

Northern Care Alliance

2018/19 Financial Overview – Pennine Acute Hospitals NHS Trust

Saving lives, Improving lives

*by delivering highly reliable services, at scale, which are trusted,
connected and pioneering*

Saving *lives,*
Improving *lives*



Northern Care Alliance
NHS Group

What the presentation covers

Overview of financial position and financial plan for
Pennine Acute NHS Trust

NHSI oversight

Process to reach a more balanced position

Capital programme

(The presentation is technical but Nicky Tamanis, Deputy
Director of Finance will be presenting and will be able to
clarify and answer any questions)

2017/18 Outturn

2017/18	£m	
Income	661.9	90% of income relates to patient care activities 5% increase from 2016/17
Expenditure:		
Pay	(440.2)	Pay costs are 64% of the total costs 7.5% increase from 2016/17
Non Pay	(242.9)	23% relates to drugs / 12% CNST
Total Expenditure	<u>(683.1)</u>	
Operating Surplus / (deficit)	(21.2)	
Finance Costs	(2.0)	
Surplus / (deficit) for the financial year	<u>(23.2)</u>	
Public Dividend Capital payable	(8.1)	Dividend paid to DH to reflect the public equity invested in the NHS Trust
Retained surplus / (deficit)	<u>(31.3)</u>	
Impairments	0.7	
Donated assets adjustment	0.2	
Reported NHS Financial Performance	<u>(30.4)</u>	Control Total – (£11.3m) Forecast outturn – (£41.0m)

2018/19 Financial Plan – Key Headlines

	2018/19	2017/18
Deficit	(£68.9m)	(£30.4m)
Control Total	£8.6m	(£11.3m)
BCLC	£21.1m	£24.6m
Agency Spend	£34.9m	£44.1m
Agency Cap	£20.0m	£23.1m
Year end cash	£3.0m	£11.4m
Revenue Support Loan	£74.7m	£28.2m
Capital Investment	£32.5m	£19.7m
Risk Rating	4	4

2018/19 Financial Plan (income and expenditure)

2018/19	£m
Income	630.5
Expenditure:	
Pay	(446.5)
Non Pay	(243.1)
Total Expenditure	(689.6)
Operating Surplus / (deficit)	(59.1)
Finance Costs	(2.7)
Other gains and (losses) including disposal of assets	(0.2)
Surplus / (deficit) for the financial year	(62.0)
Public Dividend Capital payable	(7.0)
Retained surplus / (deficit)	(69.0)
Impairments	0.0
Donated assets adjustment	0.1
Reported NHS Financial Performance	(68.9)

2018/19 – 5 Year Capital Programme assumptions

1. Available internal resources are used to finance replacement/lifecycling capital spend
 2. Annual depreciation is assumed to be at the same level from 2018/19 (new replacement spend maintains the level of “base” depreciation) plus the impact of depreciation from new capital investment in future years
 3. Capital loans required for spend over and above replacement /lifecycling requirements e.g. Intermediate Care Facility extension, NMGH/ROH development (Energy schemes) & EPR
 4. PDC is available for the Healthier Together scheme(s)
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Capital – 5 Year Capital Programme

ESTIMATE	Source	18/19	19/20	20/21	21/22	22/23	23/24	24/25
		£000s	£000s	£000s	£000s	£000s	£000s	£000s
A - CAPITAL PROGRAMME								
Replacement/Lifecycling	Internal	18,497	17,829	18,229	18,935	18,935	18,935	18,935
NMGH ICF extension	External	3,750						
Energy Schemes (NMGH/ROH)	External	8,750	8,750					
EPR	External	1,000	9,000					
ROH Healthier Together	External	500	14,820	9,380				
A - TOTAL SCHEMES		32,497	50,399	27,609	18,935	18,935	18,935	18,935
B - RESOURCES								
Depreciation	Internal	23,188	22,907	23,807	24,513	24,513	24,513	24,513
Existing capital loan repayments	Internal	(3,234)	(3,234)	(3,234)	(3,234)	(3,234)	(3,234)	(3,234)
Disposals – general	Internal	156	156	156	156	156	156	156
Brought forward	Internal	10,887						
Sub Total Internal		30,997	19,829	20,729	21,435	21,435	21,435	21,435
New capital finance								
Salix £7.5m	Loan		7,500					
EPR	Loan	1,000	9,000					
New capital loans repayments	Ext/Int		(750)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
ROH Healthier Together	PDC	500	14,820	9,380				
Sub Total External		1,500	30,570	6,880	(2,500)	(2,500)	(2,500)	(2,500)
B - TOTAL RESOURCES		32,497	50,399	27,609	18,935	18,935	18,935	18,935
(B – A) SURPLUS/DEFICIT (check)		0	0	0	0	0	0	0

2018/19 Financial Plan

A&E 4 Hour Target: Trusts will be expected to meet 90% by September 2018, and return to 95% by March 2019.

RTT: the expectation is that the waiting list should not be any higher in March 2019 than in March 2018, alongside the expectation to halve the number of patients waiting 52 weeks in the same period.

The Sustainability and Transformation Fund is to become the Provider Sustainability Fund (PSF), with total funding of £2.45bn (up from £1.8bn currently). Access to 30% of the fund remains linked to A&E performance. A new £400m commissioner sustainability fund (CSF) will also be introduced to enable CCGs to return to in-year financial balance.

The eight shadow Accountable Care System sites and two devolved health and care systems are now to be known as Integrated Care Systems (ICS). ICSs are expected to prepare a single system operating plan and to work within a system control total. They are expected to move to a more 'autonomous' regulatory relationship with NHS England and NHS Improvement over time.

There will be no additional winter funding in 2018/19. Systems are required to produce a winter demand and capacity plan with actions and proposed outcomes.

The two-year National Tariff is unchanged, with local systems encouraged to consider local payment reform in certain areas.