



Western Health
and Social Care Trust

**Financial Performance
Report
for the month ended
31 August 2018**

**Presented to Trust Board on
4 October 2018**

Western Health and Social Care Trust

Financial Performance Report for the month ended 31 August 2018

<u>Contents</u>		<u>Page No.</u>
1	Financial Plan 2018/19	3-4
2	Financial Position by Directorate	4-5
3	Savings Plans 2018/19 - Monitoring	5-6
4	Elective Care	7
5	Capital Resource Limit	7
6	Prompt Payment Target	7
7	Key Messages	7

Appendices

- Appendix 1** **Pay & Non-Pay Budgetary Performance by Directorate**
Appendix 2 **Pay Budgetary Performance by Directorate by Professional
Heading**
Appendix 3 **Non-Pay Budgetary Performance by Budget Heading**

1. Financial Plan 2018/19

The Financial Performance Report last month reported a forecast deficit of £23.4m. Since then the HSCB has provided £4.8m easement in year against our savings target of £12m and additional funding against reported pressures included in our deficit of £3.3m.

The financial performance report during this year has been reporting an off-plan position against our internal financial plan and additional emerging cost pressures in year that remained unresolved. To address this problem it was agreed that we would hold a number of contingency planning workshops during September to support closing out this off plan position. The financial assessment of all further contingency measures has been factored into our forecast and plan and this has highlighted £9.1m of expenditure that we do not have any solution for in year. This has now been reported to the HSCB/DOH and reflected in our forecast deficit position and the revised forecast deficit is £24.4m which has been reported to the HSCB/DOH as part of the month 5 financial monitoring returns. This reported position has made an assumption that we will deliver in full against our internal vacancy control targets, all future cost pressures will be managed by Directorates in year and our external savings plan £3.5m will be approval by the HSCB.

The forecast deficit has been revised as outlined in Table 1 below:

Table 1 – Revised Forecast Deficit

	£000
Residual Deficit – prior years c/f savings targets	7,200
Cost Pressures FYE 2017/18 & 2018/19	13,500
Savings Plan gap 2018/19	3,700
Forecast Deficit – Month 5 Financial performance Report 31 August 2018	24,400

Further discussions are currently underway with the DOH/HSCB in relation to how we take this forecast deficit forward in our Trust Delivery Plan for 2018/19.

The updated savings target for 2018/19 is outlined at Table 2 below:

Table 2 – Savings Targets 2018/19

	Target £000	Target Revised £000
General	11,719	
HSCB easement funding 2018/19	(4,800)	6,919
Pharmacy (MORE)	1,863	
HSCB easement funding 2018/19	(1,185)	678
Community & Voluntary Sector	297	297
Total Savings Target		7,894

Savings Plan Target Key highlights -

- Easement funding received £6m (for More & General)
- Revised Target in year of £7.9m
- Development and approval by HSCB of the £3.5m savings plan by the Trust in year
- Approval of the £3.5m by the HSCB as a significant amount of the current plan is one off opportunities in service development natural slippage in year and may present some risk with this plan in year if this income has been factored into the regional plan as a solution.
- Plan has been developed in year for the MORE £678k.
- The remaining gap of £3.7m in year has been included in our reported deficit in year

The emerging cost pressures that have been included in the forecast are as follows:

- Looked After Children £3m (based on 60 children);
- Medical Agency Staffing £3.3m;
- Nursing Agency Premium £1m;
- Medical & Surgical Consumables £1.5m;
- Energy £200k;
- Auto Enrolment £3.3m;
- Supporting People £70k;
- Nurse Graduates £770k;
- Physical Disability £1.3m;
- Pay Award – pending regional negotiations.

At this stage the Trust has no planned solution or agreed actions on how to address the above emerging cost pressures in year and they have all been factored into our forecast deficit.

2. Financial Position by Directorate

The Trust is reporting a deficit of **£10.0m** as at 31 August 2018 as follows:

- Internal Residual Deficit (savings target) - **£3.0m**
- Cost Pressures - **£4.0m**
- Savings Target shortfall in year 2018/19 **£3.0m**

All of the above has been included in the external forecast deficit for 2018/19.

Appendices 1-3 provide further detail in relation to pay and non-pay variances across Directorates.

