



Bwrdd Iechyd Prifysgol  
Abertawe Bro Morgannwg  
University Health Board

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

Period 10 Data (January 2019)

## In Month

**£ 1,195,774 underspent**

Type	Cur Month Budget (£'000)	Cur Month Actual (£'000)	Cur Month Variance (£'000)	% Variance
Income	(21,239)	(21,574)	(334)	1.57%
Pay	57,307	56,254	(1,053)	1.84%
Non Pay	61,454	61,645	191	0.31%
<b>Total</b>	<b>97,521</b>	<b>96,326</b>	<b>(1,196)</b>	<b>1.23%</b>

## Cumulative

**£ 12,613,724 overspent**

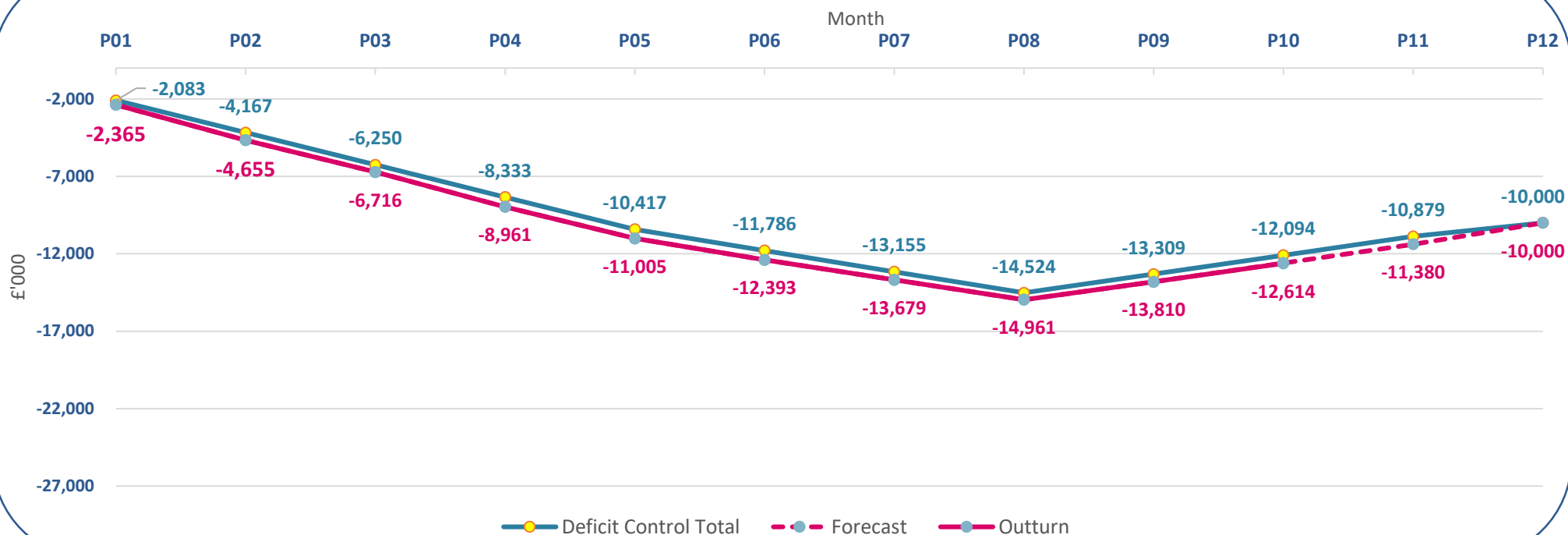
Type	YTD Budget (£'000)	YTD Actual (£'000)	YTD Variance (£'000)	% Variance
Income	(203,414)	(206,636)	(3,222)	1.58%
Pay	559,393	554,465	(4,929)	0.88%
Non Pay	567,136	587,900	20,764	3.66%
<b>Total</b>	<b>923,115</b>	<b>935,729</b>	<b>12,614</b>	<b>1.37%</b>

## Forecast

**£ 10,000,000 overspent**

Type	Full Year Budget (£'000)	Full Year Forecast (£'000)	Forecast Variance (£'000)	% Variance
Income	(241,616)	(245,465)	(3,849)	(1.59%)
Pay	670,030	664,862	(5,168)	(0.77%)
Non Pay	700,290	719,307	19,017	2.72%
<b>Total</b>	<b>1,128,704</b>	<b>1,138,704</b>	<b>10,000</b>	<b>0.89%</b>

## 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 Green	-1,196	↓
Reported year to date financial position – deficit/(surplus) – Forecast Amber	12,613	↑
Reported year to date compared to forecast financial plan deficit – Forecast Amber	946	↓
Current reported year end forecast – deficit/(surplus) – Forecast Amber	10,000	→

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	(1,519)	↓

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	94.2	↓

## Revenue

1. The Health Board P10 in-month underspend was £1.196m against an in-month target profile underspend of £1.215m.
2. The Board is on target to deliver the £10m year-end forecast deficit and is managing a number of risks and opportunities within this position.
3. The year to date overspend is £0.946m over the target required to deliver the £10m forecast deficit, this is based on 10/12<sup>th</sup> of £20m less £5m which is a half of the £10m additional funding supported provided by WG in December.
4. The delegated positions have continued to overspend above the planned level required to meet the £10m year-end forecast deficit, however there has been a slight improvement in Month 10.
5. The key pressures remain the effect of not delivering the required savings in full, medical agency and escalating pressures on clinical consumables.

## Capital Narrative

1. The approved CRL value for 18/19 is £33.014m, This includes Discretionary Capital and the schemes under the All Wales Capital Programme.
2. The Health Board also has a number of approved schemes totalling £2.760m which will be added to the CRL in February. £2.140m of this was recently awarded to the Health Board for additional high risk medical equipment replacements.
3. The underspend to date has increased as the commencement of a number of new schemes have experienced slight delays. These schemes have now commenced and a full review of the resource schedule will be carried out to minimise slippage. These schemes are therefore currently reported as medium or high risk.

