



Western Health
and Social Care Trust

Financial Performance Report for the month ended 31 December 2017

**Presented to Trust Board on
1 February 2018**

Western Health and Social Care Trust

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1. Key Messages

- The Trust submitted an initial financial assessment for 2017/18 to the DoH on 13 February 2017 which documented a forecast deficit of £59m.
- The Permanent Secretary advised all Trusts through the HSCB on 14 February 2017 of the approach to be taken to financial planning for 2017/18.
- The Trust was issued an in-year savings target of £14m (£12.5m general/ £1.5m drugs efficiencies) and this amount has been removed on a recurring basis in the opening allocation.
- The Trust developed a savings plan to address the general savings target of £12.5m which was shared collectively with the HSCB/DoH. The DOH asked the Trust to progress a public consultation process on the content of the savings plan. Following public consultation which ended on 5 October 2017 and consideration of the outcome report at Trust Board on 13 October 2017 approval was given to implement all low impact measures amounting to £5.4m. The major/controversial measures which are not proceeding amounting to £8.6m have been factored into the Trust's projected deficit. This is in line with the assumptions used in the regional HSC financial plan.
- The Trust has developed a savings plan for £686k relating to drugs efficiencies savings target of £1.5m and will continue to develop proposals for the remaining gap of £814k.
- Based on the opening allocation and indicative allocations, the Trust revised its forecast deficit for 2017/18 to £23.5m assuming full delivery of the £14m savings plan. In September, the Trust was advised that it would receive a non recurring allocation of £5.6m for cost pressures. Taking this allocation into account and with the savings plan proposals which are not proceeding of £8.6m, the Trust revised its forecast deficit for 2017/18 to £26.5m. In October, in conjunction with the HSCB, the Trust reassessed the expected in-year costs associated with the International Nurse Recruitment Programme and restated the forecast deficit to £25.1m.
- In November, the Trust has revised the forecast year end deficit to £2.274m following confirmation of funding from HSCB for Winter Resilience and a non recurrent allocation of £22.1m.
- The Trust has been assured that the revised forecast year end deficit of £2.274m is in line with the regional HSC Financial Plan. The Trust needs to maintain expenditure in line with the plan and continue to address any off plan issues arising during the remainder of the year.
- The Trust is reporting a deficit of £3.531m (0.8%) for the nine months ending 31 December 2017.

2. Financial Plan 2017/18

The Trust submitted to the HSCB/DoH on 17 August 2017 a revised forecast deficit for 2017/18 reduced from £59m to £23.5m. This forecast deficit was based on the opening allocation and indicative allocations and assumed full delivery of the £14m savings plan.

In September, the Trust was advised that it would receive a non recurring allocation of £5.6m for cost pressures. Taking this allocation into account with the savings plan proposals which are not proceeding of £8.6m, the Trust revised its forecast deficit for 2017/18 to £26.5m.

The Trust has since revised its forecast year end deficit for 2017/18 to £2.274m to take account of a revised assessment of the costs associated with the International Nurse Recruitment Programme and confirmation of funding for Winter Resilience as well as a non recurrent allocation of £22.1m. The Trust has been assured that the remaining income of £2.274m required to breakeven is in line with the Regional HSC Financial Plan.

	Original Annual Plan £'000
Projected Deficit August 2017	23,493
Negative Allocation RE: Savings Plan Target	14,053
HSCB Allocation 22 Sept 2017	(5,638)
Savings Plan Delivery – Low Impact Measures	(5,428)
International Nurse Recruitment Programme	(1,364)
Winter Resilience	(700)
Non Recurring Allocation	(22,142)
Revised Project Deficit	2,274

The forecast FYE deficit is being worked through collectively with the HSCB.

3. Financial Position as at 31 December 2017

Table 1 – Summary of Financial Position

	Original Annual Plan £'000	Revised Annual Plan £'000	Actual as at Mth 9 £'000
Income	576,391	635,642	470,462
Expenditure:			
- Pay	400,445	397,232	294,390
- Non Pay	235,182	240,684	179,603
Deficit	59,236	2,274	3,531

The Trust is reporting a deficit of £3.531m (0.8%) for the nine months ending 31 December 2017.

4. Financial Position by Directorate

This section details the financial position by Directorate as at 31 December 2017 and includes an analysis of the main reasons for any over/underspends.

