



Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Financial Performance Month 9

Health Board confirmed control total of £15m.

Forecast position £25m given cumulative financial position and on-going operational pressures.

Month 9 position

- Month 9 YTD variance to breakeven £20.1m.
- Month 9 position is £1.5m (Month 8, £2.0m) operational variance to plan, £8.2m YTD. Unidentified savings profile impact £0.7m.

Directorate Projections

- Operational forecasts in excess of budget of £4.3m (before Control Total requirement) plus recognition of £1.0m share of Welsh Risk Pool; improvement on Month 8 reflects impact of identification of assured Control Total Actions.
- Projection including savings risk is an adverse variance to plan of £10.0m; this would equate to a year end deficit position of £25.0m, which is in line with the current forecast.

Summary

- £12.4m delivery to date against £25.2m total savings requirement. Pace of delivery requires continued acceleration.
- £17.8m of secure plans (green); £0.8m of plans with some risk to delivery (amber)
- Risk to delivery is therefore £6.6m, including projected slippage on identified schemes of £2.1m.

Conclusions

Key areas of concern:

- Savings plans not fully identified;
- Grip and Control highlighted as an area of concern, especially in workforce management;
- Significant pressures on drugs manifesting in both Primary and Secondary Care;
- Significant risk to £10m additional WG funding as this was predicated on delivery of the required £15m control total.

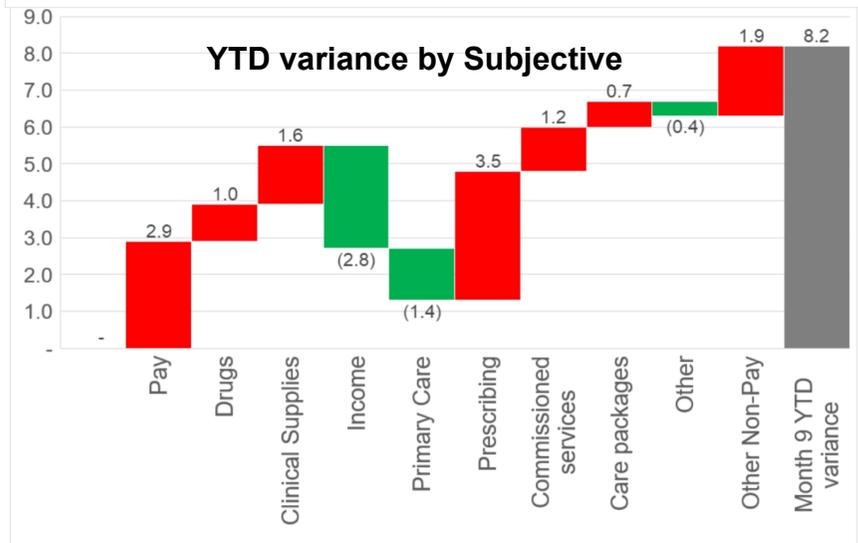
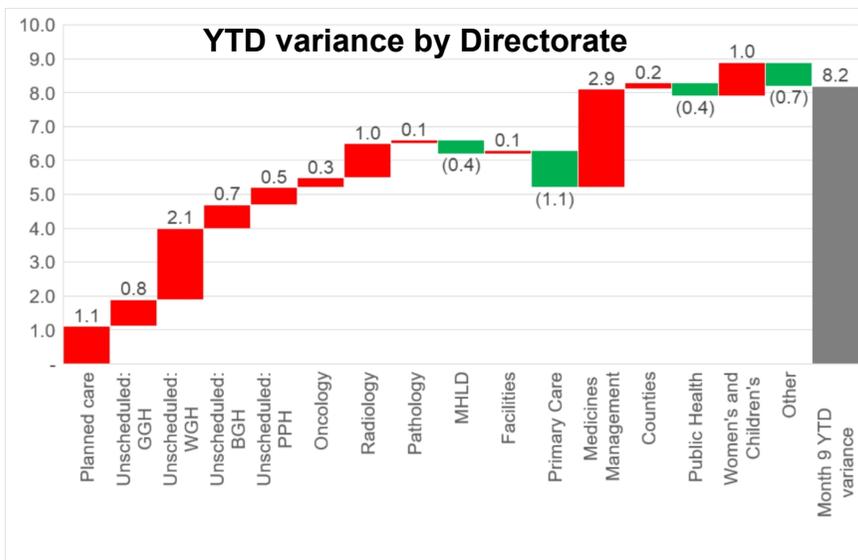
Change in forecast was ratified by the Board in the November meeting.

