



Bwrdd Iechyd Prifysgol
Abertawe Bro Morgannwg
University Health Board

ABMU FINANCE DEPT. PERFORMANCE & FINANCE COMMITTEE – FINANCE POSITION

Period 09 Data (December 2018)

In Month

£ 1,151,557 underspent

Type	Cur Month Budget (£'000)	Cur Month Actual (£'000)	Cur Month Variance (£'000)	% Variance
Income	(20,916)	(21,061)	(145)	0.69%
Pay	58,673	58,055	(618)	1.05%
Non Pay	59,103	58,714	(388)	0.66%
Total	96,860	95,709	(1,152)	1.19%

Cumulative

£ 13,809,498 overspent

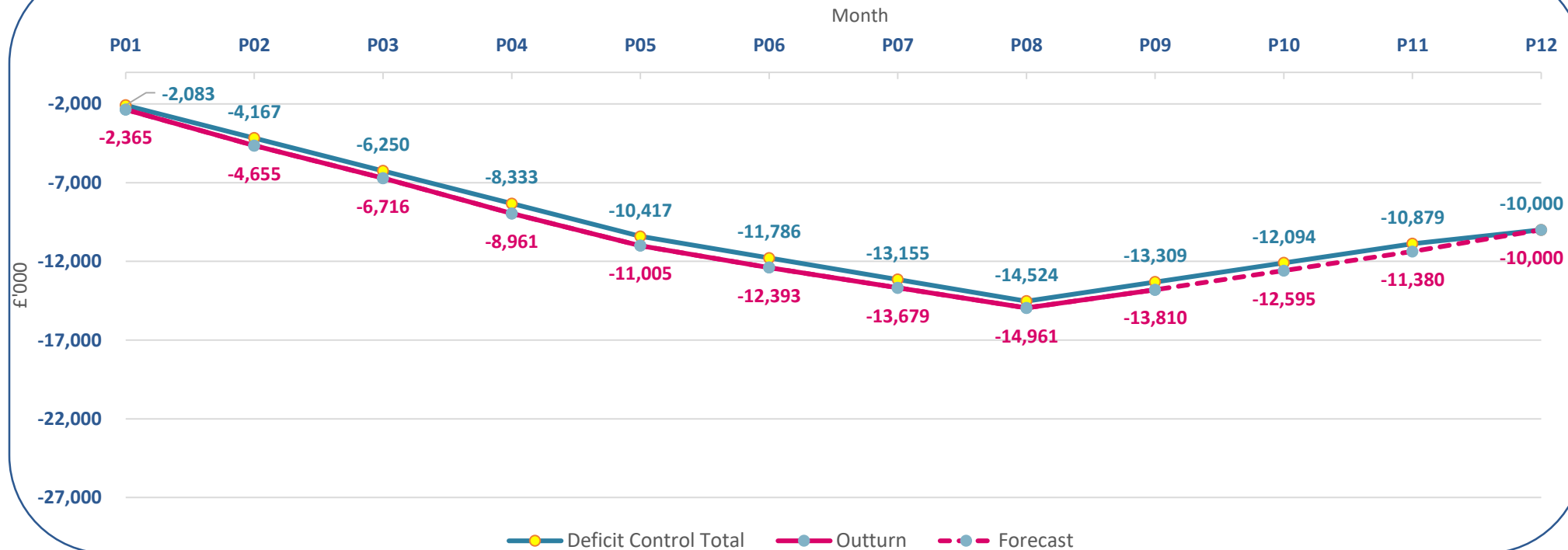
Type	YTD Budget (£'000)	YTD Actual (£'000)	YTD Variance (£'000)	% Variance
Income	(182,175)	(185,062)	(2,887)	1.58%
Pay	502,087	498,211	(3,876)	0.77%
Non Pay	505,682	526,255	20,573	4.07%
Total	825,594	839,403	13,809	1.67%

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%
Total	1,128,704	1,138,704	10,000	0.89%

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	-1,152	↓
Reported year to date financial position – deficit/(surplus) – Forecast Amber	13,809	↑
Reported year to date compared to forecast financial plan deficit – Forecast Green	1,309	↓
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	(1267)	↓

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

- Following the provision of an additional £10m from WG, the year end forecast deficit has been reduced to £10m.
- Health Board P09 in-month reported position is an underspend of £1.152m against a monthly target underspend of £1.215m.
- The Board remains on target to deliver the £10m 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 £1.309m over the £10m control total target based on 9/12th of £20m less £2.5m of the £10m additional funding support.
- The key pressures remain the effect 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 £25.164m, This includes Discretionary Capital and the schemes under the All Wales Capital Programme.
- The Health Board has also anticipated allocations totalling £8.025m which have all been approved and will be added to the CRL in January. The majority of this has been reported previously with the exception of £1.487m approved in Dec for Environmental Infrastructure BJC 2 and £2.232m of spend brought forward from 19/20 for Linac equipment replacement
- Underspend to date has increased this is in the main due to underspend on the Neonatal Scheme in Singleton. A meeting with the main contractor has been arranged for the 17th January to assess the position and any potential impact on 18/19 spend

PSPP Narrative

- Although the number of invoices paid within 30 days continues to be below the 95% target, the cumulative performance increased from 93.9% at the end of November to 94.3% at the end of December.
- The in month compliance for December was 97.5%.
- 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. Work is ongoing across the Health Board to clear these invoices and other invoices which are on hold due to receipting delays.

Directorate	In Month Budget	In Month Actual	In Month Variance	% Variance	Cumulative Budget	Cumulative Actual	Cumulative Variance	% Variance
MH & LD Delivery Unit	9,831,910	9,881,865	49,955	0.51%	86,604,890	86,628,620	23,730	0.03%
Morrison Delivery Unit	20,705,635	20,951,524	245,889	1.19%	173,293,193	174,732,559	1,439,366	0.83%
NPT Delivery Unit	14,337,711	14,250,509	(87,202)	(0.61)%	130,452,532	129,839,482	(613,050)	(0.47)%
POW Delivery Unit	9,155,783	9,584,293	428,510	4.68%	78,855,184	81,944,649	3,089,465	3.92%
Primary Care & Community Delivery Unit	20,650,645	20,645,377	(5,268)	(0.03)%	185,638,796	185,594,282	(44,514)	(0.02)%
Singleton Delivery unit	12,716,117	12,784,665	68,548	0.54%	115,444,110	116,247,380	803,270	0.70%
Total	87,397,801	88,098,233	700,432	0.80%	770,288,705	774,986,972	4,698,267	0.61%
Board Secretary	298,536	297,475	(1,061)	(0.36)%	2,741,877	2,766,904	25,027	0.91%
Director of Strategy	5,302,122	5,380,677	78,555	1.48%	47,414,614	47,747,748	333,134	0.70%
Director of Therapies & Health Sciences	12,761,508	12,771,087	9,579	0.08%	114,171,246	114,049,453	(121,793)	(0.11)%
Finance	536,890	449,288	(87,602)	(16.32)%	4,901,068	4,648,895	(252,173)	(5.15)%
Informatics	1,116,888	1,088,630	(28,258)	(2.53)%	10,257,802	9,930,047	(327,755)	(3.20)%
Medical Director	212,409	199,034	(13,375)	(6.30)%	1,753,759	1,538,670	(215,089)	(12.26)%
Nursing Director	292,888	267,691	(25,197)	(8.60)%	2,499,670	2,347,707	(151,963)	(6.08)%
Workforce & OD	471,358	451,292	(20,066)	(4.26)%	4,112,185	4,126,111	13,926	0.34%
Total	20,992,599	20,905,173	(87,426)	(0.42)%	187,852,221	187,155,535	(696,686)	(0.37)%
Corporate Plan	(12,291,361)	(14,033,589)	(1,742,228)	(14.17)%	(138,926,602)	(128,908,180)	10,018,422	7.21%
Total	(12,291,361)	(14,033,589)	(1,742,228)	(14.17)%	(138,926,602)	(128,908,180)	10,018,422	7.21%
Clinical Medical School	493,848	487,009	(6,839)	(1.38)%	4,073,129	3,977,316	(95,813)	(2.35)%
DSU	1,215	(9,813)	(11,028)	(907.69)%	(73,238)	(151,538)	(78,300)	(106.91)%
EMRTS Service	266,176	261,709	(4,467)	(1.68)%	2,379,594	2,343,202	(36,392)	(1.53)%
Total	761,239	738,904	(22,335)	(2.93)%	6,379,485	6,168,980	(210,505)	(3.30)%
	96,860,278	95,708,721	(1,151,557)	(1.19)%	825,593,809	839,403,307	13,809,498	1.67%