Table 2 - Summary Financial Performance by Directorate

Directorate	Budget £'000	Expenditure £'000	Variance		Nov Variance	
			£'000	%	£'000	%
Acute Services	135,813	136,661	848	0.6%	703	0.6%
Primary Care & Older People	116,109	117,077	968	0.8%	1,048	1.0%
Women & Childrens	66,366	68,201	1,835	2.8%	1,711	2.9%
Adult Mental Health & Disability	60,781	60,822	41	0.1%	37	0.1%
Performance & Service Improvement	31,758	31,337	(421)	(1.3%)	(307)	(1.1%)
Finance & Contracting	2,613	2,573	(40)	(1.5%)	(34)	(1.5%)
Human Resources	3,095	2,970	(125)	(4.0%)	(126)	(4.6%)
Medical	2,139	2,116	(23)	(1.1%)	(21)	(1.0%)
Corporate	1,799	1,716	(83)	(4.6%)	(90)	(5.6%)
Trust Wide Corporate Services	435	433	(2)	(0.5%)	(7)	(1.8%)
Corporate Non Pay	49,554	50,087	533	1.1%	1,033	2.4%
Total	470,462	473,993	3,531	0.8%	3,947	0.9%

Main Reasons for Over/Under Spends

Acute Services

The Directorate is reporting a deficit of £0.848m (0.6%) as at 31 December 2017. The forecast position for the Directorate is projected at a breakeven position.

Primary Care & Older People Services

The Directorate is reporting a deficit of £0.968m (0.8%) as at 31 December 2017. The forecast position for the Directorate is projected at a breakeven position.

Women & Children's Services

The Directorate is reporting a deficit of £1.835m (2.8%) as at 31 December 2017 which mainly relates to pay and non-pay pressures within Looked After Children services which have seen an increase in the numbers from 555 to 623 from April 2016 to

December 2017. The Directorates projected deficit in the Trust's financial plan for 2017/18 is £2.0m.

Adult Mental Health & Disability Services

The Directorate is reporting a deficit of £0.041m (0.1%) as at 31 December 2017 which mainly relates to Independent Nursing Home costs. The Directorates projected deficit in the Trust's financial plan for 2017/18 is £0.3m. The financial performance at 31 December 2017 is in line with the Trust's financial plan.

Support Directorates

The Support Directorates are underspent mainly due to vacancy control and restraint on non-pay expenditure.

Corporate Non Pay Budgets

Corporate non pay budgets are overspent by £0.533m (1.1%) mainly due to Pharmacy and maintenance contracts.

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

Other Income

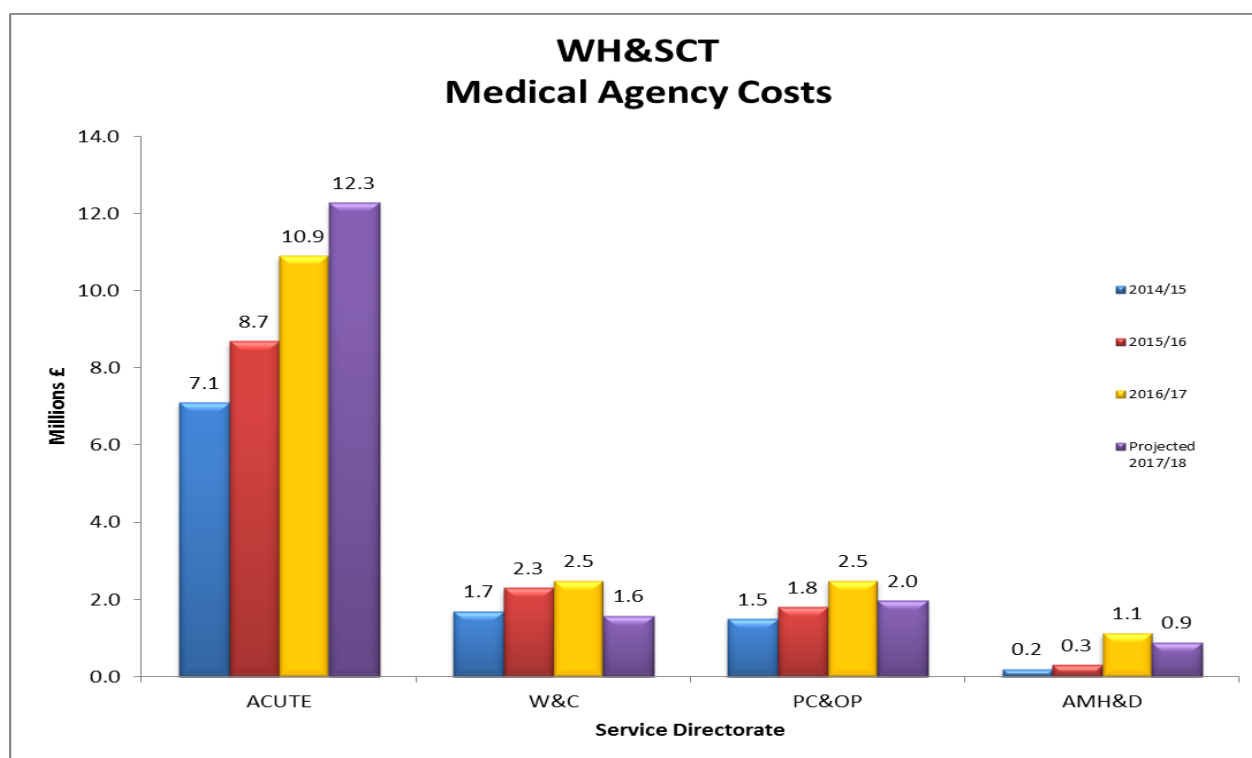
The Trust Financial Plan is projecting £37.3m of other income for 2017/18 mainly from private independent homes income and HSE.