## PSPP Narrative

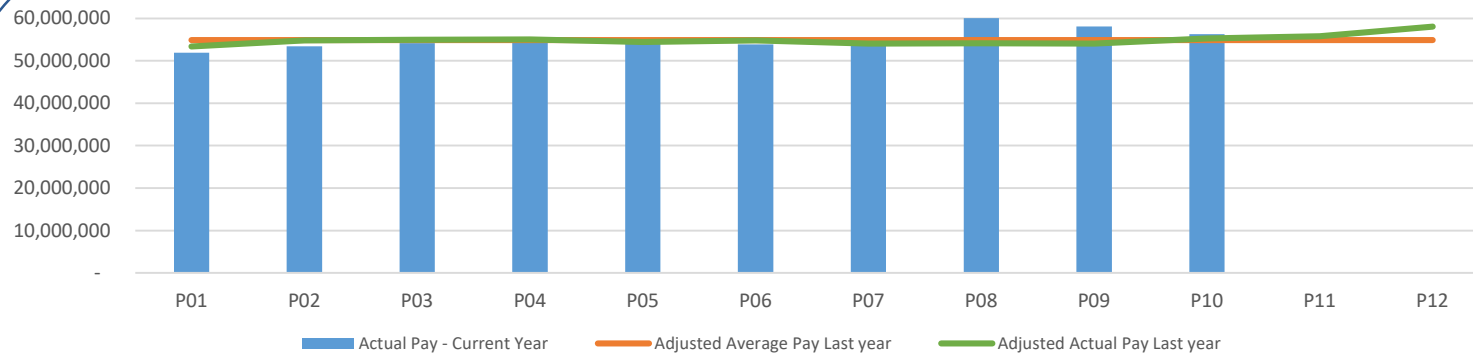
1. The number of invoices paid within 30 days continues to be below the 95% target, the cumulative performance reducing slightly from 94.3% at the end of December to 94.2% at the end of January.
2. The reduction was as a result of the in month compliance reducing to 93.7% after being over 95% in each of the last 4 months.
3. The in month reduction was linked to over 2,300 invoices being paid which were over 30 days old as work continues to progress in clearing the invoices on hold both as a result of the implementation of the NO PO/NO Pay policy and as a result of delays in receipting. The clearance of these older invoices is essential to assist in the smooth transfer of assets and liabilities as part of the Bridgend boundary change.

# P10 PERFORMANCE AGAINST CONTROL TOTAL

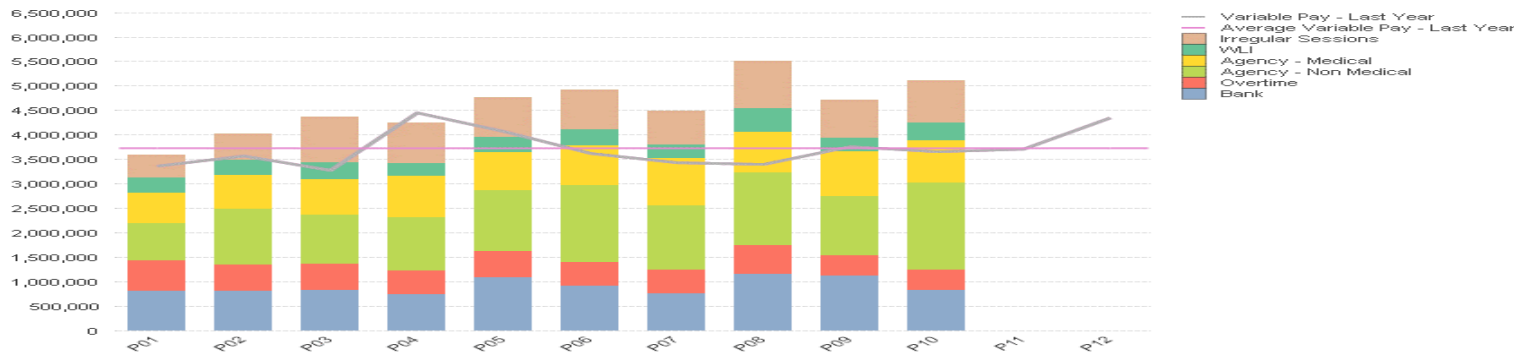
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Cumulative	Movement	Year End	Forecast
	In Month	In Month	In Month	In Month	In Month	In Month	In Month	In Month	In Month	In Month	Position	in Month	Control Total	Position
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Service Delivery Units</b>														
Singleton	96	91	103	-19	156	137	83	87	69	103	906	34	977	977
POW	240	278	279	366	344	297	463	396	429	390	3,480	-37	2,546	4,000
Morrison	38	22	37	186	210	190	222	286	248	154	1,593	-94	44	1,800
Mental Health & LD	63	67	59	-382	98	27	0	42	50	47	71	-3	-150	200
PC & Community	20	19	32	-39	9	-66	-12	-2	-6	-49	-46	-52	-54	-61
NPT Unit	0	-54	-49	-96	-64	-111	-77	-75	-87	-115	-728	-28	-781	-853
<b>Directorates</b>														
Nurse Director	-1	-9	-5	-18	-20	-21	-22	-31	-25	-48	-217	-25	-161	-330
Medical Director	-25	-24	-31	-43	-43	-30	4	-9	-13	-25	-240	-11	-408	-313
Workforce & OD	25	14	7	10	11	-25	-4	-3	-20	-29	-15	-8	79	20
Informatics	-3	-20	-114	-17	-18	-72	-28	-28	-28	-29	-357	-1	-282	-776
Finance	-1	-3	0	-2	0	-94	-14	-51	-87	-235	-487	-148	0	-473
Board Secretary	11	11	9	17	-10	-1	-11	0	-1	-5	20	-4	0	22
Chief Operating Officer	19	50	6	39	142	1	25	-27	79	-4	329	-82	0	335
Director of Strategy	-17	-35	10	-7	-38	-21	-23	0	10	23	-130	25	102	-117
Corporate I&E	-33	-50	23	-23	-71	-101	-199	-183	-150	146	-634	289	-60	-560
<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>468</b>	<b>324</b>	<b>3,545</b>	<b>-145</b>	<b>1,852</b>	<b>3,871</b>
Corporate Plan	1,933	1,933	1,695	2,273	1,338	1,278	879	880	-1,620	-1,520	9,069	100	8,148	6,129
<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>-1,152</b>	<b>-1,196</b>	<b>12,614</b>	<b>-45</b>	<b>10,000</b>	<b>10,000</b>