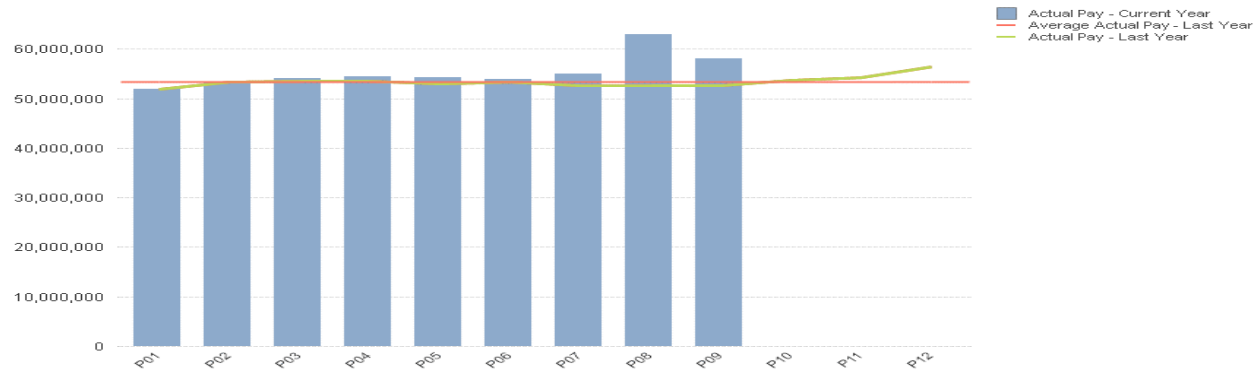
- The Month 9 performance for POW and Morrison was worse than forecast. These two units report the most significant overspends both in month and cumulatively. The planned recovery actions have not delivered the forecast improvement and further pressures are being identified including theatre consumable and medical staffing requirements.
- 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.

P08 PERFORMANCE AGAINST CONTROL TOTAL

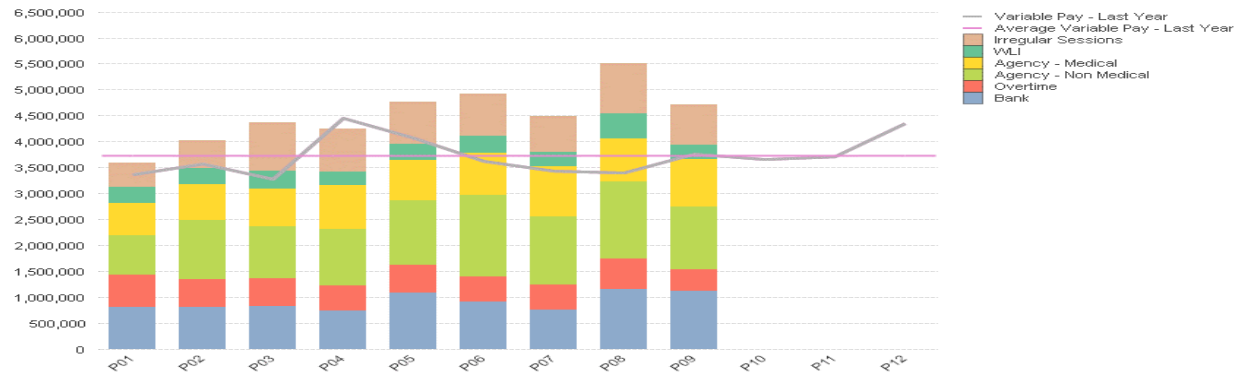
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Cumulative	Movement		Year End	Monthly Target	Distance from
	In Month	In Month	In Month	In Month	In Month	In Month	In Month	In Month	In Month	Position	in Month		Control Total	P6-12	Control Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		£000	£000	£000
Service Delivery Units															
Singleton	96	91	103	-19	156	137	83	87	69	803	-18		977	79	62
POW	240	278	279	366	344	297	463	396	429	3,092	33		2,546	148	989
Morrison	38	22	37	186	210	190	222	286	248	1,439	-38		44	-64	1,203
Mental Health & LD	63	67	59	-382	98	27	0	42	50	24	8		-150	-8	150
PC & Community	20	19	32	-39	9	-66	-12	-2	-6	-45	-4		-54	-14	-32
NPT Unit	0	-54	-49	-96	-64	-111	-77	-75	-87	-613	-12		-781	-74	-54
Directorates															
Nurse Director	-1	-9	-5	-18	-20	-21	-22	-31	-25	-152	6		-161	-15	-37
Medical Director	-25	-24	-31	-43	-43	-30	4	-9	-13	-214	-4		-408	-35	89
Workforce & OD	25	14	7	10	11	-25	-4	-3	-20	15	-17		79	0	-52
Informatics	-3	-20	-114	-17	-18	-72	-28	-28	-28	-328	0		-282	-16	-93
Finance	-1	-3	0	-2	0	-94	-14	-51	-87	-252	-36		0	1	-249
Board Secretary	11	11	9	17	-10	-1	-11	0	-1	25	-1		0	-4	1
Chief Operating Officer	19	50	6	39	142	1	25	-27	79	334	106		0	-1	81
Director of Strategy	-17	-35	10	-7	-38	-21	-23	0	10	-121	10		102	-9	-1
Corporate I&E	-33	-50	23	-23	-71	-101	-199	-183	-150	-787	33		-60	13	-680
Delegated Budget Position	432	357	366	-28	706	110	407	402	468	3,220	66		1,852	3	1,377
Corporate Plan	1,933	1,933	1,695	2,273	1,338	1,278	879	880	-1,620	10,589	-2,500		8,148	-1,218	-1,211
Health Board Position	2,365	2,290	2,061	2,245	2,044	1,388	1,286	1,282	-1,152	13,809	-2,434		10,000	-1,215	166

- The overall delegated position has deteriorated slightly in P09, with improvements in the reported position for POW not sustained and pressures with the Chief Operating Officer budgets specifically within Estates.
- 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 are 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 re-examined their position, control measures and actions and have provided a re-assessed forecast with risks and opportunities clearly identified. This forecast has provided re-assurance that the £10m forecast deficit is achievable. However the risk profile is still being assessed particularly in terms of performance support requirements, especially in planned care and in response to winter pressures.

