Northern Health and Social Care Trust

INVESTORS IN PEOPLE®
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TRUST BOARD

FINANCIAL POSITION REPORT – December 2023

Prepared & Issued by Finance Department

Contents

Section 1: Financial Performance 2023/24

Financial Performance Targets	RAG STATUS
1. Agree in-year break-even financial plan agreed with SPPG and DoH	**R**
The Trust has worked with SPPG to produce an outline draft Financial Plan; this is set out in section 2. A formal Financial Plan submitted to SPPG on the 30th June 2023 with some further updates. Following a mid-year review and further allocation from SPPG this deficit has been revised.	
2. Achieve in-year break-even outturn within allocated Revenue Resource Limit (RRL)	**R**
At Mth 9 further allocation of £0.4m has been received, this has reduced the forecast deficit to £17.59m. This is set out in section 3.	
3. Achieve 2023/24 Savings Target	**G**
The SPPG has set the Trust a savings target of £29.4m. The Trust has identified savings plans of £23.6m, to date £19.5m projected of these have been achieved. The Trust expects to meet savings plan as set out – therefore target is Green. This is set out in section 4.	
4. Reductions to Agency Spend **a) Cease all off Framework Social Work Agency 01/04/23 and all Social Work Agency from 01/07/23** **b) Cease all off Framework Nurse Agency Spend by 15th August 2023**	**G**
Social Work Agency cessation has commenced, costs showing are due to timing of invoices. The cessation of Off Framework Nursing & Healthcare Agency has commenced and is being demonstrated in reports. See section 5a.	
5. Prompt Payment Target - 95% of suppliers within 30 days	**G**
Trust performance measure indicates that for December 2023 almost 96.22% of invoices have been paid per prompt payment target.	

Section 2: Financial Plan 2023/24

The Trust has engaged over the last number of months with SPPG finance colleagues to develop a Financial Plan. This has included submission of draft plans from January 2023 and adjustments to those plans following further analysis, additional information and indicative allocations notified to the Trust via SPPG letters from the Chief Executive and Director of Finance.

As part of those letters the SPPG have set the Trust a savings target of £29.4m, this target has been retracted from the Trusts budget.

Following a letter from Sharon Gallagher, Deputy Permanent Secretary at SPPG, the Trust submitted a 2023/24 Financial Plan on the 30th June 2023. This included identified savings opportunities of £23.6m, of these £17.2m would have little or no service impact, but £6.4m may have some service impact.

Further adjustments to this financial plan have been actioned in since June – these include:

1. Confirmation of further £1.99m funding towards PPE consumables;
2. Confirmation of £20,000 funding for SAS leads;
3. Reduction of cost estimate on Nmabs by £150,000 following introduction of Community based model effective 1st July 2023.
4. Allocation of £11m in deficit funding.
5. Inclusion of additional pressures as set out in Mid-Year Review of £7.8m, less £0.7m of SPPG slippage on Children's allocations – leaving a net £7.1m increase to deficit.
6. SPPG Re-alignment of Baseline funding to Covid PPE (ie increase Covid PPE funding, Reduce Baseline funding).
7. Additional non-recurrent funding of £0.4m for No More Silos – Key Action 6 Ambulance Handover.

Based on these meetings, letters and indicative allocations and adjustments the current draft Financial Plan for 2023/24 is set out below:

Table 1: 2023/24 Draft Financial Plan

	£'M
Deficit Reported to Permanent Secretary May 22	64,444
Less Energy, Allocations plus FYE tails	(94)
Less recurrent funding agreed in 2022/23	(16,294)
Less Recurrent Adjustments & Allocations 2023/24	(9,385)
Less Recurring Deficit funding per SPPG DoF Letter	(34,480)

Plus 2023/24 Savings Target Retractions	29,379
Less 2023/24 Savings Plans	(23,606)
Plus 2023/24 Covid Essentials & PPE	6,900
Less 2023/24 Covid Support Funding	(6,900)
Plus Service Pressures 2023/24	23,679
Less Additional Support funding SPPG 27 June 23	(1,370)
Less Additional support funding per CE SPPG Letter	(12,774)
Less Additional Support funding per DoF SPPG Letter	(11,000)
Plus SPPG transfer of Baseline funding to Covid PPE	2,392
Less Ambulance Handover funding	(375)
Less SPPG Slippage Children's	(688)
Plus Mid-Year Review Pressures (incl, Community Winter & payments)	7,766
SUB-TOTAL DEFICIT	**17,594**

Assumptions

1. That all assumed funding is released to the Trust by SPPG;
2. That current expenditure trends remain as projected;
3. That Energy Pressure will be fully funded;
4. That all RCCE funding (including 48 Beds) will be received;
5. That all identified savings are achieved;
6. This assumes that estimated High Cost Drugs deficit, after recurrent and non-recurrent funding, of £1.0m and Senior Executives Pay Award costs of £0.2m will be funded as indicated as plan in S Gallagher letter of 14th June 2023.
7. That all costs incurred in respect of New Entrants into Northern Ireland will be fully funded;
8. This excludes any additional costs associated with new Job Evaluations.
9. That there will be no additional costs because of ESF cessation and move to UK Prosperity fund;
10. This includes any additional costs for additional enhanced supervision IS packages, in MHLDCW and CC – for discharges from Holywell, Service users in custody, Antrim and Causeway Hospitals.