- The overall delegated position has improved slightly in P10, with some improvements reported in Morrison and a number of corporate directorates. It should be noted that despite the improvements the Morrison position is still significantly adrift of the year end control total. This has been offset partly offset by corporate income pressures, particularly Non-contract activity income.
- 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 will not meet their target. This is being offset by the deployment of additional mitigating opportunities as set out in P07, a relatively strong corporate income position and some directorates and SDUs improving on their year end control total.
- All units have re-examined their position, control measures and actions and have provided a re-assessed forecast with risks and opportunities clearly identified. This forecast has provides re-assurance that the £10m forecast deficit is achievable. However the risk profile is continuously being assessed particularly in terms of performance support requirements.

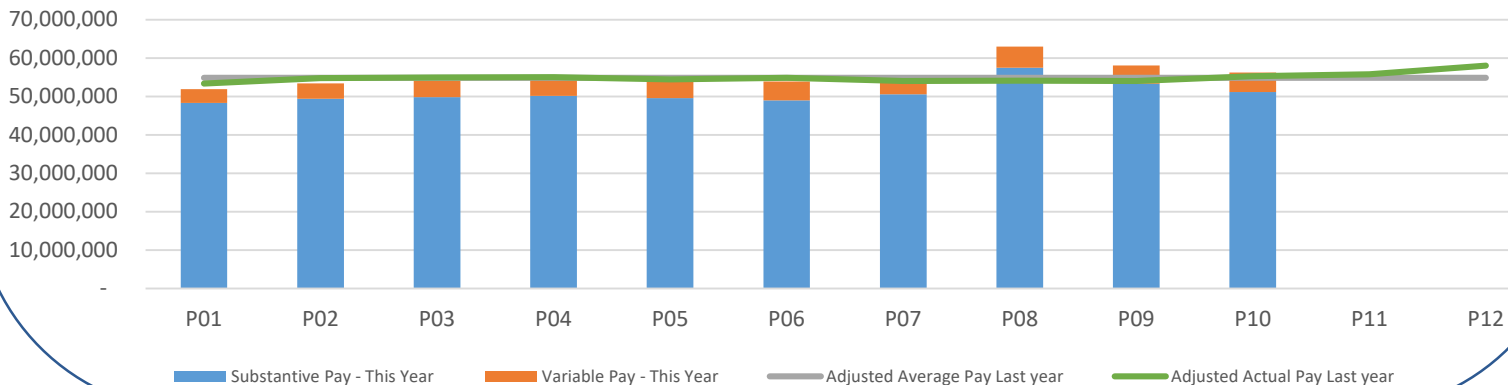
### Actual Pay Expenditure This Year and Last Year



