



Bwrdd Iechyd Prifysgol  
Abertawe Bro Morgannwg  
University Health Board

# ABMU Finance Dept. Performance & Finance Committee

Period 09 Data (December 2017)  
24th January 2018

In Month

£1,775,219 overspent

Type	Cur Month Budget (£'000)	Cur Month Actual (£'000)	Cur Month Variance (£'000)	% Variance
Income	(19,648)	(19,893)	(245)	1.25%
Pay	54,540	52,590	(1,950)	3.58%
Non Pay	52,671	56,641	3,970	7.54%
Total	87,563	89,338	1,775	2.03%

Cumulative

£26,003,235 overspent

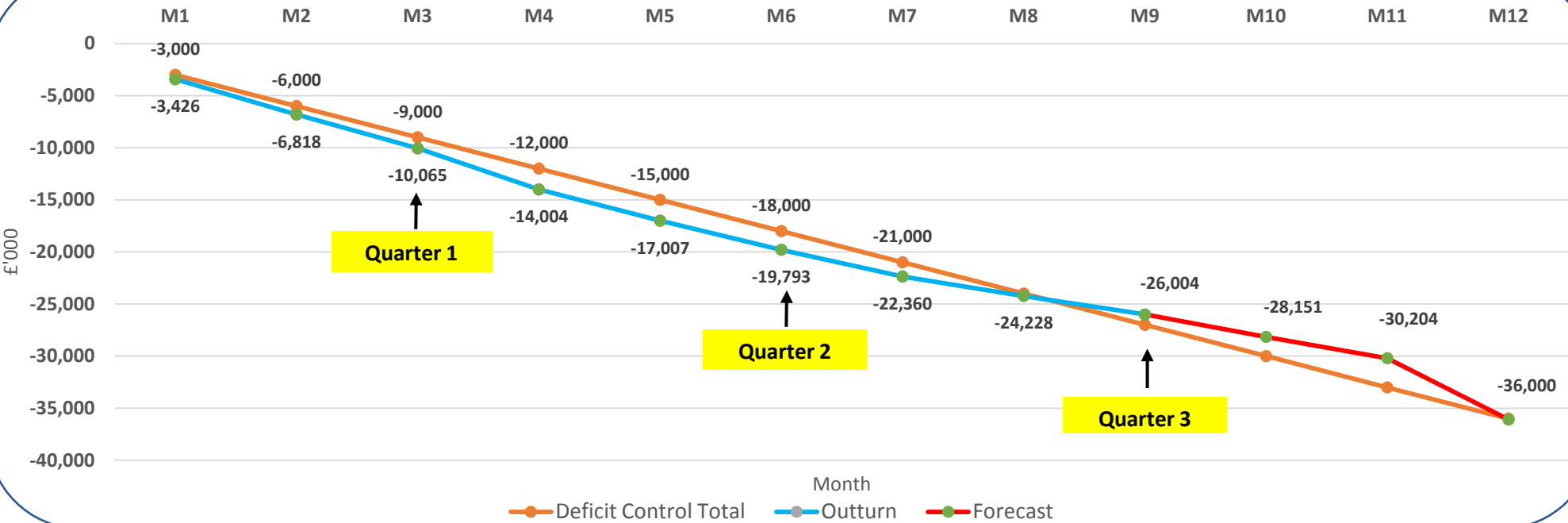
Type	YTD Budget (£'000)	YTD Actual (£'000)	YTD Variance (£'000)	% Variance
Income	(177,035)	(179,461)	(2,426)	1.37%
Pay	484,047	476,518	(7,529)	1.56%
Non Pay	483,296	519,255	35,959	7.44%
Total	790,308	816,311	26,003	3.29%

Forecast

£36,000,000 overspent

Type	Full Year Budget (£'000)	Full Year Forecast (£'000)	Forecast Variance (£'000)	% Variance
Income	(229,410)	(230,030)	(620)	-0.27%
Pay	621,179	620,129	(1,050)	-0.17%
Non Pay	673,191	710,861	37,670	5.60%
Total	1,064,960	1,100,960	36,000	3.38%

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	1,775	↓
Reported year to date financial position – deficit/(surplus) – Forecast Red	26,003	↑
Reported year to date compared to forecast financial plan deficit – Forecast Green	(997)	↓
Current reported year end forecast – deficit/(surplus) – Forecast Red	36,000	→

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	(3,293)	↑
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	94.3	→

## Revenue Narrative

- The Health Board P9 in month overspend of £1.775m is an improvement from the £1.868m in month overspend in P8. This improvement reflects improvements in the operational financial performance and the continued crystallisation of corporate benefits, balance sheet/commitment release, primary care rates rebate and Hep C drugs.
- The cumulative position at £26.003m has dropped below the £27m overspend that could be anticipated based on the £36m planned deficit.
- The Health Board has maintained the current reported year end forecast of £36m, however some of the risks are becoming less certain, if they do not crystallise there is a potential for the year end forecast to reduce.

