



Bwrdd Iechyd Prifysgol
Abertawe Bro Morgannwg
University Health Board

ABMU FINANCE DEPT. PERFORMANCE & FINANCE COMMITTEE – FINANCE POSITION

Period 05 Data (August 2018)

In Month

£ 2,044,074 overspent

Type	Cur Month Budget (£'000)	Cur Month Actual (£'000)	Cur Month Variance (£'000)	% Variance
Income	(20,425)	(20,654)	(229)	1.12%
Pay	54,649	54,294	(355)	0.65%
Non Pay	58,725	61,353	2,628	4.48%
Total	92,949	94,993	2,044	2.20%

Cumulative

£ 11,005,191 overspent

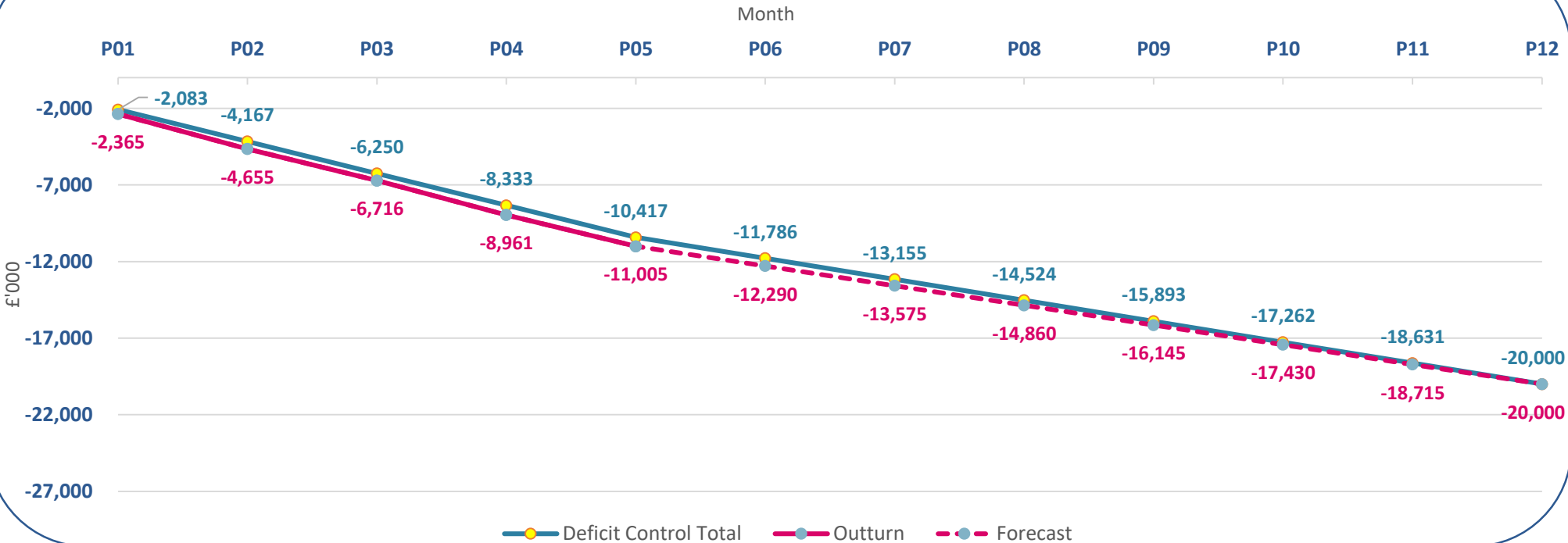
Type	YTD Budget (£'000)	YTD Actual (£'000)	YTD Variance (£'000)	% Variance
Income	(101,499)	(102,782)	(1,282)	1.26%
Pay	269,842	268,204	(1,639)	0.61%
Non Pay	278,586	292,512	13,926	5.00%
Total	446,929	457,934	11,005	2.46%

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	2,044	↓
Reported year to date financial position – deficit/(surplus) – Forecast Red	11,005	↑
Reported year to date compared to forecast financial plan deficit – Forecast Amber	2,672	↑
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	(837)	↓

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	92%	→

Revenue

- The Health Board P05 in-month overspend was £2.044m, which is an improvement on the P04 in-month overspend of £2.245m. The P05 position includes the positive benefit of a number of the mitigating opportunities identified in the plan to deliver £20m control total. This accounted for around £0.15m of the improvement.
- The Health Board has amended its forecast to £20m in line with the control total established by WG.
- The year to date overspend is £2,672m over the £20m control total target based on 5/12th of £20m. This reflects the non-delivery of required savings and operational pressures which has been partially offset by the release of identified mitigating opportunities, including slippage on some committed reserves and other recurrent and non-recurrent opportunities.
- Further controls and opportunities have been identified to achieved delivery of the £20m forecast. Risks to delivery are also being monitored and managed. These will be explored in more detail in the second slide deck.

