

Bundle Finance Committee 18 December 2019

Agenda attachments

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- 5.1 Wednesday 29th January 2019 at 2pm, Coed Y Nant Meeting Room, Woodland House

AGENDA
FINANCE COMMITTEE
18th December 2019 at 2.00pm
Executives Meeting Room, 2nd Floor, Woodland House

1.	Preliminaries	
1.1	Welcome & Introductions	John Union
1.2	Apologies for Absence	John Union
1.3	Declarations of Interest	John Union
1.4	Minutes of the Committee Meeting held on 27 th November 2019	John Union
1.5	Action Log	John Union
1.6	Chairs Action taken since last meeting	John Union
2.	Items for Review and Assurance	
2.1	Indemnity clause within Data Processing Contracts	David Thomas
2.2	Financial Performance 2019/20 a. Finance Report for Month 8 b. Updated financial forecast (presentation)	Chris Lewis
2.3	Clinical Boards in Escalation	Steve Curry
2.4	Cost Reduction Programme	Andrew Gough
2.5	Finance Risk Register	Andrew Gough
2.6	2020/21 IMTP (presentation)	Andrew Gough/ Chris Lewis
3	Items for Noting and Information	
3.1	Month 8 Financial Monitoring Returns	
4.	Items to bring to the attention of the Board	John Union
5.	Date and time of next Meeting	
	Wednesday 29 th January 2019 at 2pm, Coed Y Nant Meeting Room, Woodland House	

**CONFIRMED MINUTES OF FINANCE COMMITTEE
HELD ON 27th NOVEMBER 2019
CEFN MABLY MEETING ROOM, WOODLAND HOUSE**

Present:

John Union	JU	Chair, Independent Member – Finance
Charles Janczewski	CJ	Interim Chair (Board)
Andrew Gough	AG	Assistant Director of Finance
Chris Lewis	CL	Deputy Director of Finance
Len Richards	LR	Chief Executive
Martin Driscoll	MD	Executive Director of Workforce and Organisational Development
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:

John Antoniazzi	JA	Independent Member – Estates
Abigail Harris	AH	Executive Director of Strategic Planning

FC 19/121	WELCOME AND INTRODUCTIONS The Chair welcomed everyone to the meeting.	ACTION
FC 19/122	APOLOGIES FOR ABSENCE Apologies for absence were noted.	
FC 19/123	DECLARATIONS OF INTEREST The Chair invited members to declare any interests in proceedings on the Agenda. None were declared.	
FC 19/124	MINUTES OF THE FINANCE COMMITTEE MEETING HELD ON 30th OCTOBER 2019 The minutes of the meeting held on 30 th October 2019 were reviewed for accuracy and were agreed as a true and accurate record. Resolved – that:	

	The minutes of the meeting held on 30 th October 2019 were approved by the Committee as an accurate record.	
FC 19/125	<p>ACTION LOG FOLLOWING THE LAST MEETING</p> <p>The Finance Committee was advised that there were no outstanding Actions.</p> <p>Resolved – that:</p> <p>The Finance Committee noted that there were no outstanding Actions.</p>	
FC 19/126	<p>CHAIRS ACTION SINCE THE LAST MEETING</p> <p>There had been no Chairs action taken since the last meeting.</p>	
FC 19/127	<p>FINANCE REPORT AS AT MONTH 7</p> <p>The Deputy Director of Finance presented the UHB's financial performance to month 7 and highlighted that the UHB had reported an in month underspend of £0.140m and a year to date deficit of £2.385m. It was noted that part of the improvement in month 7 was due to the release of £0.5m accruals and that whilst the UHB's financial position had improved in month, it was circa £0.2m short of the expected profiled recovery.</p> <p>The UHB Vice Chair (CJ) noted the slippage and asked for assurance that the UHB still expected to reach a balanced position at year-end. The Deputy Director of Finance confirmed that this was the case and that the detailed plan to reach a break even position would be outlined in more detail in the presentation to follow. It was noted that there were some risks in the delivery of the plan which had been quantified at £4m excluding any financial risks associated with overspends against the Welsh Risk Pool.</p> <p>Turning to the Finance Dashboard it was highlighted that 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. Referring to the plan to reduce the UHB's underlying deficit to £4m the Deputy Director of Finance added that the UHB was £6.6m short of reaching its recurrent savings target at the end of month 7. In respect of this the UHB Vice chair (CJ) asked whether the UHB would start 2020/21 with an underlying deficit of £10.6m as a consequence of this and the Director of Finance acknowledged that unless further progress was made in the remainder of the year that this would be the case. The Chief Executive indicated that a reduction in the underlying deficit to £10.6m represented a significant step forward from the underlying deficit brought forward into 2019/20, however he added that if there</p>	

	<p>was no improvement moving into 2020/21 that the UHB would need to consider flexing its plan and curtailing investments next year to cover the underlying deficit.</p> <p>Performance against income was broadly balanced although some areas such as the orthopaedics LTA were reporting significant underperformance. In response to a query from the Finance Committee Chair (JU) the Chief Operating Officer signalled that performance in orthopaedics should improve following the appointment of additional medical staff to vacant posts.</p> <p>Pay pressures against nursing budgets which had continued in month were offset by underspends against other clinical and non clinical staff groups.</p> <p>The pressures against non pay budgets were broadly in line with the trends observed in previous months and it was acknowledged that the pressures around continuing healthcare and drugs would need to be considered in the 2020/21 budget setting process.</p> <p>Moving on to performance against delegated budgets the Deputy Director of Finance reported that the significant rates of overspend which had continued in a number of Clinical Boards had been offset by the release of corporate opportunities leading to the £0.140m in month surplus.</p> <p>The UHB Vice Chair (CJ) noted that the Medicine Clinical Board had been in escalation for some time and asked when the UHB expected to see improvements in the financial position. The Director of Finance confirmed that the Clinical Board was working towards a target financial outturn. The Committee was informed that significant external pressures in relation to the Assessment Unit and oncology had emerged in year and that the cost of addressing these pressures has been reported within the Medicine Board's position for the year to date. It was acknowledged that the Clinical Board had little influence over these additional costs, therefore UHB funding would be allocated to cover the retrospective and ongoing costs in November. In addition it was noted that the slippage in plans to close the Sam Davies ward at Barry Hospital had delayed the Clinical Boards plans to re-deploy substantive nursing staff and reduce reliance on agency nursing. The Executive Nurse Director indicated that the Boards progress in filling vacant posts and the implementation of Switch off Sunday were still expected to lead to a reduction in the use of agency staff and a reduction in cost over time.</p> <p>The UHB's savings target had been reduced by an additional £0.250m in month to reflect a further increase to the WEQAS operational underspend.</p> <p>It was noted that the UHB's PSPP performance had improved by 0.2% in month and continued to exceed the 95% target; cash plans were currently on target with the UHB not expecting to request additional cash support in 2019/20 and that there was some slippage</p>	
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	<p>against capital expenditure profiles at month 7 which was expected to be recovered by year-end.</p> <p>Picking up on the capital expenditure profile the UHB Vice Chair (CJ) asked whether the UHB had plans in place to exploit any further capital allocations which were confirmed by Welsh Government towards the end of the financial year. In response the Director of Finance indicated that the UHB had a prioritized list of medical and IT equipment that would be replaced from any further discretionary capital that was allocated before year end.</p> <p>In conclusion the Deputy Director of Finance highlighted that the key risk to the Plan was the management of budgets to deliver a balanced financial position by year end and this risk was assessed as being up to £4m. In addition it was noted that the risk of £2.4m that had emerged relating to the Welsh Risk Pool was excluded from the UHB's forecast break even position on the basis that this risk was not confirmed and that there was potential for Welsh Government funding to cover this.</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 £2.385m deficit at month 7;</p> <p>The Finance Committee noted the key concerns and actions being taken to manage risks</p>	
<p>FC 19/128</p>	<p>PLANS TO DELIVER A BREAK EVEN POSITION (presentation)</p> <p>The Deputy Director of Finance presented an update on the Plans To Deliver A Break Even Position stating that plans had been adjusted for issues which had emerged in October as follows:</p> <ul style="list-style-type: none"> • The UHB position had improved by £0.140m in October, however a number of significant overspends had been reported by Clinical Boards in month. • The largest in month overspends were reported by the Medicine, PCIC and Surgery Clinical Boards. Both the PCIC and Surgery Clinical Boards still expected to meet the control targets which had been set. 	

- A full savings programme was in place to meet the £29.145m target and the number of schemes which had reached green status had increased by £4.2m in month
- At month 7 Clinical Boards were reporting a cumulative overspend of £8.059m which was £1.074m higher than the original forecast and £0.347m higher than the planned profile to reach break-even. The Clinical Board position was partly abated by a £0.143m favourable in month performance against central budgets leaving the UHB £0.204m over the forecast profile to reach breakeven at the end of October.
- Clinical Board Recovery actions are back loaded and there was a straight line risk of £5.5m if Clinical Board performance continued at the rate established in the first 7 months of the year.
- In recognition of the deterioration in Clinical Board overspends at month 7 the Risk Adjusted Forecast had been increased by £0.5m. The increase was offset by mitigation on corporate CIP risk, corporate reserves and corporate budgets leaving the UHB with the requirement to identify a further £0.8m of opportunities to reach break-even which in the context of an organisation of the UHB's size was considered a balanced position.
- Moving forwards, the overall UHB overspend was expected to show a gradual improvement each month before finally reaching a breakeven position in March. The forecast was sensitive to the following factors: the management of the risk adjusted position across a number of areas; turning the final amber savings schemes to green as soon as possible; maintaining expenditure restraints; unexpected events as the UHB is not holding a contingency; closing down the residual £1m risk; Clinical Board improvement plans; the management of the Welsh Risk pool cost pressure that is assessed at £2.4m.

