



Bwrdd Iechyd Prifysgol
Abertawe Bro Morgannwg
University Health Board

ABMU Finance Dept. Performance & Finance Committee

Period 11 Data (February 2018)
21st March 2018

In Month

£632,650 overspent

Type	Cur Month Budget (£'000)	Cur Month Actual (£'000)	Cur Month Variance (£'000)	% Variance
Income	(19,893)	(20,499)	(606)	3.05%
Pay	55,927	54,286	(1,641)	2.93%
Non Pay	54,617	57,497	2,880	5.27%
Total	90,651	91,284	633	0.70%

Cumulative

£27,430,450 overspent

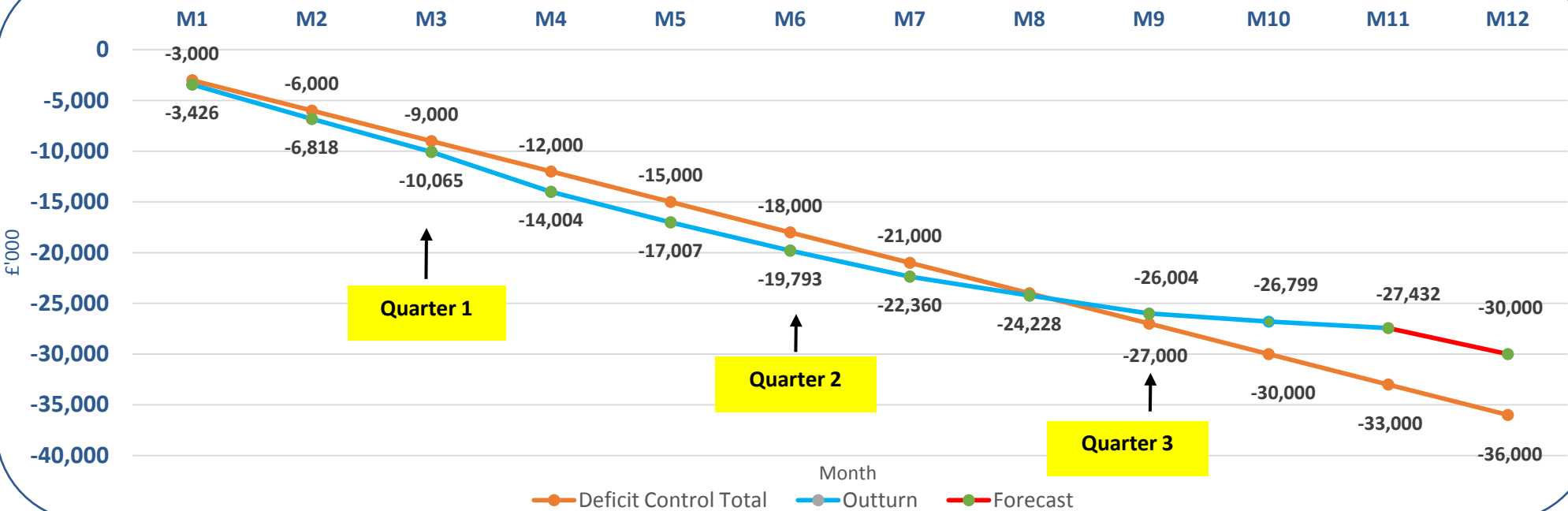
Type	YTD Budget (£'000)	YTD Actual (£'000)	YTD Variance (£'000)	% Variance
Income	(216,446)	(219,909)	(3,463)	1.60%
Pay	595,456	584,572	(10,884)	1.83%
Non Pay	594,349	636,126	41,777	7.03%
Total	973,359	1,000,790	27,430	2.82%

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	633	↓
Reported year to date financial position – deficit/(surplus) – Forecast Red	27,430	↑
Reported year to date compared to forecast financial plan deficit – Forecast Amber	-70	↓
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	(2,715)	↑
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	93.9	↑

Revenue Narrative

- The Health Board P11 in month overspend of £0.633m is an improvement from the £0.795m 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.
- The cumulative position is now £0.070m below the £27.5m overspend that could be anticipated based on the £30m control total.
- The Health Board revised reported year end forecast, agreed with WG in P10 is £30m. The opportunities and risks continued to be reviewed to maintain delivery of the £30m forecast.

