



Bwrdd Iechyd Prifysgol  
Abertawe Bro Morgannwg  
University Health Board

# ABMU FINANCE DEPT. PERFORMANCE & FINANCE COMMITTEE – FINANCE POSITION

Period 08 Data (November 2018)

In Month

£ 1,281,968 overspent

Type	Cur Month Budget (£'000)	Cur Month Actual (£'000)	Cur Month Variance (£'000)	% Variance
Income	(20,201)	(20,478)	(277)	1.37%
Pay	63,939	63,009	(930)	1.45%
Non Pay	55,617	58,107	2,489	4.48%
Total	99,355	100,637	1,282	1.29%

Cumulative

£ 14,961,055 overspent

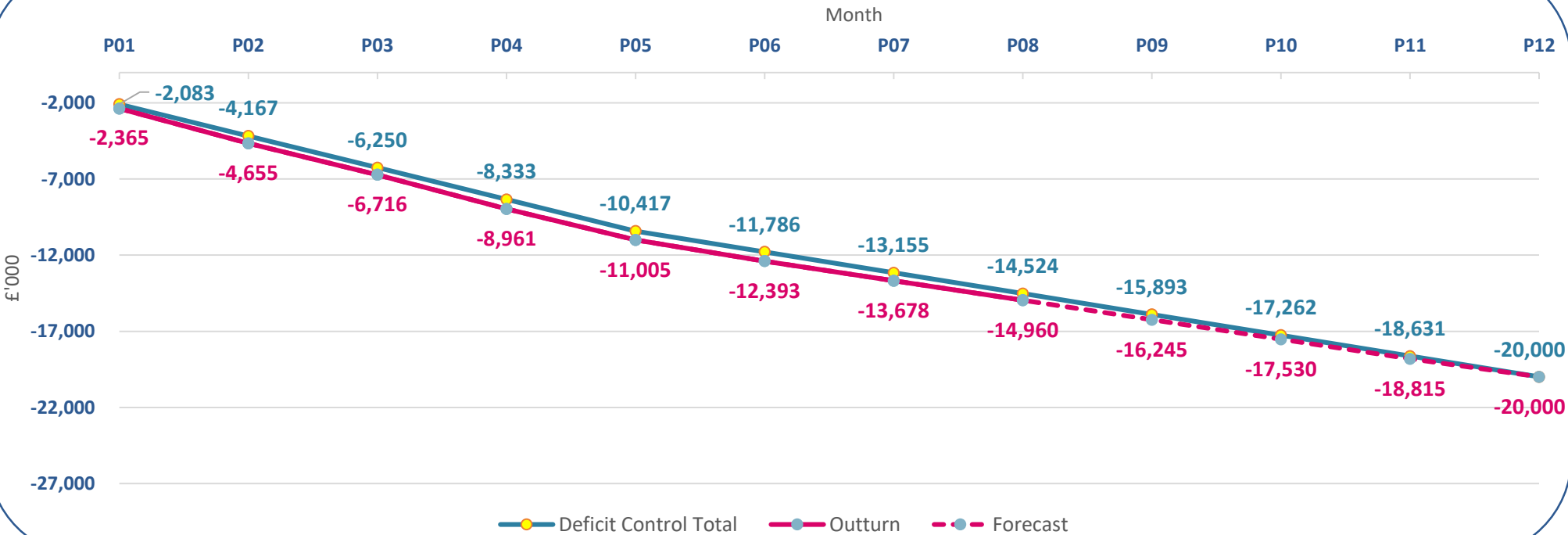
Type	YTD Budget (£'000)	YTD Actual (£'000)	YTD Variance (£'000)	% Variance
Income	(161,259)	(164,001)	(2,742)	1.70%
Pay	443,413	440,155	(3,258)	0.73%
Non Pay	446,579	467,541	20,961	4.69%
Total	728,734	743,695	14,961	2.05%

Forecast

£20,000,000 overspent

Type	Full Year Budget (£'000)	Full Year Forecast (£'000)	Forecast Variance (£'000)	% Variance
Income	(225,779)	(225,779)	-	-
Pay	646,245	646,245	-	-
Non Pay	890,897	910,897	20,000	2.24%
Total	1,311,363	1,331,363	20,000	1.50%

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	1,282	↓
Reported year to date financial position – deficit/(surplus) – Forecast Red	14,961	↑
Reported year to date compared to forecast financial plan deficit – Forecast Amber	1,628	↓
Current reported year end forecast – deficit/(surplus) – Forecast Red	20,000	→

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	Breakeven	→
Reported in-month financial position – deficit/(surplus) – Forecast Amber	(951)	↓

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	93.9	↑

## Revenue

- The Health Board P08 in-month overspend was £1.282m, which is an improvement of consistent with the P07 in-month overspend of £1.286m.
- The Board remains on target to deliver the £20m deficit control total, however it is essential that risks and opportunities are managed to ensure delivery of the control total.
- The year to date overspend is £1.628m over the £20m control total target based on 8/12<sup>th</sup> of £20m. The gap between the overspend and the control total is reducing month on month.
- The key pressures remain the affect of not delivering the required savings in full, medical agency and escalating pressures on clinical consumables.

## Capital Narrative

- Approved CRL value for 18/19 is £25.040m, This includes Discretionary Capital and the schemes under the All Wales Capital Programme.
- The Health Board has also received approval of £1.8m for the Primary Care Pipeline schemes Murton and Penclawdd , this will be received over 2 years. In addition funding of £4.6m has been approved as detailed below
  - £2m – additional discretionary
  - £1.756m- additional IM&T discretionary
  - £0.8780 – Ty Llidiard works ( Health Board to confirm value of works that can be complete in year)
 A proposal for how this funding will be allocated has been submitted to IBG for approval
- Underspend to date has reduced from prior month as identified slippage has been re allocated to other high risk priorities.

## PSPP Narrative

- Although the number of invoices paid within 30 days continues to be below the 95% target, the cumulative performance increased from 93.2% at the end of October to 93.9% at the end of November.
- The in month compliance for November was 97.6%, the third consecutive month that the target has been achieved.
- There are, however, a significant number of invoices on hold both within ABMU and across Wales as a result of the implementation of the NO PO/NO Pay policy and this is expected to impact on PSPP in future months when these invoices are paid.

