



Western Health  
and Social Care Trust

# **Financial Performance Report**

**for the five months ended  
31 August 2019**

# **Western Health and Social Care Trust**

## **Financial Performance Report for the five months ended 31 August 2019**

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## **1. Financial Plan 2019/20**

The Trust opened the year with an agreed deficit of £39m, which forms the basis for our Recovery Plan objective.

We received some funding of £9m in July 2019, which related to previous pressures in Looked After Children, Energy and general savings credit 2018/19.

Unfortunately, the Trust was issued with a recurrent £11.3m savings target made up of Cost Control £10m, Car Parking £0.3m and Pharmacy (MORE) £1.0m.

Because of this savings requirement for 2019/20, our opening deficit would be £41.3m and from this figure, the Trust will apply various savings to reduce the deficit throughout the year. We must also manage a range of financial risks, particularly the following service pressures:

- Locum Medical
- Nursing Premium
- Children's Services
- Winter Resilience
- Accommodation
- Psychological Therapies

The most significant risk is the need for resilience during the winter period, and this could be up to £2m.

The HSCB has identified £46m cost pressures funding in year and the Western Trust has received £5.3m share to support existing cost pressures and £15m held by HSCB to support our agreed Control Total in September 2019.

The DoH convened one to one meeting with each Trust Director of Finance in September to discuss the forecast regional and local financial plans. The outcome of the meetings was all Trusts have identified other in year opportunities to support reducing the regional forecast deficit. The DoH and HSCB are now looking at further opportunities mainly in year income slippage to reduce the forecast in-year regional deficit.

Table 1 below shows the revised forecast deficit for 2019/20.

**Table 1 – Forecast Deficit 2019/20**

	<b>£m</b>
Opening Deficit 1 April 2019	39.0
Less Income received July 2019	(9.0)
Add new 2019/20 savings requirement	11.3
<b>Revised opening deficit 2019/20</b>	<b>41.3</b>
Savings Plan 2019/20 – MORE	(1.0)
Savings Plan 2019/20 – Trust Recovery Plan	(6.7)
Review of expenditure / grip and control	(3.9)
Less -Pressures funding (share of £46m regionally)	(5.3)
Control Total	(15.0)
<b>Revised forecast deficit 2019/20 – Sept 19</b>	<b>9.4</b>

## 2. Financial Position as at 31 August 2019

The Trust is reporting a deficit of £12.2m as at 31 August 2019, with a year-end forecast of £9.4m.

This shows that the Trust is achieving, or its forecast to achieve £7.7m savings through a combination of tactical plans and pharmacy MORE savings.

Whilst this figure needs to increase in the coming months, it reflects the work done since February/March 2019.

Table 2 below summarises the financial performance by Directorate.

**Table 2 - Summary Financial Performance by Directorate**

Directorate	Budget	Expenditure	Variance		July (restated) Variance	
	£'000	£'000	£'000	%	£'000	%
Acute Services	79,582	88,495	8,913	11.2%	7,424	11.7%
Adult Mental Health & Disability	40,635	40,080	(555)	(1.4%)	(379)	(1.2%)
Primary Care & Older People	74,135	75,681	1,546	2.1%	1,239	2.1%
Women & Childrens	40,786	43,336	2,550	6.3%	2,208	6.8%
Medical	1,668	1,623	(45)	(2.7%)	(31)	(2.3%)
Performance & Service Improvement	17,964	17,414	(550)	(3.1%)	(407)	(2.8%)
Finance & Contracting	3,731	3,630	(101)	(2.7%)	(93)	(3.1%)
Human Resources	1,737	1,633	(104)	(6.0%)	(55)	(4.0%)
Corporate	1,341	1,337	(4)	(0.3%)	4	0.4%
Trust Wide Corporate Services	264	275	11	4.2%	13	6.1%
Corporate Pay & Non-Pay	30,693	30,115	(578)	(1.9%)	(450)	(1.8%)
Corporate Solutions	3,611	0	(3,611)	(100.0%)	(2,540)	(100.0%)
Savings Target 2019-20	(4,731)	0	4,731	100.0%	3,785	100.0%
<b>Reported Deficit</b>	<b>291,416</b>	<b>303,619</b>	<b>12,203</b>	<b>4.2%</b>	<b>10,718</b>	<b>4.6%</b>