Section 3: Financial Position at December 2023

The Income and Expenditure position at December 2023 is:

Table 2: 2023/24 Month 9 (December 23) Income & Expenditure

	Actual Expenditure (Mth 9) £'000
Income	769,444
Total expenditure	782,640
Pay	490,530
Non-Pay	292,110
(Surplus)/Deficit at December 2023	13,196
Projected (Surplus)/Deficit at December 23	17,594
% (Surplus)/Deficit against RRL	1.71%

The projected outturn as at 31st March 2023 is set out in Table 3 below and includes an analysis of the main over/underspends by Division. Note that funding from SPPG towards the deficit as set out in the Financial Plan has not yet been allocated to Divisions and is included as part of Corporate Cost/Pressures.

Also included in Corporate Cost/Pressures are other central costs such as Waiting List Initiative, PPE, Surestart as well as Service Developments not yet started.

In Year Position

The Year to date expenditure position per the Trust Monitoring Returns is £782,640

Recurrent Position

The recurrent position is set out in the draft Financial Plan of 2024/25 as a deficit of £70.2m.

Division Financial Position at December 2023

Table 3: 2023/23 Projected Outturn by Division

Division/Directorate	Budget £'000	Expenditure £'000	Mth 9 Variance £'000	Projected Outturn May 2023 £'000
Medicine & Emergency Medicine	93,234	102,963	9,729	
Surgical & Clinical Services	119,373	123,946	4,573	
Community Care	150,994	159,399	8,405	
Children & Young People	68,332	69,089	757	
Mental Health, Learning Disability & CW	159,549	163,432	3,883	
Medical & Governance	15,409	15,189	(220)	
Nursing, Paediatrics, Women & Corporate Services	72,158	73,591	1,433	
Strategic Planning, Performance & ICT	7,619	7,654	35	
Infrastructure & Capital	11,670	11,278	(392)	
Corporate Overheads	13,151	13,527	376	
Finance	9,085	8,840	(245)	
Prototype	1,878	1,747	(131)	
Human Resources, OD & Corp Comms	5,190	5,211	21	
Chief Executive & Trust Board	342	304	(39)	**£17.59M DEFICIT**
Corporate/Cost Pressures (including PPE expenditure)	41,459	26,470	(14,989)	
Totals	**769,444**	**782,640**	**13,196**	

Key Drivers of Variances are:

- Medicine & Emergency Medicine – deficit is £12.97 m projected less £4.8 m of costs included in financial plan. This deficit continues to be one of the overall key areas of financial risk to the Trust. The most significant deficit is in ED – where across both ED's and their Obs departments there is a projected £6.89 m deficit – which is a 30% overspend on the budget. Across the rest of the Division, there continues to be significant overspends due to Nursing and Medical Staffing – both due to utilisation above budgeted hours and Agency premium.

In month forecast move: Improvement of £348k. Primarily due to £ 375k receipt of non-recurring funding for Ambulance Turnaround, in Month 9, this was previously part of Trust deficit.

- Surgical & Clinical Services – deficit is £6.10 m less £1.3m of costs included in the financial plan. This position has improved slightly from prior month by £121 k – primarily in Pathology and Radiography Pay Costs, which has been offset by slight deteriorations in Medical Costs and Non Pay Costs. Deficit at Month 9, is still much greater than the out-turn position at March 23, which was overspent by £493 k.

  In month forecast move: Improvement of £121k, primarily due to reductions in Agency spend across a number of professions.

- Community Care – total deficit is £11.2m projected less financial plan deficits of £4.4m. The biggest issues in this Division remain 1:1's / Bespokes, but the position on District Nursing and Community Hospitals Nursing pay staff significantly deteriorated. There is also an over spend on IS Domiciliary Care and Direct Payments – but this is offset by an underspend in MHLDCW in the same categories. Community Care continued to increase spend in those areas in the Financial Plan, the Demography Spend in the Financial Plan is now at the forecast – increased costs here will increase the deficit. There has been a deterioration over the year in Intermediate Care / Contingency beds that were not stood down at the end of Winter Run Through and also increases in 1:1/Bespoke Costs. This Division has also significantly deteriorated against the expected 2023/24 outturn in the initial plan.

  In month forecast move: Improvement of £50K.

- Children & young People – total deficit is £1.0m – of which £0.06m is included within the Financial Plan. There continues to be pressures on the Corporate Parenting side of the Division, but these are being off-set by surpluses due to vacant posts in the rest of the Division, in particular in CAMHS. Position has remained steady on prior month with additional confirmed funding of £111k in month (cost incurred to date), which offset some increased pay costs and some essential building works costs. The forecast in month 9 was consistent with the forecast at month 8.