Capital Narrative

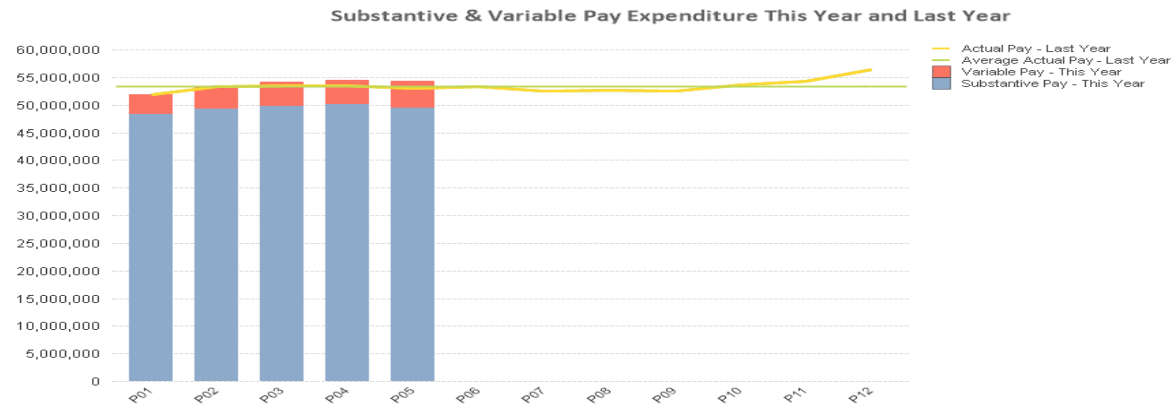
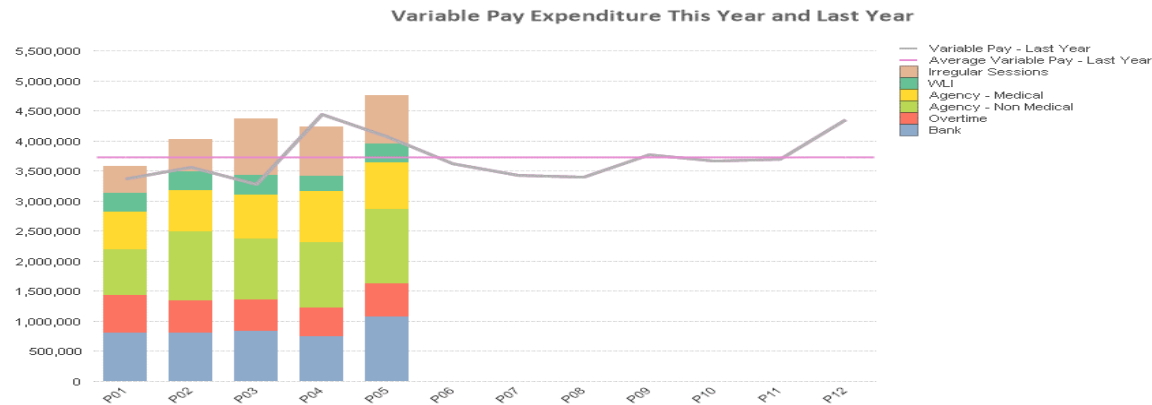
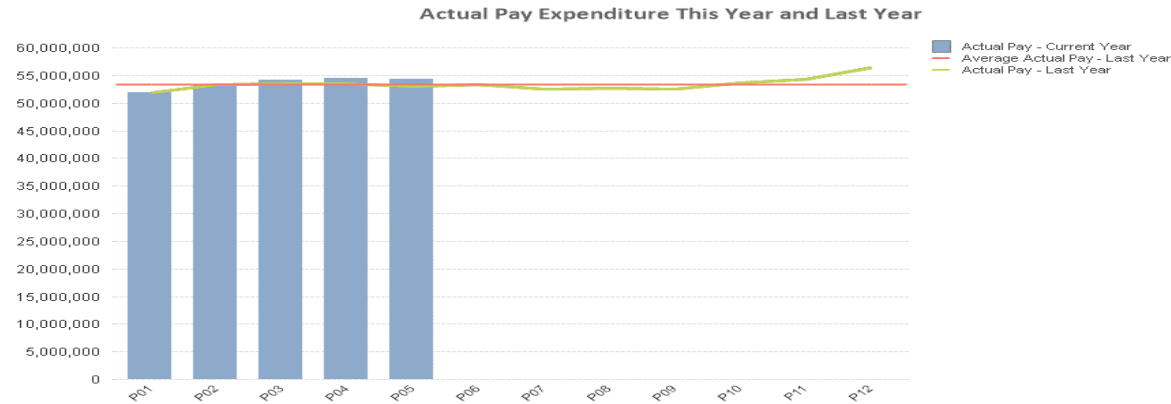
- Approved CRL value for 18/19 has increased to £20.716m following the receipt of £0.750m Anti Ligature funding . This includes Discretionary Capital and the schemes under the All Wales Capital Programme.
- Underspend to date relates in the main to a slight delay in the final stages of the Moriston Renal Refurbishment. The main scheme is now complete but final commissioning and reversion works are still ongoing– see risk assessment in Annex
- A number of additional funding/ recovery opportunities totalling £1.8m are being explored with Welsh Government/HMRC . If successful this would provide additional resource over and above the current committed Discretionary Capital Funding.