Other Pay Costs

Table 3 – Agency/Bank/Overtime Costs by Directorate

Directorate	Cum December 2017				Increase / (Decrease) over Nov 2017 %	Increase / (Decrease) over the avg of 2016-17 %
	Agency £'000	Bank £'000	Overtime £'000	Total £'000		
Acute Services	12,186	1,294	795	14,275	22.2%	16.8%
Adult Mental Health & Disability	1,455	1,876	76	3,407	(9.9%)	5.1%
Primary Care & Older People	2,964	1,682	158	4,804	(8.7%)	(3.1%)
Women & Childrens	2,514	1,275	334	4,123	(2.7%)	4.6%
Performance & Service Improvement	1,187	1,056	221	2,464	(8.9%)	5.0%
Other Directorates	141	2	9	152	(12.4%)	93.0%
Total	20,447	7,185	1,593	29,225	6.8%	9.1%

The cumulative agency expenditure of £20.4m includes £12.6m on medical agency staff representing 61% of the total expenditure on agency staff. The graph below outlines the medical agency expenditure by Directorate for the last three years and includes a projection for 2017/18 based on Month 9 expenditure.



5. Elective Care

The HSCB has confirmed a number of allocations for Elective Care in 2017/18. The table below shows the indicative allocations and the Trust's financial assessment of the liability.

	Description	Trust Plan £'000	HSCB Indicative Allocation £'000
1	In House Q1/2	750	750
2	In House Q4	495	605
3	In House Virement to IS		(110)
4	Red Flag (WH&SCT)	147	147
5	In House – Endoscopy Q2	64	64
6	In House – Endoscopy Q3/4	320	320
7	In House – Echoes Q3/4	63	63
8	Audiology	60	60
9	IS Washthrough T&O	20	20
10	IS – Q3	800	800
11	IS – Q4	683	573
12	IS Q4 Virement from IH		110

The HSCB will monitor actual and forecast activity and expenditure levels to ensure the agreed outcomes are achieved in both activity and waiting times.

The Trust is reporting a breakeven position for the nine months ended 31 December 2017 in relation to Elective Care. The Trust has budget matched in house based on the activity recorded on the Trust PAS system as at 31 December 2017. An analysis of the financial performance is detailed below:

Elective Care Financial Performance

	Description	HSCB Indicative Allocation £'000	Budget £'000	Actual £'000	Variance £'000
1.	Independent Sector				
	1.1 Washthrough	20	20	20	0
	1.2 Q3/4	1,483	466	466	0
2.	In House				
	2.1 In House	1,839	770	770	0
3.	Admin Plan	Incl. above	124	124	0
4.	Audiology	60	35	35	0
	Total	3,402	1,415	1,415	0

6. Financial Targets Monitoring 2017/18

The Trust has an internal financial savings target (including QiCR) amounting to £14.8m and plans have been developed in full to meet this target.

