



Bwrdd Iechyd Prifysgol
Abertawe Bro Morgannwg
University Health Board

ABMU FINANCE DEPT. PERFORMANCE & FINANCE COMMITTEE

Period 01 Data (April 2018)
23rd May 2018

In Month

£ 2,365,121 overspent

Type	Cur Month Budget (£'000)	Cur Month Actual (£'000)	Cur Month Variance (£'000)	% Variance
Income	(19,458)	(18,497)	961,670	4.94%
Pay	52,988	51,882	(1,107)	(2.09%)
Non Pay	52,670	55,180	2,510	4.77%
Total	86,200	88,565	2,365	2.74%

Cumulative

£ 2,365,121 overspent

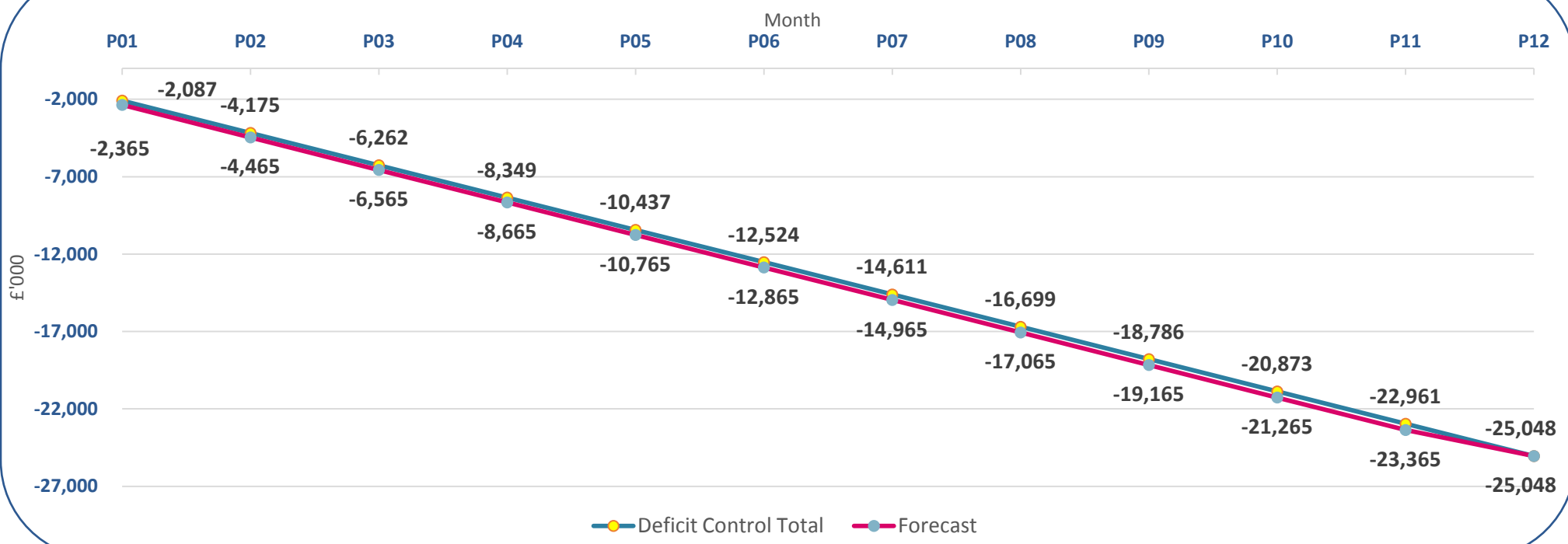
Type	YTD Budget (£'000)	YTD Actual (£'000)	YTD Variance (£'000)	% Variance
Income	(19,458)	(18,497)	961,670	4.94%
Pay	52,988	51,882	(1,107)	(2.09%)
Non Pay	52,670	55,180	2,510	4.77%
Total	86,200	88,565	2,365	2.74%