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

The Acute Directorate is reporting a deficit of £8.9m which is £2.3m above the planned deficit. This is primarily due to increased flexible staffing, both in medical and nursing at a premium cost. They are also experiencing non-pay pressures in Laboratory chemical, consumables, and patient appliances. This off plan position is offset by an under-spend in AMDH, PSI and the support directorates.

## Run Rate of Expenditure

The average run rate of expenditure for the 5 months ending 31 August 2019, for both pay and non-pay, is reporting £1.899m per day compared to the baseline March 2019 £1.921m per day, which is restated, for comparative purposes to reflect inflation and service developments, excluding the transformation, drugs and elective care spend. Therefore, the run rates of expenditure have reduced by £22k per day. If this opportunity remains for the year, this will forecast £7.9m reduction in expenditure for 2019/20 in the Trust run rates. The non-pay run rate is the area, which has contributed to this forecast, however, the risk with the non-pay continuing at this rate is linked to activity which can increase in all services during the peak demand period over the winter period resulting in the non-pay expenditure trend increasing. The Trust needs to continue with grip and control on expenditure to support the delivery of circa £15m cash target savings included in our financial plan for 2019-20.

## Other Pay Costs

Table 3 below summarises the other pay costs by Directorate.

**Table 3 – Agency/Bank/Overtime Costs by Directorate**

Directorate	Cum August 2019				Increase / (Decrease) over July 2019 %	Increase / (Decrease) over avg 2018/19 %
	Agency	Bank	Overtime	Total		
	£'000	£'000	£'000	£'000		
Acute Services	10,368	839	568	11,775	2%	17%
Adult Mental Health & Disability	1,218	1,342	52	2,612	(4%)	1%
Primary Care & Older People	2,946	1,009	133	4,088	0%	6%
Women & Childrens	1,930	764	219	2,912	(16%)	(11%)
Performance & Service Improvement	704	404	105	1,213	11%	7%
Other Directorates	195	22	12	229	2%	36%
<b>Total</b>	<b>17,361</b>	<b>4,379</b>	<b>1,090</b>	<b>22,830</b>	<b>(3%)</b>	<b>8%</b>

### Other Pay Cost Key Highlights:

- Agency expenditure of £17.4m, which includes £9.8m (56%) on medical agency staff and £3.7m (21%) on nursing agency staffing.
- The average expenditure for the first 5 months of 2019/20 has increased by 8% compared to the same period last year. However, the Trust has reduced expenditure in August compared to July by 3%.

- The Trust has a number of plans developed to reduce expenditure on flexible agency staffing as part of the Trust's Recovery Plans.

### 3. Savings Plan – Monitoring

#### Recovery Plan – Tactical savings plan

The Trust has developed in year tactical savings of £6.7m. The monitoring of the savings are outlined in the table below:

**Table 4 – Tactical Savings Plan Monitoring**

Directorate	Planned FYE	Actual Position 31 August 2019				
		Plan	Actual	(Surplus)/ Shortfall	Cum % Achieved	% Achieved of total target
	£000	£000	£000	£000		
Acute	2,192	611	370	242	60%	17%
Medical	250	104	117	(13)	112%	47%
Adult Mental Health	216	31	26	5	84%	12%
PCOP	848	72	175	(103)	242%	21%
W&C	1,319	336	267	69	79%	20%
PSI	1,853	943	943	0	100%	51%
<b>Total</b>	<b>6,678</b>	<b>2,098</b>	<b>1,898</b>	<b>201</b>	<b>90%</b>	<b>28%</b>

The financial monitoring of the tactical savings plans is reporting savings of £1.9m (90%) against the plan of £2.1m therefore reporting an off plan position of £201k (10%). Current projections require the above tactical savings to be delivered in full. This will need close management and monitoring over remainder of the year and further contingency plans to address any off plan positions in-year.