PSPP Narrative

- The number of invoices paid within 30 days continues to be below the 95% target.
- The ongoing clearance of the older nurse agency invoices in August continued to impact on PSPP with 1,274 invoices being out of compliance in month. This had the impact of maintaining the cumulative compliance at 92.0%. The in month compliance for August was 92% an improvement from the figure of 90.9% in July but still below what is required.
- The full implementation of the NO PO/NO Pay policy across Wales in September is likely to have an impact on PSPP with non complaint invoices being put on hold until purchase orders are raised.

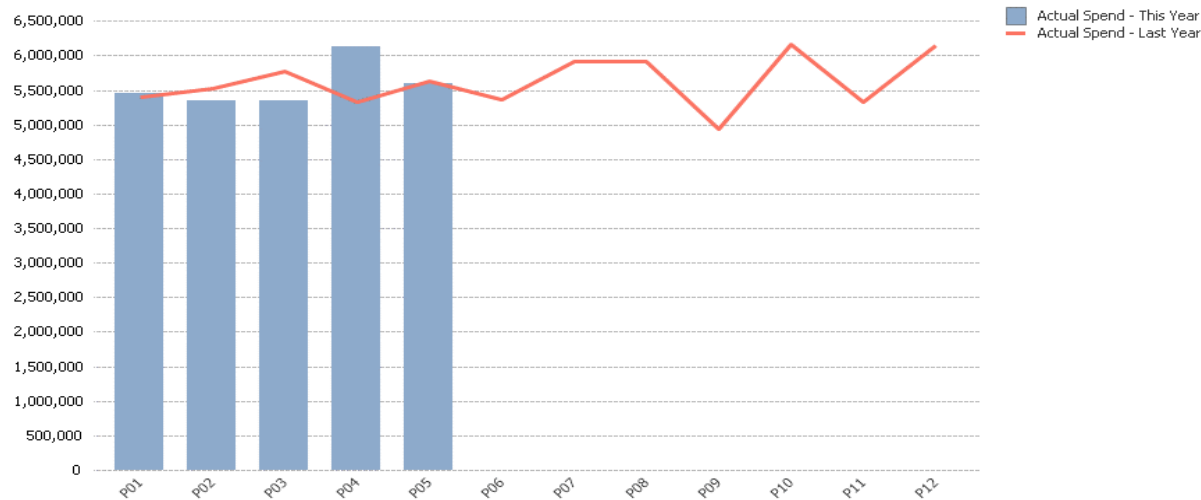
Directorate	In Month Budget	In Month Actual	In Month Variance	% Variance	Cumulative Budget	Cumulative Actual	Cumulative Variance	% Variance
MH & LD Delivery Unit	9,476,505	9,574,408	97,903	1.03%	47,105,691	47,010,390	(95,301)	(0.20)%
Morrison Delivery Unit	18,669,665	18,879,228	209,563	1.12%	93,216,704	93,709,484	492,780	0.53%
NPT Delivery Unit	14,990,746	14,926,298	(64,448)	(0.43)%	71,912,814	71,649,011	(263,803)	(0.37)%
POW Delivery Unit	8,611,394	8,955,281	343,887	3.99%	42,931,578	44,438,640	1,507,062	3.51%
Primary Care & Community Delivery Unit	20,210,473	20,219,630	9,157	0.05%	100,232,326	100,273,416	41,090	0.04%
Singleton Delivery unit	12,647,457	12,803,897	156,440	1.24%	62,899,395	63,327,137	427,742	0.68%
Total	84,606,240	85,358,742	752,502	0.89%	418,298,508	420,408,078	2,109,570	0.50%
Board Secretary	354,006	341,180	(12,826)	(3.62)%	1,764,342	1,789,422	25,080	1.42%
Director of Strategy	17,696,214	17,801,471	105,257	0.59%	88,229,625	88,392,064	162,439	0.18%
Director of Therapies & Health Sciences	56,265	56,240	(25)	(0.04)%	258,868	266,180	7,312	2.82%
Finance	499,224	499,366	142	0.03%	2,456,120	2,450,611	(5,509)	(0.22)%
Informatics	1,100,027	1,082,407	(17,620)	(1.60)%	5,240,717	5,069,060	(171,657)	(3.28)%
Medical Director	171,465	128,896	(42,569)	(24.83)%	915,635	749,762	(165,873)	(18.12)%
Nursing Director	269,443	249,394	(20,049)	(7.44)%	1,300,401	1,247,407	(52,994)	(4.08)%