Capital Narrative

- WG funded schemes reported as High risk –Renal £151k , National Clinical Systems £282k slippage . Slippage will be managed internally through discretionary capital
- In month surplus increased slightly from prior months and is attributable to a number of schemes , where necessary funds have been reallocated and therefore it is not anticipated to impact on the breakeven position.
- Year end forecast includes £2,904k of anticipated allocations. Approval letters have been issued for all allocations but are in the process of being signed and returned and hence do not yet appear in the Health Boards CRL.

PSPP Narrative

- The cumulative number of invoices paid within 30 days continues to be below the 95% target, however the cumulative compliance increased from 93.7% at the end of January to 93.9% as the end of February.
- The increase in the cumulative figure is due to in month compliance of 95.62% reflecting the impact of the nurse agency invoice processing solutions put in to place in December.
- Despite the improvement in performance the health board will be unable to achieve the 95% compliance for the full year .

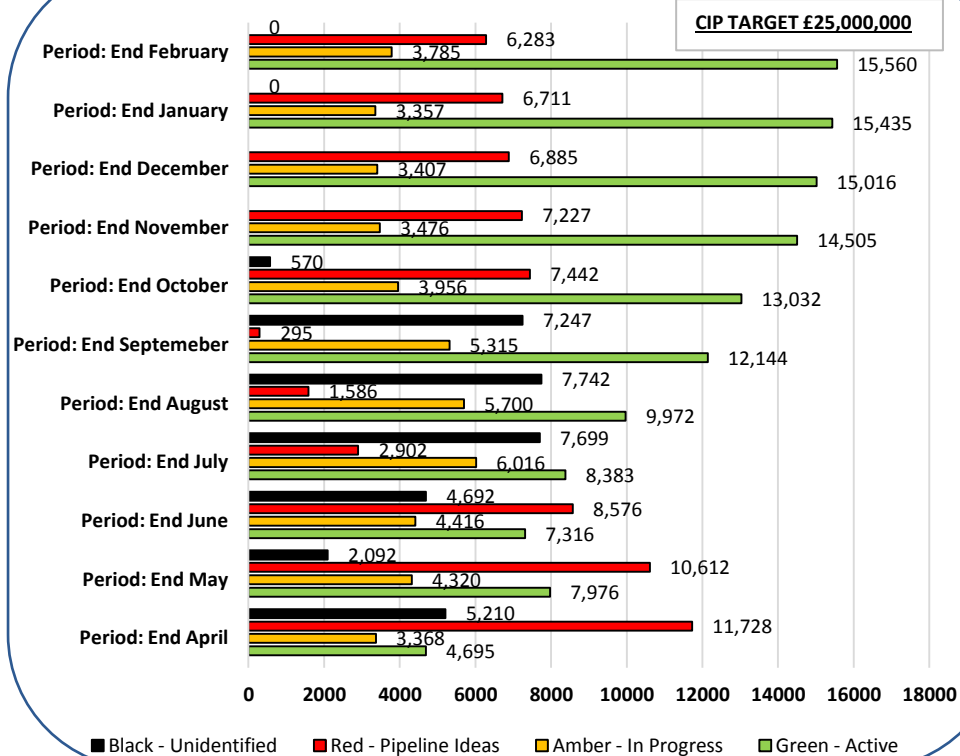
	In Mth					YTD			
	Budget £'000	Actual £'000	Variance £'000	Variance %		Budget £'000	Actual £'000	Variance £'000	Variance %
Service Delivery Units									
Singleton	12,141	12,680	538	4.43%		130,867	136,725	5,858	4.48%
POW	8,855	8,896	42	0.47%		93,167	95,070	1,902	2.04%
Morrison	18,303	18,888	585	3.20%		191,118	201,200	10,082	5.28%
Mental Health & LD	9,632	9,365	267	-2.77%		104,566	102,537	2,029	-1.94%
PC & Community	20,438	20,226	213	-1.04%		220,533	220,349	184	-0.08%
NPT Unit	13,837	13,695	142	-1.02%		160,246	159,599	647	-0.40%
Sub Total Units	83,206	83,750	543	0.65%		900,497	915,479	14,982	1.66%
Directorates									
Board Secretary	370	379	10	2.59%		4,222	4,263	41	0.97%
Director of Strategy	16,901	17,208	307	1.82%		186,923	189,024	2,101	1.12%
Director of Therapies & Health Sciences	53	53	1	-1.83%		543	535	8	-1.48%
Finance	444	449	5	1.18%		5,362	5,378	15	0.29%
Informatics	1,156	1,000	156	-13.46%		11,799	11,839	40	0.34%
Medical Director	197	161	36	-18.34%		2,019	1,733	286	-14.16%
Nursing Director	255	223	32	-12.42%		3,323	3,202	121	-3.65%
Workforce & OD	511	484	27	-5.34%		4,890	4,922	33	0.67%
Sub Total Directorates	19,888	19,958	70	0.35%		219,081	220,896	1,815	0.83%
Delegated Budget Position	103,094	103,707	613			1,119,578	1,136,375	16,797	
Corporate Plan	103,094	103,075	19			1,119,578	1,108,944	10,633	
Health Board Position	-	633	633	-		-	27,430	27,430	-