- Mental Health, LD & CW – total deficit is £5.2m less £4.8m of costs in financial plan. While this leaves core position at break-even there are still some concerning deficit areas including the continued nursing pressures in Acute Inpatients (including in Inver 4), Bespoke 1:1 packages and discharges/resettlements from Holywell. There is also a large underspend in IS Domiciliary Care and Direct payments (see note under Community Care). Note also that some of the bed pressure in CCD

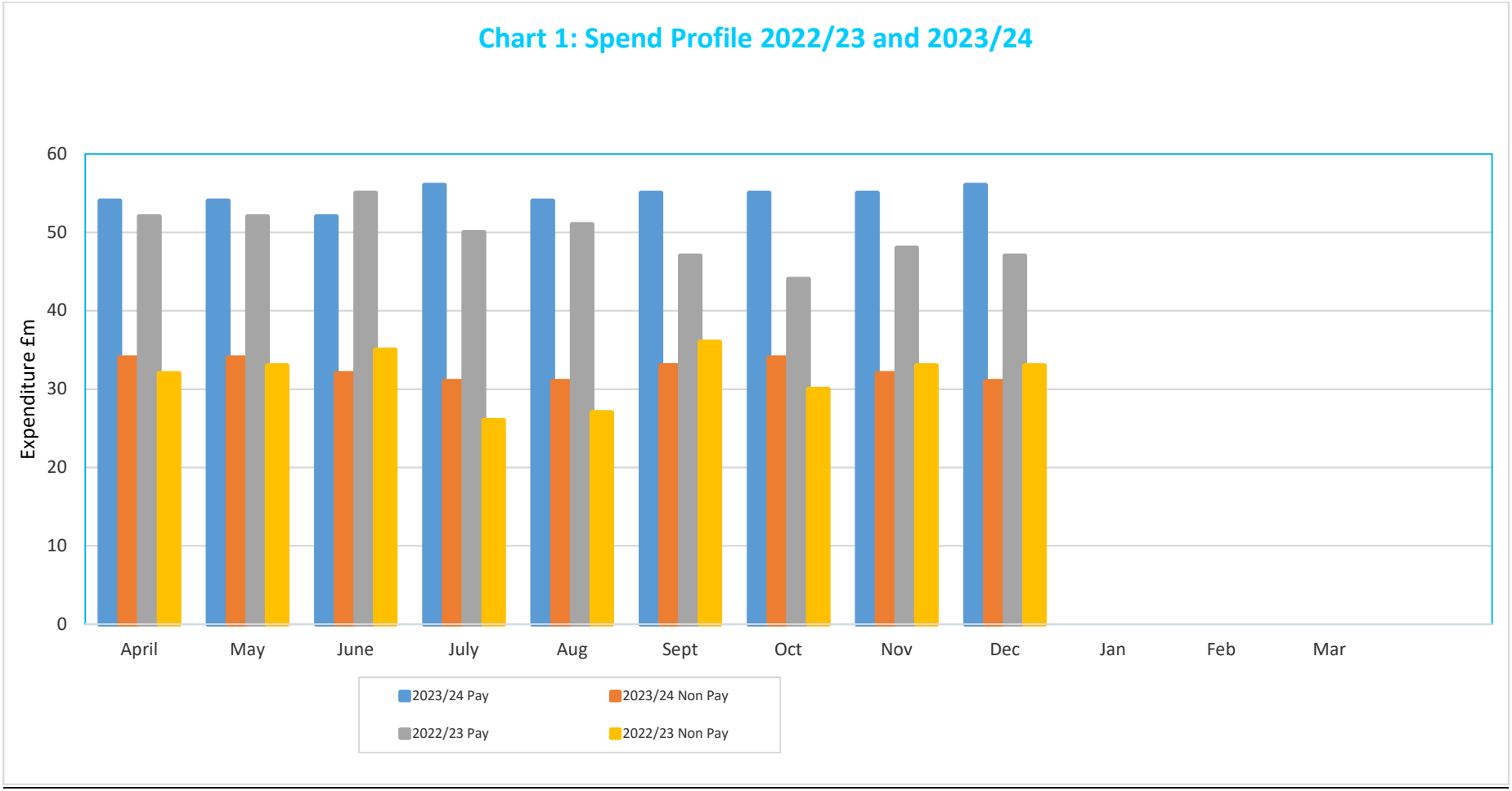
relate to service users who are managed by MHLDCW, Dementia in particular, and these costs are not recharged. The Division has deteriorated over the last number of months – particularly on placements and IS Domiciliary Care. The forecast in month 9 was consistent with the forecast at month 8.

- Nursing, PWCS – total deficit is £1.9m projected. The key driver of this deficit continues to remain within Corporate Support Services, mainly catering and domestics. The service continues to struggle to recruit roles in these areas and is heavily reliant on agency at additional cost to cover vacant posts. Catering costs for food have continued to rise, with the decision to try and recover costs where possible taken with the increase of canteen prices. Public Health Nursing remains challenged with cost pressures in particular within delivery of vaccinations.