Comments were received as follows:

- The Finance Committee Chair (JU) asked whether the additional costs to meet winter pressures were included in the forecast and the Deputy Director of Finance of Finance confirmed that the UHB had allocated additional Welsh Government and internal funding to meet the additional demands arising in winter.
- The UHB Vice Chair (CJ) asked whether the UHB was confident that it would bridge the remaining £0.8m required to reach breakeven without compromising patient safety. In response the Chief Executive confirmed that the UHB had enough scope to delay expenditure in non-patient facing areas to reach a break even position, however it was acknowledged that this might weaken the UHB's position moving into 2020//21 if there were limited options to reduce spend.
- The Chief Executive confirmed that the UHB would allocate additional funding to cover the additional costs incurred by the Medicine Clinical Board in meeting the recommendations of the external reviews of the Assessment Unit and oncology. This would allow the Medicine Clinical Board to concentrate on the pressures which it could directly influence.

	<ul style="list-style-type: none"> The Deputy Director of Finance indicated that copies of the presentation would be made available for Committee member following the meeting. <p>Resolved – that:</p> <p>The Finance Committee noted the plans and actions required to deliver a break even position in 2019/20.</p>	
FC19/129	<p>CLINICAL BOARDS IN ESCALATION</p> <p>The Chief Operating Officer confirmed that the number of Clinical Boards in escalation remained at 3. The Medicine Clinical Board was in escalation as a consequence of financial performance particularly around nursing. The other two Boards were in escalation as a result of activity performance.</p> <p>Resolved – that:</p> <p>The Finance Committee noted the actions being taken to manage financial performance</p>	
FC19/130	<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 31st October 2019 £16.975m of schemes had been identified as Green or Amber against the devolved 2% savings target of £16.345m, leaving a surplus of £0.630m. £15.627m of the identified schemes were recurrent. Schemes totalling £13.505m had been identified as Green or Amber against the corporate savings target of £12.800m target as at 31st October 2019 leaving a surplus of £0.705m which covered the gap in delegated schemes. The recurrent effect of the identified schemes in 2020/21 was £4.332m. The recurrent position of corporate schemes was being reviewed on a scheme by scheme basis. <p>The Committee was informed the main concern was 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>	

FC19/131	<p>RISK REGISTER</p> <p>The Assistant Director of Finance asked the Finance Committee to note the risks highlighted within the 2019/20 Risk Register.</p> <p>Three 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; • Management of Budget pressures; • Management of Nursing overspend - £2.215m month 7 <p>The Finance Committee was also asked to note an increase in the assessed risk attached to the forecast 2019/20 Welsh Risk Pool overspend (Fin 13/19) where the UHB's share of the overspend had increased from £1.4m to £2.4m following a revision to the forecast at month 7.</p> <p>The UHB vice chair (CJ) queried whether the impact and likelihood of risk to the reduction of the Underlying Deficit required re-assessment following the emerging shortfall against the recurrent CRP Target. The Committee agreed that this risk and the population of the 2020/21 Risk Register would need to be considered once there was further clarity on the 2020/21 Financial Plan.</p> <p>Resolved – that:</p> <p>The Finance Committee noted the risks highlighted within the 2019/20 risk register.</p> <p>The Finance Committee noted an increase in the assessed risk attached to the forecast 2019/20 Welsh Risk Pool overspend.</p>	
FC 19/132	<p>MONTH 7 FINANCIAL MONITORING RETURNS</p> <p>These were noted for information.</p>	
FC 19/133	<p>ITEMS TO BRING TO THE ATTENTION OF THE BOARD/OTHER COMMITTEES</p> <p>No other items to bring to the main Board.</p>	
FC 19/134	<p>DATE OF THE NEXT MEETING OF THE COMMITTEE</p> <p>Wednesday 18th December; 2.00pm; Executives Meeting Room, 2nd Floor, HQ, Woodland House</p>	

REPORT TITLE: Indemnity clause within Data Processing Contracts

STATUS: For Discussion For Assurance For Approval ☒ For Information

REPORT AUTHOR (TITLE): David Thomas, Director of Digital & Health Intelligence

PURPOSE OF REPORT:

Please set out why this report is being provided to the meeting.

SITUATION:

A number of external organisations have refused to sign our Data Processing Contract due to

- i) the level of indemnity that currently exists (full indemnity reducing to £5m for lower risk PID) to protect the UHB in the event of a data breach where the processor is responsible.
- ii) the level of protection we are asking processors and joint data controllers to provide to us in the event of civil legal action against the UHB where the processor is responsible.

This paper seeks to establish a formal position for the UHB regarding data sharing and mitigating the financial risks to which the UHB is presently exposed.

REPORT:

BACKGROUND:

As a consequence of a data breach or when it is determined that the UHB (or its processor) has failed to process data in line with legislation (eg complete data impact assessments or have a processing contract in place) the UHB is now liable to be fined up to €20 million or 4% of company global annual turnover (whichever is higher). However, regulatory penalties are not the only factor to consider.

In the following case the ICO took no action.

In 2014 an employee of Morrisons Supermarket leaked the payroll details of 100,000 staff. The employee was jailed for 8 years. A group of 5,000 staff, in what is the first data leak class action in the UK, took action against Morrisons in a civil claim. In October 2018 the Court of Appeal upheld a High Court judgement, ruling that the supermarket is vicariously liable for the actions of their former employee. The supermarket now faces paying compensation to all those effected for “upset and distress”. Morrisons intend to appeal in the Supreme Court but the impact of this verdict has already seen one claim against the UHB quoting vicarious liability and the Morrisons case.

The concern is this landmark case has been identified by the legal community as a “game changer” for organisations and potentially puts the UHB at greater risk as we embrace big data initiatives.

ASSESSMENT:

As a consequence of not having a negotiating process in place or setting our indemnity requirements at a level which SMEs and charities cannot afford (or will pass on extortionate costs of their own insurance back to us), there is the risk that we are not fully benefitting from the opportunities provided by data sharing, required to deliver Shaping Our Future Wellbeing and operational priorities. These opportunities range from seamless working with the voluntary sector, adoption of technologies or services that are available on the market to other organisations who will accept a lower level of indemnity and our wider research and development programme.

Given our current stance, we also have to consider the possibility that departments may start to enter into agreements with suppliers without signing the required Data Protection Contact in an attempt to alleviate the indemnity issue, but against the legal requirements of GDPR. (A DPC being a legal requirement where information enabling staff and patients to be identified is to be shared).

On the other hand, in the event of a data breach and where we have accepted a lower level of protection, there are real financial risks to the UHB if the fine and compensation exceed the contracted values for indemnity and insurance provided for civil claims. This has been confirmed by Welsh Legal and Risk who advise that the risk pool will not cover either of these claims as they consider the UHB will have undertaken an unlawful act.

It is important that the UHB balances the real financial risks with the strategic and operational benefits of data sharing, recognising that it is not uncommon for the UHB to share data amounting to 100,000s of clinical events.

RECOMMENDATION:

As case law around GDPR is immature, it is recommended that the UHB takes an iterative approach and regularly reviews its adopted position in this area. It is also recommended that national solutions continue to be sought in a co-ordinated fashion which minimise the material risk to the UHB. Steps are already being taken to incorporate these within WG policy considerations around both the GP contract and more directly the IG promise.

In the short term, it is recommended that the following approach to determining indemnity and insurance requirements where the UHB wishes to share patient and staff identifiable information is adopted:

- In the first instance, the UHB should require organisations to fully indemnify the UHB. In scenarios where the supplier is considered to be a small to medium sized enterprise (SMEs) or a charity and they are unable/unwilling to provide the level of cover required by the UHB, the case should be escalated and presented to the SIRO by a member of the Information Governance Department and a risk-based decision is made to potentially reduce the level of indemnity. Factors for consideration that influence the decision should include, but not be limited

to, the number of patients/staff involved in the processing, the nature of processing, the location of processing, steps taken to safeguard the data. This information should be available in the Data Protection Impact Assessment.

- If resisted by the organisation then the UHB should negotiate to a minimum level as suggested within the table below:

	Data sharing is of low value	Data sharing is of medium value (Important but not essential)	Critical to business need
Low risk & volumes of individuals affected is < 1000	Indemnity: £1m Insurance: £500k	Indemnity: £500k Insurance: £25k	Indemnity: £500k Insurance: £25k
Low risk & volumes of individuals affected >1000 patients	Indemnity: £5m Insurance: £1000 per patient	Indemnity: £1m Insurance: £1000 per patient	Indemnity: £1m Insurance: £500k
High risk & volumes of individuals affected < 1000	Indemnity: £5m Insurance: £1m	Indemnity: £5m Insurance: £1m	Indemnity: £5m Insurance: £1m
High risk & volumes of individuals affected >1000	Indemnity: Unlimited Insurance £1000 per patient	Indemnity :Unlimited Insurance £1000 per patient	Indemnity :£20m Insurance: £5m

SHAPING OUR FUTURE WELLBEING STRATEGIC OBJECTIVES RELEVANT TO THIS REPORT:

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	x	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	x
4. Offer services that deliver the population health our citizens are entitled to expect	x	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	x

Please highlight as relevant the Five Ways of Working (Sustainable Development Principles) that have been considered. Please click [here](#) for more information

Sustainable development principle: 5 ways of working

Prevention

Long term

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.



