



Bwrdd Iechyd Prifysgol
Abertawe Bro Morgannwg
University Health Board

ABMU Finance Dept. Performance & Finance Committee

Period 12 Data (March 2018)
27th April 2018

In Month

£ 4,987,258 overspent

Type	Curr Month Budget (£'000)	Curr Month (£'000)	Curr Month (£'000)	% Variance
Income	-22,777	-27,138	-4,362	19.15%
Pay	57,765	56,489	-1,276	2.21%
Non Pay	87,177	97,802	10,625	12.19%
Total	122,165	127,152	4,987	4.08%

Cumulative

£32,417,909 overspent

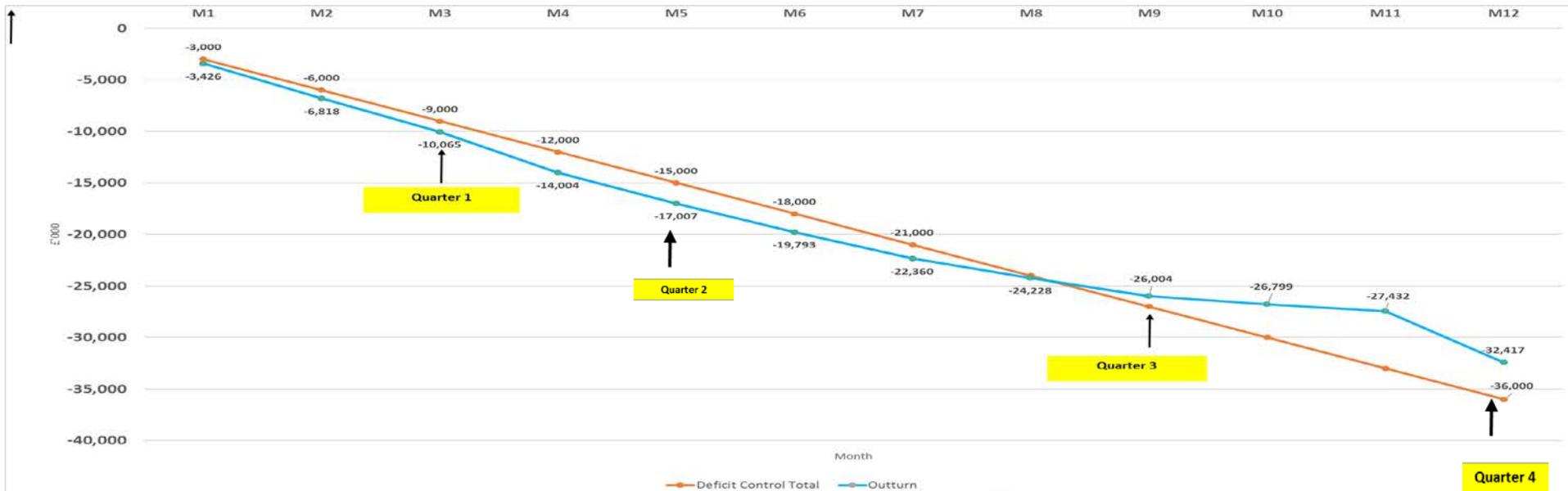
Type	YTD (£'000)	YTD (£'000)	YTD (£'000)	% Variance
Income	-239,223	-247,048	-7,824	3.27%
Pay	653,221	641,061	-12,160	1.86%
Non Pay	681,526	733,928	52,402	7.69%
Total	1,095,524	1,127,942	32,418	2.96%

Forecast

£30,000,000 overspent

Type	Full Year Budget (£'000)	Full Year Forecast (£'000)	Forecast Variance (£'000)	% Variance
Income	-235,864	-239,293	-3,428	1.45%
Pay	647,435	636,344	-11,091	-1.71%
Non Pay	647,679	692,198	44,519	6.87%
Total	1,059,249	1,089,249	30,000	2.83%

Full Year Financial Performance and Projection



Revenue		
Financial KPIs : To ensure that net operating costs do not exceed the revenue resource limit set by Welsh Government	Value '000	Trend
Reported in-month financial position – deficit/(surplus) – Forecast Red	4,987	
Reported year to date financial position – deficit/(surplus) – Forecast Red	32,417	

Capital		
Capital KPIs: To ensure that costs do not exceed the Capital resource limit set by Welsh Government	Value £000	Trend
Current reported year end forecast – deficit/(surplus) – Forecast Green	(41)	