### Variable Pay Expenditure This Year and Last Year

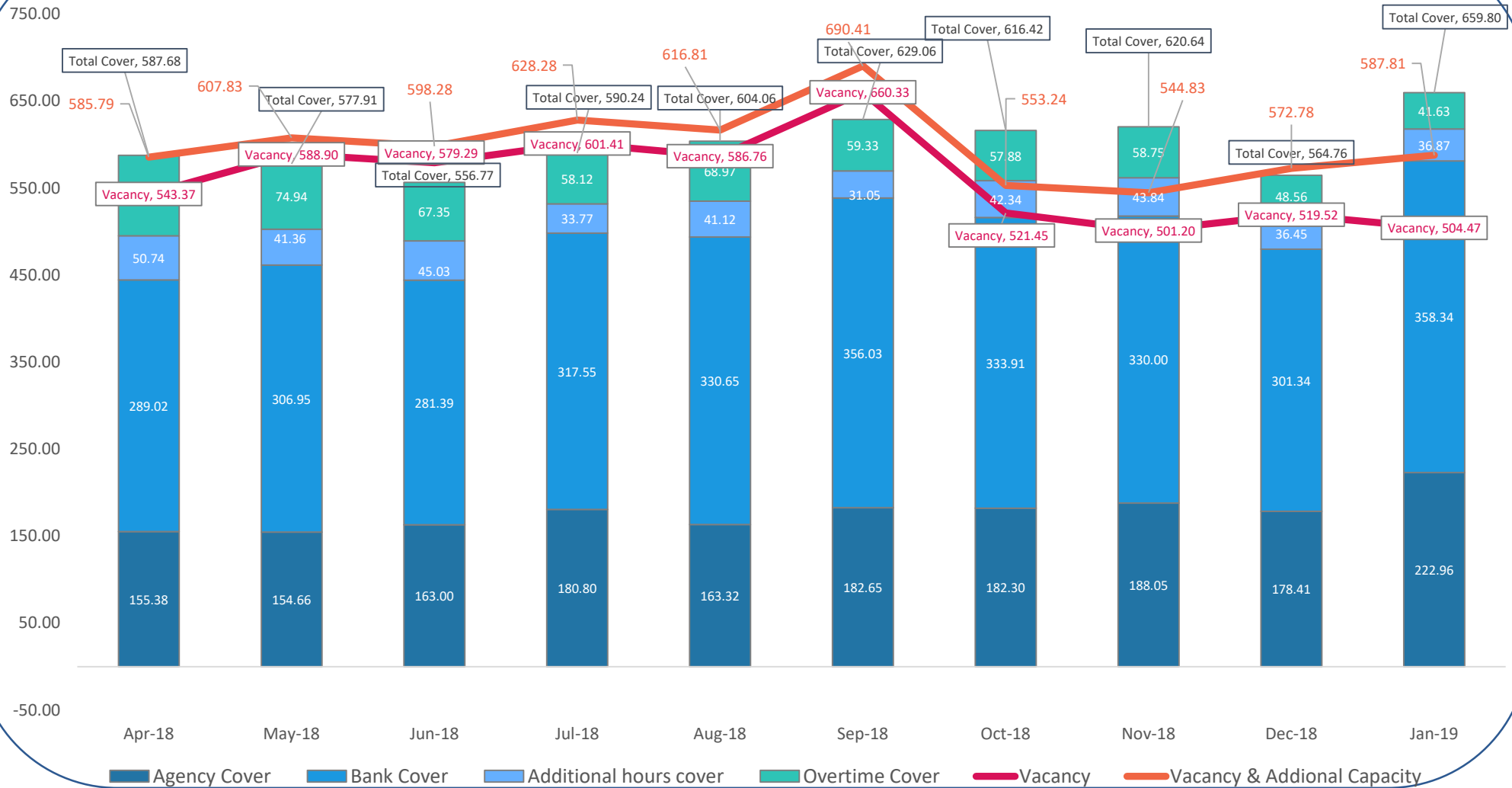


### Substantive & Variable Pay Expenditure This Year and Last Year



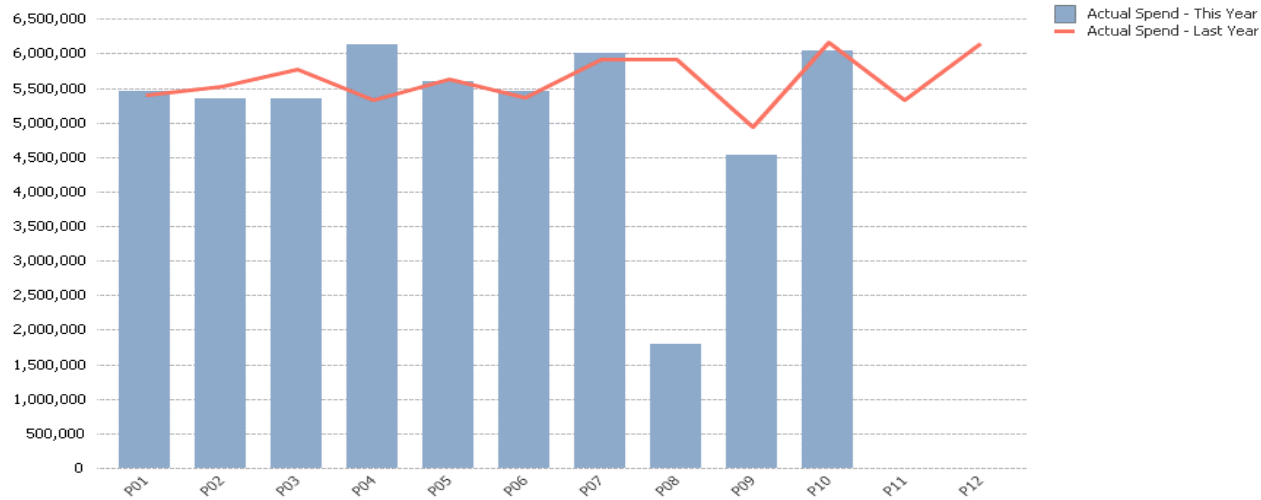
- The average monthly pay spend prior to the pay awards was around £54m. An increase of around £1.5m per month to reflect the impact of the pay award for all staff groups was forecast.
- The spend in P09 was £58m which is around £2.5m above the pay award adjusted average.
- Pay Arrears for Medical and Dental and Execs and Very Senior Managers of around £2m were paid in P09.
- The residual increase reflects costs of additional capacity and RTT.
- The last year average pay and actual pay lines have been uplifted for 2018/19 pay inflation to enable comparisons to be drawn.
- P09 has continued to see high levels of bank costs and agency costs for Medical and Nursing staff.
- Variable pay is running significantly above 2017-18 levels at around £0.8m higher per month.

## Health Board Nursing & HCSW Establishment Vacancy / Cover

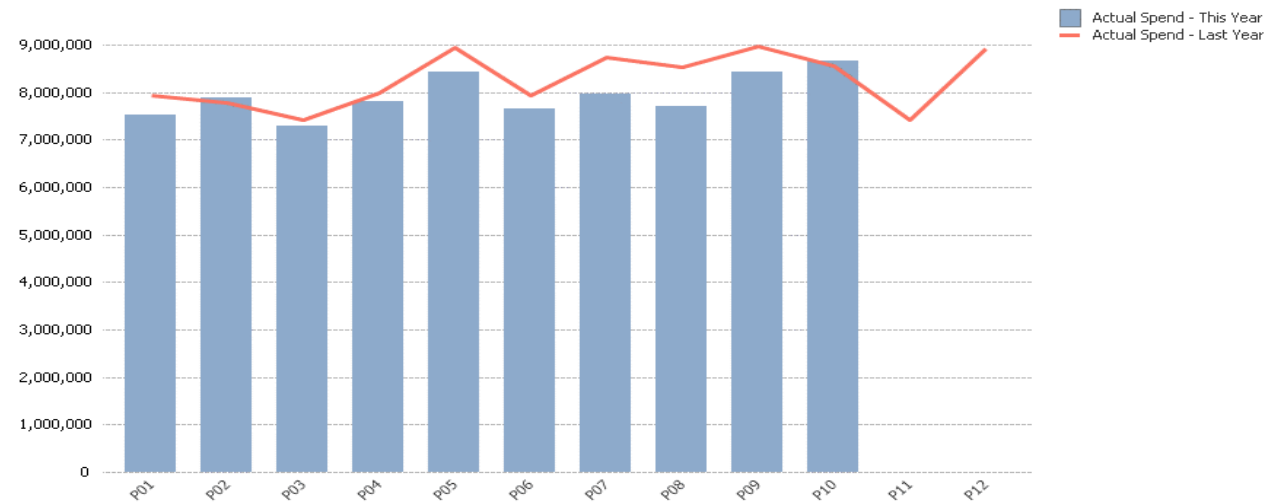


- The vacancy level has reduced slightly in January.
- The orange line has been added to the graph to show the level of vacancy and additional capacity requirements, which should be recognised as requiring cover.
- The other key reasons for cover are sickness and acuity levels. Sickness levels are continuing to increase for these staff groups.

