







Finance Committee

23 September 2020, 14:00 to 16:00
Via Skype / Cefn Mably

Agenda

- 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 26th August 2020** John Union
 -  **1.4b UNCONFIRMED MINUTES OF THE FINANCE COMMITTEE AUGUST 2020.pdf** (8 pages)
 - 1.5. Action Log** John Union
 -  **1.5. Action Log For August 2020 Finance Committee Meeting.pdf** (1 pages)
 - 1.6. Chairs Action taken since last meeting** John Union
- 2. Items for Review and Assurance**
 - 2.1. Financial Performance Month 5** Andrew Gough
 - a. Financial Position Report
 -  **2.1a Finance Position Report for Month 5.pdf** (26 pages)
 - 2.2. Finance Risk Register 2020/21** Andrew Gough
 - a. Main Risk Register
 - b. Dragon's Heart Hospital
 -  **2.2 Finance Risk Register 2020-21 September 2020.pdf** (2 pages)
 -  **2.2a Finance Risk Register 2020-21 - Appendix 1.pdf** (6 pages)
 -  **2.2b Dragons Heart Hospital (DHH) Finance Risk Register 2020-21 - Appendix 2.pdf** (6 pages)
- 2.3. Value Based Healthcare and its use in decision making at Cardiff & Vale UHB** Andrew Gough
- 3. Items for Noting and Information**

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3.1. Month 5 Financial Monitoring Returns



3.1a CV Financial Monitoring Returns 2020-21 -
Month 5.pdf (12 pages)



3.1b Month 05 - Cardiff & Vale ULHB - Monitoring
Return Tables - Day 9 - Resubmission - Corrected
Validations.pdf (9 pages)

4. Items to bring to the attention of the Board

John Union

5. Date and time of next Meeting

Wednesday 28th October 2020 at 2pm, Skype / Cefn Mably Meeting Room, Woodland House

**UNCONFIRMED MINUTES OF THE MEETING OF THE FINANCE COMMITTEE
HELD ON 26th AUGUST 2020
CEFN MABLY MEETING ROOM/SKYPE , WOODLAND HOUSE**

Present:

Dr Rhian Thomas	RT	Chair, Independent Member – Capital and Estates
Charles Janczewski	CJ	Board Chair
John Union	JU	Independent Member - Finance
Abigail Harris	AH	Executive Director of Strategic Planning
Andrew Gough	AG	Assistant Director of Finance
Len Richards	LR	Chief Executive
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:

Chris Lewis	CL	Deputy Director of Finance
Martin Driscoll	MD	Executive Director of Workforce and Organisational Development
Nicola Foreman	NF	Director of Corporate Governance

FC 20/071	WELCOME AND INTRODUCTIONS The Chair welcomed everyone to the meeting.	ACTION
FC 20/072	APOLOGIES FOR ABSENCE Apologies for absence were noted.	
FC 20/073	DECLARATIONS OF INTEREST The Chair invited members to declare any interests in proceedings on the Agenda. None were declared.	
FC 20/074	MINUTES OF THE COMMITTEE MEETING HELD ON 29th JULY 2020	

	<p>The minutes of the meeting held on 29th July 2020 were reviewed for accuracy and were agreed as a true and accurate record.</p> <p>Resolved – that:</p> <p>The minutes of the meeting held on 29th July 2020 were approved by the Committee as an accurate record.</p>	
FC 20/075	<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 20/076	<p>CHAIRS ACTION SINCE THE LAST MEETING</p> <p>There had been no Chairs action taken since the last meeting.</p>	
FC 20/077	<p>FINANCIAL PERFORMANCE MONTH 4</p> <p>The Assistant Director of Finance informed the Committee that at month 4, the UHB had reported an overspend of £52.656m against the 2020/21 plan. The reported position was primarily a result of net expenditure of £63.794m arising from the management of COVID 19 which was offset by Welsh Government COVID 19 funding of £11.322m and an operating deficit of £0.184m.</p> <p>The Executive opinion noted that managing the impact of COVID 19, would come with a significant cost and that the financial focus would be on financial governance, justifying additional expenditure incurred in dealing with COVID 19 and assessing its impact on the reported financial position. The UHB also needed to keep in check its non COVID operational position to ensure that financial control is maintained particularly as planned care workflows come back on line. In addition the UHB needed to avoid adding recurrent expenditure to the UHB's underlying position to support the recovery from this period.</p> <p>The UHB Chair (CJ) noted the additional Welsh Government COVID 19 funding which covered part of the additional costs arising from the management of COVID 19 and asked whether the UHB had any assurance as to whether the full costs of managing CoVID 19 would be met by Welsh Government. In reply and referring to the recent Welsh Government announcement of a £800m stabilisation package to help the Welsh NHS the Assistant Director of Finance indicated that at this stage it was not clear what proportion would be allocated to the UHB. The Committee was reminded that a detailed schedule of actual and forecast additional costs arising from the management of COVID 19 was submitted to Welsh Government on a monthly basis</p>	

