



Bwrdd Iechyd Prifysgol  
Abertawe Bro Morgannwg  
University Health Board

# ABMU FINANCE DEPT. 2017/18 ANALYTICAL REVIEW

23<sup>rd</sup> May 2018

**£ 4,987,258 overspent**

Type	Cur Month Budget (£'000)	Cur Month Actual (£'000)	Cur Month Variance (£'000)	% Variance
Income	-22,777	-27,138	-4,362	19.15%
Pay	57,765	56,489	-1,276	2.21%
Non Pay	87,177	97,802	10,625	12.19%
<b>Total</b>	<b>122,165</b>	<b>127,152</b>	<b>4,987</b>	<b>4.08%</b>

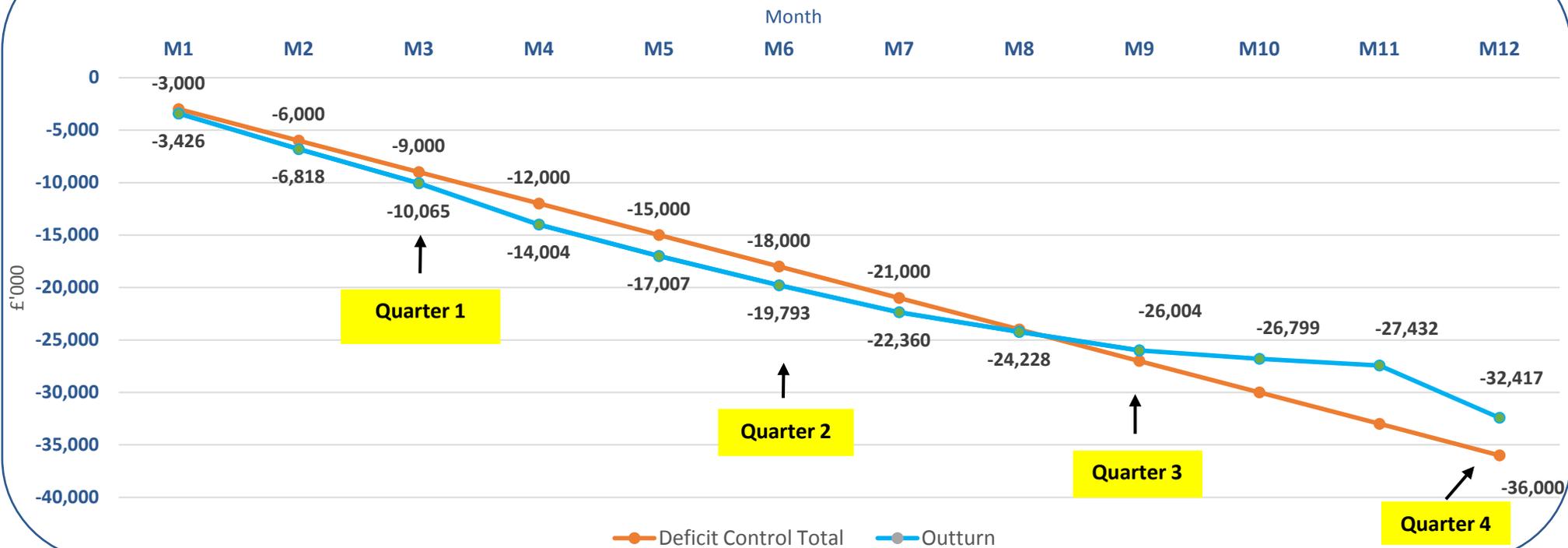
**£ 32,417,909 overspent**

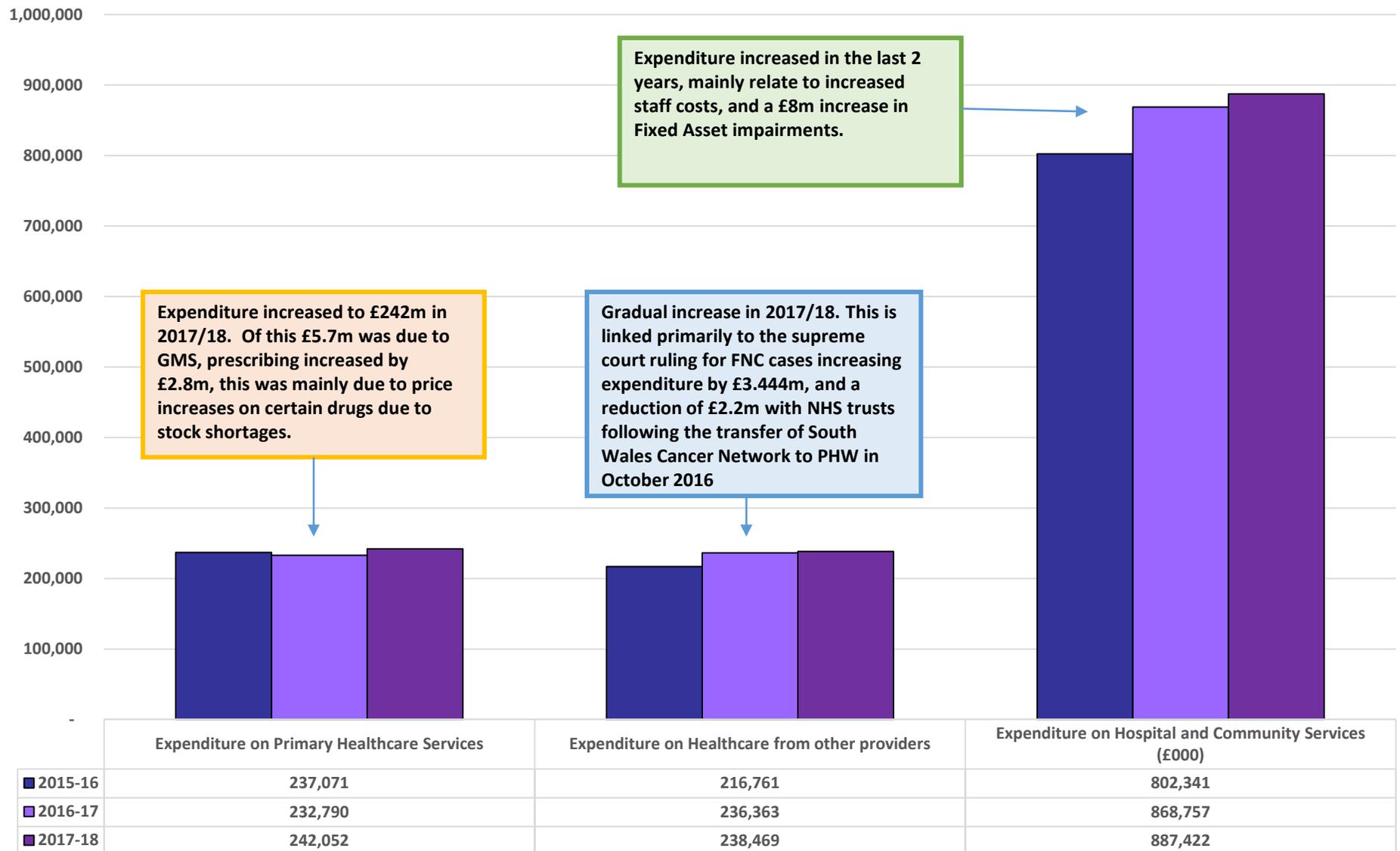
Type	YTD Budget (£'000)	YTD Actual (£'000)	YTD Variance (£'000)	% Variance
Income	-239,223	-247,048	-7,824	3.27%
Pay	653,221	641,061	-12,160	1.86%
Non Pay	681,526	733,928	52,402	7.69%
<b>Total</b>	<b>1,095,524</b>	<b>1,127,942</b>	<b>32,418</b>	<b>2.96%</b>

**£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%
<b>Total</b>	<b>1,059,249</b>	<b>1,089,249</b>	<b>30,000</b>	<b>2.83%</b>

### Full Year Financial Performance and Projection







## Expenditure on Hospital &amp; Community Health Services (7.8%) – Note 3.3 (Page 24)

	2017/18 £000		2016/17 £000	
<b>Directors' costs</b>	1,799	73%	1,969	74%