Other Pay Costs

Table 4 – Agency/Bank/Overtime Costs by Directorate

Directorate	Cum August 2018				Increase / (Decrease) over July 2018 %	Increase / (Decrease) over avg 2017/18 %
	Agency £'000	Bank £'000	Overtime £'000	Total £'000		
Acute Services	8,310	814	569	9,693	3.1%	22.0%
Adult Mental Health & Disability	1,063	1,082	34	2,179	(8.7%)	18.1%
Primary Care & Older People	2,433	929	114	3,476	15.3%	32.8%
Women & Childrens	1,791	910	265	2,966	22.0%	23.7%
Performance & Service Improvement	517	418	105	1,040	5.5%	(24.4%)
Other Directorates	120	15	4	139	34.6%	39.6%
Total	14,234	4,168	1,091	19,493	7.0%	19.7%

Other pay cost key highlights -

- Expenditure has increased by 20% compared to last year;
- Agency expenditure of £14.2m which includes £8.2m (58%) on medical agency staff. If this trend continues we will be forecasting circa £20m spend on medical agency which is £3m above the prior year;
- Off contract agency nursing provider – expenditure £704k forecast trend for the year circa £1.7m;

3. Savings Plan 2018/19 – Monitoring

External General Savings plan - £11.7m (revised to £6.9m)

The Trust has received easement funding of £4.8m to reduce the savings target in year to £6.9m. The Trust has developed a plan for £3.5m which is mainly made up of in year natural slippage on service development projects but this needs the approval of the HSCB.

Directorates are restricted at present to the development of low impact initiatives and plans that will not require public consultation and this approach is putting a significant constraint on the projects that can come forward for CMT consideration that will generate recurrent cash savings.

A significant number of the plans developed to date are reform and modernisation. The reform and modernisation work, together with initiatives undertaken under the Trust's quality improvement programme, are not realising cash savings, rather, the Trust is

benefiting from the work in terms of cost avoidance and productivity gains. The plans developed to date are not sufficiently mature to inform a robust financial assessment as a significant number are at the early stages of development and will require focused detailed work with the service to fully understand the service changes, the expected outcomes and any associated financial savings.

The Trust is reporting £2.9m off plan in year as at 31 August 2018. This will reduce if we get agreement to the measures included in the Trusts £3.5m plan.

External Community & Voluntary Sector Savings Plan - £0.3m

The Trust has already completed an efficiency programme in this area and therefore would believe that this target is not achievable against this sector of our business. The forecast gap in the target is £0.3m.

The Trust is reporting £0.1m off plan in year as at 31 August 2018.

External Pharmacy Savings Plan - £1.9m

The Trust is forecasting savings of £678k and has been allocated in year easement non recurrent support to address the in-year and carried forward shortfall.

There is no savings against this target as at 31 August 2018 as the switching plan is profiled for later in the year.

QICR Plan

The Trust approved a three year QICR plan in 2017/18. The target for 2018/19 is £2.5m. The split of this target by Directorate was presented at CMT FMG on 30 August.

The Trust has made savings of £0.8m as at 31 August 2018.

Residual Deficit - Internal Savings Target - £16.5m

The Trust has an underlying residual deficit from under delivery of cash releasing targets £7.2m in previous years and the setting up of negative vacancy control budgets £9.3m as part of the recommendations from SRaFA. This has been managed for many years by the development of an in-year contingency plan as Directorates have found it difficult to develop recurrent low impact solutions.

The type of measures used in prior years to address the residual deficit was vacancy controls, slippage of investment monies and one off technical accounting opportunities. These opportunities have reduced significantly and early indications on the monitoring of the plans are identifying a risk in terms of delivery of the target.

The Trust reported has now increased our external deficit by £7.2m as we do not have any one off opportunities to address this shortfall in this year or going forward. We have made the assumption that we will deliver in full against the vacancy control target of £9.3m.

4. Elective Care

The Trust has submitted a plan to the HSCB totalling £4m. HSCB has confirmed indicative funding of £2.9m to allow the Trust to proceed with red flag / urgent patients, diagnostics and AHPs; £617k (21%) has been spent to date. The Trust has not been approved to proceed with longest waiters and echoes.

5. Capital Resource Limit

The Trust has received a capital allocation of **£29.2m** from the DoH for 2018/19 and the planned expenditure has been approved by CMT. The planned spend on the Altnagelvin Tower Block is **50%** of this allocation.

