

Our Finances

OUR VALUES



Headlines from the 2018/19 revenue accounts

- ❖ Accounts overall show a loss of £10.1m and once the non cash, technical items are excluded then reduces to a **£7.2m deficit**. Our plan was to achieve a **surplus of £3.4m**.
- ❖ Total income was £315.8m; 88% from CCGs, NHS England and the Local Authority / Public Health England. The remainder is largely made up of Education and Research and Development income. 2.1% inflator received from Health Commissioners less efficiency target of 2.0%
- ❖ Total spend (excluding technical impairments) was £323.7; 70% of which relates to staff costs and 13% premises. Cost inflation amounted to 2.8%
- ❖ Spend is higher due to the increased demand for Out of Area Mental Health Placements (OAPs) and the national pay award for staff.
- ❖ Why did we not achieve the plan? Despite a significant financial recovery plan we were unable to fully mitigate the impact of the higher than planned use of OAPs and agency pay costs.

The deficit of £7.2m has reduced availability of cash for future investment

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What went well or could have gone better in 2018/19?

- ❖ Cost Improvement Target (CIP) of £12.1 million required; over delivered but only £7.6m recurrently achieved
- ❖ Although we successfully gained £4.2m of the Sustainability Transformation Fund; this would have been substantially higher if the control total had been met in full
- ❖ The level of agency staffing spend remained steady at £9.0m to cover vacancies, absence, acuity and winter pressures initiatives
- ❖ Increased use of Mental Health beds – spend in 2017/18 was £6.3m, increased to £12.7m in 2018/19
- ❖ No compensation payments for loss of office and no payments to Directors that were not on the payroll.
- ❖ The use of external consultants reduced by £0.7m
- ❖ 94.8% of all invoices for goods and services were paid for by the Trust within 30 days
- ❖ The NHS I financial sustainability risk rating ended the year at a 3 (1 is the best), a deterioration on the previous year which was a 2 mainly linked to the deficit position.

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Patients &
people first



Partnership



Respect

Headlines about our capital spend of £10.5m



Improvements to our premises:

Secure services development £4.1m

Environmental upgrades such as fire and safety improvements, refurbishment of bathrooms and boilers £2.6m

Transformation and redesign £0.5m

Improvements to reduce fixed ligature risk £1.8m



Improvements to our technology:

IT infrastructure and clinical systems £1.3m



Medical equipment including falls equipment, reverse osmosis water systems and vital signs monitors £0.2m

Availability of capital to spend on service improvements is linked to our cash balances.

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Patients & people first



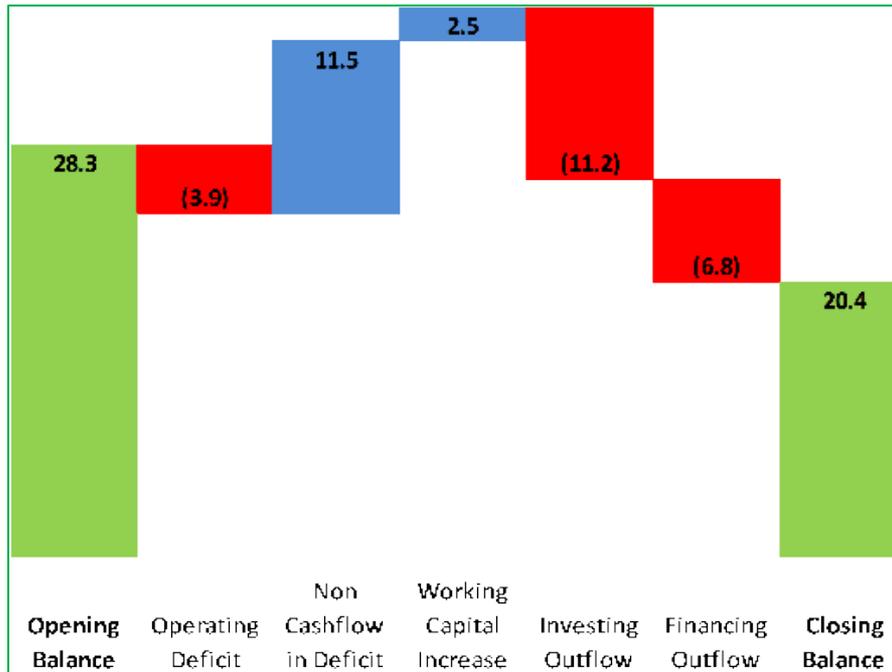
Partnership



Respect

Are our cash balances healthy to support future capital expenditure?

- ❖ Our closing cash balance was £20.4m on 31/03/2019 which was an overall reduction of £7.9m. This amounts to an equivalent of 26 days of operating cash.
- ❖ The deficit position has contributed to the reduction in cash holdings as has the investment programme which is higher than the depreciation cost in year.



Our cash balance will support significant capital schemes in future years. These schemes are about improving services and ensuring wherever possible people can be treated locally.

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What about our Charity?

	2018/19 *	2017/18	2016/17
	£000	£000	£000
Donations and Legacies	88	530	107
Investment Income	29	24	39
Total Incoming Resources	117	554	146
Grants payable	(146)	(235)	(289)
Management and administration	(61)	(35)	(103)
Gains/(Loss) on investment assets	15	(9)	77
Transfer of funds to other NHS bodies	-	(24)	(20)
Net Movement in Funds in year	(75)	251	(189)
Fund balances carried forward	856	931	680

* Draft Accounts

- Significant donations have been received from our League of Friends at various locations
- Grants have been made for the Frailty Car Initiative, Dementia Clinical Research Champion, Specialist equipment and garden improvements
- Fund raising activities included marathon runs and a Christmas card design competition

Developing our charity both through active spending of our funds and generating new ones all go towards supporting our services for patients. There are ambitious plans for both in 2019/20.

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Financial Outlook for 2019/20

- ❖ Plan to deliver a £6.2m deficit (on a control total basis) and successfully achieve PSF and FRF of £6.2m which will result in a breakeven position. Savings target planned of £18.6m (5.5%)
- ❖ 2019/20 started under pressure: non recurrent CIP in 18/19, out of area MH beds at an unaffordable level plus new year efficiency challenge
- ❖ Demand for services will continue to increase and workforce pressures will continue to require the use of higher cost temporary staff
- ❖ The out of areas beds continue to be used, up to £1.5m per month
- ❖ Recovery Plan in progress to reduce the financial risk
- ❖ Transformation and restructure of services including quality improvement and further integrating services to support the patient and their families on a holistic basis and
- ❖ Working in partnership across Hampshire to develop the Sustainability & Transformation Plan

Another challenging year ahead of us leading our ambitious plans for services and quality improvement with the resources we have

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