

Bundle Finance Committee 25 September 2019

Agenda attachments

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John Antoniazzi
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Wednesday, 30 October 2019 at 2.00pm
Cefn Mably Meeting Room, Woodland House

AGENDA
FINANCE COMMITTEE
25th September 2019 at 2pm
Executives Meeting Room, Floor 2, Woodland House

1.	Preliminaries	
1.1	Welcome & Introductions	John Antoniazzi
1.2	Apologies for Absence	John Antoniazzi
1.3	Declarations of Interest	John Antoniazzi
1.4	Minutes of the Committee Meeting held on 31 st July 2019	John Antoniazzi
1.5	Action Log	John Antoniazzi
1.6	Chairs Action taken since last meeting	John Antoniazzi
2.	Items for Review and Assurance	
2.1	Financial Performance 2019/20 a. Finance Report for Month 5 b. Plans to Deliver a Break Even Position (presentation)	Chris Lewis
2.2	Clinical Boards in Escalation	Steve Curry
2.3	Cost Reduction Programme	Andrew Gough
2.4	Finance Risk Register	Andrew Gough
3	Items for Noting and Information	
3.1	Month 5 Financial Monitoring Returns	
4.	Items to bring to the attention of the Board	John Antoniazzi
5.	Date and time of next Meeting	
	Wednesday 30 th October 2019 at 2pm, Cefn Mably Meeting Room, Woodland House	

**UNCONFIRMED MINUTES OF FINANCE COMMITTEE
HELD ON 26th JUNE 2019
LARGE MEETING ROOM, HQ, UHW**

Present:

John Antoniazzi	JA	Chair, Independent Member – Estates
Charles Janczewski	CJ	Vice Chair (Board)
John Union	JU	Independent Member – Finance
Abigail Harris	AH	Executive Director of Planning
Andrew Gough	AG	Assistant Director of Finance
Chris Lewis	CL	Deputy Director of Finance
Nicola Foreman	NF	Director of Corporate Governance
Robert Chadwick	RC	Executive Director of Finance
Ruth Walker	RW	Executive Nurse Director
Steve Curry	SC	Chief Operating Officer

In Attendance:

Secretariat:

Paul Emmerson	PE	Finance Manager
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Apologies:

Len Richards	LR	Chief Executive
Maria Battle	MB	UHB Chair
Martin Driscoll	MD	Executive Director of Workforce and Organisational Development

FC 19/078	WELCOME AND INTRODUCTIONS The Chair welcomed everyone to the meeting.	ACTION
FC 19/079	APOLOGIES FOR ABSENCE Apologies for absence were noted.	
FC 19/080	DECLARATIONS OF INTEREST The Chair invited members to declare any interests in proceedings on the Agenda. The UHB Vice Chair (CJ) stated that he was Chair of a WHSSC sub-committee and declared an interest in discussions in respect of WHSSC.	
FC 19/081	MINUTES OF THE FINANCE COMMITTEE MEETING HELD ON 26th JUNE 2019	

	<p>The minutes of the meeting held on 26th June 2019 were reviewed for accuracy.</p> <p>Resolved – that:</p> <p>The minutes of the meeting held on 26th June 2019 were approved by the Committee as an accurate record.</p>	
FC 19/082	<p>ACTION LOG FOLLOWING THE LAST MEETING</p> <p>FC18/259 – The Nursing Productivity Group to be asked to review the impact of introducing a weekly payroll for payment of bank staff. The Nursing Productivity Group will review the results of the initiative and the results will be reported back to the Finance Committee after the end of June 2019.</p> <p>It was agreed that following implementation of the weekly payroll the initiative would be reviewed after 6 months by the Nurse Productivity Group and the results reported back to the Finance Committee in July 2019.</p> <p>The Executive Nurse Director indicated had produced a written report on the impact of weekly pay for bank staff and the Finance Committee Chair agreed to receive the report as a separate agenda item.</p> <p>Action Complete.</p> <p>Resolved – that:</p> <p>The Finance Committee received the Action Log and noted the completed action.</p>	
FC 19/083	<p>CHAIRS ACTION SINCE THE LAST MEETING</p> <p>No action had been taken since the last meeting.</p>	
FC 19/084	<p>IMPACT OF WEEKLY PAY FOR BANK STAFF</p> <p>The Executive Nurse Director summarised the Report on the Impact Of Weekly Pay For Bank Staff. The Committee was informed that during 2017/18, the Chair and Chief Executive of the UHB had received feedback from staff that the inability to pay nurses weekly was a barrier to nurses working increased bank shifts and was a factor behind increased agency utilisation.</p> <p>Following a survey that identified that 161 members of staff had expressed an interest in being paid weekly, the Executive Team made the decision in December 2018 to allow nurses to be paid weekly for any bank shifts worked. This was highlighted as an incentive which could lead to an increase in the bank capacity and a reduction in the reliance on and use of premium agency.</p>	

	<p>Following the decision to allow weekly pay, a communication and implementation plan was agreed and the option to receive weekly bank pay commenced on the 3rd January 2019.</p> <p>Since the implementation, a relatively small number of queries had been lodged by staff about the revised arrangements.</p> <p>51 staff had changed to weekly pay, however there was no firm evidence to indicate that this had led to an increase in bank shift utilisation resulting in a decrease in agency utilisation.</p> <p>The Director of Finance asked if the promotion and option of the weekly bank payroll would continue. In response the Executive Nurse Director confirmed that the option would continue to be offered and promoted particularly around holiday periods.</p> <p>In response to a further query from the Director of Finance it was agreed that the Executive Nurse Director would share the results of the Review of the Impact of Weekly Pay for Bank staff with the Local Partnership Board.</p> <p>Resolved – that:</p> <p>The Finance Committee noted the findings of the review of weekly bank pay.</p>	
FC 19/085	<p>FINANCE REPORT AS AT MONTH 3</p> <p>The Deputy Director of Finance presented the UHB's financial performance to month 3 and highlighted that the UHB had reported a deficit of £1.808m and this position assumed that the UHB would receive an additional £6.1m performance funding from Welsh Government. This approach was different to reports for months 1 & 2 which assumed that RTT costs had been incurred at risk in lieu of Welsh Government confirmation of the additional Performance funding and this needed to be reflected when considering the trend in deficits reported over each of the first 3 months.</p> <p>Four measures remained RAG rated Red on the Finance Dashboard namely: remaining within revenue resource limits; the reduction in the underlying deficit to £4m; the delivery of the recurrent £16.345m 2% devolved target; the delivery of the £12.8m recurrent/non recurrent corporate target. It was highlighted that whilst the UHB now has a fully identified savings plan that there were still a significant number of schemes which were rated amber. Ideally a greater proportion of schemes would be rated as Green at month 3.</p> <p>The Deputy Director of Finance indicated that the £1.808m overspend at month 3 reflected an emerging trend of budget overspends within Clinical Boards and this was cause for concern.</p> <p>Performance against Income targets to date was again broadly break even. It was noted that the position included some favourable variances in critical care and some under-recovery of income against</p>	

	<p>PICU and NICU targets. It was also noted that LTA performance was broadly balanced which represented an improvement on the previous year.</p> <p>Total pay budgets were underspent by £0.514m at the end of month 3. The committee was informed that the pressures and overspends against nursing budgets remained although it was flagged that some of the overspend was a consequence of unfunded capacity.</p> <p>An overspend of £2.316m was highlighted against non pay budgets primarily as a result of pressures against drug budgets, continuing healthcare and estates costs.</p> <p>Moving on, the Deputy Director of Finance indicated that 6 Clinical Boards (including Capital Estates and Facilities) continued to report relatively large cumulative overspends.</p> <p>The UHB Vice Chair (CJ) noted that the overspend reported against PCIC Clinical Board was a significant deterioration from performance over the last 2 years and asked if the position was expected to recover. The Director of Finance indicated that the additional funding allocated to the PCIC to cover growth in CHC & Prescribing in 2019/20 had been capped within available resources and that this had presented a budgetary challenge to the Clinical Board. However, the 2019/20 Clinical Board non recurrent savings requirement was 1% less than in the previous year and that this provided scope for the management of budgetary pressures as they arose and the planning expectation was that PCIC would deliver a balanced position in year. The Executive Director of Planning who is the Executive Lead for the PCIC Clinical Board had re-enforced this message at the last PCIC Board meeting and had emphasized that all options to balance the position including potentially contentious plans should be put forward for consideration. The Executive Team planned to meet with the Clinical Board so that the plans to recover the overspend could be scrutinized.</p> <p>On a related point the Independent Member – Finance (JU) noted that Central Budgets were reporting a significant surplus at month 3 and questioned whether was likely to continue. In response the Deputy Director of Finance informed the Committee that a number of the risks and opportunities facing the UHB in 2019/20 were reflected in Central budgets and the trend established for the year to date was in part expected to continue. It was also noted that a number of the opportunities reflected centrally were non recurrent in nature.</p> <p>The Finance Committee Chair (JA) suggested that if the current rate of overspend continued the UHB could report a year end overspend in the region of £7m and asked what action was being undertaken to arrest the trend. Further to this the UHB Vice Chair (CJ) asked when the UHB expected to see a reversal of this trend. In this context the Director of Finance informed the Committee that major budget holders where significant pressures had emerged had been asked to describe the drivers behind the pressures and identify the measures</p>	
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	<p>being taken to push expenditure back to a balanced position. The remedial plans were continually scrutinized by the UHB's Executive Team and where necessary Clinical Boards are asked to look at further measures to move back towards a balanced position. There was an expectation that this process would lead to a risk adjusted financial profile for the remaining months of the year which would deliver a balanced position at the end of March 2020. In relation to this the Finance Committee Chair (JA) asked for a summary of the key remedial actions planned and the impact on Clinical Board performance to be shared at the next Finance Committee meeting.</p> <p>It was agreed that a list of actions alongside a comparison of actual Clinical Board performance against forecast performance would be reported to the next Finance Committee</p> <p>Moving on the Committee was informed that the UHB now had a fully identified savings plan. This had been achieved by reducing the target by £2.1m to £29.145m to reflect the release of the UHBs remaining investment reserve in line with Welsh Government instruction. It was noted that c £8.5m of the identified schemes were RAG rated as amber and this was a key risk to the achievement of a break even position until a switch to a green rating was confirmed.</p> <p>It was noted that the UHB's cumulative PSPP performance to the end of June was above the 95% target at 96.2%; cash plans were currently on target and there was some slippage against capital expenditure profiles at month 3 which was expected to be recovered by year-end.</p> <p>In conclusion the Deputy Director of Finance highlighted that the key risks to the Plan were still managing within current budgets, delivery of the £29.145m efficiency plan target and delivering planned levels of performance within the current resources available.</p> <p>ASSURANCE was provided by:</p> <ul style="list-style-type: none"> • The scrutiny of financial performance undertaken by the Finance Committee and the UHBs intention to recover the year to date deficit and deliver a break even position by the year end as planned. <p>Resolved – that:</p> <p>The Finance Committee noted that the UHB has an approved IMTP which includes a balanced Financial Plan for 2019/20;</p> <p>The Finance Committee noted the £1.808m deficit at month 3;</p> <p>The Finance Committee noted the key concerns and actions being taken to manage risks</p>	<p>Executive Director of Finance</p>
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<p>FC19/086</p>	<p>CLINICAL BOARDS IN ESCALATION</p> <p>The Chief Operating Officer confirmed that the number of Clinical Boards in escalation has moved from 2 to 3 in month. There were concerns around the financial performance of the Medicine, PCIC and Surgery Clinical Boards.</p> <p>The areas of concern in PCIC revolved around the impact of the price of category M drugs and the level of CHC activity. It was uncertain whether the price and activity levels would fall back to historical levels over the course of the year and therefore the level of remedial action required would need to be reviewed as the year progressed.</p> <p>Pressures in nursing were the main concern in respect of both the Medicine and Surgery Clinical boards. It was noted that planned changes in bed numbers across the UHB which were beginning to be implemented were expected to reduce pressures on nursing going forward and that the nursing recovery plans implemented within the Medicine Clinical Board had been shared with the Surgery Clinical Board.</p> <p>Resolved – that:</p> <p>The Finance Committee noted the actions being taken to manage financial performance</p>	
<p>FC19/087</p>	<p>COST REDUCTION PROGRAMME AND CROSS CUTTING THEME</p> <p>The Assistant Director of Finance asked the Finance Committee to note the 2019/20 Cost Reduction Report which included the following key points:</p> <ul style="list-style-type: none"> • At 30th June 2019 £15.996m of schemes had been identified as Green or Amber against the devolved 2% savings target of £16.345m, leaving a gap of £0.349m. £13.885m of the identified schemes were recurrent. • The Corporate savings target of £14.900m had been reduced by £2.100m to £12.800m to reflect the release of the UHBs remaining investment reserve. Schemes totalling £13.149m had been identified as Green or Amber against the £12.800m target as at 30th June 2019 leaving a surplus of £0.349m which covered the gap in delegated schemes. The recurrent effect of the identified schemes in 2020/21 was £11.500m. <p>The Committee was informed the main concerns were the level of schemes c£8.5m which needed to move from amber to green status; the shortfall against the 2% devolved CRP target of £0.349m which needed to be addressed as soon as possible and the level of recurrent schemes which needed to improve to ensure that the UHB started 2020/21 in the best possible position.</p> <p>Resolved – that:</p>	

	<p>The Finance Committee noted the progress against the £29.145m UHB savings requirement for 2019/20.</p>	
FC19/088	<p>RISK REGISTER</p> <p>The Assistant Director of Finance confirmed that one additional risk had been added to the 2019/20 Risk Register in month 3, namely a risk of up to £0.8m in agreeing a Research & Development expenditure plan that was compliant with the Welsh Government R & D Finance Policy.</p> <p>Four (4) risks remained categorized as extreme risks (Red) on the 2019/20 Risk Register as follows:</p> <ul style="list-style-type: none"> • Reduction in the £36.3m underlying deficit b/f to 2019/20 to the IMTP planned £4m c/f underlying deficit in 2020/21; • Development and delivery of corporately led financial opportunities of £12.8m to achieve year end break even position; • Management of Budget pressures; • Management of Nursing overspend - £0.960m month 3. <p>The Chief Operating Officer asked for clarification of the of the amber rating of the risk around RTT funding following confirmation of an additional £6.1m funding from Welsh Government. It was confirmed that the risk continued to be included as there was still some uncertainty attached to the delivery of targets levels of performance within the resource available.</p> <p>Resolved – that:</p> <p>The Finance Committee noted the risks highlighted within the 2019/20 risk register.</p>	
FC 19/089	<p>COMMITTEE EFFECTIVENESS REVIEW – RESULTS AND ACTIONS</p> <p>The Director of Corporate Governance highlighted the results for the Committee Effectiveness review undertaken by Finance Committee Members and the Executive Director Lead for the Committee.</p> <p>In future years the annual questionnaire would also be sent to attendees of the Finance Committee to ensure that a broader view of the Committee is captured.</p> <p>It was explained that the review of the Finance Committee only had positive results and therefore no action plan for improvement had been developed.</p> <p>Resolved – that:</p>	

	The Finance Committee noted the results of the Committee Effectiveness Review for 2019.	
FC 19/090	MONTH 3 FINANCIAL MONITORING RETURNS These were noted for information.	
FC 19/091	ITEMS TO BRING TO THE ATTENTION OF THE BOARD/OTHER COMMITTEES No other items to bring to the main Board.	
FC 19/092	DATE OF THE NEXT MEETING OF THE BOARD Wednesday 25 th September; 2.00pm ; Executives Meeting Room, Floor 2 , HQ, Woodland House	

FINANCE COMMITTEE

ACTION LOG FROM 31st JULY 2019

MINUTE	DATE	SUBJECT	AGREED ACTION	ACTIONED TO	STATUS
FC 19/085	31.07.19	Summary of the key remedial actions planned to move towards Financial Balance	It was agreed that a list of key financial recovery actions alongside a comparison of actual Clinical Board performance against forecast performance would be reported to the next Finance Committee.	Executive Director of Finance	Complete – to be considered at the September 2109 meeting of the Finance Committee.