### Secondary Care Drugs Trend Analysis



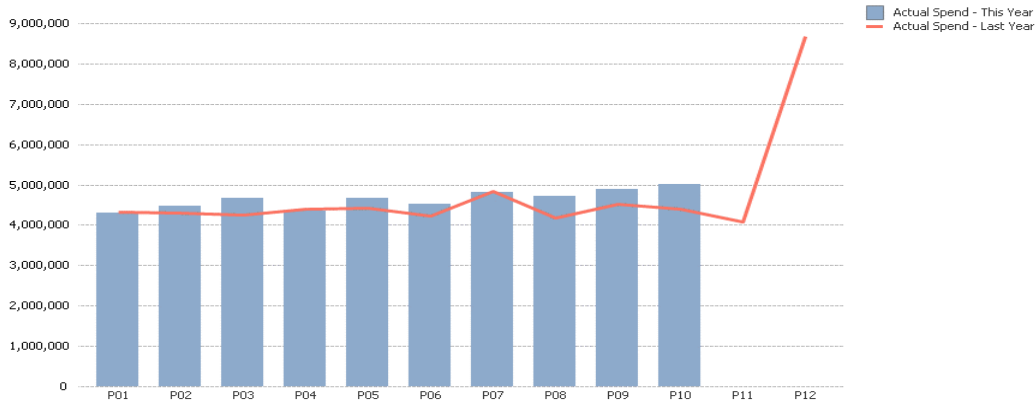
### Primary Care Drugs Trend Analysis



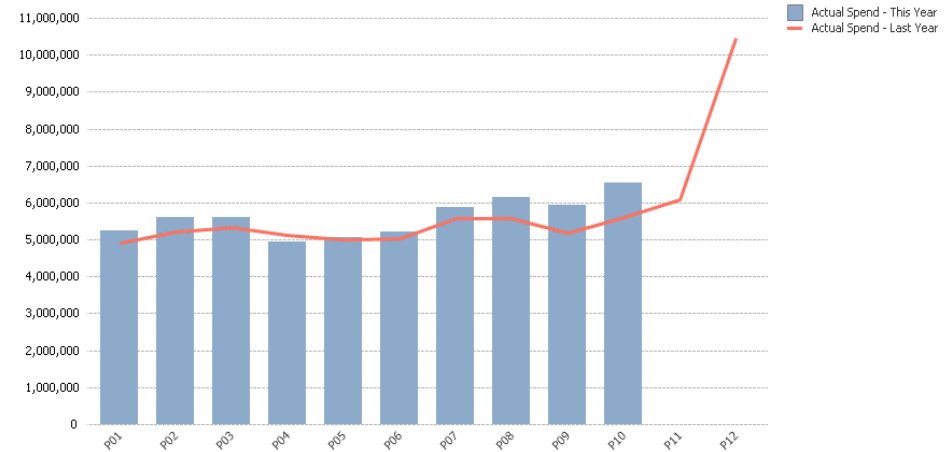
- Secondary Care drugs spend had been relatively stable in 2017/18 and has remained stable in 2018/19.
- Expenditure trends for this year are broadly mirroring those seen in previous year.
- The reduction in drug spend in P08 reflects the release of the JAC Pharmacy over-accrual following agreement at Audit Committee.

- 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. It should be noted that this is based on 8 months of actual spend data for 2018/19.
- The Primary Care spend in 2018/19 is generally lower than in 2017/18 due to NCSO and Cat M reductions.
- NCSO levels have increased in the last month and this is being monitored closely.

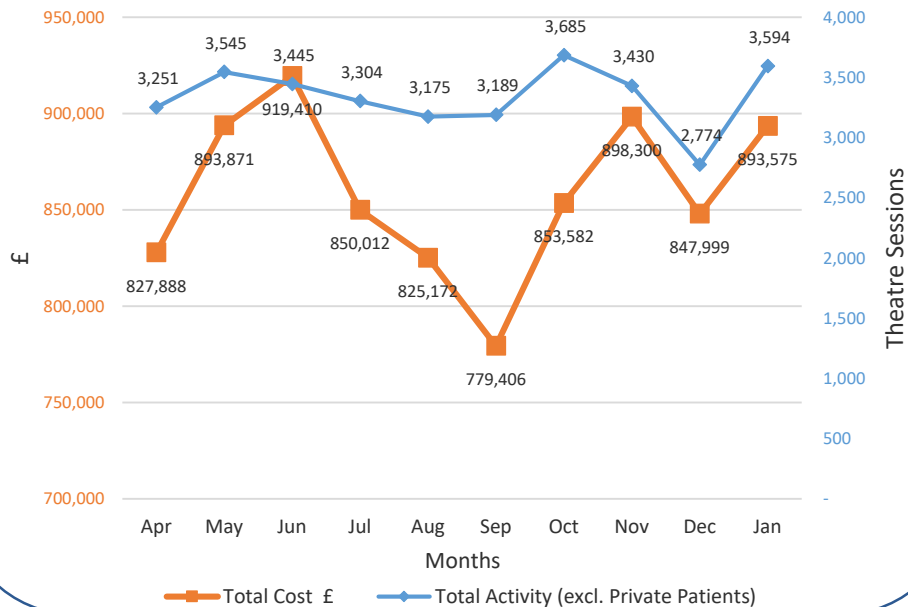
### CHC Trend Analysis



### 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 in growth in case numbers alongside the steady growth MH & LD cases.
- Clinical consumables spend was high in January. During this month theatre activity was also very high despite the impact of winter pressures on beds.