## Capital Narrative

- WG funded schemes reported as High risk - Linac A £130k Medium Risk - Environmental & Estates Infrastructure £300k
- In-month surplus attributable to a number of schemes but is not anticipated to impact on the breakeven position.
- Additional funding has been confirmed totalling £2.6m (HVS1b settlement and VAT reclaims) which has previously been reported through IBG and to Board. WG has approved the reinvestment of this money for high risk priorities as identified by the Capital Prioritisation Group.

## PSPP Narrative

- The number of invoices paid within 30 days continues to be below the 95% target, cumulative compliance remaining unchanged at 94.3% at the end of December.
- In month compliance was not achieved with 94.02% of invoices paid within 30 days due to delays in the processing of nurse bank invoices. Additional resources to process nurse bank invoices were put in place in December but the full impact of this additional resource will not be seen until January.
- In order to achieve the cumulative 95% compliance for the full year, performance will need to be around 96% in each month for the remainder of the year.

	In Mth				YTD			
	Budget £'000	Actual £'000	Variance £'000	Variance % £'000	Budget £'000	Actual £'000	Variance £'000	Variance % £'000
<b>Service Delivery Units</b>								
Singleton	11,620	12,090	470	4.04%	106,322	111,090	4,768	4.48%
POW	8,674	8,669	4	-0.05%	75,451	77,271	1,820	2.41%
Morrison	17,264	17,901	637	3.69%	154,503	163,294	8,791	5.69%
Mental Health & LD	9,571	9,374	197	-2.06%	85,165	83,620	1,546	-1.81%
PC & Community	19,979	19,960	18	-0.09%	179,537	179,798	261	0.15%
NPT Unit	14,705	14,622	83	-0.57%	131,312	130,944	369	-0.28%
<b>Sub Total Units</b>	<b>81,812</b>	<b>82,616</b>	<b>804</b>	<b>0.98%</b>	<b>732,290</b>	<b>746,016</b>	<b>13,726</b>	<b>1.87%</b>
<b>Directorates</b>								
Nurse Director	315	291	24	-7.63%	2,744	2,695	49	-1.79%
Medical Director	179	138	40	-22.54%	1,621	1,411	210	-12.95%
Workforce & OD	427	417	10	-2.39%	3,937	4,011	74	1.87%
Informatics	1,041	900	141	-13.50%	9,487	9,816	329	3.47%
Finance	463	463	0	-0.06%	4,475	4,485	11	0.24%
Board Secretary	368	386	18	5.03%	3,462	3,478	16	-0.45%
Director of Therapies	55	54	0	-0.66%	436	430	6	-1.33%
Director of Strategy (Estates & Hotel Services)	17,185	17,327	143	0.83%	153,047	154,529	1,482	0.97%
<b>Sub Total Directorates</b>	<b>20,031</b>	<b>19,977</b>	<b>55</b>	<b>0.27%</b>	<b>179,209</b>	<b>180,855</b>	<b>1,646</b>	
<b>Delegated Budget Position</b>	<b>101,844</b>	<b>102,593</b>	<b>749</b>		<b>911,499</b>	<b>926,871</b>	<b>15,372</b>	
Corporate Plan	101,844	100,818	1,026		911,499	900,868	10,631	
<b>Health Board Position</b>	<b>-</b>	<b>1,775</b>	<b>1,775</b>	<b>-</b>	<b>-</b>	<b>26,003</b>	<b>26,003</b>	<b>-</b>

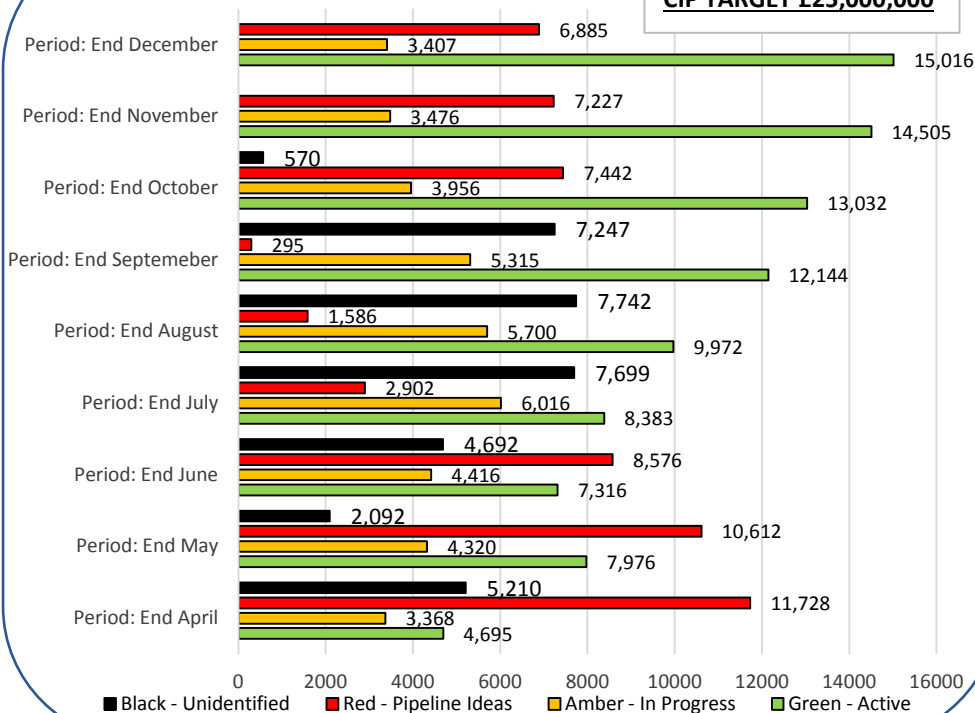
In month position has further improved. The key reasons for improvement are:

- Pay costs are continuing to reduce despite the planned winter pressures investment, this reflects both improved control measures and also annual leave restrictions and reduced activity during the Christmas period.
- Non Pay costs have reduced due to reduced activity during the Christmas period.
- Expenditure across both pay and non pay is expected to increase from the Month 9 position as we move through Quarter 4.

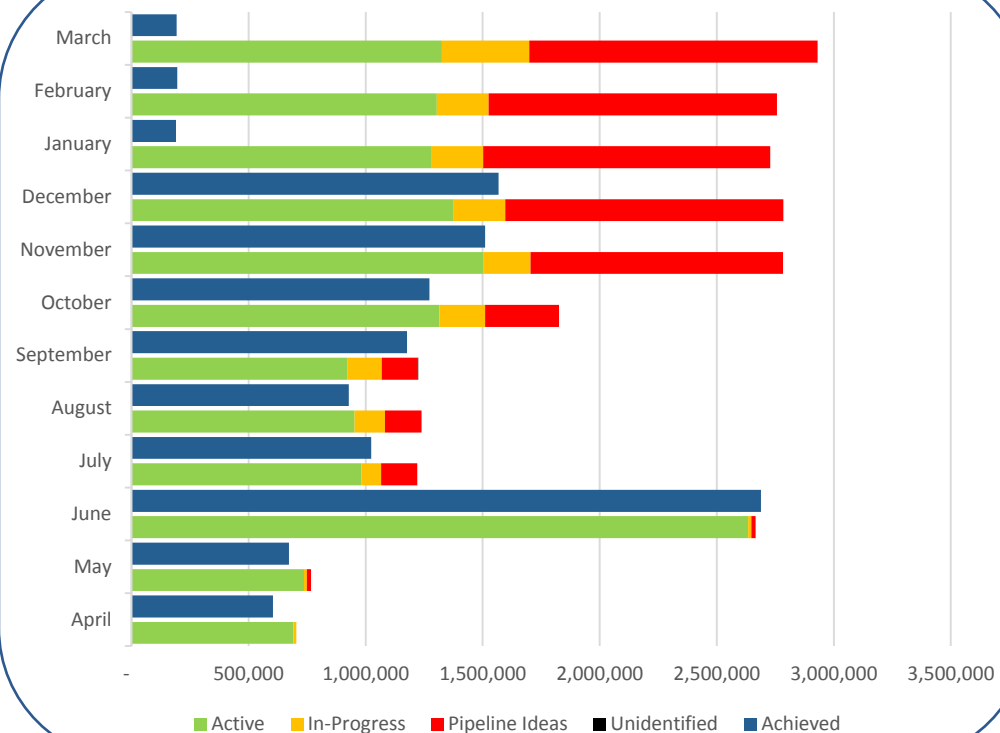
# Savings Analysis

## 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

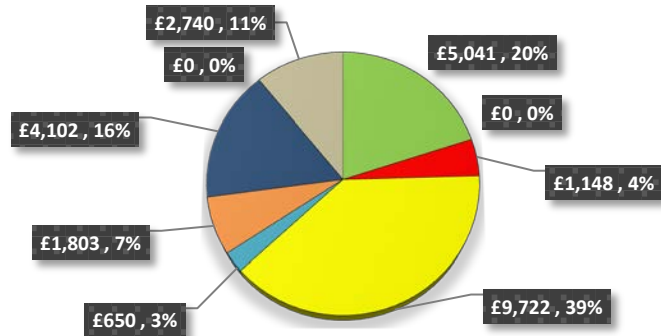
- The level of savings delivery in December has continued to improve from that of the previous months.
- The green and amber schemes are now broadly delivering in full.
- The delivery slippage associated with the Red schemes is significant. This slippage is being supported by the mitigating opportunities being taken .