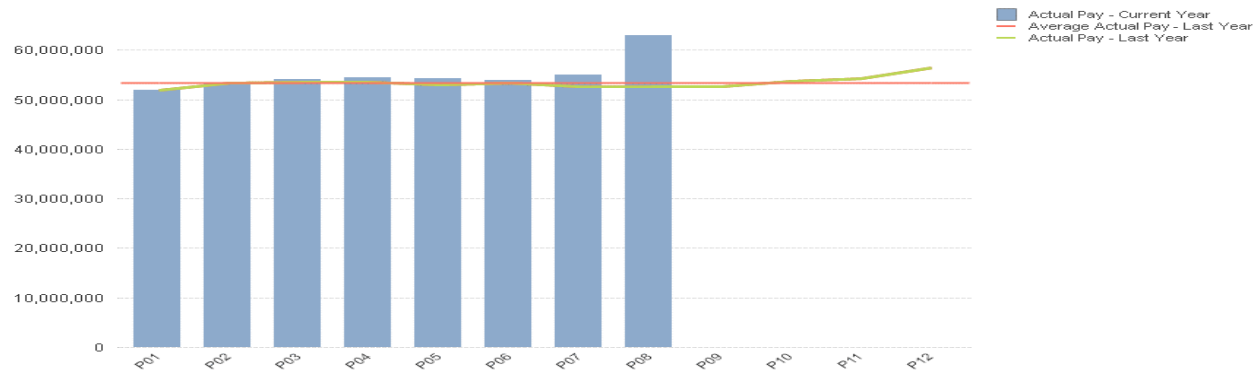
Directorate	In Month Budget	In Month Actual	In Month Variance	% Variance	Cumulative Budget	Cumulative Actual	Cumulative Variance	% Variance
MH & LD Delivery Unit	10,710,712	10,752,391	41,679	0.39%	76,772,980	76,746,755	(26,225)	(0.03)%
Morrison Delivery Unit	21,396,543	21,685,318	288,775	1.35%	152,587,558	153,781,035	1,193,477	0.78%
NPT Delivery Unit	15,167,824	15,092,653	(75,171)	(0.50)%	116,114,821	115,588,973	(525,848)	(0.45)%
POW Delivery Unit	9,589,608	9,983,889	394,281	4.11%	69,699,401	72,360,357	2,660,956	3.82%
Primary Care & Community Delivery Unit	23,147,796	23,145,413	(2,383)	(0.01)%	164,988,151	164,948,905	(39,246)	(0.02)%
Singleton Delivery unit	14,465,692	14,553,192	87,500	0.60%	102,727,993	103,462,714	734,721	0.72%
<b>Total</b>	<b>94,478,175</b>	<b>95,212,856</b>	<b>734,681</b>	<b>0.78%</b>	<b>682,890,904</b>	<b>686,888,739</b>	<b>3,997,835</b>	<b>0.59%</b>
Board Secretary	252,407	252,160	(247)	(0.10)%	2,443,341	2,469,429	26,088	1.07%
Director of Strategy	6,255,525	6,228,380	(27,145)	(0.43)%	42,112,492	42,367,071	254,579	0.60%
Director of Therapies & Health Sciences	12,838,557	12,837,778	(779)	(0.01)%	101,409,738	101,278,366	(131,372)	(0.13)%
Finance	721,061	670,352	(50,709)	(7.03)%	4,364,178	4,199,607	(164,571)	(3.77)%
Informatics	1,366,802	1,339,257	(27,545)	(2.02)%	9,140,914	8,841,416	(299,498)	(3.28)%
Medical Director	217,215	207,870	(9,345)	(4.30)%	1,541,350	1,339,636	(201,714)	(13.09)%
Nursing Director	330,111	298,997	(31,114)	(9.43)%	2,206,782	2,080,016	(126,766)	(5.74)%
Workforce & OD	549,684	546,375	(3,309)	(0.60)%	3,640,827	3,674,819	33,992	0.93%
<b>Total</b>	<b>22,531,362</b>	<b>22,381,170</b>	<b>(150,192)</b>	<b>(0.67)%</b>	<b>166,859,622</b>	<b>166,250,362</b>	<b>(609,260)</b>	<b>(0.37)%</b>
Corporate Plan	(18,596,089)	(17,845,464)	750,625	4.04%	(126,635,241)	(114,874,591)	11,760,650	9.29%
<b>Total</b>	<b>(18,596,089)</b>	<b>(17,845,464)</b>	<b>750,625</b>	<b>4.04%</b>	<b>(126,635,241)</b>	<b>(114,874,591)</b>	<b>11,760,650</b>	<b>9.29%</b>
Clinical Medical School	486,538	451,277	(35,261)	(7.25)%	3,579,281	3,490,307	(88,974)	(2.49)%
DSU	30,608	16,078	(14,530)	(47.47)%	(74,453)	(141,724)	(67,271)	(90.35)%
EMRTS Service	424,725	421,369	(3,356)	(0.79)%	2,113,418	2,081,494	(31,924)	(1.51)%
<b>Total</b>	<b>941,871</b>	<b>888,724</b>	<b>(53,147)</b>	<b>(5.64)%</b>	<b>5,618,246</b>	<b>5,430,076</b>	<b>(188,170)</b>	<b>(3.35)%</b>
<b>Total</b>	<b>99,355,319</b>	<b>100,637,287</b>	<b>1,281,968</b>	<b>1.29%</b>	<b>728,733,531</b>	<b>743,694,586</b>	<b>14,961,055</b>	<b>2.05%</b>

- The Month 8 performance for POW and Morrison was worse than forecast and these two units report the most significant overspend both in month and cumulatively. The planned recovery actions have not delivered the forecast improvement and further pressures are being identified.
- The key reasons for overspend across all Service Delivery Units are planned savings not delivering in full and some operational pressures linked to medical staffing and clinical consumables.
- In light of the current performance and the WG control total, each SDU and Directorate were set a year end control total based on savings progress and expenditure run rates, the majority of SDUs and Directorates are on track to deliver their control total or close to it, however Morrison and POW unlikely to meet their target.
- All units have been asked to examine their position, control measures and actions and to provide a re-assessed forecast with risks and opportunities clearly identified. This will enable further scrutiny and consideration of any further actions that need to be taken to ensure the delivery of the £20m Deficit Control Total

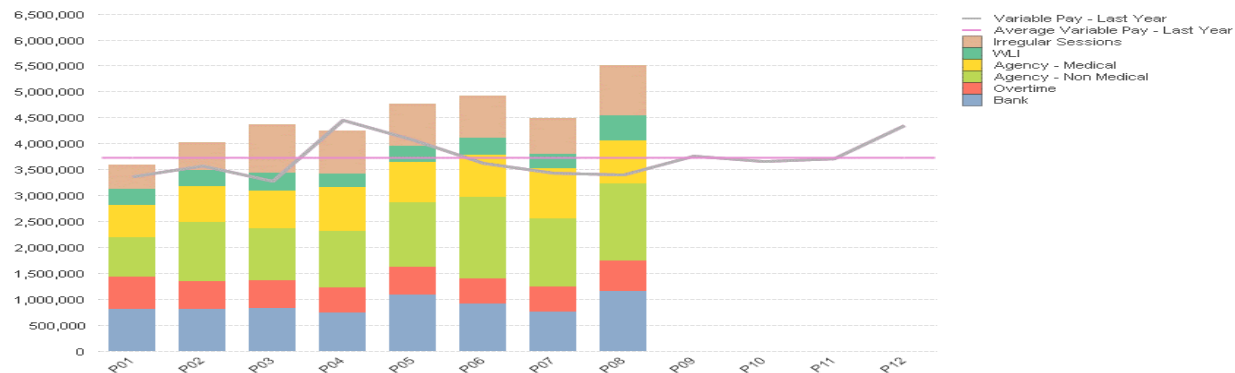
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Cumulative	Movement	Year End	Monthly Target	Distance from
	In Month	In Month	In Month	In Month	In Month	In Month	In Month	In Month	Position	in Month	Control Total	P6-12	Control Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Service Delivery Units</b>													
Singleton	96	91	103	-19	156	137	83	87	734	4	977	79	71
POW	240	278	279	366	344	297	463	396	2,663	-67	2546	148	711
Morrison	38	22	37	186	210	190	222	286	1,191	64	44	-64	890
Mental Health & LD	63	67	59	-382	98	27	0	42	-26	42	-150	-8	93
PC & Community	20	19	32	-39	9	-66	-12	-2	-39	10	-54	-14	-39
NPT Unit	0	-54	-49	-96	-64	-111	-77	-75	-526	2	-781	-74	-41
<b>Directorates</b>													
Nurse Director	-1	-9	-5	-18	-20	-21	-22	-31	-127	-9	-161	-15	-28
Medical Director	-25	-24	-31	-43	-43	-30	4	-9	-201	-13	-408	-35	69
Workforce & OD	25	14	7	10	11	-25	-4	-3	35	1	79	0	-32
Informatics	-3	-20	-114	-17	-18	-72	-28	-28	-300	0	-282	-16	-81
Finance	-1	-3	0	-2	0	-94	-14	-51	-165	-37	0	1	-162
Board Secretary	11	11	9	17	-10	-1	-11	0	26	11	0	-4	-1
Chief Operating Officer	19	50	6	39	142	1	25	-27	255	-52	0	-1	2
Director of Strategy	-17	-35	10	-7	-38	-21	-23	0	-131	23	102	-9	-18
Corporate I&E	-33	-50	23	-23	-71	-101	-199	-183	-637	16	-60	13	-523
<b>Delegated Budget Position</b>	<b>432</b>	<b>357</b>	<b>366</b>	<b>-28</b>	<b>706</b>	<b>110</b>	<b>407</b>	<b>402</b>	<b>2,752</b>	<b>-5</b>	<b>1852</b>	<b>3</b>	<b>512</b>
Corporate Plan	1,933	1,933	1,695	2,273	1,338	1,278	879	880	12,209	1	18148	1282	-408
<b>Health Board Position</b>	<b>2,365</b>	<b>2,290</b>	<b>2,061</b>	<b>2,245</b>	<b>2,044</b>	<b>1,388</b>	<b>1,286</b>	<b>1,282</b>	<b>14,961</b>	<b>-4</b>	<b>20000</b>	<b>1285</b>	<b>104</b>

