

# 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.

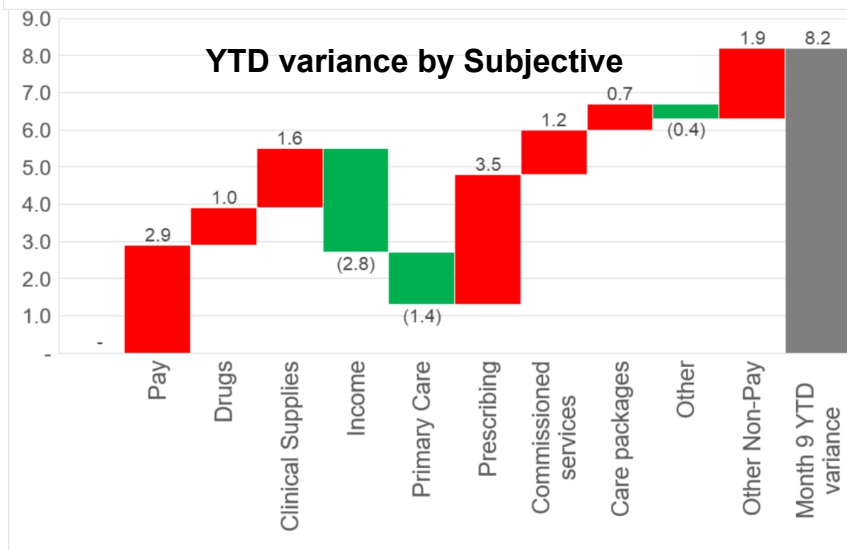
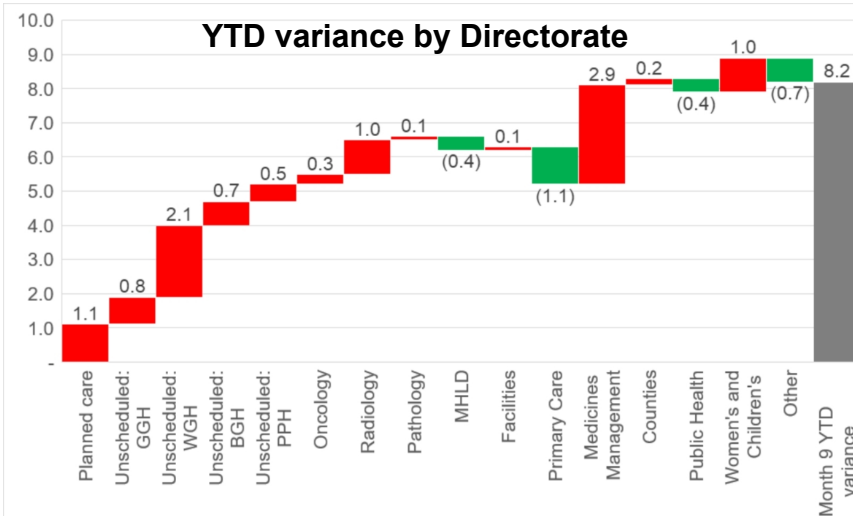
In line with forecast result (no Control Total target).

- 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)
	<b>1.5</b>

\* 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.

