



Bwrdd Iechyd Prifysgol
Abertawe Bro Morgannwg
University Health Board

ABMU Finance Dept. Performance & Finance Committee

Period 10 Data (January 2018)
21st February 2018

In Month

£794,546 overspent

| Type | Cur Month Budget (£'000) | Cur Month Actual (£'000) | Cur Month Variance (£'000) | % Variance |
|--------------|--------------------------|--------------------------|----------------------------|--------------|
| Income | (19,519) | (19,949) | (431) | 2.21% |
| Pay | 55,482 | 53,769 | (1,713) | 3.09% |
| Non Pay | 56,436 | 59,375 | 2,938 | 5.21% |
| Total | 92,400 | 93,195 | 795 | 0.86% |

Cumulative

£26,797,799 overspent

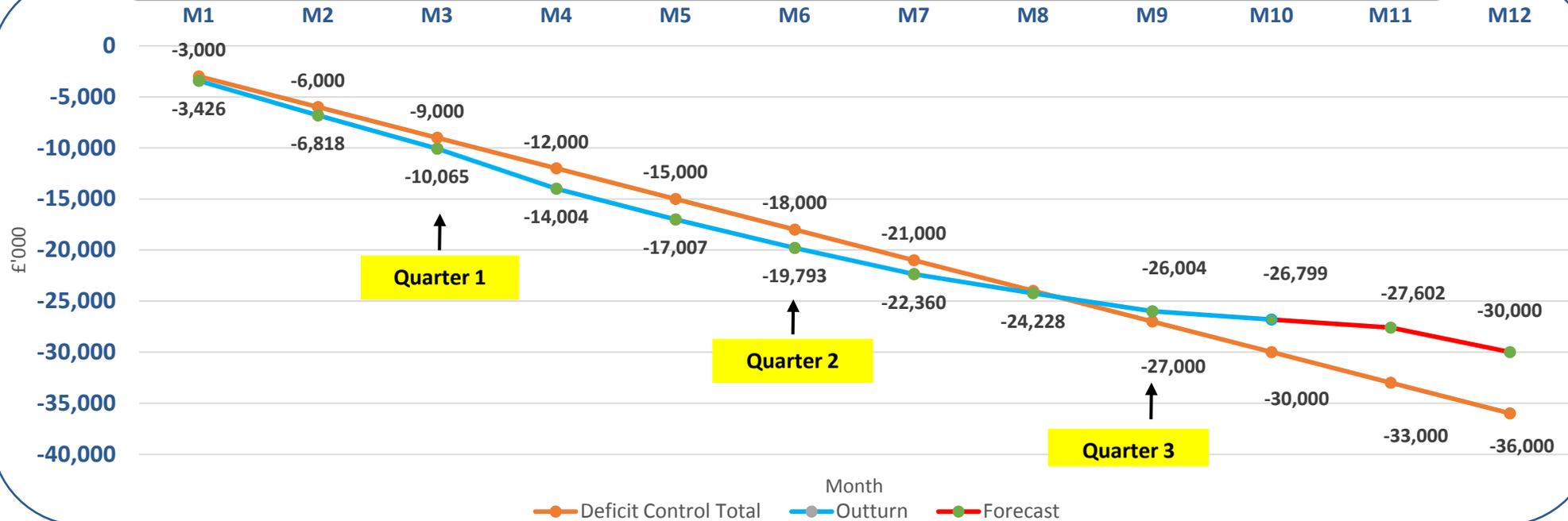
| Type | YTD Budget (£'000) | YTD Actual (£'000) | YTD Variance (£'000) | % Variance |
|--------------|--------------------|--------------------|----------------------|--------------|
| Income | (196,554) | (199,411) | (2,857) | 1.45% |
| Pay | 539,529 | 530,287 | (9,242) | 1.71% |
| Non Pay | 539,732 | 578,629 | 38,897 | 7.21% |
| Total | 882,708 | 909,505 | 26,798 | 3.04% |

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 Amber | 795 | ↓ |
| Reported year to date financial position – deficit/(surplus) – Forecast Red | 26,798 | ↑ |
| Reported year to date compared to forecast financial plan deficit – Forecast Red | 1,798 | ↑ |
| Current reported year end forecast – deficit/(surplus) – Forecast Amber | 30,000 | ↓ |

| Capital | | |
|---|---------------|-------|
| Capital KPIs: To ensure that costs do not exceed the Capital resource limit set by Welsh Government | Value £000 | Trend |
| Reported in-month financial position – deficit/(surplus) – Forecast Amber | (3,273) | ↓ |
| Current reported year end forecast – deficit/(surplus) – Forecast Green | Breakeven | → |

| 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 | 93.7 | ↓ |

Revenue Narrative

1. The Health Board P10 in month overspend of £0.795m is an improvement from the £1.775m in month overspend in P10. This improvement reflects sustained improvements in operational financial performance and the continued crystallisation of corporate benefits, balance sheet/commitment release, primary care rates rebate and Hep C drugs.
2. The cumulative position is now £3.202m below the £30m overspend that could be anticipated based on the £36m control total.
3. The Health Board has reduced its year-end forecast to £30m following detailed discussions with WG.