Report Title:	Finance Report for the Period Ended 31st August 2019							
Meeting:	Finance Committee					Meeting Date:	September 25th 2019	
Status:	For Discussion	x	For Assurance	x	For Approval		For Information	x
Lead Executive:	Executive Director of Finance							
Report Author (Title):	Deputy Director of Finance							

SITUATION

The UHB's approved 2019/20-2021/22 Integrated Medium Term Plan (IMTP) includes a balanced financial plan for 2019/20.

At month 5, the UHB is reporting an overspend of £2.817m against this plan. The UHB plans to recover this year to date deficit and deliver a break even position by the year end.

REPORT

BACKGROUND

The Health Board agreed and submitted its 2019/20 – 2021/22 IMTP to Welsh Government by the end of January 2019 for its consideration. Approval of this plan was received from Welsh Government in March 2019. The financial plan aims to deliver a break even position for each year during the period of the plan. The financial plan for 2019/20 requires the delivery of a £31.245m savings target.

A summary of this plan is provided in Table 1.

Table 1: 2019/20 IMTP

	Approved IMTP £m
b/f underlying deficit	(36.3)
Net Allocation Uplift (inc LTA inflation)	56.6
Cost Pressures	(47.6)
Investments	(4.0)
Recurrent Cost Improvement Plans	31.3
In Year Financial Plan	36.3
Planned Surplus/(Deficit) 2019/20	0.0

The actual and provisional performance against the 3 year break even duty on revenue is shown in Table 2 below.

Table 2: Performance against 3 year financial break even duty

	Actual / Forecast year end position surplus/(deficit) £m	Rolling 3 year break even duty surplus/(deficit) £m	Pass of fail financial duty
2014/15	(21.364)	n/a	n/a
2015/16	0.068	n/a	n/a
2016/17	(29.243)	(50.539)	Fail
2017/18	(26.853)	(56.028)	Fail
2018/19	(9.872)	(65.968)	Fail
2019/20	0.000	(36.725)	Fail

The three year break even duty came into effect in 2014/15 and the first measurement of it was in 2016/17. **The above table shows that the UHB breached its statutory financial duty in 2016/17, 2017/18 and 2018/19 and that the forecast balanced 2019/20 outturn position also results in a breach of financial duty at the end of 2019/20.**

ASSESSMENT

The Finance Dashboard outlined in Table 3 reports actual and forecast financial performance against key financial performance measures.

Table 3: Finance Dashboard @ August 2019

		STATUS REPORT				
Measure	n	August 2019	RAG Rating	Latest Trend	Target	Time Period
Financial balance: remain within revenue resource limits	36	£2.817m deficit at month 5.	R	↓	2019/20 Break-Even	M5 2019-20
Remain within capital resource limits.	37	Expenditure at the end of August was £12.403m against a plan of £13.618m.	G	9	Approved planned expenditure £40.030m	M5 2019-20
Reduction in Underlying deficit	36a	£36.3m assessed underlying deficit b/f position at month 1. FYE of identified savings meet recurrent target at month 5.	R	9	If 2019/20 plan achieved reduce underlying deficit to £4.0m	M5 2019-20
Delivery of recurrent £16.345m 2% devolved target	36b	£16.345m identified at Month 5.	R	9	£16.345m	M5 2019-20
Delivery of £10.0m recurrent/non recurrent corporate target	36c	£10.000m identified at month 5.	R	9	£10.000m	M5 2019-20
Creditor payments compliance 30 day Non NHS	37a	Cumulative 96.4% in August	G	9	95% of invoices paid within 30 days	M5 2019-20
Remain within Cash Limit	37b	Forecast cash surplus of £ 0.677 m	G	9	To remain within Cash Limit	M5 2019-20
Maintain Positive Cash Balance	37c	Cash balance = £4.301m	G	9	To Maintain Positive Cash Balance	End of August 2019

Month 5 Cumulative Financial Position

The UHB reported a year to date deficit of £2.817m.

The UHB intends to recover this year to date deficit and deliver a break even position by the year end. The UHB has a plan to achieve this which includes the delivery of remedial actions and the careful management and control of budgets and expenditure. This will take concerted management attention and is not without risk of delivery which is assessed to be up to £4m. This assumes full delivery of the savings plan and excludes risks relating to the Welsh Risk Pool.

The cumulative position is expected to deteriorate further in September before showing sustained improvements resulting in a break even position.

Table 4 analyses the operating variance between income, pay and non pay.

Table 4: Summary Financial Position for the period ended 31st August 2019

Income/Pay/Non Pay	In Month			Cumulative Year to Date			Full Year		
	Budget £m	Actual £m	Variance (Fav)/Adv £m	Budget £m	Actual £m	Variance (Fav)/Adv £m	Budget £m	Forecast £m	Variance (Fav)/Adv £m
Income	(119.849)	(119.837)	0.012	(596.005)	(598.801)	0.021	(1,439.508)	(1,439.508)	0.000
Pay	53.122	52.692	(0.430)	267.073	265.916	(1.157)	624.058	624.058	0.000
Non Pay	66.726	67.551	0.825	328.932	332.885	3.953	815.450	815.450	0.000
Variance to Plan £m	0.000	0.406	0.406	0.000	0.000	2.817	0.000	0.000	0.000

Income

The year to date and in month financial position for income is shown in Table 5.

Table 5: Income Variance @ August 2019

Income	In Month			Cumulative Year to Date		
	Budget £m	Actual £m	Variance (Fav)/Adv £m	Budget £m	Actual £m	Variance (Fav)/Adv £m
Research & Development	(0.785)	(0.720)	0.065	(4.219)	(4.428)	(0.209)
Revenue Resource Limit	(80.284)	(80.284)	0.000	(400.101)	(402.917)	0.000
Accommodation & Catering	(0.382)	(0.345)	0.037	(1.810)	(1.729)	0.081
Education & Training	(3.278)	(3.243)	0.035	(16.228)	(16.173)	0.055
Injury Cost Recovery Scheme (CRU) Income	(0.180)	(0.196)	(0.016)	(0.902)	(0.880)	0.022
NHS Patient Related Income	(26.327)	(26.496)	(0.169)	(129.591)	(129.712)	(0.122)
Non Revenue Resource Limit	(1.609)	(1.610)	(0.000)	(8.047)	(8.048)	0.000
Other Operating Income	(6.883)	(6.800)	0.083	(34.533)	(34.232)	0.301
Overseas Patient Income	(0.007)	(0.027)	(0.019)	(0.037)	(0.094)	(0.057)
Private Patient Income	(0.112)	(0.115)	(0.003)	(0.537)	(0.589)	(0.052)
Total £m	(119.849)	(119.837)	0.012	(596.005)	(598.801)	0.021

A deficit of £0.021m is reported against income budgets. The main variances to note are:

- £0.169m favourable in month favourable variance on NHS patient related income where there has been an increase in high cost English cross border activity in August together with a recognition of an increased cost of immunology supplies charged against WHSCC.
- The under recovery reported against R & D in month which is due to the timing of invoicing arrangements with commercial companies.
- £0.083m in month adverse variance on other operating income primarily due to underperformance PICU and NICU. The cumulative under recovery is also due to underperformance PICU and NICU alongside a reduction in pharmacy sales due to production issues in the St Mary's Pharmaceutical Unit during April to June which have now been resolved.

LTA Provider Performance

The UHB receives circa £288m income from its contracts with WHSCC, LHBs and other commissioners, in addition to non-contractual flows. In-month reporting reflects an estimate based on the prior month's activity, given the timeline for receipt of coded contract information.

The LTA position with LHBs at Month 5 is underperforming. The adverse position on income is mainly driven by a £0.279m adverse variance for Cwm Taf Morgannwg LHB and a £0.092m adverse variance for Powys LHB. LTA under performance is being driven primarily by under delivery within Orthopaedics. This is offset by an improvement of £0.107m for English income from month 4 due to a high cost patient.

The overall performance against plan at month 5 is a favourable variance of £0.054m and is summarised in Table 6 below.

Table 6: Month 5 LTA Provider Position

Income - C&V Provider				(fav) / adv
	Annual Budget £m	YTD Profile £m	YTD Actual £m	YTD Variance £m
WHSCC	(226.749)	(95.805)	(96.029)	(0.224)
Aneurin Bevan	(30.417)	(12.674)	(12.698)	(0.024)
Other LHBs	(40.034)	(16.871)	(16.541)	0.330
Non-Welsh	(3.269)	(2.169)	(2.305)	(0.136)
	(300.469)	(127.519)	(127.573)	(0.054)

Pay

In total pay budgets are showing a cumulative underspend of £1.157m as reported in Table 7.

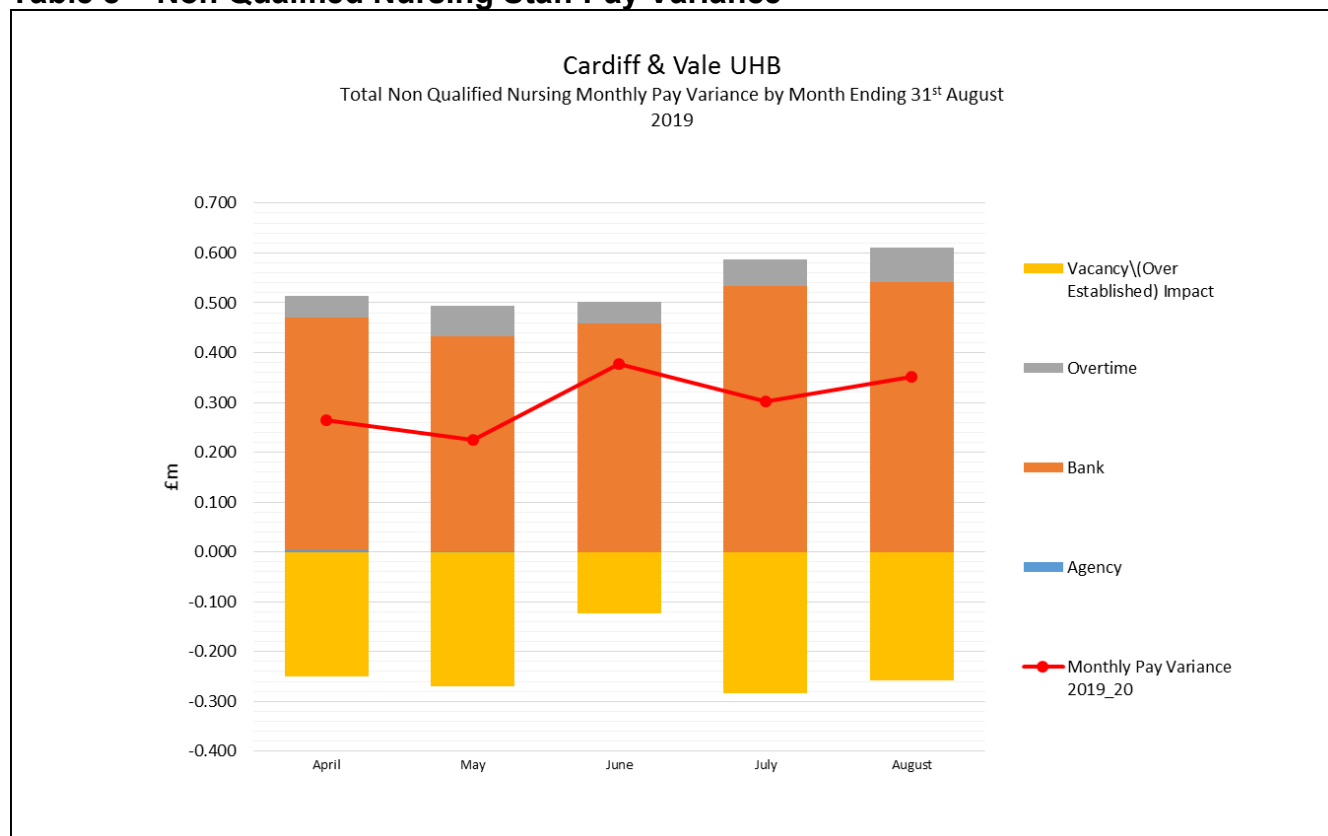
Table 7: Analysis of pay expenditure by staff group @ August 2019

Pay	In Month			Cumulative Year to Date		
	Budget	Actual	Variance (Fav)/Adv	Budget	Actual	Variance (Fav)/Adv
	£m	£m	£m	£m	£m	£m
Additional clinical services	2.067	2.014	(0.053)	10.112	10.057	(0.055)
Management, admin & clerical	6.363	6.407	0.045	31.907	31.793	(0.114)
Medical and Dental	13.378	13.108	(0.270)	66.188	66.039	(0.149)
Nursing (registered)	16.033	15.904	(0.128)	80.964	80.806	(0.158)
Nursing (unregistered)	4.156	4.508	0.352	21.323	22.844	1.521
Other staff groups	8.035	7.851	(0.185)	40.929	39.610	(1.319)
Scientific, prof & technical	3.090	2.899	(0.191)	15.649	14.766	(0.884)
Total £m	53.122	52.692	(0.430)	267.073	265.916	(1.157)

The pressure against nursing budgets particularly within the Surgery and Medicine Clinical Boards continues to be of concern. The rate of overspend against nursing budgets fell in both Clinical Boards in month 5 compared to the first 4 months. In addition further funding has been secured by the Women and Children's Clinical Board to support nursing posts in the Children's Hospital which has had a retrospective impact on the reported position.