Forecast

£25,048,000 overspent

Type	Full Year Budget (£'000)	Full Year Forecast (£'000)	Forecast Variance (£'000)	% Variance
Income	(225,779)	(225,779)	-	-
Pay	646,245	646,245	-	-
Non Pay	890,897	915,945	25,048	2.80%
Total	1,311,363	1,336,411	25,048	1.90%

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 Red	2,365	➡
Reported year to date financial position – deficit/(surplus) – Forecast Red	2,365	➡
Reported year to date compared to forecast financial plan deficit – Forecast Amber	278	⬇
Current reported year end forecast – deficit/(surplus) – Forecast Red	25,048	➡

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	➡

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 Amber	93.74%	⬇

Revenue Narrative

1. The Health Board P1 in month position is an overspend of £2.365m
2. This position is £0.277m above the £2.087m overspend that could be anticipated based on the £25m forecast deficit.
3. The Health Board has reported slippage against savings requirements of £0.421m
4. The Health Board has deployed £0.167m of reserve slippage against planned commitments. This represents 1/12th release at this point.

Capital Narrative

1. Approved CRL value for 18/19 is £19.265m which includes Discretionary Capital and the schemes under the All Wales Capital Programme. (See Annex)
2. Spend across all schemes in Month 1 totalled £0.612m.
3. The Discretionary Capital plan was approved by the Health Board on the 29th March 2018. Profiles for discretionary schemes are currently being confirmed and performance against these profiles will be reported in the Month 2 position.
4. Schemes under the All Wales Capital have been reviewed and spend on National Clinical Systems in 2018/19 is estimated at £0.068m less than the allocation, This will be reported to Welsh Government through the individual monthly Project Progress Reports, the slippage will be added to the 2018/19 discretionary allocation and be re-provided from discretionary capital in 2019/20.

PSPP Narrative

1. The number of invoices paid within 30 days for Month 1 2018/19 was below the 95% target.
2. The majority of invoices paid outside the 30 day target were caused by
 - Delays in receipting of goods
 - Delays in Authorisation of invoices

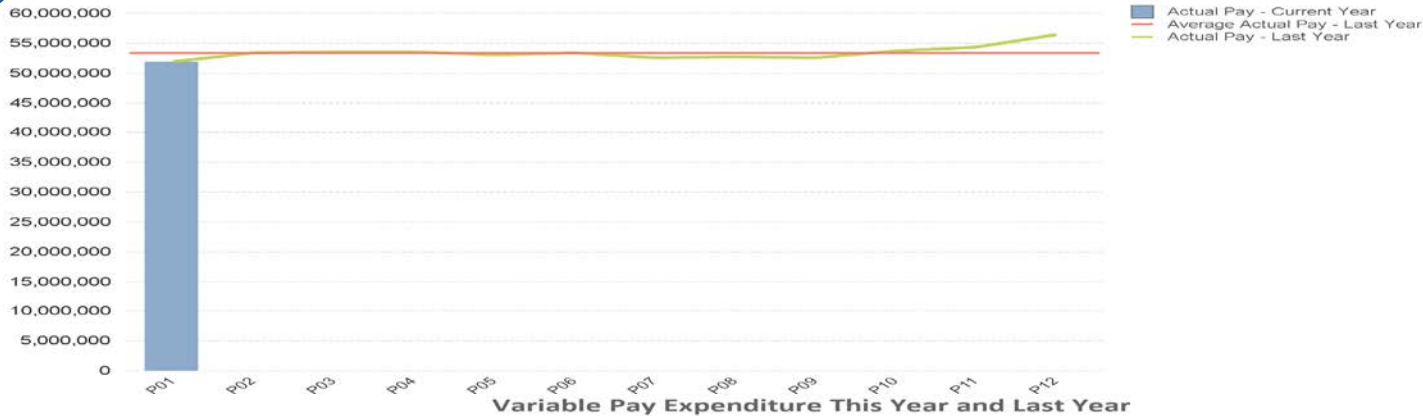
OUR P01 FINANCIAL PERFORMANCE AT SDU LEVEL