Report Title:	Finance Report for the Period Ended 30th November 2019							
Meeting:	Finance Committee					Meeting Date:	December 18th 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 8, the UHB is reporting an overspend of £1.951m against this plan which represents an improvement of £0.434m on the position reported at the end of October. The UHB had plans to recover the year to date deficit and deliver a break even position by the year end. This reported position is however some £0.196m higher than the expected profiled position and further management attention will be needed to ensure delivery of this plan.

This reported position however excludes the estimated cost pressure of circa £2.4m relating to the Welsh Risk Pool which is now crystalising. Potential mitigating actions against this risk will be considered during the month and the outcome will be reflected in the month 9 financial position. At this point assurance cannot be given that this will be able to be managed.

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 or 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 @ November 2019

		STATUS REPORT				
Measure	n	November 2019	RAG Rating	Latest Trend	Target	Time Period
Financial balance: remain within revenue resource limits	36	£1.951m deficit at month 8.	R 	9 	2019/20 Break-Even	M8 2019-20
Remain within capital resource limits.	37	Expenditure at the end of October was £23.854m against a plan of £25.156m.	G 	9 	Approved planned expenditure £53.011m	M8 2019-20
Reduction in Underlying deficit	36a	£5.8m shortfall against the recurrent savings plan target at month 8 (see below).	R 	9 	If 2019/20 plan achieved reduce underlying deficit to £4.0m	M8 2019-20
Delivery of recurrent £16.345m 2% devolved target	36b	£16.345m in year schemes identified at Month 8. £1.3m shortfall against recurrent schemes.	R 	9 	£16.345m	M8 2019-20
Delivery of £9.750m recurrent/non recurrent corporate target	36c	£9.750m in year schemes identified at month 8. £4.5m shortfall against recurrent schemes	R 	9 	£9.750m	M8 2019-20
Creditor payments compliance 30 day Non NHS	37a	Cumulative 96.7% in November	G 	↑ 	95% of invoices paid within 30 days	M8 2019-20
Remain within Cash Limit	37b	Forecast cash surplus of £0.677 m	G 	9 	To remain within Cash Limit	M8 2019-20
Maintain Positive Cash Balance	37c	Cash balance = £5.499m	G 	9 	To Maintain Positive Cash Balance	End of November 2019

Month 8 Cumulative Financial Position

The UHB reported a year to date deficit of £1.951m at month 8 which represents an improvement of £0.434m on the position reported at the end of October.

The UHB had plans, which were not without risk, to recover this year to date deficit and deliver a break even position by year end. Whilst the UHB's financial position improved again this month, it remains circa £0.2m short of the expected profiled position. This plan however excluded the recently emerging risk on the Welsh Risk pool of circa £2.4m. This risk and options to manage this need to be considered by the Finance Committee. At this point however, assurance cannot be given that this will not result in a deficit forecast for the UHB.

Performance against the forecast trajectory in order to achieve break-even has been updated in month to reflect month 8 reported position and this is included in Appendix 6. Whilst the UHB month 8 position was £0.2m higher than forecast it is still expected to improve throughout the rest of the year resulting in a break even position at the end of March. Part of the improvement in month 8 was due to the release of £0.8m provisions and accruals as per the UHBs plan to deliver 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 30th November 2019

Income/Pay/Non Pay	In Month			Cumulative Year to Date			Full Year		
	Budget	Actual	Variance (Fav)/Adv	Budget	Actual	Variance (Fav)/Adv	Budget	Forecast	Variance (Fav)/Adv
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Income	(121.667)	(122.286)	(0.618)	(952.228)	(952.838)	(0.609)	(1,469.390)	(1,469.390)	0.000
Pay	54.082	53.544	(0.538)	428.316	426.526	(1.790)	633.645	633.645	0.000
Non Pay	67.586	68.308	0.723	523.912	528.263	4.350	835.746	835.746	0.000
Variance to Plan £m	0.000	(0.434)	(0.434)	0.000	1.951	1.951	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 @ November 2019

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	(0.713)	(0.771)	(0.058)	(6.532)	(6.819)	(0.287)
Revenue Resource Limit	(81.447)	(81.447)	0.000	(636.527)	(636.527)	0.000
Accommodation & Catering	(0.365)	(0.379)	(0.014)	(2.995)	(2.874)	0.121
Education & Training	(3.299)	(3.315)	(0.016)	(26.047)	(26.044)	0.003
Injury Cost Recovery Scheme (CRU) Income	(0.180)	(0.171)	0.010	(1.443)	(1.655)	(0.211)
NHS Patient Related Income	(27.951)	(28.018)	(0.068)	(212.536)	(212.708)	(0.172)
Non Revenue Resource Limit	(1.609)	(1.609)	0.000	(12.876)	(12.876)	0.000
Other Operating Income	(6.148)	(6.577)	(0.429)	(52.514)	(52.429)	0.084
Overseas Patient Income	(0.007)	(0.021)	(0.013)	(0.059)	(0.138)	(0.079)
Private Patient Income	0.052	0.022	(0.030)	(0.699)	(0.768)	(0.069)
Total £m	(121.667)	(122.286)	(0.618)	(952.228)	(952.838)	(0.609)

A surplus of £0.618m is reported against income budgets. The main variances to note are:

- £0.068m favourable in month variance on NHS patient related income where there has been an improvement in month on LTA income which has been partially offset by underperformance against English cross border activity. A large part of the LTA underperformance is a result of a downturn in the level of orthopaedic work.
- £0.429m in month favourable variance on other operating income primarily due to the release of a provision against utility recharges which have now been collected. The release has been partially offset by under recovery of income against targets for the Radiopharmacy Unit, St Marys and Critical Care.
- A £0.058m in month surplus on R & D income following confirmation of the receipt of income for work previously undertaken.

LTA Provider Performance

The UHB receives circa £300m income from its contracts with WHSSC, 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.

There is an improvement in the Month 8 LTA position with LHBs of £0.076m in the month. The

overall provider position is a favourable cumulative variance of £0.203m. The LTA position with LHBs is underperforming, this is mainly driven by under delivery within Orthopaedics. This is offset by over performance on the WHSSC and non-welsh LTA's. The overall performance against plan at Month 8 is summarized in Table 6 below.

Table 6: Month 8 LTA Provider Position

Income - C&V Provider				(fav) / adv
	Annual Budget	YTD Profile	YTD Actual	YTD Variance
	£m	£m	£m	£m
WHSSC	(233.138)	(155.908)	(156.252)	(0.344)
Aneurin Bevan	(30.386)	(20.257)	(20.349)	(0.092)
Other LHBs	(39.324)	(26.289)	(25.943)	0.346
Non-Welsh	(3.615)	(3.054)	(3.167)	(0.113)
	(306.463)	(205.508)	(205.711)	(0.203)

Pay

In total pay budgets are showing a cumulative underspend of £1.251m as reported in Table 7.

Table 7: Analysis of pay expenditure by staff group @ October 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	2.035	2.017	(0.018)	16.237	16.055	(0.182)
Management, admin & clerical	6.560	6.365	(0.195)	51.160	50.867	(0.294)
Medical and Dental	13.928	13.774	(0.153)	108.264	107.572	(0.692)
Nursing (registered)	16.286	16.105	(0.180)	129.132	128.869	(0.263)
Nursing (unregistered)	4.063	4.420	0.356	33.556	36.210	2.654
Other staff groups	8.051	7.816	(0.235)	65.058	63.374	(1.685)
Scientific, prof & technical	3.160	3.047	(0.113)	24.908	23.580	(1.328)
Total £m	54.082	53.544	(0.538)	428.316	426.526	(1.790)