In month position key issues:

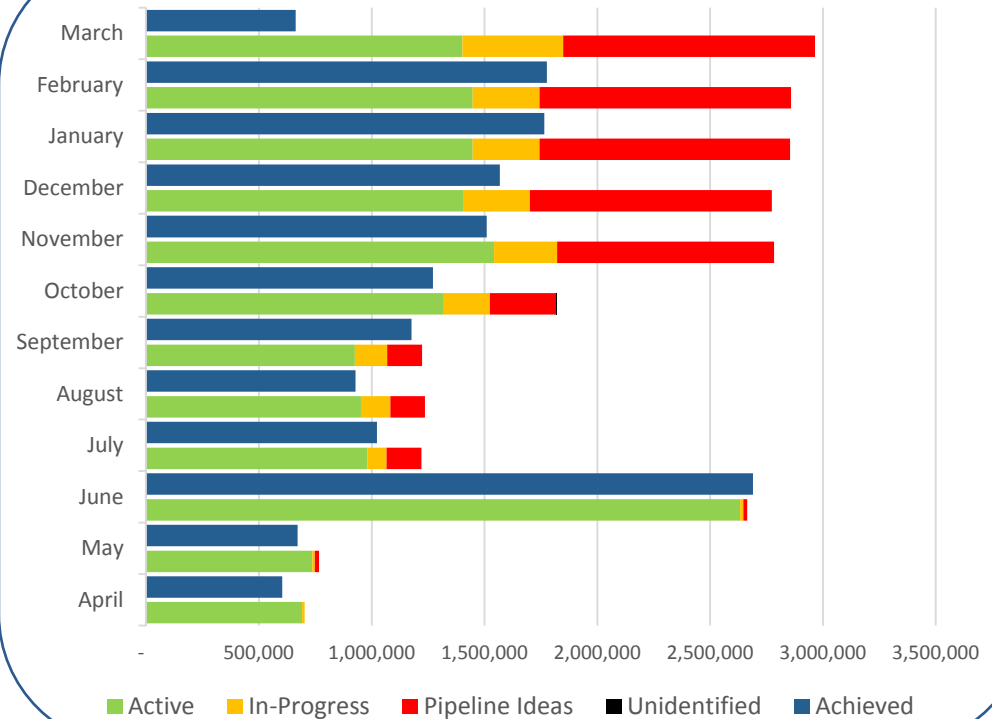
- Actual pay costs have increased, due to payment of Christmas bank holiday enhancements and winter pressures, however this increase has not adversely affected the financial position as they were planned increases which have budget allocations to offset.
- Non Pay costs have either been maintained or reduced across the Health Board from P10.