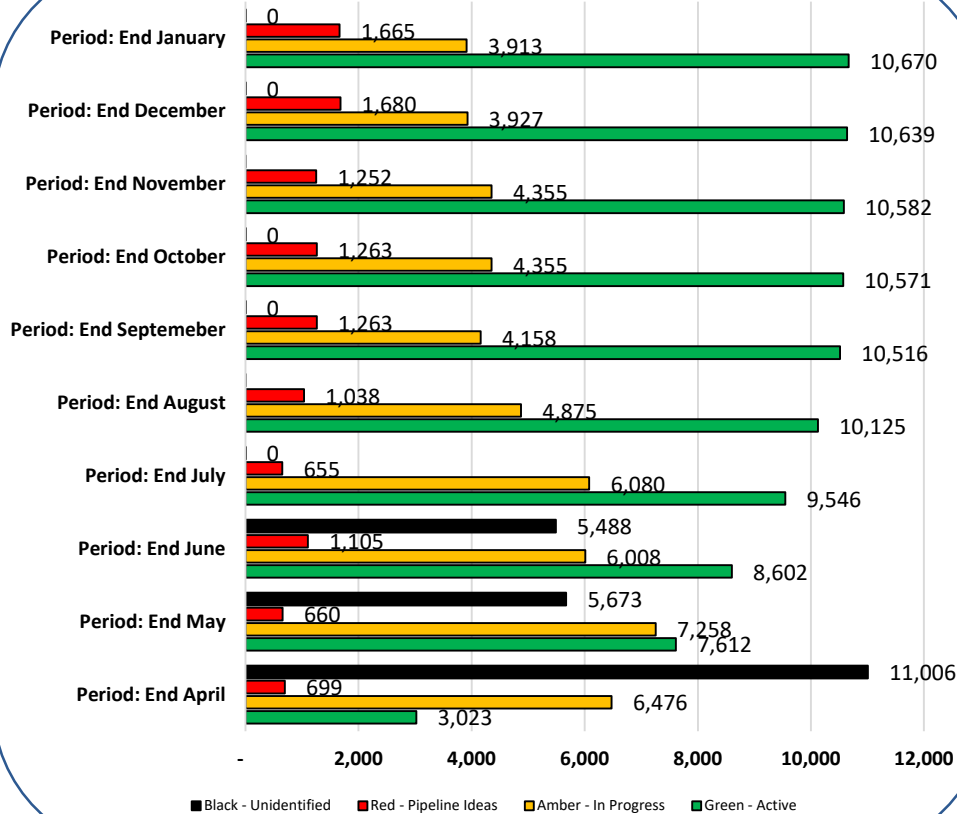


Work Stream	18-19 Assigned Target	Total Green Schemes		Total Amber Schemes		Total Red Schemes		Total Unidentified / Shortfall Including Reds	
	(£)	(£)	%	(£)	%	(£)	%	(£)	%
Clinical Procurement	1711	74	4%	950	56%	0	0%	687	40%
Corporate Overheads	1000	602	60%		0%	0	0%	398	40%
Medicines Management	1675	1800	107%		0%	0	0%	-125	-7%
Procurement	2062	978	47%	473	23%	28	1%	583	28%
Reducing Waste, Harm & Variation	0		0%		0%	0	0%	0	0%
Ring Fenced Funding Review	0		0%		0%	0	0%	0	0%
Service Remodelling	4822	239	5%	993	21%	1305	27%	2285	47%
Unit Cost Down Savings	3659	5964	163%	1497	41%	332	9%	-4134	-113%
WHSCC	1000	1000	100%		0%	0	0%	0	0%
Workforce Redesign	0	12						-12	
<b>Total</b>	<b>15929</b>	<b>10670</b>	<b>67%</b>	<b>3913</b>	<b>25%</b>	<b>1665</b>	<b>10%</b>	<b>-320</b>	<b>-2%</b>

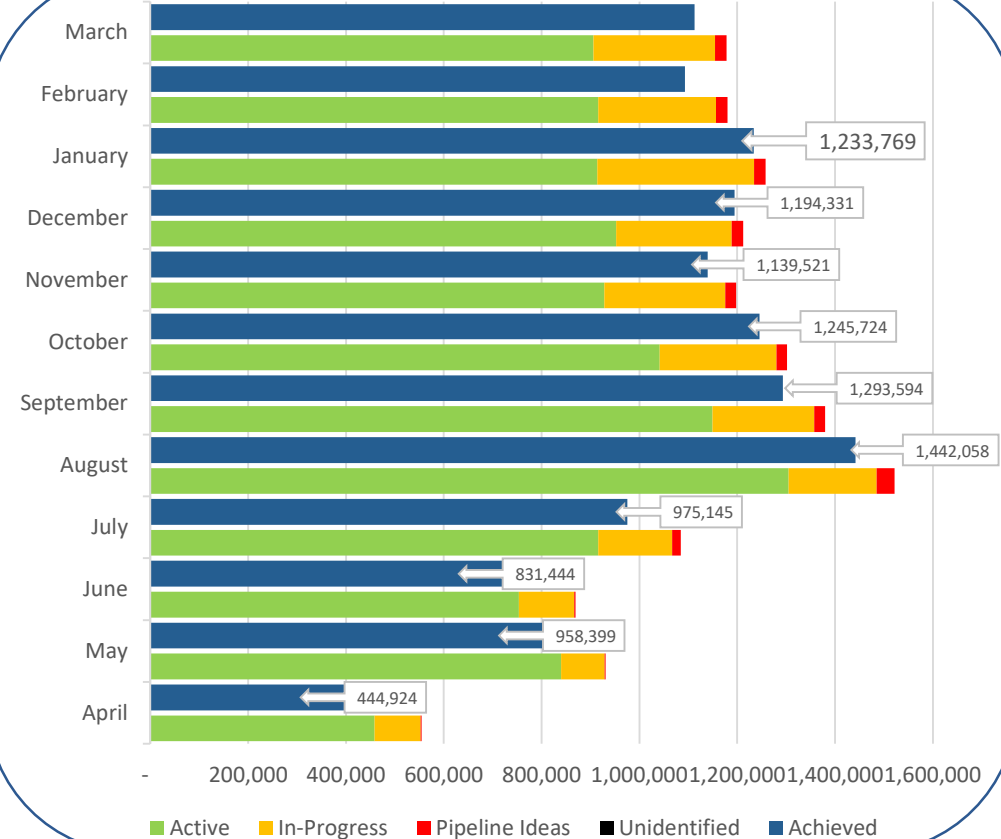
## Narrative

- 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 £10.6m of the identified schemes are considered to be green, with full delivery confidence.
- The plan to deliver £10m forecast deficit initially anticipated the delivery of around £15m savings which was based on full delivery of the Green and Amber schemes at that point.
- The re-assessment of savings have seen a number of Amber schemes re-assessed as Red. This was reflected in the re-assessment of the plan to deliver £10m in P07, when anticipated savings delivery was reduced to £13.5m. The actual delivery profile can be seen on slide 12.

