

Making the financial case to win better bank contracts June 2023

Branches can strengthen the case for winning improvements to the pay and conditions of bank workers by extracting supportive data from the Trust's latest financial accounts.

Trusts need to [reduce agency spending](#) – so organisations need to ensure bank contracts are rewarding, remain competitive and have attractive terms.

Accounts will normally be found on the Trust's own website. We have used a typical example to illustrate the information you might need.

After an extensive report on performance over the previous year, Trust accounts will normally show the financial statements, including the statement of comprehensive income, statement of financial position and the notes to the accounts.

The statement of comprehensive income will show the trust's surplus or deficit for the year.

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The statement of financial position will show the cash assets that the trust is holding.

Statement of comprehensive income for the year ended 31 March 2022

Comprehensive income	Note	2021 to 2022 £'000	2020 to 2021 £'000
Operating income from patient care activities	3	516,056	455,570
Other operating income	4	64,534	81,607
Operating expenses	5,7	(577,662)	(529,262)
Operating surplus		2,928	7,915
Finance costs: Finance income		20	2
Finance costs: Finance expenditure		(506)	(544)
Finance costs: Public dividend capital dividends payable		(5,024)	(3,516)
Net finance costs		(5,510)	(4,058)
Other losses		(63)	(54)
(Deficit)/Surplus for the year		(2,645)	3,803

Other comprehensive income that will not be reclassified to income and expenditure:	Note	2021 to 2022 £'000	2020 to 2021 £'000
Impairments and reversals taken to the revaluation reserve	6	(2,517)	(1,889)
Revaluations		3,985	585
Total comprehensive (expense)/income for the year		(1,177)	2,499

The Trust in question recorded a surplus of £2.9m on its normal operations.

That becomes a deficit for the year of £2.6m principally because of £5m in "finance costs: Public dividend capital dividends payable", which is a form of finance that entails an interest payment to the Department of Health and Social Care.

The accounts show the trust as holding cash assets of £32.6m

Statement of financial position as at 31 March 2022

Assets

Asset	Note	As at 31 March 2022 £'000	As at 31 March 2021 £'000
Non-current: Intangible assets	9	10,950	10,419
Non-current: Property, plant and equipment	10	229,798	205,050
Non-current: Receivables	12	2,199	1,123
Total non-current assets		242,947	216,592
Current: Inventories	11	8,869	8,980
Current: Receivables	12	12,559	11,265
Current: Cash and cash equivalents	13	32,634	42,085
Total current assets		54,062	62,330
Total assets		297,009	278,922

Liabilities

Liability	Note	As at 31 March 2022 £'000	As at 31 March 2021 £'000
Current: Trade and other payables	14	(70,437)	(72,373)
Current: Borrowings		(1,669)	(1,655)
Current: Provisions	15	(1,467)	(978)
Current: Other liabilities		(3,659)	(3,835)
Total current liabilities		(77,232)	(78,841)
Total assets less current liabilities		219,777	200,081
Non-current: Borrowings		(4,215)	(5,879)
Non-current: Provisions	15	(4,477)	(3,826)
Non-current: Other liabilities		(739)	0
Total non-current liabilities		(9,431)	(9,705)

Totals

Description	As at 31 March 2022 £'000	As at 31 March 2021 £'000
Total assets employed	210,346	190,376
Financed by: Public dividend capital	289,794	268,647
Financed by: Revaluation reserve	37,899	36,431
Financed by: Income and expenditure reserve	(117,347)	(114,702)
Total taxpayers' equity	210,346	190,376

The notes to the accounts should also contain a remuneration and staff report

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In here you can find **staff numbers** (usually broken down to reveal total bank and agency numbers), which shows the number of bank and agency staff (by WTE) at 531 out of 6,583 total staff.