The financial monitoring at 31 December 2017 is reporting savings achieved of £1.001m (77.6%) against a target of £1.290m in relation to the QiCR plans developed.

The financial monitoring of the External Savings Plan at 31 December 2017 is reporting savings achieved of £2.602m (93.4%) against a target of £2.786m leaving a shortfall of £0.184m which is mainly due to specialist placements.

7. Capital Resource Limit

The Trust has received an updated Capital Resource Limit (CRL) letter from the DoH confirming both specific and general capital allocations for 2017/18. The Trust has been allocated £37.6m as summarised in the following table:

Table 6 – Capital Resource Limit Monitoring

Project	£'000
Omagh Local Hospital	3,159
Radiotherapy	2,585
Altnagelvin Tower Block (Phase 5.1)	16,232
Theatres Altnagelvin	2,408
Cranny, Omagh	2,448
ICT	2,191
General Capital	8,055
Fire Safety	500
Total	37,578

The monitoring of the above projects is still anticipating that the Trust will contain Capital expenditure within the CRL allocation of £37.6m.

8. Prompt Payment Target

The following table summarises the prompt payment target monitoring as at 31 December 2017:

Table 7 – Prompt Payment Target

Prompt Payment Target		This Month (Number)	Cumulative to Date (Number)
1	Total bills paid	15,078	162,541
2	Total bills paid within 30 days of receipt of undisputed invoice	13,368	147,632
3	% bills paid within 30 days of receipt of undisputed invoice	88.7%	90.8%
4	Total bills paid within 10 working days	10,628	126,748
5	% bills paid within 10 working days	70.5%	78.0%