PSPP		
PSPP Target : To pay a minimum of 95% of all non NHS creditors within 30 days of receipt of goods or a valid invoice	Value %	Trend
Cumulative year to date % of invoices paid within 30 days (by number) – Forecast Red	94.0	

Revenue Narrative

1. The Health Board draft year-end position for 2017/18 is an overspend of £32.417m.
2. The year end forecast of £30m included an anticipated claw back of RTT performance funding of £4.8m. However the actual claw back was £7.4m, which resulted in a year-end overspend of £32.417m. The year end position without this higher than expected RTT claw back would have been overspend of £29.817m

Capital Narrative

1. The final position for 2017/18 shows a small under spend of £0.041m against the final CRL of £40.093m issued by the Welsh Government on 29th March 2018.
2. There is a net underspend compared to plan on schemes funded by WG of £161k . This was managed within the Health Boards position and where required will be factored into the Health Boards 18/19 discretionary plan.

PSPP Narrative

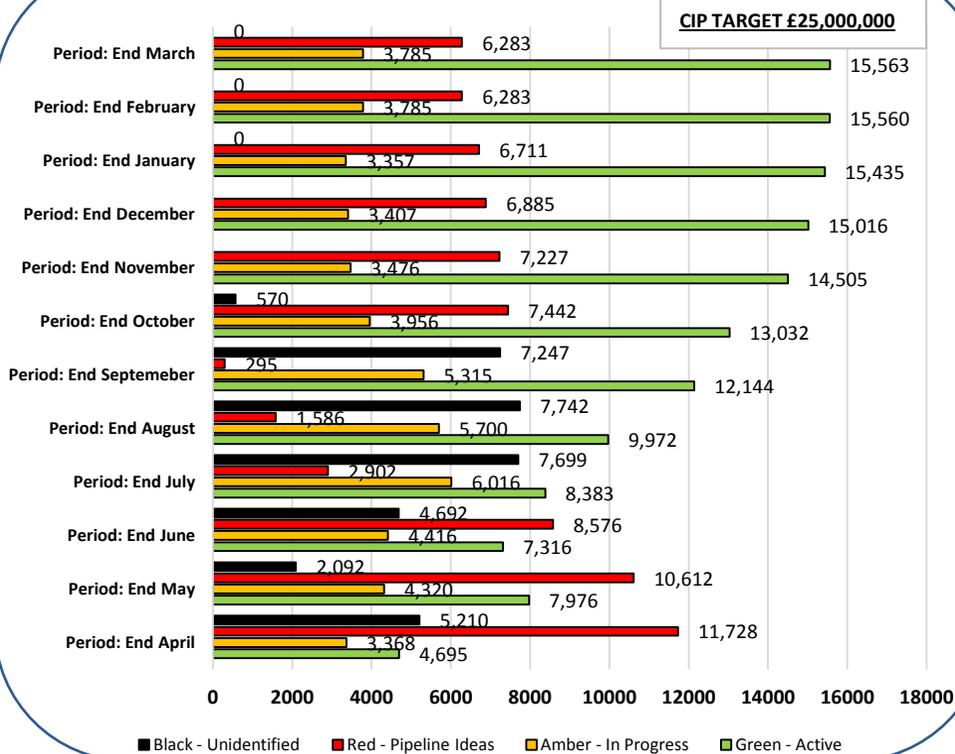
1. The number of invoices paid within 30 days for 2017/18 was below the 95% target, although the cumulative compliance increased from 93.9% at the end of February to 94% as the end of March.
2. The failure to achieve the compliance target was primarily due to delays earlier in the year in the processing of nurse bank invoices. Additional resources were put in to this area which improved the PSPP performance but this came too late to increase the compliance to 95% for the full year .

	Assessed Carry Forward	Year End	Variance from
	£000	Outturn	Carry Forward
	£000	£000	£000
Service Delivery Units			
Singleton	2,554	6,616	4,062
POW	3,059	2,144	-915
Morrison	8,706	11,343	2,637
Mental Health & LD	0	-2,283	-2,283
PC & Community	50	-208	-258
NPT Unit	43	-686	-729
Directorates			
Nurse Director	45	-211	-256
Medical Director	0	-320	-320
Workforce & OD	433	-95	-528
Informatics	881	222	-659
Finance	0	78	78
Board Secretary	95	-29	-124
Director of Therapies	-4	-36	-32
Director of Strategy	3,298	2,788	-510
Corporate I&E	0	275	275
Delegated Budget Position	19,160	19,598	438
Corporate Plan	16,840	12,819	-4,021
Health Board Position	36,000	32,417	-3,583

