

# 2022-23 Finance Performance Report

## Month 4

# Summary

Situation	Background
<p>A separate Finance report has been prepared which sets out the overall financial position of the Health Board as at M4.</p> <p>The purpose of this report is focus on the financial performance of the individual ILGs and directorates as at M4 (i.e. the Delegated budget position).</p> <p>The overall financial position report is discussed at the Full Board, the Planning, Performance &amp; Finance Committee (PPFC) and also the Strategic Leadership Group (SLG).</p> <p>This financial performance report is discussed at the PPFC and SLG meetings .</p> <p>Where required, PPFC may request further information or a 'deep dive' on the financial performance of individual ILGs and directorates.</p>	<p>The IMTP submitted to Welsh Government in April 2022 set out the financial plan for the UHB for the financial year 2022-23. In accordance with Welsh Government guidance, our financial plan was set out into 3 parts:</p> <ul style="list-style-type: none"> <li>• Core Plan</li> <li>• COVID Response</li> <li>• Exceptional Cost Pressures</li> </ul> <p>The Core plan includes a recurrent savings target of £17.3m. In addition, our Integrated Locality Groups (ILGs) and Directorates have identified brought forward recurrent cost pressures of circa £11m. These cost pressures are not included in the financial plan for 22/23 and recovery plans are required to manage these overspends back to delegated budgets.</p> <p>.</p>

# Summary

Assessment	Recommendation
<p>The M4 Delegated overspend was £2.9m. This represents a £1.5m deterioration compared to the average monthly run rate for Q1 of £1.5m per month.</p> <p>The M4 Delegated overspend now stands at £7.4m. This includes a £2.3m shortfall against the M4 savings targets plus other overspends of £5.1m.</p> <p>These other overspends include adverse variances against Pay (£3.4m) and Income (£2.2m) offset by a underspend on Non Pay (£0.5m).</p> <p>The most significant overspends (exc Savings shortfalls) at M4 are being reported by the 3 ILGs (£5.5m) and Medicines Management (£0.3m).</p> <p>The £11m forecast recurrent overspends from 21/22 that were excluded from the 22/23 financial plan therefore appear to be largely continuing for the first 4 months of 22/23 and are not being fully covered by recovery plans ( 4/12ths of £11m = £3.7m).</p>	<p>The Strategic leadership Group is asked to <b>DISCUSS</b> and <b>NOTE</b> the financial performance of individual ILGs and directorates for the period to 31 July 2022.</p>



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# Executive Summary



## Current Month Analysis

- The M4 Delegated position is reporting an in month overspend of £2.9m. This represents a £1.5m deterioration compared to the average monthly run rate for Q1 of £1.5m per month. Key overspending areas include:
- BG ILG - £1.1m, M&C ILG £0.9m and RTE ILG £0.6m
- Medicines Mgt - £0.6m
- There are no other delegated overspends in excess of £50k.

## Year to Date Analysis

- The M4 Delegated position is reporting a M4 YTD deficit of £7.4m. Key overspending areas include:
- BG ILG - £3.1m ( Savings shortfall £0.6m and Other overspends £2.5m).
- M&C ILG - £1.7m ( Savings shortfall £0.2m and Other overspends £1.5m).
- RTE ILG - £1.5m ( Savings shortfall £0.0m and Other overspends £1.5m).
- Medicines Mgt - £1.2m ( Savings shortfall £0.9m and Other under spends £(0.3m).
- There are no other delegated YTD overspends in excess of £200k.

## Savings Position

- The M4 Delegated savings achievement was £3.7m. This represents a shortfall of £2.3m compared to the m4 Ytd target of £6.0m
- The forecast Delegated savings is only £13.8m. This forecast is 4.2m below the £18m annual target and also includes £1.8m of Amber rated schemes
- The forecast Delegated Recurrent savings is only £6.4m. This forecast is £11.7m below the £18m target and also includes £1.7m of Amber rates schemes.

# M4 Summary Performance



	Annual Budget	Current Month Variance	YTD Variance	M3 Forecast
	£m	£m	£m	£m
<b>Delegated Budgets</b>				
Bridgend ILG	203.3	1.1	3.1	9.2
Merthyr & Cynon ILG	211.7	0.9	1.7	3.4
Rhondda & Taff Ely ILG	210.5	0.6	1.5	3.4
Medicines Management	140.5	0.6	1.2	0.1
Primary Care	121.2	0.0	0.1	0.2
Delivery Executive	19.5	0.0	0.1	0.1
Corporate Executives	108.2	(0.1)	(0.2)	0.5
Contracting & Commissioning	135.2	(0.1)	(0.1)	0.0
<b>Total Delegated Budgets</b>	<b>1,150.0</b>	<b>2.9</b>	<b>7.4</b>	<b>16.9</b>
<b>Non Delegated Budgets</b>				
Other Control Accounts	(1,185.6)	0.4	0.0	0.0
Reserves & Contingencies	62.1	(2.8)	(5.6)	(16.9)
Planned Deficit	(26.5)	2.2	8.8	26.5
<b>Total Non Delegated Budgets</b>	<b>(1,150.0)</b>	<b>(0.1)</b>	<b>3.3</b>	<b>9.6</b>
<b>Grand total</b>	<b>0.0</b>	<b>2.8</b>	<b>10.6</b>	<b>26.5</b>

### Key Points :

- The M4 Delegated overspend was £2.9m. This represents a £1.5m deterioration compared to the average monthly run rate for Q1 of £1.5m per month.
- The M4 YTD Delegated position is a £7.4m overspend .
- The most significant overspends are in the three ILGs and Medicine Management. Further information on these overspending areas is provided later in this report.
- An analysis of the performance of the Corporate directorates is also provided later in this report.
- Delegated forecast positions prior to M4 reporting was reporting a deficit of £16.9m. Given the deterioration in M4 this forecast is likely to increase.



# M4 Savings –Actual



Savings	Annual Savings Target	YTD Savings Target	YTD Actual Savings	YTD variance
	£m	£m	£m	£m
<b>Delegated Budgets</b>				
Bridgend ILG	4.1	1.4	0.7	0.6
M&C ILG	4.5	1.5	1.3	0.2
RTE ILG	4.5	1.5	1.5	(0.1)
Medicines Mgt	2.8	0.9	0.0	0.9
Primary Care	0.3	0.1	0.0	0.1
Delivery Executive	0.4	0.1	0.0	0.1
Corporates	1.0	0.4	0.2	0.2
Contracting & Commissioning	0.4	0.1	0.0	0.1
<b>Total Delegated Budgets</b>	<b>18.0</b>	<b>6.0</b>	<b>3.7</b>	<b>2.3</b>
<b>Non Delegated</b>	<b>(0.7)</b>	<b>(0.2)</b>	<b>1.3</b>	<b>(1.6)</b>
<b>Grand total</b>	<b>17.3</b>	<b>5.7</b>	<b>5.1</b>	<b>0.7</b>

### Key Points :

- Total savings to M4 is £5.1m which is £0.7m below target.
- Delegated savings to M3 is only £3.7m , which is £2.3m below the Delegated savings target of £6.0m.
- The largest YTD shortfalls are in Bridgend ILG and Medicines Mgt.
- Primary care prescribing data is received 2 months in arrears. As at M4, since we have only had 2 months of data it is not possible to quantify the level of any Primary care prescribing savings.