Savings Analysis

Trend over time



Current Profile of Savings



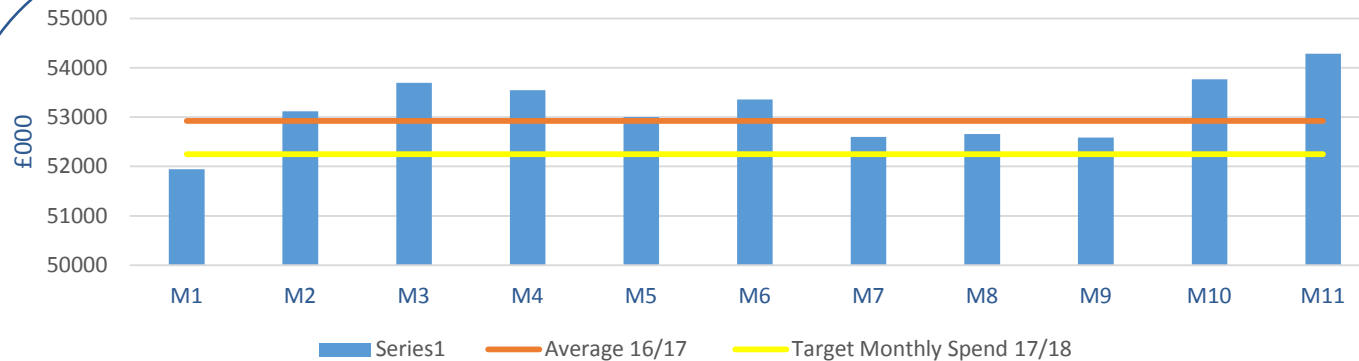
Narrative

- At this late stage in the year there is very little movement on savings schemes identified. However there are some minor movements of red schemes to Amber and Green as delivery is achieved.

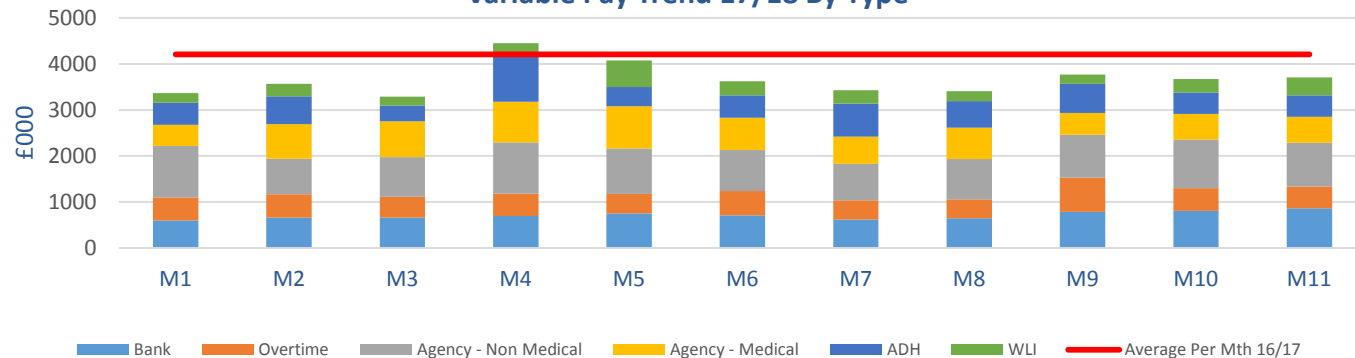
Narrative

- The increased level of savings delivery reported in January has been sustained.
- 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.

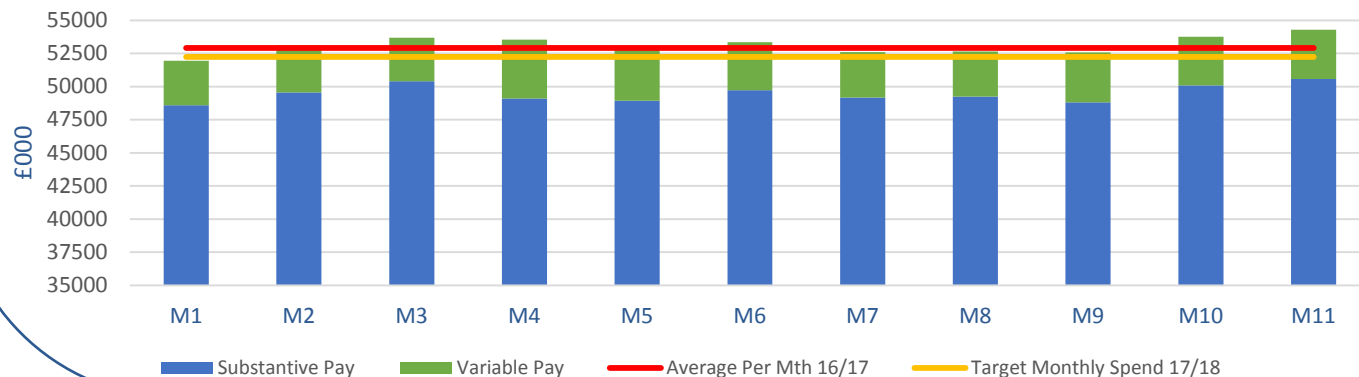
Actual Pay Expenditure 17/18 and Average 16/17