<b>Staff costs</b>	627,156		622,083	
<b>Supplies and Services - Clinical</b>	134,734	15%	131,486	15%
Supplies and Services – General	11,117		11,838	
Consultancy Services	476		658	
Establishment	14,817		15,152	
Transport	3,208		2,911	
<b>Premises</b>	28,866	3%	28,386	3%
External Contractors	3,829		2,812	
<b>Depreciation</b>	32,495		30,360	
<b>Amortisation</b>	607	4%	482	4%
<b>Fixed asset impairments &amp; reversals</b>	14,716		6,373	
Audit fees	412		412	
Losses, special payments and irrecoverable debts	3,739		6,188	
Research and Development	4,982		6,071	
Other operating expenses	5,006		1,576	
<b>Total</b>	<b>887,959</b>		<b>868,757</b>	

**Directors Costs -£0.170m (8.6%)**  
due to independent member vacancies and turnover and Chief Executive Officer Cover arrangements resulting in reduced costs.

**Staff Costs +£5.1m (0.8%)**  
mainly due to:

- £6m Pay Award (1%)
- £0.8m Living Wage
- £2.3m Apprenticeship Levy
- £0.3m Pension Admin Charge Change
- £0.9m Pension Auto-enrolment
- £1.5m Support for winter pressures and RTT
- £0.8m Additional WG investment in Mental Health and ICF services
- -£7.5m savings delivered through service redesign and reductions in variable pay