Pressures continue to be driven by high levels of vacancies and sickness which have led to increased agency expenditure to maintain established levels of nursing cover. Specialing has also been high in some areas and additional nursing has been deployed to support extra beds and relieve pressure in the Emergency Unit, Acute Oncology, Lansdowne Ward, SAU & SSU. Nursing Recovery Plans are ongoing and progress will be closely monitored as the year progresses

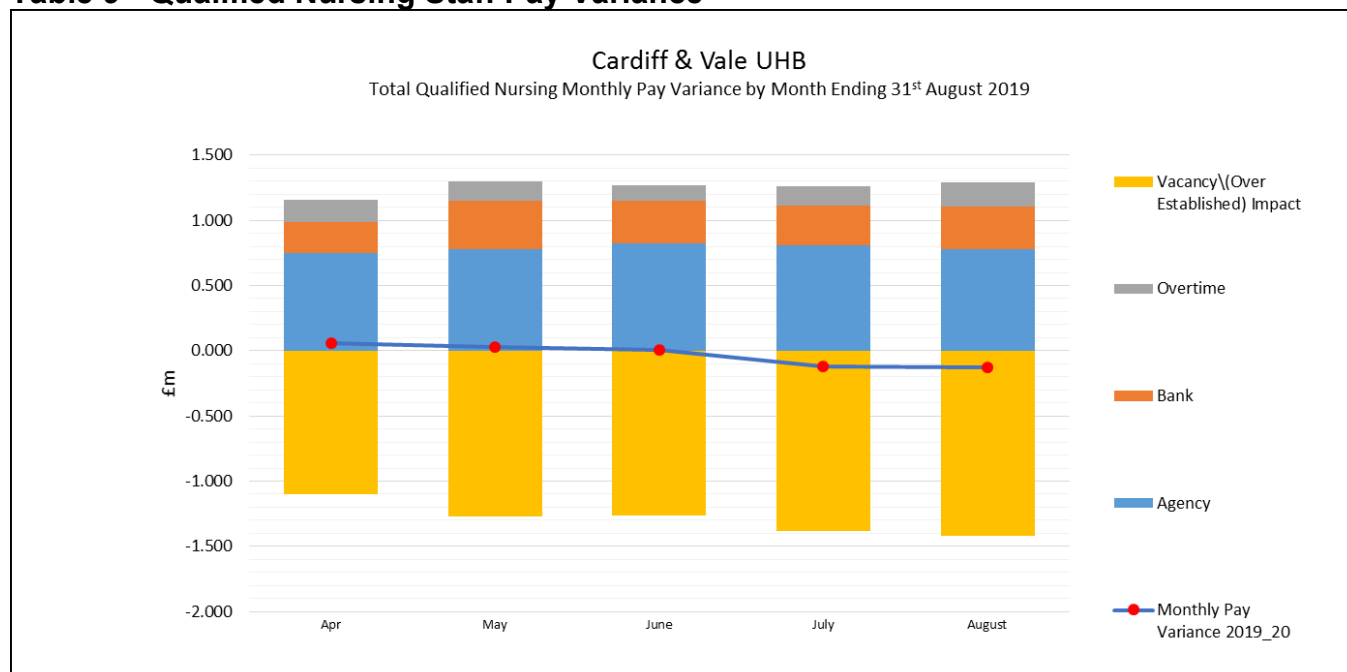
Table 8 – Non Qualified Nursing Staff Pay Variance



Reason	In Month £m (Fav)/Adv	Year To Date £m (Fav)/Adv
Agency	0.000	0.002
Bank	0.541	2.432
Overtime	0.070	0.271
Adverse Impact	0.611	2.705
Vacancy\ (Over Established) Impact	(0.259)	(1.184)
Total Pay Variance - Unqualified Nursing (Fav)/Adv £m	0.352	1.521

Table 8 indicates that the £1.521m adverse variance against non-qualified nursing assistants is due to overspends of £2.432m on bank staff and £0.271m on overtime which is partly offset by an underspend against established posts.

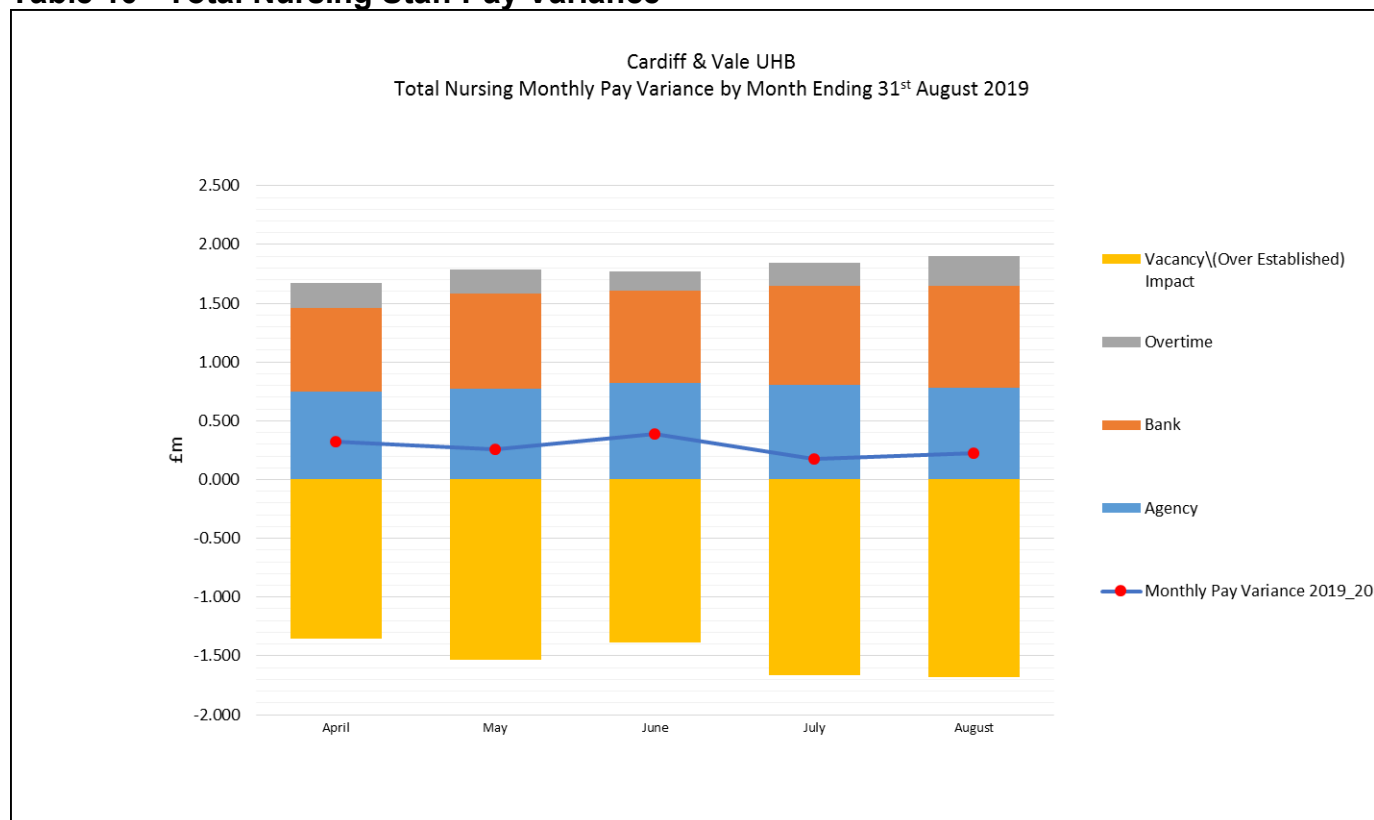
Table 9 - Qualified Nursing Staff Pay Variance



Reason	In Month £m (Fav)/Adv	Year To Date £m (Fav)/Adv
Agency	0.777	3.931
Bank	0.329	1.577
Overtime	0.187	0.768
Adverse Impact	1.293	6.276
Vacancy\ (Over Established) Impact	(1.421)	(6.434)
Total Pay Variance - Qualified Nursing (Fav)/Adv £m	(0.128)	(0.158)

Table 9 confirms that expenditure on established qualified nursing posts is significantly less than budget and that the UHB is covering vacancies through additional spend on temporary staffing.

Table 10 - Total Nursing Staff Pay Variance

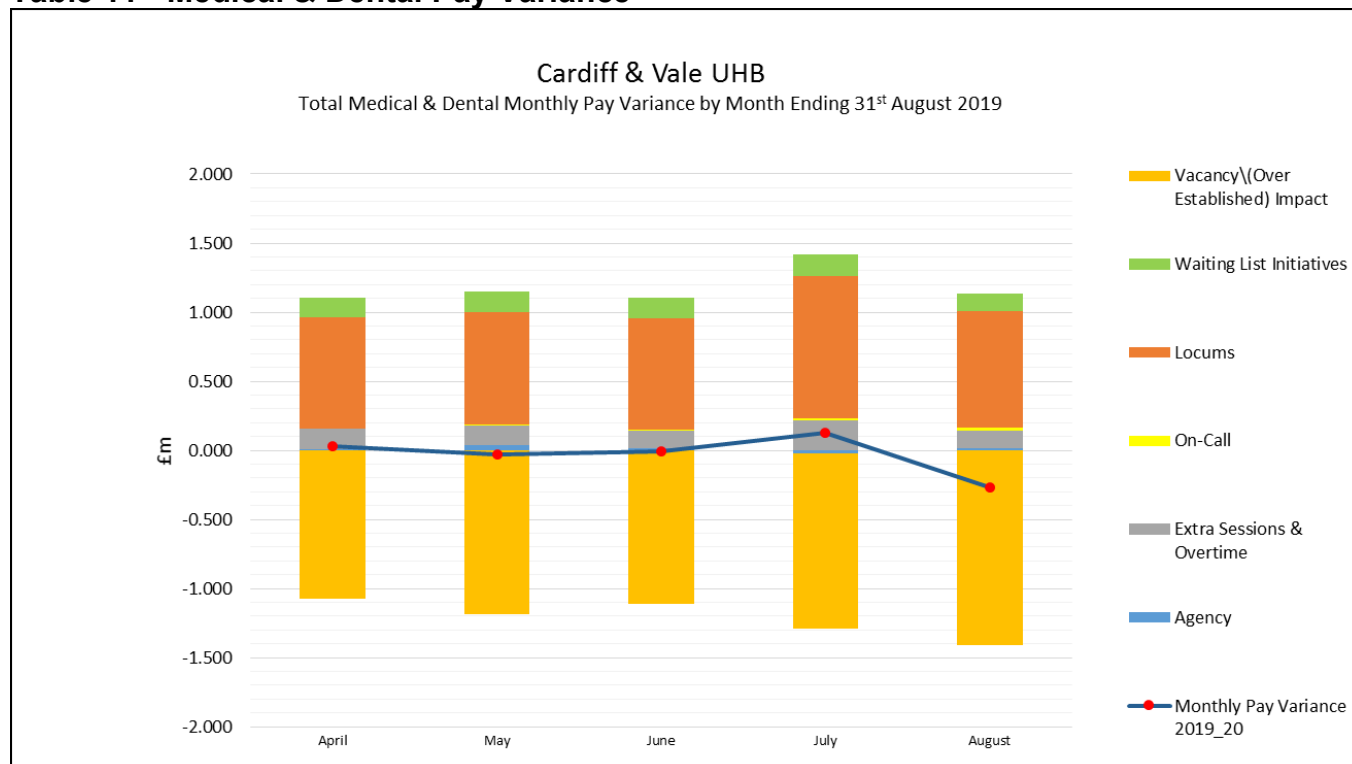


Reason	In Month £m (Fav)/Adv	Year To Date £m (Fav)/Adv
Agency	0.777	3.933
Bank	0.870	4.009
Overtime	0.257	1.039
Adverse Impact	1.904	8.981
Vacancy\((Over Established) Impact	(1.680)	(7.618)
Total Pay Variance - (Fav)/Adv £m	0.224	1.363

Table 10 identifies expenditure against substantive nursing posts for the year to date which is £1.363m more than budget. The £7.618m surplus against established posts is offset by a £8.981m overspend on agency, bank and overtime leading to an overall overspend against nursing budgets. Performance on nursing budgets remains a concern and features on the risk register for 2019/20.

Table 11 shows financial performance against medical and dental pay budgets. This identifies that the majority of the favourable variance against established posts is offset by expenditure on locums, waiting list initiatives and extra sessions leaving an underspend of £0.149m at month 5.

Table 11 - Medical & Dental Pay Variance



Reason	In Month £m (Fav)/Adv	Year To Date £m (Fav)/Adv
Agency	0.012	0.045
Extra Sessions & Overtime	0.134	0.769
On-Call	0.016	0.047
Locums	0.848	4.312
Waiting List Initiatives	0.128	0.716
Adverse Impact	1.136	5.890
Vacancy\ (Over Established) Impact	(1.406)	(6.039)
Total Pay Variance - Medical & Dental (Fav)/Adv £m	(0.270)	(0.149)

Non Pay

Table 12 highlights an overspend of £3.953m against non pay budgets.

The key operational pressure areas are:

- High levels of CHC growth as a consequence of increasing numbers particularly in respect of palliative care and learning difficulties;
- An overspend against drug budgets primarily in medicine and primary care; the majority of the in month overspend related to GP prescribing where category M prices and cost and volume growth are driving additional costs.
- Premises and fixed plant where key cost drivers are increased spend on estates contractors to cover vacancies in substantive posts; energy costs; the significant cost of

security on the vacant sites at Lansdowne and Whitchurch. £0.351m of the expenditure on estates contractor costs is offset by staff underspends on vacant posts.

The adverse movement in the month in commissioned services relates to the recognition of the UHB's contribution to the WHSCC budget alongside additional drug costs at Velindre NHS Trust which the UHB was recently informed of.

An additional potential pressure has recently emerged in respect of the Welsh Risk Pool where NHS Wales Shared Services Partnership (NWSSP) are forecasting that the annual expenditure will exceed the 2019/20 budget by £3.700m. The UHB's share of this pressure which is estimated at circa £0.5m is not currently included within the UHBs forecast year end position. It has however been included on the risk register as a risk that will need to be managed.

Table 12: Non Pay Variance @ August 2019

Non Pay	In Month			Cumulative Year to Date		
	Budget	Actual	Variance (Fav)/Adv	Budget	Actual	Variance (Fav)/Adv
	£m	£m	£m	£m	£m	£m
Clinical services & supplies	8.352	8.463	0.111	43.167	43.438	0.271
Commissioned Services	14.512	14.754	0.242	72.036	72.276	0.240
Continuing healthcare	5.689	5.933	0.243	27.298	28.130	0.832
Drugs / Prescribing	13.059	13.576	0.517	62.464	64.366	1.902
Establishment expenses	0.717	0.834	0.117	4.781	5.009	0.228
General supplies & services	0.674	0.677	0.003	3.608	3.770	0.162
Other non pay	6.188	5.707	(0.481)	29.636	28.542	(1.094)
Premises & fixed plant	2.991	3.303	0.312	14.683	16.107	1.424
Primary Care Contractors	14.544	14.303	(0.241)	71.258	71.246	(0.012)
Total £m	66.726	67.551	0.825	328.932	332.885	3.953

LTA Commissioner Performance

The UHB spends circa £165m on commissioning healthcare services for its population mainly through contracts with WHSSC, LHBs and Velindre. The adverse position is against WHSSC expenditure mainly due to melanoma drugs. This is partially offset by favourable variances elsewhere. The year to date commissioner position is shown in Table 13.