Variable Pay Trend 17/18 By Type

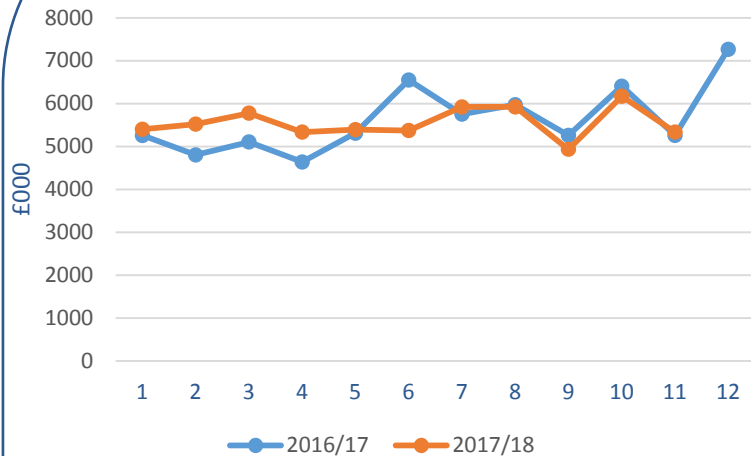


Total Actual Pay (Substantive vs Variable Pay) 17/18

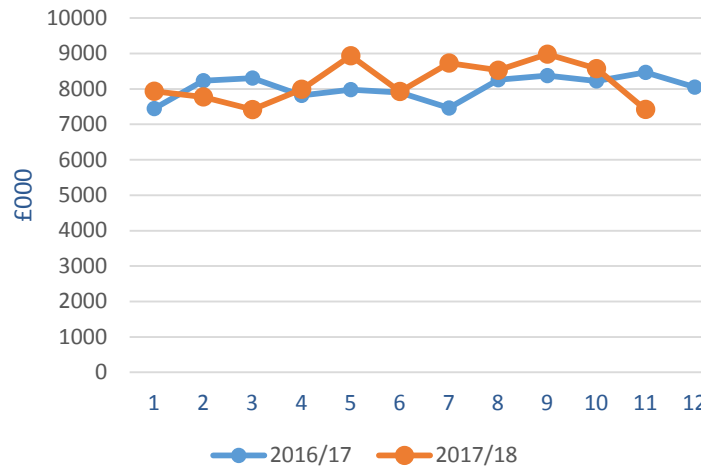


- Up to P06 the monthly pay expenditure for the P02-P06 months was higher than the average for 16/17, this reduced in P07-P09. The P11 increase reflects the payment of the 3 Christmas Bank holiday enhancements in February. There are also increased pay costs in respect of Winter pressures and RTT
- Whilst overall pay bill increased in P11 the variable pay costs in P11 decreased below the P09 position but above the levels seen in P06-P08.