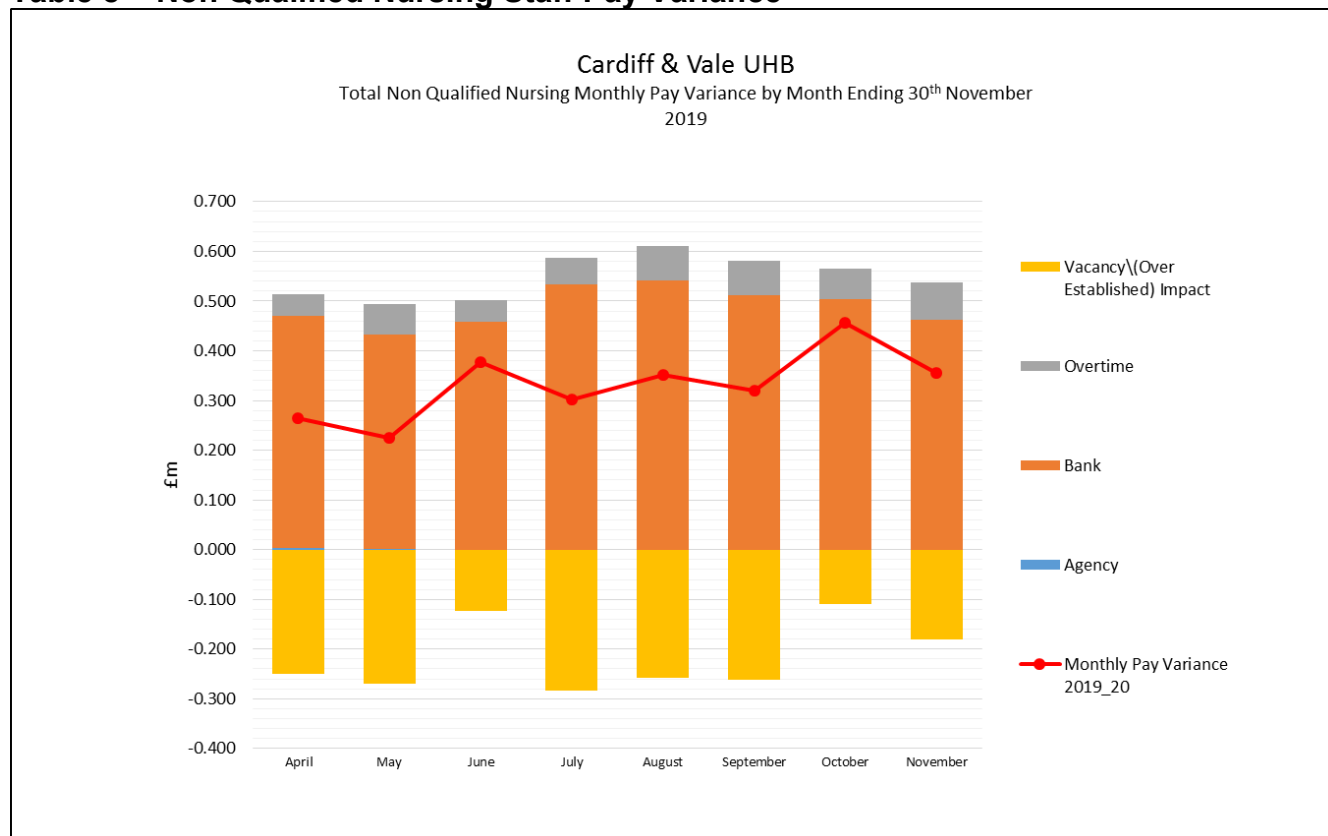
Total pay budgets are underspent by £1.790m at the end of November after an in month underspend of £0.538m.

The in month overspend against the nursing budget improved from the previous month in part due to a transfer of budget to cover the additional nursing costs in the Assessment Unit following the implementation of HIW recommendations and an increase in acute oncology nursing establishment.

The in month underspend on medical and dental primarily relates to a number of vacant posts.

The underspend against management, admin and clerical and other staff groups is in part due to vacancy management in support of cost pressures.

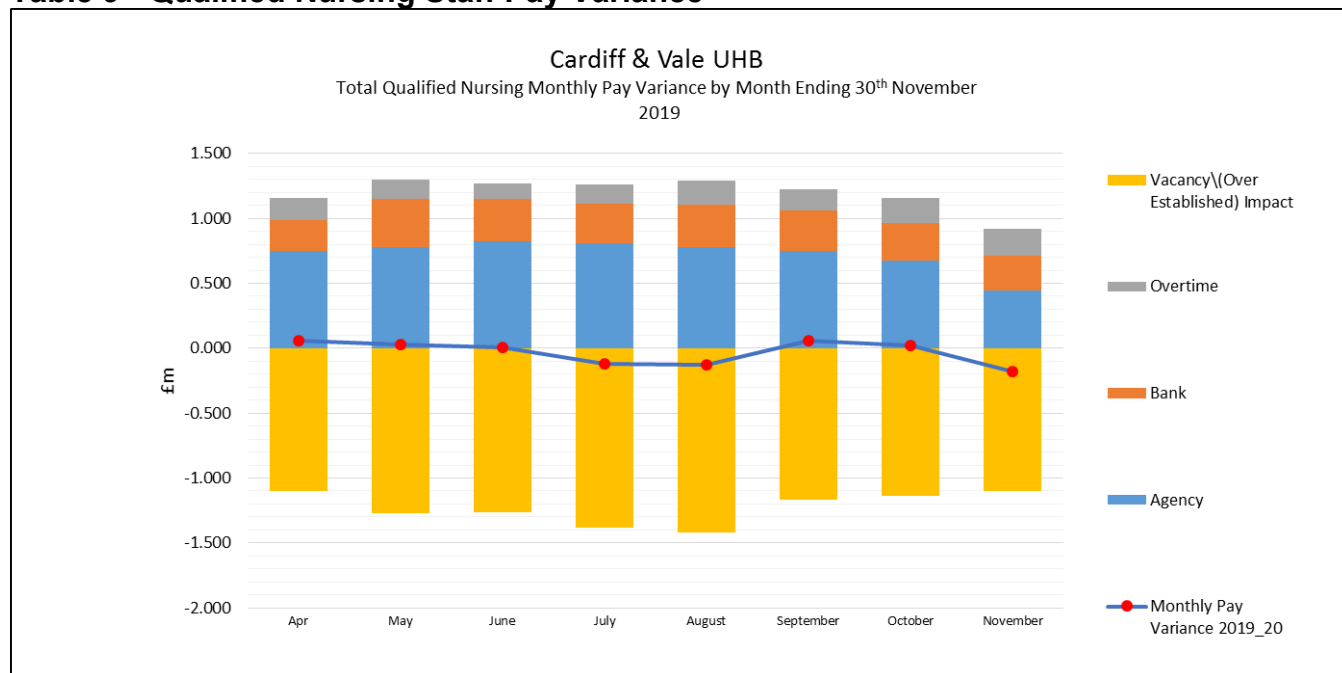
Table 8 – Non Qualified Nursing Staff Pay Variance



Reason	In Month £m (Fav)/Adv	Year To Date £m (Fav)/Adv
Agency	(0.000)	0.002
Bank	0.463	3.912
Overtime	0.075	0.476
Adverse Impact	0.537	4.390
Vacancy\ (Over Established) Impact	(0.181)	(1.736)
Total Pay Variance - Unqualified Nursing (Fav)/Adv £m	0.356	2.654

Table 8 indicates that the £2.654m adverse variance against non-qualified nursing assistants is due to overspends of £3.912m on bank staff and £0.476m on overtime which is partly offset by an underspend against established posts.

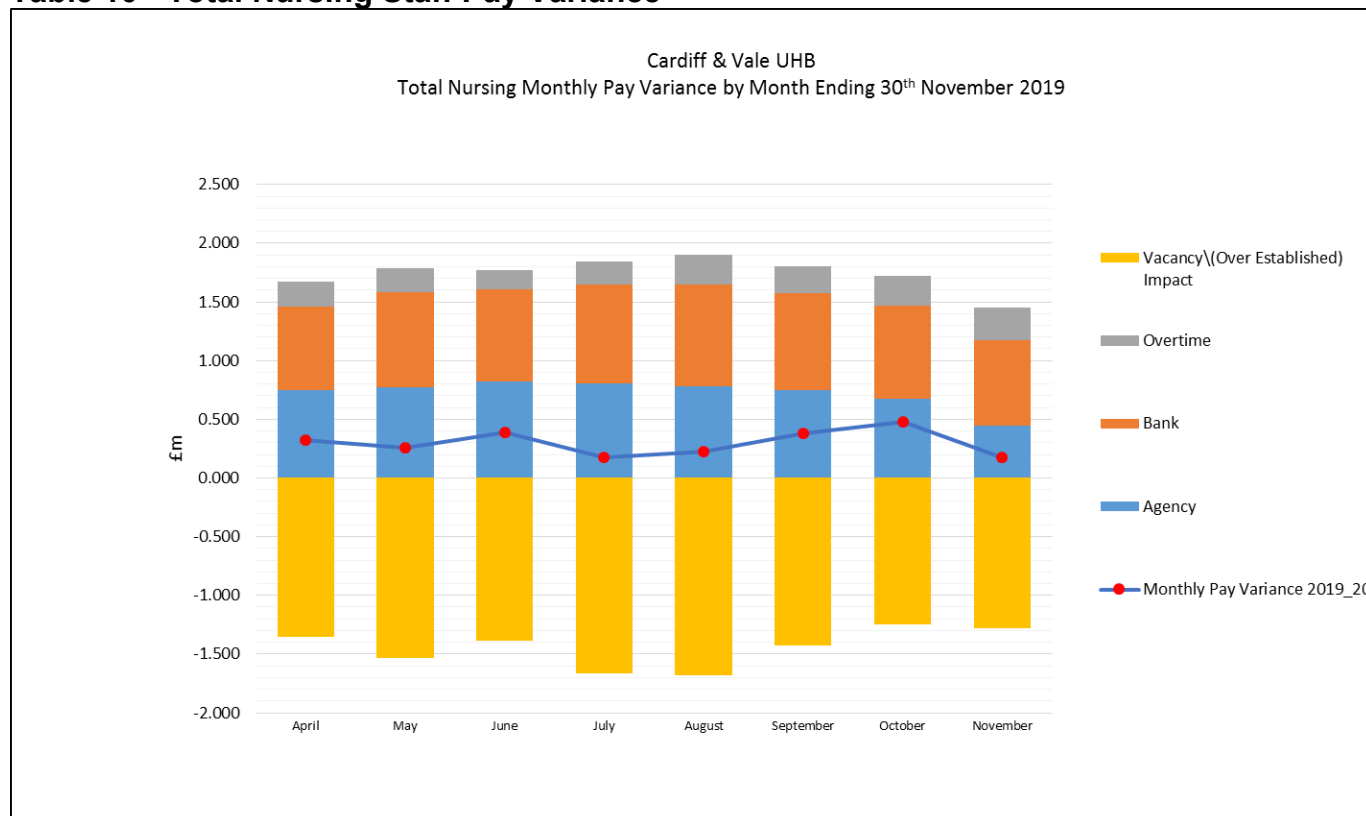
Table 9 - Qualified Nursing Staff Pay Variance