6. Prompt Payment Target

92% of undisputed invoices were paid within 30 working days of receipt against a target of **95%**.

7. Key Messages

- The Trust is forecasting a revised deficit of £24.4m.
- The Trust is currently in discussions with the DOH in relation to this forecast deficit and how this can be resolved in year as part of the Trust Delivery Plan.
- Directorates must continue with contingency measures in year and contain expenditure within the agreed budgets and savings targets to support meeting the breakeven target.

Lesley Mitchell
Director of Finance

APPENDICES

**Pay Budgetary Performance
Summary By Professional Heading
For 5 Months Ending 31st August 2018**

Directorate / Division	August 2018				JULY TOTAL	
	Budget £'000	Expenditure £'000	Variance £'000	%	Variance restated £'000	%
Acute Services						
Medical	23,155	24,309	1,154	4.98%	883	4.77%
Nursing	24,415	26,231	1,816	7.44%	1,440	7.40%
Social Services	0	15	15	100.00%	12	100.00%
Allied Health Professions	237	310	73	30.80%	54	28.27%
Psychology	163	127	(36)	(22.09%)	(28)	(21.54%)
Specialist Professions	6,116	6,396	280	4.58%	223	4.58%
Medical Technical Officers	1,404	1,197	(207)	(14.74%)	(172)	(15.37%)
Pharmacy	2,732	2,734	2	0.07%	(16)	(0.73%)
Dental	38	5	(33)	(86.84%)	(26)	(86.67%)
Administration	5,007	5,261	254	5.07%	217	5.41%
Estates	52	0	(52)	(100.00%)	(41)	(100.00%)
Support Services	231	420	189	81.82%	161	87.03%
Recurrent Balance/Vacancy Controls	(1,393)	0	1,393	100.00%	336	100.00%
Internal Planning Corporate Solutions	1,727	0	(1,727)	(100.00%)	(955)	(100.00%)
Undelivered Savings Plan 17/18	0	0	0	100.00%	61	100.00%
Total Acute Services	63,884	67,005	3,121	4.89%	2,149	4.19%
Adult Mental Health & Disability						
Medical	1,702	2,133	431	25.32%	345	25.44%
Nursing	8,746	8,532	(214)	(2.45%)	(201)	(2.87%)
Social Services	5,733	5,797	64	1.12%	64	1.39%
Allied Health Professions	321	181	(140)	(43.61%)	(125)	(47.35%)
Psychology	577	536	(41)	(7.11%)	(37)	(7.84%)
Administration	1,126	1,024	(102)	(9.06%)	(90)	(9.96%)
Support Services	100	81	(19)	(19.00%)	(18)	(22.50%)
General	17	9	(8)	(47.06%)	(6)	(66.15%)
Total Adult Mental Health & Disability	18,322	18,293	(29)	-0.16%	(68)	(0.46%)
Primary Care & Older People						
Medical	1,805	1,805	0	0.00%	(2)	(0.14%)
Nursing	12,616	13,029	413	3.27%	329	3.26%
Social Services	7,492	7,745	253	3.38%	203	3.39%
Allied Health Professions	7,998	8,020	22	0.28%	9	0.14%
Psychology	120	119	(1)	(0.83%)	(1)	(1.04%)
General/Specialist Professions	78	79	1	1.28%	2	3.23%
Medical Technical Officers	89	81	(8)	(8.99%)	(7)	(9.86%)
Administration	2,601	2,684	83	3.19%	73	3.52%
Support Services	0	1	1	100.00%	2	100.00%
Recurrent Balance/Vacancy Controls	(1,110)	0	1,110	100.00%	888	100.00%
Internal Planning Corporate Solutions	716	0	(716)	(100.00%)	(563)	(100.00%)
Total Primary Care & Older People	32,405	33,563	1,158	3.57%	933	3.61%
Women & Childrens						
Medical	4,716	4,715	(1)	(0.02%)	(10)	(0.26%)
Nursing	10,970	11,045	75	0.68%	63	0.71%
Social Services	12,235	12,782	547	4.47%	456	4.69%
Allied Health Professions	334	308	(26)	(7.78%)	(18)	(6.77%)
Psychology	532	565	33	6.20%	5	1.13%
Medical Technical Officers	317	299	(18)	(5.68%)	(14)	(5.56%)
Dental	326	296	(30)	(9.20%)	(24)	(9.09%)
Administration	2,297	2,220	(77)	(3.35%)	(47)	(2.58%)
Support Services	126	189	63	50.00%	53	54.08%
Recurrent Balance/Vacancy Controls	(464)	0	464	100.00%	323	100.00%
Internal Planning Corporate Solutions	398	0	(398)	(100.00%)	(269)	(100.00%)
Undelivered Savings Plan 17/18	(56)	0	56	100.00%	153	100.00%
Total Women & Childrens	31,731	32,419	688	2.17%	671	2.65%
Medical						
Medical	423	388	(35)	(8.27%)	(18)	(5.47%)
Nursing	16	18	2	12.50%	1	7.69%
Allied Health Professions	171	168	(3)	(1.75%)	3	2.19%
Dental	787	833	46	5.84%	32	4.99%
Administration	2,297	2,220	(77)	(3.35%)	(47)	(2.58%)
Support Services	126	189	63	50.00%	53	54.08%
Recurrent Balance/Vacancy Controls	(464)	0	464	100.00%	323	100.00%
Internal Planning Corporate Solutions	398	0	(398)	(100.00%)	(269)	(100.00%)
Undelivered Savings Plan 17/18	(56)	0	56	100.00%	153	100.00%
Total Medical	1,397	1,407	10	0.72%	28	2.52%
Performance Management & Service Improvement						
Nursing	59	54	(5)	(8.47%)	(4)	(8.33%)
Allied Health Professions	59	48	(11)	(18.64%)	(9)	(18.37%)
Medical Technical Officers	204	202	(2)	(0.98%)	(5)	(3.05%)
Administration	3,631	3,589	(42)	(1.16%)	(27)	(0.93%)
Estates	2,100	2,075	(25)	(1.19%)	(14)	(0.83%)
Support Services	8,478	8,614	36	0.42%	(3)	(0.04%)
Total Performance Management & Service Improvement	14,531	14,482	(49)	(0.34%)	(62)	(0.53%)
Finance						
Administration	1,429	1,450	21	1.47%	18	1.59%
Total Finance	1,429	1,450	21	1.47%	18	1.59%
Human Resources						
Medical	100	108	8	8.00%	7	8.75%
Nursing	174	169	(5)	(2.87%)	(11)	(8.03%)
Social Services	8	17	9	112.50%	10	250.00%
Allied Health Professions	20	16	(4)	(20.00%)	(1)	(7.69%)
Administration	1,176	1,182	6	0.51%	(3)	(0.31%)
Total Human Resources	1,478	1,492	14	0.95%	2	0.17%
Corporate / Trustwide						
Medical	103	155	52	50.49%	41	50.00%
Nursing	66	139	73	110.61%	59	118.00%
Administration	984	918	(66)	(6.71%)	(64)	(8.15%)
Support Services	0	9	9	100.00%	7	100.00%
Employers Superannuation	208	208	0	0.00%	0	0.00%
Apprenticeship Levy	648	648	0	0.00%	0	0.00%
Total Corporate / Trustwide	2,009	2,077	68	3.38%	43	2.72%
Control total/ Savings Target						
Savings Target 2018/19	(3,007)	0	3,007	100.00%	2,405	100.00%
Corporate Solutions	417	0	(417)	(100.00%)	(334)	(100.00%)
Total Control total/ Savings Target	(2,590)	0	2,590	(100.00%)	2,071	(100.00%)
Total	164,596	172,188	7,592	4.61%	5,785	4.39%

