



Western Health
and Social Care Trust

Financial Performance Report

**for the ten months ended
31 January 2020**

Western Health and Social Care Trust

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1. Financial Plan 2019/20

The Trust is reporting a year-end deficit of £21.7m and DoH has given the Trust an authorised control total for this.

Table 1 below shows the most recent forecast deficit for 2019-20.

This position is assuming that any further pressures are managed by the Trust in year. However, the most significant risks are the need for resilience during the final two months and the achievement of savings plans / continued run-rate reductions.

Directorates are continuing to review their savings options to try to identify any that could be brought forward to cover these costs or in year slippage opportunities.

Table 1 – Forecast Deficit 2019/20

	£m
Opening Deficit 1 April 2019	39.0
Less Income received July 2019	(9.0)
Add new 2019/20 savings requirement	11.3
Revised Opening Deficit 2019/20	41.3
Review of expenditure / grip and control (Sept 19)	(3.9)
Less Pressures funding (share of £46m regionally)	(5.3)
Less Pressures funding (share of £10m regionally)	(1.9)
Funding slippage	(0.7)
Savings Plan 2019 / 20 achieved	(4.6)
Savings Plan 2019 /20 MORE Pharmacy Savings achieved	(0.8)
Further Grip & Control Women & Children's Directorate	(0.7)
Run rate reduction – net of increase in expenditure (Acute) achieved	(0.4)
Confirmed Position at Month 10	23.0
Planned Savings Months 11-12	
Savings Plan – Pharmacy – further savings to be achieved	(0.2)
Tactical Savings/General Run-rate (Grip and Control)	(1.1)
Forecast Deficit 2019/20	21.7
Approved Control Total – January 2020	(21.7)

2. Financial Position as at 31 January 2020

The Trust is reporting a deficit of £18.2m (3.1%) in the current period.

This shows that the Trust needs to maintain the delivery of savings for the remainder of the financial year through a combination of tactical plans/general run rate grip & control and pharmacy efficiency (MORE) savings.

Whilst this figure needs to be maintained in the final two months, it reflects the work done since February/March 2019.

Table 2 - Summary Financial Performance by Directorate

Directorate	Budget	Expenditure	Variance		December Variance	
	£'000	£'000	£'000	%	£'000	%
Acute Services	163,459	180,061	16,602	10.2%	14,982	10.2%
Adult Mental Health & Disability	82,737	81,978	(759)	(0.9%)	(574)	(0.8%)
Primary Care & Older People	149,936	152,173	2,237	1.5%	2,098	1.6%
Women & Childrens	82,511	87,348	4,837	5.9%	4,334	5.8%
Medical	3,404	3,236	(168)	(4.9%)	(144)	(4.7%)
Performance & Service Improvement	36,480	35,088	(1,392)	(3.8%)	(1,102)	(3.4%)
Finance & Contracting	7,608	7,609	1	0.0%	0	0.0%
Human Resources	3,567	3,324	(243)	(6.8%)	(179)	(5.6%)
Corporate	2,636	2,694	58	2.2%	59	2.5%
Trust Wide Corporate Services	525	563	38	7.2%	34	7.2%
Corporate Pay & Non-Pay	61,789	61,322	(467)	(0.8%)	(850)	(1.5%)
Corporate Solutions	11,177		(11,177)	(100.0%)	(9,867)	(100.0%)
Savings Target 2019-20	(8,655)		8,655	100.0%	7,790	100.0%
Reported Deficit	597,174	615,396	18,222	3.1%	16,581	3.1%

The Acute Directorate is reporting in this period a deficit of £17m (10.2%). The grip & control run rate monitoring is reporting in the current period an increase in expenditure of £2.6m compared to the March baseline. This is mainly within medical and nursing pay budgets, patient appliances, labs, travel non-pay, under delivery of tactical savings plans and specialist drugs. This will require an urgent improvement plan to support any risk to the 2020/21 financial plan. Usage of expensive flexible staffing to support service delivery is a consistent solution in the delivery of hospital services.

The AMHD Directorate is reporting in this period a surplus of £0.8m (0.9%). The grip & control run rate monitoring is reporting in the current period an increase in expenditure of £3.5m compared to the March baseline; however, this increase remains within budget i.e. it has been funded. The key risk over the coming months is the implementation of the Mental Capacity Act and the recurrent funding of the high cost and transitional clients.

The PCOP Directorate is reporting in this period a deficit of £2.2m (1.5%). The grip & control run rate monitoring is reporting in the current period a decrease in expenditure of £1.7m compared to the March baseline. The key risk over the coming months is the management of the winter service pressures.