# M4 Savings - Forecast



Savings	Annual Savings Target	Current Year Forecast savings	Current Year Forecast Variance	Current Year Red & Amber schemes	Forecast Recurrent Savings	Forecast Recurrent variance	Forecast Recurrent Red & Amber schemes
	£m	£m	£m	£m	£m	£m	£m
<b>Delegated Budgets</b>							
Bridgend ILG	4.1	1.9	2.2	0.0	0.5	3.6	0.0
M&C ILG	4.5	3.3	1.2	0.0	0.6	3.9	0.0
RTE ILG	4.5	3.4	1.1	0.0	0.8	3.7	0.0
Medicines Mgt	2.8	2.6	0.1	1.8	2.2	0.5	1.6
Primary Care	0.3	0.3	0.0	0.0	0.1	0.2	0.0
Delivery Executive	0.4	0.1	0.3	0.0	0.1	0.3	0.0
Corporates	1.0	0.9	0.2	0.0	0.7	0.3	0.0
Contracting & Commissioning	0.4	1.4	(0.9)	0.0	1.4	(0.9)	0.0
<b>Total Delegated Budgets</b>	<b>18.0</b>	<b>13.8</b>	<b>4.2</b>	<b>1.8</b>	<b>6.4</b>	<b>11.7</b>	<b>1.7</b>
<b>Non Delegated</b>	<b>(0.7)</b>	<b>4.0</b>	<b>(4.7)</b>	<b>0.0</b>	<b>4.0</b>	<b>(4.7)</b>	<b>0.0</b>
<b>Grand total</b>	<b>17.3</b>	<b>17.8</b>	<b>(0.5)</b>	<b>1.8</b>	<b>10.4</b>	<b>6.9</b>	<b>1.7</b>

### Key Points :

- The M4 current year savings forecast is to over deliver by £0.5m, reporting £17.8m compared to the annual target of £17.3m.
- The forecast delegated savings is only £13.8m. This forecast is 4.2m below target and also includes £1.8m of Amber rated schemes.
- The largest forecast savings shortfalls are in the three ILGs. The Amber schemes are in Medicines Mgt.
- The M4 Recurrent savings forecast of £10.4m is £6.9m below the annual target of £17.3m.
- The forecast delegated Recurrent savings is £6.4m. This forecast is £11.7m below target and also includes £1.7m of Amber rates schemes.
- The largest forecast recurrent shortfalls are also in the three ILGs, with all of the Amber schemes in Medicines mgt.



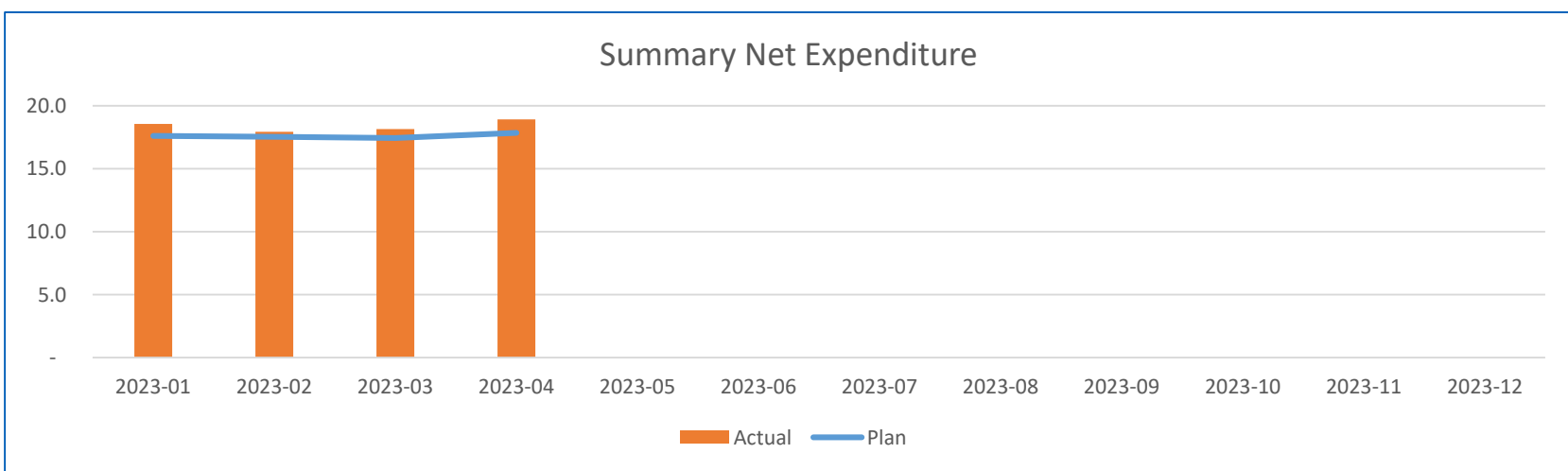
# Bridgend ILG M4 Finance Summary



Summary	Annual Budget (£m)	Cur Month Budget (£m)	Cur Month Actual (£m)	Cur Month Variance (£m)	YTD Budget (£m)	YTD Actual (£m)	YTD Variance (£m)	Current Year Forecast
Pay	158.6	13.5	14.0	0.6	53.9	55.7	1.7	4.5
Non Pay	59.1	5.4	5.5	0.1	20.4	20.4	0.1	0.6
CRES	(2.5)	(0.2)	0.0	0.2	(0.6)	0.0	0.6	2.3
Income	(11.9)	(0.9)	(0.6)	0.3	(3.2)	(2.6)	0.6	1.7
<b>Grand Total</b>	<b>203.3</b>	<b>17.9</b>	<b>18.9</b>	<b>1.1</b>	<b>70.4</b>	<b>73.5</b>	<b>3.1</b>	<b>9.2</b>

### Key Points :

- The M4 current period variance is a £1.1m overspend. This is an increase of £0.4m compared to M3 (£0.7m)
- The M4 year to date variance is a £3.1m overspend.
- The Current year forecast of £9.2m was provided prior to the reporting of M4, which was worse than expected. A straight line extrapolation of M4 YTD would indicate a forecast of £9.3m.
- The Net Expenditure in M4 was £18.9m, an increase of £0.7m from M3.

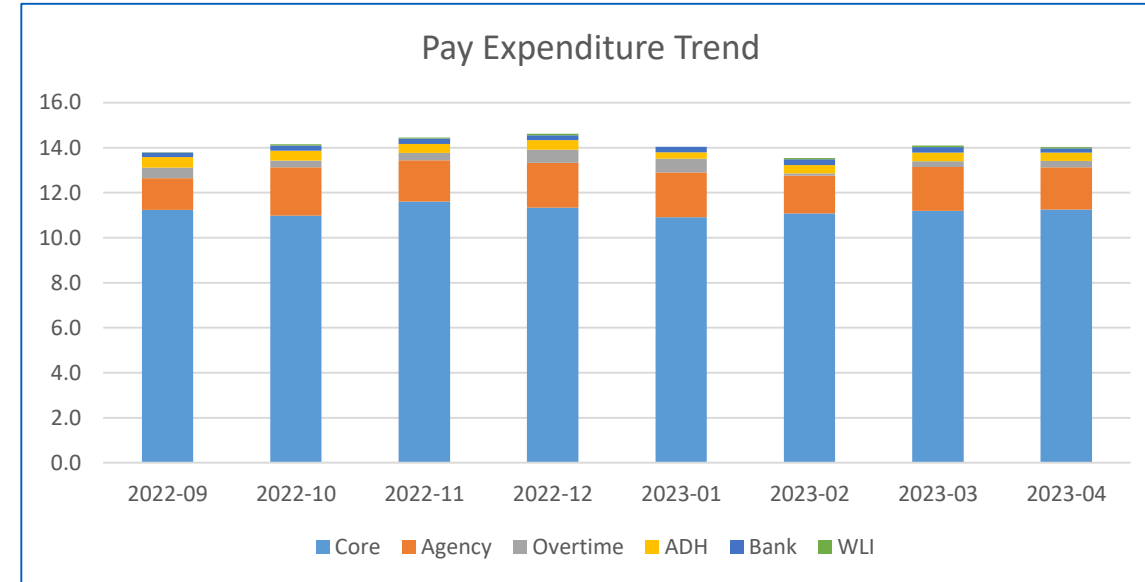




# Bridgend ILG M4 Performance- Pay



Pay Expenditure	Annual Budget (£m)	Cur Month Variance (£m)	YTD Variance (£m)
Add Prof Scientific And Technical	3.4	(0.1)	(0.4)
Additional Clinical Services	18.3	0.6	2.3
Administrative & Clerical	12.4	(0.1)	(0.3)
Allied Health Professionals	4.6	(0.0)	(0.2)
Estates And Ancillary	8.2	0.0	(0.0)
Healthcare Scientists	1.3	(0.0)	(0.1)
Medical And Dental	44.2	0.3	1.6
Nursing And Midwifery Registered	65.6	0.1	(1.0)
Pay Budget Adjustments	0.6	(0.2)	(0.2)
Students	0.0	0.0	0.0
<b>Grand Total</b>	<b>158.6</b>	<b>0.6</b>	<b>1.7</b>