- Whilst overall delegated position has performed consistently with P07, there have been improvements in the reported position for POW and some Corporate Directorates, which have been offset by deterioration in Morrison and Mental Health and LD.
- The key reason for overspend across all Service Delivery Units is not delivering planned savings in full and some operational pressures linked to medical staffing and clinical consumables.
- Following the agreement of WG control total, each SDU and Directorate was set a year end control total based on savings progress and expenditure run rates, the majority of SDUs and Directorates are on track to deliver their control total or close to it, however Morrison and POW unlikely to meet their target. This is being offset by the deployment of additional mitigating opportunities as set out in P07, strong corporate income position and some directorates and SDUs improving on their year end control total.
- All units have been asked to examine their position, control measures and actions and to provide a re-assessed forecast with risks and opportunities clearly identified. This will enable further scrutiny and consideration of any further actions that need to be taken to ensure the delivery of the £20m Deficit Control Total

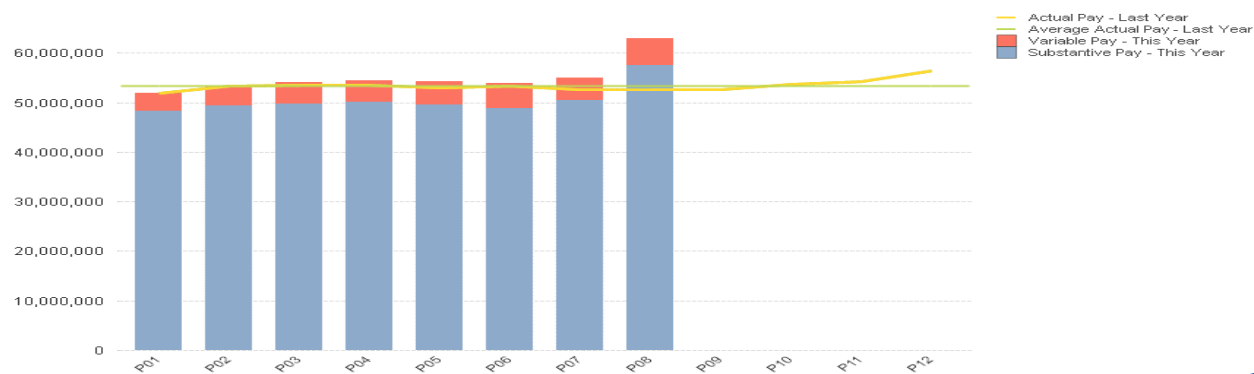
Actual Pay Expenditure This Year and Last Year