The W&C Directorate is reporting in this period a deficit of £4.8m (5.9%). The grip & control run rate monitoring is reporting in the current period a decrease in expenditure of £2.0m compared to the March baseline. The key risks over the coming months are further expensive childcare placements, 16+ bespoke arrangements and confirmation of funding for an expensive placement following RQIA recommendations circa £600k.

Other Pay Costs

Table 3 – Agency/Bank/Overtime Costs by Directorate

Directorate	Cum January 2020				Increase / (Decrease) over the avg April - Dec 2019 %	Increase / (Decrease) over avg 2018/19 %
	Agency	Bank	Overtime	Total		
	£'000	£'000	£'000	£'000		
Acute Services	20,343	1,643	1,086	23,071	(1%)	15%
Adult Mental Health & Disability	2,482	2,728	122	5,332	(20%)	3%
Primary Care & Older People	5,703	2,178	268	8,149	(13%)	5%
Women & Childrens	3,661	1,505	416	5,581	(4%)	(15%)
Performance & Service Improvement	1,306	841	192	2,339	(12%)	3%
Other Directorates	346	48	20	414	(18%)	23%
Total	33,840	8,942	2,104	44,886	(6%)	6%

Other Pay Cost Key Highlights:

- Agency expenditure of £33.8m, which includes £18.7m (55%) on medical agency staff and £7.8m (23%) on nursing agency staffing.
- The average expenditure for the first 10 months of 2019/20 has increased by 6% compared to the same period last year.
- The Trust has a number of improvement 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 is outlined in the table below:

Table 4 – Tactical Savings Plan Monitoring

Directorate	Planned TYE	Actual Position at 31 January 2020				
		Plan	Actual	(Surplus)/ Shortfall	Cum % Achieved	% Achieved of total target
	£000	£000	£000	£000		
Acute	2,192	1,862	1,180	682	63%	54%
Medical	250	208	213	(5)	102%	85%
Adult Mental Health	216	155	100	55	65%	46%
PCOP	848	569	805	(236)	142%	95%
W&C	1,319	981	981	0	100%	74%
PSI	1,853	1,340	1,314	26	98%	71%
Total	6,678	5,115	4,593	523	90%	69%

The financial monitoring of the tactical savings plans is reporting savings of £4.6m (90%) against the plan of £5.1m, therefore reporting an off plan position of £523k (10%). The current forecast deficit is assuming the £6.7m tactical savings plans will be achieved, however based on the January monitoring, an under delivery of £0.8m is forecasted. A corporate contingency plan has been developed to address this off plan position.

The Trust has carried out a financial assessment on the full year effect of the savings which is projected at £7m compared to the original planned £8m. The main reason for the shortfall is under-delivery in savings associated with the Altnagelvin Bed Redesign where there is continued reliance on temporary staffing for enhanced care and bed pressures.

Vacancy Control Target

The Trust has made an assumption it will deliver in full against the vacancy control target of £9.3m using one off opportunities in line with previous years. There is no risk to this assumption.

4. Transformation (C&S) including Elective Care

The confirmed funding for transformation projects including Mental Health for 2019-20 is £15.4m, after the retraction of £1.5m slippage. The actual expenditure as at 31 January 2020 is £11.1m (72%) on the projects to date.

The current financial assessment of the forecast expenditure is projecting slippage of £455k. The DoH/HSCB confirmed they would retract funding in line with the slippage declared in November, which was outlined in the Chief Executive's letter dated 13

December 2019. There is a risk that the Trust will be left with the unspent allocations, as it is a ring-fenced allocation. This slippage figure is now significantly less than previous months, and the main risk to year-end is in the area of Primary Care MDTs, however the amounts are low.

5. Capital Resource Limit

The Trust has received a capital allocation of **£33.6m** from the DoH for 2019/20 and the planned expenditure is as follows, and there are no risks being highlighted in relation to meeting the Capital Resource Limit in year.

Table 5 – Capital Plan

Capital Projects	£,m
Altnagelvin 5.1 – Tower Block Development	11.55
Regional Car Parking Policy	0.33
GP Improvement scheme – Trust owned	0.03
Specialist Services	0.12
Task & Finish	0.90
ICT	2.76
General Capital	15.24
Invest to Save	0.50
Transformation Capital	2.17
Other	(0.04)
Total CRL	33.56

6. Prompt Payment Target

On average, 90% of undisputed invoices are 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 being monitored monthly. Based on the January monitoring, an under delivery in the tactical savings plan of £1m is forecast for 2019/20. A Corporate contingency plan has been developed to address this off plan position.
- All Directorates should continue to focus on grip & control in the run rates of expenditure.
- The Trust welcomes the DoH/HSCB confirmation of the revised control total of £21.7m for 2019/2020.

Neil Guckian
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