### Key Points for Year to Date Pay Performance:

- The M4 YTD position is reporting a £1.7m adverse position.
- The most concerning area is Additional Clinical Services which is overspending by £2.3m and Medical & Dental which is overspending by £1.6m.
- The overspend on additional clinical services of £2.3m is partly offset by an underspend on registered nursing of £1.0m.

### Key Points for Pay Trends:

- The M4 position is reporting expenditure of £14.0m which is consistent with the average of the previous 3 months.
- There are no significant movements between M3 and M4.



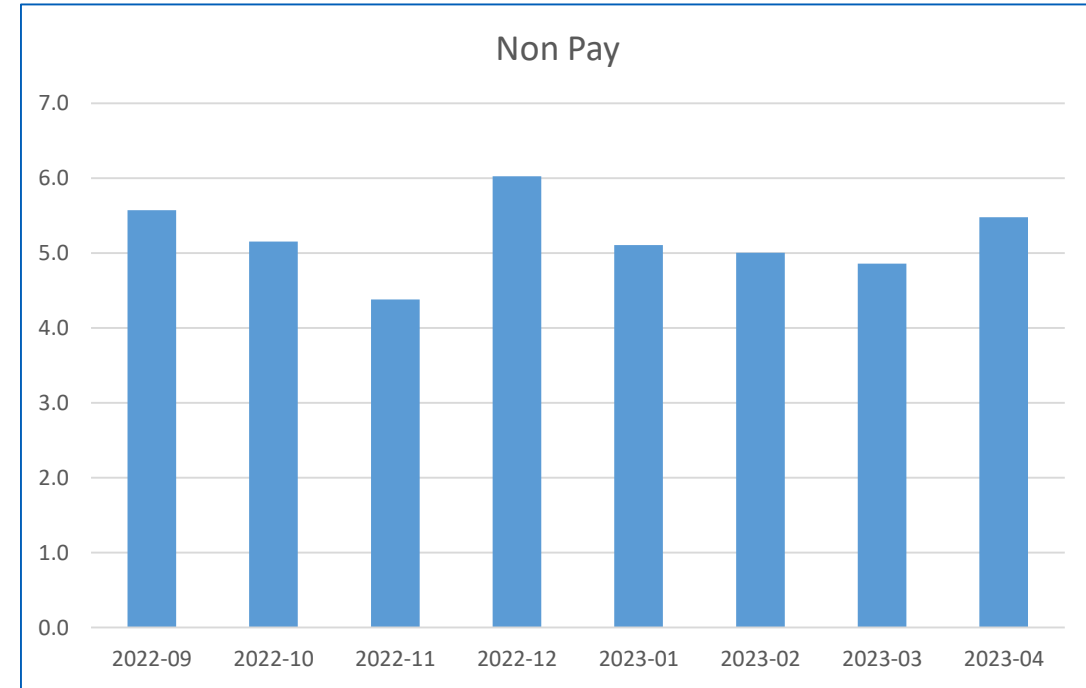


# Bridgend ILG

## M4 Performance- Non pay



Non Pay Expenditure	Annual Budget (£m)	Cur Month Variance (£m)	YTD Variance (£m)
FNC & CHC	30.2	0.2	0.6
DRUGS	8.2	0.0	0.0
M&SE	6.5	(0.0)	(0.2)
SERVICES FROM OTHER NHS BODIES	2.1	(0.0)	(0.1)
ESTABLISHMENT EXPENSES	2.7	(0.2)	(0.1)
APPLIANCES	2.9	(0.2)	(0.4)
PURCHASE OF HEALTH CARE SERVICES	2.0	0.0	(0.2)
MISCELLANEOUS SERVICES	1.3	0.2	0.1
PREMISES & FIXED PLANT	1.0	0.0	0.1
PRIMARY & SECONDARY CARE	0.2	0.0	0.2
PROVISIONS	1.2	(0.0)	(0.1)
GENERAL SUPPLIES & SERVICES	0.7	0.0	0.0
OTHER CLINICAL SERVICES & SUPPLIES	0.1	0.0	0.1
<b>Grand Total</b>	<b>59.1</b>	<b>0.1</b>	<b>0.1</b>



### Key Points for Year to Date Non Pay Performance:

- The only significant non pay variance relates to FNC & CHC which is reporting an adverse variance of £0.6m at M4, which is predominantly driven by Mental Health & LD patient placements.

### Key Points for Non Pay Expenditure Trend:

- Non pay expenditure in M4 increased by £0.5m compared to the previous 3 months.
- The increase in M4 compared to the previous 3 months is due to CHC £0.2m, Drugs £0.2m (NICE Funded) and the Joint Equipment Store £0.1m





Income	Annual Budget (£m)	Cur Month Variance (£m)	YTD Variance (£m)
HEALTH ORGANISATIONS	(5.3)	0.2	0.5
PRIVATE PATIENTS	(1.9)	(0.0)	(0.0)
LOCAL AUTHORITIES	(2.6)	0.1	0.0
CATERING	(0.8)	0.0	0.1
OTHER INCOME	(1.3)	0.0	0.1
<b>Grand Total</b>	<b>(11.9)</b>	<b>0.3</b>	<b>0.6</b>

**Key Points for Year to Date Income Performance:**

- The only significant income variance relates to Health Organisations which is reporting a M4 YTD adverse variance of £0.5m. This variance is offset by a corresponding underspend on pay costs as the income recovers actual pay costs incurred.
- Catering Income has been impacted by the pandemic however there are early signs of recovery. The income shortfall will be partly offset by provision expenditure reductions although this is limited due to inflationary pressures on provisions.

Savings	Annual Budget (£m)	Cur Month Variance (£m)	YTD Variance (£m)
CRES Target	(4.1)	0.3	1.4
Achievement	1.6	(0.2)	(0.7)
<b>Grand Total</b>	<b>(2.5)</b>	<b>0.2</b>	<b>0.6</b>

**Key Points for Year to Date Savings Performance:**

- The savings performance is reporting a £0.6m adverse variance at M4.
- The ILG are reporting an in year forecast of £1.9m for 22/23 which is £2.2m below target and a recurrent forecast of £0.5m which is £3.6m below target.





