



Northern Health  
and Social Care Trust

# Trust Board Finance Report as at 31<sup>st</sup> December 2015

**O Harkin**

**Director of Finance**

**January 2016**

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**Report 1: Summary of Month-end Forecast Positions 2015/16**

<b>Month</b>	<b>Position May 2015</b>	<b>Best Estimate 31<sup>st</sup> March 2016</b>	<b>Best Estimate (after Sensitivity Analysis) 31<sup>st</sup> March 2016</b>
<b>May 2015</b>	<b>Deficit £2.187million</b>	<b>Deficit £341,000</b>	<b>Deficit £15.071million</b>
<b>June 2015</b>	<b>Deficit £3.067million</b>	<b>Deficit £367,000</b>	<b>Deficit £14.980million</b>
<b>July 2015</b>	<b>Deficit £3.897million</b>	<b>Deficit £217,000</b>	<b>Deficit £13.5 million</b>
<b>August 2015</b>	<b>Deficit £3.139 million</b>	<b>Deficit £293,000</b>	<b>Deficit £9.980million</b>
<b>September 2015</b>	<b>Deficit £1.625million</b>	<b>Deficit £290,000</b>	<b>Deficit £8.661million</b>
<b>October 2015</b>	<b>Deficit £2.930 (restated)*</b>	<b>Deficit £250,000</b>	<b>Deficit £4.382million</b>
<b>November 2015</b>	<b>Deficit £1.395million</b>	<b>Breakeven</b>	<b>Deficit £1.5million</b>
<b>December 2015</b>	<b>Deficit £395,000</b>	<b>Breakeven</b>	<b>Breakeven</b>
<b>2014/15 Year end Financial Position Outturn</b>	<b>£100k surplus Unaudited (previously advised) £71,000 surplus (audited)</b>		

\*Note that October 2015 in year deficit was transposed. A corrected position has been noted.

## **Report 2: Trust Board Financial Report – December 2015**

### **Section 1: Executive Summary**

The current Trust deficit after nine months is £395,000 with a year-end projected best estimate of breakeven.

### **Section 2: Position as at 31<sup>st</sup> March 2016**

The month nine position, taking into account an assessment of all savings proposals, is shown below:

	<b>Best Estimate Deficit Forecast 31<sup>st</sup> December 2015</b>	<b>Best Estimate (Sensitivity Analysis) Deficit Forecast 31<sup>st</sup> March 2016</b>
	<b>£000's</b>	<b>£000's</b>
General Ledger Deficit (projected)	7,272	7,272
less:2014/15 QICR savings outstanding	3,261	3,261
less 2015/16 Savings target outstanding	4,011	4,011
Projected Deficit	<u><u>0</u></u>	<u><u>0</u></u>

The Trust has 2 savings targets to be achieved in 2015/16 which total £17.548million and need to be delivered recurrently. After 9 months, £10.276million have been delivered (some non-recurrently as contingency measures) leaving £7.272million to be achieved in the remaining 3 months of this financial year (£3.261million 2014/15 QICR; £4.011million 2015/16 target).

However, Corporate funds have been identified which address the balance of the shortfall in the savings targets for 2015/16.

As a result the Trust's projected year-end position is therefore breakeven.

### Section 3: Savings Proposals

The Trust currently has two separate savings targets which must be delivered in 2015/16 to ensure breakeven.

These consist of:

- Carried forward outstanding target of the 2014/15 QICR savings (£5.450million)
- 2015/16 savings target of £12.098million.

The table below details the position by **Directorate** as at month 9.

Directorate	2014/15 QICR			2015/16 Target			Total Outstanding £000's
	Target £000's	Achieved £000's	Outstanding £000's	Target £000's	Achieved £000's	Outstanding £000's	
Acute	2,407	0	2,407	3,037	885	2,152	4,559
Community Care	1,601	810	791	2,736	1,642	1,094	1,885
Womens, Children & Families	762	762	0	593	581	12	12
MHD	88	88	0	847	726	121	121
Medical & Governance	30	30	0	52	52	0	0
Nursing & User Experience	319	277	42	311	136	175	217
Performance Management	162	141	21	194	194	0	21
Corporate Overheads	21	21	0	550	93	457	457
Finance	1	1	0	107	107	0	0
HR	58	58	0	55	55	0	0
Chief Executive	1	1	0	19	19	0	0
Corporate	0	0	0	2,096	2,096	0	0
Not Yet Allocated	0	0	0	1,501	1,500	0	0
<b>TOTALS</b>	<b>5,450</b>	<b>2,189</b>	<b>3,261</b>	<b>12,098</b>	<b>8,086</b>	<b>4,011</b>	<b>7,272</b>

