



Bwrdd Iechyd Prifysgol  
Abertawe Bro Morgannwg  
University Health Board

# ABMU Finance Dept. Performance & Finance Committee

Recovery Plan & Actions  
Period 11 Data (February 2018)  
21st March 2018

## Update on Recovery Plan

	Recovery Plan Forecast	Potential Improvement
	£000	£000
<b>Updated Local Forecasts</b>	<b>-41802</b>	<b>-38000</b>
Workforce Workstream	1495	Included in Local Forecast Update
Medical Agency Cap	494	
Service/Capacity Redesign	200	
HQ Review	0	
S117	0	
Procurement	667	
	<b>-38946</b>	<b>-38000</b>
<b>Corporate Opportunities</b>		
Balance sheet/commitment review	2000	2000
WHSSC Prior year Provision release	269	269
Primary Care Rates Rebates	800	800
Corporate Directorates	300	300
Welsh Risk Pool	1000	1000
Hep C Drugs	750	750
	<b>-33827</b>	<b>-32881</b>
<b>Risks</b>		
Primary Care Prescribing NCSO	-2500	-1500
FNC Judicial Review	-1600	-1600
GPOOH HMRC Impact backdated	-1000	-350
Seasonal Pressures/Performance Impact	-1500	-1500
	<b>-40427</b>	<b>-37831</b>
<b>Mitigating Opportunities</b>		
Additional Rates Rebate	600	600
Additional Reserves Release	2500	2500
ChC Ombudsman Provision Rework	450	450
WHSSC Rebasing	700	700
CHC Accrual Release	723	723
	<b>-35454</b>	<b>-32858</b>
<b>Unanticipated WG Mitigating Opportunities</b>		
Winter Pressures Funding		1700
FNC Judicial Review Central Provision		1600
<b>Cumulative Forecast</b>	<b>-35454</b>	<b>-29558</b>

- Following the Period 9 financial closedown, potential opportunities to improve the £36m forecast were reported to Performance and Finance committee and to WG through Targeted Intervention meeting.
- The key elements of this improvement were :
  - Improving operational performance and forecasts
  - Reducing risk profile for NCSO and GPOOH HMRC liability
  - Support from WG to meet additional winter pressures costs and management of FNC judicial review impact.
- The forecast outturn position was reduced to £30m in Period 10.

	Assessed Carry	Assessed Monthly Carry	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Year End
	Forward	Forward	In Month	In Month	In Month	In Month	In Month	In Month	In Month	In Month	In Month	In Month	In Month	Forecast	Forecast
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Service Delivery Units</b>															
Singleton	2,554	213	379	385	495	740	618	577	621	484	470	550	538	552	6,409
POW	3,059	255	405	342	269	251	147	174	179	57	-4	41	42	73	1,976
Morrison	8,706	726	969	825	831	1,190	1,443	1,043	937	916	637	706	585	1,208	11,290
Mental Health & LD	0	0	-167	-172	-190	-120	-169	-166	-185	-180	-196	-217	-267	-259	-2,288
PC & Community	50	4	54	35	115	193	-77	-15	-9	-17	-18	-232	-213	-15	-199
NPT Unit	43	4	-50	5	4	46	18	-121	-88	-99	-83	-137	-142	-180	-827
<b>Directorates</b>															
Nurse Director	45	4	0	0	-1	4	0	1	-14	-15	-24	-40	-32	-55	-176
Medical Director	0	0	-19	-23	-6	-22	-17	-21	-40	-22	-40	-39	-36	-25	-310
Workforce & OD	433	36	27	20	13	17	13	10	-15	-1	-10	-14	-27	-55	-22
Informatics	881	73	79	54	-24	126	64	69	78	23	-140	-134	-156	23	62
Finance	0	0	-2	1	-1	-1	0	-2	3	13	0	-1	5	10	25
Board Secretary	95	8	-6	-3	0	0	0	0	3	3	18	16	10	-2	39
Director of Therapies	-4	0	1	2	-4	0	0	0	-1	-3	0	-2	-1	-8	-16
Director of Strategy	3,298	275	176	191	214	251	277	204	170	-144	142	313	307	211	2,312
Corporate I&E	0	0	163	313	115	-226	-71	-20	25	0	170	-35	0	105	539
<b>Delegated Budget Position</b>	<b>19,160</b>	<b>1,597</b>	<b>2,009</b>	<b>1,975</b>	<b>1,830</b>	<b>2,449</b>	<b>2,246</b>	<b>1,733</b>	<b>1,664</b>	<b>1,015</b>	<b>922</b>	<b>775</b>	<b>613</b>	<b>1,583</b>	<b>18,814</b>
Corporate Plan	16,840	1,403	1,403	1,403	1,403	1,403	1,403	1,403	1,403	1,403	1,403	1,403	1,405	1,405	16,840
<b>Health Board Position</b>	<b>36,000</b>	<b>3,000</b>	<b>3,412</b>	<b>3,378</b>	<b>3,233</b>	<b>3,852</b>	<b>3,649</b>	<b>3,136</b>	<b>3,067</b>	<b>2,418</b>	<b>2,325</b>	<b>2,178</b>	<b>2,018</b>	<b>2,988</b>	<b>35,654</b>