Variable Pay Expenditure This Year and Last Year

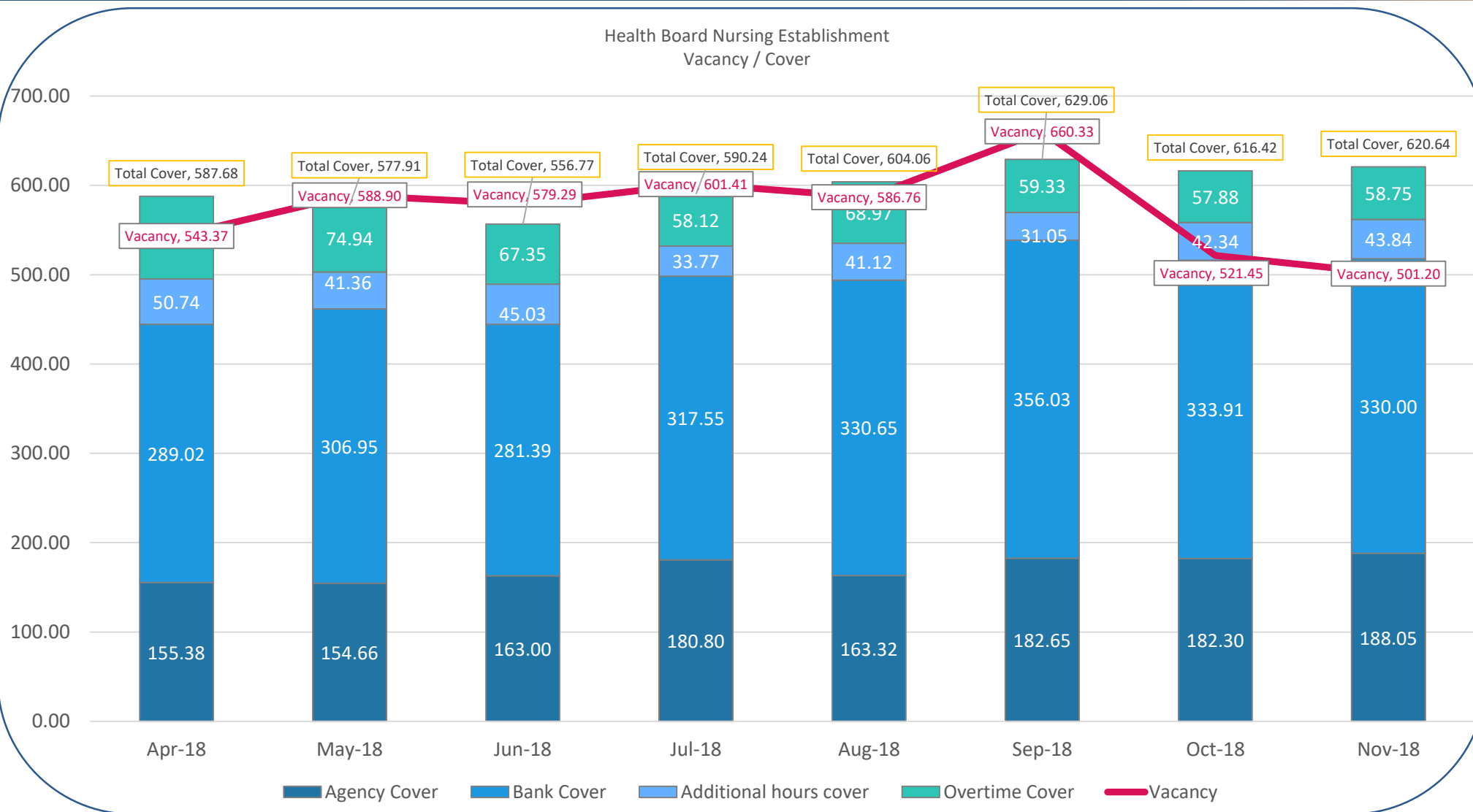


Substantive & Variable Pay Expenditure This Year and Last Year



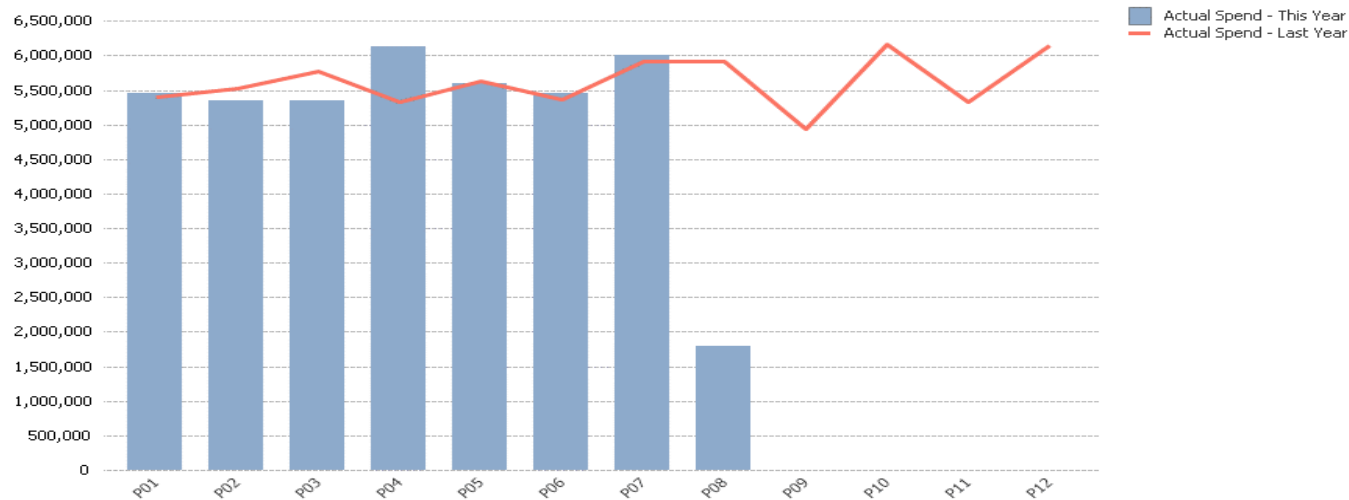
- The P08 pay position includes the pay uplift for Agenda for Change staff which is around £7.5m. However even if expenditure is adjusted for this increase, the overall pay expenditure in P08 is above the average for 2017/2018 and the actual P08 in 2017/18.
- The variable pay spend in P08 has increased, significantly. Bank and
- overtime increases are linked to the payment of A4C pay award arrears. There has been a slight increase in Non-Medical Agency. The most significant increase is in medical variable pay which has increased by £0.35m compared to last month and £0.475m compared with the average of P01-7. Medical agency spend has reduced slightly but there have been significant increases in internal ADH payments and WLI.
- Variable pay is running significantly above 2017-18 levels.

# HEALTH BOARD – PAY POSITION

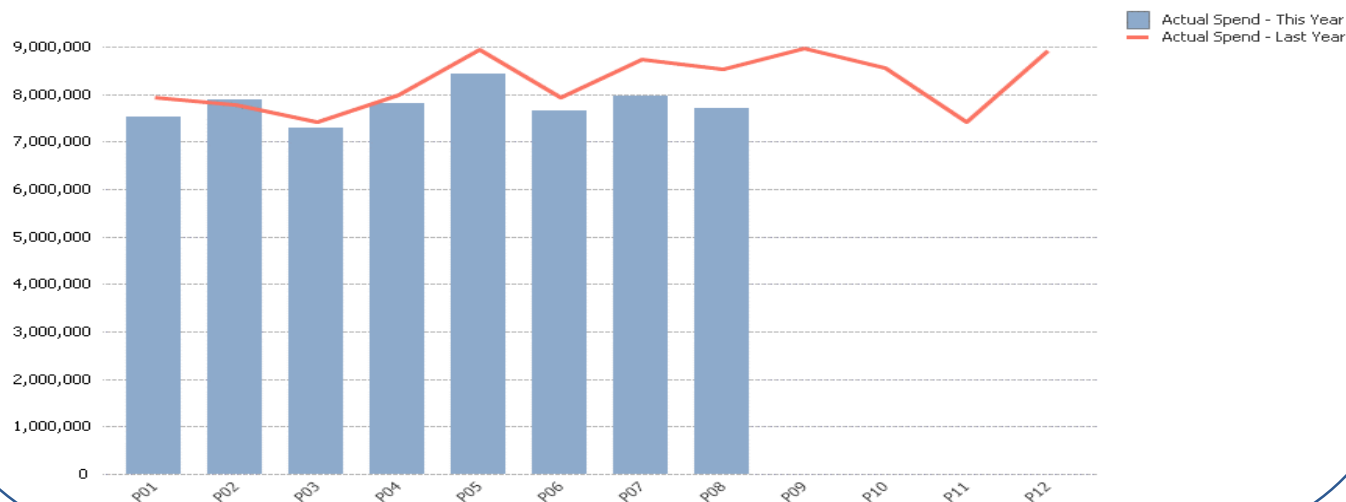


- The vacancy level has further reduced in November, however the level of cover has increase slightly
- Despite reducing vacancy levels, the level of cover provided has remained high due to additional capacity requirements linked to winter plan and increasing levels of sickness. This position is continuing to be reviewed to fully understand the impact of recruitment, sickness and capacity pressures.

## Secondary Care Drugs Trend Analysis



## Primary Care Drugs Trend Analysis

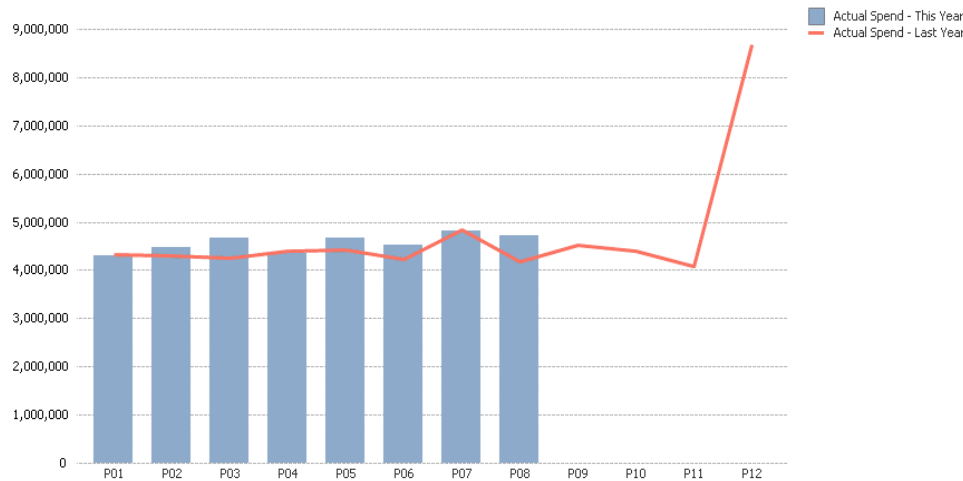


- Secondary Care drugs spend had been relatively stable in 2017/18 and has remained stable in 2018/19.
  - The reduction in drug spend in P08 reflects the release of the JAC Pharmacy over-accrual following agreement at Audit Committee.
  - The P08 costs prior to this release were around £6m which is consistent with the P07 position.
- 
- Primary Care drugs are extremely volatile and there were significant pressures during 2017/18 due to NCSO price concessions. To date the overall spend for 2018/19 is lower than that of the previous year. However there is only 6 months of actual data for 2018/19 available at this point. This continues to be monitored closely.