Capital Narrative

1. WG funded schemes reported as High risk –Renal £240k slippage, National Clinical Systems £163k slippage , Linac A £127k scheme underspend and HVS 1b 70k underspend . A plan for reinvestment of underspends has been submitted to WG for approval. Slippage will be managed internally by the Health Board
2. In month surplus attributable to a number of schemes including those mentioned above. A plan for reallocation of some the reported underspends will be presented to the Investment Benefits Group on Monday 12th February. Other schemes will be closely monitored and reallocated if required.

PSPP Narrative

1. The number of invoices paid within 30 days continues to be below the 95% target, cumulative compliance reducing from 94.3% at the end of December to 93.7% at the end of January. This is due to In month compliance for January of only 90.04%.In month there were in excess of 3,000 invoices which failed the PSPP target with the main reasons being due to delays in the processing of nurse bank invoices (1,852), delays in receipting of orders (719) and delays in authorisation of manual invoices (487). It is now unlikely that 95% compliance for the full year will be achieved as this will require compliance rates of around 98% to be achieved in February and March.

| | In Mth | | | | | YTD | | | |
|---|-----------------|-----------------|-------------------|---------------|--|------------------|------------------|-------------------|---------------|
| | Budget £'000 | Actual £'000 | Variance £'000 | Variance % | | Budget £'000 | Actual £'000 | Variance £'000 | Variance % |
| Service Delivery Units | | | | | | | | | |
| Singleton | 12,404 | 12,955 | 551 | 4.44% | | 118,726 | 124,045 | 5,319 | 4.48% |
| POW | 8,862 | 8,903 | 41 | 0.46% | | 84,313 | 86,174 | 1,861 | 2.21% |
| Morrison | 18,312 | 19,018 | 706 | 3.86% | | 172,814 | 182,311 | 9,497 | 5.50% |
| Mental Health & LD | 9,769 | 9,552 | 216 | -2.21% | | 94,934 | 93,172 | 1,762 | -1.86% |
| PC & Community | 20,558 | 20,326 | 232 | -1.13% | | 200,095 | 200,124 | 29 | 0.01% |
| NPT Unit | 15,096 | 14,960 | 137 | -0.90% | | 146,409 | 145,904 | 505 | -0.35% |
| Sub Total Units | 85,000 | 85,713 | 713 | 0.84% | | 817,290 | 831,729 | 14,439 | 1.77% |
| Directorates | | | | | | | | | |
| Board Secretary | 390 | 405 | 16 | 4.06% | | 3,852 | 3,883 | 31 | 0.81% |
| Director of Strategy | 16,975 | 17,287 | 313 | 1.84% | | 170,022 | 171,816 | 1,794 | 1.06% |
| Director of Therapies & Health Sciences | 54 | 52 | 1 | -2.42% | | 489 | 482 | 7 | -1.45% |
| Finance | 444 | 443 | 1 | -0.15% | | 4,918 | 4,929 | 10 | 0.20% |
| Informatics | 1,157 | 1,023 | 134 | -11.55% | | 10,643 | 10,839 | 195 | 1.84% |
| Medical Director | 200 | 160 | 40 | -19.85% | | 1,821 | 1,571 | 250 | -13.71% |
| Nursing Director | 324 | 284 | 40 | -12.47% | | 3,068 | 2,979 | 90 | -2.92% |
| Workforce & OD | 441 | 428 | 14 | -3.13% | | 4,379 | 4,439 | 60 | 1.37% |
| Sub Total Directorates | 19,984 | 20,083 | 99 | 0.50% | | 199,193 | 200,938 | 1,745 | 0.88% |
| Delegated Budget Position | 104,984 | 105,796 | 812 | | | 1,016,484 | 1,032,667 | 16,184 | |
| Corporate Plan | 104,984 | 105,002 | 17 | | | 1,016,484 | 1,005,870 | 10,614 | |
| Health Board Position | - | 795 | 795 | - | | - | 26,798 | 26,798 | - |