Cumulative all Directorates	August 2018				JULY TOTAL	
	Budget £'000	Expenditure £'000	Variance £'000	%	Variance restated £'000	%
Medical	31,752	33,393	1,641	5.17%	1,267	4.98%
Nursing	57,469	59,587	2,118	3.69%	1,657	3.61%
Social Services	25,468	26,356	888	3.49%	745	3.67%
Allied Health Professions	8,985	8,901	(84)	(0.93%)	(89)	(1.24%)
Psychology	1,302	1,347	(45)	(3.23%)	(61)	(5.35%)
Specialist Professions	6,194	6,475	281	4.54%	225	4.56%
Medical Technical Officers	2,014	1,779	(235)	(11.67%)	(198)	(12.33%)
Pharmacy	2,732	2,734	2	0.07%	(16)	(0.73%)
Dental	364	301	(63)	(17.31%)	(50)	(17.01%)
Administration	19,038	19,161	123	0.65%	109	0.72%
Estates	2,152	2,075	(77)	(3.58%)	(55)	(3.18%)
Support Services	8,935	9,214	279	3.12%	202	2.84%
General	17	9	(8)	(47.06%)	(6)	(66.15%)
Employers Superannuation	208	208	0	0.00%	0	0.00%
Apprenticeship Levy	648	648	0	0.00%	0	0.00%
Recurrent Balance/Vacancy Controls	(2,967)	0	2,967	100.00%	1,547	100.00%
Internal Planning Corporate Solutions	2,841	0	(2,841)	(100.00%)	(1,787)	(100.00%)
Undelivered Savings Plan 17/18	(56)	0	56	100.00%	224	100.00%
Savings Target 2018/19	(3,007)	0	3,007	100.00%	2,405	100.00%
Corporate Solutions	417	0	(417)	(100.00%)	(334)	(100.00%)
Total Cumulative	164,596	172,188	7,592	4.61%	5,785	4.39%