# Performance – YTD financial position

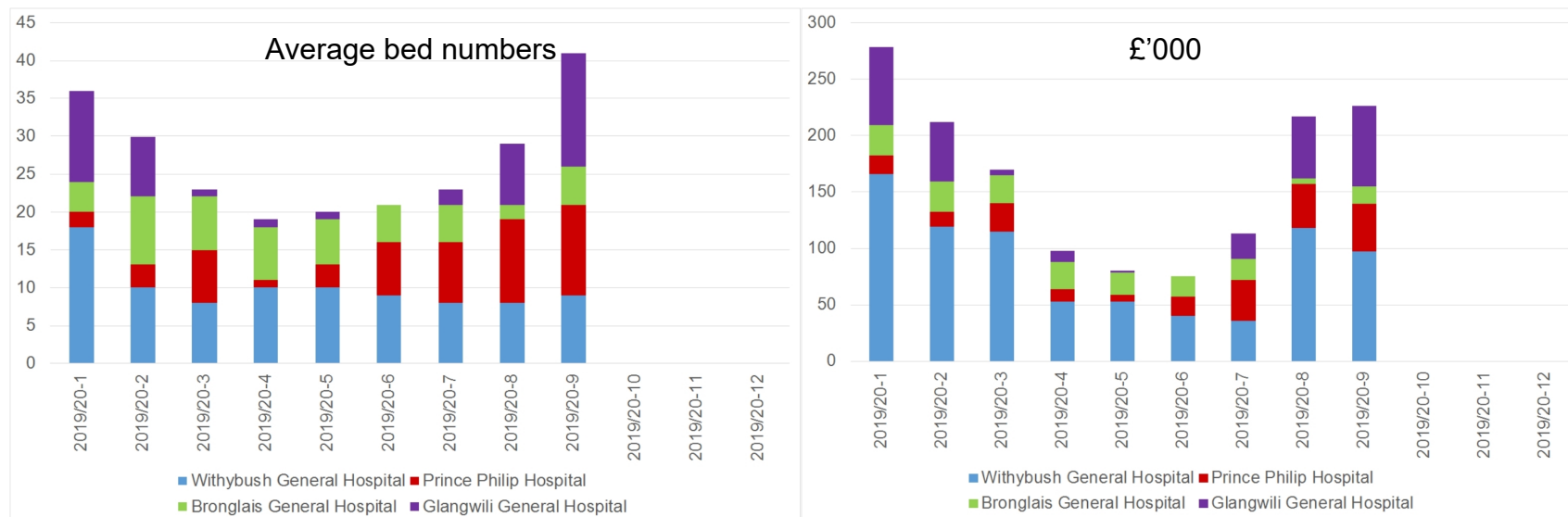


- Of the YTD deficit against plan:
  - £4.1m surge bed pressures, vacancies filled at premium rates and drugs in Unscheduled Care;
  - £2.9m Primary Care Prescribing due to price increases in Category M drugs and NOACs;
  - £1.1m Planned Care;
  - £1.0m Women and Children;
  - £1.0m Radiology.
- Secondary 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.

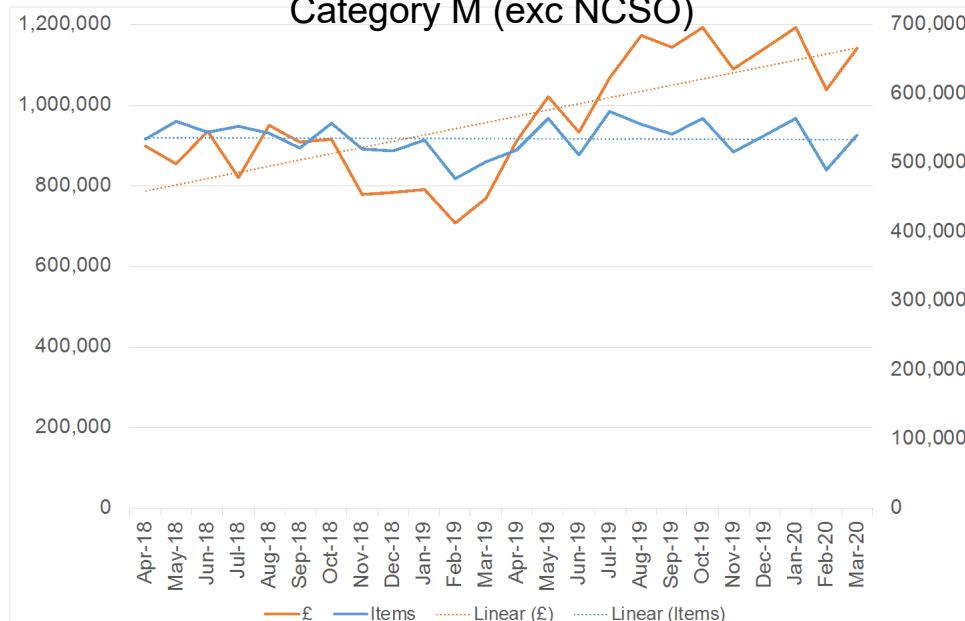
## Bed Pressures



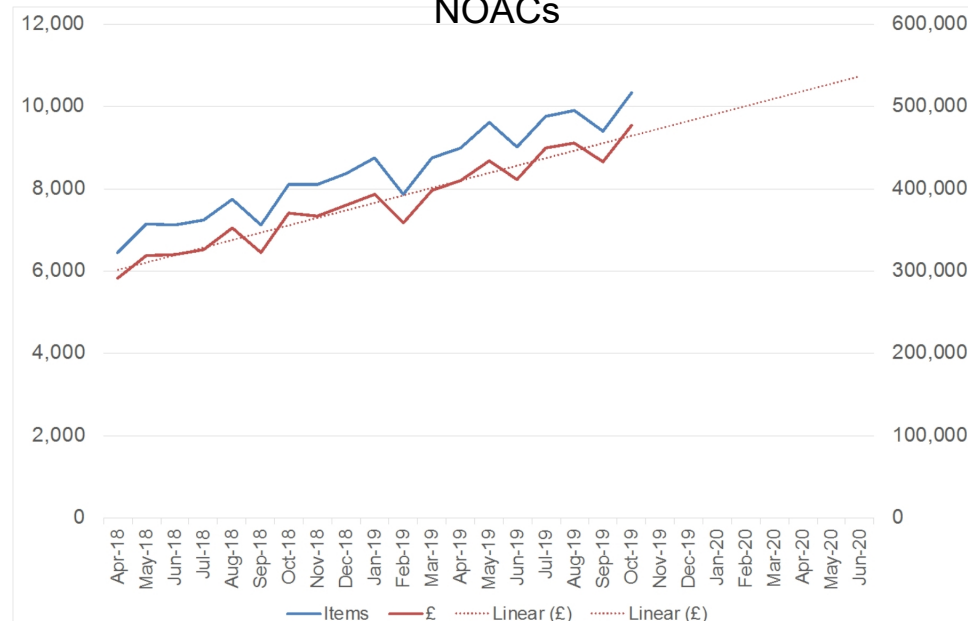
Critical Care surged on 67 occasions in Month 9 (Month 8: 10), which was predominately driven by patient acuity rather than the number of beds.