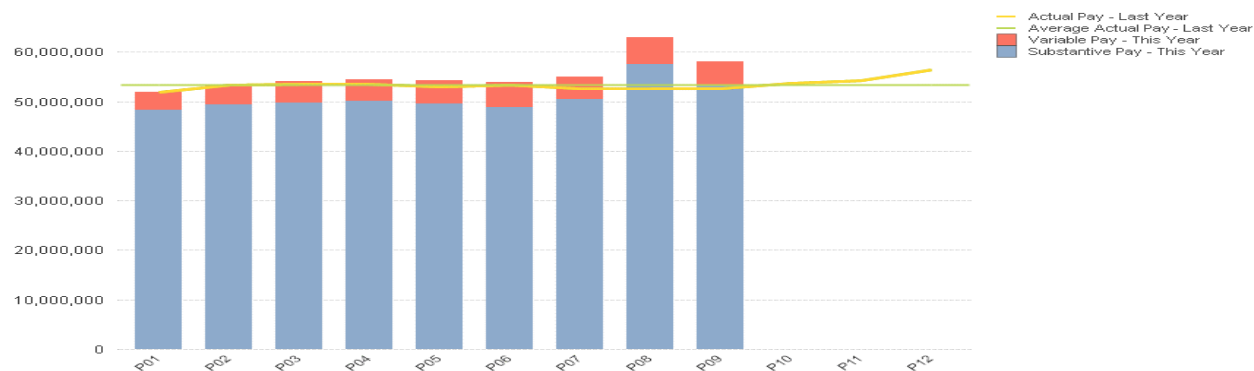
Actual Pay Expenditure This Year and Last Year



Variable Pay Expenditure This Year and Last Year



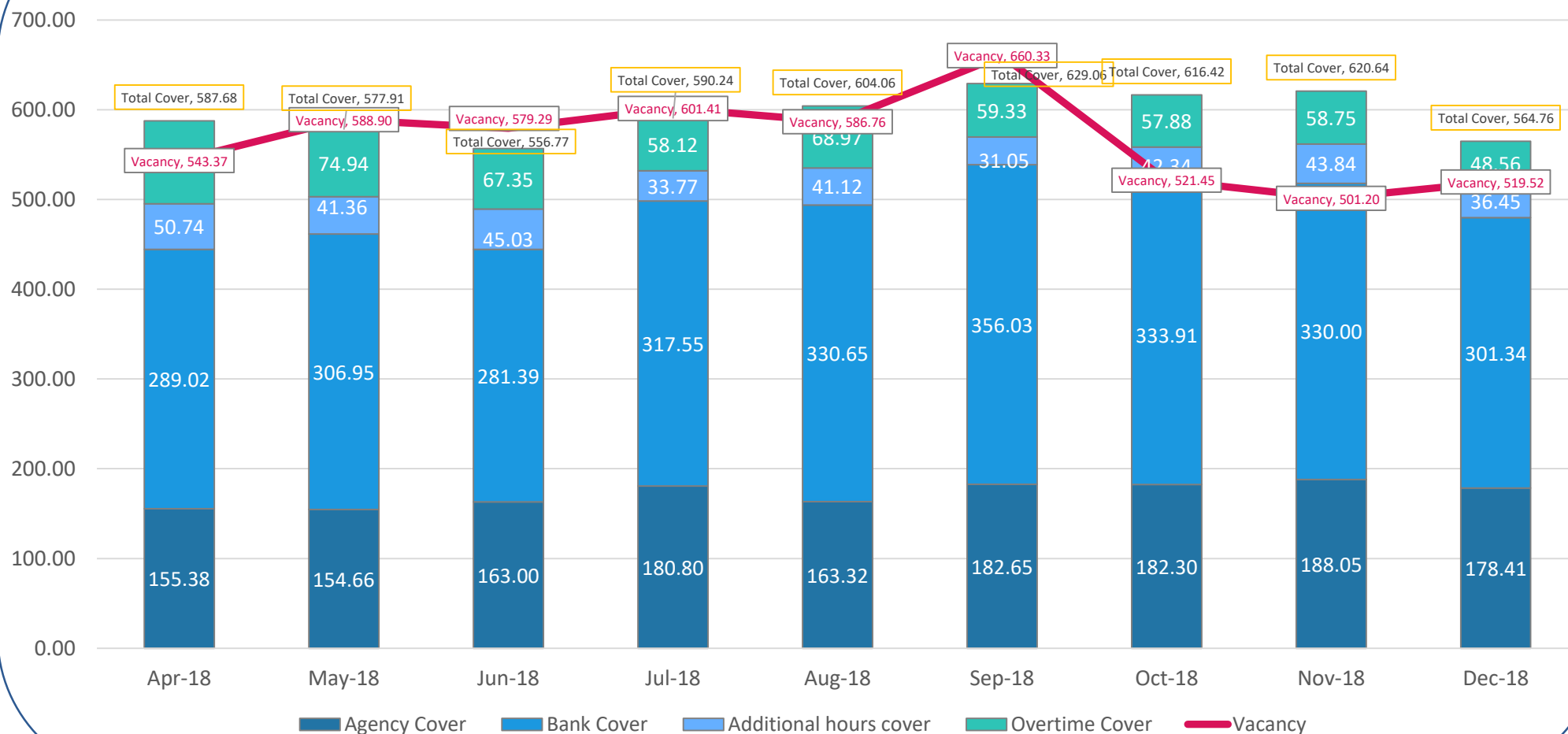
Substantive & Variable Pay Expenditure This Year and Last Year



- 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.
- 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.
- The main areas of increase are medical agency and ADH payments £0.3m, Nurse bank spend £0.2m and non medical agency £0.3m per month.