In Month variance to breakeven £2.6m; variance to Plan £1.5m.
In line with forecast result (no Control Total target).

- Key drivers of variation to Plan:

Area	£'m
Medicines Management Primary Care Prescribing	0.7
Unidentified savings gap	0.7
Welsh Risk Pool (9/12ths) risk share, unwind Month 8*	(0.3)
WGH – Surge above Winter funding and Drugs	0.2
Radiology – MRI scanner at BGH and premium outsourcing	0.2
Women and Children – CHC, medical rotation costs, diabetic consumables	0.2
Medical Directorate – Core Team WG funding for YTD costs	(0.2)
	1.5

* The Welsh Risk Pool impact in Month 8 was based on the estimation of the Health Board's share of the pressures (£1.649m). We have since received notification that this estimate has been reduced to £1.042m. This results in an in-month benefit to only recognise 9/12ths of the total.

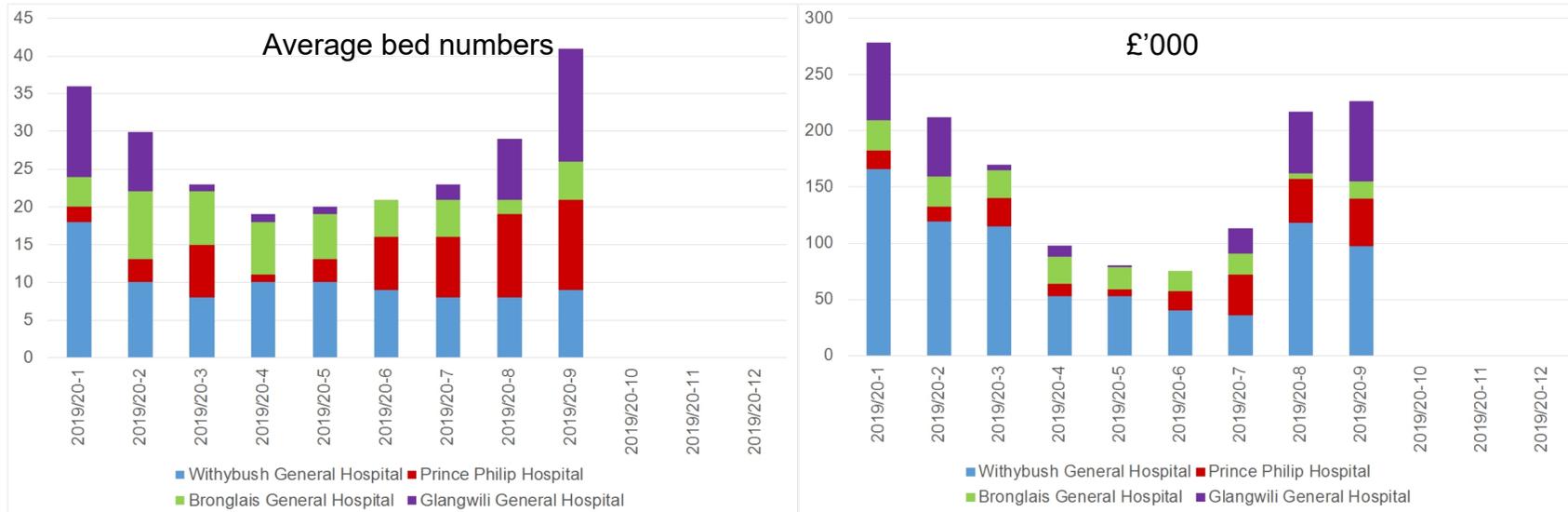


- Of the YTD deficit against plan:
 - £4.1m surge bed pressures, vacancies filled at premium rates and drugs in Unscheduled Care;
 - £2.9m Primary Care Prescribing due to price increases in Category M drugs and NOACs;
 - £1.1m Planned Care;
 - £1.0m Women and Children;
 - £1.0m Radiology.