Lesley Mitchell
Director of Finance

APPENDICES

**Pay Budgetary Performance
Summary By Professional Heading
For 9 Months Ending 31st December 2017**

Directorate / Division	December 2017				November 2017	
	Budget £'000	Expenditure £'000	Variance £'000	%	Variance £'000	%
Acute Services						
Medical	40,802	40,651	(151)	(0.37%)	(298)	(0.83%)
Nursing	43,534	44,998	1,464	3.36%	1,235	3.20%
Social Services	19	36	17	89.47%	16	123.08%
Allied Health Professions	413	557	144	34.87%	130	35.52%
Psychology	304	271	(33)	(10.86%)	(26)	(9.63%)
Specialist Professions	10,293	10,759	466	4.53%	434	4.76%
Medical Technical Officers	2,504	2,139	(365)	(14.58%)	(319)	(14.34%)
Pharmacy	4,797	4,785	(12)	(0.25%)	(12)	(0.28%)
Dental	71	10	(61)	(85.92%)	(54)	(85.71%)
Administration	9,005	9,085	80	0.89%	96	1.20%
Estates	87	0	(87)	(100.00%)	(77)	(100.00%)
Support Services	326	492	166	50.92%	137	47.24%
Internal Savings Plan 2017-18	1,275	0	(1,275)	(100.00%)	(943)	(100.00%)
Total Acute Services	113,430	113,783	353	0.31%	319	0.32%
Adult Mental Health & Disability						
Medical	2,975	3,422	447	15.03%	378	14.29%
Nursing	16,800	15,750	(1,050)	(6.25%)	(760)	(5.11%)
Social Services	11,904	12,045	141	1.18%	19	0.18%
Allied Health Professions	540	430	(110)	(20.37%)	(90)	(18.91%)
Psychology	1,024	1,067	43	4.20%	66	7.52%
Administration	2,107	2,055	(52)	(2.47%)	(16)	(0.87%)
Support Services	186	173	(13)	(6.99%)	(6)	(3.68%)
General	16	16	0	0.00%	1	7.69%
Total Adult Mental Health & Disability	35,552	34,958	(594)	-1.67%	(408)	(1.30%)
Primary Care & Older People						
Medical	3,144	2,984	(160)	(5.09%)	(142)	(5.14%)
Nursing	21,929	22,519	590	2.69%	525	2.69%
Social Services	12,574	13,517	943	7.50%	828	7.42%
Allied Health Professions	13,699	13,713	14	0.10%	16	0.13%
Psychology	199	190	(9)	(4.52%)	(6)	(3.43%)
General/Specialist Professions	139	136	(3)	(2.16%)	(4)	(3.23%)
Medical Technical Officers	146	135	(11)	(7.53%)	(9)	(6.98%)
Administration	4,630	4,759	129	2.79%	119	2.90%
Support Services	0	8	8	100.00%	8	100.00%
Internal Savings Plan 2017-18	829	0	(829)	(100.00%)	(621)	(100.00%)
Total Primary Care & Older People	57,289	57,961	672	1.17%	714	1.41%
Women & Childrens						
Medical	8,393	8,144	(249)	(2.97%)	(173)	(2.32%)
Nursing	18,069	18,111	42	0.23%	36	0.22%
Social Services	18,067	19,472	1,405	7.78%	1,227	7.65%
Allied Health Professions	493	385	(108)	(21.91%)	(92)	(21.75%)
Psychology	730	697	(33)	(4.52%)	(26)	(4.06%)
Medical Technical Officers	549	537	(12)	(2.19%)	(14)	(2.86%)
Dental	536	557	21	3.92%	15	3.18%
Administration	3,505	3,414	(91)	(2.60%)	(75)	(2.43%)
Support Services	199	259	60	30.15%	52	29.38%
External Savings Plan 2017-18	(184)	0	184	(100.00%)	92	(100.00%)
Internal Savings Plan 2017-18	393	0	(393)	(100.00%)	(294)	(100.00%)
Total Women & Childrens	50,750	51,576	826	1.63%	748	1.66%
Medical						
Nursing	624	598	(26)	(4.17%)	(26)	(4.68%)
Allied Health Professions	29	32	3	10.34%	3	11.54%
Medical	28	34	6	21.43%	6	26.09%
Administration	1,362	1,377	15	1.10%	15	1.24%
Total Medical	2,043	2,041	(2)	(0.10%)	(2)	(0.11%)
Performance Management & Service Improvement						
Medical	0	0	0	100.00%	0	100.00%
Nursing	146	182	36	24.66%	29	22.14%
Social Services	0	46	46	100.00%	41	100.00%
Allied Health Professions	101	85	(16)	(15.84%)	(12)	(13.48%)
Medical Technical Officers	386	369	(17)	(4.40%)	(14)	(4.08%)
Administration	6,594	6,359	(235)	(3.56%)	(206)	(3.51%)
Estates	3,836	3,727	(109)	(2.84%)	(116)	(3.38%)
Support Services	14,989	14,852	(137)	(0.91%)	(122)	(0.92%)
External Savings Plan 2017-18	0	0	0	100.00%	37	100.00%
Total Performance Management & Service Improvement	26,052	25,620	(432)	(1.66%)	(363)	(1.57%)
Finance						
Administration	2,560	2,544	(16)	(0.63%)	(7)	(0.31%)
Total Finance	2,560	2,544	(16)	(0.63%)	(7)	(0.31%)
Human Resources						
Medical	180	194	14	7.78%	13	8.13%
Nursing	301	290	(11)	(3.65%)	(6)	(2.26%)
Social Services	31	31	0	0.00%	0	0.00%
Allied Health Professions	46	47	1	2.17%	1	2.44%
Administration	2,220	2,135	(85)	(3.83%)	(92)	(4.63%)
Total Human Resources	2,778	2,697	(81)	(2.92%)	(84)	(3.38%)
Corporate / Trustwide						
Medical	190	260	70	36.84%	62	35.03%
Nursing	89	238	149	167.42%	132	160.98%
Administration	1,848	1,575	(273)	(14.77%)	(259)	(15.71%)
Support Services	0	14	14	100.00%	12	100.00%
Apprenticeship Levy	1,123	1,123	0	0.00%	0	0.00%
Total Corporate / Trustwide	3,250	3,210	(40)	(1.23%)	(53)	(1.82%)
Total	293,704	294,390	686	0.23%	864	0.33%