# Savings by Executive Stream

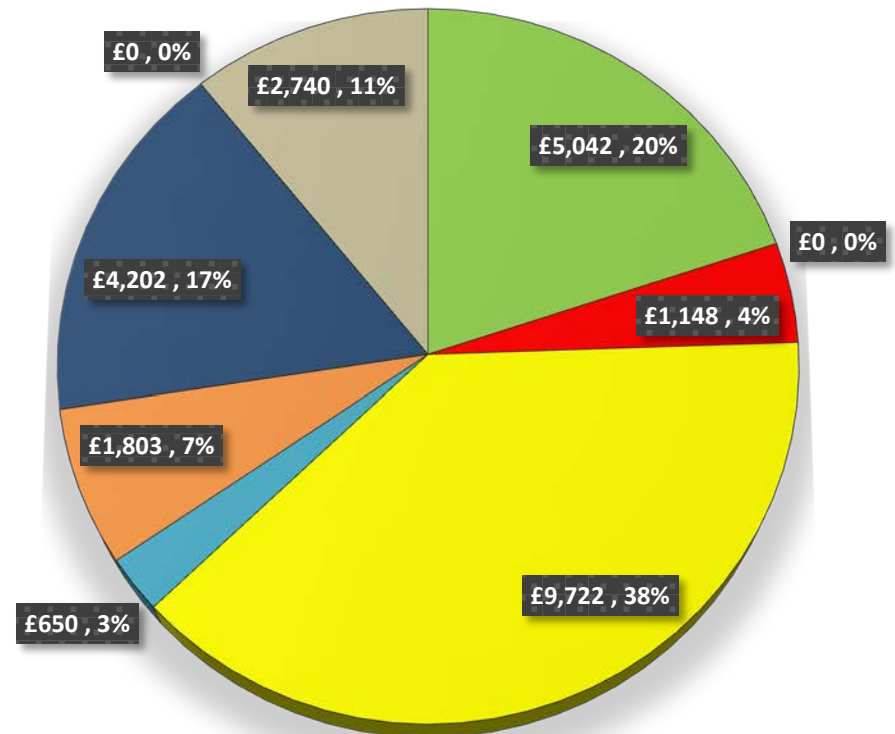
## Health Board View By Theme of Planned Savings

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

**P8**



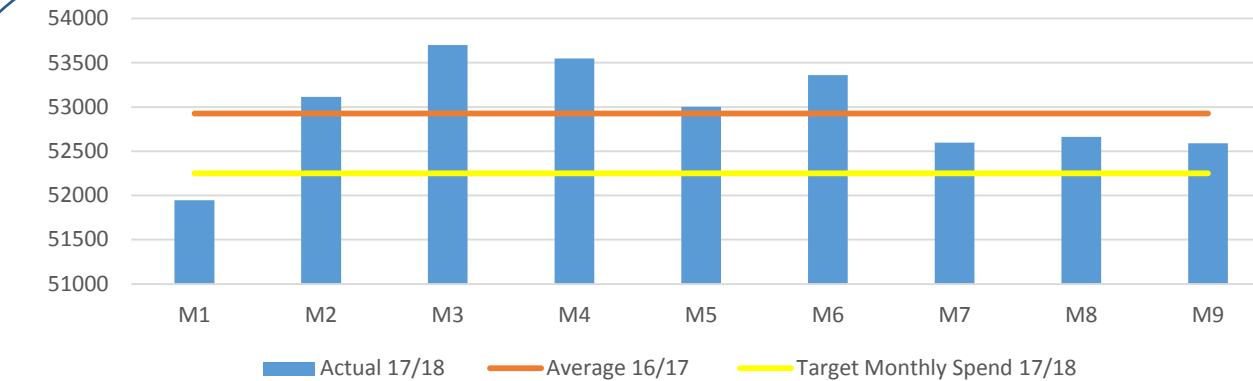
**P9**



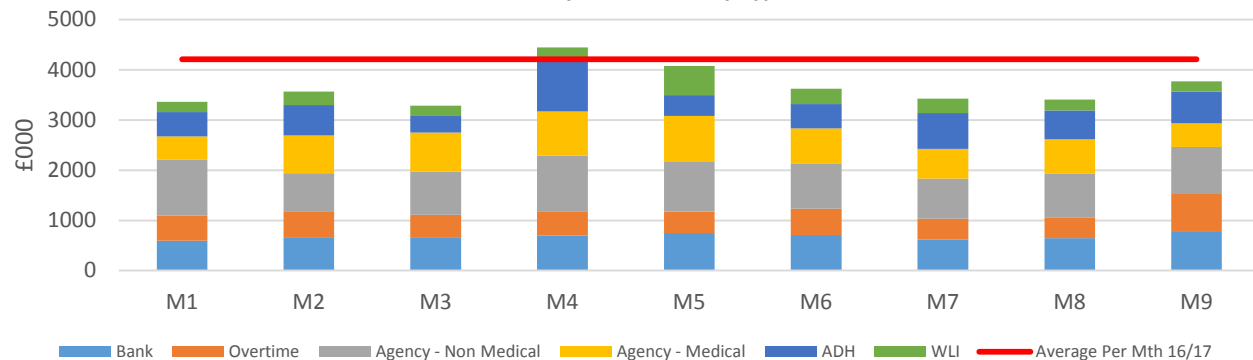
**@ P09**

	Total Plan £000	YTD Plan £000	YTD Delivery £000	YTD Variance £000
Capacity Redesign	£5,042	£3,247	£2,815	£-432
Patient Flow	£0	£0	£0	£0
Workforce Medical	£1,148	£537	£423	£-114
Workforce	£9,722	£5,421	£2,570	£-2,851
Theatres	£650	£388	£339	£-49
Back Office & Estates	£1,803	£939	£308	£-631
Procurement	£4,202	£3,011	£2,527	£-484
Out Patients	£0	£0	£0	£0
Medicines Mangt	£2,740	£2,418	£2,477	£59
<b>TOTAL</b>	<b>£25,000</b>	<b>£15,961</b>	<b>£11,459</b>	<b>£-4,502</b>