Workforce & OD	453,001	466,356	13,355	2.95%	2,045,299	2,125,534	80,235	3.92%
Total	20,599,645	20,625,311	25,666	0.12%	102,211,007	102,090,039	(120,968)	(0.12)%
Corporate Plan	(12,938,947)	(11,639,894)	1,299,053	10.04%	(76,917,163)	(67,805,422)	9,111,741	11.85%
Total	(12,938,947)	(11,639,894)	1,299,053	10.04%	(76,917,163)	(67,805,422)	9,111,741	11.85%
Clinical Medical School	436,154	416,904	(19,250)	(4.41)%	2,199,562	2,160,155	(39,407)	(1.79)%
DSU	4,236	(4,785)	(9,021)	(212.96)%	(69,170)	(104,310)	(35,140)	(50.80)%
EMRTS Service	241,242	236,366	(4,876)	(2.02)%	1,206,209	1,185,604	(20,605)	(1.71)%
Total	681,632	648,485	(33,147)	(4.86)%	3,336,601	3,241,449	(95,152)	(2.85)%
Total	92,948,570	94,992,644	2,044,074	2.20%	446,928,953	457,934,144	11,005,191	2.46%

- Following the rebasing of budgets to 2017/18 expenditure levels, it was expected that all SDUs and Directorates deliver a breakeven position. This required that all savings targets were met in full and that no new cost pressures are absorbed.
- The six SDUs are reported an in-month overspend of £0.75m and a cumulative overspend of £2.1m, this is after the assigned targets for a number of the workstreams were removed from the SDUs; Workforce Redesign, Reducing Waste, Harm and Variation and MH Ring Fence Review.
- The most significant overspend both in value and percentage terms continues to be in POW. A series of recovery actions have been developed by the Unit and a detailed trajectory to assess and monitor improvements is being finalised.
- The key reason for overspend is operational pressures within nursing and medical and non-delivery of planned savings, both in-year savings and on the schemes supporting the underlying financial position.
- In light of the current performance and the WG control total, each SDU and Directorate has been set a year end control total based on savings progress and expenditure run rates and have been tasked with producing a quality impact assessed plan to deliver the control total. From some SDUs and Directorates this will require them to underspend their budget.