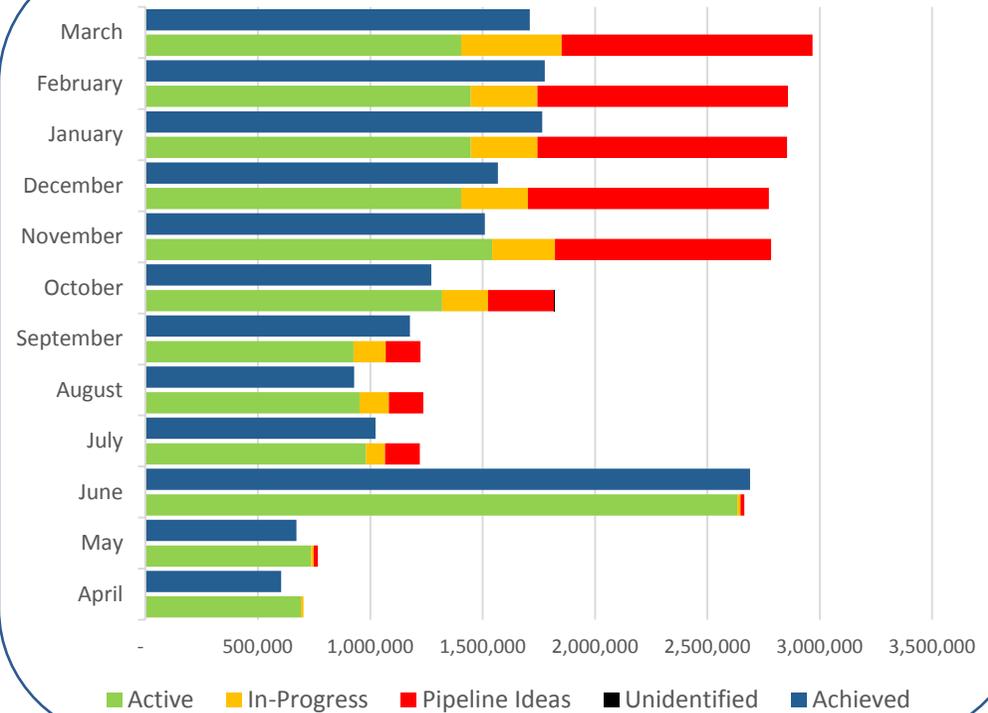
- The £32.417m outturn position whilst above the £30m planned deficit is £3.5m lower than the planned deficit of £36m.
- The overall delegated budget position was broadly in line with plan however there are significant variances across SDU's and Directorates. The significant adverse variances being Singleton & Morrison.
- The improvement in the financial position reflects the use of Corporate opportunities to mitigate risks and support the improvement of the financial position.

Savings Analysis

Trend over time



Current Profile of Savings



Narrative

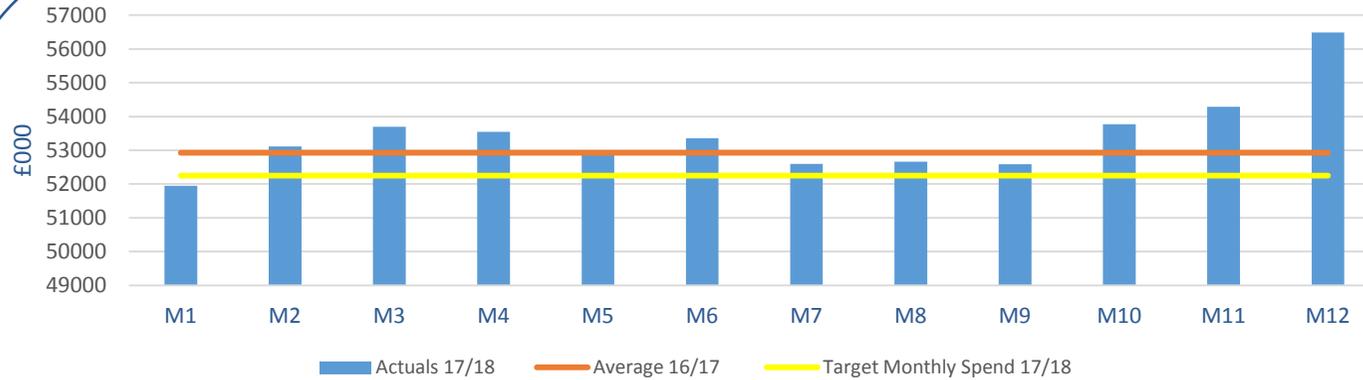
- At this late stage in the year there is very little movement on savings schemes identified