**Non Pay Budgetary Performance
Cumulative for the 5 months ended 31st August 2018**

BUDGET HEADING	AUGUST 2018				JULY TOTAL Variance restated	
	BUDGET £'000	EXPENDITURE £'000	VARIANCE £'000 %		VARIANCE £'000 %	
OTHER TREATMENT DEPTS	35	32	(3)	(8.6)	0	0.0
XRAY	824	741	(83)	(10.1)	(51)	(9.1)
PHARMACY	6,880	7,374	494	7.2	465	8.6
LABS	2,660	3,020	360	13.5	264	13.7
CATERING	1,224	1,114	(110)	(9.0)	(60)	(6.2)
PATIENTS CLOTHING	342	408	66	19.3	58	21.2
STAFF UNIFORMS	183	143	(40)	(21.9)	(35)	(24.0)
HEAT, LIGHT & POWER	2,831	2,896	65	2.3	63	2.7
BUILDING & ENGINEERING	1,230	1,415	185	15.0	148	16.4
PHARMACY - MAINTENANCE & REPAIRS	906	836	(70)	(7.7)	(64)	(8.8)
BEDDING & LINEN	177	178	1	0.6	(4)	(2.8)
RENT, RATES, INSURANCE & WATER	3,198	3,206	8	0.3	7	0.3
GENERAL SERVICES	1,170	1,416	246	21.0	148	13.8
ADMIN & LEGAL	560	448	(112)	(20.0)	(88)	(21.1)
TRANSPORT	518	432	(86)	(16.6)	(52)	(12.6)
POSTAGES & TELEPHONES	539	556	17	3.2	17	4.0
TRAVEL & COURSES	3,845	3,432	(413)	(10.7)	(257)	(8.9)
HOTEL SERVICES	601	602	1	0.2	(8)	(1.7)
CHILDCARE SERVICES	1,601	2,103	502	31.4	349	27.5
SOCIAL SERVICES	561	538	(23)	(4.1)	(18)	(4.1)
DISABILITY SERVICES	1,783	1,948	165	9.3	213	15.9
FOSTERCARE & ADOPTION	3,615	3,964	349	9.7	258	8.9
DOMICILARY CARE	13,684	14,703	1,019	7.4	888	8.1
ACCESS TARGETS - INDEPENDENT SECTOR	32	32	0	0.0	0	0.0
INFORMATION TECHNOLOGY	544	609	65	11.9	55	14.5
HIRE OF VEHICLES/TAXIS	343	365	22	6.4	30	11.5
TRUST AGENCY AGREEMENTS	2,571	2,493	(78)	(3.0)	(52)	(2.5)
CONTROLLED EQUIPMENT	171	171	0	0.0	0	0.0
CARE CONTRACTS & GRANT AID	9,619	9,542	(77)	(0.8)	(58)	(0.8)
INDEPENDENT HOMES	26,719	26,692	(27)	(0.1)	(109)	(0.5)
PFI	8,590	8,593	3	0.0	5	0.1
STAFF ADVERTISING	36	25	(11)	(30.6)	0	0.0
DRUGS	7,802	7,802	0	0.0	0	0.0
TOTAL	105,394	107,829	2,435	2.3	2,112	2.5