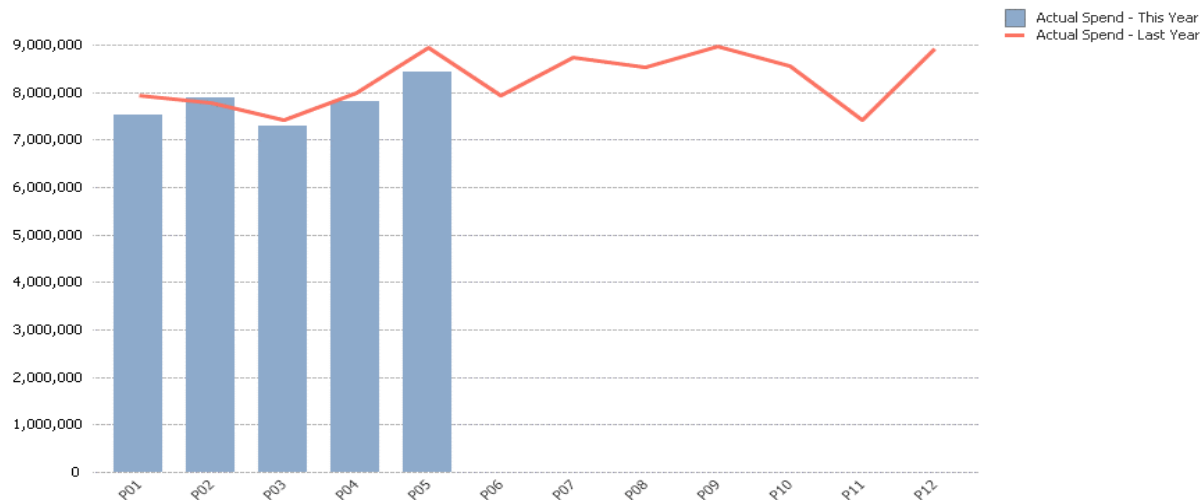


- The overall pay expenditure in P05 is above the average for 2017/2018 and the actual P05 in 2017/18.
- The variable pay spend in P05, is above the average for 2017/18 and is the highest level of variable pay spend in 2018/19. Variable pay is around 8% of our total pay expenditure.
- The main increase in variable pay spend is in medical and nurse staffing.

