

REPORT TITLE:	Finance Year End Position
SPONSORING EXECUTIVE:	Simon Sheppard, Acting Chief Finance Officer
REPORT AUTHOR:	Simon Sheppard, Acting Chief Finance Officer
MEETING:	Public Trust Board
DATE	8 th May 2024

1. Suggested discussion points *[two or three issues you consider the PublicTB should focus on in discussion]*

The Trust Board is asked to note:

- **2023/2024 Outturn Position:** £14.079m deficit, against a plan of £10.387m, an adverse variance of £3.692m
- **Performance against H2 Forecast:** Favourable variance of £4.001m.
- **Internal and MMUH capital plan** – delivered against the capital programme.
- **Efficiency** – the Trust has delivered the 2023/24 efficiency programme, albeit not all of this has been delivered recurrently.
- **System Performance:** System has delivered the half year (H2) Plan, although performance across partners is variable.

2. Alignment to our Vision *[indicate with an 'X' which Strategic Objective[s] this paper supports]*

OUR PATIENTS	- To be good or outstanding in everything that we do	X
OUR PEOPLE	- To cultivate and sustain happy, productive and engaged staff	X
OUR POPULATION	- To work seamlessly with our partners to improve lives	X

3. Previous consideration *[at which meeting[s] has this paper/matter been previously discussed?]*

Performance Management Group; Finance & Productivity Committee

4. Recommendation(s)

The Public Trust Board is asked to:

- NOTE** the year-end financial performance of the Trust
- NOTE** the financial performance of the Black County Integrated Care System
- NOTE** the Strategic Planning Framework (SPF) and the key areas of focus relating to the 2024/25 financial plan.

5. Impact *[indicate with an 'X' which governance initiatives this matter relates to and, where shown, elaborate in the paper]*

Board Assurance Framework Risk 01		<i>Deliver safe, high-quality care.</i>
Board Assurance Framework Risk 02	X	<i>Make best strategic use of its resources</i>
Board Assurance Framework Risk 03	X	<i>Deliver the MMUH benefits case</i>
Board Assurance Framework Risk 04		<i>Recruit, retain, train, and develop an engaged and effective workforce</i>
Board Assurance Framework Risk 05		<i>Deliver on its ambitions as an integrated care organisation</i>

Corporate Risk Register [Safeguard Risk Nos]	
Is Quality Impact Assessment required if so, add date:	
Is Equality Impact Assessment required if so, add date:	

SANDWELL AND WEST BIRMINGHAM NHS TRUST

Report to the Public Trust Board on 8th May 2024

Finance Year End Position



1. Introduction

1.1 This report updates the Trust Board on the year end financial position prior to external audit. It also highlights the overall position of the Black Country Integrated Care System.

2. Financial Overview

2.1 Table 1 provides a

Table 1 – Financial Key Metrics

	In Month Plan £ms	In Month Actual £ms	In Month Variance £ms	Annual Plan £ms	Year End Actual £ms	YTD Variance £ms
 I&E Performance	(0.06)	(0.55)	● (0.48)	(10.39)	(14.08)	● (3.69)
 NHSI Agency Ceiling	1.01	2.12	● (1.11)	12.74	17.82	● (5.08)
 Efficiency & Recovery Programme*	4.86	8.40	● 3.54	53.15	57.09	● 3.93
 Capital Expenditure (ICB Allocation)	1.82	9.55	● (7.74)	19.72	19.77	● (0.05)
 Capital Expenditure (Other)	23.01	22.92	● 0.09	60.16	61.52	● (1.36)
 Cash Balance	17.76	68.96	● 51.20	17.76	68.96	● 51.20

* Efficiency & Recovery Programme includes the £30m Efficiency Plan, £7m pay stretch and £16.2m FRP

2.2 Income & Expenditure Performance

2.2.1 The Trust exited the year with an adverse variance to plan of £3.692m. During the 2023/24 financial year there have been many changes in the original assumptions of the plan including industrial action additional funding and reallocation of deficit funding.

2.2.2 Despite these changes, the adverse variance to plan has been driven mainly by the costs of MMUH in 2023/2024 not being funded as assumed.

2.2.3 Bar this assumption, the Board should note the Trust has delivered against all the other planned assumptions despite the challenging environment. This achievement has been possible due to enhanced levels of controls, particularly around our workforce and procurement, and significant improvements in clinical coding of activity.