Staff type	2021-22 Permanently Employed Staff (Number)	2021-22 Bank and Agency Staff (Number)	2021-22 Total Staff (Number)	2020-21 Total Staff (Number)
Medical and dental staff	840	85	925	921
Administration and estates staff	1,718	96	1,814	1,529
Healthcare assistants and other support staff	780	116	896	809
Nursing, midwifery and health visiting staff	1,508	195	1,703	1,604
Nursing, midwifery and health visiting learners staff	53	0	53	50
Scientific, therapeutic and technical staff	968	37	1,005	921
Healthcare science staff	175	2	177	175
Other	10	0	10	8
Total	6,052	531	6,583	6,017
Number of employees (WTE) engaged on capital projects	49	0	49	67

The above table is subject to audit and has been referred to in the auditor's opinion on the financial statements.

You will also see **Staff costs** (usually broken down to reveal total bank and agency costs). This example shows total staff costs at £345.8m, of which £35.2m is for “other staff” (most likely bank and agency staff), implying that each 1% increase in pay for all “other staff” adds around £35,000 to the pay bill.

Staff costs

Staff costs for the year are shown below:

Staff Cost	2021-22 Permanent £000	2021-22 Other £000	2021-22 Total £000	2020-21 Total £000
Salaries and wages	244,280	15,742	260,022	241,085
Social security costs	23,734	1,562	25,296	22,612
Apprenticeship levy	1,203	71	1,274	1,149
Employer's contributions to NHS pension scheme	41,287	1,392	42,679	39,610
Pension cost - other	75	24	99	322
Termination benefits	86	0	86	160
Temporary staff	0	16,378	16,378	8,963
Total staff costs	310,665	35,169	345,834	313,901
Of which: Costs capitalised as part of assets	1,505	0	1,505	2,108

The above table is subject to audit and has been referred to in the auditor's opinion on the financial statements.

What would the bank lump sum cost employers?

There are two elements to the non-consolidated award...

- a 2% non-consolidated payment to all staff
- a tiered cash payment, depending on which of 5 tiers staff are in (with an average value of 4%).

For exact figures based on bands, you would need to look here <https://www.nhsemployers.org/offer-in-principle> and work out the “tiered cash payment” based on numbers of staff in band.

At this stage keep it simple and work on the average 4% plus the 2%.

In this example, a 1% increase would be £35,000 so multiply this by 6 to get a total extra cost of £210,000 shared across 531 bank staff.

Comparing this to executive salaries

The Trust may state this is simply unaffordable. However, in the financial report you will also find the salaries of executive directors, including the chief executive.

Salary and pension entitlements of Very Senior Managers (continued)

Executive Directors - 2020-21 (Restated)	Note	Salary whilst in post as Senior Manager (bands of £5,000)	Other salary (bands of £5,000)	Performance pay and bonuses (bands of £5,000)	All pension-related benefits (bands of £2,500)	TOTAL (bands of £5,000)
		£000	£000	£000	£000	£000
Chief Executive		220 - 225	0	5 - 10	0	230 - 235
Chief Operating Officer		145 - 150	0	5 - 10	0	150 - 155
Director of Human Resources & Organisational Development (to April 2021)		150 - 155	70-75 *	5 - 10	0	225 - 230
Director of Integrated Governance		105 - 110	0	0 - 5	50.0 - 52.5	160 - 165
Medical Director		180 - 185	0	0	242.5 - 245.0	425 - 430
Chief Information Officer	3	90 - 95	0	0 - 5	20.0 - 22.5**	110 - 115
Director for Urgent & Emergency Care		115 - 120	0	0 - 5	37.5 - 40.0	160 - 165
Director of Strategy & Performance		130 - 135	0	5 - 10	30.0 - 32.5	170 - 175

These figures can help emphasise the affordability of improvements to bank pay and conditions for the Trust.

UNISON’s general guidance on putting claims in the context of wider economic developments can be found on this link <https://www.unison.org.uk/pay-claims/>

For assistance in interpreting trust accounts, contact Bargaining Support on bsg@unison.co.uk