- Secondary Care Drugs pressures continue with the Aseptics unit closure and higher than expected activity treating Wet AMD. Oncology drug expenditure was especially high in Month 9.
- Clinical Supplies includes significant over-spends in relation to diabetic pumps and associated consumables. Radiology outsourcing at premium cost due to level of vacancies caused by recruitment challenges.
- Other Non-Pay includes increases in travel, recruitment fees, insurance, provisions, telephone costs and postage and the impact of unidentified savings.

Welsh Risk Pool (WRP)

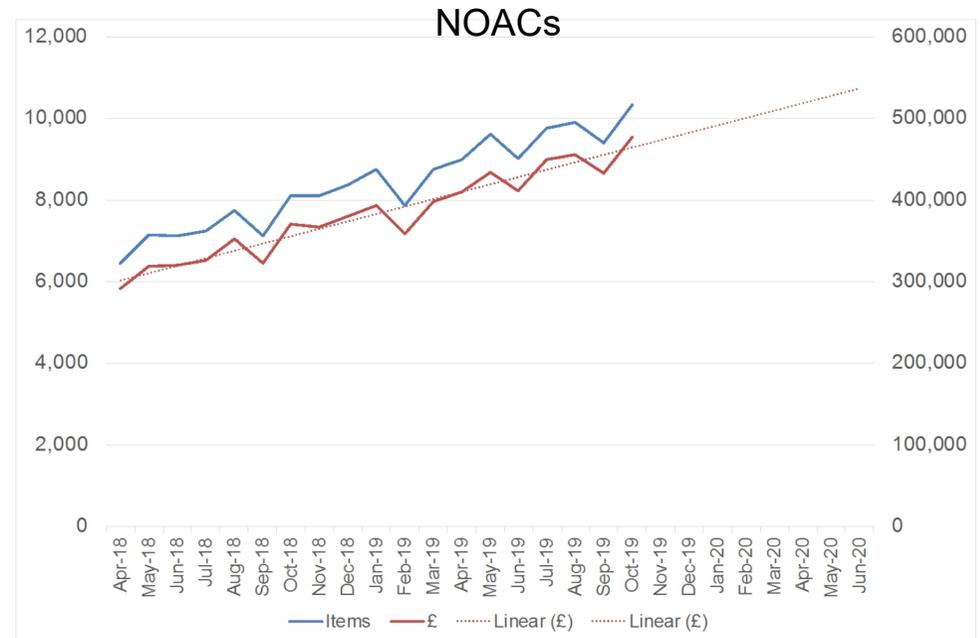
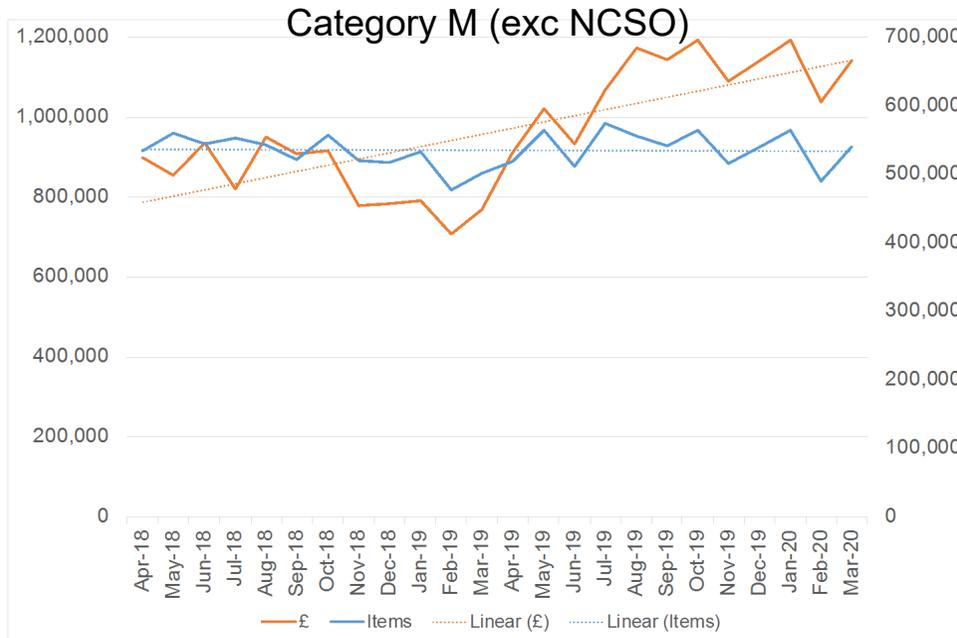
- WRP arrangements require Health Board to meet first £25,000 of any claim or loss. WRP meets the cost of financial losses greater than £25,000.
- The most significant element of expenditure relates to clinical negligence matters.
- Where annual revenue allocation from WG is not sufficient to meet the value of the forecast in-year expenditure then the excess can be subject to an agreed risk sharing arrangement with NHS bodies.
- At Month 9, the forecast excess was £9.718m in total; the Health Board's share is 10.72%, creating a pressure of £1.042m.
- Since Month 8, this is a reduction of £0.014m.