Due to the release of a creditor in relation to the Clinical Excellence Accrual and a range of windfalls, the Trust is in a position to non-recurrently cover the balance of the savings target. These funds will however NOT be available in 2016/17, consequently recurrent savings plans will be required from 1 April 2016.

## Section 4: Directorate Performance

The table below details the Directorate Budgetary Positions as at month nine projected to 31<sup>st</sup> March 2016.

Directorate	Forecast Outturn Variance before Allocation of Support Funds £000's	Support Funds (HSCB & NHSCT) £000's	Savings Achieved £000's	Savings to be delivered £000's	Forecast Outturn 31 <sup>st</sup> March 2016 £000's
Acute	15,643	10,034	885	4,559	165
Community Care	5,143	-	2,452	1,885	806
Womens, Children & Families	4,438	1,974	1,343	12	1,109
MHD	575	-	814	121	(360)
Medical/ Governance	150	-	82	0	68
Nursing & User Experience	970	205	413	217	135
Performance Management	175	-	335	21	(181)
Corporate Overheads	520	-	114	457	(51)
Finance	576	424	108	0	44
HR	179	-	113	0	66
Chief Executive	95	35	20	0	40
Unallocated	(5,366)	151	3,596	(7,272)	(1,841)
<b>TOTALS</b>	<b>23,098</b>	<b>12,823</b>	<b>10,275</b>	<b>0</b>	<b>0</b>

The forecast outturn position is projecting breakeven.

Total Support Funds allocated are £31.427million comprising of a mixture of HSCB support funds (inclusive of normative nursing funding) and Trust funding allocations. £18.603million has already been released directly into budgets. This leaves a balance of £12.823million still to be allocated to Directorate budgets.

The position has been dependent on the achievement of all outstanding savings targets and the projected position is in line with the current TDP submission to HSCB. Whilst £7.272million of savings have not been delivered, corporate funds are available to address the shortfall in 2015/16.

The forecast outturn position of each directorate is close to that of the projected roll forward position; with the exception of the allocation of demography funding for

Community Care and Mental Health. The Women, Children and Families directorate is slightly in excess of the roll forward projection and a meeting has been arranged to discuss this with the Director.

### **Section 5: Key assumption used in the Best Estimate Forecast**

The key assumptions used in constructing the best estimate forecast year-end outturn are:

- That the underlying trend at December 2015 will continue pro-rata to the year-end;
- That financial control will be maintained and expenditure controlled within agreed budgets.

Consequently the best estimate, at this stage in the year, projects a breakeven position.

### **Section 6: Key issues**

The following areas have elements of estimation, and may impact on our year-end estimates – however with three months remaining of the financial year, this is not deemed a high risk to the projected position.

- a) Agenda for Change: The Trust continues to progress AFC Clustering applications. All recurrent funding available has been allocated. Due to the volume of applications still to be assessed it is not possible to quantify the impact of this issue.
- b) A proposal to increase the hourly rate for Self Directed Support is currently under review.
- c) There is potentially a cost implication in relation to sleeping night payments in the Trust's Residential Units. The financial impact has not yet been scoped and therefore has not been factored into the projected position at this stage.

### **Section 7: Key Risks**

Whilst a number of minor issues may impact on the Trust's ability to maintain breakeven, these are considered manageable. Colder winter weather may result in increased heating costs however this is monitored regularly by our Estates Services.

The impact of winter pressures actions will be abated by the additional DHSSPS funding received in mid-December. These unexpected funds allowed the Trusts to employ key support backfill in pressurised areas.

The Trust is confident that it can maintain costs within this funding envelope.

## **Section 8: Conclusion**

The December forecast position is projected breakeven.

The Director of Finance will discuss the financial position at the accountability meetings being held with each directorate to continue to ensure commitment towards the achievement of a directorate breakeven position.