- Other Directorates – There continues to be an underspend across the other support Directorates of a net £0.8m. Included within this is a deficit in Corporate Overheads of £0.5m – which includes inflationary pressures which may be resourced following further analysis. The forecast in month 9 was consistent with the forecast at month 8.

- Acute Winter Pressures – The Trust has experienced increased pressures over the start of the Winter period in the Acute Hospitals with the need to increase bed capacity to ensure patient safety. Included within this forecast is an estimated spend of £45K per week up to the 31st March 24. It is important that this spend does not grow beyond this level otherwise the Trusts forecast deficit will increase.

The profile of the expenditure in the Trust on Pay and Non-Pay cumulatively to Month 9 for 2022/23 and 2023/24 is set out below in Chart 1.



Notes: The pay segment is impacted by the number of weeks which fall within the reporting month

Section 4: Savings Target 2023/24

The Trust has been set a savings target of £29.4m by DoH/SPPG and have had funding retracted at that level. As part of the Trusts overall contribution to savings we have developed a savings plan that will have no or minimal service impact. The total of this plan comes to £23.6m leaving a gap of £5.8m between the retracted savings target and the identified plans, this gap is presented in the Trusts financial forecast as part of the underlying in-year deficit.

The planned £23.6m of savings plans are made up of non-recurrent elements delivered in previous years that can be delivered again in 2023/24, one-off achievable savings that are not deliverable in future years, recurrent Pharmacy Savings and savings on Agency staffing and 1:1's and additional paybill savings. These paybill savings may have service impacts, particularly with discharge and flow in both Acute Hospitals. In October 23 the Trust identified savings that could not be met and also Contingency measures to replace, this forms part of the revised savings plan.

The savings plan and the savings achieved to date are set out in table 4 below. These savings are monitored (including agreement on baseline) and will be reported to the Trusts Delivering Value group. To date a projected £19.5m of savings have been achieved, plans are in place for a further £6.6m in the remaining months. There continues to be some risk with all savings.

Table 4: Savings Plans 2023/24

Scheme	Oct 23 Revised Plan £'000	Achieved Dec 23 £'000	To Achieve Rest of Year £'000	RAG Rating
Savings Achieved				
Technical Adjustments N/R	1,100	1,100	0	
Continuation of Savings Achieved Previous Years N/R	1,020	1,020	0	
Apprentice Levy N/R surplus	500	500	0	
Service Development Slippage N/R	1,416	1,416	0	
Travel Savings N/R	1,508	1,508	0	
MORE Savings	747	747	0	
Further Technical Adjustments N/R	2,750	2,750	0	
Non Pay Efficiencies N/R	352	352	0	
Delayed Procurement N/R	1,324	1,324	0	
Planned Savings – low Risk to achievement				
Further More Savings	383	211	172	
Planned Savings – Medium to high Risk of achievement				
Medical Agency Savings	100	100	0	
Nurse Agency Savings	3,275	2,301	974	

Further Agency & Absence Savings Management	0	0	0	
Reduction of Acute, Community & MHLDCW 1:1's	0	0	0	
Winter – Release of Winter funding	3,000	3,000	0	
Paybill Management	2,755	1,670	1,085	
Contingency Measures	3,376	1,522	1,854	
Grand Total	**23,606**	**13,465**	**10,141**	**20,057**

Section 5: Flexible Staff Costs as at 31st December 2023

The Trust continues to have a high level of spend on Flexible Staffing. A significant proportion of the Trust's expenditure is on Agencies and on off Framework Agencies. There is now regional focus on reducing Agency spend and in particular reducing off Framework spend, this has commenced in Social Worker and Nursing Agency staff.

This section of the report is therefore split into a) Monitoring the targets set for Agency across Social Work and Nursing Agency and b) presenting the position on overall flexible staffing and c) Total Trust WTE including estimated flexible staffing WTE against FSL.