#### Vacancy Control Target

The Trust has made the assumption that it will deliver in full against the vacancy control target of £9.3m, using one off opportunities in line with previous years.

### 4. Transformation (C&S) including Elective Care

The confirmed funding for transformation projects for 2019-20 is £15.8m. The actual expenditure on the projects as at 31 August 2019 is £4.4m (28%) on the projects to date. Allocation letters have been received and we anticipate recruitment will proceed at pace, in particular with the appointment of staff to the Primary Care MDT project.

## 5. Capital Resource Limit

The Trust has received a capital allocation of **£27.9m** from the DoH for 2019/20 and the planned expenditure is as follows:-

**Table 5 – Capital Plan**

<b>Capital Projects</b>	<b>£,000</b>
Altnagelvin 5.1 – Tower Block Development	12,160
Regional Car Parking Policy	330
Specialist Services	100
Task & Finish	700
ICT	1,500
General Capital	10,420
Invest to Save	500
Transformation Capital	2,170
<b>Total</b>	<b>27,880</b>

## 6. Prompt Payment Target

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

## 7. Key Messages

- Progress continues to be made towards stabilisation of the finances, and savings plans have been identified and are achieving savings in-year. This progress needs to be both maintained and developed in the coming months to deliver towards our Recovery Plan requirements.
- The Trust has been given a target of achieving £15m of savings in 2019/20 – we are currently just 50% towards this. It is important that we identify further opportunities, particularly recurrent savings to contribute towards this. Work has started on this, and we will attempt to put expected savings against this over the next period.