Secondary Care Drugs Trend Analysis



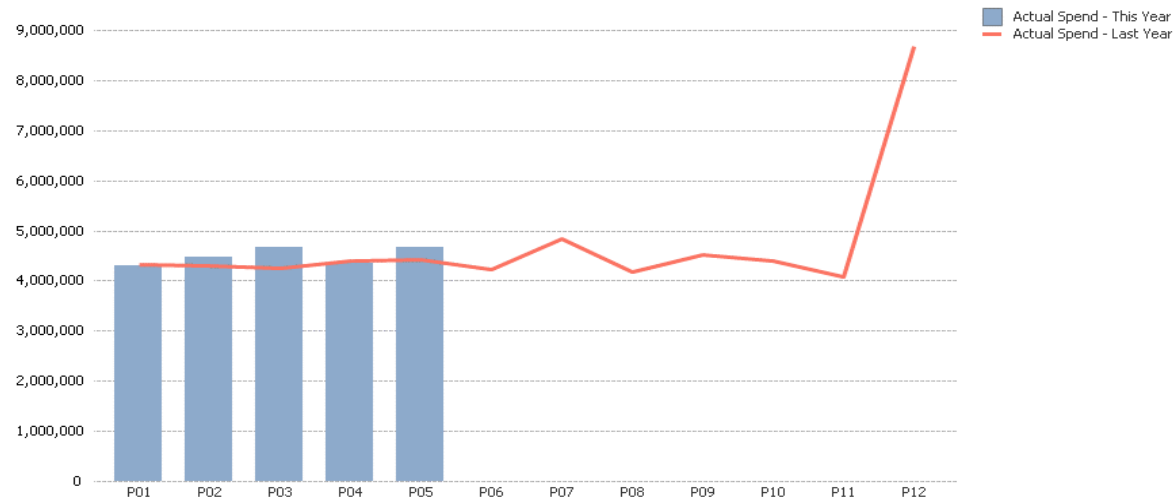
Primary Care Drugs Trend Analysis



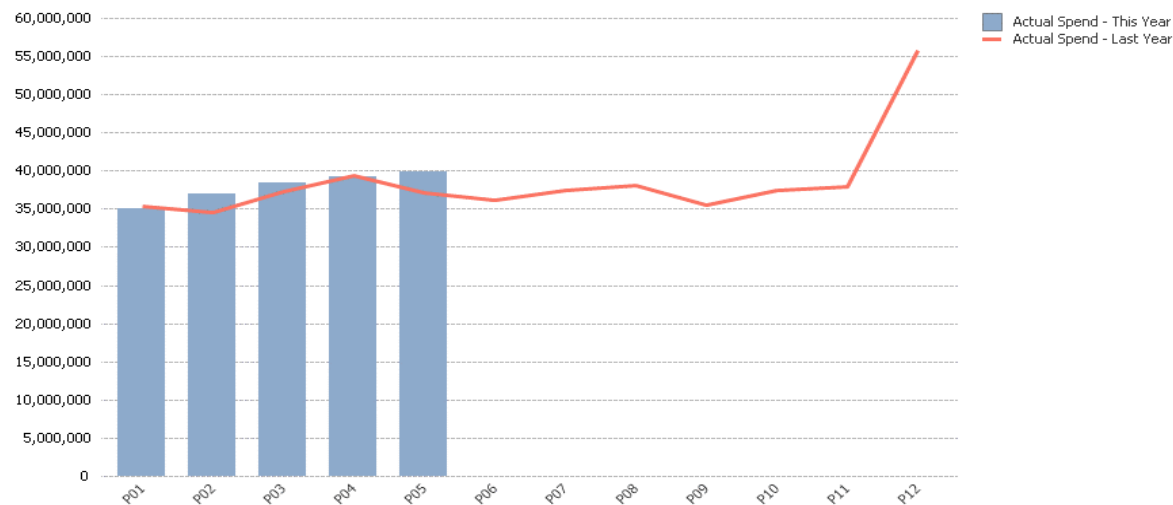
- Secondary Care drugs spend had been relatively stable in 2017/18 and has remained stable in 2018/19.

- 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 Q1 is lower than Q1 of the previous year. However there is only 2 months of actual data for 2018/19 available at this point. This continues to be monitored closely

CHC Trend Analysis



Other Non Pay Trend Analysis exc Cap Charges



- 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. The P04 figures have reduced from P03 and in line with 2017/2018 spend.

- 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. Within other non-pay the costs have outsourcing are £2.5m higher this year than the same period in 2017/18. Please note the other non pay has now been amended to exclude Capital Charges.

Directorate / Unit	18-19 Assigned Target	Total Green Schemes		Total Amber Schemes		Total Red Schemes		Total Unidentified / Shortfall Including Reds	
	(£)	(£)	%	(£)	%	(£)	%	(£)	%
Clinical Procurement	1711	75	4%	950	56%	0	0%	686	40%
Corporate Overheads	1000	579	58%	0	0%	0	0%	421	42%
Medicines Management	1675	1800	107%	0	0%	0	0%	-125	-7%
Procurement	2062	734	36%	714	35%	28	1%	586	28%
Reducing Waste, Harm & Variation	0	0	0%	0	0%	0	0%	0	0%
Ring Fenced Funding Review	0	0	0%	0	0%	0	0%	0	0%
Service Remodelling	4822	162	3%	1472	31%	885	18%	2303	48%
Unit Cost Down Savings	3659	5775	158%	1739	48%	125	3%	-3981	-109%
WHSCC	1000	1000	100%	0	0%	0	0%	0	0%
Total	15929	10125	64%	4875	31%	1038	7%	-109	-1%