Directorate	In Month Budget	In Month Actual	In Month Variance	% Variance	Cumulative Budget	Cumulative Actual	Cumulative Variance	% Variance
MH & LD Delivery Unit	9,174,367	9,236,956	62,589	0.68%	9,174,367	9,236,956	62,589	0.68%
Morrison Delivery Unit	17,647,589	17,685,933	38,344	0.22%	17,647,589	17,685,933	38,344	0.22%
NPT Delivery Unit	14,096,221	14,095,790	(431)	(0.00%)	14,096,221	14,095,790	(431)	(0.00%)
POW Delivery Unit	8,423,395	8,663,360	239,965	2.85%	8,423,395	8,663,360	239,965	2.85%
Primary Care & Community Delivery Unit	19,461,235	19,480,436	19,201	0.10%	19,461,235	19,480,436	19,201	0.10%
Singleton Delivery unit	12,255,261	12,351,457	96,196	0.78%	12,255,261	12,351,457	96,196	0.78%
Total	81,058,068	81,513,932	455,864	0.56%	81,058,068	81,513,932	455,864	0.56%
Board Secretary	351,656	362,238	10,582	3.01%	351,656	362,238	10,582	3.01%
Director of Strategy	17,034,704	17,034,896	192	0.00%	17,034,704	17,034,896	192	0.00%
Director of Therapies & Health Sciences	50,325	52,474	2,149	4.27%	50,325	52,474	2,149	4.27%
Finance	459,224	458,285	(939)	(0.20%)	459,224	458,285	(939)	(0.20%)
Informatics	1,072,945	1,070,448	(2,497)	(0.23%)	1,072,945	1,070,448	(2,497)	(0.23%)
Medical Director	185,425	161,016	(24,409)	(13.16%)	185,425	161,016	(24,409)	(13.16%)
Nursing Director	253,134	252,208	(926)	(0.37%)	253,134	252,208	(926)	(0.37%)
Workforce & OD	386,070	410,715	24,645	6.38%	386,070	410,715	24,645	6.38%
Total	19,793,483	19,802,280	8,797	0.04%	19,793,483	19,802,280	8,797	0.04%
Corporate Plan	(15,308,614)	(13,393,365)	1,915,249	12.51%	(15,308,614)	(13,393,365)	1,915,249	12.51%
Total	(15,308,614)	(13,393,365)	1,915,249	12.51%	(15,308,614)	(13,393,365)	1,915,249	12.51%
Clinical Medical School	437,379	436,428	(951)	(0.22%)	437,379	436,428	(951)	(0.22%)
DSU	(21,336)	(31,112)	(9,776)	(45.82%)	(21,336)	(31,112)	(9,776)	(45.82%)
EMRTS Service	241,242	237,180	(4,062)	(1.68%)	241,242	237,180	(4,062)	(1.68%)
Total	657,285	642,496	(14,789)	(2.25%)	657,285	642,496	(14,789)	(2.25%)
Total	86,200,222	88,565,343	2,365,121	2.74%	86,200,222	88,565,343	2,365,121	2.74%