Reason	In Month £m (Fav)/Adv	Year To Date £m (Fav)/Adv
Agency	0.442	5.800
Bank	0.266	2.444
Overtime	0.207	1.329
Adverse Impact	0.916	9.574
Vacancy\ (Over Established) Impact	(1.097)	(9.837)
Total Pay Variance - Qualified Nursing (Fav)/Adv £m	(0.180)	(0.263)

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

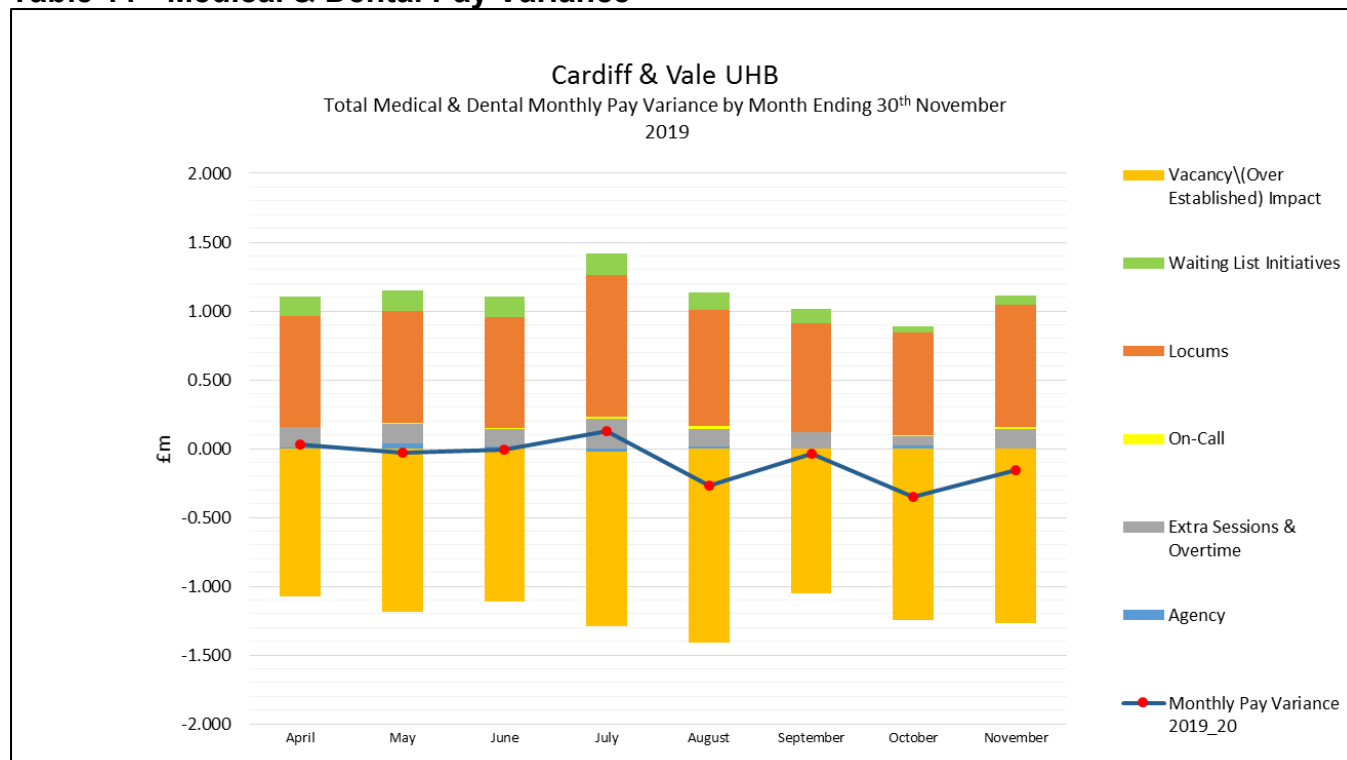


Reason	In Month £m (Fav)/Adv	Year To Date £m (Fav)/Adv
Agency	0.442	5.802
Bank	0.730	6.357
Overtime	0.282	1.805
Adverse Impact	1.454	13.963
Vacancy\ (Over Established) Impact	(1.278)	(11.573)
Total Pay Variance - (Fav)/Adv £m	0.176	2.391

Table 10 identifies expenditure against substantive nursing posts for the year to date which is £2.391m more than budget. The £11.573m surplus against established posts is offset by a £13.963m 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 £0.692m at month 8.

Table 11 - Medical & Dental Pay Variance



Reason	In Month £m (Fav)/Adv	Year To Date £m (Fav)/Adv
Agency	0.003	0.066
Extra Sessions & Overtime	0.140	1.099
On-Call	0.014	0.073
Locums	0.891	6.739
Waiting List Initiatives	0.065	0.929
Adverse Impact	1.113	8.907
Vacancy\ (Over Established) Impact	(1.267)	(9.598)
Total Pay Variance - Medical & Dental (Fav)/Adv £m	(0.153)	(0.692)

Non Pay

Table 12 highlights an overspend of 4.350m against non pay budgets following a £0.723m overspend in month.

The key operational pressure areas are:

- Continuing high levels of CHC growth as a consequence of increasing numbers particularly in respect of palliative care, learning difficulties and high cost mental health placements;
- An overspend against drug budgets primarily in medicine and primary care; the GP prescribing overspend where category M prices and cost and volume growth continued in November and was partially offset by the retrospective confirmation of a significant rebate in respect of hospital drugs in month;

- Premises and fixed plant where key cost drivers are: increased spend on estates contractors to cover vacancies in substantive posts during a workforce modernisation programme; energy costs; and the significant cost of security on the vacant sites at Lansdowne and Whitchurch. £0.588m of the overspend on estates contractor costs is offset by staff underspends on vacant posts.
- The in month increase in overspend against clinical services and supplies is a result of an increase in laboratory and genomics activity alongside additional spend on wheelchairs at ALAS.
- Pressures against commissioned services relate to the recognition of the UHB's contribution to the WHSCC budget, drug costs at Velindre NHS Trust and additional costs of hospice care. The adverse movement in month 8 primarily relates to WHSCC where pressures are driven by the Cardiff & Vale provider performance in paediatric oncology, ALAS, BMT and melanoma drugs.

Table 12: Non Pay Variance @ November 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	9.079	9.448	0.369	70.532	71.801	1.269
Commissioned Services	14.185	14.463	0.278	114.922	115.736	0.813
Continuing healthcare	5.225	5.570	0.344	44.332	45.578	1.246
Drugs / Prescribing	13.370	13.348	(0.022)	101.560	103.814	2.253
Establishment expenses	1.201	1.059	(0.142)	7.935	8.143	0.208
General supplies & services	0.830	0.807	(0.023)	5.998	6.260	0.262
Other non pay	5.331	5.253	(0.078)	39.105	35.285	(3.820)
Premises & fixed plant	2.926	3.200	0.274	22.709	24.997	2.288
Primary Care Contractors	15.438	15.159	(0.279)	116.818	116.649	(0.169)
Total £m	67.586	68.308	0.723	523.912	528.263	4.350

LTA Commissioner Performance

The UHB spends circa £165m on central commissioning of healthcare services for its population mainly through contracts with WHSCC, LHBs and Velindre. There has been an adverse movement in M8 for WHSCC of £0.188m driven by the C&V provider performance. This is mainly due to paediatric oncology, ALAS, BMT and melanoma drugs. The LHB position is £0.109m adverse to M8. This is offset by favourable variances for Velindre drugs and NCA expenditure. The year to date commissioner position is shown in Table 13.

Table 13: Month 8 LTA Commissioner Position

Expenditure - C&V Commissioner				(fav) / adv
	Annual Budget £m	YTD Profile £m	YTD Actual £m	YTD Variance £m
WHSSC	126.661	84.237	84.802	0.565
Velindre	17.495	11.663	11.583	(0.080)
LHBs	20.254	13.324	13.463	0.140
Other / NCAs	1.329	0.882	0.824	(0.059)
	165.739	110.106	110.673	0.566

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 eight months to 30th November 2019 by Clinical Board is shown in Table 14.

Table 14: Financial Performance for the period ended 30th November 2019

Clinical Board	M7 Budget Variance £m	M8 Budget Variance £m	In Month Variance £m	Cumulative % Variance
All Wales Genomics Service	(0.029)	(0.029)	0.000	(0.37%)
Capital Estates & Facilities	0.983	0.989	0.006	2.19%
Children & Women	0.869	1.013	0.144	1.15%
Clinical Diagnostics & Therapies	1.048	1.212	0.165	1.46%
Executives	(0.175)	(0.258)	(0.083)	(0.65%)
Medicine	3.141	3.286	0.145	3.82%
Mental Health	0.049	0.097	0.048	0.09%
PCIC	1.754	1.796	0.041	0.76%
Specialist	(0.978)	(0.993)	(0.014)	(0.85%)
Surgery	1.397	1.582	0.185	1.35%
SubTotal Delegated Position	8.059	8.696	0.637	0.00%
Central Budgets	(5.674)	(6.745)	(1.070)	(3.98%)
Total	2.385	1.951	(0.434)	0.25%

In assessing the overall financial performance of delegated budgets in the month, recognition needs to be made that £0.407m of corporate funding was phased into the Medicine position for ongoing additional nursing costs in the Assessment Unit following the implementation of HIW recommendations and the increase in the acute oncology nursing establishment. Therefore the underlying delegated position, whilst being circa £0.250m less than last month, was still a significant in month adverse variance.