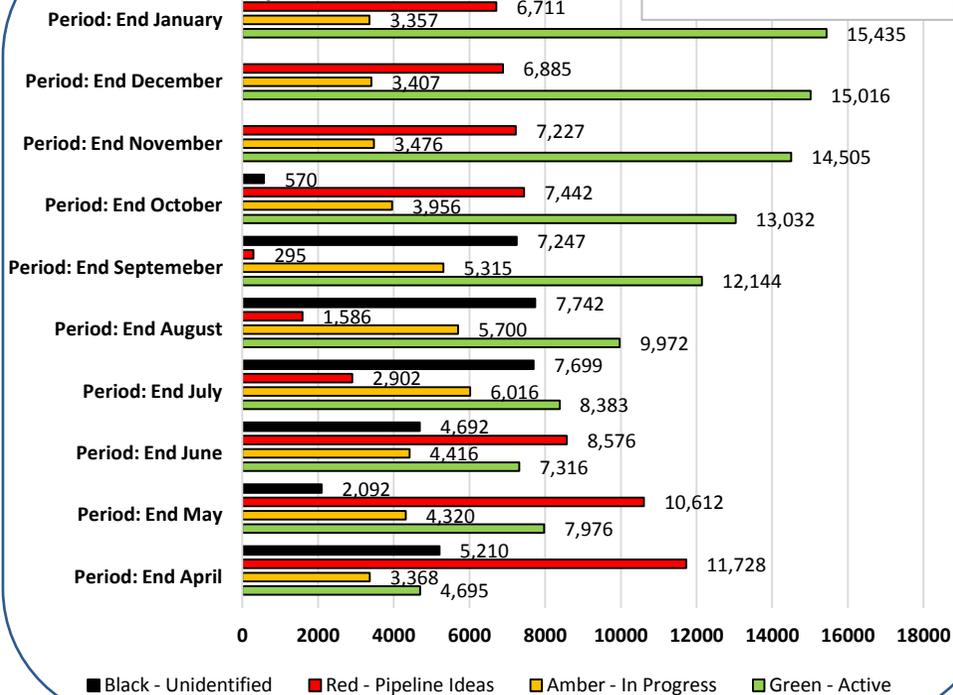
In month position has further improved. The key reasons for improvement are:

- Actual pay costs have increased but this is offset by the planned winter pressures investment and variable pay is lower in Mth 10 than Mth 9.
- Non Pay costs have been maintained in most areas with the exception of Secondary Care Drugs.
- Expenditure across both pay and non pay was expected to increase from the Month 10 position as we move through Q4.

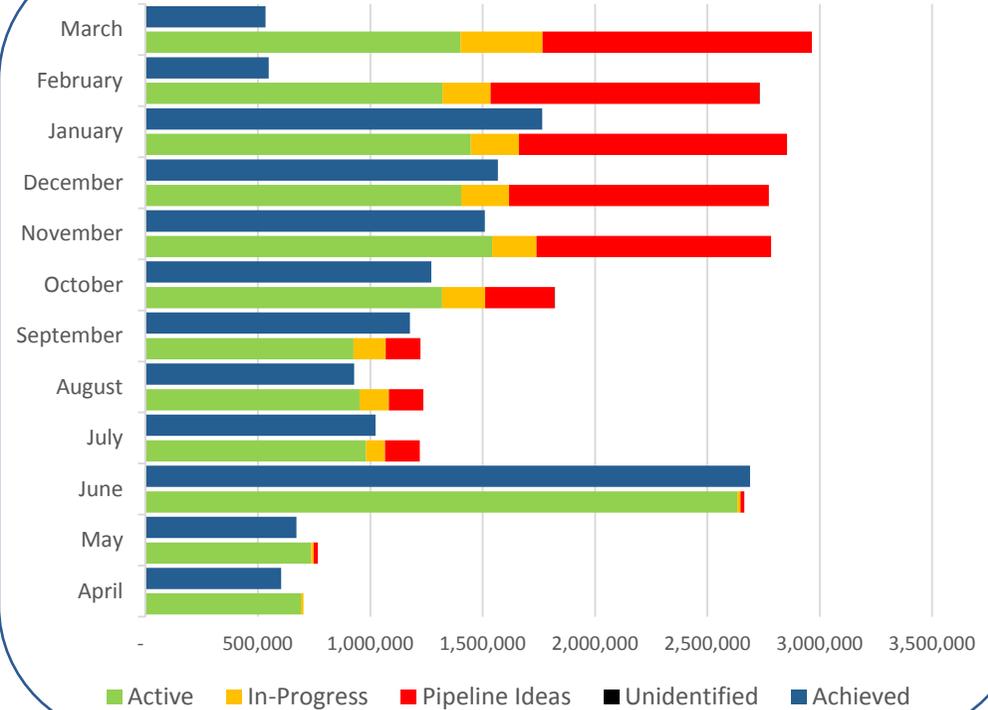
Savings Analysis

Trend over time

CIP TARGET £25,000,000



Current Profile of Savings



Narrative

- The Recovery Action Plan has been translated into the saving trackers, enabling the savings requirement to be fully identified, removing black (unidentified) schemes.
- The level of Green and Amber schemes has increase as delivery confidence improves for a range of schemes.

Narrative

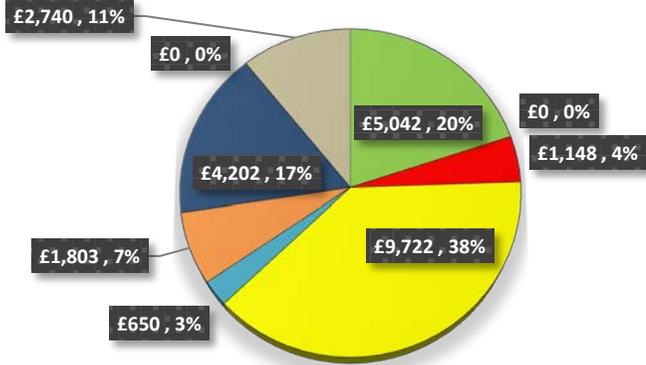
- The level of savings delivery in January has increased from that of the previous months.
- This delivery is continuing to be monitored closely through the Financial Recovery meetings.
- The delivery failure of the Red schemes has been mitigated by other opportunities and actions, many of which are non-recurrent and it is essential that the Red schemes continue to be driven to ensure full delivery from April 2018.