Cumulative all Directorates	December 2017				November 2017	
	Budget £'000	Expenditure £'000	Variance £'000	%	Variance £'000	%
Medical	55,712	55,689	(23)	(0.04%)	(154)	(0.31%)
Nursing	101,492	102,686	1,194	1.18%	1,165	1.29%
Social Services	42,595	45,147	2,552	5.99%	2,131	5.64%
Allied Health Professions	15,321	15,249	(72)	(0.47%)	(44)	(0.32%)
Psychology	2,257	2,225	(32)	(1.42%)	8	0.41%
Specialist Professions	10,432	10,895	463	4.44%	430	4.65%
Medical Technical Officers	3,585	3,180	(405)	(11.30%)	(356)	(11.17%)
Pharmacy	4,797	4,785	(12)	(0.25%)	(12)	(0.28%)
Dental	607	567	(40)	(6.59%)	(39)	(7.29%)
Administration	33,831	33,303	(528)	(1.56%)	(425)	(1.42%)
Estates	3,923	3,727	(196)	(5.00%)	(193)	(5.50%)
Support Services	15,700	15,798	98	0.62%	81	0.58%
General	16	16	0	0.00%	1	7.69%
Apprenticeship Levy	1,123	1,123	0	0.00%	0	0.00%
External Savings Plan 2017-18	(184)	0	184	(100.00%)	129	(100.00%)
Internal Savings Plan 2017/18	2,497	0	(2,497)	(100.00%)	(1,858)	(100.00%)
Total Cumulative	293,704	294,390	686	0.23%	864	0.33%

Non Pay Budgetary Performance
Cumulative for the 9 months ended 31st December 2017

BUDGET HEADING	DECEMBER 2017				NOVEMBER 2017	
	BUDGET £'000	EXPENDITURE £'000	VARIANCE £'000 %		VARIANCE £'000 %	
OTHER TREATMENT DEPTS	64	61	(3)	(4.7)	1	1.8
XRAY	1,327	1,232	(95)	(7.2)	(95)	(7.9)
PHARMACY	12,180	12,974	794	6.5	965	8.9
LABS	4,418	4,734	316	7.2	231	5.8
CATERING	2,185	1,949	(236)	(10.8)	(205)	(10.6)
PATIENTS CLOTHING	606	726	120	19.8	112	20.9
STAFF UNIFORMS	332	310	(22)	(6.6)	(25)	(8.5)
HEAT, LIGHT & POWER	5,123	5,052	(71)	(1.4)	(85)	(2.0)
BUILDING & ENGINEERING	2,330	2,577	247	10.6	251	12.5
PHARMACY - MAINTENANCE & REPAIRS	1,445	1,560	115	8.0	89	6.8
BEDDING & LINEN	325	319	(6)	(1.8)	(3)	(1.0)
RENT, RATES, INSURANCE & WATER	5,389	5,252	(137)	(2.5)	(101)	(2.1)
GENERAL SERVICES	1,701	1,867	166	9.8	462	36.1
ADMIN & LEGAL	891	777	(114)	(12.8)	(85)	(10.8)
TRANSPORT	890	764	(126)	(14.2)	(106)	(13.5)
POSTAGES & TELEPHONES	1,063	923	(140)	(13.2)	(126)	(13.3)
TRAVEL & COURSES	6,354	5,876	(478)	(7.5)	(484)	(8.5)
HOTEL SERVICES	1,083	1,036	(47)	(4.3)	(35)	(3.6)
CHILDCARE SERVICES	2,397	2,938	541	22.6	534	25.5
SOCIAL SERVICES	995	886	(109)	(11.0)	(94)	(10.6)
DISABILITY SERVICES	2,884	3,231	347	12.0	274	10.6
FOSTERCARE & ADOPTION	6,174	6,700	526	8.5	509	9.3
DOMICILARY CARE	22,579	23,211	632	2.8	569	2.9
ACCESS TARGETS - INDEPENDENT SECTOR	486	486	0	0.0	0	0.0
INFORMATION TECHNOLOGY	1,104	1,331	227	20.6	200	23.1
HIRE OF VEHICLES/TAXIS	552	497	(55)	(10.0)	(31)	(6.4)
TRUST AGENCY AGREEMENTS	4,320	4,377	57	1.3	47	1.2
CONTROLLED EQUIPMENT	281	281	0	0.0	0	0.0
CARE CONTRACTS & GRANT AID	14,839	14,925	86	0.6	104	0.8
INDEPENDENT HOMES	44,210	44,589	379	0.9	269	0.7
PFI	14,972	14,959	(13)	(0.1)	(13)	(0.1)
STAFF ADVERTISING	175	119	(56)	(32.0)	(46)	(28.9)
DRUGS	13,084	13,084	0	0.0	0	0.0
TOTAL	176,758	179,603	2,845	1.6	3,083	2.0