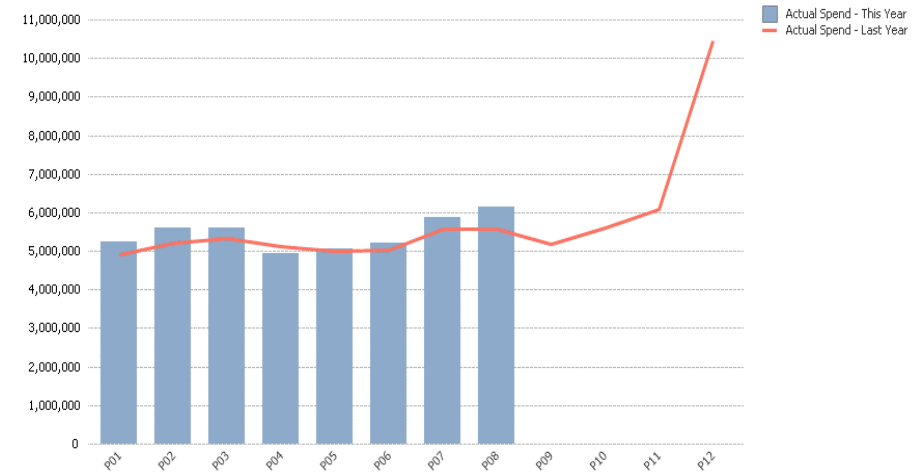


# HEALTH BOARD – NON PAY

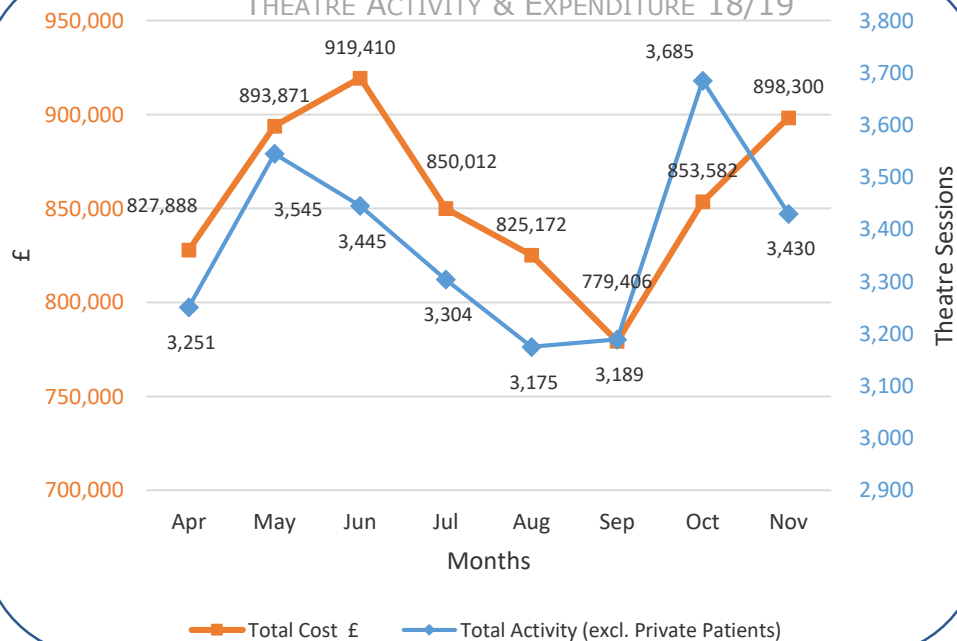
## ChC Trend Analysis



## Clinical Consumables



## THEATRE ACTIVITY & EXPENDITURE 18/19



- ChC/FNC has been stable throughout 2017/18. The spike in expenditure in March reflects the accounting for FNC judicial review and ChC Ombudsman impact. Whilst case numbers have remained stable or reducing within General ChC for a long period, the last few months have seen an increase in case numbers alongside the steady growth MH & LD cases.
- Clinical consumables spend increased further in November however theatre activity reduced. There is some evidence of stocking up for winter pressures and in readiness for Christmas supplier shut down. Further work will be done during the month to fully understand the impact of this.

## Plan Update, Forecast & Recurrent Impact

	Revised Plan PYE	Plan update	Plan Update P7	Recurrent Impact
	£m	£m	£m	£m
Underlying Position	34	34	34	34
Schemes Supporting Underlying Position not delivered		4.35	4.35	4.35
ChC Movement in Provision			-0.5	-1.3
2018/19 Anticipated New Costs	0	0	22.9	22.9
All Wales Development Top Slice	5.67	5.67	5.67	5.67
Additional Pressures : NSA		1.4	1.4	2.5
Additional Pressures : TAVI		2	1.75	0
Funding Uplift	-18.81	-18.81	-18.81	-18.81
Internal Invest to Save	1.5	0.7	0.7	1.5
Savings	0	0	-13.5	-16
Enhanced control Measures & Savings Delivery		-3.79	-3.79	-2
Operational Pressures		0.37	0.69	
Reserves Release		-1	-1	-1
2017/18 Benefits release		-1	-1	
PFI Benefit - Lifecycle increases		-0.5	-0.5	-0.5
LTA Net Inflation Increase		-0.5	-0.5	-0.5
Non-Recurrent Benefits		-1.5	-1.5	
Slippage on new monies		-1.5	-1.5	
Review of Provisions and Accruals		-4.5	-4.5	
WHSSC Slippage on Developments/Performance		-0.5	-0.5	
Terms & Conditions Funding		-0.81	-0.81	-0.81
Other Non-Recurrent Benefits		-2	-2	
GPOOH			-0.475	
Consultant Commitment Awards			-0.3	
Other Reserve Releases			-0.3	
<b>Total</b>	<b>22.36</b>	<b>12.08</b>	<b>19.975</b>	<b>30</b>

## Narrative

- The Health Board financial plan for 2018/19, the updated plan to deliver £20m control total and the recurrent impact of the plan movements are set out in the table.
- The key movements from the initial plan are :
  - Schemes supporting the underlying position not delivered
  - Additional Pressures – Nurse Staffing Act
  - Additional Pressures – TAVI
  - Savings non-delivery
  - Enhanced Control Measures
  - Mitigating Actions and Opportunities
- Whilst some operational pressure is being experienced, the key issues are related to the non-delivery of savings and the schemes supporting the underlying position which have negatively impacted on the planned position by £10.6m and are being supported by mitigating opportunities.
- The plan to deliver the £20m deficit control total anticipated the delivery of around £15m savings. As shown in Slide 12, this level of saving is unlikely to be delivered and the latest assessment shows a delivery of around £13.5m.
- The ongoing review of risks and opportunities within commitments, reserves and balance sheet have identified the means to mitigate this £1.5m, including
  - GPOOH Tax Liability over-provision £0.47m
  - ChC Retrospective Claims settlement £0.5m
  - Consultant commitment Award review £0.3m
  - Re-assessment of TAVI plan impact £0.25m
- Whilst this provides the means to deliver the £20m Control Total, it highlights the ongoing failure to deliver the planned savings and heightens the risks for the Health Board in being able to manage any unforeseen or unexpected issues that arise during the later part of the financial year.