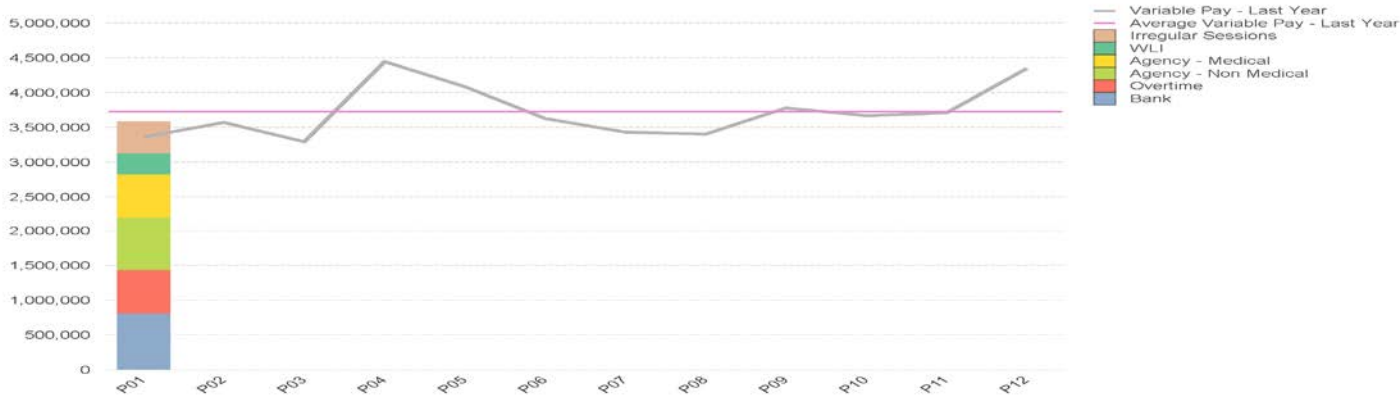
- Following the rebasing of budgets to 2017/18 expenditure levels, it is expected that all SDUs and Directorates deliver a breakeven position. This requires savings requirements to be met in full.
- Where overspends are reported in Period 1, these relate to the non-delivery of savings requirements.
- The most significant overspend both in value and percentage terms is in POW, which is a cause for concern.

HEALTH BOARD – PAY POSITION

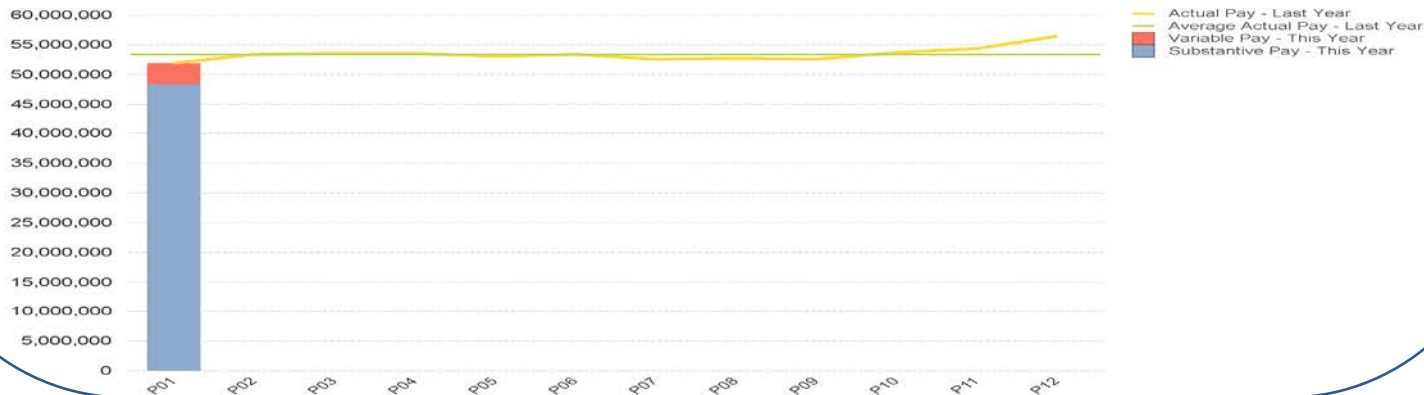
Actual Pay Expenditure This Year and Last Year



Variable Pay Expenditure This Year and Last Year



Substantive & Variable Pay Expenditure This Year and Last Year



- The overall pay expenditure in P01 is below the average for 2017/2018 and in line with the actual P01 in 2017/18.
- The variable pay spend in P01 is lower than the average for 2017/18. The health Board continues to see a reduction in Medical Agency spend, which is currently below the target set based on the Cap Modelling work.

