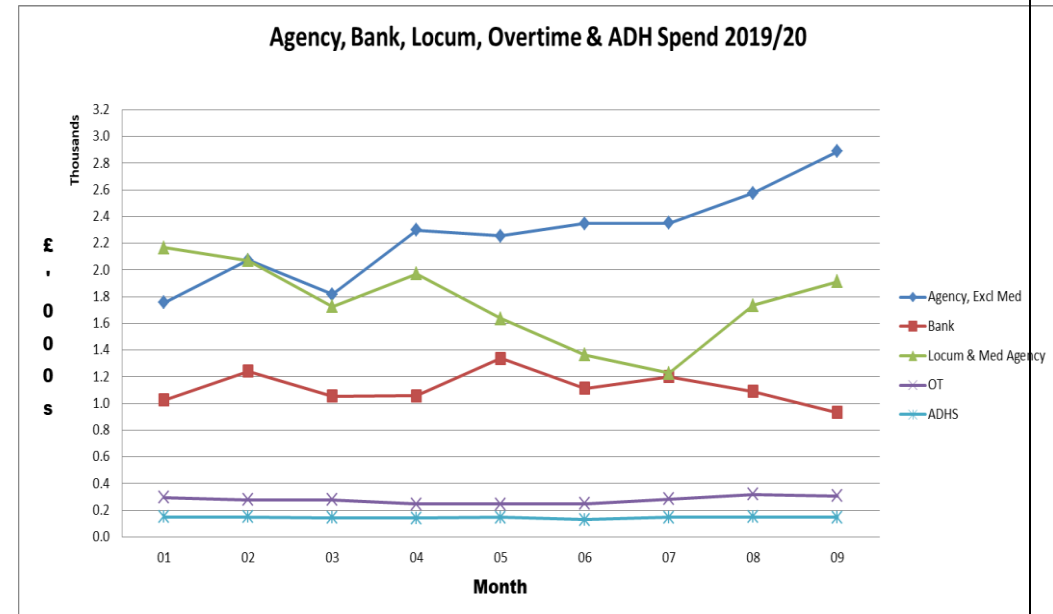
- The remaining contributory factors include increased expenditure in our Emergency Departments, normative nursing and that directly associated with the agency staff, particularly off-contract.

PAYROLL

Payroll expenditure totals £357m at month 9 and is £3.8m over budget. The main areas of overspend are Medical and Nursing which have expenditure in excess of budget of £3.2m and £7m respectively.

Expenditure on payroll includes spend on agency, bank, locum, overtime and additional duty hours. To date the Trust has incurred £50m, £11.5m more than the same period last financial year. In December the Trust employed a total of 1,149 Wte's on these flexible arrangements a decrease of 26 Wte's when compared to November.

The graph below identifies the expenditure trend in-year on flexible workforce:-.



GOODS & SERVICES

Non Pay expenditure is under budget by £661k. Within this there continues to be a number of expenditure lines over budget including Medical & Surgical (£1m over budget) and Lab (£0.7m over budget).

KPI's

Table 7 Prompt Payment Compliance		This Month (Number)	Cumulative to Date (Number)
1	Total bills paid	23,733	205,093
2	Total bills paid within 30 days of receipt of undisputed invoice	21,231	184,575
3	% bills paid within 30 days of receipt of undisputed invoice	89.5%	90.0%
4	Total bills paid within 10 working days	17,904	154,059
5	% bills paid within 10 working days	75.4%	75.1%

The Trust prompt payment performance in the month of December was 89.5%, with a cumulative position of 90.0%. This position is comparable with the month of November, however is below the performance of other HSC Trusts in month.

The main areas of non-compliance remained agency, estates, pharmacy and catering.

Increased growth in agency expenditure and therefore the volumes of agency invoices continues to impact on the ability to make any significant improvements in this area without investment in additional resource and pressure from agency suppliers is starting to be experienced by the Trust.

The Trust is working with the suppliers concerned and made a payment on account to one supplier in December. The

resourcing issues have been escalated and are being reviewed.

FINANCIAL PLAN, ESTIMATED YEAR END FORECAST and 2019/20

The Trust opened with a recurrent financial deficit of £14.8m, before taking into account cost pressures. Carried forward cost pressures, (some of which were funded non-recurrently in 2018/19) increased the deficit to £17.6m.

As noted above after assessment of allocations against expected spend and after securing additional in-year funding, along with internal Trust savings measures, we continue to predict to break-even at year-end. However a number of pressures remain, most significantly the unscheduled care pressures, and therefore it continues to be essential that all members are aware that for the Trust to continue to manage these there is a requirement for all Directors to ensure that all non-essential spend is ceased and that Directors, where, possible identify further areas for cost containment.