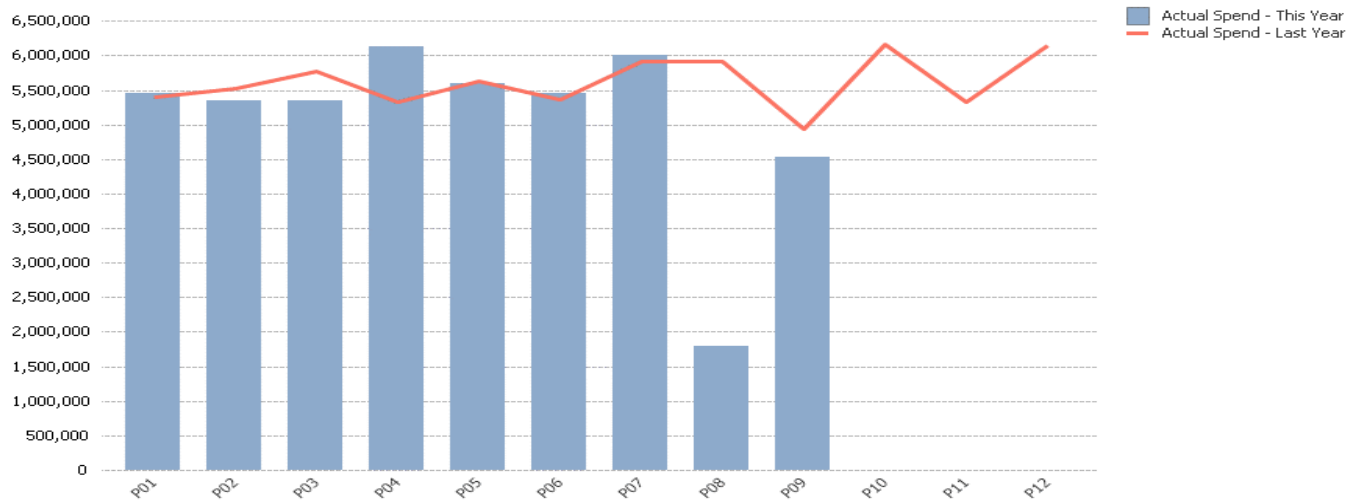
HEALTH BOARD – PAY POSITION

Health Board Nursing Establishment
Vacancy / Cover

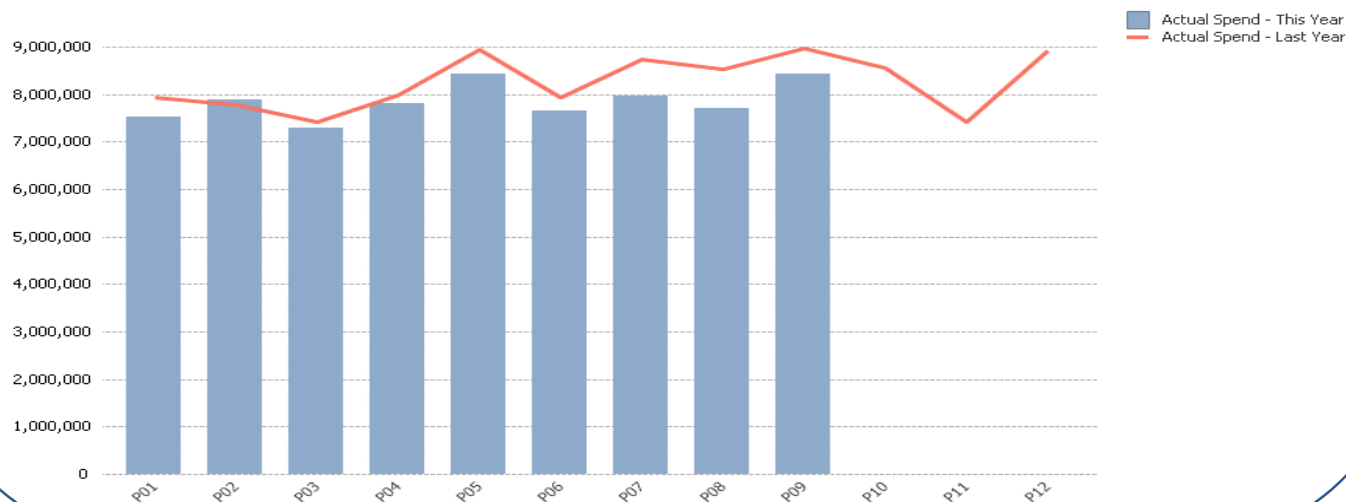


- The vacancy level has increased slightly in December.
- The overall level of cover has reduced in December, this is consistent with previous years patterns and reflects the reduced annual leave and reduced activity during the Christmas period.
- Within the provided cover, the cover related to additional capacity being utilised due to Winter and performance pressures has increased over recent months from a monthly average of 19wte in Q1, 30 wte in Q2 to 43 wte in Q3. This December levels were the highest reported this financial year at 53 wte.

Secondary Care Drugs Trend Analysis

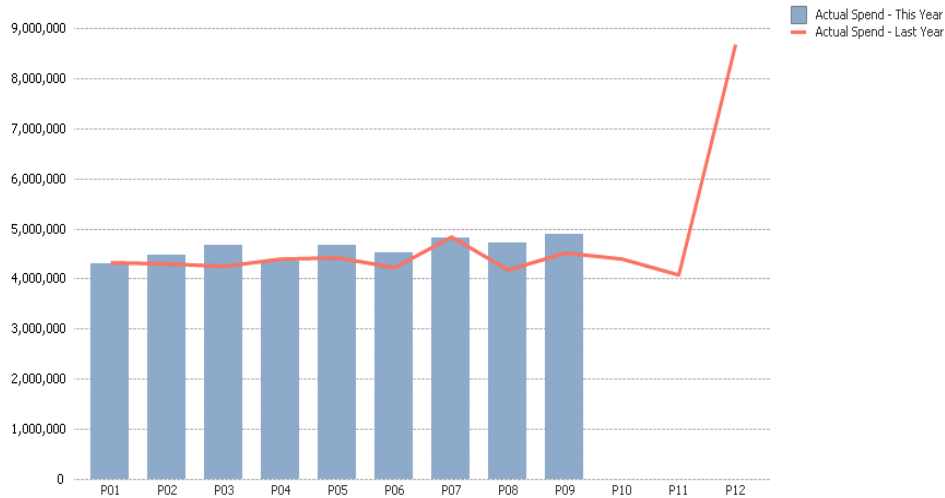


Primary Care Drugs Trend Analysis

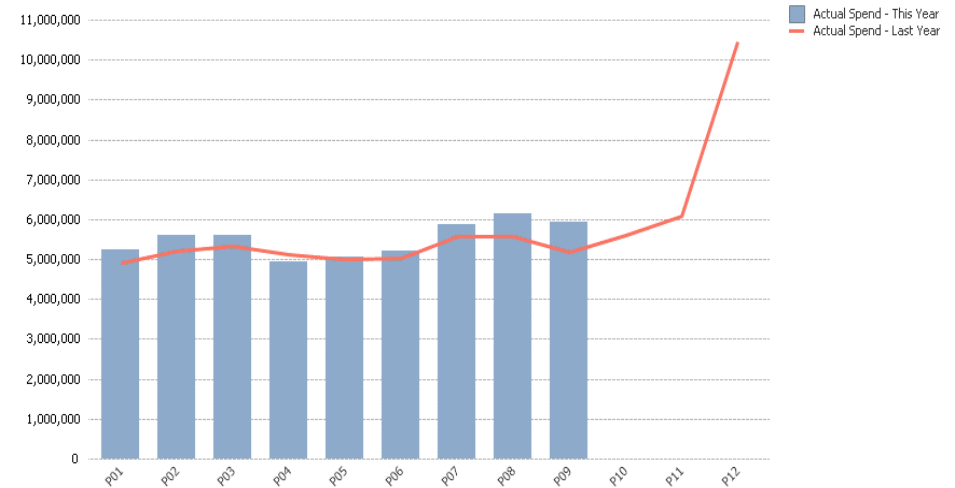


- Secondary Care drugs spend had been relatively stable in 2017/18 and has remained stable in 2018/19.
 - The reduction in drug spend in P08 reflects the release of the JAC Pharmacy over-accrual following agreement at Audit Committee.
 - The P08 costs prior to this release were around £6m which is consistent with the P07 position.
 - The P09 are around £1.0m lower than the average for the year. This reduction in costs in December is consistent with the pattern in previous years and reflects lower activity levels during the period
-
- 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 7 months of actual spend data for 2018/19.
 - NCSO levels have increased in the last month and this is being monitored closely.

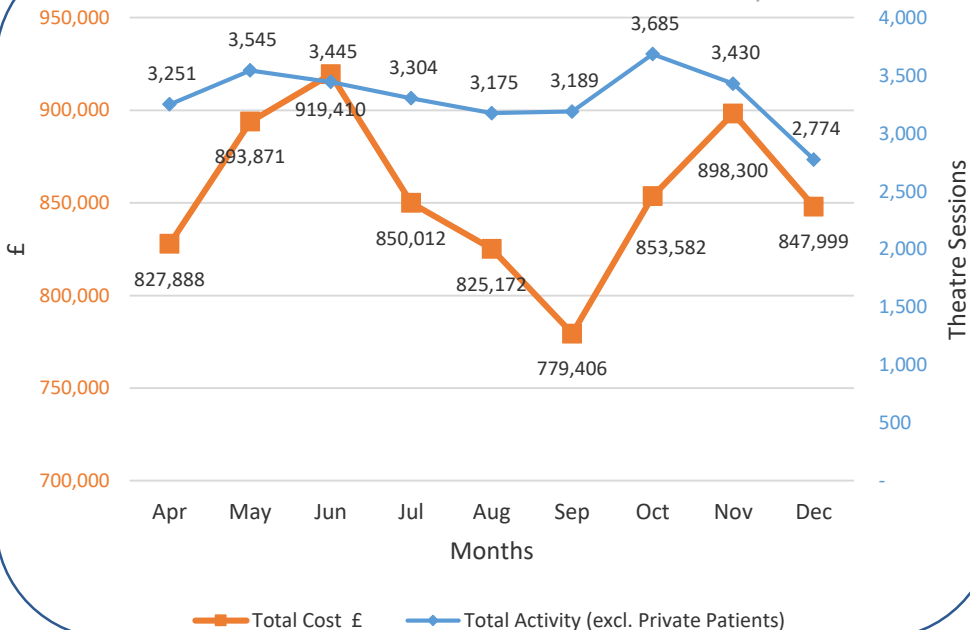
CHC Trend Analysis



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 an increase in case numbers alongside the steady growth MH & LD cases.
- Clinical consumables spend remained high in December despite the reduced level of theatre activity. There is some evidence of stocking up for winter pressures and in readiness for Christmas supplier shut down. Further work is underway to fully understand the impact of this.