Secondary Care Drugs Trend Analysis



Primary Care Drugs Trend Analysis



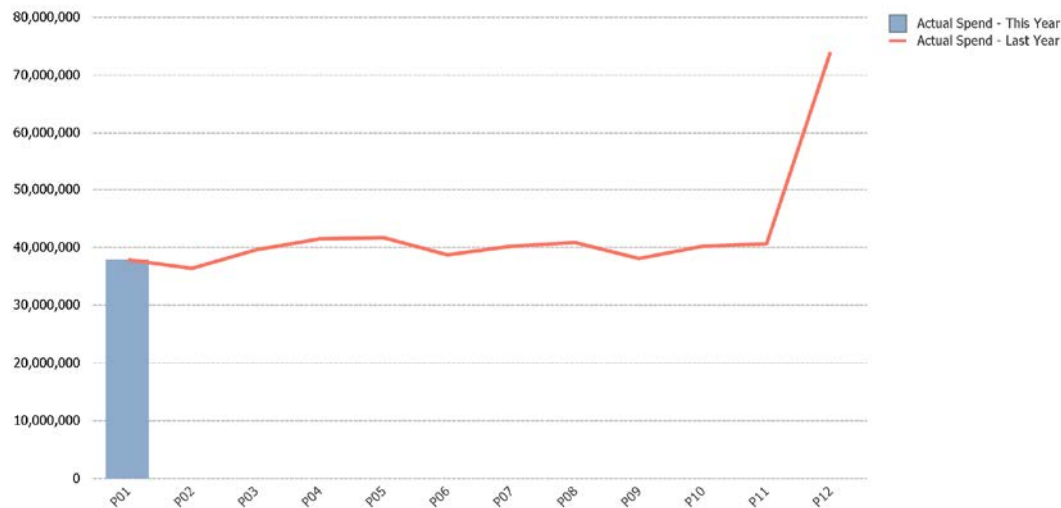
- Secondary Care drugs spend had been relatively stable in 2017/18 and P01 of 2018/2019 continues on this trend.

- Primary Care drugs are extremely volatile and there were significant pressures during 2017/18 due to NCSO price concessions. No actual data for 2018/2019 has been received to date due to the standard 2 month delay and first indication actual 2018/2019 position will not be known in full until the end of June.

CHC Trend Analysis



Other Non Pay Trend Analysis



- 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. The P01 figures are in line with the 2017/2018 spend.
- Other non pay held well during 2017/18. This expenditure covers a wide range of costs., including all clinical and general supplies, utilities, maintenance, travel as well as Primary Care contracts and other Primary Care related expenditure. This expenditure also includes depreciation which accounts for over 50% of the of the Month 12 expenditure spike. . The P01 figures are in line with the 2017/2018 spend.