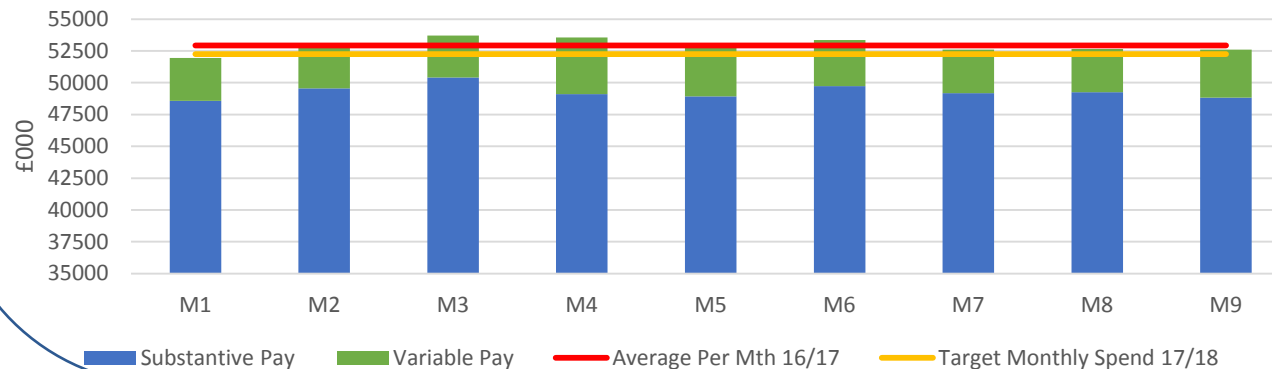
Actual Pay Expenditure 17/18 and Average 16/17



Variable Pay Trend 17/18 By Type

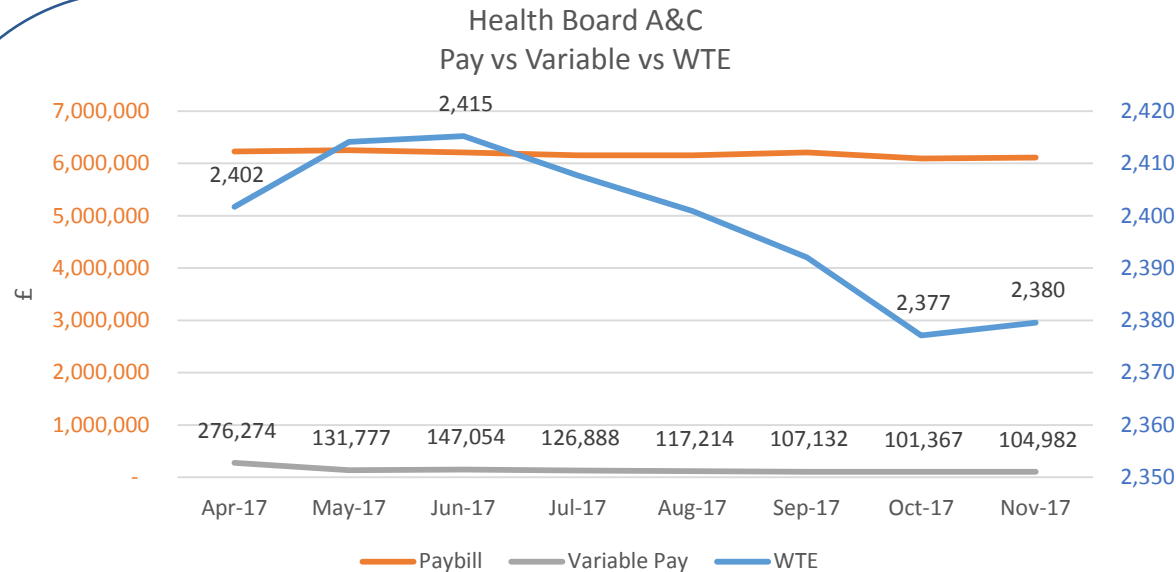


Total Actual Pay (Substantive vs Variable Pay) 17/18



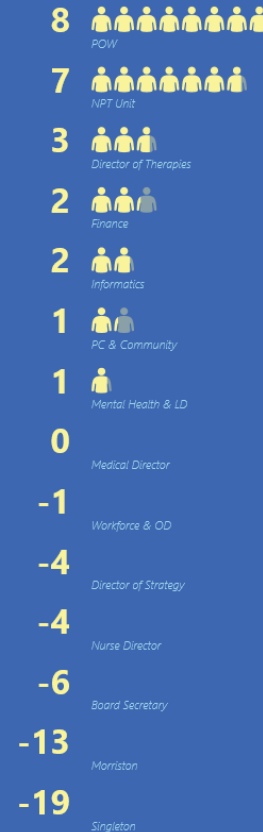
- Up to P06 the monthly pay expenditure for the P02-P06 months was higher than the average for 16/17.
- In P07 the monthly pay bill fell to below the 16/17 average, which continued into P8 and P09, as pay inflation impacts have been offset by cost savings through management of variable pay, service redesign.
- Whilst overall pay bill reduced in P09 the variable pay costs in P09 increased in Bank, Overtime and Non-Medical Agency, which reflects the planned Winter Pressures investment.