2.3 Efficiency

2.3.1 As part of the 2023/24 the Trust Board set a very stretching efficiency target of £53.2m in 2023/24.

2.3.2 It is pleasing to note the Trust has reported a year end position of £57.1m which is £4m favourable to plan – the key areas include workforce, procurement and improvement in income levels mainly through better coding.

2.3.3 As discussed at the Finance & Productivity Committee whilst the overall efficiency target was met recurrently, this impacting on the underlying financial position. Recurrent financial improvement is a key strand of the Trust’s Strategic Planning Framework for 2024/25.

2.4 Capital

2.4.1 The Trust Board will be aware we had a capital plan of two halves – Midland Metropolitan University Hospital (MMUH) and non MMUH capital. It is very pleasing to note that the Trust in 2023/24 spent all of its capital budget - £19.8m on non MMUH areas and £61.5m on MMUH. Whilst table 1 shows these as small overspends against the plan, these overspends were agreed within the overall system budget.

2.4.2 In terms of the non MMUH spend this included spend of £9.8m on Estates, £3.8m on equipment and £6.2m on digital.

3. Black Country Integrated Care System (ICS) Financial Position

3.1 Section 2 of the report detailed the Trust’s performance against the annual plan. The Board is aware all Black Country Integrated System partners submitted a revised year end forecast in Q3 of 2023/24 (H2 forecast column below)

Table 2 – Black Country ICS Financial Position

Organisation	Original Plan £000s	System Deficit Funding £000s	Revised Plan £000s	Actual £000s	Variance to Plan £000s	H2 Forecast £000s	Variance to Forecast £000s
Black Country ICB	5,000	0	5,000	18,287	13,287	15,100	3,187
BCH	3,900	0	3,900	260	(3,640)	4,014	(3,754)
DIHC	1,064	0	1,064	1,149	85	1,075	74
SWBH	(18,823)	8,436	(10,387)	(14,079)	(3,692)	(18,080)	4,001
DGFT	(19,174)	23,593	4,419	6,807	2,388	4,588	2,219
RWT	(26,749)	11,988	(14,761)	(26,657)	(11,896)	(26,686)	29
WHT	(14,019)	24,783	10,764	(8,651)	(19,415)	(3,005)	(5,646)
WMAS	0	0	0	1,795	1,795	1,795	0
Total	(68,800)	68,800	(0)	(21,089)	(21,089)	(21,199)	110

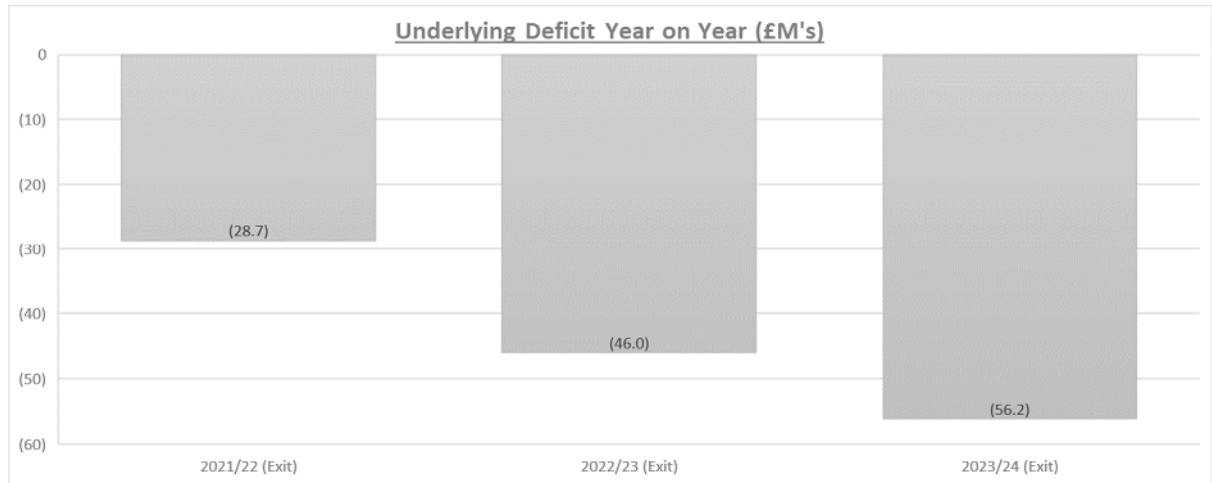
3.2 Table 2 shows performance against the H2 forecast for all Black Country ICS partners. The Trust has delivered a £4m favourable variance to this plan.