Savings by SDU / Directorate

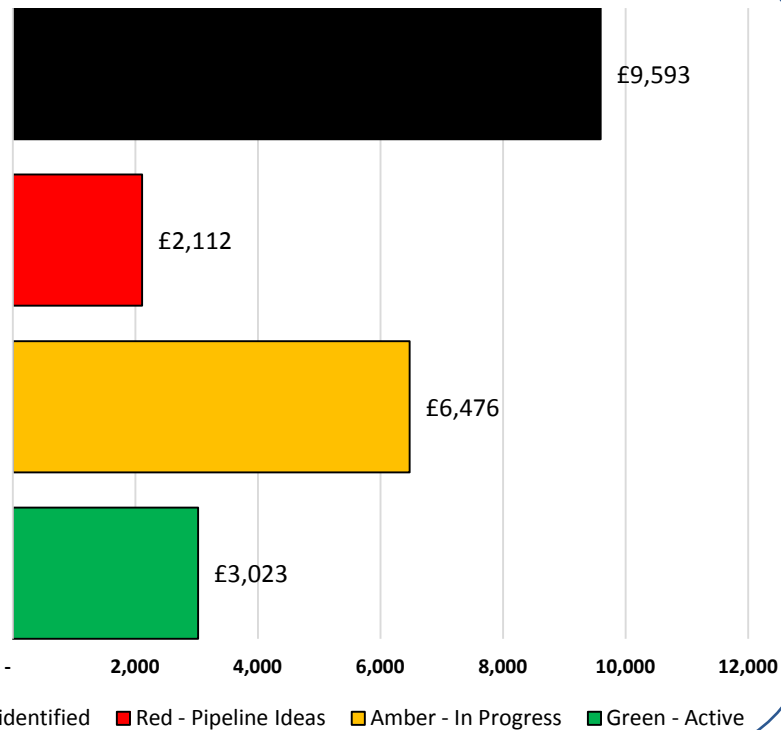
Directorate / Unit	18-19 Assigned Target	Total Green Schemes		Total Amber Schemes		Total Red Schemes		Total Shortfall	
	(£)	(£)	%	(£)	%	(£)	%	(£)	%
Board Secretary	33	-	0%	-	0%	-	0%	33	100%
Director of Strategy	1,574	-	0%	-	0%	-	0%	1,574	100%
Director of Therapies & Health Sciences	14	-	0%	-	0%	-	0%	14	100%
Finance	115	-	0%	-	0%	-	0%	115	100%
Informatics	252	-	0%	-	0%	-	0%	252	100%
Medical Director	22	-	0%	-	0%	-	0%	22	100%
Nursing Director	70	-	0%	-	0%	-	0%	70	100%
Workforce & OD	102	-	0%	-	0%	-	0%	102	100%
MH & LD Delivery Unit	1,838	-	0%	1,428	78%	-	0%	410	22%
Morrison Delivery Unit	4,969	196	4%	3,192	64%	395	8%	1,186	24%
NPT Delivery Unit	2,316	342	15%	532	23%	1,441	62%	0	0%
POW Delivery Unit	2,718	26	1%	406	15%	-	0%	2,286	84%
Primary Care & Community Delivery Unit	2,160	330	15%	123	6%	250	12%	1,457	67%
Singleton Delivery unit	3,022	129	4%	795	26%	26	1%	2,072	69%
Health Board Wide	2,000	2000	100%	-	0%	-	0%	0	0%
Total	21,205	3,023	14%	6,476	31%	2,112	10%	9,593	55%

Savings by Work Stream

Work Stream	18-19 Assigned Target	Total Green Schemes		Total Amber Schemes		Total Red Schemes		Total Shortfall	
	(£)	Count of Schemes	(£)	Count of Schemes	(£)	Count of Schemes	(£)	(£)	%
Corporate OH	£1,000							£1,000	100%
Financial Sustainability - Income	£3,659	14	£490	10	£1098	7	£193	£1,878	51%
Financial Sustainability - Procurement	£2,011	3	£204	23	£1117	3	£28	£662	33%
Financial Sustainability - QVC	£1,763			4	£1014	1	£0	£749	42%
Reducing Waste, Harm & Variation	£2,000					2	£193	£1,807	90%
Ring Fenced Funding	£2,250					2	£675	£1,575	70%
Service Delivery				2	£1428	1	£0	£0	0%
Service Remodelling	£4,821	1	£330	10	£1818	4	£880	£1,793	37%
Workforce Delivery	£1,700					2	£143	£1,557	92%
WHSCC	£1,000	1	£1,000					0	0%
Medicines Management	£1,000	1	£1,000					0	0%
Total	£21,205	20	£3023	49	£6476	22	£2112	£9,593	55%