See separate slides





**Unit Outturn Positions 2017/18**

	Assessed 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	Variance from
	Forward	In Month	In Month	In Month	In Month	Outturn	Carry Forward								
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Service Delivery Units</b>															
Singleton	2,554	379	385	495	740	618	577	621	484	470	550	538	759	6,616	4,062
POW	3,059	405	342	269	251	147	174	179	57	-4	41	42	241	2,144	-915
Morrison	8,706	969	825	831	1,190	1,443	1,043	937	916	637	706	585	1,261	11,343	2,637
Mental Health & LD	0	-167	-172	-190	-120	-169	-166	-185	-180	-196	-217	-267	-254	-2,283	-2,283
PC & Community	50	54	35	115	193	-77	-15	-9	-17	-18	-232	-213	-24	-208	-258
NPT Unit	43	-50	5	4	46	18	-121	-88	-99	-83	-137	-142	-39	-686	-729
<b>Directorates</b>															
Nurse Director	45	0	0	-1	4	0	1	-14	-15	-24	-40	-32	-90	-211	-256
Medical Director	0	-19	-23	-6	-22	-17	-21	-40	-22	-40	-39	-36	-35	-320	-320
Workforce & OD	433	27	20	13	17	13	10	-15	-1	-10	-14	-27	-128	-95	-528
Informatics	881	79	54	-24	126	64	69	78	23	-140	-134	-156	183	222	-659
Finance	0	-2	1	-1	-1	0	-2	3	13	0	-1	5	63	78	78
Board Secretary	95	-6	-3	0	0	0	0	3	3	18	16	10	-70	-29	-124
Director of Therapies	-4	1	2	-4	0	0	0	-1	-3	0	-2	-1	-28	-37	-33
Director of Strategy	3,298	176	191	214	251	277	204	170	-144	142	313	307	687	2,788	-510
Corporate I&E	0	163	313	115	-226	-71	-20	25	0	170	-35	0	-158	276	276
<b>Delegated Budget Position</b>	<b>19,160</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>2,368</b>	<b>19,598</b>	<b>438</b>
Corporate Plan	16,840	1,417	1,417	1,417	1,490	757	1,053	903	853	853	20	20	2,619	12,819	-4,021
<b>Health Board Position</b>	<b>36,000</b>	<b>3,426</b>	<b>3,392</b>	<b>3,247</b>	<b>3,939</b>	<b>3,003</b>	<b>2,786</b>	<b>2,567</b>	<b>1,868</b>	<b>1,775</b>	<b>795</b>	<b>633</b>	<b>4,987</b>	<b>32,417</b>	<b>-3,583</b>

- The table details the monthly performance of each SDU and Directorate, the year-end outturn and the variance between the year-end outturn and the assessed carry forward “allowable overspend”.
- This highlights the most significant adverse variance from assessed carry forward are in Singleton and Morrison.
- The overall delegated monthly positions showed steady improvement from Month 5, this was seen across most SDUs and Directorates.
- The Month 12 deterioration in performance was broadly anticipated within forecasts. Work is underway to better understand and report the position for 2018/19.

## Reviewing of Forecasting

	Month 4 Revised	Month 6	Month 9	Month 10	2017/18
	Forecast	Forecast	Forecast	Forecast	Outturn
	£000	£000	£000	£000	£000
<b>Service Delivery Units</b>					
Singleton	6,314	6,559	6,425	6,424	6,616
POW	5,687	4,048	3,000	1,980	2,144
Morrison	13,105	13,229	11,353	11,300	11,343
Mental Health & LD	-2,378	-2,364	-2,290	-2,283	-2,283
PC & Community	1,150	601	348	-1	-208
NPT Unit	181	-200	-595	-865	-686
<b>Directorates</b>					
Nurse Director	-77	-174	-194	-194	-211
Medical Director	-200	-256	-300	-300	-320
Workforce & OD	307	-31	-91	-50	-95
Informatics	943	885	403	247	222
Finance	102	100	80	30	78
Board Secretary	-41	-31	9	27	-29
Director of Therapies	-62	-39	-28	-22	-37
Director of Strategy	3,160	2,282	2,529	2,454	2,788
Corporate I&E	732	353	750	551	276
<b>Delegated Budget Position</b>	<b>28,923</b>	<b>24,962</b>	<b>21,399</b>	<b>19,298</b>	<b>19,598</b>
Corporate Plan	16,840	16,840	14,601	10,702	12,819
<b>Health Board Position</b>	<b>45,763</b>	<b>41,802</b>	<b>36,000</b>	<b>30,000</b>	<b>32,417</b>

Movement	Movement
P4-P10	P4 & Outturn
£000	£000
110	302
-3,707	-3,543
-1,805	-1,762
95	95
-1,151	-1,358
-1,046	-867
-117	-134
-100	-120
-357	-402
-696	-721
-72	-24
68	12
40	25
-706	-372
-181	-456
<b>-9625</b>	<b>-9325</b>
-6,138	-4,021
<b>-15763</b>	<b>-13346</b>

- The initial SDU and Directorate forecasts at the end of Quarter 1, identified a potential year-end position of almost £46m, which was £10m above the Health Board deficit control total.
- Through the following 6 months the forecasts were further refined and reduced significantly (£9.5m).
- The key reasons for the improving forecasts and outturn were :
  - Savings delivery confidence
  - Management of risks and opportunities
  - Impact of Control Measures