# Bridgend ILG M3 Performance



## Additional Comments and Key Actions – Bridgend ILG:

- CHC/FNC forecast costs between MH and Community have increased sharply compared to the forecast figures at the time of producing the IMTP. The forecast variance has deteriorated by £2.7m based on the latest information shared.
- Having steadily climbed over the past 12 months, HCA agency continues as a pressure despite having dropped in M03 for acute areas. 1:1 Enhanced care is the main driver, at M04 there was also an increase in sickness as the reason. HCA spend is a key pressure for Bridgend in acute settings. Through the Bridgend Nurse leadership team, supported by the Nurse Productivity Group and Bank office, there has been some focused review over the last month and a number of issues are being tackled. Process and controls around agency bookings and on boarding of new recruits are specific areas being actively targeted. Spend reductions are expected in the coming months assuming improved controls take effect.
- Medical pay spend is another key overspend area for Bridgend, with a number of spikes in M04 including; Anaesthetics consultant arrears and ophthalmology agency spend. There were some positive signs of reduced spend in W&C. Work is ongoing in respect of Medical Productivity and understanding the baseline positions. Recruitment plans are also being reviewed to ensure premium cover costs are being avoided where possible. The latest trainee rotation impact is TBC with some CSGs framing improvements and others a worse position.
- To support flow, additional pockets of surge capacity at POW have been used e.g. CDU and discharge lounge at weekends, cost estimate to M04 £246k, unfunded.
- The level of Covid costs reported at M04 has reduced from the start of the year, all surge capacity costs and staff sickness having been excluded. Funding continues for ED streaming and testing, nurse acuity on two wards, PPE and Cleaning Standards.
- Recovery schemes delivered to date £592k, year end forecast £1,351k green schemes. CRES schemes delivered to date £725k, year end forecast £1,924k all green schemes, shortfall against target £2.1m, spread across CSGs. Recurrent shortfall against CRES target £3.5m. Due to competing pressures it is proving a challenge to get momentum on delivery of schemes and see progression of red/amber to green, with limited new schemes being added in recent months.
- The latest bottom up forecast indicated a year end outturn of £9.2m for the ILG, this was ahead of M04 reporting. This assumed a level of improvement late summer/autumn and some deterioration through the winter. Based on M04 actual numbers, there will likely be some deterioration in the forecast particularly re. CHC and Acute Nursing.
- Key risks currently are further growth in CHC spend and the limited scope to curtail spend linked to surge/Covid. To date the assessment of the forecast has assumed an improvement, but the experience in recent weeks goes against this, both in relation to flow pressures necessitating surge capacity and Covid impacting on staff sickness.

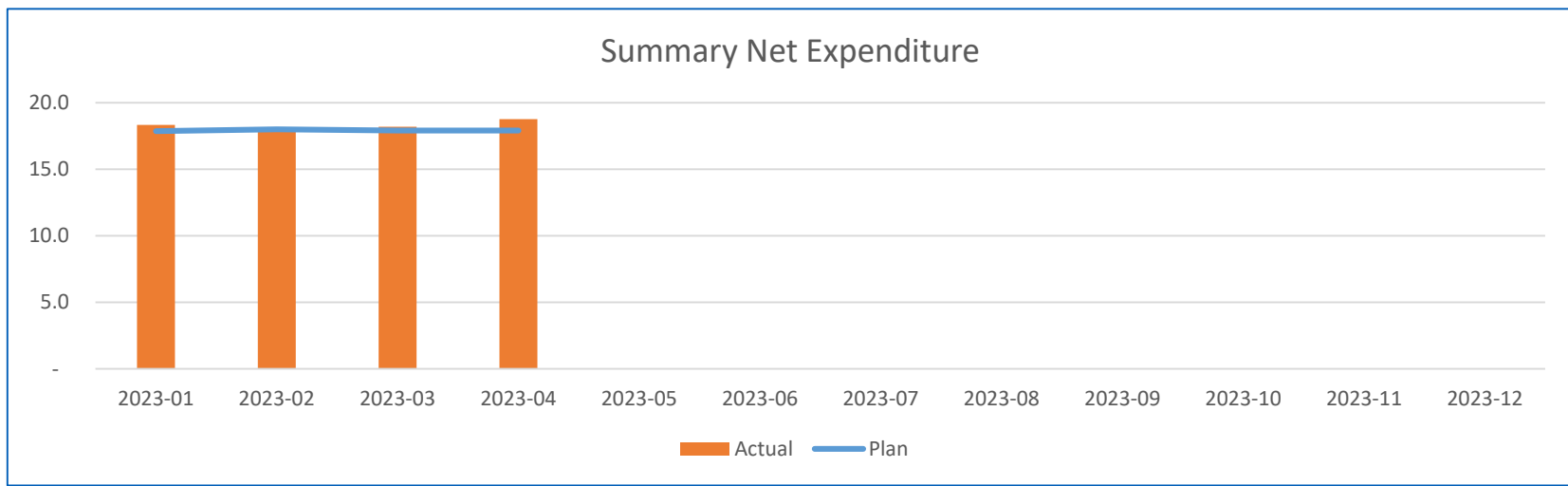


# Merthyr ILG M4 Finance Summary



Summary	Annual Budget (£m)	Cur Month Budget (£m)	Cur Month Actual (£m)	Cur Month Variance (£m)	YTD Budget (£m)	YTD Actual (£m)	YTD Variance (£m)	Current Year Forecast
Pay	183.4	15.1	16.0	1.0	61.3	62.6	1.3	2.8
Non Pay	38.4	3.4	3.4	(0.0)	13.1	13.2	0.1	(0.4)
CRES	(2.7)	0.0	0.0	(0.0)	(0.2)	0.0	0.2	0.7
Income	(7.4)	(0.6)	(0.7)	(0.0)	(2.5)	(2.4)	0.1	0.2
<b>Grand Total</b>	<b>211.7</b>	<b>17.9</b>	<b>18.8</b>	<b>0.9</b>	<b>71.7</b>	<b>73.4</b>	<b>1.7</b>	<b>3.4</b>

- Key Points :**
- The M4 current period variance of £0.9m overspend is an increase of £0.6m compared to M3 (£0.3m).
  - The year to date variance at M4 is a £1.7m overspend.
  - The Current year forecast of £3.4m was provided prior to the reporting of M4, which was worse than expected. A straight line extrapolation of M4 YTD would indicate a forecast of £5.1m.
  - Net Expenditure in M4 was £18.8m an increase of £0.6m from M3.