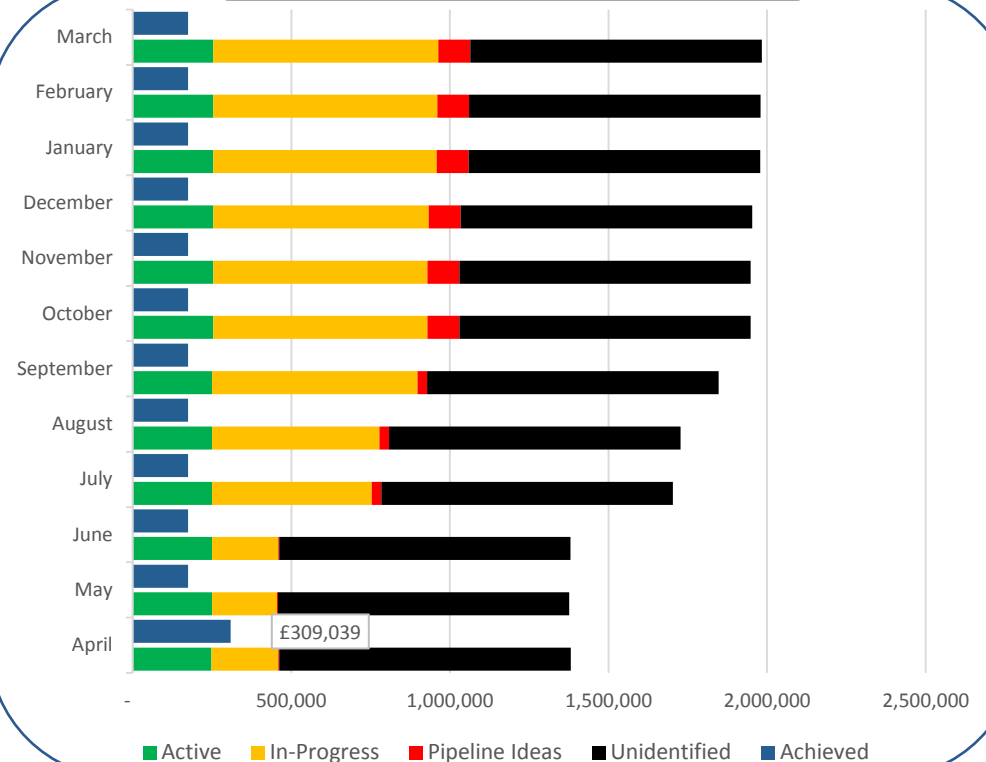
SAVINGS ANALYSIS

Trend over time



Period: End April

Current Profile of Savings



Narrative

- The Health Board has £9.5m of fully worked up schemes (45%), with a further £2.1m of schemes considered as Red ie pipeline ideas but not fully worked up.
- The Recovery & Sustainability Programme is focused on working up the remaining £11.7m into fully developed schemes by the end of Quarter 1.
- The Recovery and Sustainability Board will be considering mitigating actions at its meeting on Monday 21st May.

Narrative

- The Health Board is reporting slippage against the Period 1 savings profile for Green and Amber schemes. An element of this may reflect early reporting issues as some units are reporting no delivered savings.
- Given the early stage in the financial year it is expected that this slippage is recoverable.

Winter Pressures

	£'000	£'000
Available Funding		2,000
Costs Incurred April:		
Singleton Additional Bed Capacity	(76)	
Singleton Patient Flow Team	(4)	
Morrison Bed Capacity	(23)	
Morrison ITU Capacity	(8)	
Mental Health Tonna Beds	(10)	(121)
Available Funding	-	1,879

Winter Pressure Plan

- The Health Board has established a £2m reserve to manage winter pressures in 2018/19
- The winter pressure expenditure in 2017/18 was £2.921m, however this included £0.573m for the TAU/Vanguard Unit which in 2018/19 will be supported via RTT funding
- In April 2018 expenditure was incurred in respect of additional capacity opened during 2017/18 winter period that had not been closed. This expenditure amounted to £0.12m
- This has thereby reduced the funding available for 2018/19 winter pressures to £1.879m

RTT Funding Available

	£000
RTT Funding	2,000
Spend to Date	(675)
Remaining Funding	1,325

Narrative - RTT

- The Health Board has £2m funding for RTT included within its £25m planned deficit
- Whilst the costs associated with RTT performance improvement are likely to be significantly more than £2m, the Health Board in conjunction with WG has agreed to push forward with RTT through the early part of the financial year
- The demand and capacity plans are currently being scrutinised and these will form the basis for the expenditure plan for 2018/19

