Northern Health and Social Care Trust

INVESTORS IN PEOPLE | Accredited Until 2021

TRUST BOARD

FINANCIAL POSITION REPORT – September 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**
The Projected outturn at month 6 is in line with the adjusted plan of £17.97m. This is set out in section 3.	
3. Achieve 2023/24 Savings Target	**R**
The SPPG has set the Trust a savings target of £29.4m. The Trust has identified savings plans of £23.6m, to date £11.6m projected of these have been achieved. 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 September 2023 almost 96.09% 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As part of those letters the SPPG have set the Trust a savings target of £29.4m, this target has been retracted from the Trusts budget.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.

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	6,782
Less 2023/24 Covid Support Funding	(4,390)
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)
Less SPPG Slippage Children's	(688)
Plus Mid-Year Review Pressures (incl, Community Winter & p'ments)	7,766
SUB-TOTAL DEFICIT	**17,969**

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 costs in 2023/24 of £2.7m, less additional allocation of funding of £1.5m 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 September 2023

The Income and Expenditure position at September 2023 is:

Table 2: 2023/24 Month 6 (September 23) Income & Expenditure

	Actual Expenditure (Mth 6) £'000

Income	512,033
Total expenditure	518,557
Pay	324,078
Non-Pay	194,479
(Surplus)/Deficit at September 2023	6,524
Projected (Surplus)/Deficit at September 23	17,969
% (Surplus)/Deficit against RRL	1.76%

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 £518,557.

Recurrent Position

The Recurrent positon continues to be under review pending the final submission of the 2023/24 Financial Plan and agreement on funding streams.

Division Financial Position TO REVIEW AND UPDATE

Table 3: 2023/23 Projected Outturn by Division

Division/Directorate	Budget £'000	Expenditure £'000	Mth 6 Variance £'000	Projected Outturn May 2023 £'000
Medicine & Emergency Medicine	61,497	67,479	5,982	
Surgical & Clinical Services	78,888	81,796	2,908	
Community Care	100,018	105,132	5,114	
Children & Young People	43,781	45,631	1,850	
Mental Health, Learning Disability & CW	102,626	108,051	5,425	
Medical & Governance	9,965	9,875	(90)	

Nursing, Paediatrics, Women & Corporate Services	47,866	48,610	744	
Strategic Planning, Performance & ICT	5,480	5,350	(130)	
Infrastructure & Capital	7,265	6,997	(268)	
Corporate Overheads	8,768	8,875	107	
Finance	5,955	5,791	(164)	
Prototype	1,167	1,192	25	
Human Resources, OD & Corp Comms	3,457	3,536	79	
Chief Executive & Trust Board	228	201	(27)	**£17.97M**
Corporate/Cost Pressures (including PPE expenditure**)**	35,732	20,041	(15,031)	**DEFICIT**
Totals	**512,034**	**518,557**	**6,523**	

Key Drivers of Variances are:

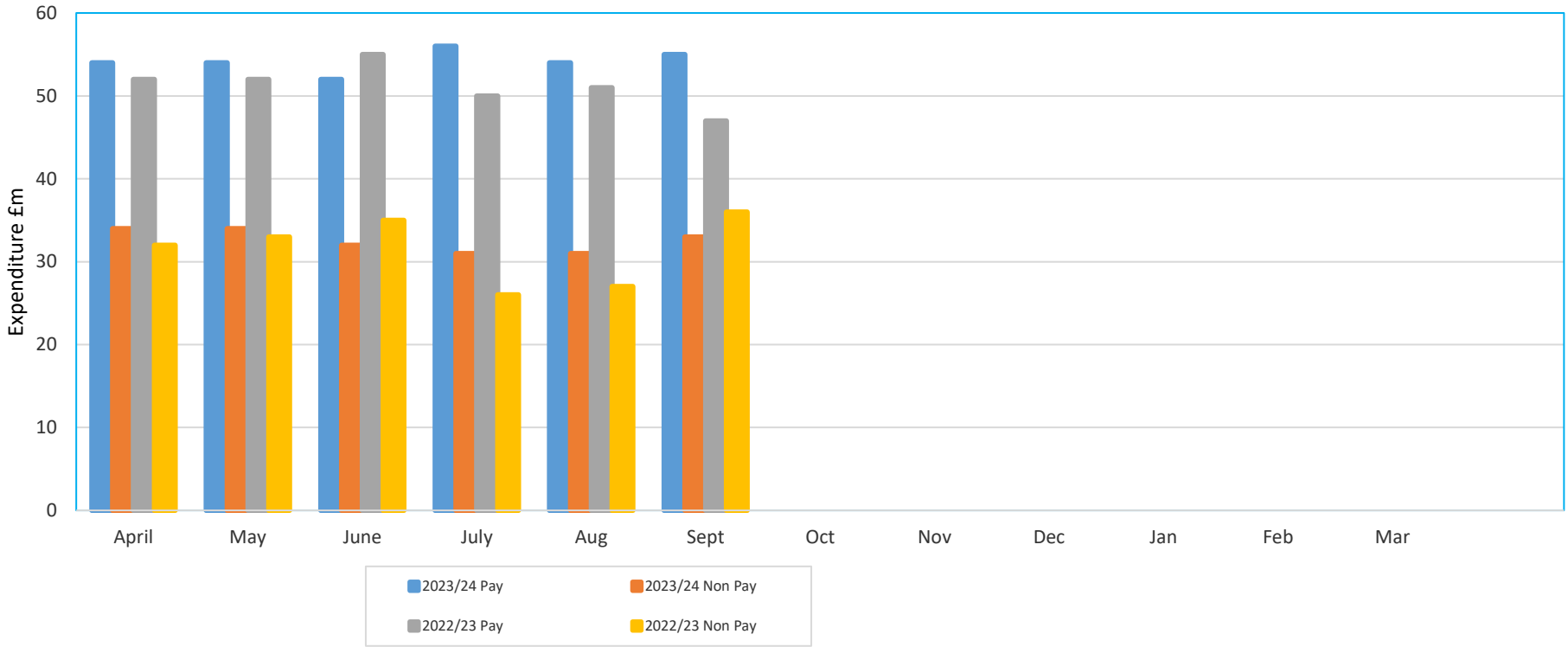
- Medicine & Emergency Medicine – total deficit is £12.0m projected less £4.3m of costs included in financial plan or Covid deficit. This deficit remains one of the key areas of financial risk. Key Drivers of variances include Medical Locums, Nurse Agency and 1:1's. NMS investment, is expected to reduce the use of agency staff with Antrim and Causeway ED. Recruitment is already proceeding with these new permanent posts. Continued pressure in both ED's due to ambulance arrivals and decisions to admit has meant that costs in respect of Winter run through haven't stood down and are a financial pressure. The Division also continues to experience cost pressures due to enhanced supervisions in place including for patients who are and the end of their acute episode. This pressure has more than offset the expected gain due to the implementation of the new Nurse Agency Contract and the cessation of the use on Non-Contract Agency nurses.
- Surgical & Clinical Services – total deficit is £5.8m less £1.2m of costs included in the financial plan or Covid deficit. This position has deteriorated from roll forward – primarily in Nursing Costs, Medical Costs, Pharmacy Costs and Pathology and Radiology. Some of the Radiology pressure is related to increase CT's due to an increase in ED attendances. The Director is currently assessing, the underlying reasons for the key deficits, in particular the use of agency nursing. Finance are completing a detailed analysis of the key deficit areas, in conjunction with the service, to aid developing plans for reducing overspends.
- Community Care – total deficit is £10.2m projected less financial plan deficits of £4.4m. The biggest issues in this Division remain 1:1's / Bespoke, but the position on District Nursing and Community Hospitals Nursing pay staff has 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. The use of Independent Sector care beds for Intermediate Care and Contingency to aid Acute

discharge continues to be a financial risk to the division. In particular the delayed discharge following completion of pathway for initial admission. Throughout 2023/24 there have been more Community beds in use (Rehab & Assessment and Contingency) than there were at the same point in 2022/23 – in July there were 31 more beds in use than the previous year and in August there were 9 more beds in use than the previous year. Costs have continued for Rapid Response Dom Care Contracts and IS enhanced Care contracted beds and are part of the pressure for 2023/24 Winter.