The largest in month overspend was in the Surgery Clinical Board where there were continuing pressures against nursing in month partly as a result of capacity demands in the SAU and SSU and bank usage in T&O;. The in month overspend in CD&T was in part due to out of area Interventional Neuroradiology costs, ongoing demand pressures in labs and radiology alongside the continuing partial closure of the radio-pharmacy unit and a downturn of activity at St Marys. The overspend in medicine was abated in month by the £0.4m allocation of budget

with underlying pressures in nursing continuing. The in month overspend in the Women and Children's Clinical Board was caused by nursing pressures which were in part due to the increase in capacity to support the South Wales Plan. The in month overspend in Mental Health was caused by demand driven continuing Health Care costs. Pressures against prescribing and CHC in PCIC continued in November and were partly offset by staffing vacancies & other non pay underspends.

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

The financial performance on delegated budgets remains one of 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 £5.150m to reflect the release of £2.1m relating to the UHBs remaining investment reserve and a further £3.050m to reflect an operational underspend on WEQAS. The target is now £26.095m.

At month 8 the UHB has a fully identified savings programme to deliver against the £26.095m savings target as summarised in Table 15.

Table 15: Progress against the 2019/20 Savings Programme at Month 8

	Total Savings Target £m	Total Savings Identified £m	Total Savings (Unidentified) £m
Total £m	26.095	26.095	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 8	
		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 achievement of this is very much dependent upon delivering the full year impact of 2019/20 savings schemes. The risk involved is assessed to be circa £7.5m and further actions required to address this risk are currently being reviewed.

Balance Sheet

The balance sheet at month 8 is detailed in **Appendix 3**.

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 and the in month increase reflects capital acquisitions.

Overall trade debtors have increased £19.1m (10.4%) since the start of the year mainly due to an increase in amounts due from the Welsh Risk Pool in respect of clinical negligence cases, and an increase in NHS invoice accruals. The in month increase of £1.7m was primarily a consequence of the timing of payments and receipts to and from the pooled CHC Fund.

The carrying value of Inventory is largely unchanged in month. The in year increase is primarily as a result of increased levels of cardiac stock previously purchased in bulk to obtain a discounted purchase price.

The value of Trade and other payables has fallen by around £20.5m since the start of the year following a reduction in capital creditors, a reduction in clinical negligence accruals and the settlement of year end liabilities. The carrying value of trade creditors was largely unchanged in month.

Cash Flow Forecast

The UHB does not expect to request additional cash support in 2019/20 and at the end of November 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 November was £5.499m.

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

Public Sector Payment Compliance

The UHB's cumulative performance to the end of October is 96.7% following a 0.1% deterioration in month.

Capital Resource Limit (CRL)

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

Table 17: Progress against Capital Resource Limit @ November 2019

	£m
Planned Capital Expenditure at month 8	25.156
Actual net expenditure against CRL at month 8	23.854
Variance against planned Capital Expenditure at month	(1.302)

Capital progress for the year to date is satisfactory with net expenditure to the end of November being 46% of the UHB's approved Capital Resource Limit. Following the approval of an additional £10.872m in month, the UHB had an approved capital resource limit of £53.011m at the end of November 2019 comprising of £13.889m discretionary funding and £39.122m towards specific projects (including Neo Natal Upgrading Phase 2, Rookwood Replacement, MRI Scanners, Pharmacy Equipment, Imaging Equipment, Digital Priorities, Cystic Fibrosis & Major Trauma Centre).

Key Risks and Recovery Actions

The key financial risks are now assessed as:

- **Management of operational pressures within delegated budgets. This was previously assessed at £4.0m but this risk has been reduced in the month and now assessed at £2.5m. Clinical Boards have been tasked with improving their financial performance which requires the delivery of recovery measures.**
- **The financial risk on the overspend against the Welsh Risk Pool budget. This is assessed at circa £2.4m for the UHB. This is not included within the UHB reported position and options to manage this will need to be considered by the Finance Committee.**

The plans to deliver a break even position will be 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 £1.951m deficit at month 8;
- **NOTE** the key risks in delegated budgets and the Welsh Risk Pool;
- **NOTE** 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
PCIC	3,300	3,442	691	4,133	517	(833)
Surgery	2,300	2,560	0	2,560	375	(260)
Specialist Services	2,019	2,071	136	2,207	0	(188)
Corporate Execs	681	680	17	696	20	(15)
Mental Health	1,470	1,428	42	1,470	100	0
CD&T	1,633	997	638	1,635	574	(1)
Children & Women	1,775	1,513	119	1,632	225	143
Medicine	1,877	1,079	412	1,491	196	386
Capital Estates and Facilities	1,290	863	20	883	267	407
Total	16,345	14,632	2,074	16,707	2,274	(361)
Corporate	12,800	13,005	500	13,505	0	(705)
Total	29,145	27,638	2,574	30,212	2,274	(1,067)

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
PCIC	3,300	3,451	767	4,218	0	-918
Surgery	2,300	2,198	0	2,198	560	102
Specialist Services	2,019	1,903	136	2,039	0	-20
Corporate Execs	681	697	0	697	0	-16
Mental Health	1,470	1,102	50	1,152	100	318
CD&T	1,633	799	211	1,010	574	623
Children & Women	1,775	536	336	872	245	903
Medicine	1,877	1,049	1,251	2,300	558	-423
Capital Estates and Facilities	1,290	521	43	564	0	726
Total	16,345	12,256	2,794	15,050	2,037	1,295
Corporate	12,800	4,332	0	4,332	6,439	8,468
Total	29,145	16,588	2,794	19,382	8,476	9,763

BALANCE SHEET AS AT 30th NOVEMBER 2019

	Opening Balance 1 st April 2019	Closing Balance 30 th Nov. 2019
	£'000	£'000
Non-Current Assets		
Property, plant and equipment	675,904	690,184
Intangible assets	2,902	2,298
Trade and other receivables	21,432	47,456
Other financial assets		
Non-Current Assets sub total	700,238	739,938
Current Assets		
Inventories	16,926	17,598
Trade and other receivables	176,987	170,078
Other financial assets		
Cash and cash equivalents	1,219	5,499
Non-current assets classified as held for sale	1,906	644
Current Assets sub total	197,038	193,819
TOTAL ASSETS	897,276	933,757
Current Liabilities		
Trade and other payables	174,685	154,508
Other financial liabilities		
Provisions	129,087	117,371
Current Liabilities sub total	303,772	271,879
NET ASSETS LESS CURRENT LIABILITIES	593,504	661,878
Non-Current Liabilities		
Trade and other payables	9,095	8,688
Other financial liabilities		
Provisions	24,862	43,935
Non-Current Liabilities sub total	33,957	52,623
TOTAL ASSETS EMPLOYED	559,547	609,255
FINANCED BY:		
Taxpayers' Equity		
General Fund	443,904	492,481
Revaluation Reserve	115,643	116,774
Total Taxpayers' Equity	559,547	609,255

CASH FLOW FORECAST AS AT 30th NOVEMBER 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	76,520	83,570	84,720	72,730	71,755	76,863	64,020	943,718
WG Revenue Funding - Non Cash Limited (NCL)	1,590	1,590	1,005	1,555	1,685	1,210	1,560	1,390	1,415	1,455	1,455	3,468	19,378
WG Revenue Funding - Other (e.g. invoices)	1,255	1,255	1,255	2,108	2,396	1,307	3,026	2,711	1,271	1,521	2,716	4,625	25,446
WG Capital Funding - Cash Limit	8,500	1,000	0	3,850	3,900	4,900	4,440	3,400	4,150	3,550	2,741	12,580	53,011
Sale of Assets	0	1,200	0	166	0	0	0	0	0	2,100	0	260	3,726
Income from other Welsh NHS Organisations	39,794	47,109	39,129	53,252	50,677	34,006	43,675	52,139	49,068	43,773	39,811	36,887	529,320
Other - (Specify in narrative)	14,126	6,259	5,137	12,752	6,892	4,176	13,884	5,729	5,456	14,469	8,213	7,731	104,824
TOTAL RECEIPTS	157,095	150,563	119,816	147,368	148,135	122,119	150,155	150,089	134,090	138,623	131,799	129,571	1,679,423
PAYMENTS													
Primary Care Services : General Medical Services	5,495	4,343	8,338	4,816	4,261	6,402	4,755	4,395	6,889	4,512	4,512	7,489	66,207
Primary Care Services : Pharmacy Services	165	136	176	124	132	145	150	133	196	600	300	300	2,557
Primary Care Services : Prescribed Drugs & Appliances	6,818	15,385	3	7,987	15,385	3	7,473	16,118	7,685	7,685	7,685	0	92,227
Primary Care Services : General Dental Services	1,835	1,877	1,926	2,054	1,786	1,900	1,941	2,150	1,797	1,920	1,920	1,920	23,026
Non Cash Limited Payments	1,957	1,861	2,088	2,215	2,005	2,182	1,984	2,100	2,195	2,070	2,070	2,070	24,797
Salaries and Wages	51,454	51,583	50,105	51,135	51,185	50,037	51,844	52,355	51,090	51,286	51,614	52,034	615,722
Non Pay Expenditure	68,366	54,158	46,656	61,896	45,187	52,173	63,042	44,351	43,758	51,987	46,721	48,118	626,413
Capital Payment	6,335	2,613	3,087	3,268	4,047	3,649	4,470	3,227	4,410	4,081	2,612	12,935	54,734
Other items (Specify in narrative)	10,691	19,637	7,881	14,604	22,839	6,045	14,147	23,994	17,526	14,445	14,445	8,028	174,282
TOTAL PAYMENTS	153,116	151,593	120,260	148,099	146,827	122,536	149,806	148,823	135,546	138,586	131,879	132,894	1,679,965
Net cash inflow/outflow	3,979	(1,030)	(444)	(731)	1,308	(417)	349	1,266	(1,456)	37	(80)	(3,323)	
Balance b/f	1,219	5,198	4,168	3,724	2,993	4,301	3,884	4,233	5,499	4,043	4,080	4,000	
Balance c/f	5,198	4,168	3,724	2,993	4,301	3,884	4,233	5,499	4,043	4,080	4,000	677	