Bed Pressures



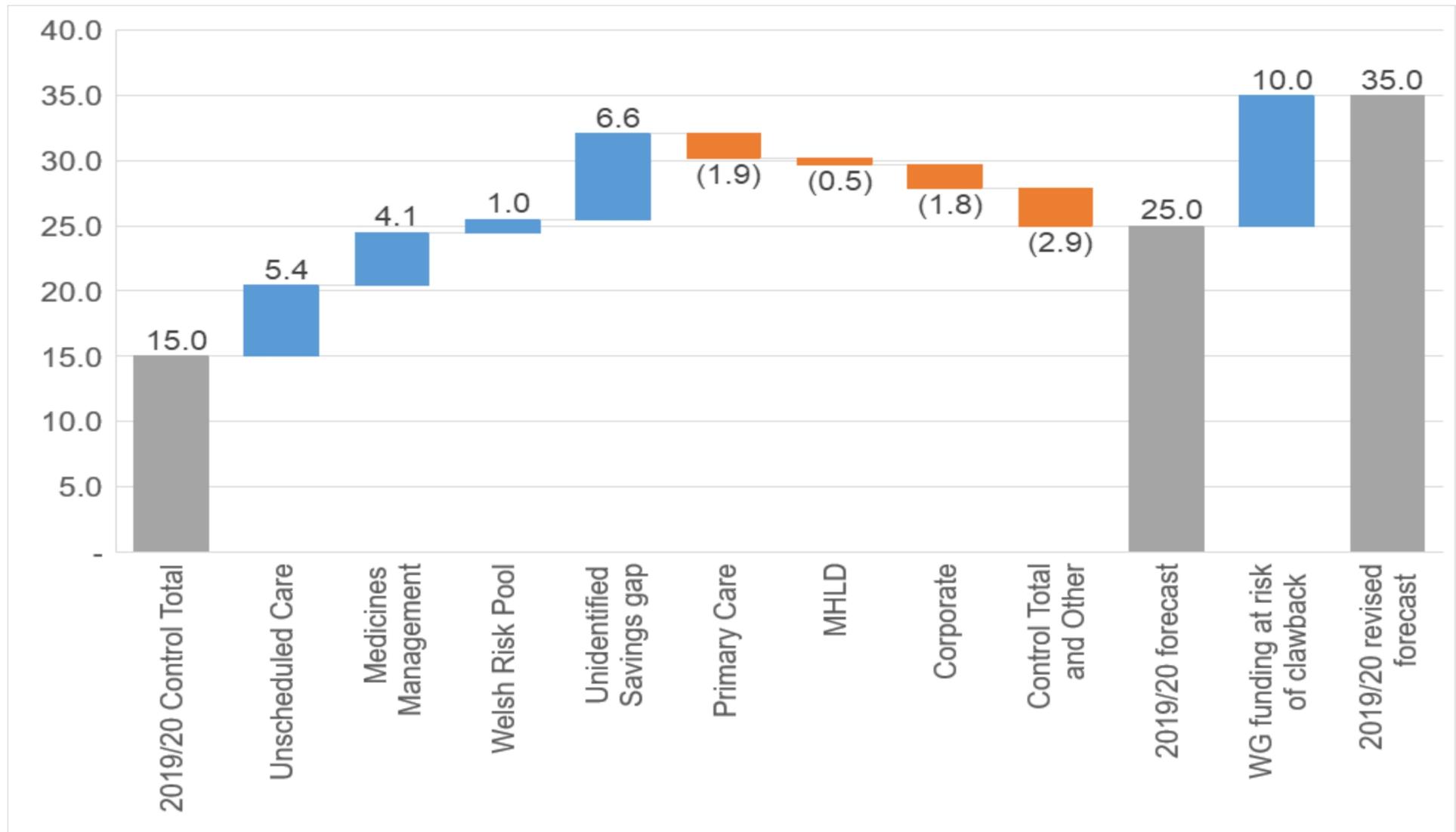
Critical Care surged on 67 occasions in Month 9 (Month 8: 10), which was predominately driven by patient acuity rather than the number of beds.

