

# **Finance Report as at 30 September (Month 6) Trust Board**

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**October 2012**

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**Report 1: Summary of Month-end Forecast Positions 2012/13**

<b>Month</b>	<b>Position</b>	<b>Best Estimate 31<sup>st</sup> March 2013</b>	<b>Best Estimate (after sensitivity analysis) 31<sup>st</sup> March 2013</b>
<b>September 2012</b>	<b>Deficit £1,901,000</b>	<b>Deficit £301,000</b>	<b>Deficit £3.802million</b>
<b>August 2012</b>	<b>Deficit £1,584,000</b>	<b>Deficit £301,000</b>	<b>Deficit £3.802million</b>
<b>July 2012</b>	<b>Deficit £1.682million</b>	<b>Deficit £301,000</b>	<b>Deficit £3.802million</b>
<b>June 2012</b>	<b>Deficit £1.187million</b>	<b>Deficit £1.246million</b>	<b>Deficit £4.747million</b>
<b>May 2012</b>	<b>Deficit £1.220million</b>	<b>Deficit £3.819million</b>	<b>Deficit £7.320million</b>
<b>March 2012</b>	<b>Surplus £96,000</b>		

**Report 2: Trust Board Financial Report – September 2012****Section 1: Executive Summary**

The current Trust deficit after six months is £1.901million. The year-end deficit is projected to be £301,000 based on the best estimate forecast. This is in line with previous months' reported position. The Trust has a statutory requirement to break-even by year end.

**Section 2: Forecast Outturn**

A best estimate forecast outturn based on the underlying month 6 positions, and taking into account an assessment of all savings targets and plans, is shown below:

	<b>Best Estimate Deficit Forecast September 2012</b>	<b>Best Estimate Deficit Forecast (after Sensitivity Analysis) September 2012</b>
	<b>£000's</b>	<b>£000's</b>
(Deficit)/Surplus	(8,010)	(8,010)
Less: TYC plans not yet factored into position	2,356	2,356
Less: M&R plans still to be achieved	1,852	1,852
	<u>(3,802)</u>	<u>(3,802)</u>
Less: TYC target not yet allocated to Directorates [subject to HSCB discussions]	3,501	—
	<u>3,501</u>	<u>—</u>
<b>PROJECTED RESIDUAL (DEFICIT) SURPLUS</b>	<u><u>(301)</u></u>	<u><u>(3,802)</u></u>

The resulting £301,000 deficit is directly related to the introduction of a new tax charge for Carbon Reduction Commitment (CRC). This has been raised with HSCB as a new emerging cost pressure regionally.

The Sensitivity Analysis is based on the risk that the Trust may be unable to secure the £3.5million TDP Deficit funding from the HSCB. This is currently still under discussion with our Commissioners.

A separate review of the Childcare budget and expenditure is underway and a report is due by 1<sup>st</sup> December 2012, which will inform some of the discussion.

### **Section 3: Key Assumptions used in the Best Estimate Forecast**

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

- The underlying trend at the end of September will continue pro-rata to the year-end.
- That the remaining modernisation and recovery plan FYE proposals of £4.2million from 2011/12 will be fully delivered in this year
- That the TYC/QICR savings proposals of £10.868million will be delivered in full.
- That financial control will be maintained and expenditure controlled within agreed budgets.
- That funding for known cost pressures is relatively close to outturn.
- That all known HSCB funding has been accrued for.
- That all additional savings plans will be delivered in full or by the identification of contingency measures.
- That Directorates are fully aware of their budgetary responsibility to breakeven each financial year.

Currently our best estimate projects a deficit against the statutory break-even requirement.

### **Section 4: Key Risks**

The following areas have significant elements of estimation, and could thus impact on our year-end estimates.

- a) Agenda for Change: Whilst 400 leavers' arrears have been calculated, the Trust currently is unable to progress these for payment as the leaver has still to confirm their National Insurance number for security clearance. In addition, approximately 1,200 staff successfully appealed their agenda for change banding. Some £3.6million of reviews are already progressed onto their regionally approved new banding as at end of August 2012. There is a balance of £700,000 retained for outcomes still to be confirmed.
- b) Elective Care Reform: The Commissioner has confirmed 2012/13 funding of some £7million, for April – September 2012, of non-recurrent funding. The financial position assumes that Elective Care Access work will break-even. The Trust is, in conjunction with HSCB, reviewing current activity. Failure to deliver on levels will result in a retraction of the funds. SBA volumes are confirmed for the majority of specialists.
- c) SBA Volumes: HSCB correspondence with the Trust has emphasised the requirement to fully deliver on volumes (CORE work). Failure to achieve this may result in financial sanctions.
- d) Community Care Issues: PCCOPS and Mental Health/Disability Directorates have agreed the apportionment of the 2012/13 demography funding. Fifty percent of the target is to be matched by

productivity. We are currently assessing the growth in activity volumes this year which are linked to demographic issues. Demography growth has been identified at approx 6% for elderly/dementia services.