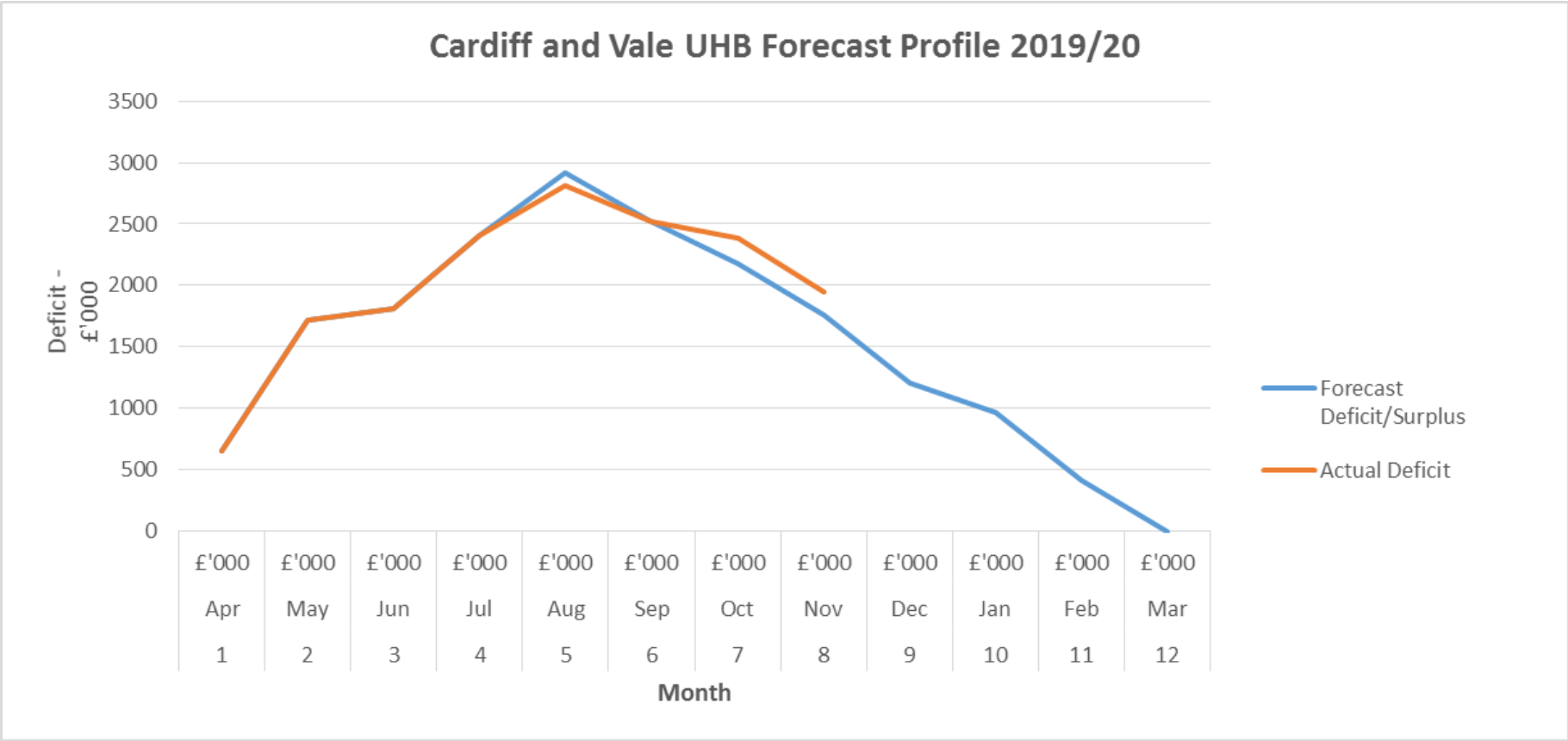
PROGRESS AGAINST CRL AS AT 30th NOVEMBER 2019

Approved CRL issued December 2 nd 2019 £'000s	53,011
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[illegible]

FINANCIAL PERFORMANCE OF EXECUTIVE DIRECTORATES

Corporate Executive Directorate	M8 Budget Variance £m
Chief Executive Officer	(0.012)
Chief Operating Officer	0.020
Director of Finance	(0.145)
Director of Governance	0.046
Director of Nursing	(0.113)
Director of Planning	0.067
Director of Public Health	0.020
Director of Therapies	(0.042)
Director of Transformation	0.196
Director of Workforce	(0.039)
Medical Director	(0.256)
Total £m	(0.258)



Report Title:	2019-20 Cost Reduction Programme							
Meeting:	Finance Committee					Meeting Date:	18th December 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 30th November 2019 £16.707m of schemes had been identified as Green or Amber against the devolved 2% savings target of £16.345m. There is a therefore a surplus of £0.361m. Of the £16.707m identified schemes, £15.050m is recurrent 2020/21.

There is an expectation that all Clinical Boards get 100% of schemes in green 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 30th November 2019 £13.505m had been identified as Green or Amber against the £12.800m corporate and high value opportunities target. Of the £13.505m identified schemes, £4.332m is recurrent in 2020/21. The recurrent position is currently being reviewed on a scheme by scheme basis.

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 £30.212m against the UHB savings target of £29.145m. However, £10.521m of savings identified are non-recurrent.

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

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
PCIC	3,300	3,442	691	4,133	517	(833)
Surgery	2,300	2,560	0	2,560	375	(260)
Specialist Services	2,019	2,071	136	2,207	0	(188)
Corporate Execs	681	680	17	696	20	(15)
Mental Health	1,470	1,428	42	1,470	100	0
CD&T	1,633	997	638	1,635	574	(1)
Children & Women	1,775	1,513	119	1,632	225	143
Medicine	1,877	1,079	412	1,491	196	386
Capital Estates and Facilities	1,290	863	20	883	267	407
Total	16,345	14,632	2,074	16,707	2,274	(361)
Corporate	12,800	13,005	500	13,505	0	(705)
Total	29,145	27,638	2,574	30,212	2,274	(1,067)

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
PCIC	3,300	3,451	767	4,218	0	-918
Surgery	2,300	2,198	0	2,198	560	102
Specialist Services	2,019	1,903	136	2,039	0	-20
Corporate Execs	681	697	0	697	0	-16
Mental Health	1,470	1,102	50	1,152	100	318
CD&T	1,633	799	211	1,010	574	623
Children & Women	1,775	536	336	872	245	903
Medicine	1,877	1,049	1,251	2,300	558	-423
Capital Estates and Facilities	1,290	521	43	564	0	726
Total	16,345	12,256	2,794	15,050	2,037	1,295
Corporate	12,800	4,332	0	4,332	6,439	8,468
Total	29,145	16,588	2,794	19,382	8,476	9,763

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			-	1,000	1,000
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	599
Non Electice LOS - Bed reduction (3 wards)	1,250	1,063		1,063	0	187
Managed Service Contract - Theatres stock	500		500	500	0	0
Cost Avoidance - WEQAS	1,800	3,050		3,050	0	(1,250)
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	(600)
Stock Management	200	300		300	0	(100)
Prescribing provision, Cardiac Devices, R&D plus other accruals	0	621		621	0	(621)
FP2 Rebanding provision	0	214		214	0	(214)
Total	12,800	13,005	500	13,505	-	(705)

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			-	1,000	2,000
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		811	1,189	1,189
Non Electice LOS - Bed reduction (3 wards)	5,100	1,621		1,621	3,750	3,479
Managed Service Contract - Theatres stock	1,500			-	500	1,500
Review of discretionary expenditure	1,300	1,000		1,000	0	1,300
Total	12,800	4,332	-	4,332	6,439	8,468

The full year effect of schemes is currently under review given the potential impact on the opening 2020/21 position.

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:	18 th December 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 30th November 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 30th November 2019

Risk Category	Risk Score	Number of Risks as at 30 November 2019
Extreme Risk	20 - 25	3
High Risk	12 - 16	3
Moderate Risk	4 - 10	7
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 8 overspends reported in Medicine Clinical Board (£3.286m), PCIC (£1.796m), Surgery (£1.582m)

Fin09/19 – Management of nursing position £2.391m overspend at month 8.

The Finance Committee is asked to note the assessed risk attached to the forecast 2019/20 Welsh Risk Pool overspend (Fin 13/19) where the UHB's share of the overspend has reduced from £2.4m to £1.5m following a revision to the forecast at month 8.

The Finance Committee is asked to note the new assessed risk attached to the potential of cardiac outsourcing (Fin14/19).

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
- **NOTE** the value of risk associated with the 2019/20 Welsh Risk Pool overspend where the UHB share is now estimated at £1.5m

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.								