Table 13: Month 5 LTA Commissioner Position

Expenditure - C&V Commissioner				(fav) / adv
Annual Budget	YTD Profile	YTD Actual	YTD Variance	
£m	£m	£m	£m	
WHSSC	126.957	52.770	53.123	0.353
Velindre	17.495	7.290	7.198	(0.091)
LHBs	20.204	8.470	8.460	(0.010)
Other / NCAs	1.329	0.554	0.408	(0.146)
	165.984	69.083	69.189	0.106

Financial Performance of Clinical Boards

Budgets were set to ensure that there is sufficient resource available to deliver the UHB's plan. Financial performance for the five month months to 31st August 2019 by Clinical Board is shown in Table 14.

Table 14: Financial Performance for the period ended 31st August 2019

Clinical Board	M4 Budget Variance £m	M5 Budget Variance £m	In Month Variance £m	Cumulative % Variance
All Wales Genomics Service	0.002	(0.023)	(0.024)	(0.47%)
Capital Estates & Facilities	0.694	0.792	0.098	2.92%
Children & Women	0.534	0.588	0.054	1.28%
Clinical Diagnostics & Therapies	0.616	0.659	0.043	1.48%
Executives	(0.173)	(0.155)	0.019	(0.94%)
Medicine	1.749	2.132	0.383	4.30%
Mental Health	(0.027)	0.021	0.048	0.06%
PCIC	1.079	1.480	0.402	1.05%
Specialist	(0.720)	(0.754)	(0.034)	(1.06%)
Surgery	0.695	0.727	0.031	1.15%
SubTotal Delegated Position	4.448	5.468	1.020	0.00%
Central Budgets	(2.038)	(2.652)	(0.614)	(2.68%)
Total	2.410	2.817	0.406	0.47%

The largest in month overspend was in the PCIC Clinical Board primarily as a result of an overspend against GP prescribing budgets alongside pressures against continuing healthcare. The in month overspend in the Medicine Clinical Board was a consequence of continuing difficulties in managing nursing overspends. The overspend in Capital Estates in month was a result of continuing security costs at Woodland House, Lansdowne and Whitchurch & slippage against energy saving schemes which is expected to be recovered. The in month overspend in the Women and Children Clinical Board represented an improvement on the trend for the previous months following the agreement of additional nurse funding from the Noah's Ark Children's Charity. The pressures against the NICU and PICU income streams continued in month.

The rate of overspend in the Surgery Clinical Board and CD&T Clinical Board improved in month. Some of the productive capacity at the St Mary's Pharmaceutical Unit was re-directed in month to address the national shortage of intravenous feed supplies.

Further detail on the Performance of Executive Directorate Budgets is provided at **Appendix 5**.

The financial performance on delegated budgets is now the key financial risk facing the UHB. Clinical Boards have been tasked with improving their financial performance which requires the delivery of recovery measures and this will be managed through the normal performance management and escalation processes.

Savings Programme

The UHBs £31.245m savings target has been reduced by £4.9m to reflect the release of £2.1m relating to the UHBs remaining investment reserve and a further £2.8m to reflect an operational underspend on WEQAS. The target is now £26.345m.

At month 5 the UHB has a fully identified savings programme to deliver against the £26.345m savings target as summarised in Table 15.

Table 15: Progress against the 2019/20 Savings Programme at Month 5

	Total Savings Target £m	Total Savings Identified £m	Total Savings (Unidentified) £m
Total £m	26.345	26.345	0.000

The latest position is shown in **Appendix 1**.

Further work will continue on the savings programme to convert the key remaining amber schemes to green as soon as possible.

Underlying Financial Position

A key challenge to the UHB is eliminating its underlying deficit. The recurrent underlying deficit in 2018/19 b/f into 2019/20 was £36.3m. Successful delivery of the 2019/20 plan will reduce this to £4m by the year end. This is shown in Table 16.

Table 16: Summary of Underlying Financial Position

	2019/20 Plan £m	Forecast Position @ Month 5	
		Non Recurrent £m	Recurrent Position £m
Opening Underlying Deficit £m	36.261	0.000	36.261
Income	(56.610)		(56.610)
Cost pressures less mitigating actions	51.594		51.594
Less CIPs (includes income generation & NR accountancy gains)	(26.345)	4.000	(22.345)
Release of Remaining Investment Reserve & operational underspend at WEQAS	(4.900)		(4.900)
Deficit £m	0.000	4.000	4.000

The UHB's Welsh Government approved 2019/20-2021/22 Integrated Medium Term Plan (IMTP) includes measures to recurrently address the UHBs underlying deficit by the end of 2020/21.

Balance Sheet

The balance sheet at month 5 is detailed in **Appendix 2**.

The increase in the carrying value of property, plant & equipment since the start of the year is largely due to the impact of annual indexation.

Overall trade debtors have increased by £6.3m in month and £17.3m (9.5%) since the start of the year primarily due to an increase in amounts due from the Welsh Risk Pool in respect of clinical negligence cases, the annual prepayment of maintenance contracts running from April to March increase and an increase in NHS invoice accruals.

The value of Trade and other payables has fallen by around £14.8m since the start of the year due to a reduction in capital creditors, a reduction in clinical negligence accruals and the settlement of year end liabilities.

Cash Flow Forecast

The UHB does not expect to request additional cash support in 2019/20 and at the end of August 2019 the UHB had a forecast year end cash surplus of £0.677m. The UHB will continue to monitor this position with a view to revising the requirement if necessary.

The UHB's cash balance at the end of August was £4.301m.

A detailed monthly cash flow is shown in **Appendix 3**.

Public Sector Payment Compliance

The UHB's cumulative performance to the end of August is 96.4% following a 0.1% fall in month.

Capital Resource Limit (CRL)

Progress against the CRL for the period to the end of August 2019 is summarised in Table 17 and detailed in **Appendix 4**.

Table 17: Progress against Capital Resource Limit @ August 2019

	£m
Planned Capital Expenditure at month 5	13.618
Actual net expenditure against CRL at month 5	12.403
Variance against planned Capital Expenditure at month	(1.215)

Capital progress for the year to date improved in month with net expenditure to the end of August being 31% of the UHB's approved Capital Resource Limit. The UHB had an approved capital resource limit of £40.030m at the end of August 2019 comprising of £12.228m

discretionary funding and £27.802m towards specific projects (including Neo Natal Upgrading Phase 2, Rookwood Replacement & MR Scanners)

Key Risks and Recovery Actions

At month 5, the key risk is the management of budgets to deliver a balanced financial position by year end. This risk is assessed as being up to £4m. Plans are in place to curtail expenditure in both delegated and corporate budgets in order to achieve a balanced position by year end. This plan will be subject to review at the Finance Committee.

Delivery against this recovery plan will monitored monthly by the Finance Committee.

ASSURANCE is provided by the scrutiny of financial performance undertaken by the Finance Committee and the UHB's plans to recover the year to date deficit and deliver a break even position by the year end as planned.

RECOMMENDATION

The Finance Committee is asked to:

- **NOTE** that the UHB has an approved IMTP which includes a balanced Financial Plan for 2019/20.
- **NOTE** the £2.817m deficit at month 5
- **NOTE** the key risks and the plan to deliver a break even position by year end.

Shaping our Future Wellbeing Strategic Objectives

This report should relate to at least one of the UHB's objectives, so please tick the box of the relevant objective(s) for this report

1. Reduce health inequalities		6. Have a planned care system where demand and capacity are in balance	
2. Deliver outcomes that matter to people		7. Be a great place to work and learn	
3. All take responsibility for improving our health and wellbeing		8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	
4. Offer services that deliver the population health our citizens are entitled to expect		9. Reduce harm, waste and variation sustainably making best use of the resources available to us	x
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time		10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	

Five Ways of Working (Sustainable Development Principles) considered

Please tick as relevant, click [here](#) for more information

Prevention		Long term	X	Integration		Collaboration		Involvement	
Equality and Health Impact Assessment Completed:		Not Applicable							



2019-20 In-Year Effect

Clinical Board	19-20 Target	Green	Amber	Total Green & Amber	Pipeline Red	Shortfall on Total Target vs Green & Amber
	£'000	£'000	£'000	£'000	£'000	£'000
Surgery	2,300	2,563	0	2,563	631	-263
Specialist Services	2,019	1,915	136	2,051	0	-32
Mental Health	1,470	920	550	1,470	100	0
CD&T	1,633	968	665	1,632	574	1
Children & Women	1,775	966	810	1,776	278	-1
PCIC	3,300	1,572	1,738	3,310	517	-10
Corporate Execs	681	598	17	615	20	66
Medicine	1,877	1,094	438	1,532	196	345
Capital Estates and Facilities	1,290	973	20	993	267	297
Total	16,345	11,569	4,374	15,943	2,583	402
Corporate	12,800	11,452	1,750	13,202	0	-402
Total	29,145	23,021	6,124	29,145	2,583	0

2019-20 Full Year Effect

Clinical Board	Recurrent	Green	Amber	Total Green & Amber	Pipeline Red	Shortfall on Total Target vs Green & Amber
	£'000	£'000	£'000	£'000	£'000	£'000
Surgery	2,300	1,388	0	1,388	1,138	912
Specialist Services	2,019	1,747	136	1,883	0	136
Mental Health	1,470	702	550	1,252	100	218
CD&T	1,633	788	221	1,008	574	625
Children & Women	1,775	340	978	1,318	325	457
PCIC	3,300	1,564	1,424	2,988	0	312
Corporate Execs	681	646	0	646	0	35
Medicine	1,877	1,145	1,180	2,324	321	-447
Capital Estates and Facilities	1,290	800	43	843	0	447
Total	16,345	9,119	4,531	13,650	2,458	2,695
Corporate	12,800	1,711	9,789	11,500	0	1,300
Total	29,145	10,830	14,320	25,150	2,458	3,995

BALANCE SHEET AS AT 31st AUGUST 2019

	Opening Balance 1 st April 2019	Closing Balance 31 st August 2019
Non-Current Assets	£'000	£'000
Property, plant and equipment	675,904	698,559
Intangible assets	2,902	2,457
Trade and other receivables	21,432	15,963
Other financial assets		
Non-Current Assets sub total	700,238	716,979
Current Assets		
Inventories	16,926	16,745
Trade and other receivables	176,987	199,763
Other financial assets		
Cash and cash equivalents	1,219	4,301
Non-current assets classified as held for sale	1,906	994
Current Assets sub total	197,038	221,803
TOTAL ASSETS	897,276	938,782
Current Liabilities		
Trade and other payables	174,685	160,171
Other financial liabilities		
Provisions	129,087	147,940
Current Liabilities sub total	303,772	308,111
NET ASSETS LESS CURRENT LIABILITIES	593,504	630,671
Non-Current Liabilities		
Trade and other payables	9,095	8,838
Other financial liabilities		
Provisions	24,862	12,728
Non-Current Liabilities sub total	33,957	21,566
TOTAL ASSETS EMPLOYED	559,547	609,105
FINANCED BY:		
Taxpayers' Equity		
General Fund	443,904	471,160
Revaluation Reserve	115,643	137,945
Total Taxpayers' Equity	559,547	609,105

CASH FLOW FORECAST AS AT 31st AUGUST 2019

	April £'000	May £'000	June £'000	July £'000	Aug £'000	Sept £'000	Oct £'000	Nov £'000	Dec £'000	Jan £'000	Feb £'000	Mar £,000	Total £,000
RECEIPTS													
WG Revenue Funding - Cash Limit (excluding NCL)	91,830	92,150	73,290	73,685	82,585	64,620	72,810	79,822	80,127	74,027	78,827	63,231	927,004
WG Revenue Funding - Non Cash Limited (NCL)	1,590	1,590	1,005	1,555	1,685	1,210	1,460	1,460	1,460	1,460	1,460	3,443	19,378
WG Revenue Funding - Other (e.g. invoices)	1,255	1,255	1,255	2,108	2,396	2,683	1,255	1,496	1,255	1,496	4,144	4,384	24,982
WG Capital Funding - Cash Limit	8,500	1,000	0	3,850	3,900	4,900	4,440	3,900	6,360	2,800	380	0	40,030
Sale of Assets	0	1,200	0	166	0	2,450	0	0	0	0	0	0	3,816
Income from other Welsh NHS Organisations	39,794	47,109	39,129	53,252	50,677	35,522	40,293	52,503	42,750	42,662	39,499	36,882	520,072
Other - (Specify in narrative)	14,126	6,259	5,137	12,752	6,892	6,330	13,929	6,175	5,490	14,214	5,389	7,122	103,815
TOTAL RECEIPTS	157,095	150,563	119,816	147,368	148,135	117,715	134,187	145,356	137,442	136,659	129,699	115,062	1,639,097
PAYMENTS													
Primary Care Services : General Medical Services	5,495	4,343	8,338	4,816	4,261	7,418	4,470	4,470	7,417	4,470	4,470	7,417	67,385
Primary Care Services : Pharmacy Services	165	136	176	124	132	145	145	145	290	580	290	290	2,618
Primary Care Services : Prescribed Drugs & Appliances	6,818	15,385	3	7,987	15,385	0	7,595	15,190	7,595	7,595	7,595	0	91,148
Primary Care Services : General Dental Services	1,835	1,877	1,926	2,054	1,786	1,900	1,895	1,895	1,895	1,895	1,895	1,895	22,748
Non Cash Limited Payments	1,957	1,861	2,088	2,215	2,005	2,150	2,060	2,060	2,060	2,060	2,060	2,060	24,636
Salaries and Wages	51,454	51,583	50,105	51,135	51,185	50,359	51,326	51,219	51,216	51,325	51,656	51,855	614,418
Non Pay Expenditure	68,366	54,158	46,656	61,896	45,187	43,660	47,476	42,847	43,236	51,619	47,003	46,811	598,915
Capital Payment	6,335	2,613	3,087	3,268	4,047	4,547	4,419	3,934	6,480	2,700	323	0	41,753
Other items (Specify in narrative)	10,691	19,637	7,881	14,604	22,839	8,146	14,415	23,580	17,280	14,415	14,415	8,115	176,018
TOTAL PAYMENTS	153,116	151,593	120,260	148,099	146,827	118,325	133,801	145,340	137,469	136,659	129,707	118,443	1,639,639
Net cash inflow/outflow	3,979	(1,030)	(444)	(731)	1,308	(610)	386	16	(27)	0	(8)	(3,381)	
Balance b/f	1,219	5,198	4,168	3,724	2,993	4,301	3,691	4,077	4,093	4,066	4,066	4,058	
Balance c/f	5,198	4,168	3,724	2,993	4,301	3,691	4,077	4,093	4,066	4,066	4,058	677	

PROGRESS AGAINST CRL AS AT 31st AUGUST 2019

Approved CRL issued June 6 th 2019 £'000s	40,030
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[illegible]

FINANCIAL PERFORMANCE OF EXECUTIVE DIRECTORATES

Corporate Executive Directorate	M5 Budget Variance £m
Chief Executive Officer	0.005
Chief Operating Officer	0.027
Director of Finance	(0.128)
Director of Governance	0.126
Director of Nursing	(0.001)
Director of Planning	0.012
Director of Public Health	(0.000)
Director of Therapies	(0.031)
Director of Transformation	0.056
Director of Workforce	(0.059)
Medical Director	(0.162)
Total £m	(0.155)

Report Title:	2019-20 Cost Reduction Programme							
Meeting:	Finance Committee					Meeting Date:	25th September 2019	
Status:	For Discussion	x	For Assurance	x	For Approval		For Information	x
Lead Executive:	Executive Director of Finance							
Report Author	Assistant Director of Finance							

SITUATION

The UHB started the year with a total savings requirement of £31.245m in 2019/20. This report summarises progress against the 2019/20 UHB devolved 2% savings programme of £16.345m. The report also summarises progress against the £14.900m corporate and high value opportunities target.