## Primary Care Prescribing

Category M (exc NCSO)

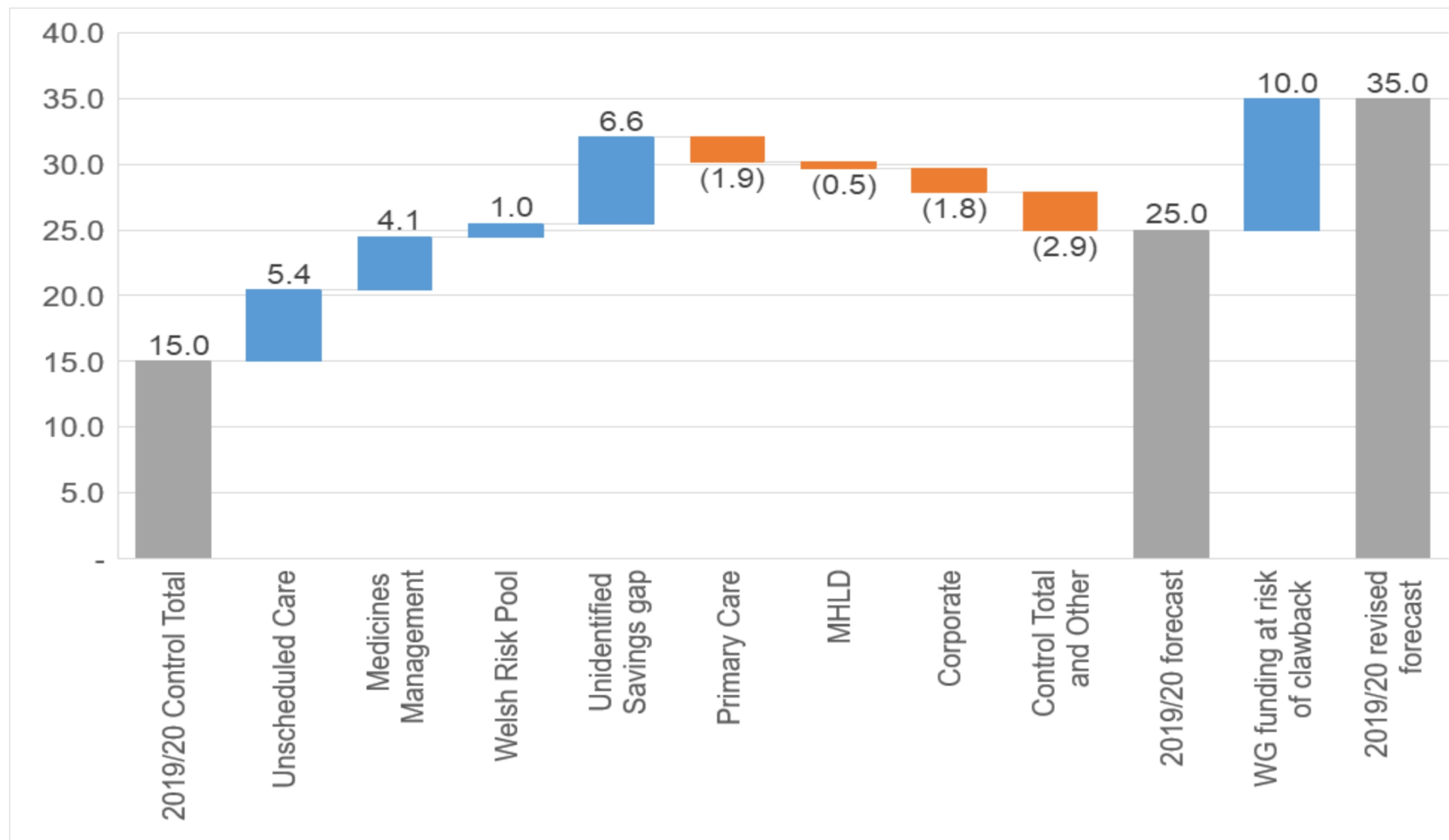


NOACs



- 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	<b>6,339</b>
Non-Pay	209	-	2,498	339	41	53	938	<b>4,078</b>
Commissioned Services and CHC	36	-	333	572	60	-	100	<b>1,101</b>
Medicines Management	535	2,210	-	-	591	497	-	<b>3,833</b>
Operational Effectiveness	1,247	-	187	72	1,114	491	-	<b>3,111</b>
Outpatients	76	-	-	-	10	23	-	<b>109</b>
<b>Total delivery projected</b>	<b>2,307</b>	<b>2,210</b>	<b>4,521</b>	<b>2,347</b>	<b>3,605</b>	<b>2,204</b>	<b>1,377</b>	<b>18,571</b>
<b>Requirement</b>								<b>25,207</b>
<b>Savings gap</b>								<b>6,636</b>

Performance

Diagnostics

Projections

Opportunities

Delivery

# 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.

elivery

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