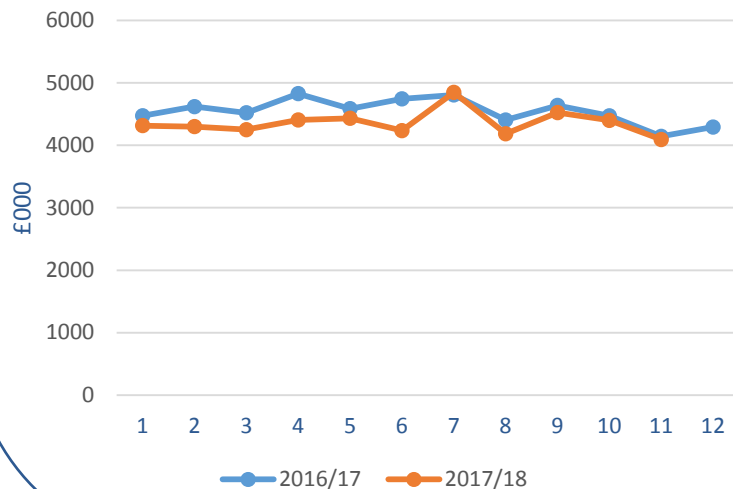
Secondary Care Drugs



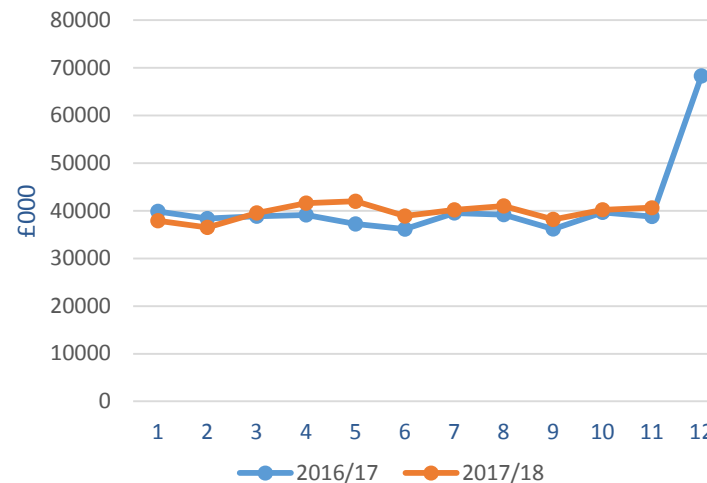
Primary Care Drugs



CHC/FNC



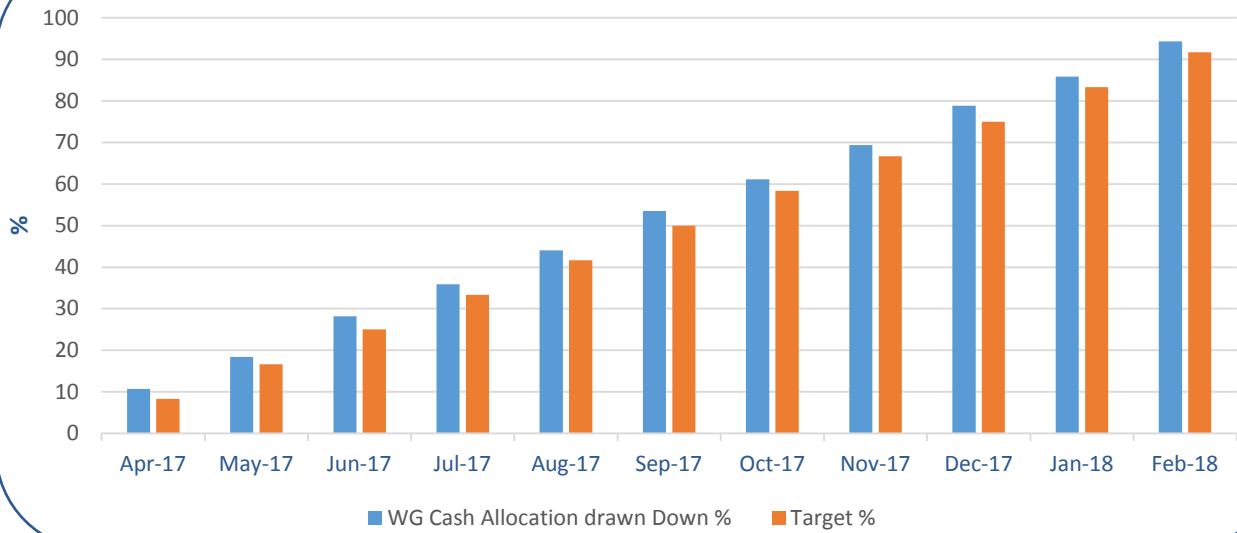
Other Non Pay



- Secondary Care drugs expenditure increased in P07 due to Hep C drugs and again in P10 linked to activity levels, but in P11 has reduced.
- Primary Care drugs had increased due to Cat M and NCSO price concessions, but since P08 had started to reduce and is now at one of the lowest levels for 17/18. 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