Narrative

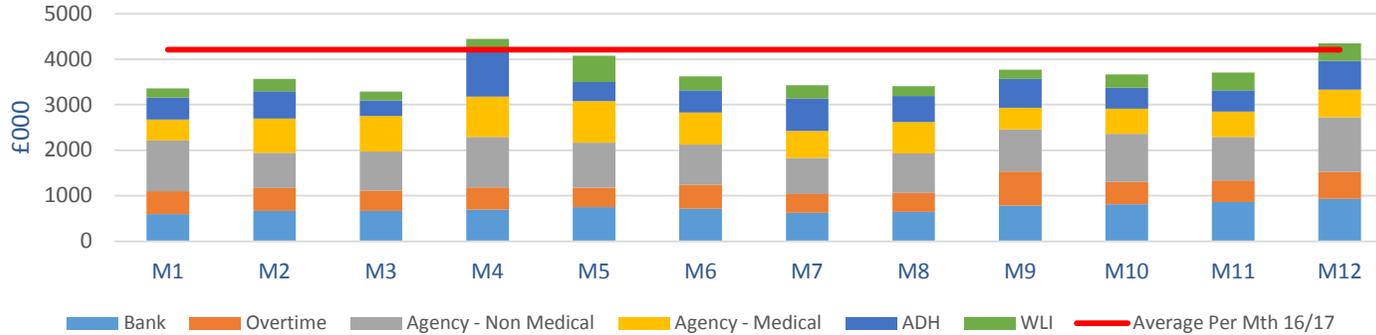
- The increased level of savings delivery reported in January and February has been sustained.
- The green and amber rated schemes have had a high delivery rate.
- The delivery failure of the Red schemes has been mitigated by other opportunities and actions, many of which are non-recurrent and it is essential that the Red schemes continue to be driven to ensure full delivery from April 2018.

Health Board – Pay Position

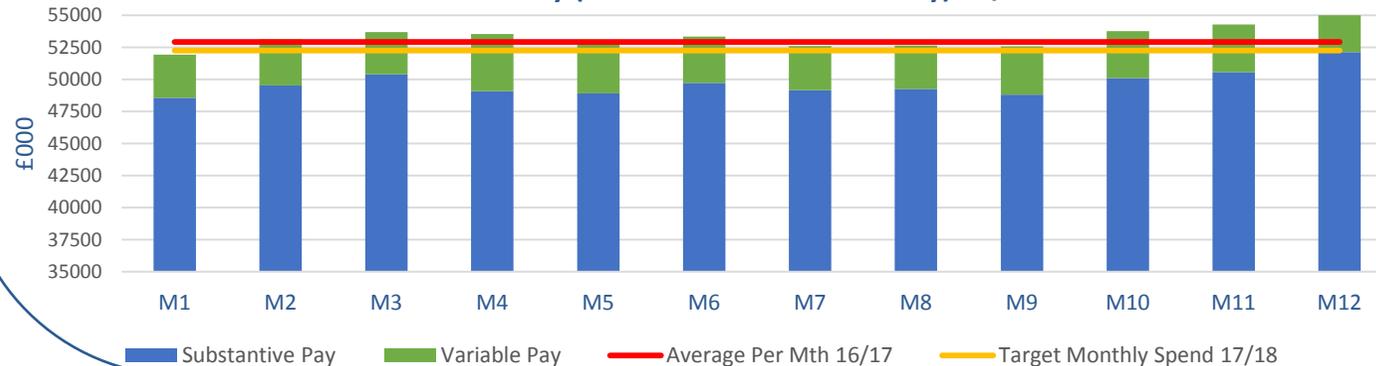
Actual Pay Expenditure 17/18 and Average 16/17