a) Regional Initiatives for Agency Staffing

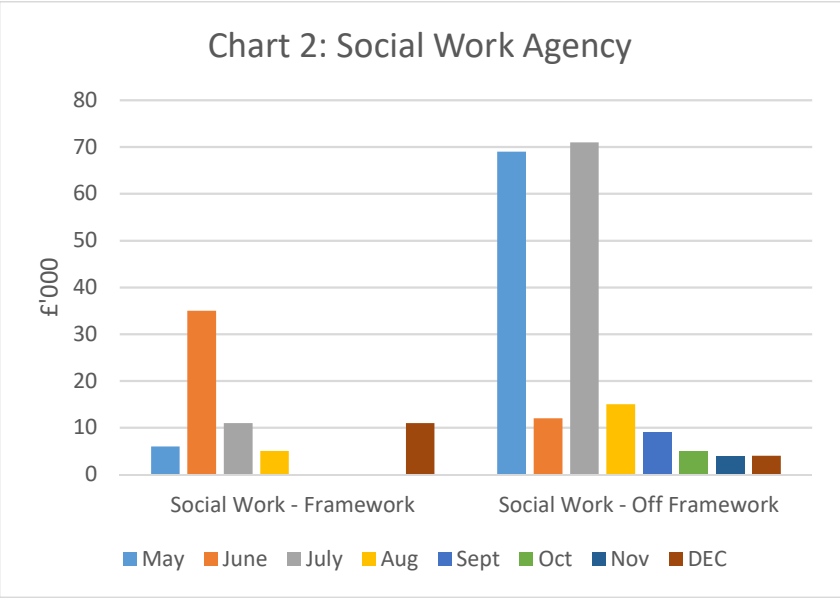
As part of the Regional work on Agency Staffing there has been 2 initiatives for removing off Framework and over all Agency expenditure. A range of employer's statements to staff and DoH press releases have supported these initiatives. These 2 initiatives are:

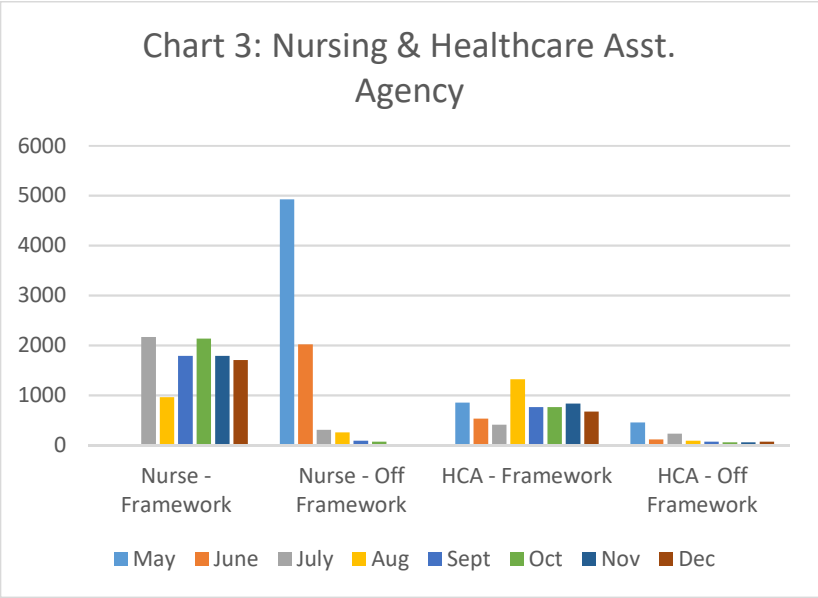
- Social Worker: From the 1st of April 2023 all off framework social worker agency utilisation ceased across the HSC including NHSCT;
- Social Worker: By the 1st of July 2023 all Social Worker Agency utilisation is due to cease across the HSC [except in exceptional situations which will be defined by the escalation process being worked up by the social worker task and finish group];
- Nursing: By the 15th August 2023 there should be no further off-framework Nursing Agency utilisation across the HSC.

These initiatives will form part of the delivery of savings in Agency schemes. Any savings that they contribute to will be shown as part of the savings section. Note that a reduction in spend as a result of success in these initiatives will not correlate to a saving of equal value – as part of the plan to reduce Agency staffing may for example include recruiting staff – therefore savings would only be marginal cost difference.

It was previously agreed regionally that Social Work will be reported from the Social Care family group on Agency Staff at B5 and above, but from October onwards (but not backdate) this has been revised to be B6 and above. This may mean that some Care Assistant Agency is captured within that, this may be reviewed.

From the charts below the Social Work spend has reduced, the residual value is likely to be either late invoices or Care Assistants and that will be reviewed for the next report. The Nursing & Midwifery and Health Care Assistants off contract Agency spend has significantly reduced. Note that there is approval for Nursing Off-Framework spend in 1 area, which is a Community Package.





Non Contract Agency Spend

Overall the total Agency spend at 31st December 2023 was £59.3m, of this 44.2% (£26.2m) was on off-framework Agencies. Nursing, Healthcare Assistants and Medical Locum Agency spend represent 78% of this total Agency spend and 88% of the total off-framework spend. Note that the expenditure incurred to date on Nursing off-framework agencies includes spend before the introduction of the new framework, this mix will change over the next number of months as the new framework rolls out. The split of this framework and off-framework spend by category and Division is in Table 4 below:

Table 4: Cumulative Agency Spend December 2023 by Director and Family Group

Directorate	Contract £'000	Non Contract £'000	Total £'000
Medicine & EM	13,509	12,915	26,424
Surgical & Clinical Services	6,524	6,044	12,568
Community Care	1,764	1,050	2,814
Children & Young People	1,631	455	2,086
Mental Health, LD & CWD	4,673	3,241	7,914
Medical & Governance	4,039	1,565	5,604
Nursing, Paeds, Women & CS	77	253	330
SPP&ICT	75	224	299
Infrastructure	218	17	235
Finance	259	48	307
Prototype	9		9
HR	53	29	82
TOTAL	**33,105**	**26,186**	**59,291**