- e) Additional Medical Costs: The European Working Time Directive (EWTD) and new Specialist Doctors' Contract will have a financial impact on the Trust. EWTD relates primarily to the Hospital at Night scheme in Antrim Hospital which is currently being reviewed by ISG (circa £260,000 FYE) The Specialist Doctor's Contract was costed by DHSSPS; however the Trust has revisited these costs and believe that recurrent emerging revenue costs in the region of some £350,000 will impact on the Trust during 2012/13. DHSSPS have indicated that they would not be able to cover these additional costs.
- f) The balance of the 2011/12 Modernisation & Recovery Plans falling into 2012/13 amounted to £4.216million. The recurrent breakeven position requires these plans to be delivered in full.
- g) The final recurrent costs associated with any potential AFC Clustering issues are as yet unknown. HSCB have funded £1.1million recurrently in anticipation of the settlement of these requests.
- h) Carbon Reduction Commitment (CRC): The Trust is incurring a new charge for CRC in 2012/13 (backdated to 2011/12 – payment in arrears) which is a tax on usage. Whilst the Trust is able to cover the 2011/12 element of this charge, this is a new regional recurring cost pressure which has been highlighted to the Commissioner for which the Trust is seeking funding support.
- i) Pseudomonas: The trust has incurred expenditure associated with the March 2012 outbreak. A range of recommendations contained within the Independent Review of Incidents of Pseudomonas Aeruginosa infection in Neonatal Units in Northern Ireland has been implemented this financial year; however there are further actions required. The Trust has submitted a bid to support these new emerging recurrent costs and awaits a decision from DHSSPS.
- j) The year-end best estimates are primarily based on actual expenditure patterns for six months and thus are subject to change.

## **Section 5: Conclusion/Recommendations**

The September forecast position is a deficit of £1.901million.

The Trust will continue to implement its actions to ensure financial targets are achieved:

- I. Directors and Senior Managers have been required to identify any savings slippage.
- II. Directorates have monthly financial accountability meetings with the Director of Finance to discuss overall financial performance in detail.
- III. The TYC Saving proposals are monitored by the TYC Programme Board on a monthly basis.
- IV. The Directorates have been notified of all savings required and of the breakeven requirement for budgets.

**Section 6: Report on Capital - September 2012**

This report sets out the following in relation to Capital Expenditure within the Northern Health and Social Care Trust:

- Current issues with schemes (by exception)
- Spend as at 30th September 2012
- Additional bids to the DHSSPS

**The Capital Resource Limit (CRL) for 12/13 as at September 2012**

- The Trust has a total CRL at 30th September 2012 of £31.810m comprising a General Capital allocation of £6.217m and remaining funding for larger schemes including SARC, BHCC and enabling works, Ballee and ED/ Ward, GP surgeries, Hawthorns adult centre and MES. There have been no additional allocations since the August CRL.
- The CRL is detailed below:

<b>Scheme / Project</b>	<b>Allocation (£)</b>
Sexual Assault Referral Centre (SARC)	1,500,000
A&E Main Build	7,606,818
24 bedded Unit at Antrim Hospital	4,000,744
A&E & 24 bedded Unit at Antrim Hospital - project management costs	45,000
AAH - Generator, underground bulk storage and remote filling point	300,000
AAH - Medical Records Storage	400,000
Ballymena Health & Care Centre - Enabling Works	2,474,783
Ballymena Health & Care Centre - Main Build	1,800,000
Ballymena Health & Care Centre - Project Management Costs	75,636
Hawthorne Adult Centre	395,000
Ballee Children's Home	977,471
MES - Below Delegated Limits	2,143,000
Medicines Management Technology Support	12,450
Reform and Modernisation	144,850
Community Sector ICT	100,000
Improving Access to Care Data	410,000
GP Surgeries - Antrim	118,950
GP Surgeries - Ahoghill	289,204
GP Surgeries - Ballycastle	26,667
GP Surgeries - Ballymena	184,753
GP Surgeries - Coleraine	54,448