Variable Pay Trend 17/18 By Type

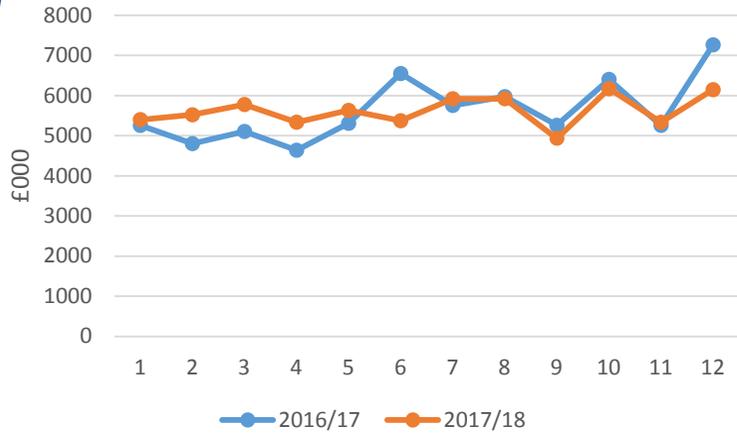


Total Actual Pay (Substantive vs Variable Pay) 17/18

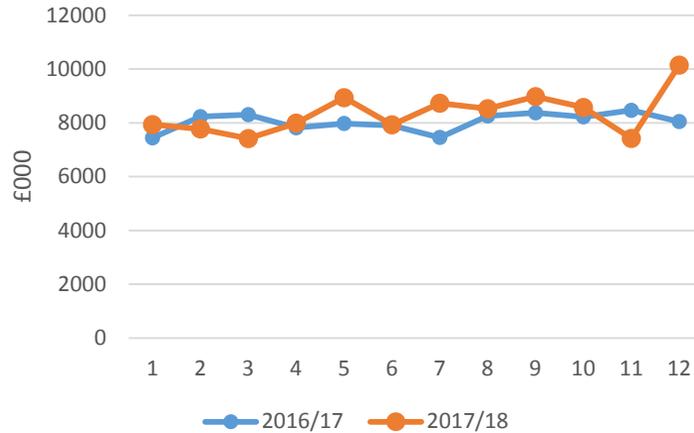


- The pay expenditure has been higher in the final quarter of the financial year. This reflects the increased cost impact of RTT performance and winter pressures.
- In addition M11 and M12 also include bank holiday enhancement payments.
- The total variable pay spend in 2017/18 has been lower than in 2016/17 by £4.9m. The most significant reduction has been in agency spend within medical, admin and clerical and additional clinical support staff groups.