RTT Spend @ P1

WLI	Q1 Spend £'000
Morrison	101
POW	6
Singleton	34
Total WLI	141
Infrastructure	
Morrison	102
Total Infrastructure	102
Outsourcing / Insourcing	
Morrison	324
POW	-
Singleton	108
Total Outsourcing/Insourcing	432

#	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		-25100	-25100	-25100		
1	Underlying Position Savings not Delivered	S117 anticipated income not able to be recovered or offset by counter-charges	-500	-1400	-1400	Review and discussions ongoing with LAs to develop a clear charging protocol and to review existing client arrangements.	David Roberts, Service Director, MH&LD
2	Underlying Position Savings not Delivered	Slippage or no plan to deliver the service changes anticipated within the underlying position	-500	-1100	-1100	Consultation on some schemes has commenced and slippage is being minimised. Where no plan to deliver the service change is in place or service change is no longer considered viable, alternative schemes are being sought.	Sian Harrop-Griffiths, Director of Strategy
3	Operational expenditure reductions are not sustained	Operational expenditure reductions experienced in 2017/18 are not sustained and some increase in operational expenditure is experienced.	0	-2000	-1000	Financial Control measures to be continued, including vacancy control panel.	Chris White, Interim Chief Operating Officer
4	2018/19 Savings not fully delivered	Not all of the £21.273m 2018/19 savings requirement has been fully identified. This therefore increases the risk of non-delivery	-2000	-5000	-5000	The identification and delivery of savings are being closely reviewed by the Recovery & Sustainability Programme Board chaired by the CEO and through the Service Financial Recovery Meetings. Continued non-delivery will be escalated, to enable mitigating actions to be considered.	Lynne Hamilton, Director of Finance
5	ChC Ombudsman	The annual plan includes £1.5m for the settlement of ChC Ombudsman claims. There is a potential that if all claims are fully discharged in 2018/19, the impact could be higher than £1.5m	0	-600	0	Review settlements and closures on a quarterly basis	Lynne Hamilton, Director of Finance
6	Nurse Staffing Act	The HB has reviewed the NSA compliance across the 39 wards included within the NSA. Whilst compliance has been confirmed with the basic principles of the NSA, further work is being undertaken on acuity and professional judgement	-500	-1500	-1000	Initial scrutiny panels have been held. Further benchmarking and peer review to be undertaken prior to a follow up scrutiny panel	Angela Hopkins, Interim Director of Nursing & Patient Experience
7	Non-recurrent Mitigating Benefits	It is anticipated that Non-recurrent mitigating benefits will materialise in 2018/19	5000	3000	4000	Whilst these non-recurrent mitigating benefits are not yet confirmed/planned based on previous years, this range would seem reasonable	Lynne Hamilton, Director of Finance
8	Mitigating Actions - Holding of Commitments	The financial plan includes a range of expenditure commitments to improve service sustainability and efficiency. To enable the identified risks to be managed some of these could be held back.	0	1000	1000	Expenditure commitments reviewed and commitments to be held identified. An assessment of the impact of these actions on performance and service delivery must be undertaken	Lynne Hamilton, Director of Finance
9	Mitigating Actions - Internal Invest to Save Programme	The HB has established an Internal Invest to Save programme. This could be held back if identified risks are not able to be managed	1500	1500	1500	Very few schemes have been identified against this internal Invest to Save Programme currently. Any use of this funding needs to be held until the end of Q1, whilst the risks and mitigations are assessed.	Lynne Hamilton, Director of Finance
10	Mitigating Actions - Further Enhanced Controls	In order to support the management of the identified risks, further enhanced controls could be introduced	4000	4000	3000	At the end of each month, the performance and the management of the identified risks will be assessed and further controls escalation measures taken as required.	Lynne Hamilton, Director of Finance

18,100	27,200	25,100
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