Work Stream	18-19 Assigned Target	Total Green		Total Amber		Total Red		Total Unidentified / Shortfall Including Reds	
	(£)	(£)	%	(£)	%	(£)	%	(£)	%
Clinical Procurement	1711	75	4%	950	56%		0%	686	40%
Corporate Overheads	1000	602	60%		0%		0%	398	40%
Medicines Management	1675	1800	107%		0%		0%	-125	-7%
Procurement	2062	959	47%	489	24%	28	1%	586	28%
Reducing Waste, Harm & Variation	0		0%		0%		0%	0	0%
Ring Fenced Funding Review	0		0%		0%		0%	0	0%
Service Remodelling	4822	239	5%	1405	29%	893	19%	2285	47%
Unit Cost Down Savings	3659	5907	161%	1511	41%	332	9%	-4091	-112%
WHSCC	1000	1000	100%		0%		0%	0	0%
Workforce Redesign	0								
Total	15929	10582	66%	4355	27%	1252	8%	-260	-2%

## Narrative

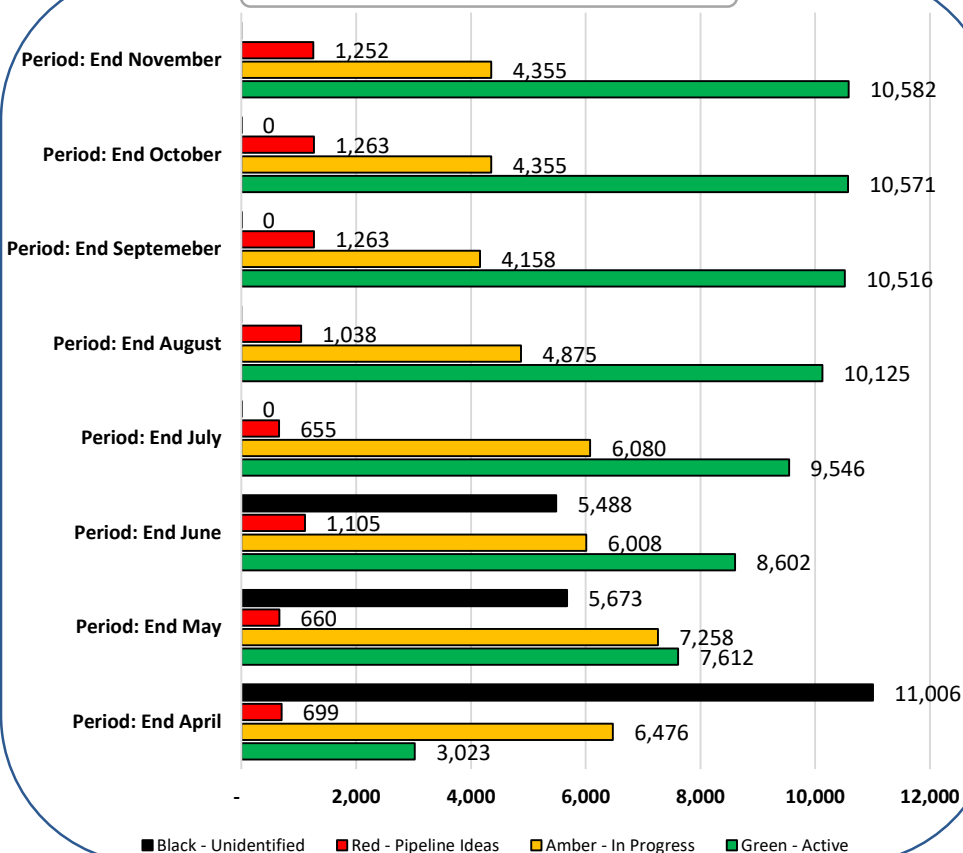
- Savings delivery – the Health Board initial plan required the delivery of £21m, however a number of the workstreams were identified as unable to deliver in 2018/19 and mitigating opportunities were identified to offset the non-delivery of these workstreams.
- The remaining savings requirement was £16m, which has been fully identified. However only £10m of the identified schemes are considered to be green, with full delivery confidence.
- The plan to deliver £20m anticipated £1m slippage against the £16m savings delivery requirement, which was based on fully delivery of the Green and Amber Schemes. The actual delivery profile can be seen on slide 12.

Directorate / Unit	18-19 Assigned Target	Total Green Schemes		Total Amber Schemes		Total Red Schemes		Unidentified / Over Identified	
	(£)	(£)	%	(£)	%	(£)	%	(£)	%
Board Secretary	38	38	101%	0	0%	0	0%	0	-1%
Director of Strategy	1332	288	22%	0	0%	0	0%	1044	78%
Director of Therapies & Health Sciences	13	13	97%	0	0%	0	0%	0	3%
Finance	124	99	80%	0	0%	0	0%	25	20%
Informatics	265	265	100%	0	0%	0	0%	0	0%
Medical Director	28	49	174%	0	0%	0	0%	-21	-74%
Nursing Director	65	74	114%	0	0%	0	0%	-9	-14%
Workforce & OD	96	69	72%	0	0%	0	0%	27	28%
MH & LD Delivery Unit	263	147	56%	0	0%	0	0%	116	44%
Morriston Delivery Unit	3783	1461	39%	2635	70%	620	16%	-933	-25%
NPT Delivery Unit	1305	2387	183%	32	2%	602	46%	-1717	-132%
POW Delivery Unit	2088	947	45%	522	25%	0	0%	619	30%
Primary Care & Community Delivery Unit	1565	1030	66%	550	35%	0	0%	-15	-1%
Singleton Delivery unit	2289	666	29%	615	27%	30	1%	978	43%
Health Board Wide	2675	3050	114%	0	0%	0	0%	-375	-14%
<b>Total</b>	<b>15,929</b>	<b>10582</b>	<b>66%</b>	<b>4355</b>	<b>27%</b>	<b>1252</b>	<b>8%</b>	<b>-260</b>	<b>-2%</b>

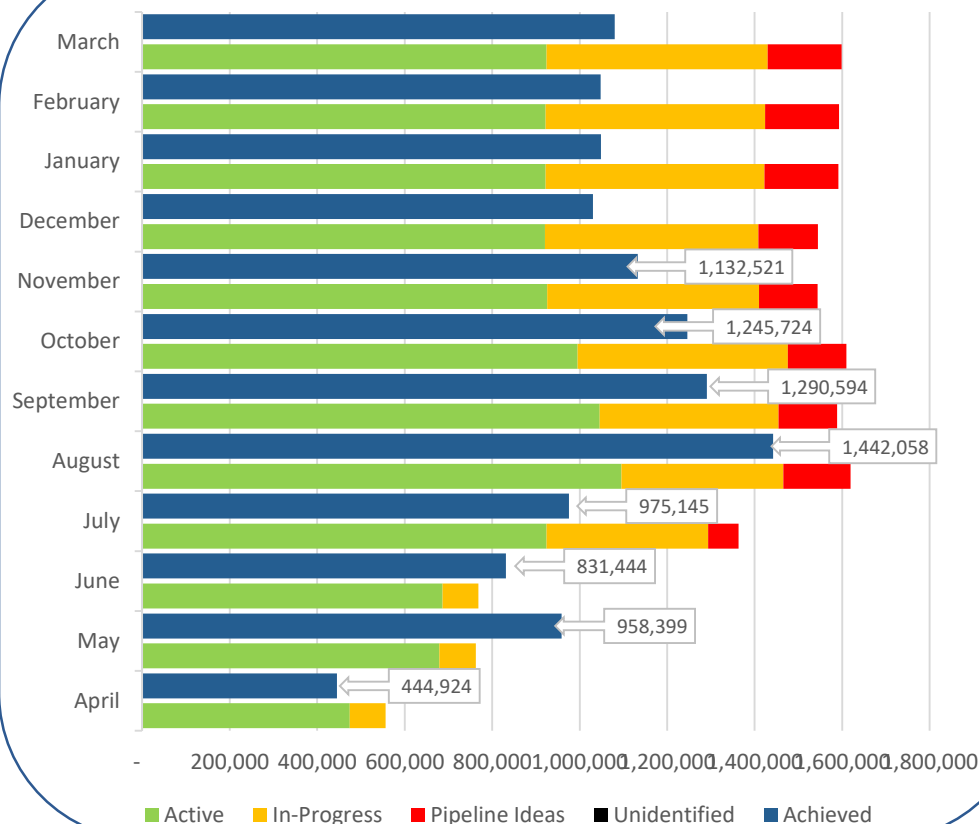
### Narrative

- The table provides an analysis of targets and savings identified at a Service Delivery Unit and Directorate level.
- This analysis shows that some SDUs and Directorates have exceeded their savings target, whilst others have not yet met their target.
- The additional control measures and actions agreed as part of the plan to deliver £20m control total are not being reflected in the Savings Tracker.
- Some of the over-achievement of target relates to non-recurrent opportunities and measures.
- The value of non-recurrent savings identified is £3.25m.