- Children & young People – total deficit is £3.7m projected less financial plan deficits of £3.0m. There continues to be pressures on the Corporate Parenting side of the Division, but these are being partially off-set by surpluses due to vacant posts in the rest of the Division, in particular in CAMHS. Pressures over the last 2 months has driven cost increases in Foster Care Agency and LAC costs as well as Article spend.
- Mental Health, LD & CW – total deficit is £10.1m less £10.4m of costs in financial plan. While this leaves core position in a slight underspend 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) and also there continues to be vacant posts throughout the Division. 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. This is especially relevant where there is enhanced supervision in place. There remains circa. 20 patients in Holywell waiting for discharge, the costs of these would be circa. £3-£4m recurrent – 4 of these places have been discharged and their cost increase is included in the forecast and is part of the financial plan deterioration.
- Nursing, PWCS – total deficit is £1.5m projected less £0.3m included in financial plan. The key driver of this deficit is Medical and Nursing costs in O&G and Paediatrics. High use of agency staff in domestic services remains a concern, which we are taking forward with the directorate.
- Corporate Overheads – there continues to be global price pressures on HLP, Water and Fuel, however SPPG has released non-recurrent funding to cover the deficit projected.
- Other Directorates – the other Directorate are under-spent overall, these continued to be monitored and discussed with Directorates.

The profile of the expenditure in the Trust on Pay and Non-Pay cumulatively to Month 6 for 2022/23 and 2023/24 is set out below in Chart 1.

Chart 1: Spend Profile 2022/23 and 2023/24



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.

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 £11.6m of savings have been achieved, plans are in place for a further £7.6m in the remaining months. This would leave a shortfall of £3.4m, further contingency savings measures have been identified to cover this gap. There continues to be some risk with all savings.

Table 4: Savings Plans 2023/24

Scheme	Initial Plan £'000	Achieved Sept 23 £'000	To Achieve Rest of Year £'000	Mid-Year Projection of Achieved £'000
Savings Achieved				
Technical Adjustments N/R	1,100	1,100	0	1,100
Continuation of Savings Achieved Previous Years N/R	1,020	1,020	0	1,020
Apprentice Levy N/R surplus	500	500	0	500
Service Development Slippage N/R	1,416	1,416	0	1,416
Travel Savings N/R	1,508	1,508	0	1,508
MORE Savings	747	747	0	747
Further Technical Adjustments N/R	2,750	2,750	0	2,750
Non Pay Efficiencies N/R	352	352	0	352
Delayed Procurement N/R	1,324	1,324	0	1,324
Planned Savings – low Risk to achievement				
Further More Savings	383	0	383	383
Planned Savings – Medium to high Risk of achievement				
Medical Agency Savings	1,200	100	1,100	100
Nurse Agency Savings	2,179	1,296	883	3,280

Further Agency & Absence Savings Management	1,096	0	1,096	0
Reduction of Acute, Community & MHLDCW 1:1's	1,581	0	1,581	0
Winter – Release of Winter funding	3,000	0	3,000	3,000
Paybill Management	3,450	524	2,926	2,773
Grand Total	**23,606**	**12,637**	**10,969**	**20,253**

Section 5: Flexible Staff Costs as at 30th September 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