Narrative

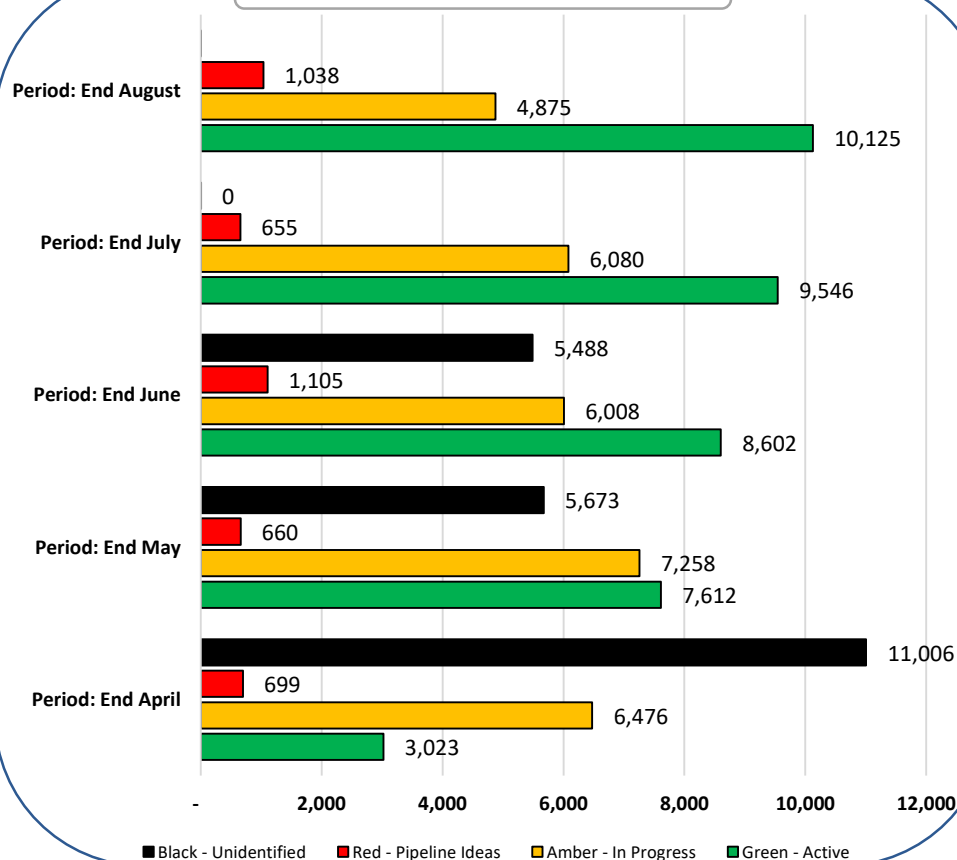
- Savings delivery – the Health Board initial plan required the delivery of £21m, however a number of the workstreams were identified as unable to deliver in 2018/19 and mitigating opportunities were identified to offset the non-delivery of these workstreams.
- The remaining savings requirement was £16m, which has been fully identified. However £10m of the identified schemes are considered to be green, with full delivery confidence.
- The current forecast anticipates £1m-£2m slippage against the £16m savings requirement.
- It should be noted that the savings schemes do not include the enhanced control measures and actions identified by the SDUs and Directorates to deliver their control total.

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	176	13%	0	0%	0	0%	1156	87%
Director of Therapies & Health Sciences	13	5	39%	0	0%	0	0%	8	61%
Finance	124	100	81%	0	0%	0	0%	24	19%
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	33	34%	0	0%	0	0%	63	66%
MH & LD Delivery Unit	263	147	56%	0	0%	0	0%	116	44%
Morrison Delivery Unit	3783	1236	33%	2885	76%	395	10%	-733	-19%
NPT Delivery Unit	1305	2328	178%	103	8%	594	46%	-1720	-132%
POW Delivery Unit	2088	947	45%	522	25%	0	0%	619	30%
Primary Care & Community Delivery Unit	1565	1030	66%	750	48%	0	0%	-215	-14%
Singleton Delivery unit	2289	648	28%	615	27%	49	2%	977	43%
Health Board Wide	2675	3050	114%	0	0%	0	0%	-375	-14%
Total	15,929	10125	64%	4875	31%	1038	7%	-109	-1%