# Health Board – Pay Trend A&C



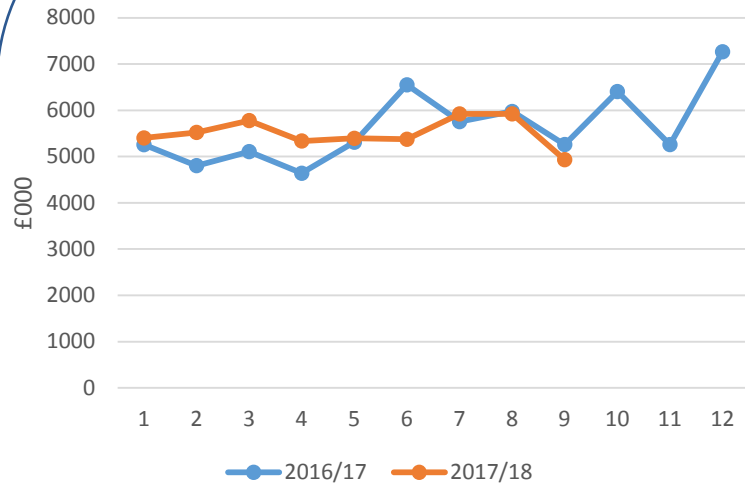
- A&C wte numbers had been rising steadily over the last few years and continued to rise through Q1 2017/18.
- The A&C Vacancy Control panel has halted this growth and A&C numbers are now reducing on a month by month basis. This reduction is being supported by the revised deployment policy.
- During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