**Neil Guckian**  
**Director of Finance, ICT & Contracting**



# APPENDICES



Appendices Mth 05  
2019-20.xlsx



**Pay Budgetary Performance  
Summary By Professional Heading  
For 5 Months Ending 31st August 2019**

Appendix 2

Directorate / Division	AUGUST 2019				JULY 2019	
	Budget £'000	Expenditure £'000	Variance £'000	%	Variance £'000	%
<b>Acute Services</b>						
Medical	21,112	26,373	5,261	24.9%	4,303	25.5%
Nursing	27,662	29,499	1,837	6.6%	1,544	7.0%
Social Services	0	(1)	(1)	100.0%	2	100.0%
Allied Health Professions	212	343	131	61.8%	99	56.9%
Psychology	225	196	(29)	(12.9%)	(23)	(12.8%)
Specialist Professions	6,784	7,032	248	3.7%	211	3.9%
Medical Technical Officers	1,623	1,308	(315)	(19.4%)	(246)	(19.0%)
Pharmacy	3,211	3,069	(142)	(4.4%)	(85)	(3.3%)
Dental	41	6	(35)	(85.4%)	(28)	(84.8%)
Administration	5,961	5,792	(169)	(2.8%)	218	4.9%
Estates	107	0	(107)	(100.0%)	(86)	(100.0%)
Support Services	286	389	123	46.2%	99	46.9%
Undelivered Savings Plan	(1,417)	0	1,417	100.0%	1,134	100.0%
<b>Total Acute Services</b>	<b>65,387</b>	<b>74,006</b>	<b>8,619</b>	<b>13.2%</b>	<b>7,142</b>	<b>13.7%</b>
<b>Adult Mental Health &amp; Disability</b>						
Medical	1,817	2,039	222	12.2%	207	14.2%
Nursing	10,100	9,761	(339)	(3.4%)	(250)	(3.1%)
Social Services	7,954	7,913	(41)	(0.5%)	(35)	(0.5%)
Allied Health Professions	442	279	(163)	(36.9%)	(129)	(36.5%)
Psychology	938	789	(149)	(15.9%)	(118)	(15.7%)
Administration	1,605	1,385	(220)	(13.7%)	(167)	(13.2%)
Support Services	125	97	(28)	(22.4%)	(21)	(21.0%)
General	19	20	1	5.3%	1	6.7%
Undelivered Savings Plan	(288)	0	288	(100.0%)	230	(100.0%)
<b>Total Adult Mental Health &amp; Disability</b>	<b>22,712</b>	<b>22,283</b>	<b>(429)</b>	<b>(1.9%)</b>	<b>(282)</b>	<b>(1.6%)</b>
<b>Primary Care &amp; Older People</b>						
Medical	1,633	2,028	395	24.2%	319	24.5%
Nursing	13,909	14,321	412	3.0%	393	3.5%
Social Services	8,619	8,809	190	2.2%	141	2.0%
Allied Health Professions	9,693	9,125	(568)	(5.9%)	(402)	(5.2%)
Psychology	153	139	(14)	(9.2%)	(14)	(11.8%)
General/Specialist Professions	83	76	(7)	(8.4%)	(4)	(6.1%)
Medical Technical Officers	95	99	4	4.2%	2	2.6%
Pharmacy	1	12	11	1,100.0%	9	900.0%
Administration	2,960	2,967	7	0.2%	6	0.3%
Support Services	17	17	0	0.0%	0	0.0%
Undelivered Savings Plan	(1,258)	0	1,258	(100.0%)	1,006	(100.0%)
<b>Total Primary Care &amp; Older People</b>	<b>35,905</b>	<b>37,593</b>	<b>1,688</b>	<b>4.7%</b>	<b>1,456</b>	<b>5.1%</b>
<b>Women &amp; Childrens</b>						
Medical	5,021	5,324	303	6.0%	300	7.5%
Nursing	11,490	11,498	8	0.1%	(4)	(0.0%)
Social Services	11,610	11,966	356	3.1%	292	3.1%
Allied Health Professions	299	297	(2)	(0.7%)	8	3.4%
Psychology	532	474	(58)	(10.9%)	(35)	(8.2%)
Medical Technical Officers	338	310	(28)	(8.3%)	(23)	(8.5%)
Dental	348	310	(38)	(10.9%)	(38)	(13.6%)
Administration	2,322	2,239	(83)	(3.6%)	(55)	(3.0%)
Support Services	126	163	37	29.4%	34	34.0%
Undelivered Savings Plan	(734)	0	734	(100.0%)	587	(100.0%)
<b>Total Women &amp; Childrens</b>	<b>31,352</b>	<b>32,581</b>	<b>1,229</b>	<b>3.9%</b>	<b>1,066</b>	<b>4.2%</b>
<b>Medical</b>						
Nursing	612	450	(162)	(26.5%)	(130)	(26.6%)
Allied Health Professions	18	20	2	11.1%	1	7.1%
Medical	139	146	7	5.0%	7	6.3%
Administration	810	912	102	12.6%	86	13.3%
Specialist Professions	0	12	12	100.0%	10	100.0%
Undelivered Savings Plan	(18)	0	18	(100.0%)	14	(100.0%)
<b>Total Medical</b>	<b>1,561</b>	<b>1,540</b>	<b>(21)</b>	<b>(1.3%)</b>	<b>(12)</b>	<b>(1.0%)</b>
<b>Performance Management &amp; Service Improvement</b>						
Medical	0	4	4	100.0%	0	100.0%
Nursing	86	80	(6)	(7.0%)	8	14.3%
Social Services	0	9	9	100.0%	5	100.0%
Allied Health Professions	65	31	(34)	(52.3%)	(28)	(53.8%)
Medical Technical Officers	227	207	(20)	(8.8%)	(19)	(10.5%)
Specialist Professions	0	1	1	100.0%	0	100.0%
Administration	3,234	2,850	(384)	(11.9%)	(297)	(11.5%)
Estates	2,299	2,117	(182)	(7.9%)	(133)	(7.3%)
Support Services	9,818	9,821	3	0.0%	(9)	(0.1%)
Psychology	2	2	0	0.0%	0	0.0%
Undelivered Savings Plan	(344)	0	344	(100.0%)	278	(100.0%)
<b>Total Performance Management &amp; Service Improvement</b>	<b>15,387</b>	<b>15,122</b>	<b>(265)</b>	<b>(1.7%)</b>	<b>(195)</b>	<b>(1.6%)</b>
<b>Finance</b>						
Administration	2,938	2,707	(231)	(7.9%)	(199)	(8.4%)
Nursing	0	2	2	100.0%	2	100.0%
Undelivered Savings Plan	(33)	0	33	(100.0%)	26	(100.0%)
<b>Total Finance</b>	<b>2,905</b>	<b>2,709</b>	<b>(196)</b>	<b>(6.7%)</b>	<b>(171)</b>	<b>(7.3%)</b>
<b>Human Resources</b>						
Medical	103	111	8	7.8%	9	10.8%
Nursing	156	178	22	14.1%	29	25.4%
Allied Health Professions	28	17	(11)	(39.3%)	(9)	(40.9%)
Administration	1,341	1,238	(103)	(7.7%)	(68)	(6.3%)
Undelivered Savings Plan	(34)	0	34	(100.0%)	27	(100.0%)
<b>Total Human Resources</b>	<b>1,594</b>	<b>1,544</b>	<b>(50)</b>	<b>(3.1%)</b>	<b>(12)</b>	<b>(0.9%)</b>
<b>Corporate / Trustwide</b>						
Medical	112	138	26	23.2%	16	16.7%
Nursing	88	156	68	77.3%	60	81.1%
Administration	1,302	1,186	(116)	(8.9%)	(87)	(8.3%)
Estates	27	26	(1)	(3.7%)	0	0.0%
Pharmacy	15	15	0	0.0%	0	0.0%
Support Services	1	10	9	900.0%	8	100.0%
Employers Superannuation	455	455	0	0.0%	0	0.0%
Apprenticeship Levy	679	679	0	0.0%	0	0.0%
Undelivered Savings Plan	(241)	0	241	(100.0%)	17	(100.0%)
<b>Total Corporate / Trustwide</b>	<b>2,658</b>	<b>2,665</b>	<b>7</b>	<b>0.3%</b>	<b>14</b>	<b>0.7%</b>
<b>Control total/ Savings Target</b>						
Savings Plan Target 2019/20	(4,731)	0	4,731	100.0%	3,785	100.0%
Corporate Solutions	3,611	0	(3,611)	(100.0%)	(2,540)	(100.0%)
<b>Total Control total/ Savings Target</b>	<b>(1,120)</b>	<b>0</b>	<b>1,120</b>	<b>(100.0%)</b>	<b>1,245</b>	<b>100.0%</b>
<b>Total</b>	<b>178,341</b>	<b>190,043</b>	<b>11,702</b>	<b>6.6%</b>	<b>10,251</b>	<b>7.2%</b>