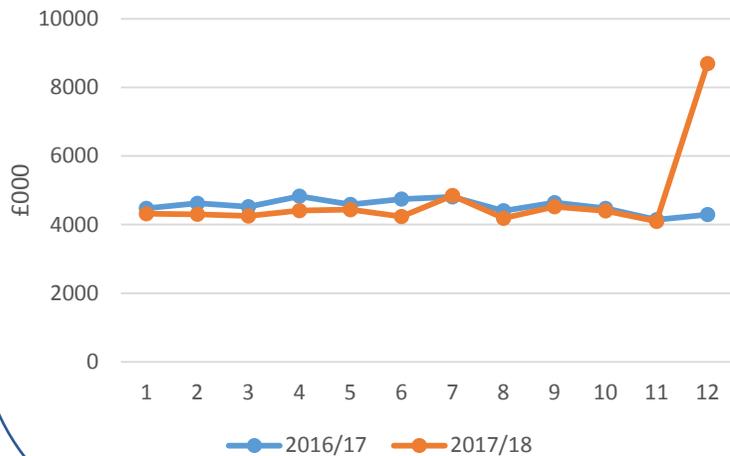
Secondary Care Drugs



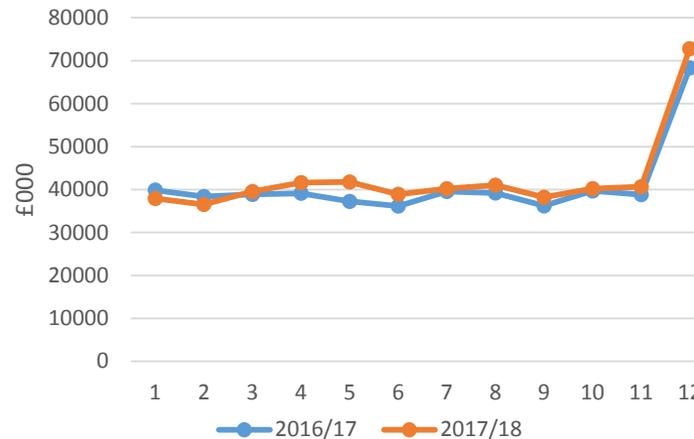
Primary Care Drugs



ChC/FNC



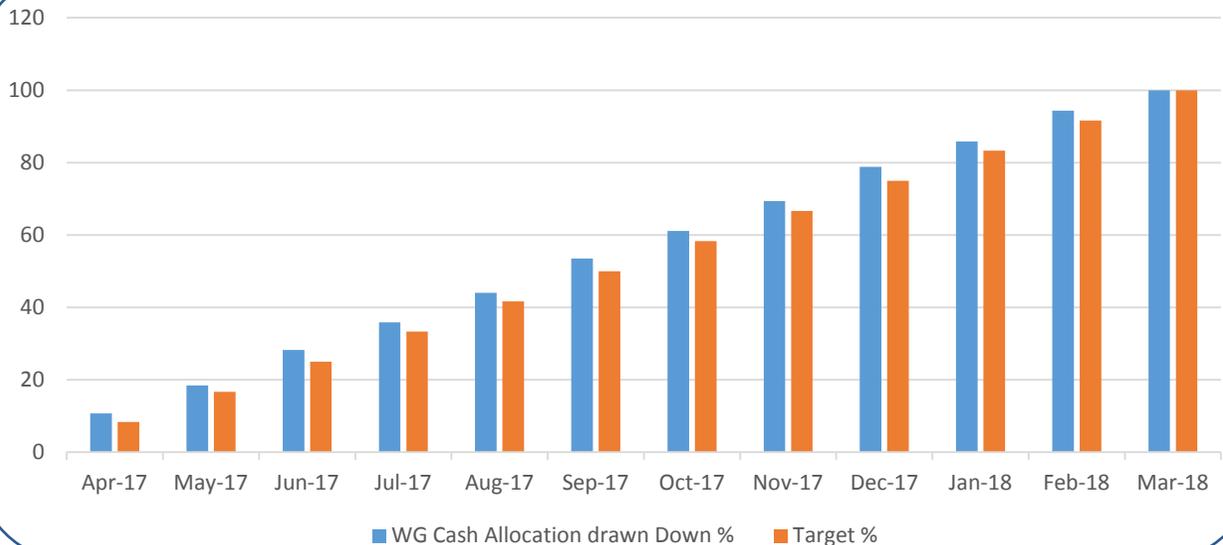
Other Non Pay



- Secondary Care drugs spend has been relatively stable in 2017/18 and total annual spend has been contained to prior year levels.
- Primary Care drugs are extremely volatile and there have been significant pressures during 2017/18 due to NCSO price concessions.
- ChC/FNC has been stable throughout 2017/18. The spike in expenditure in March reflects the accounting for FNC judicial review and ChC Ombudsman impacts.
- Other non pay held well during 2017/18. This expenditure covers a wide range of costs., including all clinical and general supplies, utilities, maintenance, travel as well as Primary Care contracts and other Primary Care related expenditure. This expenditure also includes depreciation which accounts for over 50% of the of the Month 12 expenditure spike.