GP Surgeries - Cookstown	184,324
GP Surgeries - Cullybackey	37,976
GP Surgeries - Fairhill	81,007
GP Surgeries - Whiteabbey	283,393
Improvements in the Clinical Environment	500,000
SAMMD	932,000
CERI	514,241
General Capital	6,217,091
<b>Total</b>	<b>31,809,806</b>

General Capital has been allocated as follows:

<b>Project</b>	<b>Directorate</b>	<b>Note</b>	<b>Allocated Amt (£)</b>
Outpatients at AAH - in vacant space Level B	Acute Hospital Services	refurb of vacant medical records space	50
New modular building for Hospital Dentistry inc Orthodontics	Acute Hospital Services / Children's	Links to BHCC	600
Antrim Hospital - Bathrooms to Wet rooms	Acute Hospital Services	Design completed in 11/12	0
Playroom Conversion A2	Children's	For Ambulatory Unit	160
Accommodation for LD teams in Carrickfergus	MH and Disability	provision of appropriate accommodation (Ellis Court - 1st floor)	118
MUH Scheme	Across POC	Balance of scheme in 13/14	13
Completion of Mental H/well schemes from 11/12	MH and Disability	Completion of Mental H/Well Schemes from 11/12 inc laundry and canteen floor but exc Tardree.	226
MUH Scheme	Across POC	Balance of scheme in 13/14	13
Autoclaves (c/f from 11/12)	Acute Hospital Services	c/f from 11/12	290
Carrick Ward Holywell	MH and Disability	Patients with Low secure needs	495
ICT	Across POC		140
MUH MES	Across POC	Carparking, heating and windows	304
Obs and Gynae scheme at AAH	Acute Hospital Services	c/f from 11/12	151



Introduction of Text Messaging / Interactive Voice Message Reminder Service for Outpatients, Inpatients and Day Case appointments	Acute Hospital Services		17
MUH Pharmacy scheme	Medical	linked to MUH scheme	150
Retentions Estates	Across POC		10
Medical Devices	Across POC	medical equipment	500
Completion of Ballymoney Multi-disciplinary Relocation	MH and Disability	to finish scheme	5
High Density Storage at Robinson & Dalriada	Medical		40
Shelving for WAH Medical Records store	Acute Hospital Services		20
ICT/ Phones for MUH	Across POC	for MUH scheme	120
Back care refurb Holywell	Medical	move to Holywell	21
Dental Upgrade at MUH	Children's		60
Upgrade current bungalow accommodation and provide additional car parking at Pennybridge	PCCOPs		34
Relocation of Larne Community Integrated team and Whitehead IRIS team to Inver	PCCOPs		240
Refurbishment of Podiatry Store into clinic room Coleraine Community Centre	PCCOPs		6
Relocation of entire team to Carrickfergus Health Centre	PCCOPs	To release Kilroot lease	150
Centralised medical records storage design fees	Acute Hospital Services	Design fees only - BC for scheme to be developed	60
Portacabin for additional office accommodation on AAH site	Acute Hospital Services	adjacent to Willow House	115
Conversion of unused X-ray room at MUH	Acute Hospital Services		15
Installation of new kitchen (units and equip) at MUH	Acute Hospital Services		TBC
Oxygen and Suction AAH Wards C4 and B3	Acute Hospital Services		30
Causeway Theatres – refurbishment	Acute Hospital Services		15

MUH Replacement doors on Theatre 2	Acute Hospital Services		6
5 replacement regen trolleys	Patient Experience		52
Antrim Health Centre Treatment Room replacement	PCCOPs	convert old reception area	230
Demolition of Carrickfergus Day Centre	Across POC	creation of additional car parking spaces	100
Antrim Car Parking Scheme Phase 3	Acute Hospital Services	link round around AAH site	495
Design Fees for CH mat/ Gynae to Neonatology	Acute Hospital Services		30
Design Fees for CH stand alone side Maternity service	Acute Hospital Services		30
Lifts	PCCOPs	Installation of Lifts in the community	300
Community Wheelchairs	PCCOPs		90
<b>Total</b>			<b>£5,501</b>
<b>CRL for General Capital</b>			<b>£6,217</b>
<b>To be allocated</b>			<b>-£716</b>

### Spend as at 30th September 2012

As at 30<sup>th</sup> September 2012 the Trust has spent £8.821m (including commitments) equating to 28% of the allocated total of £31.093m. This compares to the projected profile spend of 27%. Annex 1 attached details the capital spend by scheme with a note against those identified as causing an issue regarding delivery in year.