Cumulative all Directorates	AUGUST 2019				JULY 2019	
	Budget £'000	Expenditure £'000	Variance £'000	%	Variance £'000	%
Medical	29,937	36,163	6,226	20.80%	5,161	21.6%
Nursing	64,103	65,945	1,842	2.9%	1,652	3.2%
Social Services	28,183	28,696	513	1.8%	405	1.8%
Allied Health Professions	10,757	10,112	(645)	(6.0%)	(460)	(5.4%)
Psychology	1,850	1,600	(250)	(13.5%)	(190)	(12.8%)
Specialist Professions	6,867	7,121	254	3.7%	217	4.0%
Medical Technical Officers	2,283	1,924	(359)	(15.7%)	(286)	(15.7%)
Pharmacy	3,227	3,096	(131)	(4.1%)	(76)	(3.0%)
Dental	89	316	(227)	(255.3%)	(66)	(21.2%)
Administration	22,073	21,276	(797)	(3.6%)	(563)	(3.2%)
Estates	2,433	2,143	(290)	(11.9%)	(219)	(11.3%)
Support Services	10,353	10,497	144	1.4%	111	1.3%
General	19	20	1	5.3%	1	6.7%
Employers Superannuation	455	455	0	0.0%	0	0.0%
Apprenticeship Levy	679	679	0	0.0%	0	0.0%
Undelivered Savings Plan	(4,147)	0	4,147	100.0%	3,319	100.0%
Savings Plan Target 2019/20	(4,731)	0	4,731	100.0%	3,785	100.0%
Corporate Solutions	3,611	0	(3,611)	(100.0%)	(2,540)	(100.0%)
<b>Total Cumulative</b>	<b>178,341</b>	<b>190,043</b>	<b>11,702</b>	<b>6.6%</b>	<b>10,251</b>	<b>7.2%</b>