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	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%	473	23%	44	2%	586	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%	1511	41%	332	9%	-4148	-113%
WHSCC	1000	1000	100%		0%		0%	0	0%
Workforce Redesign	0								
Total	15929	10639	67%	3927	25%	1680	11%	-318	-2%

Narrative

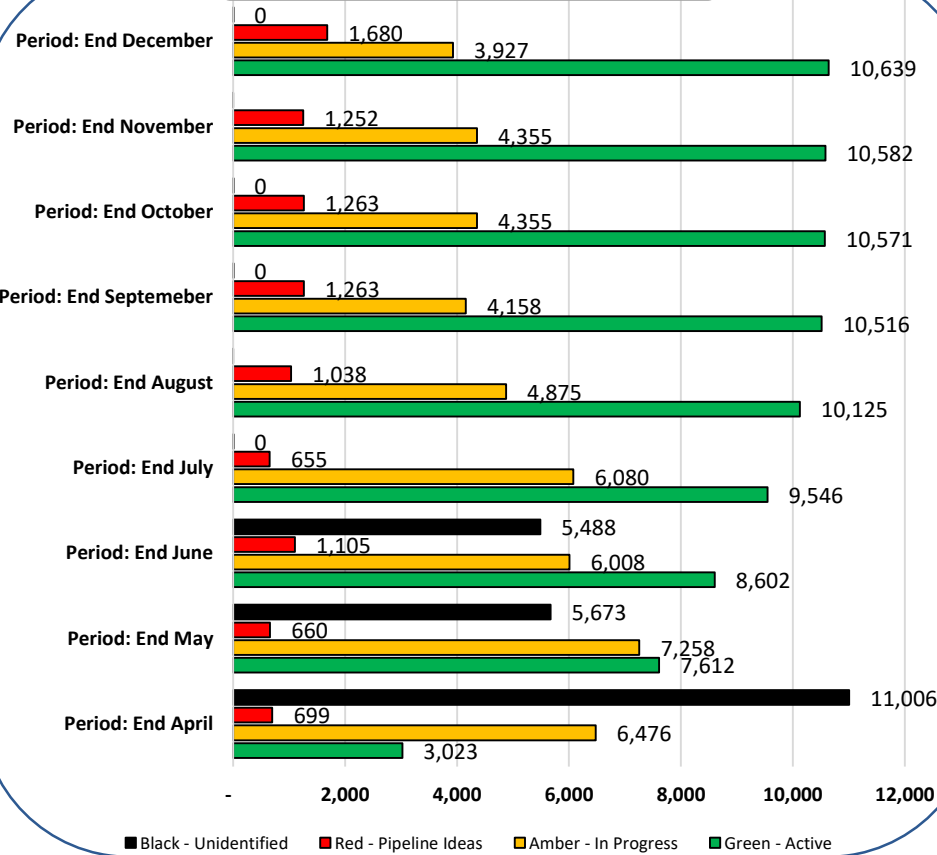
- Savings delivery – the Health Board initial plan required the delivery of £21m, however a number of the workstreams were identified as unable to deliver in 2018/19 and mitigating opportunities were identified to offset the non-delivery of these workstreams.
- The remaining savings requirement was £16m, which has been fully identified. However only £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.

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	327	25%	0	0%	0	0%	1005	75%
Director of Therapies & Health Sciences	13	13	97%	0	0%	0	0%	0	3%
Finance	124	117	94%	0	0%	0	0%	7	6%
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%	2223	59%	1032	27%	-933	-25%
NPT Delivery Unit	1305	2388	183%	17	1%	618	47%	-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%
Total	15,929	10639	67%	3927	25%	1680	11%	-318	-2%

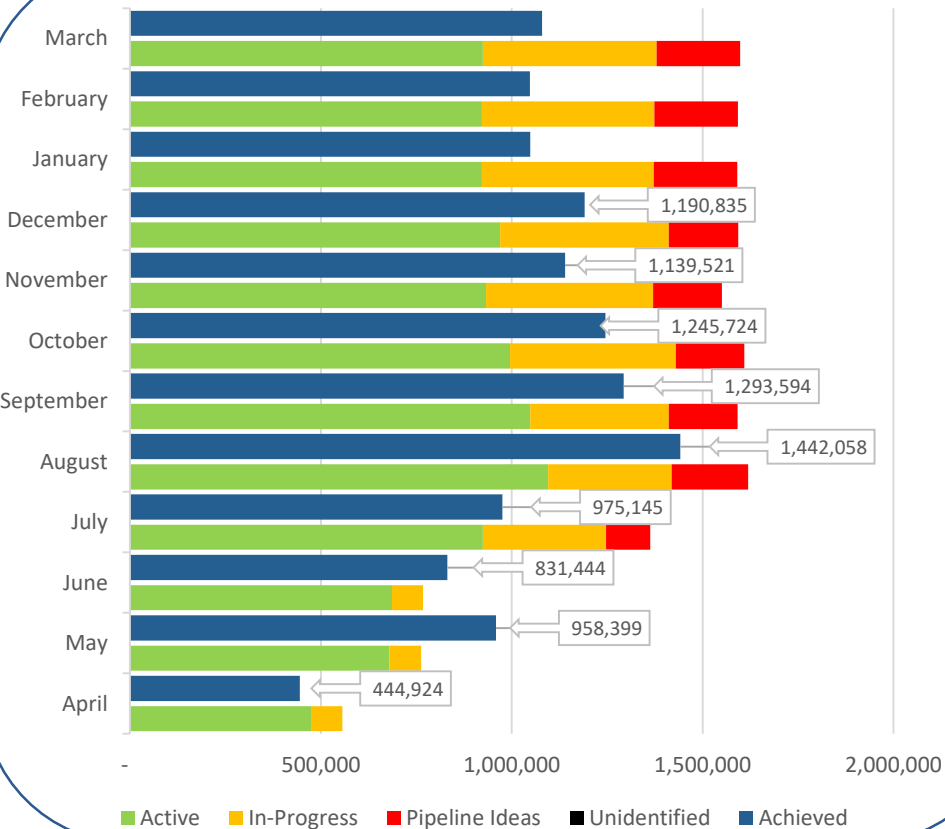
Narrative

- 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 £10m forecast deficit 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 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 £1.89m 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.