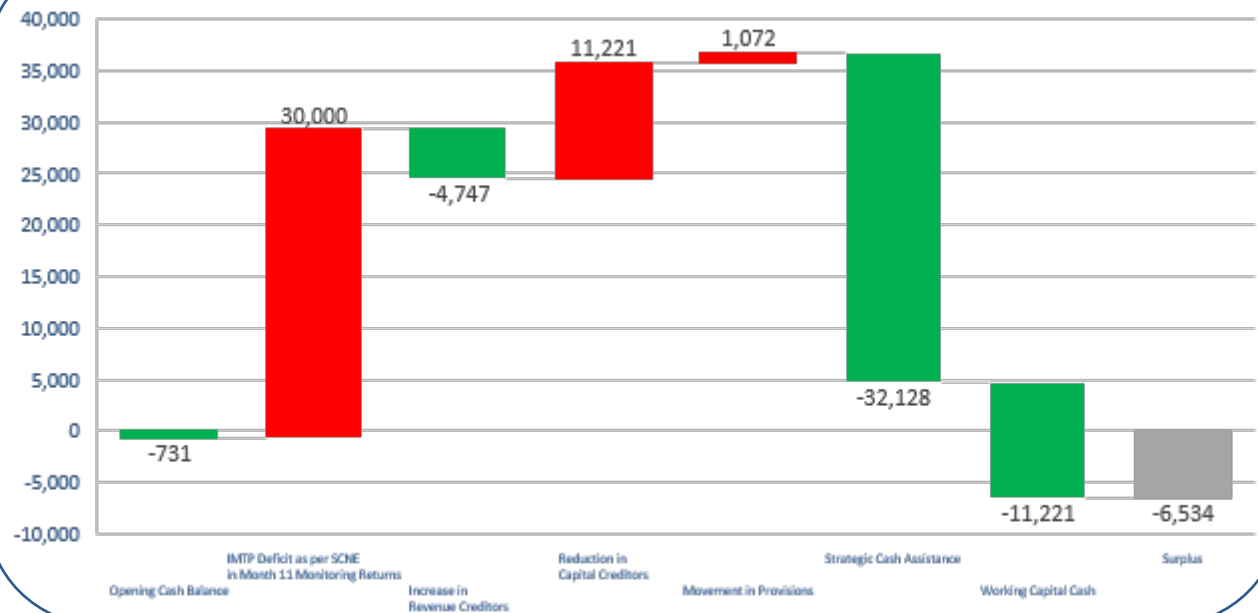
Welsh Government Draw Down



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 receipts and payment trends at the end of February and the reduction in the forecast I&E deficit to £30m the current forecast is that of a year end cash balance of £6.534m if the full amount of strategic cash assistance is drawn down in cash from Welsh Government.
3. Given the forecast cash balance the health board will not be drawing down in March from Welsh Government £6m of the available strategic cash assistance. A letter has been sent to the Director of Finance at Welsh Government to confirm this.
4. The health board will draw down any additional cash allocations issued in March and is now managing the cash receipts and payments on a daily basis in order to end the financial year with a cash balance of between £0.5m and £1m in accordance with the WG best practice figure.

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	- 6,366
Remaining Allocation	3,881

Narrative - RTT

- The funding available for RTT from WG performance monies and internal resources is £10.247m.
- The expenditure to date amounts to £6.366m.
- There remains £3.881m to enable the delivery of the agreed RTT target during the final months of the year. The anticipated spend in P12 is around £0.8m, leaving £3m unspent.
- The Health Board has indicated to WG that it is unlikely to be in a position to spend around £2m-£3m of the RTT funding. The £3m is therefore 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 P11

WLI	Q1 Spend	Q2 Spend	Q3 Spend	P10 Spend	P11 Spend	Total Spend
Morrison	295,664	219,663	495,262	442,679	171,558	1,624,826
POW	295,649	213,794	411,661	402,513	16,138	1,339,755
Singleton	137,099	110,588	126,073	39,079	35,416	448,255
Total WLI	728,412	544,045	1,032,996	884,271	223,112	3,412,836
Outsourcing	Q1 Spend	Q2 Spend	Q3 Spend	P10 Spend	P11 Spend	Total Spend
Morrison	88,317	457,610	843,765	224,504	286,843	1,901,039
POW	-	-	343,208	64,612	-	407,820
Singleton	-	-	267,576	106,568	270,636	644,780
Total Outsourcing	88,317	457,610	1,454,549	395,684	557,479	2,953,639
Total RTT Costs	Q1 Spend	Q2 Spend	Q3 Spend	P10 Spend	P11 Spend	Total Spend
Morrison	383,981	677,273	1,339,027	667,183	458,401	3,525,865
POW	295,649	213,794	754,869	467,125	16,138	1,747,575
Singleton	137,099	110,588	393,649	145,647	306,052	1,093,035
Total RTT Costs	816,729	1,001,655	2,487,545	1,279,955	780,591	6,366,475