ASSESSMENT

PROGRESS AGAINST DEVOLVED CRP REQUIREMENT 2019-20

As at 31st August 2019 £15.943m of schemes had been identified as Green or Amber against the devolved 2% savings target of £16.345m. There is a therefore a shortfall of £0.402m to be identified by delegated budget holders. Of the £15.943m identified schemes, £13.650m is recurrent 2020/21.

There is an expectation that Clinical Boards get 100% of schemes in green and amber as soon as possible.

PROGRESS AGAINST CORPORATE AND HIGH VALUE OPPORTUNITIES TARGET

The Corporate savings target of £14.900m has been reduced by £2.100m to £12.800m and this reflects the release of the UHBs remaining investment reserve.

As at 31st August 2019 £13.202m had been identified as Green or Amber against the £12.800m corporate and high value opportunities target. Of the £13.202m identified schemes, £11.500m is recurrent in 2020/21.

A significant amount of work is underway to address this shortfall focusing on a number of areas highlighted through both the Efficiency Framework and our own internal benchmarking and analysis.

The Finance Committee is asked to note that none of these measures has a detrimental impact upon service delivery.

SUMMARY

To date the value of Green and Amber schemes identified totals £29.145m, in line with the UHB revised savings target of £29.145m.

To ensure we achieve our financial objectives for 2019/20 and deliver against our IMTP commitments we need to progress the savings programme as a matter of urgency to have 100% CIP schemes in green.

AREAS OF CONCERN

There is a shortfall against the 2% devolved CRP target of £0.402m that needs to be addressed as soon as possible.

Whilst there are plans in place to deliver the 2019/20 CIP target across the UHB, further recurrent schemes need to be identified to ensure we start 2020/21 in the best possible position.

ASSURANCE is provided by:

- The scrutiny of financial performance undertaken by the Finance Committee;
- The weekly reported CIP tracker.

RECOMMENDATION

The Finance Committee is asked to:

- **NOTE** the progress against the revised £29.145m UHB savings requirement for 2019/20.

Shaping our Future Wellbeing Strategic Objectives

This report should relate to at least one of the UHB's objectives, so please tick the box of the relevant objective(s) for this report

1. Reduce health inequalities		6. Have a planned care system where demand and capacity are in balance	
2. Deliver outcomes that matter to people		7. Be a great place to work and learn	
3. All take responsibility for improving our health and wellbeing		8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	
4. Offer services that deliver the population health our citizens are entitled to expect		9. Reduce harm, waste and variation sustainably making best use of the resources available to us	x
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time		10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	

Five Ways of Working (Sustainable Development Principles) considered

Please tick as relevant, click [here](#) for more information

Prevention		Long term	x	Integration		Collaboration		Involvement	
Equality and Health Impact Assessment Completed:		Not Applicable							

Savings Tracker Summary

2019-20 In-Year Effect

Clinical Board	19-20 Target	Green	Amber	Total Green & Amber	Pipeline Red	Shortfall on Total Target vs Green & Amber
	£'000	£'000	£'000	£'000	£'000	£'000
Surgery	2,300	2,563	0	2,563	631	-263
Specialist Services	2,019	1,915	136	2,051	0	-32
Mental Health	1,470	920	550	1,470	100	0
CD&T	1,633	968	665	1,632	574	1
Children & Women	1,775	966	810	1,776	278	-1
PCIC	3,300	1,572	1,738	3,310	517	-10
Corporate Execs	681	598	17	615	20	66
Medicine	1,877	1,094	438	1,532	196	345
Capital Estates and Facilities	1,290	973	20	993	267	297
Total	16,345	11,569	4,374	15,943	2,583	402
Corporate	12,800	11,452	1,750	13,202	0	-402
Total	29,145	23,021	6,124	29,145	2,583	0

Full Year Effect in 2020/21

Clinical Board	Recurrent	Green	Amber	Total Green & Amber	Pipeline Red	Shortfall on Total Target vs Green & Amber
	£'000	£'000	£'000	£'000	£'000	£'000
Surgery	2,300	1,388	0	1,388	1,138	912
Specialist Services	2,019	1,747	136	1,883	0	136
Mental Health	1,470	702	550	1,252	100	218
CD&T	1,633	788	221	1,008	574	625
Children & Women	1,775	340	978	1,318	325	457
PCIC	3,300	1,564	1,424	2,988	0	312
Corporate Execs	681	646	0	646	0	35
Medicine	1,877	1,145	1,180	2,324	321	-447
Capital Estates and Facilities	1,290	800	43	843	0	447
Total	16,345	9,119	4,531	13,650	2,458	2,695
Corporate	12,800	1,711	9,789	11,500	0	1,300
Total	29,145	10,830	14,320	25,150	2,458	3,995

Corporate Schemes

2019-20 In-Year Effect against £12.8m target

Corporate Scheme	19-20 Target	Green	Amber	Total Green & Amber	Pipeline Red	Shortfall/(Surplus) on Total Target vs Green & Amber
	£'000	£'000	£'000	£'000	£'000	£'000
Medicines Management (Lucentis / Avastin)	1,000		250	250	0	0
Estates Management (Global Link rent)	200	200		200	0	0
Sale of Iorwerth Jones profit on disposal	400	400		400	0	0
Net rates reduction	450	450		450	0	0
Management Structures - Organising for Success	1,000	401		401	0	0
Non Electice LOS - Bed reduction (3 wards)	1,250	1,000		1,000	0	0
Managed Service Contract - Theatres stock	500		500	500	0	0
Cost Avoidance - WEQAS	1,800	1,800	1,000	2,800	0	0
Review of discretionary expenditure	1,000	1,000		1,000	0	0
Cost Avoidance - Rates	2,000	2,078		2,078	0	(78)
Cost Avoidance - CHC	2,000	1,628		1,628	0	372
Accounting policy change - goods received	1,000	1,600		1,600	0	0
Stock Management	200	300		300	0	(100)
Prescribing provision	0	381		381	0	(343)
FP2 Rebanding provision	0	214		214	0	(200)
Total	12,800	11,452	1,750	13,202	-	(402)

Full Year Effect

Corporate Scheme	Recurrent Target	Green	Amber	Total Green & Amber	Pipeline Red	Shortfall on Total Target vs Green & Amber
	£'000	£'000	£'000	£'000	£'000	£'000
Medicines Management (Lucentis / Avastin)	2,000		2,000	2,000	0	0
Estates Management (Global Link rent)	450	450		450	0	0
Net rates reduction	450	450		450	0	0
Management Structures - Organising for Success	2,000	811	1,189	2,000		0
Non Electice LOS - Bed reduction (3 wards)	5,100		5,100	5,100	0	0
Managed Service Contract - Theatres stock	1,500		1,500	1,500	0	0
Unidentified Gap to achieve full recurrent impact	1,300			-	0	1,300
Total	12,800	1,711	9,789	11,500	-	1,300

Note – the above table reflects the final full year effect of 3 ward closure which will be realised in 2021/22

CRP RAG Rating

	Red Pipeline	Amber	Green
Project plan/brief	<ul style="list-style-type: none"> ▶ Evidence of project planning (project brief, milestones with timescales etc.) appears incomplete considering level of complexity / risk 	<ul style="list-style-type: none"> ▶ Non complex project ▶ Evidence of some important elements of a project plan (project brief, milestones with timescales etc.), however some key areas are not sufficiently addressed ▶ Project planning not deemed sufficiently specific / comprehensive 	<ul style="list-style-type: none"> ▶ Appropriate degree of project planning (project brief, milestones with timescales etc.) evidenced considering the level of complexity / risk
Lead responsible & support	<ul style="list-style-type: none"> ▶ Lead to be identified 	<ul style="list-style-type: none"> ▶ Project lead identified, however indication that roles & responsibilities are not entirely clear ▶ Inappropriate lead assigned to project ▶ Indication that not all the necessary individuals are involved in supporting the delivery of the project 	<ul style="list-style-type: none"> ▶ Appropriate individual identified and actively leading the project ▶ The appropriate individuals appear to be included within the delivery team
Financial & activity calculation	<ul style="list-style-type: none"> ▶ Calculation of savings ongoing ▶ Significant factors to be worked through ▶ Savings to be fully quantified 	<ul style="list-style-type: none"> ▶ Evidence that the majority of the key financial implications have been factored into calculations, some specific factors have been omitted / are yet to be clarified ▶ Number represents actual savings identified, not a target 	<ul style="list-style-type: none"> ▶ Simple project, limited financial planning deemed sufficient ▶ All elements of the saving adequately identified and incorporated into the calculation ▶ Number represents actual savings identified, not a target
Financial phasing	<ul style="list-style-type: none"> ▶ Rationale for financial phasing outstanding 	<ul style="list-style-type: none"> ▶ Rationale deemed appropriate ▶ Financial savings phased according to timing of plans and milestones 	<ul style="list-style-type: none"> ▶ Financial savings phased according to timing of plans and milestones

Report Title:	Finance Risk Register							
Meeting:	Finance Committee					Meeting Date:	25th September 2019	
Status:	For Discussion	x	For Assurance	x	For Approval		For Information	x
Lead Executive:	Executive Director of Finance							
Report Author (Title):	Assistant Director of Finance							

SITUATION

This report highlights the 2019/20 Finance Risk Register risk categorisation by severity of risk as at 31st August 2019. The detailed risk register is shown in Appendix 1.

REPORT

ASSESSMENT

Following the most recent review the number of risks identified in each category is shown below:

2019/20 UHB Financial Risks at 31st August 2019

Risk Category	Risk Score	Number of Risks as at 31 August 2019
Extreme Risk	20 - 25	3
High Risk	12 - 16	6
Moderate Risk	4 - 10	4
Low Risk	1 - 3	0

A summary of the **Extreme Risks** are shown below:

Fin01/19 – Reducing underlying deficit from £36.3m to £4.0m in line with approved IMTP.

Fin02/19 – Management of budget pressures. Month 5 overspends reported in Medicine Clinical Board (£2.132m), PCIC (£1.480m), Surgery (£0.727m)

Fin09/19 – Management of nursing position £1.363m overspend at month 5.

SUMMARY

The Finance Committee will be kept up to date regarding any additions to the Risk Registers or any change in risk assessment.

ASSURANCE is provided by:

- The scrutiny of the Risk Register undertaken by the Finance Committee;

RECOMMENDATION

The Finance Committee is asked to:

- **NOTE** the risks highlighted within the 2019/20 risk register

Shaping our Future Wellbeing Strategic Objectives

This report should relate to at least one of the UHB's objectives, so please tick the box of the relevant objective(s) for this report

1. Reduce health inequalities		6. Have a planned care system where demand and capacity are in balance	
2. Deliver outcomes that matter to people		7. Be a great place to work and learn	
3. All take responsibility for improving our health and wellbeing		8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	
4. Offer services that deliver the population health our citizens are entitled to expect		9. Reduce harm, waste and variation sustainably making best use of the resources available to us	x
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time		10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	

Five Ways of Working (Sustainable Development Principles) considered

Please tick as relevant, click [here](#) for more information

Prevention		Long term	x	Integration		Collaboration		Involvement	
Equality and Health Impact Assessment Completed:		Yes / No / Not Applicable If "yes" please provide copy of the assessment. This will be linked to the report when published.							