Savings by Executive Stream

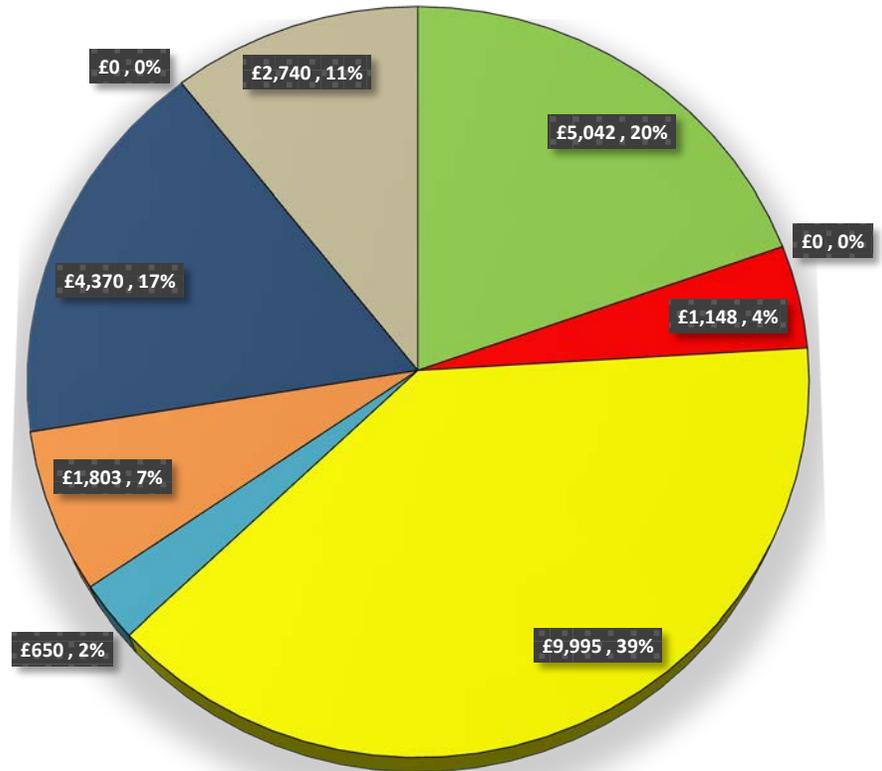
Health Board View By Theme of Planned Savings

| | | | | | | | | | |
|-------------------|--------------|-------------------|-----------|----------|-----------------------|-------------|--------------|-----------------|--------|
| Capacity Redesign | Patient Flow | Workforce Medical | Workforce | Theatres | Back Office & Estates | Procurement | Out Patients | Medicines Mangt | GAP |
| £000's | £000's | £000's | £000's | £000's | £000's | £000's | £000's | £000's | £000's |