Health Board Cash

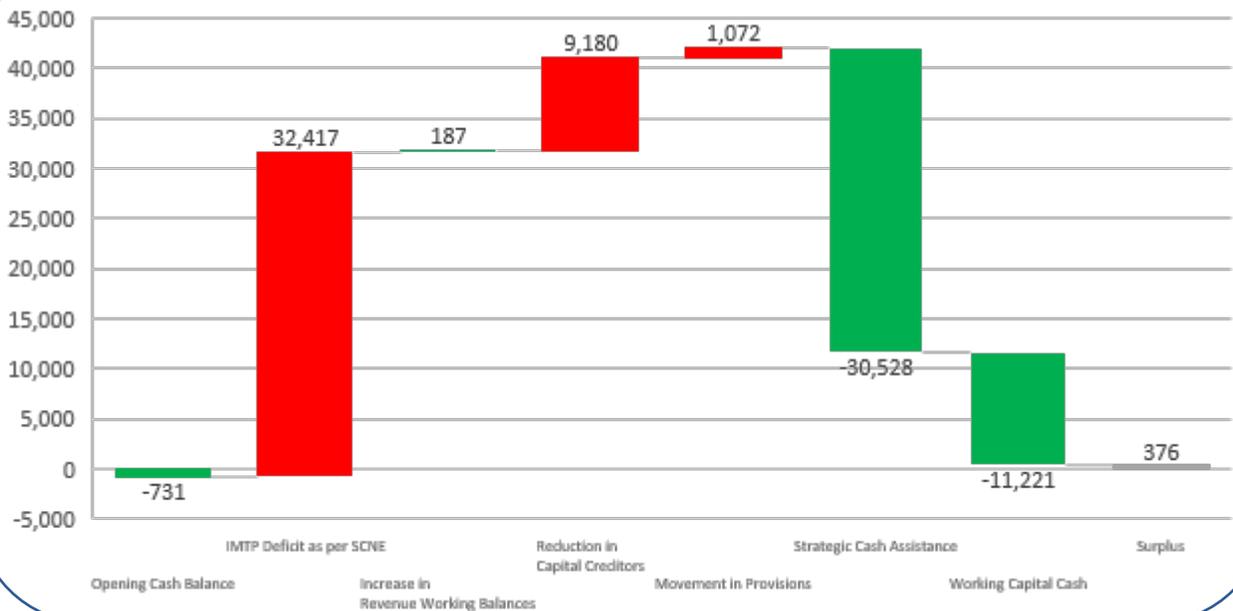
Welsh Government Draw Down



Narrative

- The health board achieved a year end cash balance of £0.376m. This was achieved following receipt of £11.221m of cash to support movement in working balances and £30.528m of strategic cash assistance from Welsh Government.

Analysis of Forecast Cash Deficit



Winter Pressure Plan

	Agreed Funding £000	2017/18 Spend £000
Initial Winter Plan	500	500
Support to Sustain Elective Capacity	823	679
Additional Winter Schemes	1,701	1,742
Total	3,024	2,921

Winter Pressure Plan

- Winter Pressures financial assumptions are made up of three elements;
 - the initial winter plan funding £0.5m,
 - support to sustain elective capacity from Performance monies £0.823m,
 - Winter Pressures funding allocated by WG £1.701m
- The initial winter plan funding of £0.5m, enabled a range of schemes to be agreed. The costs reflected a 3 month time period. Some of the funding has been utilised earlier than plan and the impact of continuing to the end of the financial year, will be met through seasonal pressures funding.
- Two schemes to sustain elective capacity were agreed, Theatre Admissions Unit and additional Critical Care capacity.
- The additional winter pressures funding allocated by WG has been utilised for a wide range of schemes in secondary care, community and primary care. Schemes in excess of the £1.7m were identified, however due to implementation slippage, the costs were only slightly higher than the funding available.

RTT Funding Available

	£000
Internal Funding for Q1	1,000
WG Performance Support	10,070
Less TAU	- 573
Less Critical Care	- 250
	10,247
Spend to Date	- 7,710
Remaining Allocation	2,537

Narrative - RTT

- The funding available for RTT from WG performance monies and internal resources is £10.247m.
- The expenditure to date amounts to £7.710m.
- This results in £2.537m of the additional performance monies left unspent at the end of the financial year.
- The Health Board has had a funding claw back of £7.4m as the target of no more than 2640 patients waiting over 36 weeks has not been achieved. £4.8m of this claw back was anticipated within the £30m forecast year-end overspend. The additional claw back has resulted in the £30m forecast deficit being breached.

RTT Spend @ End P12

WLI	Q1 Spend	Q2 Spend	Q3 Spend	Q4 Spend	Total Spend
Morrison	295,664	219,663	495,262	1,059,160	2,069,749
POW	295,649	213,794	411,661	178,001	1,099,105
Singleton	137,099	110,588	126,073	141,749	515,509
Total WLI	728,412	544,045	1,032,996	1,378,910	3,684,363
Outsourcing	Q1 Spend	Q2 Spend	Q3 Spend	Q4 Spend	Total Spend
Morrison	88,317	457,610	843,765	1,253,935	2,643,627
POW	-	-	343,208	179,612	522,820
Singleton	-	-	267,576	591,708	859,284
Total Outsourcing	88,317	457,610	1,454,549	2,025,255	4,025,731
Total RTT Costs	Q1 Spend	Q2 Spend	Q3 Spend	Q4 Spend	Total Spend
Morrison	383,981	677,273	1,339,027	2,313,095	4,713,376
POW	295,649	213,794	754,869	357,613	1,621,925
Singleton	137,099	110,588	393,649	733,457	1,374,793
Total RTT Costs	816,729	1,001,655	2,487,545	3,404,165	7,710,094