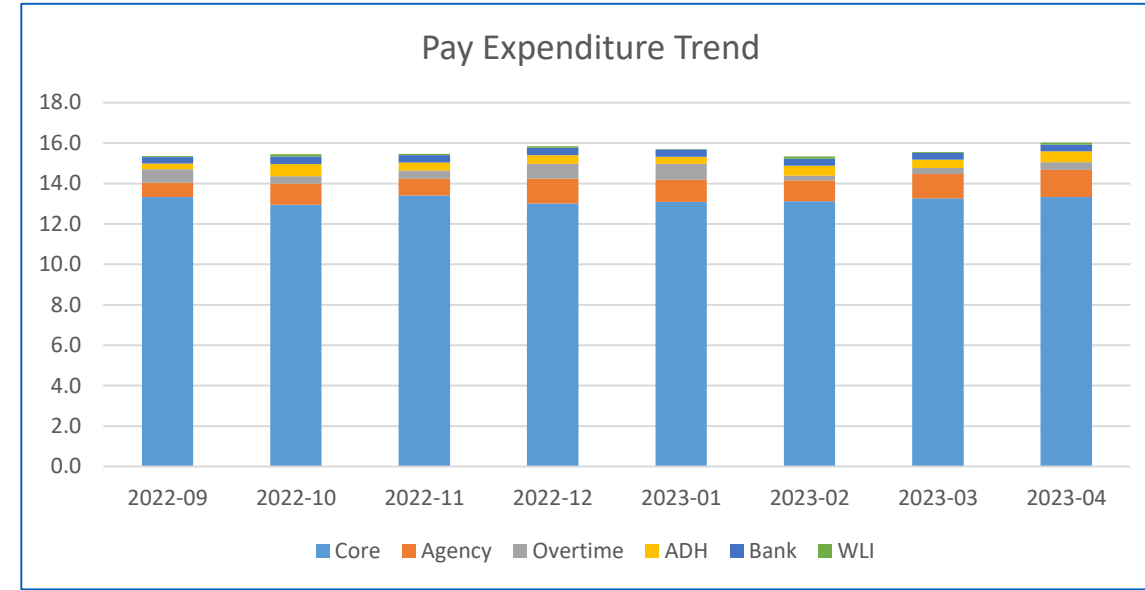




# Merthyr & Cynon ILG M4 Performance- Pay



Pay Expenditure	Annual Budget (£m)	Cur Month Variance (£m)	YTD Variance (£m)
Add Prof Scientific And Technical	2.3	(0.0)	(0.0)
Additional Clinical Services	24.0	0.1	0.2
Administrative & Clerical	12.2	0.0	(0.0)
Allied Health Professionals	20.1	0.0	(0.1)
Estates And Ancilliary	8.1	(0.1)	0.0
Healthcare Scientists	0.8	(0.0)	0.0
Medical And Dental	45.8	0.4	0.8
Nursing And Midwifery Registered	70.5	0.3	0.2
Pay Budget Adjustments	(0.3)	0.1	0.2
Students	0.0	0.0	0.1
<b>Grand Total</b>	<b>183.4</b>	<b>1.0</b>	<b>1.3</b>



### Key Points for Year to Date Pay Performance:

- The M4 YTD position is reporting a £1.3m adverse variance.
- The most concerning area is Medical & Dental which is overspending by £0.8m primarily in Anaesthetics and Oral Surgery.
- The additional clinical services line includes a £0.2m overspend on HCAs which has been partially offset by underspends in therapies support staff.

### Key Points for Pay Trends:

- The M4 position is reporting expenditure of £16.0m which is £0.4m higher than the average of the previous 3 months.
- The increase in M4 expenditure is equally spread across Core pay, Agency, Overtime and ADH's at £0.1m each.





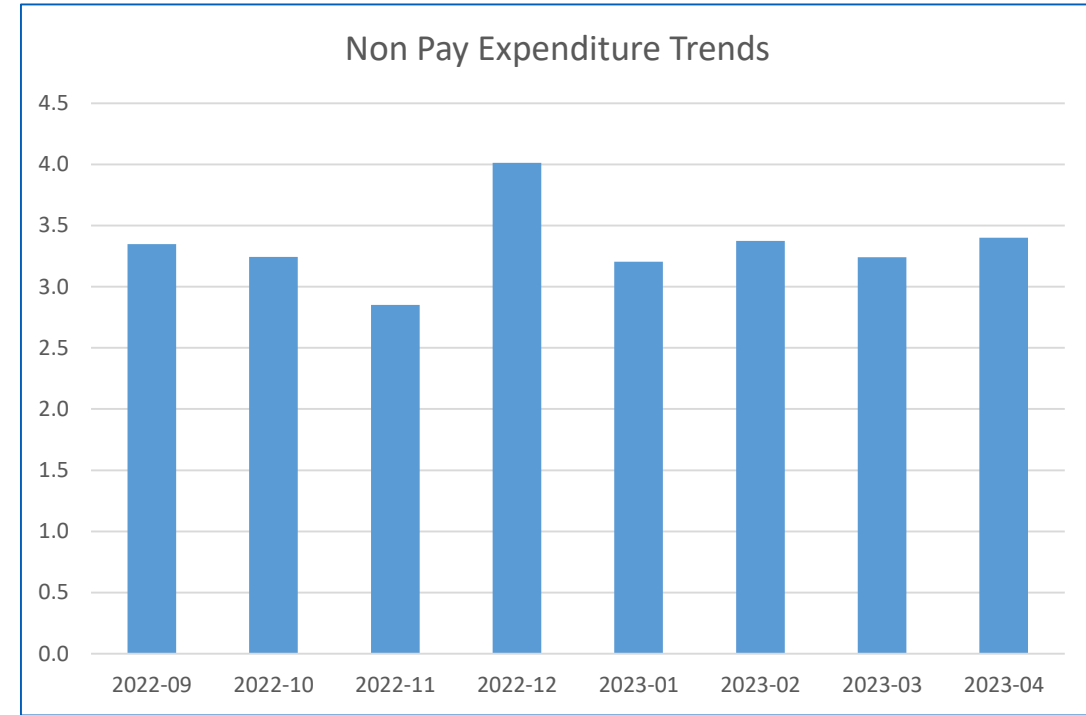
# Merthyr & Cynon ILG M4 Performance- Non pay



Non Pay Expenditure	Annual Budget (£m)	Cur Month Variance (£m)	YTD Variance (£m)
FNC & CHC	13.3	0.1	(0.0)
DRUGS	6.6	0.1	0.1
M&SE	8.7	(0.0)	0.1
SERVICES FROM OTHER NHS BODIES	1.0	(0.0)	(0.0)
ESTABLISHMENT EXPENSES	2.7	(0.3)	(0.0)
APPLIANCES	2.2	(0.0)	(0.1)
PURCHASE OF HEALTH CARE SERVICES	0.8	(0.0)	(0.1)
MISCELLANEOUS SERVICES	0.1	0.0	(0.0)
PREMISES & FIXED PLANT	1.0	0.1	0.2
PRIMARY & SECONDARY CARE	0.0	0.0	0.0
PROVISIONS	1.0	0.0	0.0
GENERAL SUPPLIES & SERVICES	0.8	0.0	(0.0)
OTHER CLINICAL SERVICES & SUPPLIES	0.2	0.0	0.0
<b>Grand Total</b>	<b>38.4</b>	<b>(0.0)</b>	<b>0.1</b>

### Key Points for Year to Date Non Pay Performance:

- There are no significant Non Pay variances at M4.



### Key Points for Non Pay Expenditure Trend:

- The non pay expenditure has been consistent over the last 3 months.



Income	Annual Budget (£m)	Cur Month Variance (£m)	YTD Variance (£m)
HEALTH ORGANISATIONS	(0.5)	(0.0)	0.0
PRIVATE PATIENTS	(0.0)	0.0	0.0
LOCAL AUTHORITIES	(5.0)	(0.0)	(0.0)
CATERING	(0.9)	0.0	0.1
OTHER INCOME	(1.0)	0.0	0.0
<b>Grand Total</b>	<b>(7.4)</b>	<b>(0.0)</b>	<b>0.1</b>

**Key Points for Year to Date Income Performance:**

- There re no significant variances at M4.

Savings	Annual Budget (£m)	Cur Month Variance (£m)	YTD Variance (£m)
CRES Target	(4.5)	0.4	1.5
Achievement	1.8	(0.4)	(1.3)
<b>Grand Total</b>	<b>(2.7)</b>	<b>(0.0)</b>	<b>0.2</b>

**Key Points for Year to Date Savings Performance:**

- The YTD savings performance is reporting a £0.2m adverse variance at M4.
- The ILG are reporting an in year forecast of £3.3m for 22/23 which is £1.2m below target and a recurrent forecast of £0.6m which is £3.9m below target.