**Non Pay Budgetary Performance  
Cumulative for the 5 months ended 31st August 2019**

BUDGET HEADING	AUGUST 2019				JULY 2019	
	BUDGET £'000	EXPENDITURE £'000	VARIANCE £'000 %		VARIANCE £'000 %	
OTHER TREATMENT DEPTS	32	24	(8)	(25.0)	(8)	(30.8)
XRAY	1,078	1,015	(63)	(5.8)	(46)	(5.4)
PHARMACY	7,363	7,132	(231)	(3.1)	(145)	(2.5)
LABS	2,305	2,599	294	12.8	246	13.4
CATERING	1,281	1,166	(115)	(9.0)	(117)	(11.3)
PATIENTS CLOTHING	346	433	87	25.1	69	24.9
STAFF UNIFORMS	235	156	(79)	(33.6)	(58)	(31.0)
HEAT, LIGHT & POWER	3,183	3,032	(151)	(4.7)	(113)	(4.3)
BUILDING & ENGINEERING	1,419	1,346	(73)	(5.1)	(59)	(5.1)
PHARMACY - MAINTENANCE & REPAIRS	951	757	(194)	(20.4)	(132)	(17.4)
BEDDING & LINEN	177	180	3	1.7	2	1.4
RENT, RATES, INSURANCE & WATER	3,260	3,142	(118)	(3.6)	(129)	(4.9)
GENERAL SERVICES	1,251	1,555	304	24.3	179	16.4
ADMIN & LEGAL	634	434	(200)	(31.5)	(148)	(29.3)
TRANSPORT	470	434	(36)	(7.7)	(21)	(5.6)
POSTAGES & TELEPHONES	622	652	30	4.8	51	10.0
TRAVEL & COURSES	3,892	3,140	(752)	(19.3)	(613)	(19.5)
HOTEL SERVICES	591	646	55	9.3	48	10.1
CHILDCARE SERVICES	1,345	2,182	837	62.2	710	68.6
SOCIAL SERVICES	582	474	(108)	(18.6)	(78)	(16.8)
DISABILITY SERVICES	1,791	1,846	55	3.1	56	4.2
FOSTERCARE & ADOPTION	3,729	4,183	454	12.2	378	12.7
DOMICILARY CARE	15,307	16,260	953	6.2	687	5.7
ACCESS TARGETS - INDEPENDENT SECTOR	53	53	0	0.0	0	0.0
INFORMATION TECHNOLOGY	738	890	152	20.6	122	20.9
HIRE OF VEHICLES/TAXIS	310	389	79	25.5	78	31.2
TRUST AGENCY AGREEMENTS	2,798	2,724	(74)	(2.6)	(18)	(0.8)
CONTROLLED EQUIPMENT	183	183	0	0.0	0	0.0
CARE CONTRACTS & GRANT AID	10,391	10,220	(171)	(1.6)	(192)	(2.3)
INDEPENDENT HOMES	29,065	28,696	(369)	(1.3)	(233)	(1.0)
PFI	8,803	8,776	(27)	(0.3)	(24)	(0.3)
STAFF ADVERTISING	68	36	(32)	(47.1)	(26)	(48.1)
DRUGS	8,822	8,821	(1)	(0.0)	0	0.0
<b>TOTAL</b>	<b>113,075</b>	<b>113,576</b>	<b>501</b>	<b>0.4</b>	<b>466</b>	<b>0.5</b>