Workstream	Progress Update - December	Key actions – January 2019	Plan for 2019/20
Procurement	<ul style="list-style-type: none"> Automated Stock Management system has been approved under WG Invest to Save bid Assessment of QVC savings opportunities with effort: benefit matrix completed and shortlist being finalised 	<ul style="list-style-type: none"> Progress ITT & procurement process Detailed actions/milestones for QVC Tier 1 agreed with Medical Director 	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"> Continued delivery of savings programmes (currently exceeding savings target £1.8m against target of £1.25m) 	<ul style="list-style-type: none"> Continue to progress with current plan 	Work will continue to drive high value opportunities in 2019/20
Workforce Redesign	<ul style="list-style-type: none"> Costing of new therapy model progressed Radiology work progressing as per plan (interdependency with Bridgend Boundary Change) Benchmarking work on 5 key areas (radiology, pathology, pharmacy, OT and physiotherapy) discussed at Heads of Therapy & Health Science meeting – further actions agreed 	<ul style="list-style-type: none"> Executive Team discussion on therapy structures in light of BBC Radiology –workforce plan to be produced 	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"> 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 Rostering 38 wards completed – Singleton implementation complete; 1st wave in Morriston ongoing – programme on track to complete in September 2019 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 	<ul style="list-style-type: none"> Implement digital solution and measure improvement Benefits realisation report to be produced Focus on recruitment strategy Detailed milestones and plan for sickness and variable pay projects 	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"> In view of winter/operational pressures, no further bed changes will be delivered during 2018/19 Consultation on Maesteg Day Hospital continues Bed Utilisation Survey report available and discussed at Executive Team – action planning underway to develop Transformation bid to WG 	<ul style="list-style-type: none"> Evaluate impact of Early Supported Discharge scheme in NPT Hospital Develop transformation bid based on Bed Utilisation Survey Develop plans to implement 18/19 service changes from 1st April 2019 	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"> Recruitment of additional staff in progress for both e-job planning & locum on duty Kendall Bluck programme started – report scheduled 15th February 2019 Detailed milestones for e-job planning and locum on duty underway 	<ul style="list-style-type: none"> Detailed milestones agreed for roll out and benefits realisation from locum on duty and e-job planning 	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"> Launched paper collection of breast cancer PROMs Operational with pre and post PROMs collection for orthopaedics (hip and knee) ENT team have re-initiated PROMs collection Atrial Fibrillation group started an audit on anti-coagulation rates Meeting with Heart Failure clinician for controlled introduction of NT-<u>proBNP</u> test 	<ul style="list-style-type: none"> Continue with work plan Progress with appointments to Value Team Workshop to take place in February to align pathway work (CSP) and focus on approach to managing variation 	This work <u>will be taken</u> into the Transformation Portfolio with Medical Director as Senior Responsible Owner.

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	
Total	24.98	19.98	19.975	9.975	30

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	(10,096)
Funding Available	204

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 £10.096m has been spent against the £10.3m available budget. **This leaves £0.204m for the remainder of the financial year.**
- As at December the 36 week profile trajectory has been delivered and therefore there will be no claw back of WG funding at this point.
- In order to deliver the end of March position, the Board will need to commit further expenditure in excess of £10.3m available funding. The scale of this additional investment is expected to be around £3m. Options to support this additional investment within the overall agreed £10m forecast deficit are being finalised.
- 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	Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Outsourcing/ Insourcing	Morrison		554	581	242	403	508	298	521	662	3769
	Singleton	108	226	120	423	231	231	158	149	122	1768
	POW					14	4	3	18	7	46
	Total	108	780	701	665	648	743	459	688	791	5583
Internal WLI	Morrison	101	89	130	179	117	215	188	257	188	1464
	Singleton	34	53	56	51	54	62	39	141	80	570
	POW	6	228	137	151	144	145	137	171	116	1235
	Total	141	370	323	381	315	429	364	570	384	3277
Infrastructure	Morrison	102	99	93	159	155	183	123	144	96	1154
	PCC						36				36
	Corporate							46			46
	Total	102	99	93	159	155	219	169	144	96	1,236
Total Expenditure		351	1249	1117	1205	1118	1391	992	1402	1271	10,096
Delivery Profile		April	May	June	July	August	Sept	Oct	Nov	Dec	
36 weeks	Target	3363	3398	3349	3283	3286	3069	2771	2710	3045	
	Actual	3398	3349	3319	3433	3538	3381	3370	3298	3030	
26 weeks	Target	167	130	99	273	248	152	98	97	211	
	Actual	166	120	55	30	111	90	65	140	96	

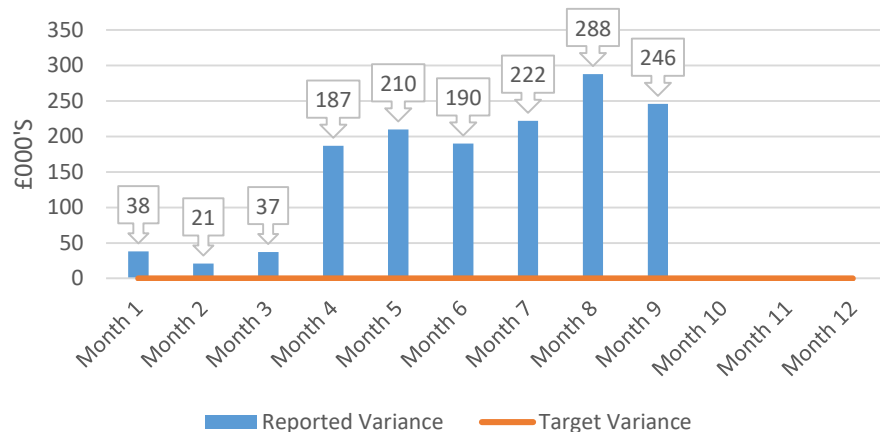
* December performance figures are draft

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	Review plans and actions required to deliver the RTT trajectories	Darren Griffiths, Associate Director of Performance
12	Primary Care Prescribing	Potential benefits from Cat M and other Prescribing benefits	2000		1500	Continue to monitor impact of Cat M and Other prescribing benefits	Judith Vincent, Chief Pharmacist

-	19,150	-	26,006	-	20,443
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2018/19 Financial Performance