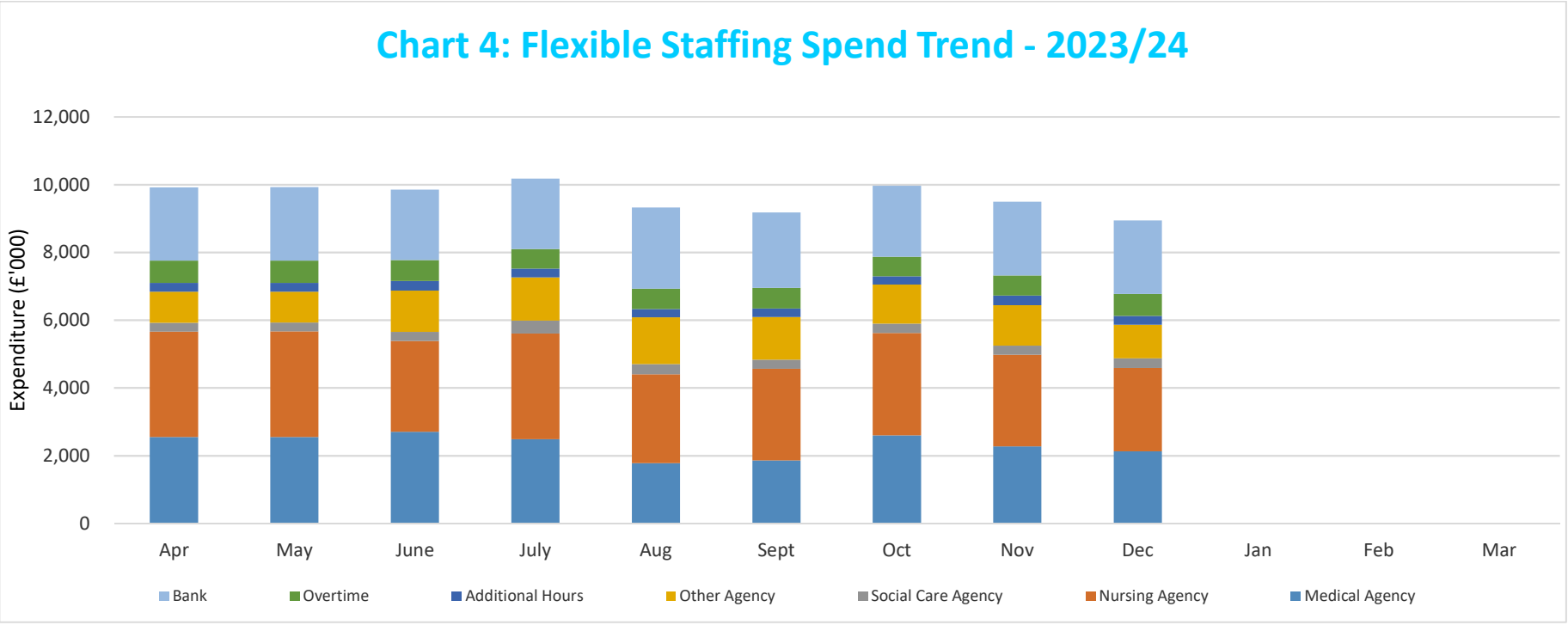
Family Group	Contract £'000	Non-Contract £'000	Total £'000	Contact %
Admin & Clerical	3,129	571	3,700	85%
AHP	231	350	581	40%
Ancillary	3,529	600	4,129	85%
Health Care Support	6,148	1145	7,293	84%
Medical	6,711	14,156	20,867	32%
Nursing & Midwifery	10,563	7,699	18,262	58%
Other	21	129	150	14%
P&T (mto)	130	241	371	35%
Pathology	290	119	409	71%
Pharmacy	8	17	25	32%
Radiography	169	765	934	18%
Social Care	2,175	395	2,570	85%
TOTAL	33,129	**26,187**	**59,291**	**56%**

b) Total Spend on Flexible Staffing

The total spend in these areas is summarised below:

Table 5: Flexible Spend at December 2023

Division/Directorate	Cum to November 2023						Cum to Dec 2022	Movement	
	Agency Locum £000's	Agency Other £000's	Bank £000's	Overtime £000's	Add hrs £000's	Totals £000's	£000's	£000's	%
Medicine & Emergency Medicine	11,159	15,265	2,777	470	71	29,742	22,664	7,078	31
Surgical & Clinical Services	5,971	6,598	1,832	1,563	386	16,350	13,344	3,006	23
Community Care	0	2,814	5,933	1,155	500	10,402	8,952	1,450	16
Children & Young People	0	2,086	1,317	1,192	201	4,796	4,921	(125)	(3)
Mental Health, LD & CWD	2,260	5,655	3,830	474	200	12,419	11,718	701	6
Medical & Governance	0	235	45	61	55	396	455	(59)	(13)
Nursing, Paeds, Women's & Corp Serv.	1,587	4,017	2,970	354	844	9,772	9,127	645	7
Others	(109)	1,756	850	271	92	2,857	12,425	(9,568)	(77)
TOTALS	**20,868**	**38,423**	**19,554**	**5,540**	**2,349**	**86,734**	**83,606**	**3,129**	**4**



This report has been updated and restated for prior months to include both ACTUAL invoices on the system and accruals included in the financial position where it is anticipated that they might be missing.