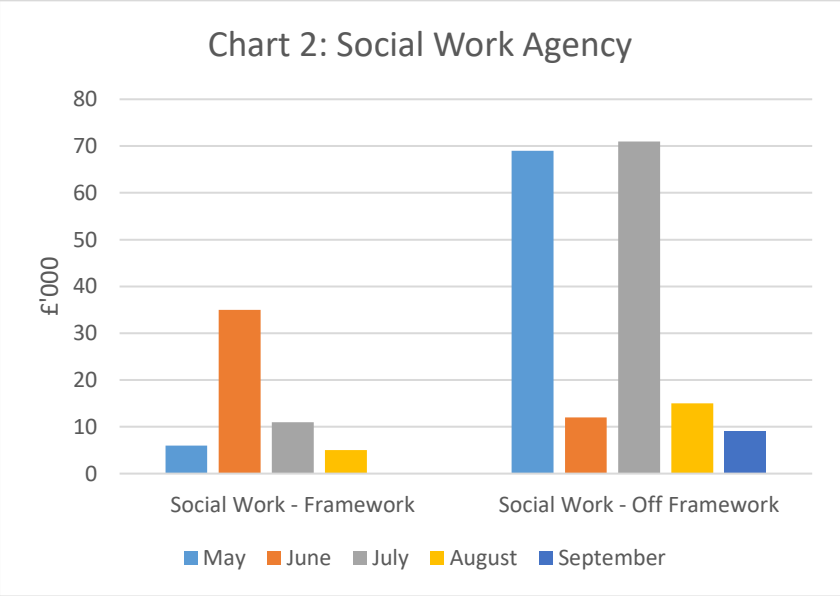
As part of the Regional work on Agency Staffing there has been 2 initiatives for removing off Framework and over all Agency expenditure. A range of employer's statements to staff and DoH press releases have supported these initiatives. These 2 initiatives are:

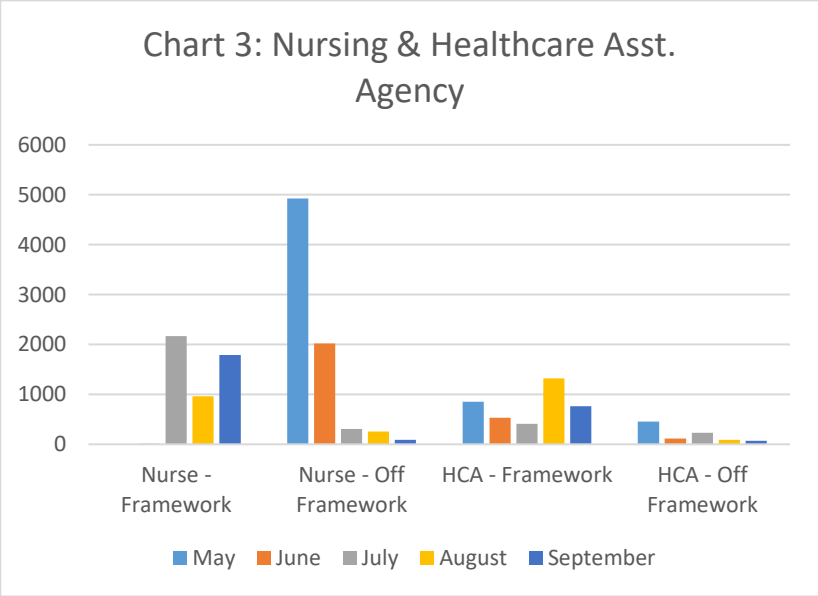
- Social Worker: From the 1st of April 2023 all off framework social worker agency utilisation ceased across the HSC including NHSCT;
- Social Worker: By the 1st of July 2023 all Social Worker Agency utilisation is due to cease across the HSC [except in exceptional situations which will be defined by 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 has been agreed regionally that Social Work will be reported from the Social Care family group on Agency Staff at B5 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 30th September 2023 was £39.99m, of this 52.7% (£21.1m) was on off-framework Agencies. Nursing, Healthcare Assistants and Medical Locum Agency spend represent 78% of this total Agency spend and 90% of the total off-framework spend. Note that the majority of the expenditure incurred to date on Nursing off-framework agencies is 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 September 2023 by Director and Family Group