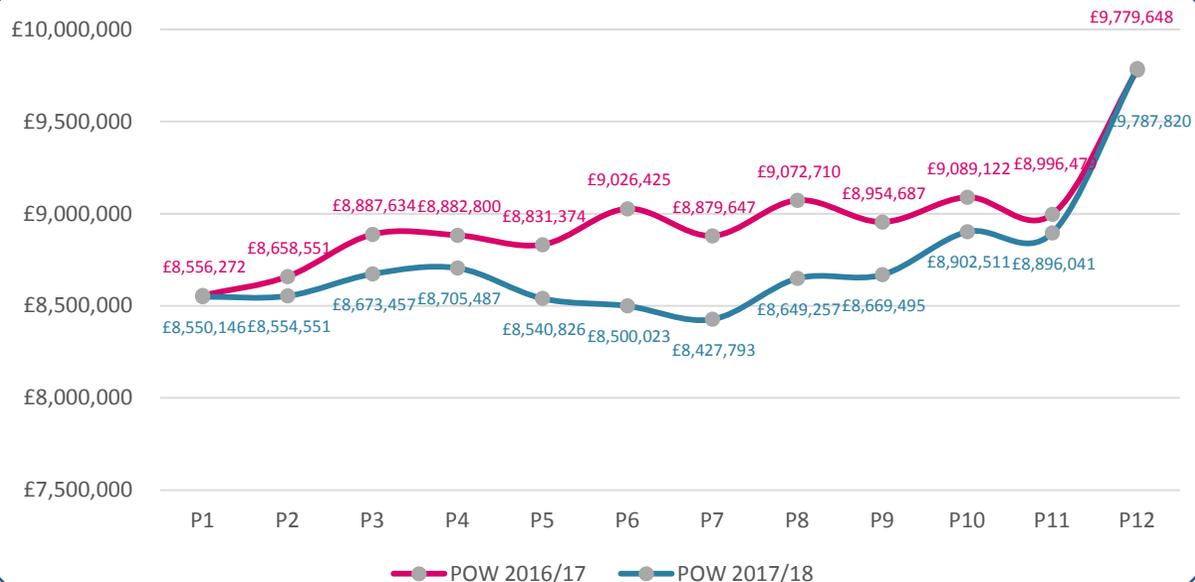
## Expenditure Comparisons

	17/18 £	16/17 £	Variance
Income	-4,768,663	-4,830,306	61,643
Pay	86,961,465	88,188,081	-1,226,616
Non Pay	22,664,604	24,257,575	-1,592,971
	<b>104,857,406</b>	<b>107,615,350</b>	<b>-2,757,944</b>

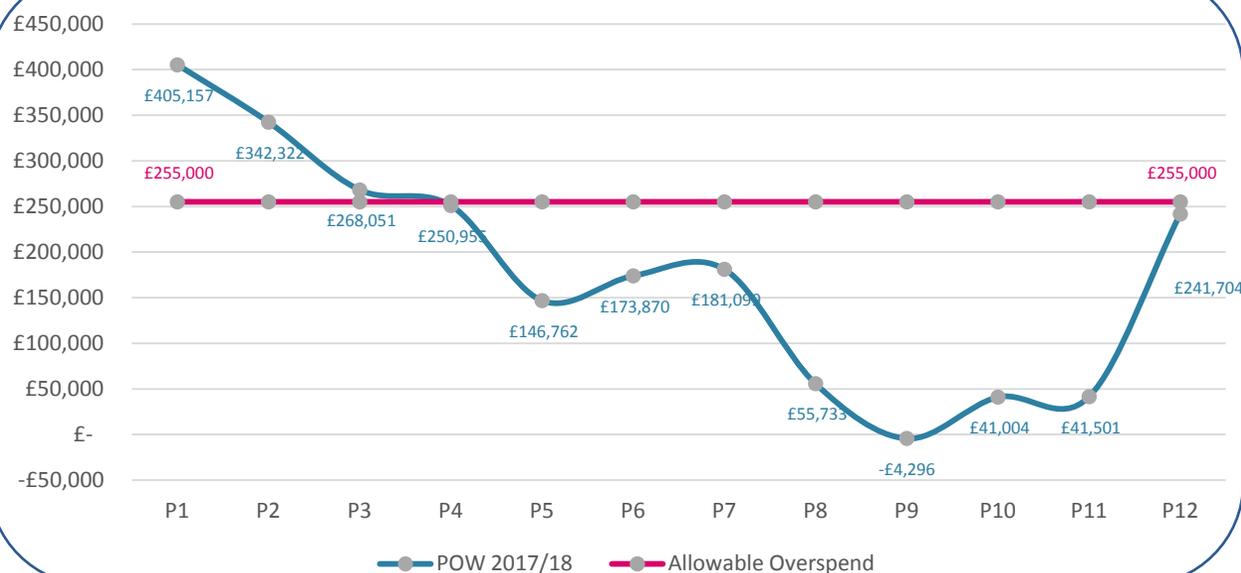
## Narrative

- The expenditure in POW has reduced between 2016/17 and 2017/18.
- The key reasons for this reduction are :
  - Transfer of community midwives to NPT £1.1m
  - Reduced outsourcing