					Current Risk Rating					Target Risk Rating if Controls in Place								
Categories	CB/Dir Ref No	Date Entered onto new CB/Dir/UHB Risk Register	Risk/Issue (Including Impact)	Existing Controls	Impact / Consequence	Likelihood	Score	Adequacy Existing Controls	Summary of Additional Controls Required	Impact / Consequence	Likelihood	Score	Date of Last Review	Review Completed By	Date of Next Review	Risk Owner	Exec Lead	Assuring committee
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	Nov-19	Assistant Director of Finance	Dec-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 8: Medicine Clinical Board £3.286m PCIC £1.796m Surgery £1.582m	5	4	20	Adequate but more Action Required	Escalation process led by Chief Executive.	4	2	8	Nov-19	Assistant Director of Finance	Dec-19	The Board	Chief Operating Officer	Finance Committee
Finance	Fin03/19	Mar-19	Deliver 2% Recurrent CIP (£16.4m) - £0.361m surplus at month 8.	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. Shortfalls at month 8: Medicine Clinical Board £0.386m Children & Women £0.143m Capital, Estates & Facilities £0.407m	3	2	6	Adequate but more Action Required		3	2	6	Nov-19	Assistant Director of Finance	Dec-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 8.	CIP target clearly communicated. CIP tracker in place to monitor weekly progress. Executive lead identified for each Corporate Scheme	2	3	6	Adequate but more Action Required	Progress against Corporate schemes is to be managed by Management Executive.	3	2	6	Nov-19	Assistant Director of Finance	Dec-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	2	6	Optimum Controls/NFA Required	Internal investments will not be agreed until the UHB has a full savings programme in place.	3	2	6	Nov-19	Assistant Director of Finance	Dec-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	Nov-19	Assistant Director of Finance	Dec-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 in partnership with Local Authorities for sign off by Management Executive	4	3	12	Adequate but more Action Required	Progress report to be received through performance review meetings.	3	2	6	Nov-19	Assistant Director of Finance	Dec-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	Nov-19	Assistant Director of Finance	Dec-19	The Board	Director of Finance	Finance Committee
Finance	Fin09/19	Mar-19	Management of Nursing overspend - £2.391m month 8 (£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	Nov-19	Assistant Director of Finance	Dec-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.	3	2	6	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	Nov-19	Assistant Director of Finance	Dec-19	The Board	Director of Transformation	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.	3	2	6	Optimum Controls/NFA Required	None	2	2	4	Nov-19	Assistant Director of Finance	Dec-19	The Board	Director of Finance	Finance Committee
Finance	Fin13/19	Aug-19	Welsh Risk Pool - £1.5m	The UHB will continue to work closely with WG .	4	3	12	Optimum Controls/NFA Required	None	2	2	4	Nov-19	Assistant Director of Finance	Dec-19	The Board	Director of Finance	Finance Committee
Finance	Fin14/19	Nov-19	Cardiac surgery outsourcing	Potential to need to outsource up to 50 patients at an estimated cost of £0.020m per patient	3	3	9	Optimum Controls/NFA Required	None	2	2	4	Nov-19	Assistant Director of Finance	Dec-19	The Board	Chief Operating Officer	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

Period : Nov 19

TABLE A : Movement of Opening Financial Plan to Forecast Outcome

Forecast Outturn (- Deficit / + Surplus) reconciles to Table B Forecast Outturn	Ok
In Year items have been analysed between Recurring & Non Recurring	Ok
FYE of Recurring items are greater than, or equal to, the In Year Recurring amount	Ok

Forecast Outturn (- Deficit / + Surplus) reconciles to Table B Forecast Outturn	Ok
In Year items have been analysed between Recurring & Non Recurring	Ok
FYE of Recurring items are greater than, or equal to, the In Year Recurring amount	Ok

[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 £'000	May £'000	Jun £'000	Jul £'000	Aug £'000	Sep £'000	Oct £'000	Nov £'000	Dec £'000	Jan £'000	Feb £'000	Mar £'000			YTD variance as %age of YTD	Green £'000	Amber £'000	non recurring £'000	recurring £'000
1	CHC and Funded Nursing Care	Budget/Plan	46	46	46	46	46	46	70	94	117	141	165	189	439	1,050		1,050	0		
2		Actual/F'cast	46	46	46	46	46	46	70	94	117	141	165	189	439	1,050	41.78%	1,050	0	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	1,449	2,811		1,547	1,730		
8		Actual/F'cast	121	121	127	149	149	149	436	277	277	277	277	326	1,530	2,686	56.97%	1,807	879	199	2,487
9		Variance	0	0	0	0	0	0	120	(39)	(39)	(39)	(39)	(89)	81	(125)	5.62%	260	(851)		
10	Non Pay	Budget/Plan	381	976	900	1,332	794	878	862	905	905	906	906	1,857	7,028	11,602		11,243	1,398		
11		Actual/F'cast	305	963	829	1,156	705	1,240	885	1,134	941	958	957	1,828	7,217	11,901	60.64%	10,704	1,197	6,102	5,799
12		Variance	(76)	(13)	(71)	(176)	(89)	363	23	229	36	52	51	(30)	189	299	2.70%	(539)	(201)		
13	Pay	Budget/Plan	403	331	370	875	667	671	693	703	705	705	705	772	4,712	7,599		7,504	915		
14		Actual/F'cast	380	316	433	647	616	633	669	701	668	747	743	1,047	4,395	7,600	57.83%	7,138	461	2,330	5,269
15		Variance	(23)	(15)	63	(228)	(51)	(38)	(23)	(2)	(37)	42	39	275	(318)	1	(6.74%)	(366)	(454)		
16	Primary Care	Budget/Plan	17	17	17	17	17	17	17	17	17	17	17	17	139	208		208	0		
17		Actual/F'cast	17	17	17	17	17	17	17	17	17	17	17	17	139	208	66.67%	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	13,766	23,270		21,552	4,044		
20		Actual/F'cast	869	1,463	1,452	2,016	1,534	2,085	2,078	2,222	2,020	2,139	2,159	3,406	13,719	23,444	58.52%	20,907	2,537	8,631	14,814
21		Variance	(99)	(28)	(8)	(404)	(139)	324	120	187	(40)	55	51	156	(47)	175	(0.34%)	(645)	(1,506)		
22	Variance in month		(10.24%)	(1.91%)	(0.56%)	(16.68%)	(8.33%)	18.43%	6.12%	9.21%	(1.93%)	2.64%	2.40%	4.80%	(0.34%)						
23	In month achievement against FY forecast		3.71%	6.24%	6.19%	8.60%	6.54%	8.89%	8.86%	9.48%	8.62%	9.13%	9.21%	14.53%							

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	2,647	4,633		4,253	670		
2		Actual/F'cast	183	121	144	168	362	355	359	379	391	476	474	513	2,071	3,925	52.77%	3,509	416	424	3,501
3		Variance	(20)	(17)	3	(227)	(33)	(40)	(126)	(116)	(105)	(21)	(22)	16	(576)	(709)	(21.75%)	(744)	(254)		
4	Variable Pay	Budget/Plan	61	64	66	317	117	121	130	130	130	130	130	130	1,005	1,524		1,324	200		
5		Actual/F'cast	61	63	69	296	93	109	99	115	110	110	110	162	904	1,396	64.79%	1,396	0	546	850
6		Variance	(0)	(1)	3	(21)	(24)	(12)	(31)	(14)	(20)	(20)	(20)	32	(100)	(128)	(9.99%)	72	(200)		
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	79	118		118	0		
11		Actual/F'cast	10	10	10	10	10	10	10	10	10	10	10	10	79	118	66.67%	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	28	42		42	0		
14		Actual/F'cast	4	4	3	3	6	4	4	4	5	1	1	1	30	38	78.42%	38	0	26	12
15		Variance	0	0	(1)	(1)	2	0	0	0	2	(3)	(3)	(3)	2	(4)	6.43%	(4)	0		
16	Other (Please Specify)	Budget/Plan	126	115	150	150	141	141	65	65	65	65	65	132	954	1,282		1,768	45		
17		Actual/F'cast	123	118	207	170	146	156	198	193	152	151	149	361	1,310	2,123	61.73%	2,078	45	1,316	807
18		Variance	(3)	3	57	20	5	14	133	127	87	85	84	229	357	841	37.39%	310	0		
19	Total	Budget/Plan	403	331	370	875	667	671	693	703	705	705	705	772	4,712	7,599		7,504	915		
20		Actual/F'cast	380	316	433	647	616	633	669	701	668	747	743	1,047	4,395	7,600	57.83%	7,138	461	2,330	5,269
21		Variance	(23)	(15)	63	(228)	(51)	(38)	(23)	(2)	(37)	42	39	275	(318)	1	(6.74%)	(366)	(454)		

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	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0		
2	Agency/Locums paid at a premium	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	79	118		118	0		
11		Actual/F'cast	10	10	10	10	10	10	10	10	10	10	10	10	79	118	66.67%	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	79	118		118	0		
14		Actual/F'cast	10	10	10	10	10	10	10	10	10	10	10	10	79	118	66.67%	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
4,049
6,360
11,555
208
23,223

Full-Year Effect of Recurring Savings
£'000
9,074
930
0
100
12
1,440
11,555

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

Now 19

[illegible]

[illegible]

[illegible]

Cardiff & Vale ULHB

Period : Nov 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	(500)	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	(2,500)	Medium		
10	Welsh Risk Pool	(2,400)	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	(5,400)		0	
31	Total Amended Forecast	(5,400)		0	