Categories	CB/Dir Ref No	Date Entered onto new CB/Dir/UHB Risk Register	Risk/Issue (Including Impact)	Existing Controls	Current Risk Rating			Adequacy Existing Controls	Summary of Additional Controls Required	Target Risk Rating if Controls in Place			Date of Last Review	Review Completed By	Date of Next Review	Risk Owner	Exec Lead	Assuring committee
					Impact / Consequence	Likelihood	Score			Impact / Consequence	Likelihood	Score						
Finance	Fin01/19	Mar-19	The opening underlying deficit in 19/20 is £36.3m. The IMTP planned c/f underlying deficit in 2020/21 is £4m.	Governance reporting and monitoring arrangements through the Finance Committee and Board	5	4	20	Adequate but more Action Required	Progress against the underlying deficit is to be managed by Management Executive.	4	3	12	Aug-19	Assistant Director of Finance	Sep-19	The Board	Director of Finance	Finance Committee
Finance	Fin02/19	Mar-19	Manage Budget pressures	The requirement to manage budget pressures clearly communicated to primary budget holders. Standing Financial Instructions set spending limits. Break even plans have been requested from all Clinical Boards. Progress to be reviewed through Executive Performance Reviews with Clinical Boards. Significant overspends at month 5: Medicine Clinical Board £2.132m PCIC £1.480m Surgery £0.727m	5	4	20	Adequate but more Action Required	Escalation process led by Chief Executive.	4	2	8	Aug-19	Assistant Director of Finance	Sep-19	The Board	Chief Operating Officer	Finance Committee
Finance	Fin03/19	Mar-19	Deliver 2% Recurrent CIP (£16.4m) - £0.402m shortfall at month 5.	2% recurrent CIP target clearly communicated to budget holders. CIP tracker in place to monitor weekly progress across the organisation. Project Management Office in place to support the identification of cross cutting CIPs. Executive lead identified for each cross cutting theme. Monthly Financial Clearance Meeting. Executive / Clinical Board Performance Reviews. Medicine Clinical Board £0.345m shortfall against target at month 5.	4	3	12	Adequate but more Action Required		4	3	12	Aug-19	Assistant Director of Finance	Sep-19	The Board	Director of Finance	Finance Committee
Finance	Fin04/19	Mar-19	Develop and deliver Corporately led financial opportunities of £12.8m to achieve year end break even position - Full CIP plan in place at month 5.	CIP target clearly communicated. CIP tracker in place to monitor weekly progress. Executive lead identified for each Corporate Scheme	4	3	12	Adequate but more Action Required	Progress against Corporate schemes is to be managed by Management Executive.	4	3	12	Aug-19	Assistant Director of Finance	Sep-19	The Board	Director of Finance	Finance Committee
Finance	Fin05/19	Mar-19	Manage internal investments within £4m envelope	When Internal investment plan agreed business cases to be approved through the Business Case Approval Group (BCAG)	3	3	9	Optimum Controls/NFA Required	Internal investments will not be agreed until the UHB has a full savings programme in place.	3	2	6	Aug-19	Assistant Director of Finance	Sep-19	The Board	Director of Finance	Finance Committee
Finance	Fin06/19	Mar-19	Deliver RTT within resources available (Baseline£10.5m 19/20) Additional £6.1m funding agreed with WG	The UHB will continue to work closely with WG to ensure appropriate resources are made available to maintain progress.	4	3	12	Adequate but more Action Required	Monthly meetings with the COO, progress report to be received through performance review meetings and regular dialogue with WG.	3	2	6	Aug-19	Assistant Director of Finance	Sep-19	The Board	Chief Operating Officer	Finance Committee
Finance	Fin07/19	Mar-19	Winter pressures managed within (£3.3m control total 19/20)	Winter plan for 2019/20 being developed for sign off by Management Executive. £1.8m risk.	4	3	12	Adequate but more Action Required	Progress report to be received through performance review meetings.	3	2	6	Aug-19	Assistant Director of Finance	Sep-19	The Board	Chief Operating Officer	Finance Committee
Finance	Fin08/19	Mar-19	Commissioning Risks	Regular performance/LTA meetings with other providers/WHSSC and internal commissioning group.	3	3	9	Optimum Controls/NFA Required	None	3	2	6	Aug-19	Assistant Director of Finance	Sep-19	The Board	Director of Finance	Finance Committee
Finance	Fin09/19	Mar-19	Management of Nursing overspend - £1.363m month 5 (£1.8m month 12 2018/19)	Progress to be monitored through Nursing Productivity Group and Executive / Clinical Board Performance Reviews.	4	5	20	Adequate but more Action Required	Escalation process led by Chief Executive	3	4	12	Aug-19	Assistant Director of Finance	Sep-19	The Board	Chief Operating Officer / Director of Nursing	Finance Committee
Finance	Fin10/19	Mar-19	Containment of IT developments	Internal investment plan agreed with business cases to be approved through the Business Case Approval Group (BCAG) / Capital Management Group.	4	4	16	Optimum Controls/NFA Required	Internal investments will not be agreed until the UHB has a full savings programme in place. Possibility of digital funding from WG.	2	3	6	Aug-19	Assistant Director of Finance	Sep-19	The Board	Director of Transformation	Finance Committee
Finance	Fin11/19	Mar-19	Increased employers pension contributions	The UHB will continue to work closely with WG to ensure appropriate resources are made available to maintain progress.	4	2	8	Optimum Controls/NFA Required	None	2	2	4	Aug-19	Assistant Director of Finance	Sep-19	The Board	Director of Finance	Finance Committee
Finance	Fin12/19	Jul-19	Research & Development expenditure plan to align with WG Policy. Up to £0.5m.	The UHB will continue to work closely with WG and the R&D Office to ensure appropriate allocation of resources.	4	3	12	Optimum Controls/NFA Required	None	2	2	4	Aug-19	Assistant Director of Finance	Sep-19	The Board	Director of Finance	Finance Committee
Finance	Fin13/19	Aug-19	Welsh Risk Pool - £0.5m	The UHB will continue to work closely with WG .	3	2	6	Optimum Controls/NFA Required	None	2	2	4	Aug-19	Assistant Director of Finance	Sep-19	The Board	Director of Finance	Finance Committee

Guidance Notes to assist completing the risk register

Remember all risks must have undergone a risk assessment, prior to them being added to the Risk Register

UHB Reference No:- This number will be allocated by the Risk Management Department. Once added this will be communicated back to the Divisions.

Divisional / Directorate Reference No:- Each Division / Directorate should have a unique numbering system for the risks that they enter onto the register. It should contain the initials of the Division, a consecutive number and the year e.g. Mental Health = MH, Children's and Women's = CW, Primary, Community & Intermediate & Older Persons = PCIO, Dental = Den, Diagnostics & Therapeutics = DT, Medicine = M, Surgical Services = SS, Specialist Services = SpS. MH 01/10, SPS 01/10 etc. (Note - as this register is in the developmental stage please advise Melanie Westlake if there are alternative initials to be used).

Previous Reference No:- Whilst the UHB is in the process of consolidating and updating registers it will be necessary to include the previous reference number for audit purposes. This will be populated by the Risk Management Department.

Date entered onto original Register:- as above

Risk / Issue (Including Impact):- The Risk or Issue is the event that could cause an incident or hinder the achievement of objectives. A risk is something that may happen. An issue is already occurring. The impact is the effect that the Risk or Issue will have on the UHB.

Link to UHB Core Objectives:- List here, the main Strategic Goal that links to the risk being assessed.

Existing Controls:- Summarise in bullet form the existing controls to prevent the risk / issue occurring or reduce the impact.

Current Risk Rating:- Assess the current impact on the UHB using Tables 1,2 & 3.

Ranking:- This is the ranking of the risk e.g. The highest risk will score 25 and be ranked at 1, those that score 20 will be ranked at 2 etc.

Adequacy of existing controls:- Indicate how well controlled you feel the risk / issue is i.e. No control, Inadequate controls, Adequate but more action required and Optimum / NFA required.

Summary of Additional Controls Required:- Summarise in bullet form the controls that you know should be introduced to reduce the risk together with resources required.

Target Risk Rating if Controls in Place:- What will be the risk be if the actions proposed to further reduce / eliminate the risk are taken.

Date of Last Review:- When was the Risk Assessment / Control measures last reviewed.

Review completed by:- This should be a senior member of staff for high / medium risk on the register e.g. Divisional Manager / Nurse.

Date of Next Review:- This should be determined by the adequacy of controls and risk score e.g. risks scoring 25 with Inadequate control = monthly, risk scoring 12 with adequate controls but more action required = 6 monthly.

Risk Owner:- Who is the lead for taking the actions proposed relating to this risk. This should be Divisional Director, Board Secretary, Assistant Director etc.

Director Lead:- Who is the lead Director for this risk.

Assuring Committee:- This is the Committee that will monitor / manage the risk on behalf of the UHB Board or the UHB itself e.g. Quality & Safety Committee, Performance Committee.

	Consequence score (severity levels) and examples of descriptors				
	1	2	3	4	5
Domains	Negligible	Minor	Moderate	Major	Catastrophic
Impact on the safety of patients, staff or public (physical/psychological harm)	Minimal injury requiring no/minimal intervention or treatment. No time off work	Minor injury or illness, requiring minor intervention Requiring time off work for >3 days Increase in length of hospital stay by 1-3 days	Moderate injury requiring professional intervention Requiring time off work for 4-14 days Increase in length of hospital stay by 4-15 days RIDDOR/agency reportable incident An event which impacts on a small number of patients	Major injury leading to long-term incapacity/disability Requiring time off work for >14 days Increase in length of hospital stay by >15 days Mismanagement of patient care with long-term effects	Incident leading to death Multiple permanent injuries or irreversible health effects An event which impacts on a large number of patients
Quality/complaints/audit	Peripheral element of treatment or service suboptimal Informal complaint/inquiry	Overall treatment or service suboptimal Formal complaint/ Local resolution Single failure to meet internal standards Minor implications for patient safety if unresolved Reduced performance rating if unresolved	Treatment or service has significantly reduced effectiveness Formal complaint / Local resolution (with potential to go to independent review) Repeated failure to meet internal standards Major patient safety implications if findings are not acted on	Non-compliance with national standards with significant risk to patients if unresolved Multiple complaints/ independent review Critical report	Totally unacceptable level or quality of treatment/service Inquest/ombudsman inquiry Gross failure of patient safety if findings not acted on Gross failure to meet national standards
Human resources/ organisational development/staffing / competence	Short-term low staffing level that temporarily reduces service quality (< 1 day)	Low staffing level that reduces the service quality	Late delivery of key objective/ service due to lack of staff Unsafe staffing level or competence (>1 day) Low staff morale Poor staff attendance for mandatory/key professional training	Uncertain delivery of key objective/service due to lack of staff Unsafe staffing level or competence (>5 days) Loss of key staff Very low staff morale No staff attending mandatory/ key professional training	Non-delivery of key objective/service due to lack of staff Ongoing unsafe staffing levels or competence Loss of several key staff No staff attending mandatory training /key professional training on an ongoing basis
Statutory duty/ inspections	No or minimal impact or breach of guidance/ statutory duty	Breach of statutory legislation	Single breach in statutory duty Challenging external recommendations/ improvement notice	Enforcement action Multiple breaches in statutory duty Improvement prohibition notices Critical report	Multiple breaches in statutory duty Prosecution Complete systems change required Severely critical report

Adverse publicity/ reputation	Rumours Potential for public concern	Local media coverage – short-term reduction in public confidence Elements of public expectation not being met	Local media coverage – long-term reduction in public confidence	National media coverage with <3 days service well below reasonable public expectation	National media coverage with >3 days service well below reasonable public expectation. MP/AM concerned (questions in the House/Assembly) Total loss of public confidence
Business objectives/ projects	Insignificant cost increase/ schedule slippage	<5 per cent over project budget Schedule slippage	5–10 per cent over project budget Schedule slippage	Non-compliance with national 10–25 per cent over project budget Schedule slippage Key objectives not met	Incident leading >25 per cent over project budget Schedule slippage Key objectives not met
Finance including claims	Small loss Risk of claim remote	Loss of 0.1–0.25 per cent of budget Claim less than £10,000	Loss of 0.25–0.5 per cent of budget Claim(s) between £10,000 and £100,000	Uncertain delivery of key objective/Loss of 0.5–1.0 per cent of budget Claim(s) between £100,000 and £1 million Purchasers failing to pay on time	Non-delivery of key objective/ Loss of >1 per cent of budget Failure to meet specification/ slippage Loss of contract Claim(s) >£1 million
Service/business interruption	Loss/interruption of >1 hour	Loss/interruption of >8 hours	Loss/interruption of >1 day	Loss/interruption of >1 week	Permanent loss of service or facility
Environmental impact	Minimal or no impact on the environment	Minor impact on environment	Moderate impact on environment	Major impact on environment	Catastrophic impact on environment

Likelihood Score (L)

- What is the likelihood of the consequence occurring?
- The frequency based score is appropriate in most circumstances and is easier to identify. It should be used whenever it is possible to identify the frequency at which a risk is likely to occur.
- The probability score is more appropriate for risks relating to time limited or one-off projects or business objectives

Likelihood Score

Descriptor	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost Certain
<u>Frequency</u> How often does it might it happen	This will probably never happen/ recur	Do not expect it to happen / recur but it is possible it may do so	Might happen or recur occasionally	Will probably happen/recur but it is not a persisting issue	Will undoubtedly happen/recur, possibly frequently
<u>Probability</u> Will it happen or not? % chance of <u>not</u> meeting objective	<0.1 per cent	0.1-1 per cent	1 -10 per cent	10-50 per cent	>50 per cent

Table 3 - Risk Scoring = Consequence x Likelihood (C x L)

Consequence Score	Likelihood Score				
	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost certain
5 - Catastrophic	5	10	15	20	25
4 - Major	4	8	12	16	20
3 - Moderate	3	6	9	12	15
2 - Minor	2	4	6	8	10
1 - Negligible	1	2	3	4	5

For grading risk, the scores obtained from the risk matrix are assigned grades as follows

1 - 3 = Low Risk	Quick, easy measures implemented immediately and further action planned for when resources permit
4 - 10 = Moderate Risk	Actions implemented as soon as possible but no later than a year
12 - 16 = High Risk	Actions implemented as soon as possible but no later than six months
20 - 25 = Extreme Risk	Requires urgent action. The UHB Board is made aware and it implements immediate corrective action

THE WELSH GOVERNMENT FINANCIAL COMMENTARY

FINANCIAL POSITION FOR THE PERIOD ENDED 31st AUGUST 2019

INTRODUCTION

The UHB's approved 2019/20-2021/22 Integrated Medium Term Plan (IMTP) includes a balanced financial plan for 2019/20.

At month 5, the UHB is reporting an overspend of £2.817m against this plan. The month 5 overspend is broadly in line with the profile provided with the month 3 monitoring returns. The UHB plans to recover the year to date deficit and deliver a break even position by the year end.

BACKGROUND

The Health Board agreed and submitted its 2019/20 – 2021/22 IMTP to Welsh Government by the end of January 2019 for its consideration. Approval of this plan was received by Welsh Government in March 2019. The financial plan aims to deliver a break even position for each year during the period of this plan.

A summary of this plan is provided in Table 1.

Table 1: 2019/20 IMTP

	Approved IMTP £m
b/f underlying deficit	(36.3)
Net Allocation Uplift (inc LTA inflation)	56.6
Cost Pressures	(47.6)
Investments	(4.0)
Recurrent Cost Improvement Plans	31.3
In Year Financial Plan	36.3
Planned Surplus/(Deficit) 2019/20	0.0

The UHB faces a number of financial challenges in the delivery of this Financial Plan and the key risks for 2019/20 are set out below:

- Achievement and delivery of the efficiency plan target.

- Management of Operational Pressures – The UHB expects budget holders to manage and recover any operational pressures within the totality of delegated resources. This includes the management of growth in continuing healthcare and prescribing for which no additional funding has been provided to budget holders.
- RTT and Winter Plan – Delivering planned levels of performance within the resources available.

These financial monitoring returns have been prepared against the UHB's approved IMTP which includes a balanced position for 2019/20. This report details the financial position of the UHB for the period ended 31st August 2019.

A full commentary has been provided to cover the tables requested for the month 5 financial position.

The response to the queries raised in the month 4 financial monitoring returns is set out in an attachment to this commentary.

FINANCIAL PLAN (TABLE A)

Table A sets out the financial plan and latest position at month 4. In interpreting Table A the following should be noted

- Welsh Government funding includes the £10m operational plan allocation that has been made recurrent;
- The UHBs £31.245m savings target has been reduced in year by £4.9m to £26.345m. The reduction reflects the release of £2.1m from the UHBs investment reserve which cannot be applied as sufficient savings had not been made to support it and a reduction of £2.8m to reflect the anticipated operational underspend on WEQAS.