## Actual Spend Trend



## Variance Trend



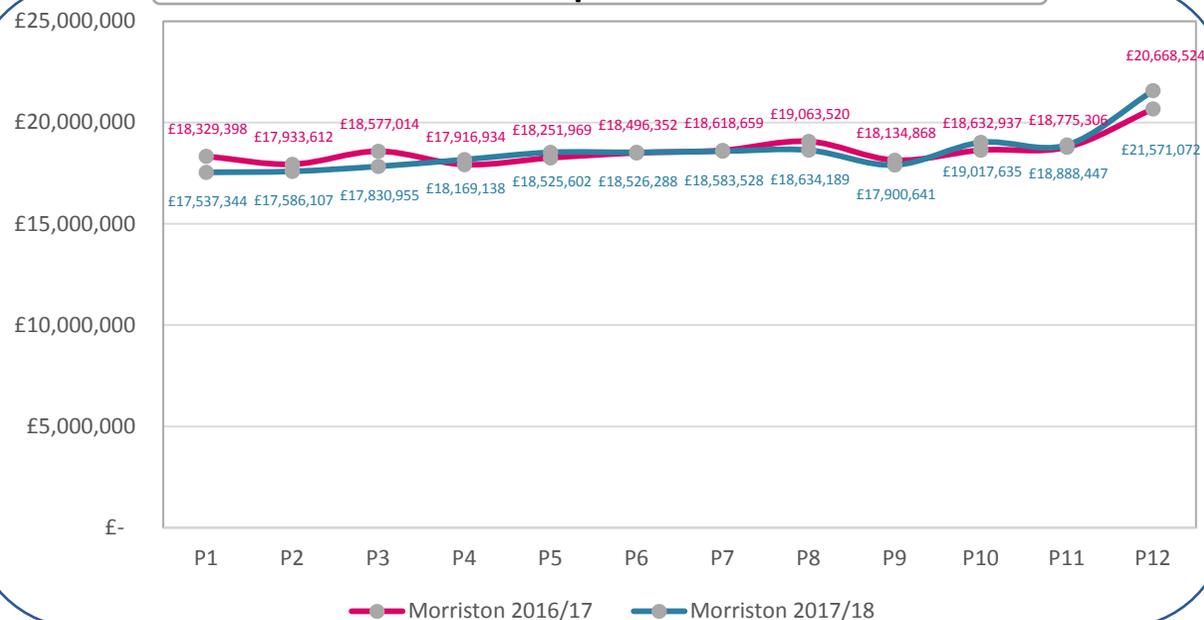
## Expenditure Comparisons

	17/18 £	16/17 £	Variance
Income	-6,694,665	-6,168,017	-526,648
Pay	172,339,012	171,339,785	999,227
Non Pay	57,126,600	58,227,325	-1,100,725
	<b>222,770,947</b>	<b>223,399,093</b>	<b>-628,146</b>

## Narrative

- The overall expenditure profile for Morriston unit in 2017/18 was very similar to that of the previous financial year.
- Pay costs increased which reflects pay award impact and the winter pressure and RTT support.
- Non pay costs reduced which reflects the lower level of outsourcing undertaken in 2017/18.
- Income levels increased due to higher levels of pancreatic and private patient income

## Actual Spend Trend



## Variance Trend



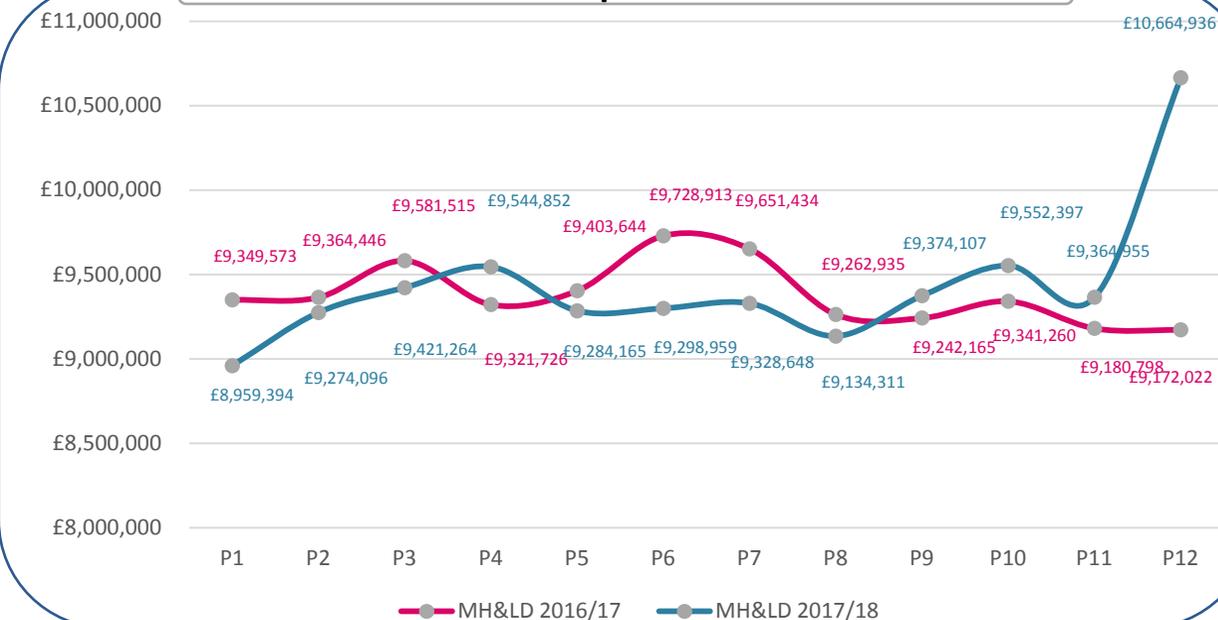
## Expenditure Comparisons

	17/18 £	16/17 £	Variance
Income	-3,542,664	-3,211,803	-330,861
Pay	82,046,730	82,524,047	-477,317
Non Pay	34,698,018	33,288,187	1,409,831
	<b>113,202,084</b>	<b>112,600,431</b>	<b>601,653</b>

