



Northern Health
and Social Care Trust

Trust Board Finance Report as at 29th February 2016

O Harkin

Director of Finance

March 2016

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

Month	Position May 2015	Best Estimate 31st March 2016	Best Estimate (after Sensitivity Analysis) 31st March 2016
May 2015	Deficit £2.187million	Deficit £341,000	Deficit £15.071million
June 2015	Deficit £3.067million	Deficit £367,000	Deficit £14.980million
July 2015	Deficit £3.897million	Deficit £217,000	Deficit £13.5 million
August 2015	Deficit £3.139 million	Deficit £293,000	Deficit £9.980million
September 2015	Deficit £1.625million	Deficit £290,000	Deficit £8.661million
October 2015	Deficit £2.930 (restated)*	Deficit £250,000	Deficit £4.382million
November 2015	Deficit £1.395million	Breakeven	Deficit £1.5million
December 2015	Deficit £395,000	Breakeven	Breakeven
January 2016 (No Report)	Breakeven	Breakeven	Breakeven
February 2016	Breakeven	Breakeven	Breakeven
2014/15 Year end Financial Position Outturn	£100k surplus Unaudited (previously advised) £71,000 surplus (audited)		

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

Report 2: Trust Board Financial Report – February 2016**Section 1: Executive Summary**

The Trust's position after eleven months is a reported breakeven position. It is anticipated that the Trust projected outturn position will be breakeven.

Section 2: 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 11.

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	897	2,140	4,547
Community Care	1,601	691	910	2,736	1,712	1,024	1,934
Womens, Children & Families	762	762	0	593	593	0	0
MHD	88	88	0	847	726	121	121
Medical & Governance	30	30	0	52	52	0	0
Nursing & User Experience	319	307	12	311	108	203	215
Performance Management	162	67	95	194	194	0	95
Corporate Overheads	21	21	0	550	402	148	148
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	1,501	0	0
TOTALS	5,450	2,026	3,424	12,098	8,462	3,636	7,060

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 3: Directorate Performance

The table below details the Directorate Budgetary Positions as at month eleven projected to 31st 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 st March 2016 £000's
Acute	13,963	10,034	897	4,547	(1,515)
Community Care	5,255	-	2,403	1,934	918
Womens, Children & Families	3,229	1,974	1,355	0	(100)
MHD	846	-	814	121	(89)
Medical/ Governance	(229)	-	82	0	(311)
Nursing & User Experience	449	0	415	215	(181)
Performance Management	(76)	-	261	95	(432)
Corporate Overheads	539	-	423	148	(32)
Finance	247	424	108	0	(285)
HR	137	-	113	0	24
Chief Executive	71	35	20	0	16
Unallocated	(1,325)	151	3,597	(7,060)	1,987
TOTALS	23,106	12,618	10,488	0	0

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 £7.060million of savings have not been delivered, corporate funds are available to address the shortfall in 2015/16.

The 2015/16 demography funding has not yet been allocated for the services relating to Independent Sector homes and domiciliary care. This will impact on the Community Care and Mental Health Directorates. Consequently the Community Care directorate will be in breakeven once funds are allocated.

Most directorates forecast a surplus position, however this can be directly linked to difficulties in recruitment of staff: either as a result of surplus demand over supply or, delays in the recruitment process.

The migration to BSO Recruitment and Selection Shared Services in conjunction with the roll out of the HRPTS Recruitment process has caused delays in the recruitment of staff in most sections of the Trust.

Section 4: 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 February 2016 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 5: Key issues

The following areas have elements of estimation, and may impact on our year-end estimates – however with one month 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) 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 6: Key Risks

Whilst a number of minor issues may impact on the Trust's ability to maintain breakeven, these are considered manageable.

The impact of winter pressures actions has been abated by the additional DHSSPS funding received in mid-December. These unexpected funds allowed the Trust 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 February 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.