Directorate	Contract £'000	Non Contract £'000	Total £'000
Medicine & EM	7,028	10,265	17,293
Surgical & Clinical Services	3,713	4,673	8,386
Community Care	1,035	956	1,991
Children & Young People	1,064	332	1,396
Mental Health, LD & CWD	2,744	2,601	5,345
Medical & Governance	141	13	154
Nursing, Paeds, Women & CS	2,716	1,200	3,916
SPP&ICT	44	183	227
Infrastructure	38	164	202
Finance	200	36	236
Prototype	3	0	3
HR	52	25	77
Other Corporate Services	116	644	760
TOTAL	**18,894**	**21,092**	**39,986**

Family Group	Contract £'000	Non-Contract £'000	Total £'000	Contact %
Admin & Clerical	2,141	382	2,523	84.9%
AHP	148	221	369	40.1%
Ancillary	2,443	362	2,805	87.1%
Health Care Support	3,875	958	4,833	80.2%
Medical	3,519	10,394	13,913	25.3%
Nursing & Midwifery	4,940	7,598	12,538	39.4%
Other	11	103	114	9.6%
P&T (mto)	90	176	266	33.8%
Pathology	168	87	255	65.9%
Pharmacy	8	12	20	40.0%
Radiography	142	472	614	23.1%
Social Care	1,409	327	1,736	81.2%
	18,894	**21,092**	**39,986**	**47.3%**

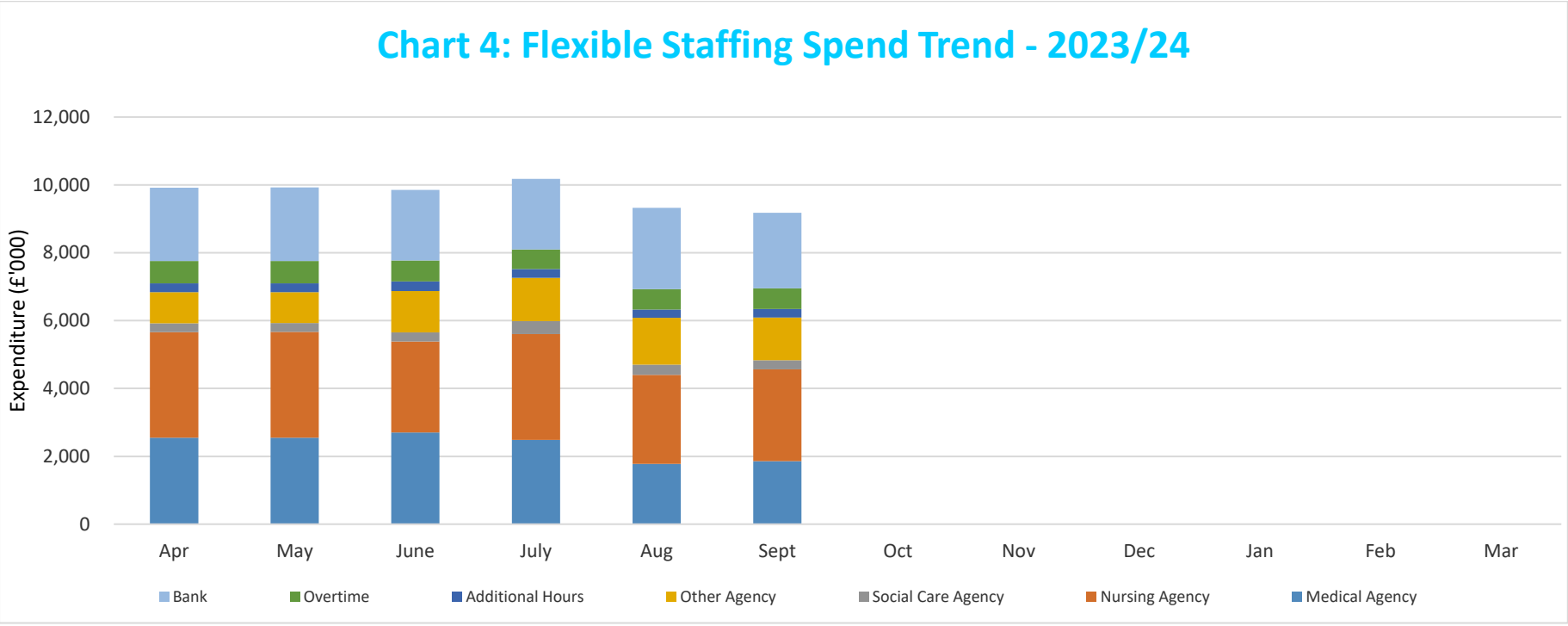
b) Total Spend on Flexible Staffing

The total spend in these areas is summarised below:

Table 5: Flexible Spend at September 2023

Division/Directorate	Cum to September 2023						Cum to Sept 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	7,256	10,037	1,841	282	45	19,461	16,093	3,368	21
Surgical & Clinical Services	3,872	4,514	1,190	1,063	263	10,902	7,782	3,120	40
Community Care	0	1,992	3,954	787	320	7,052	5,939	1,114	19

Children & Young People	0	1,395	851	803	144	3,194	3,602	(409)	(11)
Mental Health, LD & CWD	1,422	3,923	2,541	307	141	8,334	7,678	656	9
Medical & Governance		153	31	40	33	257	302	(45)	(15)
Nursing, Paeds, Women's & Corp Serv.	1,175	2,740	1,972	232	557	6,677	5,547	1,129	20
Others	187	1,319	736	202	54	2,497	7,924	(5,426)	(68)
TOTALS	**13,912**	**26,073**	**13,116**	**3,716**	**1,557**	**58,374**	**54,867**	**3,507**	**6**



Medical and Agency spend is based on **ACTUAL** invoices in the Financial system. Accruals are separately included in the financial position where it is anticipated that spend may be missing. Note no financial position is produced for month 1 (April).

Expenditure on Flexible nursing is £26.7m cumulative to September 2023 and projects to £53.3m (£53.6m in August 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 £17.4m cumulative at September 2023, projecting to £34.7m (£35.2m in August 23).

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

From 24th July 2023 the Trust is procuring locums through a software provider, this has resulted in a slight slowdown of invoices paid in August and an increase in accruals (not included in this report), this explains the slight reduction in August 23 and September total spend. This should be back to normal later in 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	1,834	1,650	110	126	35	1,921	87
Estates	175	163	1	6	6	176	1
Medical & Dental	745	371	265	150	-	786	41
Nursing & Midwifery	3,809	3,465	72	395	211	4,143	334
Professional/Technical	1,688	1,576	93	76	71	1,816	128
Social Services	2,772	2,284	105	87	274	2,750	(22)
Support Services	957	776	13	140	69	998	41
TOTALS	**11,980**	**10,285**	**659**	**980**	**666**	**12,590**	**610**

Currently the Trust has in the region an additional 610 WTE staff over the funded staffing level; that equates to a staffing level of 5.2% 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 September almost 96.09% of invoices have been paid.

Section 7: Debtors Position – September 2023

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.

Active cases are subject to ongoing recovery actions through the issue of 3 Dunning letters after which cases under £5k are referred to the 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.

Table 7: Breakdown of Debtors September 2023

Category	At Mar 22		At Mar 23		At Sept 23	
	£'000s	No of Invoices	£'000s	No of Invoices	£'000s	No of Invoices
Independent Homes	14,020	3,852	15,823	4,684	16,118	4,764
Direct Payments	105	128	110	139	223	160
Staff Related Debt	391	1,440	427	1,696	553	1859
Commercial	110	164	393	121	272	218
Health Centre / GP Charges	66	77	111	99	153	116
Inter NHS/Government Bodies	325	92	620	154	837	104
Private Patients	85	54	101	54	149	95
Client Meals / Services	140	291	136	216	160	176
Other	7	3	7	2	22	3
Total	**15,249**	**6,101**	**17,728**	**7,165**	**18,487**	**7,495**
Debt related to social care payments					**16,341**	**4,924**
ARSS debt					**2,146**	**2,571**