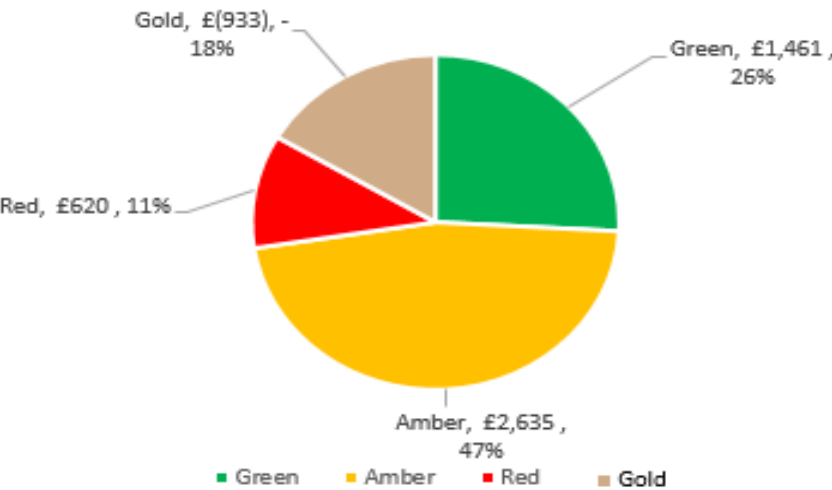
Cumulative Financial Position £'s

**Your Cumulative Financial Position is
£1,439,366 over budget**

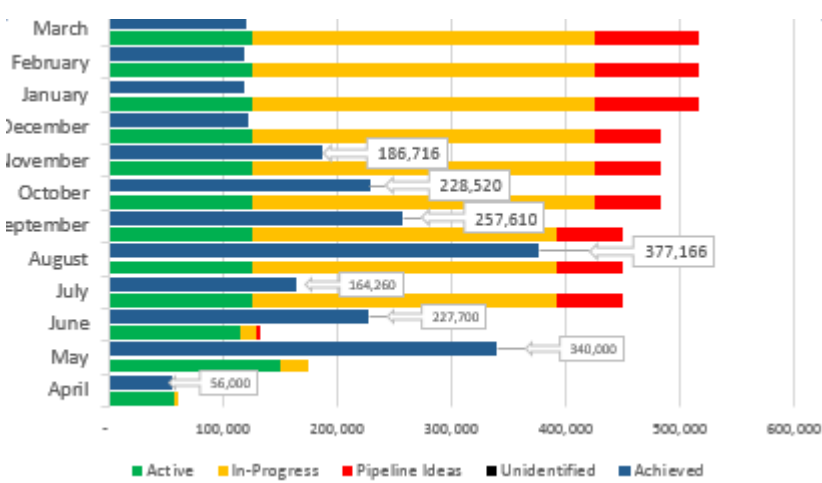
Type	YTD Budget (£)	YTD Actual (£)	YTD Variance (£)	% Variance
Income	(5,416,299)	(4,893,692)	522,607	9.65%
Pay	135,957,214	135,127,022	(830,193)	0.61%
Non Pay	42,752,278	44,499,229	1,746,951	4.09%
Total	173,293,193	174,732,559	1,439,366	0.83%

- The P09 in-month position is an overspend of £0.246m, which whilst an improvement on the previous month's performance is still significantly above the target for the Unit
- The cumulative position as at P09 is an overspend of £1.439m and the unit is currently forecasting a year-end deficit of £1.8m.
- The key pressure areas are Income (£0.523m), Non Pay (£0.995m) and CIP (£0.752m).
- The income position reflects an under-achievement of planned income for WHSSC and Private Patients. This position has deteriorated further this month, due to low levels of activity.
- The key non-pay pressures are transport and cleaning and linen requirements associated with infection issues. Clinical consumables are broadly within budget, however costs have increased in recent months and this is being further reviewed.
- The CIP shortfall reflects the level of identified green and amber schemes falling below the required level and also slippage on the delivery of the green and amber schemes, particularly procurement and bed reductions.
- The overspends are being partially offset by an underspend against pay budgets due to nursing and admin and clerical

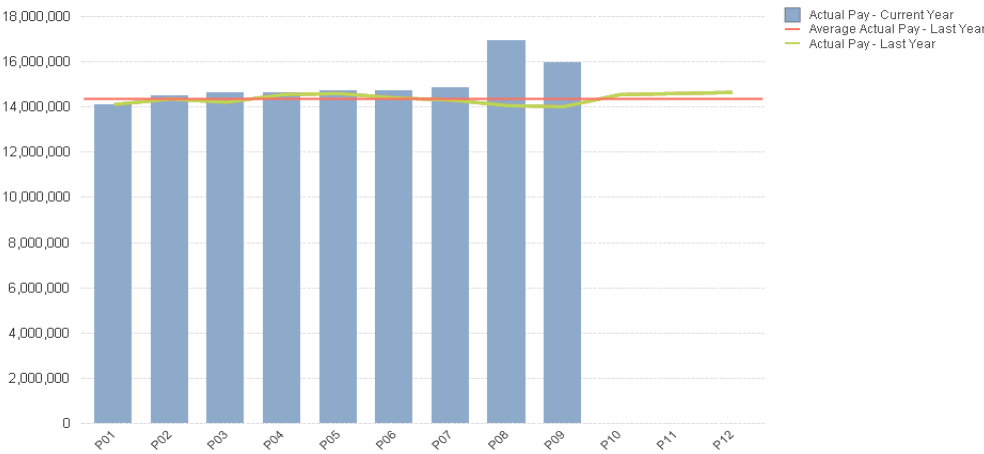
Profile Unit Delivery Level @ Mth 9



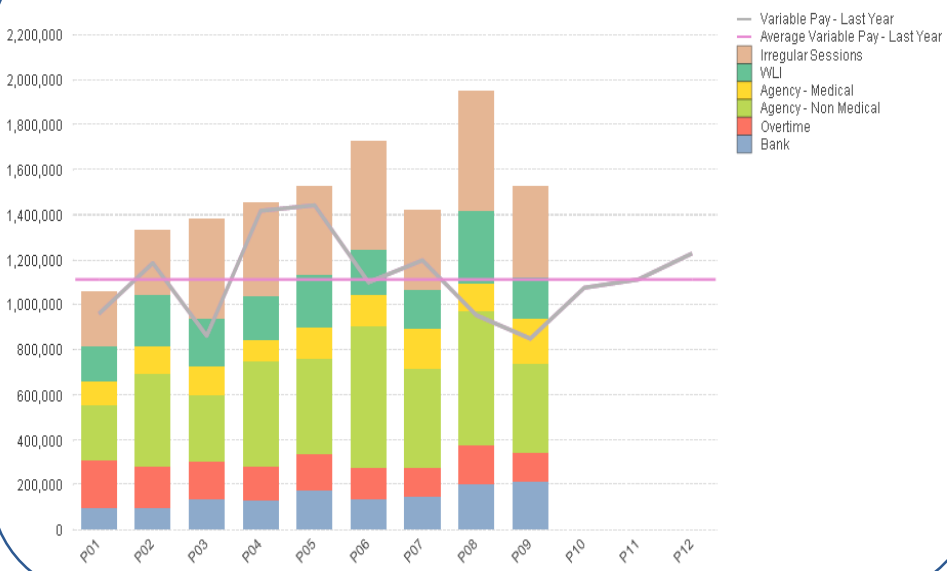
Summary @ Current Mth 9



Actual Pay Expenditure This Year and Last Year



Variable Pay Expenditure This Year and Last Year



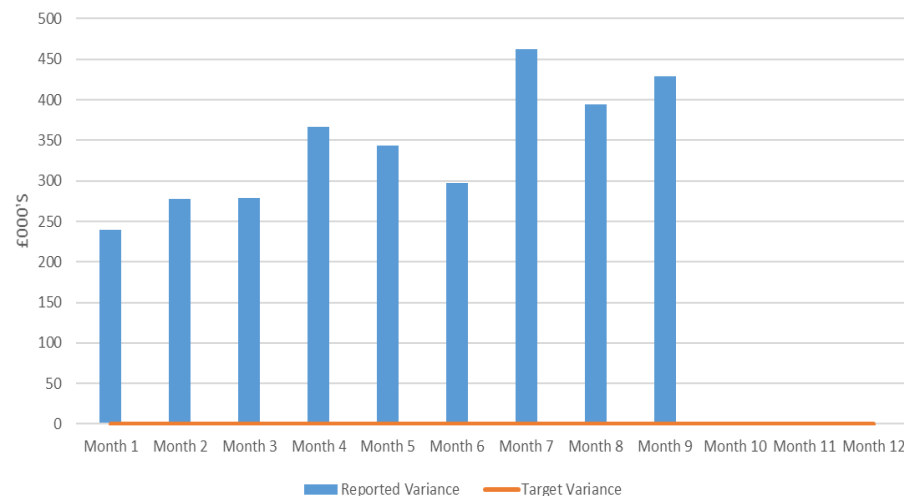
MORRISTON – RISKS, OPPORTUNITIES & RECOMMENDED ACTIONS

#	Issue	Risk Type	Description	Opportunity (Best Case) £000	Risks (Worse Case) £000	Date Last Review	Key Decision Point and Summary Mitigation	Risk Owner Name
Forecast Plan Deficit / (Surplus)				-	1800	09.01.18	Risk primarily linked to unachievement of realisable savings linked to bed closures and Plastics Development	Rebecca Carlton
1	Medical & Nursing Variable Pay	Cost & Service Pressure	Locum shifts not captured as part of ADH process/arrears impact. Pressures outside of 3 months		280	09.01.18	Work with Corporate to reconcile invoices outstanding outside of 3 months	Claire Osmundsen-Little
2	No PO No Pay impact	Cost & Service Pressure	Potential increased non pay expenditure		tbc	09.01.18	Training implications of staff receipting orders	Claire Osmundsen-Little
3	WHSSC Activity	Cost & Service Pressure	Risk to income due to lower levels than expected of Cardiology, Thoracic and Plastics activity. Cardiac scrub nurse on call risk		260	09.01.18	Activity trackers under development. Weekly review with Specialties.	Neil Miles