P9



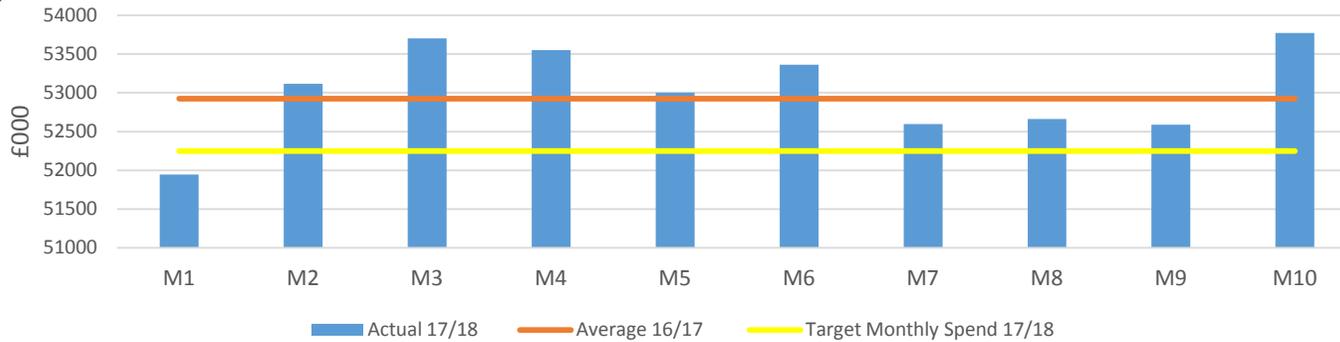
P10



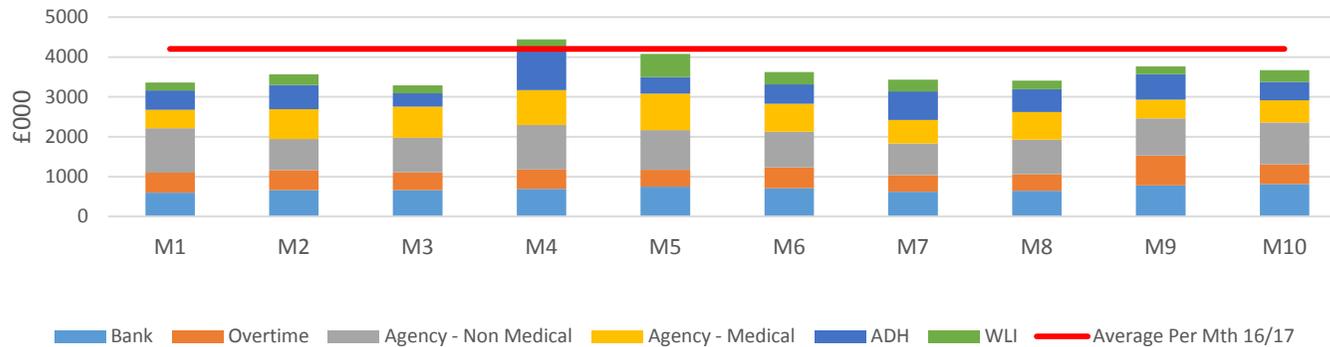
@ P10

| | Total Plan £000 | YTD Plan £000 | YTD Delivery £000 | YTD Variance £000 |
|-----------------------|--------------------|------------------|----------------------|-------------------------|
| Capacity Redesign | £5,042 | £3,838 | £3,203 | £-635 |
| Patient Flow | £0 | £0 | £0 | £0 |
| Workforce Medical | £1,148 | £748 | £499 | £-249 |
| Workforce | £9,995 | £6,954 | £3,147 | £-3,807 |
| Theatres | £650 | £475 | £439 | £-36 |
| Back Office & Estates | £1,803 | £1,219 | £371 | £-848 |
| Procurement | £4,370 | £3,527 | £2,907 | £-620 |
| Out Patients | £0 | £0 | £0 | £0 |
| Medicines Mangt | £2,740 | £2,525 | £2,660 | £135 |
| TOTAL | £25,000 | £19,286 | £13,226 | £-6,060 |

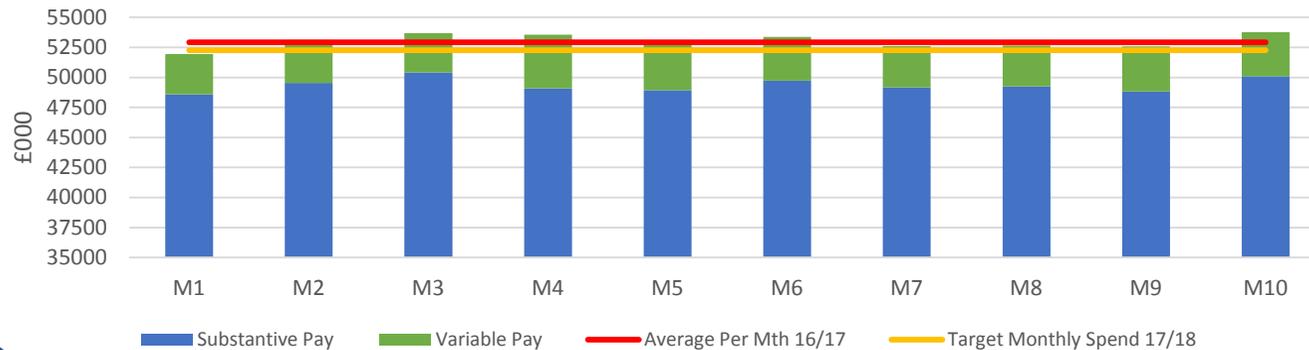
Actual Pay Expenditure 17/18 and Average 16/17