Key points to note:

- Independent Homes - Sept 23 DLS cases £84k payments received
  - 3 clients debt fully paid £15k
  - 3 clients debt partially paid £60k
  - 25 clients entered into a payment plan £9k
- Independent Homes 13 clients pending write-off approval £85k
  - April 23 - 5 clients £37k

- June 23 - 3 clients £21k
- July 23 - 6 clients £38k
- Aug 23 – 2 clients £45k

- Staff Related Debt - Has increased since March 2022, however 44% of ARSS debt relates to overpayments detected since 1 April 2023 and 24.4% of the debt pertains to repayment plans. As part of the Salary Overpayment Working Group, in conjunction with HR, FA commenced training for all managers across the Trust in July 2023 to help reduce the number of over/under payments occurring. This is supplemented by streamlining of information available on the Trust's new Staffnet alongside an ongoing review of existing guidance and development of new guidance, where necessary;
- Commercial – 58% of debt relates to 0-90 days. Two cases (£24k) are being actively worked on by DLS and a £31k credit is to be processed iro an item invoiced twice in error.
- Health Centre/GP Charges – This increase is due to the ongoing withholding of payment due to a dispute regarding the annual rate increases.
- Inter NHS and Government Bodies – 94% of ARSS debt is less than 6 months.
- Overall ARSS debt - 48% is less than 90 days old and the repayment plans continue to increase which reduces the risk of debt becoming statute barred.

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 £6.8m, most of which will be on PPE consumables, against funding of £4.4m (excluding vaccinations which we expect to be fully funded). While we continue to review cost estimates and stand down schemes that no longer meet guidance, this is a financial risk.

Table 8: Forecast Covid Expenditure at September 2023

Classification	Projected Expenditure £000's
Staffing Costs (incl. Long Covid)	500
Loss of Income	200
Equipment & Warehousing hire	132

Lab Testing	1,000
Nmabs	450
PPE Consumables	4,500
Total	**6,782**

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.

- 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, of which £12.0m relate to reduction of Paybill, Agency and 1:1 Bespoke packages, all of which could present challenges to achievement.
- 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 7.81% as at 31st August 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.

Section 10: Service and Financial Pressures

In addition to the current financial projections the Trust is aware of a range of challenges across Divisions which are likely present significant service and safety risk if not addressed, thus incurring additional financial cost:

- Medicine & Emergency Medicine: The continued demand presenting at both EDs, including continued increased ambulance arrivals and decisions to admit, is likely to continue to result in cost pressures, including increased number of CT scans through radiology.
- Community Care: The main outstanding pressure in this Division relates to Delayed discharges from Acute sites (22) and from Intermediate Care Beds (8), the cost of these discharges would be c.£1.3m in-year.
- Mental Health, LD & CW: The main pressure in this Division relates to delayed discharges from Holywell and from prison services. The cost pressure of these discharges is circa. £3.3m CYE.
- Winter Pressures: The Trust, in presenting the financial plan at June 2023 proposed that this initiative will not be taken forward in year and services will be required to contain spend within normal levels through the winter period. It was anticipated that this action would partially offset by the recent commissioning of additional bed capacity at Antrim, however it is now clear that this development has not resulted in an easement of unscheduled pressure at Antrim due to continued increases on Unscheduled activity, in spite continued in performance, eg, improved length of stay. In order to maintain throughput, therefore, it is felt that additional resource will be required in areas such as Rapid Response Domiciliary Care, Further Contract Beds as well as further Winter Beds and enhanced bespoke placements. It is estimated that the financial cost of these placements will be at £ 3.3m (in year).

These pressures have now been recognised as part of the Mid-Year review as an additional cost pressure and the Financial Plan has been adjusted.

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:
Email: user.feedback@northerntrust.hscni.net
Telephone: 028 9442 4655

Northern Health and Social Care Trust

@NHSCTrust

www.northerntrust.hscni.net

WORKING TOGETHER
EXCELLENCE
COMPASSION
OPENNESS & HONESTY