-	2,340
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SECTION 2.1: RECOMMENDED ACTIONS TO BE DELIVERED IN NEXT 30 DAYS				Named Lead in Unit/Dir Accountable	Planned Completion Date	Value Action £'000
Review of trends in Variable pay - Medical and Nursing Pay				COL	31/01/2019	
Detailed Analysis of non pay trends in theatres				COL	31/01/2019	
TAVI plan post January				NM	31/01/2019	
Analyse underlying run rates in preparation for 19-20 budget setting process				COL	31/01/2019	
SECTION 2.2: RECOMMENDED ACTIONS TO BE DELIVERED IN 30+ DAYS				Named Lead in Unit/Dir Accountable	Planned Completion Date	Value Action £'000
Medical workforce workstream with focus on ADH/Agency/Locum cap process and rates				MR	31/03/2018	

2018/19 Financial Performance



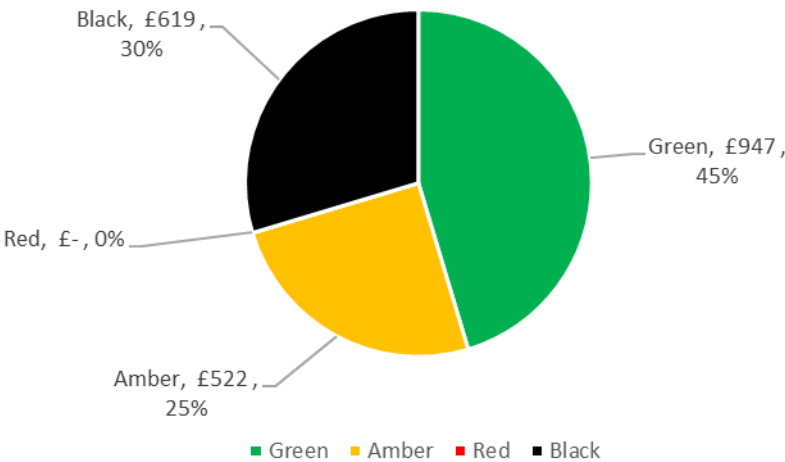
Cumulative Financial Position £'s

**Your Cumulative Financial Position is
£3,089,465 over budget**

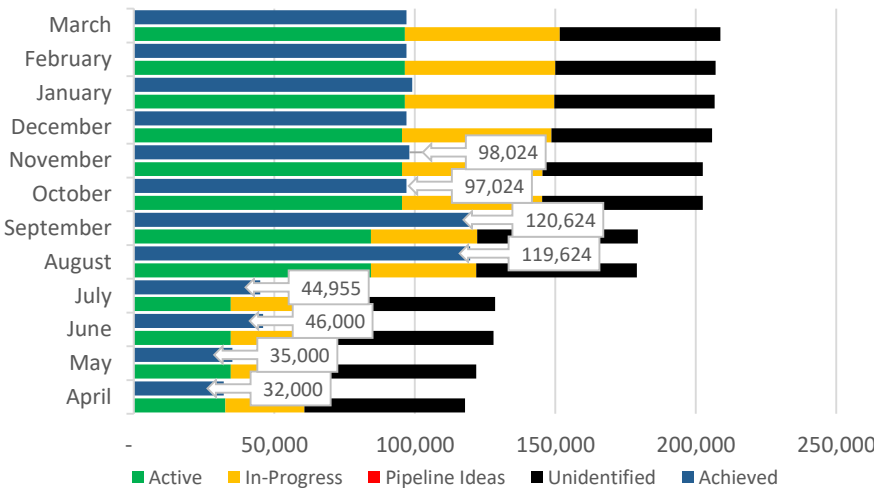
Type	YTD Budget (£)	YTD Actual (£)	YTD Variance (£)	% Variance
Income	(3,276,820)	(3,775,015)	(498,195)	15.20%
Pay	66,729,222	68,683,473	1,954,251	2.93%
Non Pay	15,402,782	17,036,192	1,633,410	10.60%
Total	78,855,184	81,944,649	3,089,465	3.92%

- The P09 in-month position is an overspend of £0.429m, which is significantly above the target for the Unit
- The cumulative position as at P09 is an overspend of £3.089m and the unit is currently forecasting a year-end deficit of £3.7m.
- The key pressure areas are Pay (£1.954m), Non Pay (£0.345m) and CIP (£1.288m).
- The pay position reflects an overspend against medical, nursing and admin and clerical budgets, with medical accounting for almost 50% of the overspend due to vacancies and service pressures resulting in a reliance on agency
- The key non-pay pressures are within Clinical consumables and can in part be explained by higher levels of activity during 2018/19.
- The CIP shortfall reflects the low level of identified green and amber schemes falling below the required level and also slippage on the delivery of the green and amber schemes, particularly procurement.
- The overspends are being partially offset by an over-achievement of income, particularly private patient income. This income is likely to reduce in final quarter of the financial year as the Bridgend Clinic is impacted on by Winter pressures. The unit will receive funding in recognition of this loss of income.

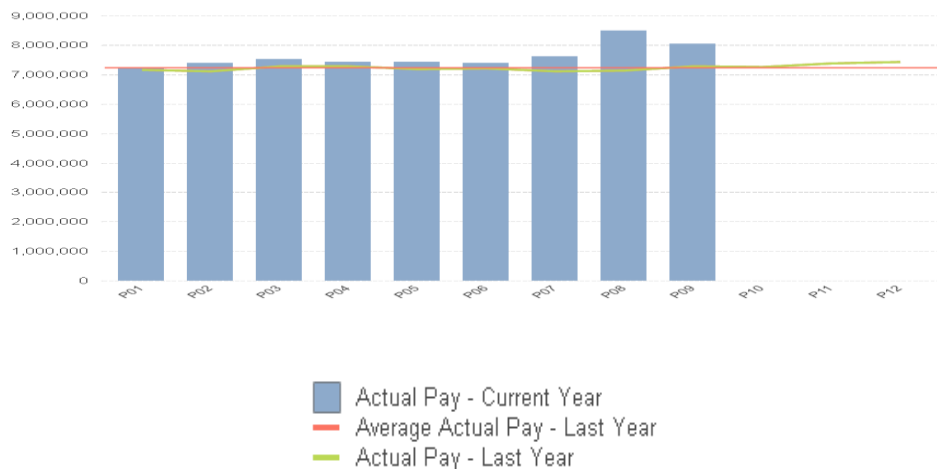
Profile Unit Delivery Level @ Mth 9



Summary @ Current Mth 9



Actual Pay Expenditure This Year and Last Year



Variable Pay Expenditure This Year and Last Year