## A&C WTE MOVEMENT BY AREA P1-P9 17/18

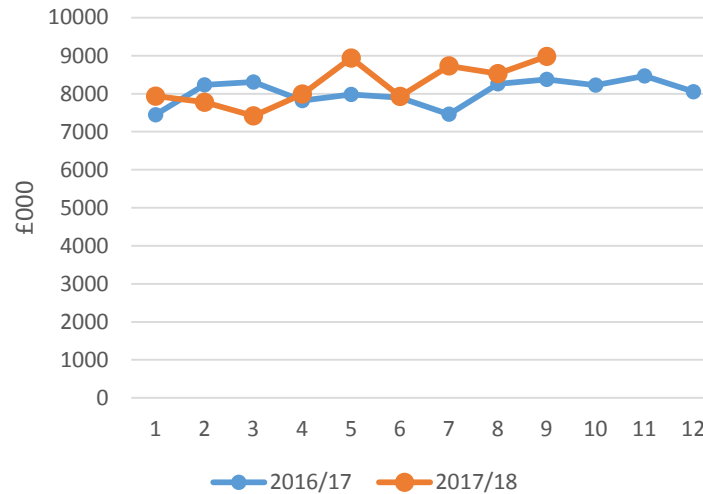




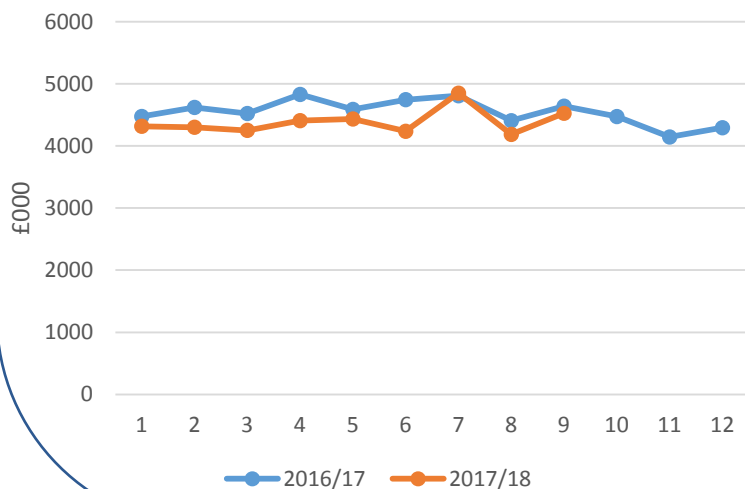
## Secondary Care Drugs



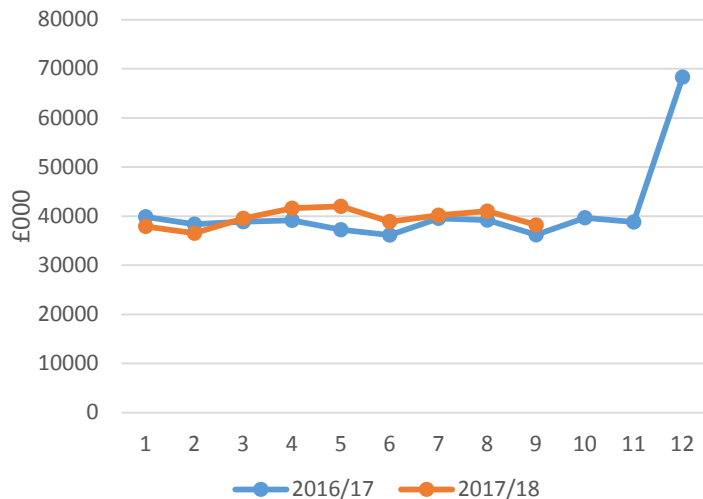
## Primary Care Drugs



## ChC/FNC

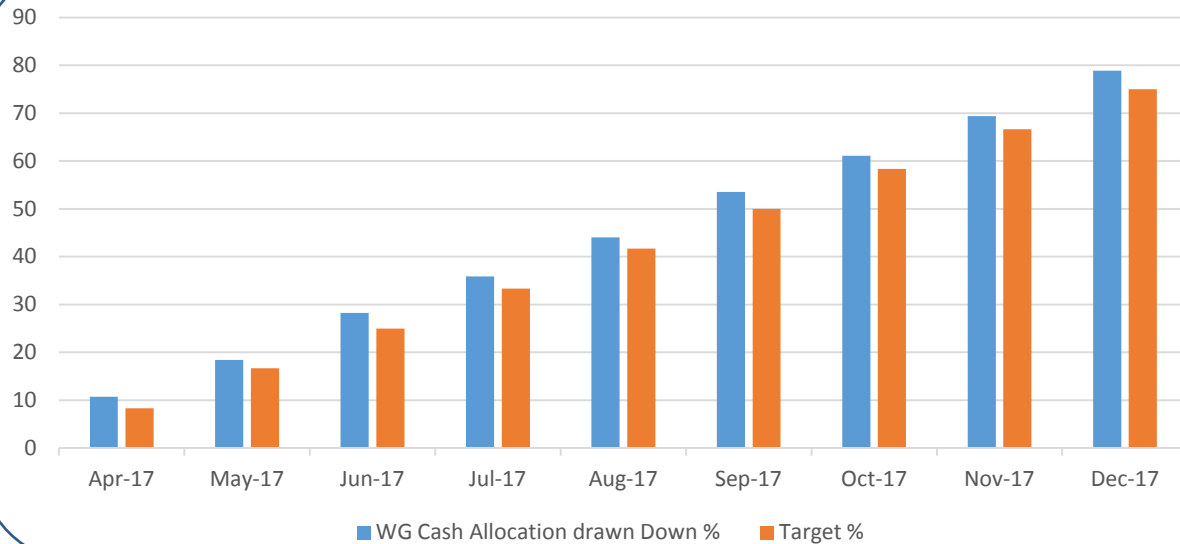


## Other Non Pay



- Secondary Care drugs expenditure increased in P07 due to Hep C drugs and in P09 has reduced to its lowest level in 2017/2018 due to reduce activity levels due to the Christmas period.
- 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.

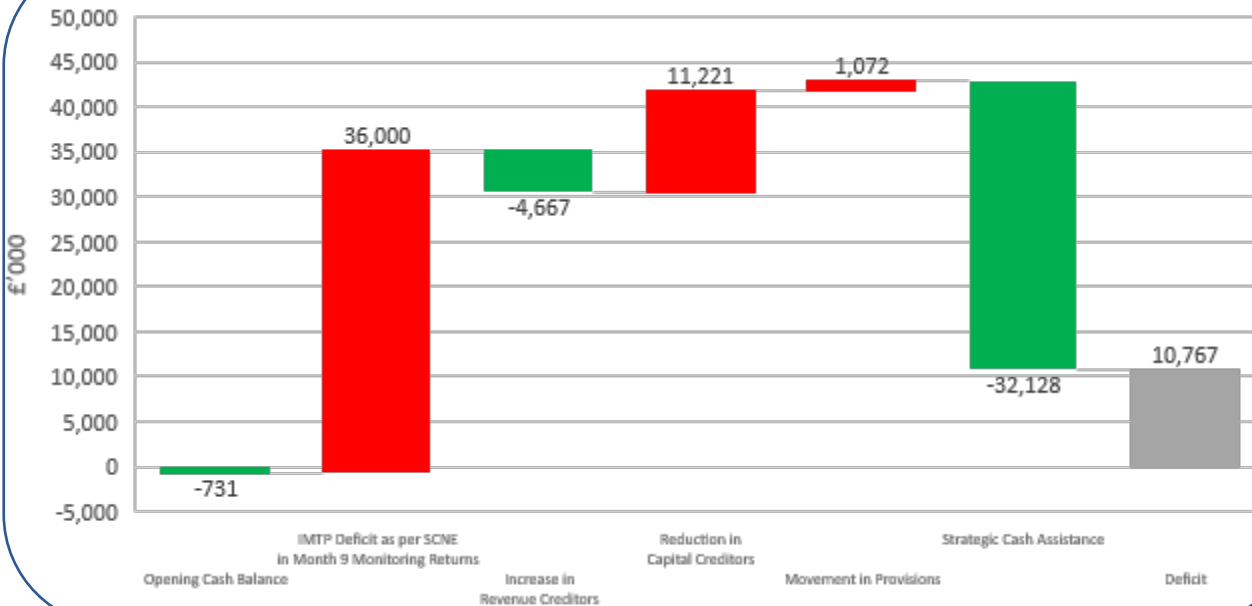
## Welsh Government Draw Down



## Narrative

1. The forecast cash deficit has reduced from £42.843m as at the end of November to £10.767m at the end of December. The main reason for the reduction is confirmation from Welsh Government of £32.128m of repayable strategic cash assistance which will be available to be drawn down in March 2018.
2. The Heath Board is planning for a year end cash balance of £0.5m which will require a total of £11.267m of additional cash cover, as at the end of December. The majority of the cash required is for £11.221m working balances movements, linked to the reduction in capital creditors. Support has been requested from WG. Confirmation is expected during January, following HMT approval of WG 2017-18 estimates.