Variable Pay Trend 17/18 By Type

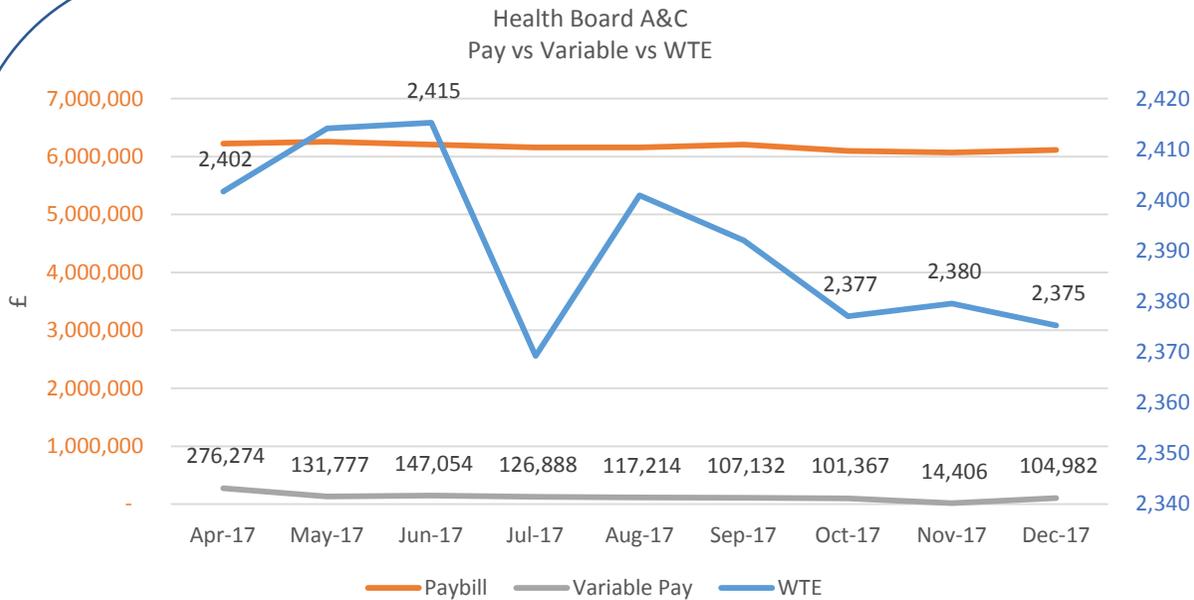


Total Actual Pay (Substantive vs Variable Pay) 17/18



- Up to P06 the monthly pay expenditure for the P02-P06 months was higher than the average for 16/17, this reduced in P07-P09 but has increased in P10 as anticipated linked to Winter Pressures.
- Whilst overall pay bill increased in P10 the variable pay costs in P10 decreased below the P09 position but above the levels seen in P06-P08. Again this increase is a reflection of the investment to support Winter Pressures.

Health Board – Pay Trend A&C

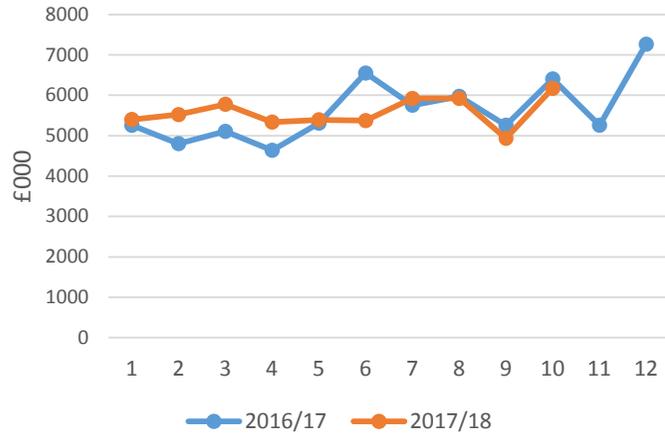


A&C WTE MOVEMENT BY AREA P1-09 17/18

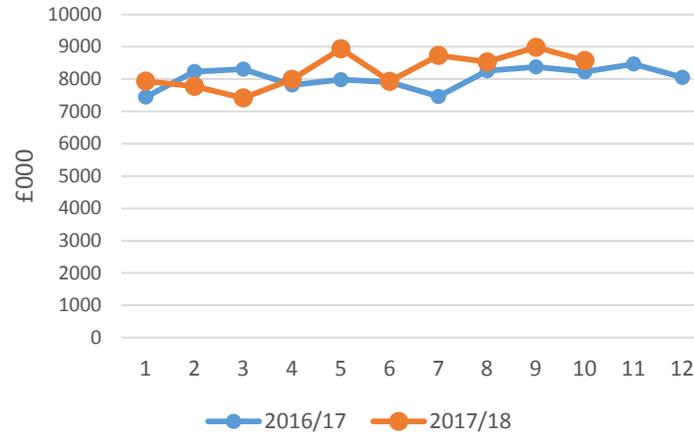


- A&C wte numbers had been rising steadily over the last few years and continued to rise through Q1 2017/18.
- The A&C Vacancy Control panel has halted this growth and A&C numbers are now reducing on a month by month basis. This reduction is being supported by the revised deployment policy.
- During this year the A&C variable pay and total paybill has also reduced.