# Merthyr & Cynon ILG M4 Performance



## Additional Comments and Key Actions – Merthyr & Cynon ILG:

- Key drivers of current and year to date position:
  - Medical Pay overspend £0.785m. £0.386k in Surgery, £209k in Mental Health and £192k in Medicine.
  - Nursing overspend of £0.718m (incl HCAs), £0.217m in A&E, recruitment process underway to recruit to new approved staffing model, and £0.274m in ITU, recruitment underway and staffing incentive proposal being developed as an interim measure. £0.441k across all ward areas. Exercise underway to triangulate demand for additional nursing shifts with vacancies, and other absences.
  - CRES variance £0.162m
  - Non pay overspend £0.147m, primarily in Women and Children with the key issue being a high cost CHC case.
- CRES plans, Recovery Plans and further opportunities to reduce spend all reviewed and submitted in response to recent COO/DoF request following meeting with ILG Directors on 20<sup>th</sup> June
- Recovery plan actions all underway and progress reported monthly, some elements reliant on interventions outside of the ILG control.
  - Biggest recovery plan risk is the reduction in community hospital beds in the light of service pressures and change in operating model.
- Covid escalation measures all reviewed with an expectation of de-escalation when possible.
  - Covid spend forecast for year currently £2.8m
- CRES target £4.5m with £3.3m forecast delivery in year (£0.6m recurrently)
  - Biggest risk area is Acute Medicine due to CSGM vacancy.
- Risks not included in current position, CHC inflation in excess of funding, Planned Care Recovery targets and funding, NDD budget transfer, winter pressures.





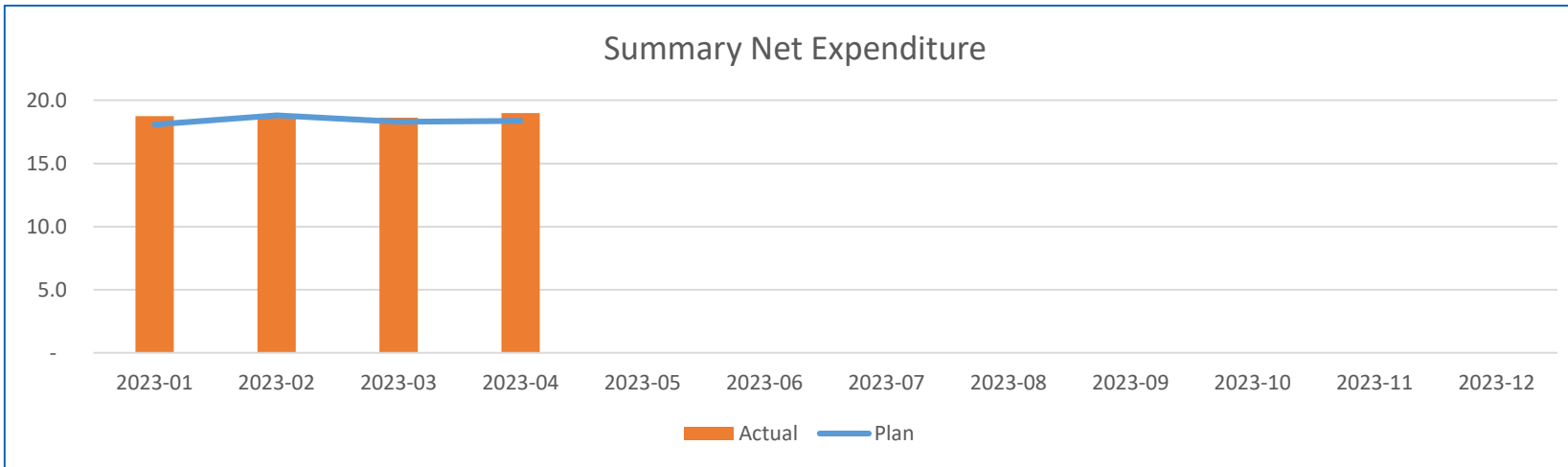
# Rhondda & Taff Ely ILG M4 Finance Summary



Summary	Annual Budget (£m)	Cur Month Budget (£m)	Cur Month Actual (£m)	Cur Month Variance (£m)	YTD Budget (£m)	YTD Actual (£m)	YTD Variance (£m)	Current Year Forecast
Pay	162.0	13.3	13.9	0.6	55.0	55.8	0.8	1.1
Non Pay	59.5	5.7	5.7	0.1	21.6	22.1	0.5	1.2
CRES	(2.7)	0.1	0.0	(0.1)	0.1	0.0	(0.1)	0.7
Income	(8.3)	(0.7)	(0.6)	0.1	(3.1)	(2.9)	0.2	0.4
<b>Grand Total</b>	<b>210.5</b>	<b>18.4</b>	<b>19.0</b>	<b>0.6</b>	<b>73.6</b>	<b>75.0</b>	<b>1.5</b>	<b>3.4</b>

### Key Points :

- The M4 current period variance of £0.6m overspend is an increase of £0.3m compared to M3 (£0.3m)
- The year to date variance at M4 is a £1.5m overspend.
- The Current year forecast of £3.4m was provided prior to the reporting of M4, which was worse than expected. A straight line extrapolation of M4 YTD would indicate a forecast of £4.5m.
- Net Expenditure in M4 was £19.0m an increase of £0.4m from M3.

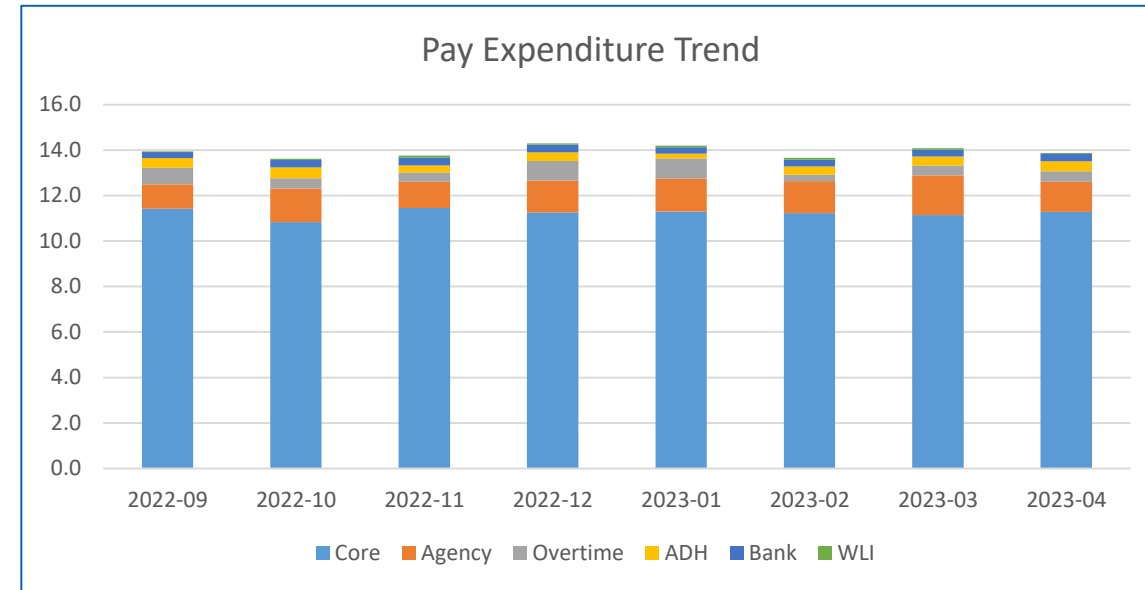




# Rhondda & Taff Ely ILG M4 Performance- Pay



Pay Expenditure	Annual Budget (£m)	Cur Month Variance (£m)	YTD Variance (£m)
Add Prof Scientific And Technical	0.3	(0.0)	(0.1)
Additional Clinical Services	21.6	0.0	(0.0)
Administrative & Clerical	13.5	0.1	(0.1)
Allied Health Professionals	10.3	0.1	0.1
Estates And Ancillary	9.0	(0.0)	(0.0)
Healthcare Scientists	8.6	0.0	0.0
Medical And Dental	47.1	0.2	0.7
Nursing And Midwifery Registered	51.5	0.2	0.1
Pay Budget Adjustments	0.0	(0.0)	(0.0)
Students	0.0	0.0	0.0
<b>Grand Total</b>	<b>162.0</b>	<b>0.6</b>	<b>0.8</b>



### Key Points for Year to Date Pay Performance:

- The M4 YTD position is reporting a £0.8m adverse variance.
- The most concerning area is Medical & Dental which is overspending by £0.7m.