## Trend over time



## Current Profile of Savings



## Narrative

- The Health Board has £16.0m of schemes, which is 76% of the overall planned £21m savings requirement.
- The identification of mitigating opportunities has offset 3 of the work streams; Reducing Waste, Harm and Variation, MH Ring Fence and Workforce Redesign. This has effectively reduced the savings requirement to £15.9m.
- Whilst the adjusted savings target has been fully identified, it is essential that these are fully delivered. Some slippage has already been reported and this must be recovered immediately.
- £3.25m of the £16.0m is non-recurrent.

## Narrative

- The savings profile identified a significant step up in savings delivery requirement across Quarter 2. This resulted in a significant level of slippage in P04.
- Whilst the level of savings delivery has increased from Month 5 onwards, the delivery is still below the planned level resulting in savings slippage of almost £1.5m for the year to date.
- The savings delivery has reduced in month, whilst the reduction is a cause for concern, the savings delivery is aligned with the delivery assessment undertaken in P07.
- Based on the current delivery assessment, the annual savings delivery shortfall has been reassessed as around £2.5m, which would mean a delivery of around £13.5m against the £16m plans and £21m target.

Workstream	Progress Update - December	Key actions – January 2019	Plan for 2019/20
Procurement	<ul style="list-style-type: none"> <li>Automated Stock Management system has been approved under WG Invest to Save bid</li> <li>Assessment of QVC savings opportunities with effort: benefit matrix completed and shortlist being finalised</li> </ul>	<ul style="list-style-type: none"> <li>Progress ITT &amp; procurement process</li> <li>Detailed actions/milestones for QVC Tier 1 agreed with Medical Director</li> </ul>	This work stream will continue to focus on strategic savings schemes as part of the 2019/20 financial plan and will be aligned into the Transformation Programme
Medicines Management	<ul style="list-style-type: none"> <li>Continued delivery of savings programmes (currently exceeding savings target £1.8m against target of £1.25m)</li> </ul>	<ul style="list-style-type: none"> <li>Continue to progress with current plan</li> </ul>	Work will continue to drive high value opportunities in 2019/20
Workforce Redesign	<ul style="list-style-type: none"> <li>Costing of new therapy model progressed</li> <li>Radiology work progressing as per plan (interdependency with Bridgend Boundary Change)</li> <li>Benchmarking work on 5 key areas (radiology, pathology, pharmacy, OT and physiotherapy) discussed at Heads of Therapy &amp; Health Science meeting – further actions agreed</li> </ul>	<ul style="list-style-type: none"> <li>Executive Team discussion on therapy structures in light of BBC</li> <li>Radiology –workforce plan to be produced</li> </ul>	Workforce will be a key element in <u>all programmes</u> within the Transformation portfolio, but there will also be a need to ensure that we maintain focus on the immediate opportunities to reduce variable pay spending and deliver on digitation projects that improve efficiency. Workforce redesign and delivery will need to <u>be better aligned</u> in 2019/20.
Workforce Delivery	<ul style="list-style-type: none"> <li>Digital dictation solution agreed – will be operational by Jan 2019 and will reduce time to deliver reports to managers from 2 weeks to max 3 working days</li> <li>Rostering <b>38</b> wards completed – Singleton implementation complete; 1<sup>st</sup> wave in Morriston ongoing – programme on track to complete in September 2019</li> <li>2 X HR Managers now in post to lead sickness in hot spots and variable pay projects focused on engagement ,culture, attendance management and taking forward learning from sickness management best practice case study completed</li> </ul>	<ul style="list-style-type: none"> <li>Implement digital solution and measure improvement</li> <li>Benefits realisation report to be produced</li> <li>Focus on recruitment strategy</li> <li>Detailed milestones and plan for sickness and variable pay projects</li> </ul>	Workforce will be a key element in <u>all programmes</u> within the Transformation portfolio, but there will also be a need to ensure that we maintain focus on the immediate opportunities to reduce variable pay spending and deliver on digitation projects that improve efficiency. Workforce redesign and delivery will need to <u>be better aligned</u> in 2019/20.

Workstream	Progress Update - December	Key actions – January 2019	Plan for 2019/20
Service Remodelling	<ul style="list-style-type: none"> <li>In view of winter/operational pressures, no further bed changes will be delivered during 2018/19</li> <li>Consultation on Maesteg Day Hospital continues</li> <li>Bed Utilisation Survey report available and discussed at Executive Team – action planning underway to develop Transformation bid to WG</li> </ul>	<ul style="list-style-type: none"> <li>Evaluate impact of Early Supported Discharge scheme in NPT Hospital</li> <li>Develop transformation bid based on Bed Utilisation Survey</li> <li>Develop plans to implement 18/19 service changes from 1<sup>st</sup> April 2019</li> </ul>	This <u>workstream</u> will move into the wider Transformation portfolio and <u>will be fully aligned</u> with the Clinical Services Plan. CSP identifies opportunities for further LOS. Focus will be on system wide delivery of new models of care aligned with Western Bay Programmes
Medical Workforce	<ul style="list-style-type: none"> <li>Recruitment of additional staff in progress for both e-job planning &amp; locum on duty</li> <li>Kendall Bluck programme started – report scheduled 15<sup>th</sup> February 2019</li> <li>Detailed milestones for e-job planning and locum on duty underway</li> </ul>	<ul style="list-style-type: none"> <li>Detailed milestones agreed for roll out and benefits realisation from locum on duty and e-job planning</li> </ul>	Continue to implement digital solutions with roll out of the products. This work will be mapped into the broader transformation programme
Value & Variance	<ul style="list-style-type: none"> <li>Launched paper collection of breast cancer PROMs</li> <li>Operational with pre and post PROMs collection for orthopaedics (hip and knee)</li> <li>ENT team have re-initiated PROMs collection</li> <li>Atrial Fibrillation group started an audit on anti-coagulation rates</li> <li>Meeting with Heart Failure clinician for controlled introduction of NT-<u>proBNP</u> test</li> </ul>	<ul style="list-style-type: none"> <li>Continue with work plan</li> <li>Progress with appointments to Value Team</li> <li>Workshop to take place in February to align pathway work (CSP) and focus on approach to managing variation</li> </ul>	This work <u>will be taken</u> into the Transformation Portfolio with Medical Director as Senior Responsible Owner.



## 2018/19 Winter Pressures Funding

	£000	
<b>Available Funding</b>		<b>4865</b>
<b>Expenditure Committed to Date :</b>		
Additional Capacity	157	
Patient Flow Team Singleton	15	
ED Progress Chaser Morriston	23	<b>195</b>
<b>Agreed Winter Priority Schemes :</b>		
Additional Surge Capacity	1631	
Non Surge Schemes	2194	
Local Authority Schemes	486	<b>4311</b>
Further Schemes and Adhoc Requirements	359	<b>359</b>
<b>Uncommitted Balance</b>		<b>0</b>

## Winter Pressure Plan

- The Health Board has established a £2m reserve to manage winter pressures in 2018/19.
- WG have also provided additional non-recurrent funding support for Winter pressures of £2.865m.
- The winter pressure expenditure in 2017/18 was £2.921m.
- A sum of £0.195m was committed earlier in the financial year. These costs reflect the additional capacity that remained open early in the financial year and also the pilot of patient flow team and ED progress chaser.
- The Unscheduled Care Board has prioritised the schemes to support service delivery and performance through the forthcoming winter and all Management teams are now progressing with these schemes.
- There is around £0.36m which remains uncommitted at the moment and which will be deployed to support further schemes and adhoc requirements through the Winter period. A clear process in place to ensure all additional capacity is managed and weekly updates will be provided to Executive Team.
- It should also be noted that the Health Board submitted a number of schemes to WG for consideration against the Critical Care Fund slippage and a further £1.4m funding has been secured non-recurrently for this financial year. These schemes further enhance system resilience.