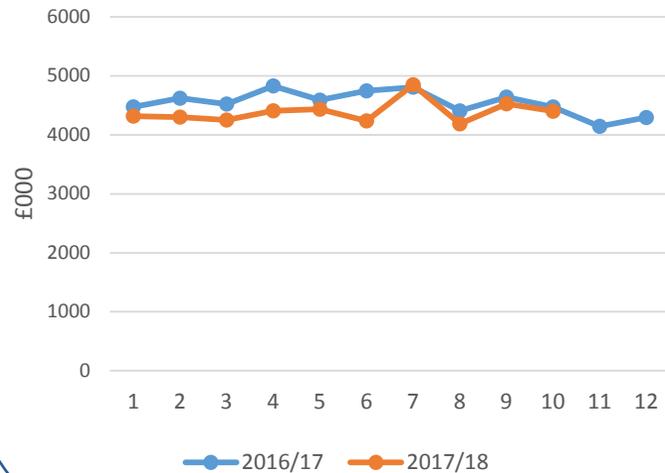
Secondary Care Drugs



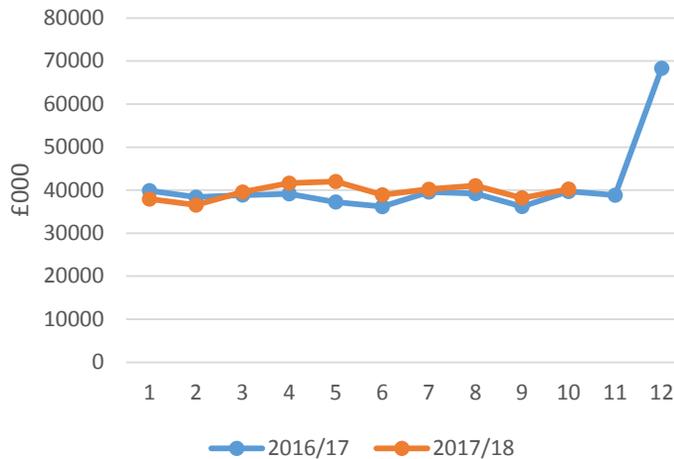
Primary Care Drugs



ChC/FNC



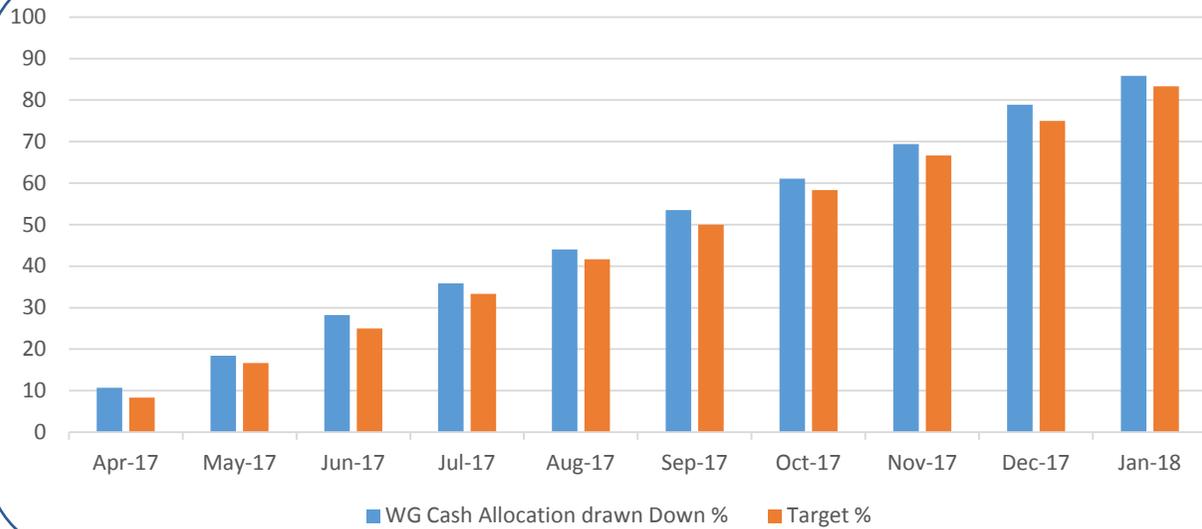
Other Non Pay



- Secondary Care drugs expenditure increased in P10 due to increasing activity levels
- Primary Care drugs had increased due to Cat M and NCSO price concessions. This area continues to be a potential risk to the organisation, however the scale of the risk is reducing.
- ChC/FNC the increase in P07 reflected the inflationary uplift paid in P07 backdated to April.
- Other non pay has held well. Some of the increases seen in P4-5 are due to changes in accounting practice for expenditure that has previously been reported in P12, giving an artificial expenditure spike.