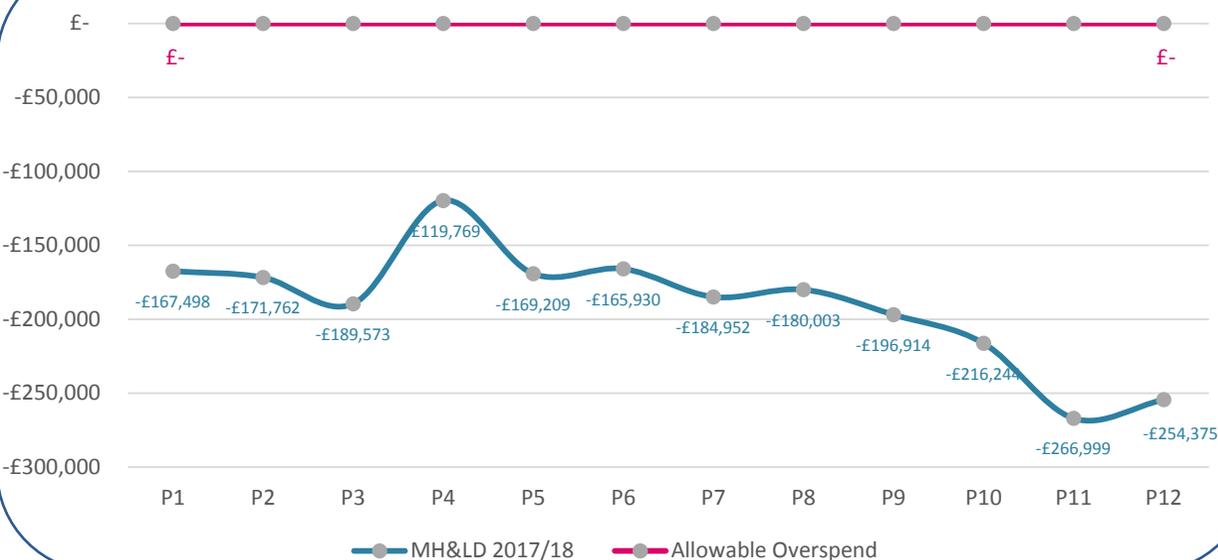
## Narrative

- The overall spend has increased by £0.6m between years.
- Income increased in 2017/18 due to a specific high cost out of area placement in our facilities.
- Pay costs reduced, this reflects a significant reduction in nursing costs £0.8m and A&C £0.13m linked to improving variable pay. This has been offset by the full year impact of MH investments supported by WG additional funding.
- Non Pay cost increase relates to CHC costs, particularly in Learning Disabilities.

## Actual Spend Trend



## Variance Trend



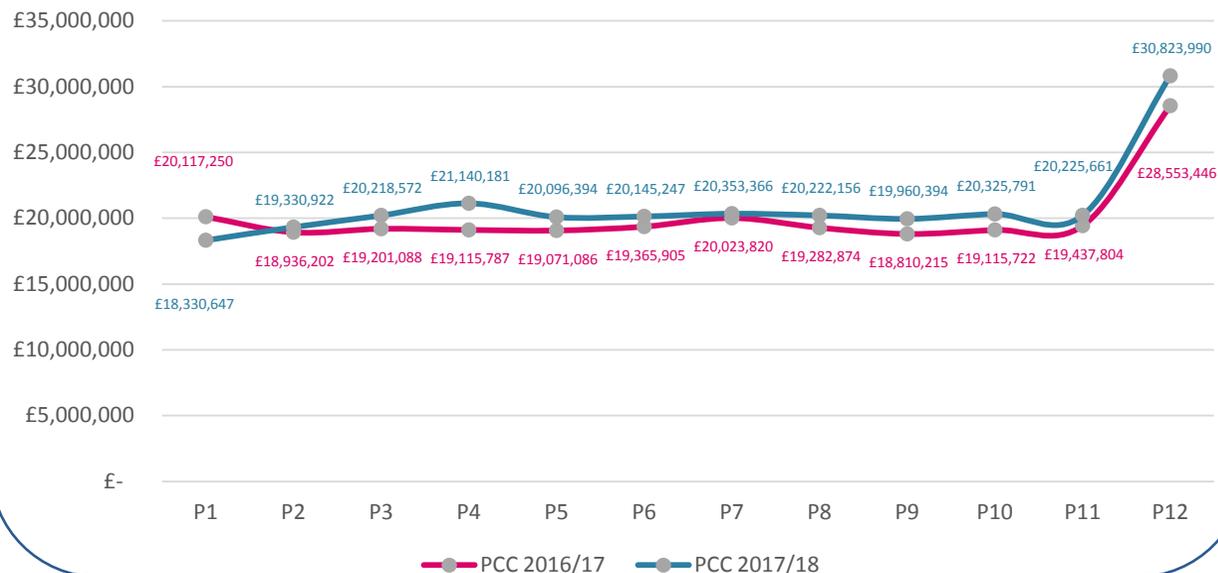
## Expenditure Comparisons

	17/18 £	16/17 £	Variance
Income	-14,760,013	-13,011,897	-1,748,116
Pay	66,685,523	62,361,698	4,323,825
Non Pay	199,247,809	191,681,399	7,566,410
	<b>251,173,319</b>	<b>241,031,200</b>	<b>10,142,119</b>