## RTT Funding Available

	£000
RTT Funding	10,300
Spend to Date	(8,823)
<b>Funding Available</b>	<b>1,477</b>

## Narrative - RTT

- The Health Board included £2m funding for RTT included within its £25m planned deficit.
- A further £8.3m funding support has been provided by WG, however this funding has been provided with the following performance expectations:
  - RTT – at most, 2664 people waiting over 36 weeks
  - Diagnostics – zero 8 week breaches in all disciplines
  - Therapies – no patients waiting over 14 weeks
- To date £8.823m has been spent against the £10.3m available budget. **This leaves £1.477m for the remainder of the financial year.**
- It is likely that the Board will need to commit further expenditure in excess of £10.3m available funding in order to deliver the agreed performance trajectories. The scale of this additional investment is being assessed, along with a delivery confidence assessment of the performance trajectory. Options to support this additional investment within the overall agreed deficit control total are being worked up.
- It must be recognised that if the agreed performance expectations are not met, then the WG funding will be subject to claw back. This is likely to be based on progress made in December, rather than waiting until the end of the year.

## RTT Expenditure Profile

		April	May	June	July	August	Sept	Oct	Nov	Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Outsourcing/ Insourcing	Morrison		554	581	242	403	508	298	521	3107
	Singleton	108	226	120	423	231	231	158	149	1646
	POW					14	4	3	18	39
	<b>Total</b>	<b>108</b>	<b>780</b>	<b>701</b>	<b>665</b>	<b>648</b>	<b>743</b>	<b>459</b>	<b>688</b>	<b>4792</b>
Internal WLI	Morrison	101	89	130	179	117	215	188	257	1276
	Singleton	34	53	56	51	54	62	39	141	490
	POW	6	228	137	151	144	145	137	171	1119
	NPT						7	0	1	8
	<b>Total</b>	<b>141</b>	<b>370</b>	<b>323</b>	<b>381</b>	<b>315</b>	<b>429</b>	<b>364</b>	<b>570</b>	<b>2893</b>
Infrastructure	Morrison	102	99	93	159	155	183	123	144	1058
	PCC						36			36
	Corporate							46		46
	<b>Total</b>	<b>102</b>	<b>99</b>	<b>93</b>	<b>159</b>	<b>155</b>	<b>219</b>	<b>169</b>	<b>144</b>	<b>1140</b>
<b>Total Expenditure</b>		<b>351</b>	<b>1249</b>	<b>1117</b>	<b>1205</b>	<b>1118</b>	<b>1391</b>	<b>992</b>	<b>1402</b>	<b>8825</b>
<b>Delivery Profile</b>			April	May	June	July	August	Sept	Oct	Nov
36 weeks	Target	3363	3398	3349	3283	3286	3069	2771	2710	
	Actual	3398	3349	3319	3433	3538	3381	3370	3212*	
26 weeks	Target	249	200	150	100	248	0	0	0	
	Actual	166	120	55	30	111	90	65	126*	

\* November figures are draft

# FINANCIAL RISKS & OPPORTUNITIES LOG

#	Issue	Description	Opportunity (Best Case) £000	Risks (Worse Case) £000	Most Likely £000	Key Decision Point and Summary Mitigation	Risk Owner Name
	Annual Plan Deficit		-20000	-20000	-20000		
1	Actions required to sustain the underlying financial position do not deliver in full	S117 anticipated income has been assumed written off /counter-balanced within the forecast. Potential for some recovery.	150	0	0	Ongoing negotiations with LAs are challenging but continuing. It is unlikely that significant income will be recovered	David Roberts, Service Director, MH&LD
2	Operational expenditure reductions & Enhanced Control Measures do not deliver in full	Planned operational expenditure reductions and impacts of enhanced control measures are not fully delivered	0	-500	0	Financial Control measures enhanced, SDUs developing plan to deliver control totals. Enhanced monitoring through Financial Recovery Meetings.	Chris White, Interim Chief Operating Officer
4	ChC and FNC inflation exceeds plan	The HB is currently agreeing the ChC inflationary increases through Care Forum Wales. This is based on current 1% pay award expectation. If pay award exceeds 1% there is a potential further impact on ChC and FNC rates	0	-293	-193	Agree current settlements and consider and negotiate linkages to pay rates	Lynne Hamilton, Director of Finance
6	Slippage against New Funding not delivered	Forecast assumes £1.5m slippage against new funding streams.	0	-500	0	Ensure all funding is appropriately accessed and costs managed robustly	Lynne Hamilton, Director of Finance
7	Welsh Language Standards	Welsh Language Standards effective from 29th June 2018 increase requirement for bilingual services within the Health Board, which in the first instance is likely to increase translation costs	0	-50	0	Plan to be formulated to address the requirements of the Welsh Language Standards.	Pam Wenger, Director of Corporate Governance
8	Potential Claw back of GMS underspend	Currently forecasting an underspend against GMS contract, which given its ring-fenced nature could be clawed back by WG		-663	0	Underspend is primarily related to the take up of enhanced services, which means the transfer of costs from secondary care has not been facilitated. Discussions with WG to give assurance that enhanced services are being offered/developed	Hilary Dover, Service Director Primary and Community Care
9	Technical Accounting Changes	There are a number of technical accounting changes that may impact on the financial position eg IFRS 9 impact on bad debts, PI discount rate		-500	0	Continue to work closely with WG via TAG	Lynne Hamilton, Director of Finance
10	GPOOH HMRC	Potential for HMRC to only pursue the NI element from Health Boards	700		250	Work with Deloitte to resolve this issue	Lynne Hamilton, Director of Finance
11	RTT	Potential requirement for expenditure in excess of available funding		-3500	-2000		
12	Primary Care Prescribing	Potential benefits from Cat M and other Prescribing benefits	2000		1500		

-	19,150	-	26,006	-	20,443
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## Actions in November & December

### 'Run rate' actions:

- Service Delivery Unit and Directorate enhanced control measures and actions reviewed and required support agreed.
- Deep dive into Singleton completed and actions agreed.
- Non-pay deep dives continuing; blood products, dressings, pacemakers, heart valves and transport complete and actions being taken forward.
- Further planned non-pay deep dives include maintenance contracts and equipment hire.

### Savings Delivery

- Recovery & Sustainability work streams scrutiny at end of Quarter 2
- Confidence assessment of the £16m planned
- Confidence assessment of identified mitigating actions
- Review of non-recurrent savings and actions to consider the impact of making these savings recurrent.
- Assessment of current workstreams and development of clear delivery plan to provide pipeline of savings for 2019/20

## Continued Scrutiny

- **Monthly** scrutiny by Performance & Finance Committee. Escalation process in place for key risks identified through performance framework:
  - Financial and/or performance at Unit level
  - System wide focus on targeted intervention areas
  - Recovery actions and non delivery of savings programmes
  - Extraordinary meeting of Performance & Finance Committee to discuss Q1 position and forecast, and detailed review of risk and opportunities schedule
- **Monthly** Performance, Quality and Finance Meetings with Delivery Units; monthly review of all corporate directorates
  - **Weekly** escalation where finance and/or performance is off track
  - 'deep dives' into key areas (eg. medical pay bill review, Unit performance or delivery issues)
  - Individual support to Finance Business Partners by Assistant Directors to help provide 'critical challenge' into delivery units
  - CEO led escalation as required
- **Monthly** Recovery & Sustainability Programme Board - timely decision making, tracking progress, managing risks & issues
- **Monthly** Investment & Benefits Group:
  - Effective decision making in line with organisational priorities
  - Control of investment/re-investment decisions including capital
  - Benefits tracking (financial & non financial)
- **Deep Dive** reviews into POW, Singleton and Morriston.