## 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 forecast with mitigating opportunities deployed to offset this slippage.
- £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 stepped up from Month 5, recent months have seen reducing levels of savings delivery. The delivery to date is £2m below the planned level.
- 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.

## Savings Delivery

18/19 Savings Delivery	18/19 Original Savings Targets	18/19 Revised Savings Target	18/19 Savings Delivery Recurrent	18/19 Savings Delivery Non Recurrent	Shortfall/(Surplus)	% Original Target Delivered	% Revised Target Delivered
	£000	£000	£000	£000	£000	%	%
Morrison	4,969	3,783	2,413	62	1,308	50%	65%
Singleton	3,022	2,289	817	463	1,009	42%	56%
POW	2,718	2,088	1,055	4	1,029	39%	51%
NPT	2,316	1,305	1,031	1,324	- 1,050	102%	180%
PCC	2,160	1,565	1,206	363	- 4	73%	100%
MH&LD	1,838	263	147	-	116	8%	56%
Nurse Director	74	65	-	74	- 9	100%	114%
WOD	109	96	-	69	27	63%	72%
Informatics	298	265	120	145	-	89%	100%
Board Sec	42	38	-	38	-	90%	100%
Therapies	15	13	-	13	-	87%	100%
Strategy	1,473	1,332	73	254	1,005	22%	25%
Medical Director	31	28	-	49	- 21	158%	175%
Finance	139	124	-	117	7	84%	94%
HB Wide	2,000	2,675	2,800	250	- 375	153%	114%
<b>Total HB Position</b>	<b>21,204</b>	<b>15,929</b>	<b>9,662</b>	<b>3,225</b>	<b>3,042</b>	<b>61%</b>	<b>81%</b>

Non-Recurrent Savings	Vacancy Mgmt	Prior Year Opps	Reserve Release	NR Income	Total NR
	£000	£000	£000	£000	£000
Morrison		37		25	62
Singleton		463			463
POW		4			4
NPT	66	1214		44	1324
PCC		363			363
MH&LD					0
Nurse Director	74				74
WOD	54	15			69
Informatics	90	55			145
Board Sec	31	7			38
Therapies	13				13
Strategy	96	158			254
Medical Director		49			49
Finance	117				117
HB Wide			250		250
<b>Total HB Position</b>	<b>541</b>	<b>2365</b>	<b>250</b>	<b>69</b>	<b>3225</b>

- The savings delivery table provides an analysis of the 18/19 original and revised savings targets and the forecast delivery against these targets.
- The non-recurrent element of the forecast savings delivery has been shown separately.
- The Health Board is currently forecasting a savings delivery of £12.9m, of which £3.2m is non-recurrent.
- The second table provides some further analysis of the non-recurrent savings delivery.
- It can be seen that there is around £0.5m delivered through vacancy management, however the most significant element is £2.4m related to prior year opportunities.

Workstream	Progress Update: January/February	Key Actions February /March
Procurement	<p>Automated Stock Management – ITT issued on time &amp; supplier interviews held on 13/02/19</p> <p>QVC Tier 1 – agreement on 13 areas – engagement via Medical Director with Clinical Leads, data analysis completed to support initial meetings</p> <p>Enterprise cars – options to consider future arrangements underway</p>	<p>Progress ATS project plan</p> <p>Initial meetings with Clinical Leads</p> <p>Agree position re: Enterprise cars</p>
Medicines Management	Savings plan on track for delivery. Further opportunities identified within primary care prescribing which are supporting HB position	Finalise savings plan for 2019/20
Workforce Redesign	Limited further progress but work now being picked up as part of HVO scoping for 2019/20	<p>Develop workforce radiology plan</p> <p>Detailed planning in line with Category C – HVO</p>
Workforce delivery including medical workforce	<p><i>Occupational Health &amp; Well Being</i> – digital dictation in use from 18<sup>th</sup> Feb for AHPs to speed up appointment times; 1<sup>st</sup> batch of records to be transferred to electronic system</p> <p><i>E-rostering</i> Singleton complete; Morriston on schedule; 1<sup>st</sup> benefit realisation report delayed due to difficulties in populating some KPIs – being assessed by e-rostering lead</p> <p><i>Sickness</i> Work focussing on hotspots in a number of areas. Detailed plan now in place</p> <p><i>Medical Workforce</i> Kendal Bluck review on schedule for presentation to Execs on 27<sup>th</sup> Feb</p> <p><i>E-job planning</i> – recruited into posts but there are risks that could impact on other elements of work stream delivery</p> <p>Locum on Duty – operationalisation progressing but risks around capacity to manage range of medical digitisation projects</p>	<p>Complete digital dictation roll out for all clinicians</p> <p>Discussion on potential to accelerate rostering</p> <p>Identify benefits realisation metrics and produce 1<sup>st</sup> report</p> <p>Action plan following KB review</p> <p>Assess and mitigate risks around capacity to manage digitisation agenda</p>
Value & Variance	VBHc projects are progressing including national and local PROMs collection proceeding with plan. However, overall work programme being refined in light of HVO and focussing on identification of further opportunities	Focus on HVO
Service Remodelling	No further bed closures will be undertaken in 2018/19 in light of winter pressures. Action plan now in place following Bed Utilisation Survey and joint development of Hospital 2 Home transformation bid. Meeting with WG on 13/02/19 and full transformation bid to be submitted in March	Hospital 2 home bid progressed and alignment with Transformation Programme