UNDERLYING POSITION (TABLE A1)

This table sets out the opening and forecast underlying position of the UHB.

The opening position is an underlying deficit of £36.3m and if the plan is successfully delivered this would reduce to £4.0m by the year end.

The UHB's 2019/20-2021/22 Integrated Medium Term Plan (IMTP) which has gained Welsh Government approval contains measures to recurrently address the UHBs underlying deficit.

RING FENCED ALLOCATIONS (TABLES B, N & O)

The UHB is not expecting to underspend on any of its ring fenced funding for Learning Disabilities, Depreciation, Mental Health Services, Renal Services,

Palliative Care, Integrated Care Fund (ICF), Delivery Plan, Paramedic banding, Clinical Desk enhancements, Genomics for Precision Medicine Strategy, GMS and Dental Services.

ACTUAL YEAR TO DATE AND FORECAST POSITION (TABLE B AND B1)

Table B confirms the year to date deficit of £2.817m.

The UHB intends to recover this year to date deficit and deliver a break even position by the year end. The UHB has a plan to achieve this which includes the delivery of remedial actions and the careful management and control of budgets and expenditure. This will take concerted management attention and is not without risk of delivery which is assessed to be up to £4m. This assumes full delivery of the savings plan and excludes risks relating to the Welsh Risk Pool.

The forecast trajectory in order to achieve this has been included within Table B. This shows that the cumulative position is expected to deteriorate further in September before showing sustained improvements resulting in a break even position. The actual month 5 position is £0.103m better than the profile provided in month 3.

Income and Expenditure Analysis

Table 2 analyses the year to date and forecast variance between Income, Pay and Non Pay.

Table 2: Summary Financial Position for the period ended 31st August 2019

Income/Pay/Non Pay	In Month			Cumulative Year to Date			Full Year		
	Budget £m	Actual £m	Variance (Fav)/Adv £m	Budget £m	Actual £m	Variance (Fav)/Adv £m	Budget £m	Forecast £m	Variance (Fav)/Adv £m
Income	(119.849)	(119.837)	0.012	(596.005)	(598.801)	0.021	(1,439.508)	(1,439.508)	0.000
Pay	53.122	52.692	(0.430)	267.073	265.916	(1.157)	624.058	624.058	0.000
Non Pay	66.726	67.551	0.825	328.932	332.885	3.953	815.450	815.450	0.000
Variance to Plan £m	0.000	0.406	0.406	0.000	0.000	2.817	0.000	0.000	0.000

The month 5 income variance is detailed in Table 3.

Table 3: Analysis of Income Budgets

Income	In Month			Cumulative Year to Date		
	Budget	Actual	Variance (Fav)/Adv	Budget	Actual	Variance (Fav)/Adv
	£m	£m	£m	£m	£m	£m
Research & Development	(0.785)	(0.720)	0.065	(4.219)	(4.428)	(0.209)
Revenue Resource Limit	(80.284)	(80.284)	0.000	(400.101)	(402.917)	0.000
Accommodation & Catering	(0.382)	(0.345)	0.037	(1.810)	(1.729)	0.081
Education & Training	(3.278)	(3.243)	0.035	(16.228)	(16.173)	0.055
Injury Cost Recovery Scheme (CRU) Income	(0.180)	(0.196)	(0.016)	(0.902)	(0.880)	0.022
NHS Patient Related Income	(26.327)	(26.496)	(0.169)	(129.591)	(129.712)	(0.122)
Non Revenue Resource Limit	(1.609)	(1.610)	(0.000)	(8.047)	(8.048)	0.000
Other Operating Income	(6.883)	(6.800)	0.083	(34.533)	(34.232)	0.301
Overseas Patient Income	(0.007)	(0.027)	(0.019)	(0.037)	(0.094)	(0.057)
Private Patient Income	(0.112)	(0.115)	(0.003)	(0.537)	(0.589)	(0.052)
Total £m	(119.849)	(119.837)	0.012	(596.005)	(598.801)	0.021

A deficit of £0.021m is reported against income budgets. The main variances to note are:

- £0.169m favourable in month variance on NHS patient related income where there has been an increase in high cost English cross border activity in August together with a recognition of an increased cost of immunology supplies charged against WHSCC.
- The under recovery reported against R & D in month which is due to the timing of invoicing arrangements with commercial companies.
- £0.083m adverse variance on other operating income primarily due to underperformance PICU and NICU and a reduction in pharmacy sales due to production issues in the St Mary's Pharmaceutical Unit during April to June which have now been resolved.

Financial performance against pay budgets is set out in Table 4 and this includes UHB pay within primary care.

Table 4: Analysis of Pay Budgets

Pay	In Month			Cumulative Year to Date		
	Budget	Actual	Variance (Fav)/Adv	Budget	Actual	Variance (Fav)/Adv
	£m	£m	£m	£m	£m	£m
Additional clinical services	2.067	2.014	(0.053)	10.112	10.057	(0.055)
Management, admin & clerical	6.363	6.407	0.045	31.907	31.793	(0.114)
Medical and Dental	13.378	13.108	(0.270)	66.188	66.039	(0.149)
Nursing (registered)	16.033	15.904	(0.128)	80.964	80.806	(0.158)
Nursing (unregistered)	4.156	4.508	0.352	21.323	22.844	1.521
Other staff groups	8.035	7.851	(0.185)	40.929	39.610	(1.319)
Scientific, prof & technical	3.090	2.899	(0.191)	15.649	14.766	(0.884)
Total £m	53.122	52.692	(0.430)	267.073	265.916	(1.157)

Total pay budgets are underspent by £1.157m at the end of August.

The pressure against nursing budgets particularly within the Surgery and Medicine Clinical Boards continues to be of concern. The rate of overspend against nursing budgets fell in both Clinical Boards in month 5 compared to the first 4 months. In addition further funding has been secured by the Women and Children's Clinical Board to support nursing posts in the Children's Hospital which has had a retrospective impact on the reported position.

Pressures continue to be driven by high levels of vacancies and sickness which have led to increased agency expenditure to maintain established levels of nursing cover. Specialing has also been high in some areas and additional nursing has been deployed to support extra beds and relieve pressure in the Emergency Unit, Acute Oncology, Lansdowne Ward, SAU & SSU. Nursing Recovery Plans are ongoing and progress will be closely monitored as the year progresses.

Financial performance against non pay budgets is set out in Table 5.

Table 5: Analysis of Non Pay Budgets

Non Pay	In Month			Cumulative Year to Date		
	Budget	Actual	Variance (Fav)/Adv	Budget	Actual	Variance (Fav)/Adv
	£m	£m	£m	£m	£m	£m
Clinical services & supplies	8.352	8.463	0.111	43.167	43.438	0.271
Commissioned Services	14.512	14.754	0.242	72.036	72.276	0.240
Continuing healthcare	5.689	5.933	0.243	27.298	28.130	0.832
Drugs / Prescribing	13.059	13.576	0.517	62.464	64.366	1.902
Establishment expenses	0.717	0.834	0.117	4.781	5.009	0.228
General supplies & services	0.674	0.677	0.003	3.608	3.770	0.162
Other non pay	6.188	5.707	(0.481)	29.636	28.542	(1.094)
Premises & fixed plant	2.991	3.303	0.312	14.683	16.107	1.424
Primary Care Contractors	14.544	14.303	(0.241)	71.258	71.246	(0.012)
Total £m	66.726	67.551	0.825	328.932	332.885	3.953

Table 5 highlights an overspend of £3.953m against non pay budgets.

The key operational pressure areas are:

- High levels of CHC growth as a consequence of increasing numbers particularly in respect of palliative care and learning difficulties;
- An overspend against drug budgets primarily in medicine and primary care; the majority of the in month overspend related to GP prescribing where category M prices and cost and volume growth are driving additional costs.
- Premises and fixed plant where key cost drivers are increased spend on estates contractors to cover vacancies in substantive posts; energy costs; the significant cost of security on the vacant sites at Lansdowne

and Whitchurch. £0.351m of the expenditure on estates contractor costs is offset by staff underspends on vacant posts.

The adverse movement in the month in commissioned services relates to the recognition of the UHB's contribution to the WHSCC budget alongside additional drug costs at Velindre NHS Trust which the UHB was recently informed of.

SAVING PLANS (TABLE C, C1 AND C2)

The UHBs £31.245m savings target has been reduced by £4.9m to reflect the release of £2.1m relating to the UHBs remaining investment reserve and a further £2.8m to reflect an operational underspend on WEQAS. The target is now £26.345m

At month 5 the UHB has a fully identified savings programme to deliver against the £26.345m savings target as summarised in Table 6. The identified schemes include income generation schemes and accounting gains which are excluded from Table C.

Table 6: Progress against the 2019/20 Savings Programme at Month 5

	Total Savings Target £m	Total Savings Identified £m	Total Savings (Unidentified) £m
Total £m	26.345	26.345	0.000

Further work will continue on the savings programme to convert the key remaining amber schemes to green as soon as possible.

INCOME/EXPENDITURE ASSUMPTIONS (TABLE D)

LTA Heads of Agreements have been agreed and signed with the five Health Boards (Swansea Bay University, Cwm Taf Morgannwg, Powys, Hywel Dda, Aneurin Bevan) with which the UHB holds contracts. In addition, LTA Heads of Agreements have been agreed and signed off with WHSCC and Velindre. The UHB has also agreed its main SLAs with England NHS organisations.

RESOURCE LIMITS 2018/19 (TABLE E)

Table E outlines the UHB's 2019/20 resource limit.

Similar to practice in previous years, the UHB forecast continues to exclude £1.028m of recurrent expenditure which has arisen following a change in the accounting treatment of UHB PFI schemes under International Financial Reporting Standards (IFRS). The UHB is assuming that Welsh Government will continue to provide resource cover for this.

RISK MANAGEMENT (TABLE F)

The key financial risk is now the management of operational pressures which has a risk assessed at £4m. Clinical Boards have been tasked with the delivery of balanced budget plans which require the delivery of recovery measures. In addition the UHB is also carefully managing its corporate risks and opportunities.

There still remains a risk on savings schemes until these have been fully converted to green. Based upon an 80% conversion rate these are now assessed at £1.250m and the risk table has been amended to show this. These however are now assessed as a low risk.

Upon advice, a further risk of circa £0.5m has been included in relation to the Welsh Risk Pool.

Work on mitigating these risks will continue until the UHB has assurances on the delivery of its financial plan.

STATEMENT OF FINANCIAL POSITION (TABLE G)

The opening balances at the beginning of April 2019 reflect the closing balances in the 2018/19 Annual Accounts approved by the UHB's Board on 30th May 2019.

The increase in the carrying value of property, plant & equipment since the start of the year is largely due to the impact of annual indexation. The small increase in the carrying value of these assets in month, reflects the higher rate of capital expenditure achieved in July.

The carrying value of Inventory held fell by circa £0.3m in month primarily due to the management and use of cardiac and ALAC stock purchased in bulk earlier in the year to obtain a discounted purchase price.

Overall trade debtors have increased by £6.3m in month and £17.3m since the start of the year. Circa £3.9m of the in year increase relates to Non NHS prepayments which are historically higher at the start of the year due to the annual payment of a significant number of maintenance agreements which run from April to March. Amounts due from the Welsh Risk Pool in respect of clinical negligence have also increased £4.9m since the start of the year. In addition NHS invoice accruals have increased by £9.5m. This largely relates to money due from Welsh Government in respect of R&D funding; Welsh LHB's performance on UHB commissioned LTA's and from WHSCC in respect additional activity.

There were nil UHB invoices with other Welsh NHS bodies which were outstanding for more than 17 weeks as at the 31st August 2019. However two such invoices were outstanding with Welsh Government. One of the invoices relates to 2018/19 ICF funding, where an issue over the terms of the grants needs to be resolved before the cash can be released. The other invoice is for a national research specialty lead where the UHB shortly expects to provide further information to enable Welsh Government to pay the charge.

Assets held for sale have fallen since the start of the year due to the sale of Iorweth Jones in May 2019.

The value of Trade and other payables has fallen by around £14.8m since the start of the year. The decrease primarily reflects a £5.6m reduction in capital creditors, where the majority of the significant year-end balance has now been settled, a £3.8m reduction in clinical negligence accruals following payment of a number of settlements in the year to date and the payment of £3.2m in respect of year end settlements agreed with WHSCC and other LHBs at the end of 2018/19. The carrying value of trade creditors increased by £4.8m in August largely reflecting the timing of the UHB's contribution to the Pooled CHC fund and a £1.2m LTA overpayment which will be repaid to WHSCC.

At the time of reporting the UHB had paid or received agreement for cancellation for all invoices bar one which were older than 17 weeks at the 31st August 2019. The exception is Swansea Bay invoice 3175838 which the UHB expects to settle shortly.

The forecast balance sheet reflects the UHB's latest non cash estimates and its anticipated capital funding.

CASHFLOW FORECAST (TABLE H)

The closing cash balance for the month is higher than planned; largely due to receipts from other bodies being higher than forecast.

Amounts shown on the sale of assets line in Table I reflect the full value of sale proceeds expected to be received in year. The UHB intends to utilise the net book value element of this figure (£1.723m) to support its capital commitments for the year.

The UHB understands the requirement to ensure that capital funding drawn down is broadly in line with the capital payments to the same date. June capital payments were higher than had been anticipated leading to a capital cash deficit at the end of that month. As reported last month it is expected that balance will be restored in September 2019.

The zero draw down of capital resource in month 12, together with no forecast capital expenditure is a consequence of the current CRL assumption that the

full payback of the capital brokerage re the purchase of Woodland House will be paid via the UHB's capital resource limit. However £1.761m will be paid as a reduction to the UHB's resource limit (see Table E), therefore when this is mirrored by an adjustment through the UHB's CRL, this will be reflected by a planned draw down of capital resource and associated capital payments in March.

The UHB does not expect to require additional cash support in 2019/20 and will continue to monitor this position with a view to revising the requirement if necessary.

PUBLIC SECTOR PAYMENT COMPLIANCE (TABLE J)

The UHB's cumulative performance to the end of August is 96.4% which is 0.1% lower than the previous month and better than the cumulative rate achieved in 2018/19 (95.3%). During the same period, the UHB paid 81.2% of its NHS invoices by number within 30 days. The performance in this area improved by 1.3% in month and is considerably better than the 75.8% achieved for the same period in 2018/19.

Sustained improvement in the NHS position is predicated upon the implementation of a No PO /No Pay policy by the UHB in this area. In this context appropriate communications have been relayed to partner bodies to advise that the UHB will implement this policy in October.