3.3 The favourable variance has been driven by delivery of the Maternity Incentive Scheme (notified in April 2024), additional education and training income from Health Education England, larger than expected benefit from the annual leave accrual and various other smaller improvements.

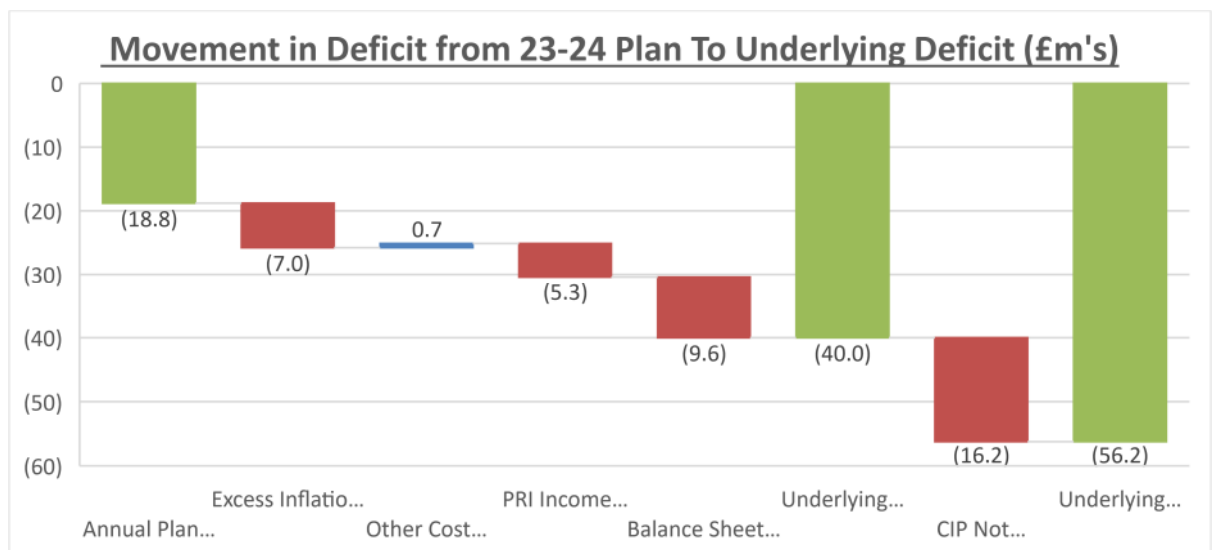
3.4 This favourable variance has supported the Black Country ICS in delivering the revised year end forecast deficit of £21,199k.

4. Underlying Financial Position

- 4.1 Whilst the year end forecast has been delivered and bar MMUH income so have the objectives within the annual plan the Trust Board also needs to note the deteriorating underlying position.



- 4.2 The underlying position as we exit 2023/24 has deteriorated with the exit underlying deficit being £56.2m excluding the impact of MMUH. This has been driven namely by the factors in the bridge below but mainly non recurrent income, balance sheet and non-recurrent cost improvements.



5. 2024/25 Key Metrics

- 5.1 As part of the 2024/25 operational plan and our Strategic Planning Framework the Trust has supported the focus on a number of key areas to improve the recurrent financial performance learning lessons from 2023/24:

Trust Measures of Success – Achieve financial surplus.

Multi Year Commitment – Financial Improvement Plan.

In year objectives – Recurrent financial improvement.

Task & Finish projects – Numerous schemes, including Theatres and Outpatient improvement.

5.2 To support the delivery in these areas the board level metrics report will be revised to include key metrics and trajectories to ensure key financial performance measures are clear to members during 2024/25.

6. Recommendations

6.1 The Public Trust Board is asked to:

- a. **NOTE** the year-end financial performance of the Trust,
- b. **NOTE** the financial performance of the Black County Integrated Care System,
- c. **NOTE** the Strategic Planning Framework (SPF) and the key areas of focus relating to the 2024/25 financial plan.

Simon Sheppard
Acting Chief Finance Officer

26 April 2024