Primary Care Prescribing



- Price increase from August 2019 of 34p per item in Month 9 (same as Month 7 and 8).

- New Enhanced Service has driven growth in items of 32%.
- Price growth 2%.
- BCU, C&V and Powys also reporting large cost pressures (C&V 30%, BCUHB 34% (at Month 6))



Assured and Marginal Risk Savings Schemes

Summarised schemes (£'000)	Planned Care	Medicines Management	MHLD, Facilities and Dir Ops	Primary Care and Community	Unscheduled Care	Specialist and Support Services	Across Service Areas/ Other	Total
Workforce	204	-	1,503	1,364	1,789	1,140	339	6,339
Non-Pay	209	-	2,498	339	41	53	938	4,078
Commissioned Services and CHC	36	-	333	572	60	-	100	1,101
Medicines Management	535	2,210	-	-	591	497	-	3,833
Operational Effectiveness	1,247	-	187	72	1,114	491	-	3,111
Outpatients	76	-	-	-	10	23	-	109
Total delivery projected	2,307	2,210	4,521	2,347	3,605	2,204	1,377	18,571
Requirement								25,207
Savings gap								6,636

Projections – Control Totals

Requirement of
£2.8m
improvement to
Directorate
projections –
Control Totals
assigned to
Directorates to
deliver end of
year
projections.

£1.9m
remaining
Actions
undergoing
validation
review to
assess level of
assurance.

	YTD Variance £'m	EOY Projection £'m	RAG	Key Actions/Themes to deliver Control Total
Planned Care	1.1	0.6	Green	Theatres review/stock
GGH	0.8	0.8	Yellow	Delays in recruitment
WGH	2.1	2.3	Yellow	Staged bed re-opening
BGH	0.7	0.8	Yellow	Income opportunities
PPH	0.5	0.5	Yellow	Income opportunities
Radiology	1.0	1.1	Green	RROL, PPH demand mgt
Pathology	0.1	0.2	Green	Roche credits, radiometer
Oncology	0.3	(0.2)	Yellow	Drug rebates
Women's and Children	1.0	1.0	Yellow	CHC, vacancy holds
Counties	0.2	0.0	Green	Discretionary spend hold
Primary Care	(1.1)	(1.9)	Green	Cluster slippage
Public Health	(0.4)	(0.2)	Green	Delivered in Month 8
Medicines Management	2.9	4.2	Yellow	No change to price/volume
Facilities	0.1	0.0	Green	Reduce bank usage
Mental Health	(0.4)	(0.6)	Green	Avoid, stop, defer. Income
Director of Ops	(0.2)	(0.2)	Green	Avoid, stop, defer
Corporate and Other	(3.7)	(4.4)	Green	Vacancy holds
Commissioning	0.5	0.5	Yellow	WHSSC slippage. Referrals
Welsh Risk Pool	0.8	1.0	Yellow	Minor change in risk-share
Unidentified Savings gap	1.9	4.5	Yellow	Minor identified schemes closed
Total variation in excess of Plan	8.2	10.0		