## Analysis of Forecast Cash Deficit



## Winter Pressure Plan

	Agreed Funding £000	Anticipated Expenditure £000
<b>Initial Winter Plan</b>		
Short stay unit at weekends and intermittent use of Bridgend clinic ( Princess of Wales)	130	130
8 additional 'surge' beds NPT hospital	95	95
Singleton Ward 9 extended capacity – 5 beds (Nov-Jan)	82	82
NPT Tocal ( transfer and reablement) team extension to Singleton and PoW	43	43
Additional social work support Singleton	18	18
Additional therapy support front door Morriston and Singleton	54	54
Additional SHO twilight cover Morriston hospital	30	30
Additional capacity primary care ( increased 3 <sup>rd</sup> sector support ) BAVO	23	23
Additional discharge vehicle capacity (Xmas and New Year)	15	15
Extended psychiatric liaison cover in ED out of hours	10	10
<b>Initial Winter Plan Agreed Funding</b>	<b>500</b>	<b>500</b>
<b>Support to Sustain Elective Capacity</b>		
TAU - January to March	573	573
Additional Critical Care Capacity	250	250
<b>Support to Elective Capacity</b>	<b>823</b>	<b>823</b>
<b>Seasonal Pressure Support not in Plan</b>		
Morriston - Surge Bed Capacity		96
Singleton Ward 5 additional 9 beds		387
Tonna Hospital - 10 patients		35
POW - estimate as winter plan committed early		75
NPT - estimate as winter plan committed early		50
NPT - Step down care home beds (2 beds)		TBC
<b>Seasonal Pressure Support not in Plan</b>	<b>1500</b>	<b>643</b>
<b>TOTAL</b>	<b>2823</b>	<b>1966</b>

## 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,
  - Seasonal pressures impact included in the financial recovery plan £1.5m
- 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 need to be met through seasonal pressures funding
- Two schemes to sustain elective capacity were agreed. These also reflected a 3 month time period – January to March.
- The HB Recovery Plan recognised the risk that winter pressures would require further support over and above the planned spend. A risk of £1.5m was identified. The planned spend is currently around £0.65m, however further actions are being explored to meet the current high demand on the service. The Health Board has been allocated £1.7m by WG to meet winter pressures.

## RTT Funding Available

	£000
Internal Funding for Q1	1,000
WG Performance Support	10,070
Less TAU	- 573
Less Critical Care	- 250
	<b>10,247</b>
Spend to Date	- 4,306
<b>Remaining Allocation</b>	<b>5,941</b>

## Narrative - RTT

- The funding available for RTT from WG performance monies and internal resources is £10.247m.
- The expenditure to date amounts to £4.306m.
- There remains £5.941m to enable the delivery of the agreed RTT target during the final quarter of the year.

## RTT Spend @ End P09

WLI	Q1 Spend	Q2 Spend	P7 Spend	P8 Spend	P9 Spend	Total Spend
Morrison	295,664	219,663	180,763	123,341	191,158	<b>1,010,589</b>
POW	295,649	213,794	186,330	73,413	151,918	<b>921,104</b>
Singleton	137,099	110,588	41,464	40,489	44,120	<b>373,760</b>
<b>Total WLI</b>	<b>728,412</b>	<b>544,045</b>	<b>408,557</b>	<b>237,243</b>	<b>387,196</b>	<b>2,305,453</b>
Outsourcing	Q1 Spend	Q2 Spend	P7 Spend	P8 Spend	P9 Spend	Total Spend
Morrison	88,317	457,610	244,119	312,100	287,546	<b>1,389,692</b>
POW	-	-	88,334	166,540	88,334	<b>343,208</b>
Singleton	-	-	134,412	47,712	85,452	<b>267,576</b>
<b>Total Outsourcing</b>	<b>88,317</b>	<b>457,610</b>	<b>466,865</b>	<b>526,352</b>	<b>461,332</b>	<b>2,000,476</b>
Total RTT Costs	Q1 Spend	Q2 Spend	P7 Spend	P8 Spend	P9 Spend	Total Spend
Morrison	383,981	677,273	424,882	435,441	478,704	<b>2,400,281</b>
POW	295,649	213,794	274,664	239,953	240,252	<b>1,264,312</b>
Singleton	137,099	110,588	175,876	88,201	129,572	<b>641,336</b>
<b>Total RTT Costs</b>	<b>816,729</b>	<b>1,001,655</b>	<b>875,422</b>	<b>763,595</b>	<b>848,528</b>	<b>4,305,929</b>