- The delegated budget position peaked in P4 and has improved steadily since then following the implementation of a range of financial controls and recovery actions.
- The scale of the improvement has been significant in Period 8-11 and has resulted in a reducing operational forecast. The operational forecast has further reduced by a further £0.5m in P11. The management of this improvement within the year-end forecast will be explored in next few slides.
- For the purpose of this illustration the corporate plan has remained constant ie release of corporate opportunities has been negated.

# Management of Revised £30m Forecast

	Plan to £36m	Revised Forecast
	£000	£000
Operational Forecast	- 38,946	- 36,138
Corporate Opportunities	5,119	5,119
Risks	- 6,600	- 1,850
Mitigating Opportunities	4,973	4,973
	- 35,454	- 27,896
<b>Further Movements</b>		
WHSSC - HRG 4+		490
Rates Rebates		1,000
ChC Phase 3		- 3,400
<b>Forecast Position as at P10</b>		- 29,806
Updates		
ChC Phase 3		3,400
Operational Forecast		500
RTT Impact		- 1,000
Minor Equipment Purchases		- 2,000
Accruals & Provisions		- 1,000
<b>Forecast Position as at P11</b>		- 29,906

- The Health Board has reported an improved year-end forecast of £30m.
- Within this revised forecast, the Health Board has experienced some further beneficial movements, which had been planned to be managed through the inclusion of ChC Phase 3 Retrospective claims being treated as a local provision.
- Since P10, the operational forecast has reduced by a further £0.5m and the accounting treatment of the ChC Phase 3 retrospective claims has been confirmed and will not be able to be a charge to revenue position in 2017/18.
- RTT performance position is likely to have an adverse impact of £1m, assuming WG claw back.
- The remaining balance is planned to be managed through the bringing forward of expenditure from 2018/19, planned expenditure to support efficiency improvements and prudent accrual and provisions.

# Risks & Opportunities

## Risks & Opportunities

	Worse Case	Best Case
	£m	£m
<b>Current Forecast</b>	<b>30</b>	<b>30</b>
No claw back of RTT underperformance		-4.7
Adverse weather impact on RTT performance increases claw back	3	
Further rates rebates received		-1
<b>Potential Forecast</b>	<b>33</b>	<b>24.3</b>

- At this late stage in the financial year, the risks and opportunities identified previously have been crystallised and are included in the £30m year-end forecast.
- There are however a few risks that continue to have a high level of uncertainty:
  - RTT – the HB received £10m to support improvements in RTT performance to no more than 2640 patients waiting over 36 weeks. The HB has indicated to WG that around £3.8m will remain unspent at the end of the financial year and the delivery trajectories adjusted to 3100 patients over 36 weeks. This gives an anticipated claw back for underperformance of £4.7m which is included in the £30m forecast. If this claw back is not transacted the £30m forecast would improve by £4.7m.
  - RTT – the adjusted RTT trajectories have been further impacted on by the adverse weather conditions. This could increase the potential claw back by a further £3m, which is transacted would deteriorate the £30m forecast to £33m
  - Rates Rebates – whilst no further rates rebates are anticipated, the HB has received a number of unplanned rebates during 2017/18, many of which have been in excess of £0.5m. If any further rates rebates are received, they would further improve the year-end forecast.