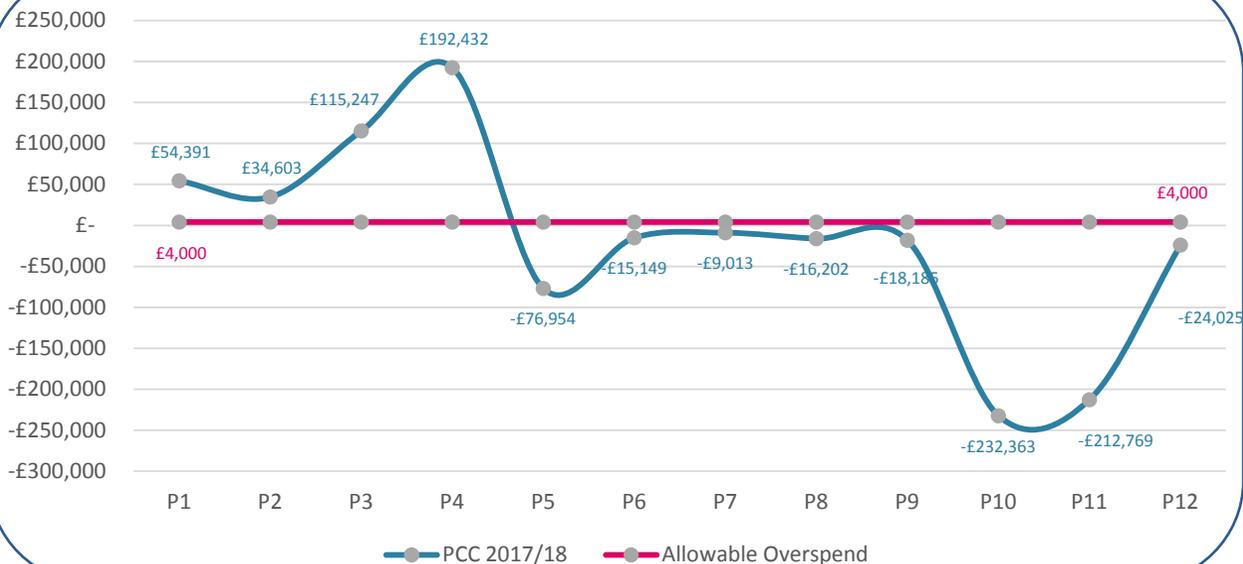
## Narrative

- Expenditure in PCC has increased significantly due to a few keys issues :
  - FNC Judicial Review £3.44m
  - GPOOH Tax/NI £1.7m
  - GMS Uplift £2.9m
  - Enhanced Services £0.6m
  - GDS Uplift/plan £1.1m
  - GP Sustainability £1.0m

## Actual Spend Trend



## Variance Trend



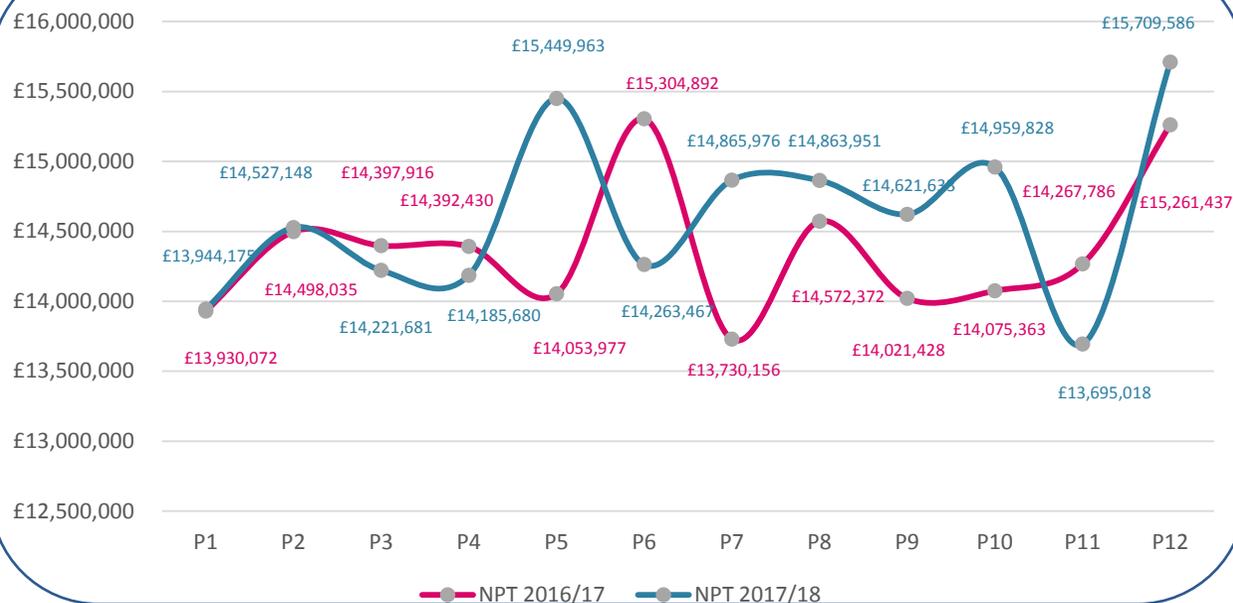
## Expenditure Comparisons

	17/18 £	16/17 £	Variance
Income	-4,881,430	-4,112,357	-769,073
Pay	48,644,524	47,125,907	1,518,617
Non Pay	131,545,013	129,492,315	2,052,698
	<b>175,308,107</b>	<b>172,505,865</b>	<b>2,802,242</b>