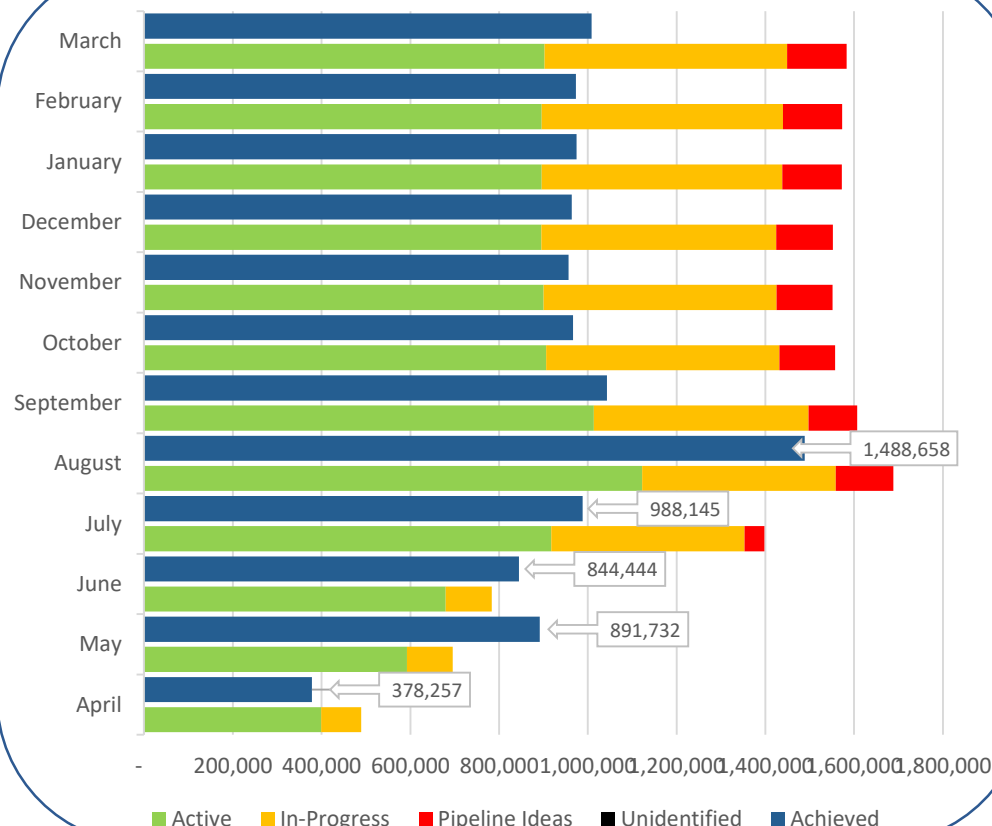
Narrative

- 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.
- Some of the over-achievement of target relates to non-recurrent opportunities and measures.
- The value of non-recurrent savings identified is £3.6m.

Trend over time



Current Profile of Savings



Narrative

- The Health Board has £16.0m of schemes, which is 76% of the overall planned 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.
- £3.6m 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 P05. Whilst the level of slippage reported in P05 has reduced it is still significant. The overall year to date slippage is around £0.45m.
- It is essential that the actions required to fully deliver the identified savings are taken quickly.

Winter Pressures

	£'000	£'000
Available Funding		2,000
Costs Incurred April - July:		
Singleton Additional Bed Capacity	(76)	
Singleton Patient Flow Team	(15)	
Morrison Bed Capacity	(31)	
Morrison ITU Capacity	(23)	
Mental Health Tonna Beds	(30)	
Morrison ED Progress Tracker	(23)	(198)
Available Funding	-	1,802

Winter Pressure Plan

- The Health Board has established a £2m reserve to manage winter pressures in 2018/19
- The winter pressure expenditure in 2017/18 was £2.921m, however this included £0.573m for the TAU/Vanguard Unit which in 2018/19 will be supported via RTT funding
- In Quarter 1 2018/19 expenditure was incurred in respect of additional capacity opened during 2017/18 winter period that had not been closed. The Tonna beds were closed at the end of June. Some additional ITU capacity continues to be supported through this funding.
- A progress chaser in ED has been supported as a pilot to assess impact on performance.
- A patient flow team in Singleton has also been supported as a pilot.
- The costs incurred to date are £0.198m which has reduced the funding available for 2018/19 winter pressures to £1.802m
- Additional Medical cover for ED has been if available, this again would be to assess impact on performance. To date no costs have been supported in this area.

RTT Funding Available

	£000
RTT Funding	10,300
Spend to Date	(5,040)
Funding Shortfall	(5,260)

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, 2685 people waiting over 36 weeks
 - Diagnostics – zero 8 week breaches in all disciplines
 - Therapies – no patients waiting over 14 weeks
- To date £5.040m has been spent against the £10.3m available budget.
- 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.
- A further review of projected spend and performance profiles is being undertaken to identify any potential risks.

RTT Expenditure Profile

		April	May	June	July	August	Total
		£000	£000	£000	£000	£000	£000
Outsourcing/Insourcing	Morrison		554	581	242	403	1780
	Singleton	108	226	120	423	231	1108
	POW					14	14
	Total	108	780	701	665	648	2902
Internal WLI	Morrison	101	89	130	179	117	616
	Singleton	34	53	56	51	54	248
	POW	6	228	137	151	144	666
	Total	141	370	323	381	315	1530
Infrastructure	Morrison	102	99	93	159	155	608
	Total	102	99	93	159	155	608
Total Expenditure		351	1249	1117	1205	1118	5040

Delivery Profile		April	May	June	July	August
36 weeks	Target	3363	3398	3349	3283	3286
	Actual	3398	3349	3319	3433	3538
26 weeks	Target	249	200	150	100	248
	Actual	166	120	55	30	111
Diagnostics > 8 weeks	Target					
	Actual					
Therapies > 14 weeks	Target					
	Actual					