### Additional funding

- The Trust is anticipating additional funds this year to commence an extension to the NNU on AAH site.
- The Trust made bids to the DHSSPS as part of the October Monitoring round and can confirm an additional £1.3m in October's CRL. This will be allocated to vehicles, medical devices, specific estates schemes and ICT. In addition the Trust has received £495k for a new modular building for finance staff on BVH site

### Commitments into 13/14 include:

- MUH main schemes £948k
- Hospital Dentistry £734k
- Wet rooms AAH £450k
- Outpatients Level B AAH £550k
- Total £2682k

**Appendix 1: Capital – September 2012*****Capital Report as at 30 September 2012***

Allocation Number	Project	DHSSPS Reference/ Comments	Capital Paid £000	*Capital Creditors £000	Capital Paid and Creditors (£000)	Capital Allocation (£000)	Variance + Under/ - Over £000
A02	Capital Retentions	A105/601037/02	17	0	17	0	-17
A03	Capitalised Salary Design Team	A105/601037/02	0	0	0	0	0
A04	Transport	A105/601037/02	0	0	0	0	0
A05	Regeneration Trolleys H/well Catering	A105/601037/02	0	0	0	52	52
A10	Estates Retentions	A105/601037/02	16	0	16	10	-6
A11	Text Mess/Voice Reminder Serv	A105/601037/02	0	0	0	17	17
A12	ConversMedRecLevB Orthodontics	A105/601037/02	0	60	60	600	540
A20	Sexual Assault Referral Centre (SARC)	A102/600856/09	163	0	163	1,500	1,337
A22	A&E & 24 Bed Ward Project Mgt Costs	A105/600852/184	12	0	12	45	33
A23	Ballymena HCC Main Build	A102/600856/61	120	58	178	1,800	1,622
A25	ICT	A105/601037/02	0	0	0	0	0
A26	Informatics	A105/601037/02	26	0	26	140	114
A27	Install lifts in service users home >£4k	A105/601037/02	63	0	63	300	237
A28	Provision of Wheelchairs >£5k	A105/601037/02	19	0	19	90	71
A38	Maternity Upgrade AAH	A105/601037/02	174	0	174	151	-23
A40	Autoclaves AAH	A105/601037/02	0	0	0	290	290
A41	Palliative Care Unit AUC	A105/601037/02	0	0	0	0	0
A50	Ballee Children's Home Intens Supp Unit	A102/600856/40	40	0	40	977	937
A60	Reform & Modernisation	A105/600871/117	28	0	28	145	117
A61	Ballymena HCC Project Mgt Costs	A102/600856/83	0	0	0	76	76
A62	Data Centre SAN & Server & Comms	A105/600871/48	0	0	0	410	410
A63	Medicines Mgt Tech Support - Pharm Robot	A105/600871/136	12	0	12	12	0
A64	Community Sector ICT	A105/600871/96	0	0	0	100	100