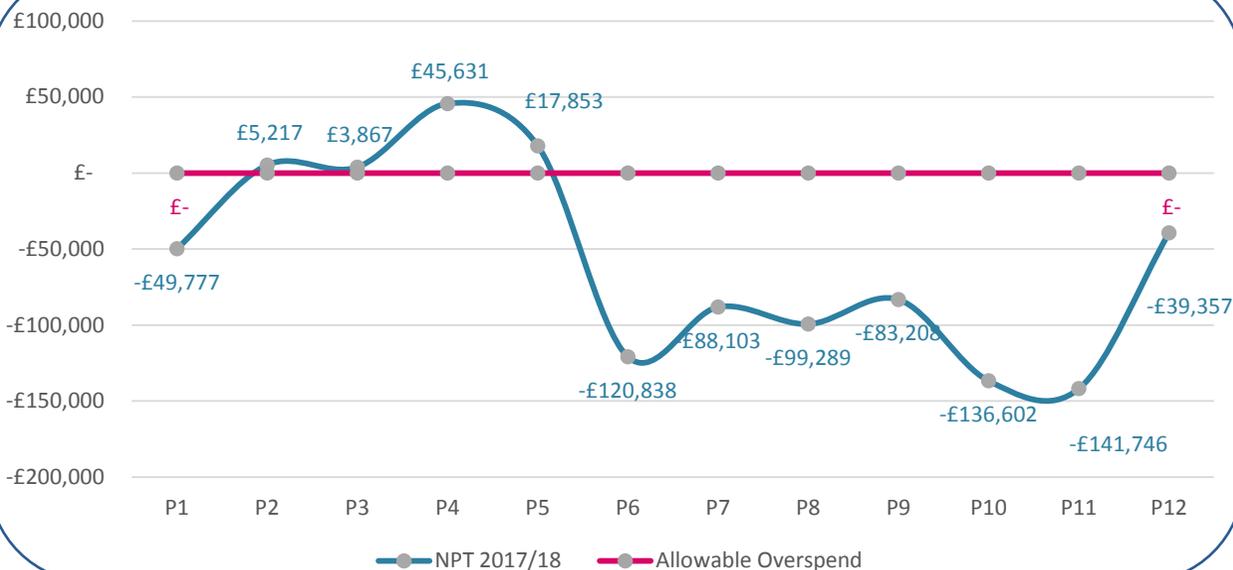
## Narrative

- Expenditure in NPT SDU has increase, the key reasons for this are :
  - Transfer of Community Midwives from POW SDU
  - Primary Care Prescribing Pressures linked to NCSO

## Actual Spend Trend



## Variance Trend



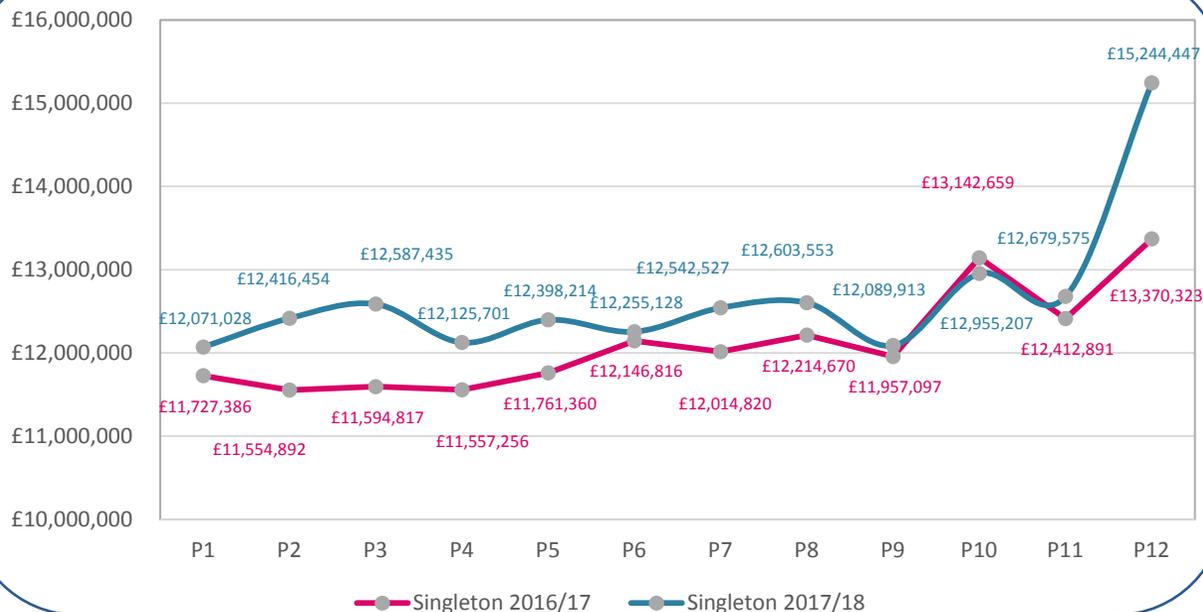
## Expenditure Comparisons

	17/18 £	16/17 £	Variance
Income	-6,034,975	-7,695,435	1,660,460
Pay	105,696,878	103,975,497	1,721,381
Non Pay	52,307,280	49,174,926	3,132,354
	<b>151,969,183</b>	<b>145,454,988</b>	<b>6,514,195</b>

## Narrative

- The income reduction relates in the main to Paediatric Continuing care cases that had been previously been treated as income from PCC, which have subsequently been managed as an internal transfer.
- Around £1.2m of the pay increase relates to additional medical staff costs in Oncology, Paeds, O&G and NDD. The remainder is the next pay award impact.
- The non-pay increase includes around £1.4m of sub-capital medical equipment agreed through year-end. The other key growth areas are drugs and maintenance contracts.

## Actual Spend Trend



## Variance Trend