### Key Points for Pay Trends:

- The M4 position is reporting expenditure of £13.9m which is consistent with the average of the previous 3 months.
- During M4, Agency expenditure decreased by £0.4m offset in part by increased expenditure on core pay and ADHs.

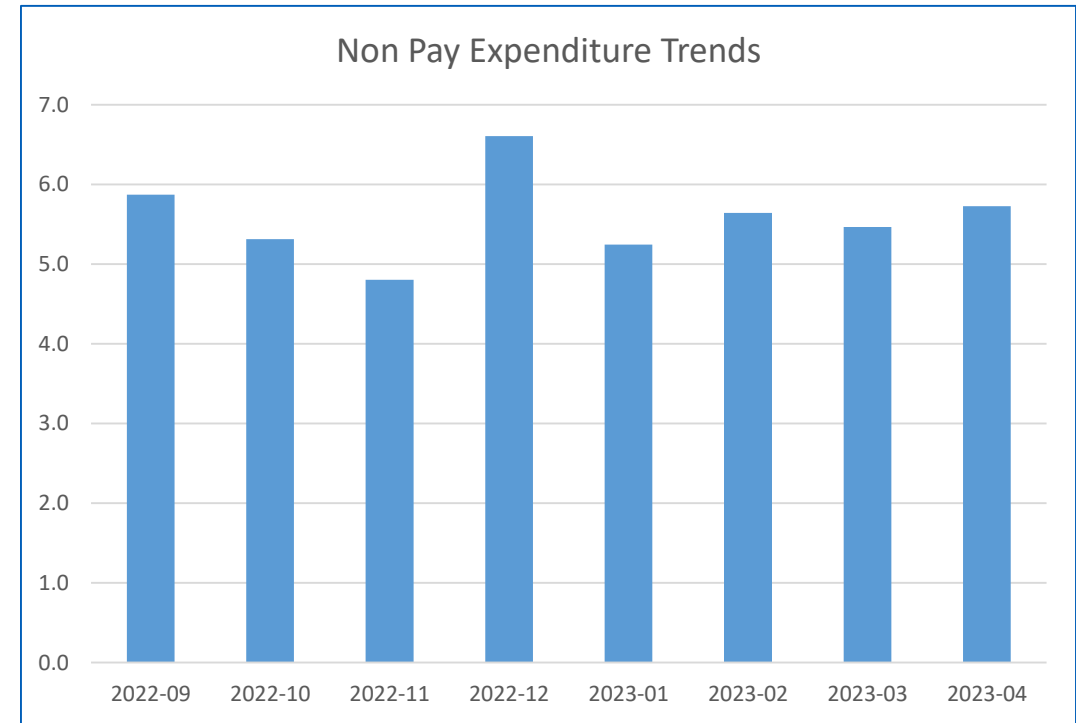




# Rhondda & Taff Ely ILG M4 Performance- Non pay



Non Pay Expenditure	Annual Budget (£m)	Cur Month Variance (£m)	YTD Variance (£m)
FNC & CHC	13.2	0.1	0.3
DRUGS	11.4	0.1	(0.1)
M&SE	8.3	0.0	0.3
SERVICES FROM OTHER NHS BODIES	7.8	0.1	0.1
ESTABLISHMENT EXPENSES	2.3	(0.2)	(0.1)
APPLIANCES	3.7	(0.0)	(0.0)
PURCHASE OF HEALTH CARE SERVICES	2.7	(0.0)	(0.0)
MISCELLANEOUS SERVICES	0.6	0.0	0.0
PREMISES & FIXED PLANT	0.9	0.0	0.1
PRIMARY & SECONDARY CARE	0.0	0.0	0.0
PROVISIONS	1.1	(0.0)	(0.0)
GENERAL SUPPLIES & SERVICES	0.7	0.0	0.1
OTHER CLINICAL SERVICES & SUPPLIES	6.8	(0.0)	(0.2)
<b>Grand Total</b>	<b>59.5</b>	<b>0.1</b>	<b>0.5</b>



### Key Points for Year to Date Non Pay Performance:

- The most significant non pay variance relates to a £0.3m adverse variance for FNC & CHC and a £0.3m adverse variance for Medical & Surgical Equipment.

### Key Points for Non Pay Expenditure Trend:

- The non pay expenditure increased by £0.2m compared to the previous 3 months.
- The increase in M4 compared to the previous 3 months is due to CHC £0.1m and Drugs £0.2m.



Income	Annual Budget (£m)	Cur Month Variance (£m)	YTD Variance (£m)
HEALTH ORGANISATIONS	(1.7)	0.0	(0.0)
PRIVATE PATIENTS	(0.2)	0.0	0.0
LOCAL AUTHORITIES	(3.0)	0.0	0.0
CATERING	(1.4)	0.0	0.2
OTHER INCOME	(2.0)	(0.0)	0.0
<b>Grand Total</b>	<b>(8.3)</b>	<b>0.1</b>	<b>0.2</b>

**Key Points for Year to Date Income Performance:**

- The only significant variance at M4 relates to catering income, catering takings have reduced since COVID with footfall below usual levels.

Savings	Annual Budget (£m)	Cur Month Variance (£m)	YTD Variance (£m)
CRES Target	(4.4)	0.4	1.5
Achievement	1.7	(0.4)	(1.5)
<b>Grand Total</b>	<b>(2.7)</b>	<b>(0.1)</b>	<b>(0.1)</b>

**Key Points for Year to Date Savings Performance:**

- The YTD savings performance is reporting a surplus of £0.1m position at M4.
- The ILG are reporting an in year forecast of £3.4m for 22/23 which is £1.1m below target and a recurrent forecast of £0.8m which is £3.7m below target.



# Rhondda & Taff Ely ILG M3 Performance



## Additional comments and Key Actions – Rhondda & Taff Ely ILG:

- Key drivers
  - Pay – overspends include agency cover for medical vacancies £0.13m in month and £0.6m ytd, impact of boundary change/pressures on ED nursing £0.03m in month and £0.13m ytd, operation of an unfunded NIV bay £0.02m in month and £0.1m ytd, reversal out of slippage against nosocomial funding £0.14m, nursing level increase from patient acuity, and nursing and medical vacancies.
  - Non Pay – overspends include volumes of insulin pumps £0.05m in month and £0.2m ytd, ongoing high levels of CHC placements £0.14m and £0.3m ytd, M&SE volume/cost £0.08m in month and £0.341 ytd, and Immunology service £0.03m in month and £0.11m ytd.
  - Income – COVID related reduction in coffee shops and restaurants £0.17m ytd, although there are indications of improvement, loss of private patients from Bridgend clinic.
  - Actions - Ongoing recruitment campaigns and reviews into possible mitigating actions.
- Recovery actions delivered - circa £0.4m to M4. Forecast delivery £1.3m which is a reduction of £0.9m that related predominantly to productivity schemes which are dependant on recruitment (thereby reducing agency costs), absence reduction etc where little or no progress has been made to date. Ongoing discussions with CSG and ILG leads re delivery.
- CRES – slight overachievement in month of £0.05m. Forecast delivery in year of £3.6m has been reduced by £0.6m for a number of amber schemes that have been reclassified as red. Significant reliance on non recurrent schemes - £2.7m of the forecast total delivery £3m. Discussions ongoing with CSG / ILG leads to develop additional schemes, both recurrent and non recurrent to achieve the £4.5m target. Substantial challenge remains on both the Recovery and CRES delivery particularly on a recurrent basis.
- CRES plans, Recovery Plans and further opportunities to reduce spend/mitigating actions all reviewed and submitted in response to recent COO/DoF request following meeting with ILG Directors on 20<sup>th</sup> June
- Risks not included in current position, CHC inflation in excess of funding, PCR targets and funding, winter pressures, unconfirmed funding re Covid and cleaning standards .
- Covid escalation measures all reviewed but significant reduction unlikely particularly during autumn/winter– spend to date £1.7m with a forecast of £4.6m.