Health Board Cash

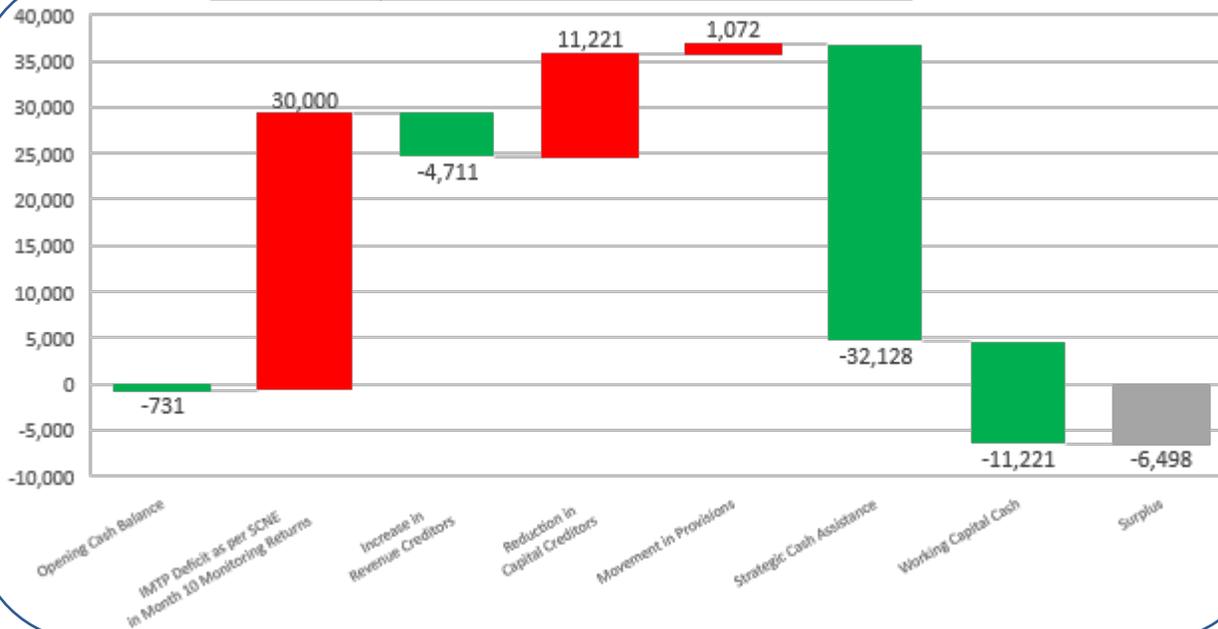
Welsh Government Draw Down



Narrative

1. Following confirmation of cash support from Welsh Government of £32.128m of repayable strategic cash assistance and non repayable cash support of £11.221m for movement in working balances the health board is no longer forecasting a cash deficit.
2. The health board is planning for a year end cash balance of £0.5m. Based on the latest receipts and payment trends and the reduction in the forecast I&E deficit to £30m the current forecast is that of a year end cash balance of £6.498m if the full amount of strategic cash assistance is drawn down in cash from Welsh Government.
3. Given the forecast cash balance it is probable that the health board will not require the full amount of strategic cash assistance available from Welsh Government and Welsh Government will be advised in the January monitoring returns submission that it is probable that the health board will not be drawing down £5.5m of the available strategic cash assistance.
4. The cash position will continue to be monitored daily with Welsh Government requesting confirmation of the final amount of cash to be drawn down at the beginning of March.

Analysis of Forecast Cash Deficit



Winter Pressure Plan

| | Agreed Funding £000 | Anticipated Spend £000 |
|--------------------------------------|------------------------|---------------------------|
| Initial Winter Plan | 500 | 500 |
| Support to Sustain Elective Capacity | 823 | 711 |
| Additional Winter Schemes | 1,701 | 1,839 |
| Total | 3,024 | 3,050 |

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 likely costs are not significantly above 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 | - 5,586 |
| Remaining Allocation | 4,661 |

Narrative - RTT

- The funding available for RTT from WG performance monies and internal resources is £10.247m.
- The expenditure to date amounts to £5.586m.
- There remains £4.661m to enable the delivery of the agreed RTT target during the final two months of the year.
- The Health Board has indicated to WG that it is unlikely to be in a position to spend around £2m-£3m of this RTT funding. This is not reflected in the financial forecast as we are expecting a funding claw back of a similar amount for not achieving the target of no more than 2640 patients waiting over 36 weeks.

RTT Spend @ End P10

| WLI | Q1 Spend | Q2 Spend | P7 Spend | P8 Spend | P9 Spend | P10 Spend | Total Spend |
|--------------------------|----------------|------------------|----------------|----------------|----------------|------------------|------------------|
| Morrison | 295,664 | 219,663 | 180,763 | 123,341 | 191,158 | 442,679 | 1,453,268 |
| POW | 295,649 | 213,794 | 186,330 | 73,413 | 151,918 | 402,513 | 1,323,617 |
| Singleton | 137,099 | 110,588 | 41,464 | 40,489 | 44,120 | 39,079 | 412,839 |
| Total WLI | 728,412 | 544,045 | 408,557 | 237,243 | 387,196 | 884,271 | 3,189,724 |
| Outsourcing | Q1 Spend | Q2 Spend | P7 Spend | P8 Spend | P9 Spend | P10 Spend | Total Spend |
| Morrison | 88,317 | 457,610 | 244,119 | 312,100 | 287,546 | 224,504 | 1,614,196 |
| POW | - | - | 88,334 | 166,540 | 88,334 | 64,612 | 407,820 |
| Singleton | - | - | 134,412 | 47,712 | 85,452 | 106,568 | 374,144 |
| Total Outsourcing | 88,317 | 457,610 | 466,865 | 526,352 | 461,332 | 395,684 | 2,396,160 |
| Total RTT Costs | Q1 Spend | Q2 Spend | P7 Spend | P8 Spend | P9 Spend | P10 Spend | Total Spend |
| Morrison | 383,981 | 677,273 | 424,882 | 435,441 | 478,704 | 667,183 | 3,067,464 |
| POW | 295,649 | 213,794 | 274,664 | 239,953 | 240,252 | 467,125 | 1,731,437 |
| Singleton | 137,099 | 110,588 | 175,876 | 88,201 | 129,572 | 145,647 | 786,983 |
| Total RTT Costs | 816,729 | 1,001,655 | 875,422 | 763,595 | 848,528 | 1,279,955 | 5,585,884 |