CAPITAL SCHEMES (TABLES J, K, L)

Capital progress for the year to date improved in month with net expenditure to the end of August being 31% of the UHB's approved Capital Resource Limit. This is in line with expectation as expenditure linked to the sale of the former Lansdowne Hospital cannot be committed until the sale is finalised.

Planned spends for the year reflect the latest CRL received from Welsh Government dated 6th June 2019.

Attention is drawn to the following figures shown in Table J:

1. The repayment of the £2.2m brokerage received for the purchase of Woodland House that is shown on the CRL is currently deducted from the UHB's available discretionary capital as the UHB has been instructed not to show this as anticipated until the brokerage has been repaid. The UHB has indicated to the Deputy Director, Capital Estates & Facilities and the Deputy Head of Capital, Estates & Facilities at Welsh Government that £1.761m will be repaid as a reduction to the UHBs revenue resource limit and £0.439m as a reduction to the UHBs capital resource limit. The reduction to the revenue limit has increased by £0.350m, with the capital reduction

falling by the same figure. This is based on a revised valuation following a fire on site earlier this year. It is anticipated that future CRLs will be amended to reflect the proposed means of repayment.

2. As outlined in the 2018/19 month 12 return, the 2018/19 slippage on the Rookwood Replacement, Rookwood Essential Maintenance and the Black and Grey Theatres Schemes used to fund the enabling work at Woodland House has been re-provided by the UHB from discretionary capital funds in 2019/20.
3. The reported in year under spend on the Neo Natal Scheme repays money that the UHB has spent on the project from its discretionary funds in previous financial years.
4. The UHB is currently incurring expenditure in respect of the business cases for the Well Being Hubs at Maelfa and Penarth and the Cystic Fibrosis business case at its own risk. It is assumed that these costs will be recoverable if the cases are approved.
5. The forecast overspend ascribed to the Rookwood Hospital Replacement Scheme repays funding drawn down but not spent in previous years. Spend on this scheme was lower than anticipated in month due to delays in the foundations and final steelwork design. An updated programme which includes acceleration of the steelwork is currently being put together to ensure this slippage is recaptured.

The spend profile shown in Table K reflects the actual spend to Month 5 and the forecasts also reflect spend profile information that the UHB has received from its cost advisors with regards to its major projects. All schemes are currently allocated low risk ratings.

The figures shown in Table L reflect the three anticipated properties where disposals have or are expected to complete this year. The sale of land at Whitchurch Hospital is also included in Table L, however due to the link to the Velindre Business Case for a new Cancer Hospital the timing of this sale remains uncertain.

AGED WELSH NHS DEBTORS (TABLE M)

There were nil UHB invoices with other Welsh NHS bodies which were outstanding for more than 17 weeks as at the 31st August 2019. However two such invoices were outstanding with Welsh Government. One of the invoices relates to 2018/19 ICF funding, where an issue over the terms of the grants needs to be resolved before the cash can be released. The other invoice is for a national research specialty lead where the UHB shortly expects to provide further information to enable Welsh Government to pay the charge.

OTHER ISSUES

The financial information reported in these monitoring returns aligns to the financial details included within Finance Committee and Board papers. These monitoring returns will be taken to the 25th September 2019 meeting of the Finance Committee for information.

CONCLUSION

The UHB has an approved IMTP with a financial plan that delivers a balanced position in 2019/20. To achieve this the UHB will need to manage operational pressures and identify and deliver a significant savings programme.

At month 5 the UHB has a plan to fully deliver the savings target. The UHB is however reporting an overspend of £2.817m due to operational pressures. The UHB plans to recover this year to date deficit and deliver a break even position by the year end. Delivery of this plan however is not without risk and it will therefore remain an area of focus for the UHB until this risk is managed.

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LEN RICHARDS
CHIEF EXECUTIVE

12th September 2019

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ROBERT CHADWICK
DIRECTOR OF FINANCE

12th September 2019

Table A - Movement of Opening Financial Plan to Forecast Outturn

This Table is currently showing 0 errors

Line 11 should reflect the corresponding amounts included within the latest IMTP submission to WG

Lines 1 - 11 should not be adjusted after Month 1

	In Year Effect	Non Recurring	Recurring	FYE of Recurring
	£'000	£'000	£'000	£'000
Underlying Position b/fwd from Previous Year - as per 3 year plan (Surplus - Positive Value / Deficit - Negative Value)	-36,261	0	-36,261	-36,261
New Cost Pressures - as per 3 year plan (Negative Value)	-51,594		-51,594	-51,594
Opening Cost Pressures	-87,855	0	-87,855	-87,855
Identified Savings Plan (Positive Value)	23,270	7,809	15,461	21,645
Savings / Mitigating Actions Yet To Be Identified (Positive Value)	3,553	2,553	1,000	4,362
Welsh Government Funding (Positive Value)	56,610		56,610	56,610
Net Income Generated (Positive Value)	1,289	65	1,224	1,272
Planned Accountancy Gains (Positive Value)	1,000	1,000	0	0
Release of Uncommitted Contingencies & Reserves (Positive Value)				
Profit on Disposal of Asset / Weqas operational underspend	2,135	2,134	0	0
Opening Financial Plan	1	13,561	-13,560	-3,966
Cost Pressures b/fwd from Previous Year - unidentified within 3 year plan (Negative Value)				
Opening Plan Savings - Forecast (Underachievement) / Overachievement	-2,834	-188	-2,646	-540
Additional In Year Identified Savings - Forecast (Positive Value)	2,015	1,473	542	2,765
Additional In Year Identified Accountancy Gains (Positive Value)	1,265	1,265	0	0
Additional Net Income Generated (Positive Value)	-49	-38	-11	11
Non Identification of Savings / Mitigating Actions Yet To Be Identified in Opening Plan	-3,553	-2,553	-1,000	-4,362
Release of Previously Committed Contingencies & Reserves (Positive Value)	2,100		2,100	2,100
Additional In Year Welsh Government Funding (Positive Value)	0			
Weqas operational underspend	1,000	1,000		
Operational Overspend	-3,226			
Mitigating Actions	3,226			
Sale of assets	54	54		
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
	0			
Forecast Outturn (- Deficit / + Surplus)	0	14,574	-14,575	-3,992

[illegible]

Table C - Identified Expenditure Savings Schemes (Excludes Income Generation and Accountancy Gains)

This Table is currently showing 0 errors

			1	2	3	4	5	6	7	8	9	10	11	12	Total YTD	Full-year forecast	YTD as %age of FY	Assessment		Full In-Year forecast	
			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar			YTD variance as %age of YTD	Green	Amber	non recurring	recurring
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000			£'000	£'000	£'000	£'000	£'000
1	CHC and Funded Nursing Care	Budget/Plan	46	46	46	46	46	46	70	94	117	141	165	189	229	1,050		0	1,050		
2		Actual/F'cast	46	46	46	46	46	46	70	94	117	141	165	189	229	1,050	21.83%	0	1,050	0	1,050
3		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0		
4	Commissioned Services	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0		
5		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0
6		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0		
7	Medicines Management (Primary & Secondary Care)	Budget/Plan	121	121	127	149	149	149	316	316	316	316	316	415	668	2,811		993	1,818		
8		Actual/F'cast	121	121	127	149	149	149	182	182	182	266	266	365	668	2,260	29.56%	993	1,267	199	2,061
9		Variance	0	0	0	0	0	0	(134)	(134)	(134)	(50)	(50)	(50)	0	(551)	0.00%	0	(551)		
10	Non Pay	Budget/Plan	381	976	900	1,332	794	878	862	905	905	906	906	1,857	4,383	11,602		10,673	1,862		
11		Actual/F'cast	305	963	829	1,356	705	1,263	815	916	927	937	937	1,806	4,158	11,759	35.36%	10,050	1,709	6,969	4,789
12		Variance	(76)	(13)	(71)	24	(89)	385	(48)	11	21	31	31	(51)	(224)	157	(5.12%)	(623)	(153)		
13	Pay	Budget/Plan	403	331	370	875	667	671	693	703	705	705	705	772	2,646	7,599		7,350	898		
14		Actual/F'cast	380	316	433	647	616	610	630	640	643	722	719	819	2,392	7,174	33.34%	6,530	644	1,926	5,248
15		Variance	(23)	(15)	63	(228)	(51)	(61)	(63)	(63)	(62)	17	14	47	(254)	(425)	(9.61%)	(821)	(254)		
16	Primary Care	Budget/Plan	17	17	17	17	17	17	17	17	17	17	17	17	87	208		208	0		
17		Actual/F'cast	17	17	17	17	17	17	17	17	17	17	17	17	87	208	41.67%	208	0	0	208
18		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0		
19	Total	Budget/Plan	968	1,492	1,460	2,419	1,673	1,761	1,958	2,035	2,060	2,084	2,109	3,250	8,013	23,270		19,224	5,629		
20		Actual/F'cast	869	1,463	1,452	2,216	1,534	2,086	1,714	1,850	1,886	2,083	2,103	3,196	7,534	22,451	33.56%	17,780	4,670	9,094	13,356
21		Variance	(99)	(28)	(8)	(204)	(139)	325	(244)	(185)	(174)	(2)	(5)	(55)	(479)	(819)	(5.98%)	(1,444)	(958)		
22	Variance in month		(10.24%)	(1.91%)	(0.56%)	(8.41%)	(8.33%)	18.44%	(12.46%)	(9.09%)	(8.45%)	(0.08%)	(0.25%)	(1.69%)	(5.98%)						
23	In month achievement against FY forecast		3.87%	6.52%	6.47%	9.87%	6.83%	9.29%	7.63%	8.24%	8.40%	9.28%	9.37%	14.23%							

Table C1- Savings Schemes Pay Analysis

		Month	1	2	3	4	5	6	7	8	9	10	11	12	Total YTD	Full-year forecast	YTD as %age of FY YTD variance as %age of YTD Budget/Plan	Assessment		Full In-Year forecast	
			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar				Green	Amber	non recurring	recurring
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000				£'000	£'000	£'000	£'000
1	Changes in Staffing Establishment	Budget/Plan	203	138	142	395	395	395	485	495	497	497	497	497	1,273	4,633		4,190	698		
2		Actual/F'cast	183	121	144	168	362	354	358	368	370	454	453	488	979	3,823	25.60%	3,379	444	424	3,399
3		Variance	(20)	(17)	3	(227)	(33)	(41)	(127)	(127)	(127)	(42)	(44)	(9)	(294)	(810)	(23.11%)	(811)	(254)		
4	Variable Pay	Budget/Plan	61	64	66	317	117	121	130	130	130	130	130	130	625	1,524		1,324	200		
5		Actual/F'cast	61	63	69	296	93	97	130	130	130	130	130	183	581	1,511	38.48%	1,311	200	492	1,019
6		Variance	(0)	(1)	3	(21)	(24)	(24)	1	1	1	1	1	52	(43)	(13)	(6.91%)	(13)	0		
7	Locum	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0		
8		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0
9		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0		
10	Agency / Locum paid at a premium	Budget/Plan	10	10	10	10	10	10	10	10	10	10	10	10	49	118		118	0		
11		Actual/F'cast	10	10	10	10	10	10	10	10	10	10	10	10	49	118	41.67%	118	0	18	100
12		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0		
13	Changes in Bank Staff	Budget/Plan	4	4	4	4	4	4	4	4	4	4	4	4	18	42		42	0		
14		Actual/F'cast	4	4	3	3	6	4	4	4	5	1	1	1	18	38	48.42%	38	0	26	12
15		Variance	0	0	(1)	(1)	2	0	0	0	2	(3)	(3)	(3)	1	(4)	5.14%	(4)	0		
16	Other (Please Specify)	Budget/Plan	126	115	150	150	141	141	65	65	65	65	65	132	682	1,282		1,676	0		
17		Actual/F'cast	123	118	207	170	146	146	128	128	128	127	125	137	764	1,684	45.39%	1,684	0	966	718
18		Variance	(3)	3	57	20	5	5	63	63	63	61	60	6	82	402	12.04%	7	0		
19	Total	Budget/Plan	403	331	370	875	667	671	693	703	705	705	705	772	2,646	7,599		7,350	898		
20		Actual/F'cast	380	316	433	647	616	610	630	640	643	722	719	819	2,392	7,174	33.34%	6,530	644	1,926	5,248
21		Variance	(23)	(15)	63	(228)	(51)	(61)	(63)	(63)	(62)	17	14	47	(254)	(425)	(9.61%)	(821)	(254)		

Table C2- Savings Schemes Agency/Locum Paid at a Premium Analysis

		Month	1	2	3	4	5	6	7	8	9	10	11	12	Total YTD	Full-year forecast	YTD as %age of FY YTD variance as %age of YTD Budget/Plan	Assessment		Full In-Year forecast	
			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar				Green	Amber	non recurring	recurring
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000				£'000	£'000	£'000	£'000
1	Reduced usage of Agency/Locums paid at a premium	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0		
2		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0
3		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0		
4	Non Medical 'off contract' to 'on contract'	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0		
5		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0
6		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0		
7	Medical - Impact of Agency pay rate caps	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0		
8		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0
9		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0		
10	Other (Please Specify)	Budget/Plan	10	10	10	10	10	10	10	10	10	10	10	10	49	118		118	0		
11		Actual/F'cast	10	10	10	10	10	10	10	10	10	10	10	10	49	118	41.67%	118	0	18	100
12		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0		
13	Total	Budget/Plan	10	10	10	10	10	10	10	10	10	10	10	10	49	118		118	0		
14		Actual/F'cast	10	10	10	10	10	10	10	10	10	10	10	10	49	118	41.67%	118	0	18	100
15		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0		

Full-Year Effect of Recurring Savings
£'000
1,050
0
3,916
6,818
11,878
208
23,870

Full-Year Effect of Recurring Savings
£'000
9,969
1,130
0
100
12
668
11,878

Full-Year Effect of Recurring Savings
£'000
0
0
0
100
100

Aug 19

[illegible][illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Cardiff & Vale ULHB

Period : Aug 19

This Table is currently showing 0 errors

Table F - Overview Of Key Risks / Opportunities Affecting Forecast Outturn

		FORECAST YEAR END			
		Worst Case £'000	Likelihood	Best Case £'000	Likelihood
Current Reported Forecast Outturn		0		0	
Risks (negative values)					
1	Non delivery of Saving Plans/CIPs	(1,250)	Low		
2	Continuing Healthcare				
3	Prescribing				
4	Pharmacy Contract				
5	WHSSC Performance				
6	Other Contract Performance				
7	GMS Ring Fenced Allocation Underspend Potential Claw back				
8	Dental Ring Fenced Allocation Underspend Potential Claw back				
9	Operational pressures	(4,000)	Medium		
10	Welsh Risk Pool	(750)	Medium		
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
Opportunities (positive values)					
23					
24					
25					
26					
27					
28					
29					
30	Total Risks /Opportunities	(6,000)		0	
31	Total Amended Forecast	(6,000)		0	