# Medicine Management M4 Performance



Pay, Non pay and Income	Annual Budget (£m)	Cur Month Variance (£m)	YTD Variance (£m)
Hospital Pharmacy	11.1	0.0	0.2
Community Pharmacy	25.5	0.0	0.1
Primary Care Prescribing	94.9	0.4	0.3
NICE/HCD	8.4	(0.0)	(0.2)
Other Central Functions	3.4	(0.1)	(0.1)
<b>Grand Total</b>	<b>143.3</b>	<b>0.3</b>	<b>0.3</b>

**Key Points for Year to Date Performance:**

- The M4 position is reporting a £0.3m overspend.
- Primary Care prescribing is reporting a £0.3m overspend to M4, this reflects the May PAR which indicated significant growth compared to last year.
- The only other significant variance is related to Hospital Pharmacy which is reporting an overspend of £0.2m.

Savings	Annual Budget (£m)	Cur Month Variance (£m)	YTD Variance (£m)
CRES Target Achievement	(2.8)	0.2	0.9
	0.0	0.0	(0.0)
<b>Grand Total</b>	<b>(2.7)</b>	<b>0.2</b>	<b>0.9</b>

**Key Points for Savings:**

- The savings performance is reporting a £0.9m adverse variance at M4. As noted above, the Primary care prescribing data is received 2 months in arrears. As at M4 we did not have sufficient information to the quantify the level of any Primary care prescribing savings.
- The directorate are reporting an in year forecast of £2.6m for 22/23 which is £0.1m under target and a recurrent forecast of £2.2m which is £0.5m under target.
- The forecast of £2.6m for 22/23 includes £1.8m of amber rated schemes. The £2.2m recurrent forecast includes £1.6m of amber rated schemes.





# Medicines Management M4 Performance



## Key Points for Year to Date Performance – Medicines Management:

- May actual Primary Care Prescribing data reflected a significant increase in the number of prescriptions and the actual costs for M01-M02 showed an overspend against plan of £383k which has been reflected in the M04 position. It is anticipated that this related to the unusual bank holiday position between May and June and that there will be an improvement against plan when June data is received. However, if this level of growth were to crystallise there is a significant risk to the forecast.
- The overspend currently reported in Hospital Pharmacy largely relates to non pay (Medical Gases £48k which will be funded by cost pressure funding in M05 and Medicines at Home packages (£42k) currently costing in excess of the agreed Regional Integration Fund allocation where work is being undertaken to understand the drivers and to mitigate the impact of these pressures where possible. Income EPU income is currently showing on under achievement of £84k and a budget setting exercise against pay is being undertaken to address this.
- The current ytd position of the Directorate is driven largely by CRES and the revised PAR position. The CRES position will be reviewed once the first 3 months Primary Care prescribing data is received and any savings delivered will be reflected in the position. Given the M2 actual position there is now a significant risk that both PAR growth and savings delivery can be managed.
- The current forecast position for the Directorate includes the assumption the Category M Prices within Primary Care Prescribing will remain at the reduced levels notified for Q1 and Q2. Any increase in this poses a significant risk to the position given the large values involved.



# Corporate directorates M4 Summary Performance



Corporate Directorates	Annual Budget	Cur Month Variance	YTD Variance	M3 Forecast
	£k	£k	£k	£k
Patient Care & Safety	10,081	20	28	221
Corporate Development	2,998	(7)	32	207
Chief Executive	3,328	17	36	41
Finance	4,473	(31)	(97)	(120)
Public Health	8,367	(10)	(25)	1
ICT, Performance & Information & Medical Records	19,599	(38)	183	210
Medical Director	1,707	2	(7)	(36)
National Imaging Academy	1,549	4	(10)	0
Value Based Healthcare	2,269	(0)	0	0
Planning & Partnership	17,329	(24)	(100)	(69)
Research & Development	1,353	4	15	0
Estates	25,833	(0)	(42)	215
Therapies & Healthcare Sciences	193	(2)	(7)	0
Workforce & Organisational Development	9,107	(66)	(168)	(164)
<b>Grand total</b>	<b>108,186</b>	<b>(129)</b>	<b>(162)</b>	<b>506</b>

**Key Points for Year to Date Performance:**

- The M4 YTD position is reporting a £162k surplus..
- The most concerning overspending areas are ICT, P&I and Medical Records, which is reporting a £183k overspend at M4.
- The Current year forecast prior to the reporting of M4 was £506k. A straight line extrapolation of M4 YTD would indicate a forecast of £486m surplus.
- The most significant forecast overspends are reported in:
  - Patient Care & Safety £221k,
  - Estates £215k,
  - ICT £210k
  - Corporate Development £207k.





# Corporate directorates M4 Savings –Actual



Corporate Directorates	Annual Target	YTD Savings target	YTD Actual savings	YTD variance
	£k	£k	£k	£k
Patient Care & Safety	252	85	4	80
Corporate Development	62	21	1	20
Chief Executive	45	11	11	0
Finance	33	11	11	(0)
Public Health	35	12	0	12
ICT, Performance & Information& Medical Records	88	76	48	28
Medical Director	33	11	11	0
National Imaging Academy	0	0	0	0
Value Based Healthcare	0	0	0	0
Planning & Partnership	27	9	5	4
Research & Development	7	0	0	0
Estates	361	120	52	68
Therapies & Healthcare Sciences	0	0	0	0
Workforce & Organisational Development	98	32	34	(2)
<b>Grand total</b>	<b>1,041</b>	<b>388</b>	<b>178</b>	<b>210</b>

### Key Points for Savings:

- Total savings to M4 is £178k which is £210k below target.
- The largest shortfalls are being reported in PC&S and Estates.





# Corporate directorates M4 Savings - Forecast



Corporate Directorates	Annual Savings Target	Current Year Forecast savings	Current Year Forecast Variance	Current Year Red & Amber schemes	Forecast Recurrent Savings	Forecast Recurrent variance	Forecast Recurrent Red & Amber schemes
	£k	£k	£k	£k	£k	£k	£k
Patient Care & Safety	252	162	90	0	120	132	0
Corporate Development	62	2	60	0	0	62	0
Chief Executive	45	45	0	0	40	5	0
Finance	33	33	(0)	0	33	0	0
Public Health	35	34	1	0	0	35	0
ICT, Performance & Information & Medical Records	88	88	0	0	82	6	0
Medical Director	33	33	0	0	67	(34)	0
National Imaging Academy	0	0	0	0	0	0	0
Value Based Healthcare	0	0	0	0	0	0	0
Planning & Partnership	27	92	(65)	0	0	27	0
Research & Development	7	0	7	0	0	7	0
Estates	361	214	147	0	243	118	0
Therapies & Healthcare Sciences	0	0	0	0	0	0	0
Workforce & Organisational Development	98	152	(54)	0	141	(43)	0
<b>Grand total</b>	<b>1,041</b>	<b>855</b>	<b>186</b>	<b>0</b>	<b>725</b>	<b>316</b>	<b>0</b>

- Key Points for Savings:**
- The Forecast savings is £855k. This forecast is £186k below target.
  - The largest forecast shortfalls are in PC&S , Estates and Corporate Development.
  - The Forecast Recurrent savings is £725k. This forecast is £316k below target.
  - The largest forecast recurrent shortfalls are also in PC&S, Estates and Corporate Development.

