

**Financial Performance Report  
For the 5 Months Ended 31<sup>st</sup> August 2019**

Key Contact:  
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## Executive Summary – Corporate Position

For the five month period April 2019 to Aug 2019 the Trust is reporting a deficit of £1.7m.

This outturn position has been established measuring actual expenditure to date against RRL confirmations received from HSCB/PHA and indicative allocations informed by HSCB.

The cumulative main variances for each Directorate are:

Directorate	Income £'000s	Payroll £'000s	Non Pay £'000s	Total £'000s
OPPCS	267	1,752	(409)	1,609
CYPS	(8)	(39)	71	24
Acute	(75)	(4,739)	(1,577)	(6,392)
MHD	243	(122)	2,827	2,948
Corporate	70	615	(568)	117
<b>Total</b>	<b>497</b>	<b>(2,533)</b>	<b>344</b>	<b>(1,692)</b>

Income from non-rrl sources has increased by £722k when compared to the same period last year and is £497k more than anticipated year to date.

As mentioned above, the Trust has been notified of its indicative allocations for 2019/20 and a full assessment on the impact these will have on our financial position has been prepared. This assessment concluded that the Trust had an unresolved gap but after further negotiation with HSCB/DOH, which has secured additional in-year funding, and the Trust identifying a range of measures to address in full the gap during 2019/20, the Trust is now predicting a break-even position at year- end.

The deficit as reported at Month 05 is more than would have been anticipated, even whilst taking into account that some of the in –year savings are not expected to materialise until later months.

There are two main issues causing this greater than expected deficit:-

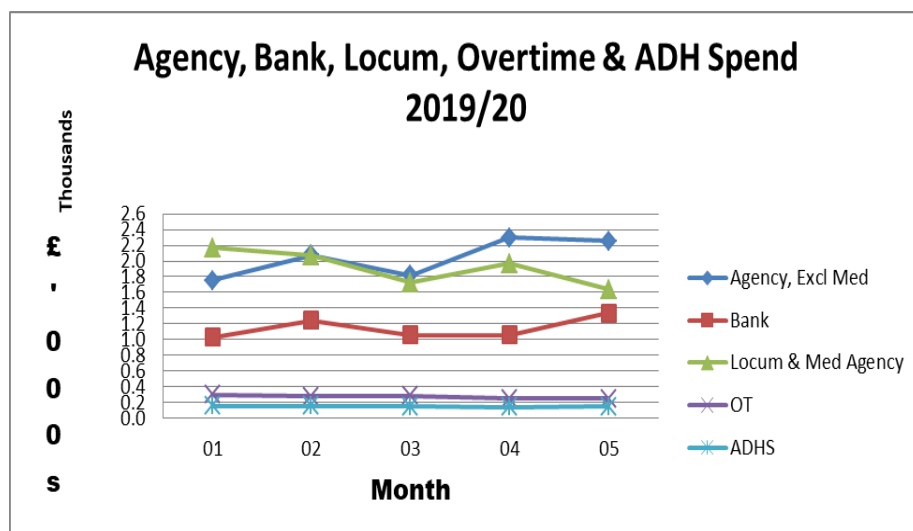
- Currently work is ongoing with the DoH, HSCB and project owners in relation to the funding to support all transformational projects. At this stage, whilst, good progress has been made and we are confident full funding will be secured, at month 5 reporting we have spent c £324k more than released funding
- During the Winter period we opened additional beds on 3 north, these were funded until the 31<sup>st</sup> March 2019, however, due to continual unscheduled care pressures within the Trust these beds remain open, creating a budget overspend of £549k. The Acute Directorate has confirmed that given the ongoing pressures it is extremely unlikely that beds numbers will reduce. The Trust has made it explicitly clear in its draft financial plan that it excludes all new emerging pressures. Discussions regarding this pressure have commenced with the commissioner.

## PAYROLL

Payroll expenditure totals £198m at month 5 and is £2.5m over budget. The main areas of overspend are Medical and Nursing which have expenditure in excess of budget of £2.1m and £3.0m respectively.

Expenditure on payroll includes spend on agency, bank, locum, overtime and additional duty hours. To date the Trust has incurred £27.6m, some £6.7m more than the same period last financial year. In Aug the Trust employed a total of 1,166 Wte's on these flexible arrangements an increase of 14 Wte's when compared to July.

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



## GOODS & SERVICES

Non Pay expenditure is under budget by £344k. The main budget line experiencing a pressure is Medical & Surgical (£0.6m over budget).

## KPI's

Table 7 Prompt Payment Compliance		This Month (Number)	Cumulative to Date (Number)
1	Total bills paid	20,987	112,478
2	Total bills paid within 30 days of receipt of undisputed invoice	18,851	101,776
3	% bills paid within 30 days of receipt of undisputed invoice	89.8%	90.5%
4	Total bills paid within 10 working days	15,571	84,659
5	% bills paid within 10 working days	74.2%	75.3%

The prompt payment performance was 89.8% in month bringing the cumulative to 90.5%. This is a fall in performance from July of 1.5%. As highlighted last month, there is a trend over summer months that deterioration in performance occurs, due to leave. This is experienced year on year.

The numbers of invoices which missed payment in 30 days in the month of August are categorised below. The table only shows, the first 5 areas with the highest numbers of invoices missing 30 day payment.

Supplier Type	Outside Prompt Payment (Count of invoices)
AGENCY	1049
PHARMACY	233
MEDICAL	164
GENERAL - TRADE	139
CATERING	113

## **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 indicative allocations against expected spend and after securing additional in-year funding, along with internal Trust savings measures, we predict to break-even at year-end.

However as a direct result of our current expenditure trend it remains incumbent on all Directors to continue to critically review current expenditure and identify areas for potential cost containment\ reduction to ensure we achieve break-even.