Expenditure on Flexible nursing is £39.6m cumulative to December 2023 and projects to £52.8m (£53.6m in November 23) for the financial year. However the main spend is directly linked to agency spend (as opposed to Bank, Overtime and Additional Hours) which is £25.6m cumulative at November 2023, projecting to £34.1m (£34.6m in November 23).

Total flexible staffing expenditure is 18% of the total payroll costs at December 2023.

c) Funded Staff Establishments

The Trust has a funded level of staffing posts, which is continually being updated for both recurrent and non-recurrent service developments.

The budgetary process monitors the staff appointed and on our payroll against the budgeted level; this is in line with the Trust's Standing Financial Instructions. In addition, where there is a need to avail of medical and non-medical agency cover (for vacancies, sickness, and maternity), this expenditure is indicatively adjusted to provide an estimated level of WTE. Other backfill flexibility is sourced from bank, overtime and additional hours and this expenditure has also been adjusted to provide an indicative WTE.

Table 6: FSL against Indicative total WTE

Category	Total FSL (WTE) (including Non recurrent)	Staff on Payroll		Agency Indicative (WTE)	Flexible Backfill Indicative (WTE)	Total Indicative Staff (WTE)	Variance (WTE)
		Perm (WTE)	Temp (WTE)				
Admin & Clerical	1,850	1,670	111	123	36	1,940	90
Estates	177	161	2	5	6	174	(3)
Medical & Dental	765	596	24	150	0	770	5
Nursing & Midwifery	3,928	3,534	84	387	213	4,218	290
Professional/Technical	1,718	1,582	102	77	65	1,826	108
Social Services	2,787	2,278	118	86	272	2,754	(33)
Support Services	981	769	17	138	67	991	10
TOTALS	**12,206**	**10,590**	**458**	**966**	**659**	**12,673**	**467**

Currently the Trust has in the region an additional 467 WTE staff over the funded staffing level; that equates to a staffing level of 4% above FSL. The majority of this additional staff is in Nursing Staff.

Note previously this report excluded Medical Staff paid by the Single Employer (NIMDTA) and recharged, these have now been included under temporary staff.

Whilst maternity and sickness backfill will account for the majority of this, there will be a small number of staff who have been appointed as a result of:

- Career breaks or peripatetic appointments.
- Advancement appointment where funding has not yet been received from the Commissioner but is confirmed (timing delay).

Section 6: Prompt Payment

The Late Payment of Commercial Debts Regulations 2002 (updated 2013) allows commercial organisations to levy both interest and penalty charges on invoices that are deemed overdue for payment. The measure is generally payment is to be made within 30 days of receipt of the invoice or the delivery of the goods or services.

To negate the impact of this potential late payment liability, the Trust endeavours to settle all outstanding invoices within the required period and currently the Trust performance measure indicates that for December almost 96.22% of invoices have been paid.

Section 7: Debtors Position – December 2023

Active cases are subject to ongoing recovery actions through the issue of 3 Dunning letters after which cases under £5k are referred to Small Claims Court. DLS are engaged in respect of higher value debt recovery and where possible the Trust will secure debt against property though the application of an Order Charging Land.

Credit control for social care payments is managed by the Financial Support Services team. The Accounts Receivable Shared Services (ARSS) team in BSO provide a credit control function for all other Trust debtors, with performance overseen by the Financial Accounting team. Payroll overpayment recovery is managed in the first instance by Payroll Shared Services but falls to the Trust when staff have left or refuse a repayment plan.

Category	At Mar22		At Mar23		At Dec23	
	£'000s	No of Invoices	£'000s	No of Invoices	£'000s	No of Invoices
Independent Homes	14,020	3,852	15,823	4,684	16,941	4,812
Direct Payments	105	128	110	139	214	164
Staff Related Debt	391	1,440	427	1,696	619	1,992
Commercial	110	164	393	121	291	225
Health Centre / GP Charges	66	77	111	99	190	143
Inter NHS/Government Bodies	325	92	620	154	550	110
Private Patients	85	54	101	54	142	94
Client Meals / Services	140	291	136	216	94	74
Other	7	3	7	2	22	3
Total	**15,249**	**6,101**	**17,728**	**7,165**	**19,063**	**7,617**
Debt related to social care payments					**17,155**	**4,976**
ARSS debt					**1,908**	**2,641**

Key points to note:

- Independent Homes - Dec 23 DLS cases £121k payments received
  - 5 clients debt fully paid £98k
  - 4 clients debt partially paid £16k
  - 31 clients entered into a payment plan £7k

- Independent Homes DLS write-offs completed £29k
  - July 23 - 1 client £6k
  - Aug 23 - 1 client £8k
  - Sept 23 – 1 client £10k
  - Dec 23 - 2 clients £5k

- Independent Homes Trust write-offs completed £13k
  - July 23 – 3 clients £4k
  - Nov 23 – 4 client £4k
  - Dec 23 – 7 clients £5k

- Staff Related Debt - 32% of ARSS debt relates to salary overpayments and 21.5% of the debt have repayment plans set up;
- Commercial – 62% of the debt is recent (0-90 days). Two cases (£24k) are being actively progressed by DLS;
- Health Centre/GP Charges – This increase is due to the ongoing withholding of payment due to a dispute regarding the annual rate increases and quarterly invoices raised current month;
- Inter NHS and Government Bodies – 41% of ARSS debt is less than 6 months old;
- Client meals/services – Over 64% of client meals/services is with private nursing homes and are not in dispute; and
- Overall ARSS debt – 40.9% is less than 90 days old and the repayment plans continue to increase which reduces the risk of debt becoming statute barred. £21k of debt, which is now statue barred or where all debt recovery actions have been exhausted, are currently in the process of being written off.

Section 8: Covid Cost Implications

The Trust expects to continue to incur costs on Covid Essentials and PPE in 2023/24. Due to changes in guidance this will be at a much reduced level compared to previous years. However the level of funding that is available from SPPG is still less than the Trust's current estimate of expenditure for 2023/24.

Overall the Trust expects to spend in 2023/24 £6.9m, most of which will be on PPE consumables, against funding of £6.9m (excluding vaccinations which we expect to be fully funded). The Trust will continue to monitor spend into 2024/25 Financial Year and will stand down costs that are no longer required

Table 8: Forecast Covid Expenditure at December 2023

Classification	Projected Expenditure £000's
Staffing Costs (incl. Long Covid)	993
Loss of Income	150
Equipment & Warehousing hire	120
Lab Testing	692
Nmabs	445
PPE Consumables	4,500
Total	**6,900**

Section 9: Key Assumptions and Risks

A number of financial assumptions and risks were made in relation to the Financial Plan for 2023/24 and also with regard to the overall financial position.

The Trust continues to experience pressures across the Acute setting, in particular in ED. This is driving increased attendances, admissions and complex discharges and the need for bed capacity in Community to allow for discharges. There continues to be pressures in Acute MH which is also driving bed pressures and increased discharges.

The Trust has experienced increased pressures over the start of the winter period in the Acute Hospitals with the need to increase capacity to ensure patient safety. This has led to an increase in costs of circa. £45K per week to 31st March 24, these costs are being managed within the overall deficit forecast, however it is important they do not extend beyond this estimated weekly costs otherwise the deficit of £17.59m will increase.

- Financial Plan and Forecast are based on a number of expenditure assumptions and income assumptions all of which continue to be reviewed with SPPG.
- The Trust is forecasting and therefore assuming full delivery of £23.6m of savings.
- The Trust continues to experience a shortfall in the recruitment and retention of mainly medical and nursing staff. As a result, there is a reliance on high cost off contract agency appointments. This continues to be a financial pressure, which will impact into 2023/24. A range of Trust and Regional initiatives are underway to mitigate these pressures including the management of the new Regional Frameworks, recruitment drives and reviews of agency and locum utilisation, including a medical scrutiny committee and Trust Agency Utilisation Group. The Trust continues to review, monitor and drive down costs where applicable.
- Cost pressures continue to be raised by providers in the Independent Sector with regard to the impact of the National Minimum Wage in Social settings, and other inflationary pressures i.e. within Nursing and Residential Care settings and with Domiciliary Care providers. The Trust continues to liaise with Providers to quantify and contain this pressure, but NLW uplifts have been applied to Nursing & Residential, Community & Voluntary and Supported Living Providers.
- A number of job evaluations are pending and will if successful impact on both the Trust recurrent position and the provision of arrears. From 2022/23 it has been agreed regionally that the PSNI holiday and sickness accrual will now be recognised in the Trust Accounts as a provision.
- The HRPTS (Payroll) has a range of outstanding issues, which impact on our current position. It is understood that the Payroll system requires a number of 'fixes' in order that these issues are corrected and fit for purpose. The Trust continues to liaise with the BSO Customer Forum to drive these issues forward.

- The Trust is reporting a cumulative average absence rate of 7.95% as at 30th November 2023. The DoH target for 2023/24 is 7.30% (a 7.50% reduction on 2022/23 position of 7.89%).
- The Trust does not have a break-even Financial Plan for 2023/24 and therefore there is a risk that Statutory Break-even is not achievable.

Our Vision

To deliver excellent integrated services in partnership with our community

If you would like to give feedback on
any of our services please contact:
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Northern Health and Social Care Trust

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