## Plan Update, Forecast & Recurrent Impact

	2018/19 Plan	Plan Update P4	Plan Update P7	Plan Update P9	Recurrent Impact
	£m	£m	£m	£m	£m
Underlying Position	34	34	34	34	34
Schemes Supporting Underlying Position not delivered		4.35	4.35	4.35	4.35
ChC Movement in Provision			-0.5	-0.5	-1.3
2018/19 Anticipated New Costs	23.9	22.9	22.9	22.9	22.9
All Wales Development Top Slice	5.67	5.67	5.67	5.67	5.67
Additional Pressures : NSA		1.4	1.4	1.4	2.5
Additional Pressures : TAVI		2	1.75	1.75	0
Funding Uplift	-18.81	-18.81	-18.81	-18.81	-18.81
Internal Invest to Save	1.5	0.7	0.7	0.7	1.5
Savings	-21.28	-15	-13.5	-13.5	-16
Enhanced control Measures & Savings Delivery		-3.79	-3.79	-3.79	-2
Operational Pressures		0.37	0.69	0.69	
Reserves Release		-1	-1	-1	-1
2017/18 Benefits release		-1	-1	-1	
PFI Benefit - Lifecycle increases		-0.5	-0.5	-0.5	-0.5
LTA Net Inflation Increase		-0.5	-0.5	-0.5	-0.5
Non-Recurrent Benefits		-1.5	-1.5	-1.5	
Slippage on new monies		-1.5	-1.5	-1.5	
Review of Provisions and Accruals		-4.5	-4.5	-4.5	
WHSSC Slippage on Developments/Performance		-0.5	-0.5	-0.5	
Terms & Conditions Funding		-0.81	-0.81	-0.81	-0.81
Other Non-Recurrent Benefits		-2	-2	-2	
GPOOH			-0.475	-0.475	
Consultant Commitment Awards			-0.3	-0.3	
Other Reserve Releases			-0.3	-0.3	
Additional WG Support				-10	
<b>Total</b>	<b>24.98</b>	<b>19.98</b>	<b>19.975</b>	<b>9.975</b>	<b>30</b>

## Narrative

- The Health Board financial plan for 2018/19, the updated plan to deliver £20m control total, the subsequent £10m forecast deficit 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 10, 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.
- The movement to the £10m forecast deficit is supported by the additional non-recurrent WG funding.

## RTT Funding Available

	£000
RTT Funding	10,300
Spend to Date	(10,986)
Over Commitment to Date	(686)
Additional Funding Support Identified	3000
<b>Funding Available</b>	<b>2314</b>

## Narrative - RTT

- The Health Board planned £2m funding for RTT included within its initial £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 £10.986m has been spent against the £10.3m available budget. **This gives a funding deficit of £0.686m.**
- In order to deliver the end of March position a commitment of £3m above the initially planned £10.3m. This additional funding has been identified through primary care prescribing benefits and rebates on contributions to national programmes.
- The additional funding reflects a range of issues which have resulted in a higher level of outsourcing to be required than originally planned.
- It must be recognised that if the agreed performance expectations are not met, then the WG RTT funding and additional support could be subject to claw back at the end of the financial year.

## RTT Expenditure Profile

		April	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Outsourcing/ Insourcing	Morrison		554	581	242	403	508	298	521	662	466	4235
	Singleton	108	226	120	423	231	231	158	149	122	2	1770
	POW					14	4	3	18	7	0	46
	<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>791</b>	<b>468</b>	<b>6051</b>
Internal WLI	Morrison	101	89	130	179	117	215	188	257	188	186	1650
	Singleton	34	53	56	51	54	62	39	141	80	103	673
	POW	6	228	137	151	144	145	137	171	116	157	1392
	<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>384</b>	<b>446</b>	<b>3723</b>
Infrastructure	Morrison	102	99	93	159	155	183	123	144	96	-24	1130
	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>96</b>	<b>-24</b>	<b>1212</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>1271</b>	<b>890</b>	<b>10986</b>
<b>Delivery Profile</b>		<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>August</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	
36 weeks	Target	3363	3398	3349	3283	3286	3069	2771	2710	3045	2853	
	Actual	3398	3349	3319	3433	3538	3381	3370	3298	3030	3199	
26 weeks	Target	167	130	99	273	248	152	98	97	211	97	
	Actual	166	120	55	30	111	90	65	140	96	152	

\* January performance figures are draft

	P1	P4	P7	P10
	£m	£m	£m	£m
Central Budgets	48.154	40.026	23.66	9.905
Reserves	30.008	25.197	14.395	7.815
Contingency	1.28	1.021	0.67	0.303
Corporate Plan	-25.04	-25.04	-20.638	-6.787
<b>Total Reserves</b>	<b>54.402</b>	<b>41.204</b>	<b>18.087</b>	<b>11.236</b>

#### Narrative

- The key element of the Central Budgets is NICE. Each month around £4m is issued each month. In P12 the impact will be higher as it will also include costs from other providers including Velindre.
- The reserves position has included some significant WG and Health Board allocations, including Pay Awards £19.5m, RTT £13.3m, Winter and Critical Care £7.1m, Mental Health Transformation Monies and ICF. The timing of these allocations and release to service to meet costs results in the reserve position flexing both up and down.
- The remaining reserves reflect Winter and Critical Care outstanding commitments £3.9m, RTT £2.3m, TAVI £0.7m and some smaller commitments including LTA Performance issues.
- The Health Board commenced the year with a small contingency of £1.3m and to date around £1m has been committed.
- The Corporate Plan at the start of the financial year reflected the £25m planned deficit, this reduced to £20m following the release of a significant accountancy gain (JACS).
- The Corporate Plan deficit reduced by a further £10m upon receipt of £10m additional WG support and the subsequent reduction reflects the release of opportunities to offset delegated position overspends

#	Issue	Description	Opportunity (Best Case) £000	Risks (Worse Case) £000	Most Likely £000	Key Decision Point and Summary Mitigation	Risk Owner Name
	<b>Annual Plan Deficit</b>		<b>-10000</b>	<b>-10000</b>	<b>-10000</b>		
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	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
3	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		-844	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
4	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
5	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

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9,150	11,637	9,943