A69	A&E Main Build AAH	A105/600852/183	2,430	1	2,431	7,607	5,176
A70	24 Bedded Unit AAH	A105/600852/182	1,821	1	1,822	4,001	2,179
A80	Medical Devices	A105/601037/02	94	0	94	500	406
B01	Learning Disability Team Accom	A105/601037/02	3	21	24	118	94
B02	MUH Mental Health	A105/601037/02	11	0	11	13	2
B03	MUH PCCOPS	A105/601037/02	14	0	14	13	-1
B05	GP Surgeries Antrim	A102/600856/59	0	18	18	119	101
B06	GP Surgeries Ahoghill	A102/600856/67	0	43	43	289	246
B07	Firecode Elements of MES	A105/601037/02	0	0	0	0	0
B08	GP Surgeries Whiteabbey	A102/600856/56	0	43	43	283	240
B09	GP Surgeries Ballycastle	A102/600856/68	0	4	4	27	23
B10	Playroom Conversion A2	A105/601037/02	0	30	30	160	130
B11	Neonatal Unit Expansion	A105/601037/02	1	41	42	0	-42
B12	MUH Car parking	A105/601037/02	0	9	9	47	38
B13	MUH Heating	A105/601037/02	0	44	44	220	176
B14	MUH Windows in CSC	A105/601037/02	0	5	5	37	32
B15	GP Surgeries Ballymena	A102/600856/69	0	18	18	185	167
B16	GP Surgeries Coleraine	A102/600856/70	0	5	5	54	49
B17	GP Surgeries Cookstown	A102/600856/71	0	18	18	184	166
B18	GP Surgeries Cullybackey	A102/600856/72	0	4	4	38	34
B19	GP Surgeries Fairhill	A102/600856/73	0	8	8	81	73
B20	MUH Pharmacy	A105/601037/02	0	30	30	150	120
B21	Ballymoney Multi Disc Team Relocation	A105/601037/02	2	3	5	5	0
B22	Refurbishment Endoscopy Room TheatresAAH	A105/601037/02	0	0	0	0	0
B23	High Density Storage Dalriada & Robinson	A105/601037/02	0	0	0	40	40
B24	Shelving WAH Med Rec Store	A105/601037/02	0	0	0	20	20
B25	MUH ICT/Telephony Upgrade	A105/601037/02	0	24	24	120	96
B26	Refurb Inver Hwell for Backcare Service	A105/601037/02	0	2	2	21	19
B50	Wetrooms AAH	A105/601037/02	5	85	90	0	-90
B51	Upgrade of Dental Outpatient Dept at MUH	A105/601037/02	0	6	6	60	54
B52	Carrick Ward Holywell Secure Unit	A105/601037/02	53	244	297	495	198
B53	Upgrade bungalow&add carpark Pennybridge	A105/601037/02	0	5	5	34	29
B54	Reloc to Inver Larne CI & W/Head IRIS	A105/601037/02	0	36	36	240	204

B55	Refur Pod Store-clinic rm Craine ComCtre	A105/601037/02	0	0	0	6	6
B56	Reloc team to Carrickfergus Health Centr	A105/601037/02	0	23	23	150	127
B57	Centralised med recs storage design fees	A105/601037/02	0	6	6	60	54
B58	Portacabin add office accomm AAH site	A105/601037/02	0	12	12	115	103
B59	Conversion of unused Xray room at MUH	A105/601037/02	0	3	3	15	12
B60	Installation new kitchen units&equip MUH	A105/601037/02	0	0	0	0	0
B61	Oxygen&Suction AAH Wards C4 and B3	A105/601037/02	0	3	3	30	27
B62	Causeway Theatres Refurb	A105/601037/02	0	15	15	15	0
B63	c/f MH Schemes HwellLndry&CanteenFloors	A105/601037/02	0	45	45	226	181
B64	MUH Replacement doors on Theatre 2	A105/601037/02	0	1	1	6	5
B65	MES - Below Delegated Limits	A105/600852/16	9	278	287	1,433	1,146
B66	Improvements Clinical Environment	A105/600852/44	0	50	50	500	450
B67	SAMMD	A105/600852/247	0	0	0	932	932
B68	CERI	A105/600852/241	0	103	103	514	411
B69	MES BDL- Building	A105/600852/16	0	142	142	710	568
B70	Antrim HC Treatment Rm replacement	A105/601037/02	0	35	35	230	195
B71	Demolition Carrickfergus Day Ctr/carpark	A105/601037/02	0	50	50	100	50
B72	Antrim Car Parking Scheme Phase 3	A105/601037/02	0	99	99	495	396
B84	GeneratorStorageRemoteFillingPoint AAH	A105/600852/216	0	0	0	300	300
B85	AAH - Medical Records Storage	A105/600852/217	0	0	0	400	400
B86	Ballymena HCC - Enabling Works	A102/600856/25	952	379	1,331	2,475	1,144
B87	Design reloc mat/gynae Cway-neonatology	A105/601037/02	0	3	3	30	27
B88	Hawthorne Adult Centre	A102/600856/60	106	249	355	395	40
B89	Design Stand Alone Maternity Serv Cway	A105/601037/02	0	3	3	30	27
B92	Mobile SolutionOutpatient Clinical Accom	A105/601037/02	0	74	74	50	-24
<b>Report Totals</b>			<b>6,191</b>	<b>2,439</b>	<b>8,630</b>	<b>31,093</b>	<b>22,463</b>

**Capital Resource Limit as at 30 September 2012**

**£31,810k**

**Appendix 2: Monitoring Returns – September 2012**

To follow.