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<p>Bricknell Helen 09/16/2020 15:46:56</p>	<p>and discussions with the Welsh Government's Finance Delivery Unit had relayed that the UHBs split of COVID and non COVID expenditure was broadly consistent with other Welsh NHS organisations. The Chief Executive indicated Welsh Government had signalled in discussion with UHB Chief Executives that it wished to expedite the allocation of the stabilisation package to Health Boards to provide the stability required to respond to the pressures faced in 2020/21.</p> <p>The UHB Chair (CJ) asked how the UHB would address the £0.184m operational deficit that had emerged at month 4 and in response the Chief Operating Officer confirmed that the operational overspend was primarily a result of specific issues around nursing in the Medicine Clinical Board and continuing healthcare and prescribing in the PCIC Clinical Board. In this context the UHB was challenging and supporting the respective Clinical Boards to control the specific pressures presenting a financial concern.</p> <p>Performance against the Finance Dashboard continued to be skewed by the impact of COVID 19 and six out of the eight measures remaining RAG rated red namely: staying within revenue resource limits; the reduction in the underlying deficit to £4m; the delivery of the recurrent £25m 3% devolved savings target; the delivery of the £4m non recurrent savings target; performance against the Non NHS creditor payments target and the forecast year end cash position. The creditor compliance payments score had improved again in month and that this was expected to meet the performance target if the current rate of improvement continued.</p> <p>The UHB Chair (CJ) observed that the UHB was forecasting a cash deficit in line with the forecast deficit of circa £131m and asked what plans there were to cover this. In response the Assistant Director of Finance indicated that the forecast cash deficit was expected to fall as Welsh Government released further funding to cover the costs of COVID 19 and that historically Welsh Government had provided additional cash support to cover shortfalls in cash arising from annual operational deficits.</p> <p>It was highlighted that within the additional COVID 19 expenditure of £67.623m at month 4, the sum of £40.669m related to the Dragons Heart Hospital with further net expenditure of £26.954m being incurred in Clinical Boards. The expenditure reported against the DHH include a re-evaluation of a number of key contractual liabilities and their phasing.</p> <p>COVID 19 was also adversely impacting on the UHB savings programme where there was an underachievement of £8.418m against the month 4 target of £9.624m and the shortfall in savings was expected to continue until the COVID 19 pandemic passed.</p> <p>Elective work had been significantly curtailed during the first 4 months of the year as part of the UHB response to COVID 19 and this was the main reason behind a £11.310m reduction in planned expenditure.</p>	
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Moving onto expenditure headings the Assistant Director of Finance indicated that a surplus of £7.158m was reported against income targets at month 3 as a result of net COVID 19 expenditure of £4.050m, an operational overspend of £0.115m which were offset by additional Welsh Government funding of £11.322m for COVID 19 costs. The key COVID 19 costs were largely unchanged from the previous month and related to income reductions arising from reduced footfall and activity in retail and restaurant services; the Injury Cost Recovery Scheme; patient related English NHS non contracted income; dental patient charges income; laboratories and Radiopharmacy and private patients. It was noted that the Injury Cost Recovery Scheme had improved in month. The overall operational shortfall in income was £0.020m higher than the previous month.

The pay position at month 4 was a deficit of £10.153m made up of a net COVID 19 expenditure of £13.885m and an operational underspend of £3.732m. The main additional COVID 19 pay costs were for medical, nursing and ancillary staff in the Women & Children, Medicine Clinical Boards and in Facilities.

Non pay budgets reported a deficit of £49.661m at month 4 comprising of net COVID 19 expenditure of £45.859m and an operational overspend of £3.802m.

£39.604m of the additional COVID 19 expenditure related to plant and premises costs at the Dragon's Heart Hospital, £9.048m was attributed to other non pay primarily due to slippage against savings schemes and a further £1.669m overspend on general supplies and services primarily relating to PPE. There was also additional spend in other service areas on cleaning, waste management, IT, overnight accommodation and drugs.

Referring to the Financial Forecast for 2020/21 outlined in table 8 the Assistant Director of Finance noted that the additional costs of managing Covid 19 were expected to continue and the financial deficit was forecast to move from £52.656 at month 4 to a deficit of £131.381m at year end. The committee was reminded that some of the the additional costs arising from plans to manage COVID 19, in particular costs relating to the Dragons Heart Hospital were front loaded into the first part of the year, however expenditure reductions arising from the reduction in elective work were also expected to reduce as planned care was re-introduced.

The month 4 operational overspend of £0.184m was expected to move towards a balanced position as the year progressed.

A year-end deficit of £131.181m was forecast and this was a fall of £8.057m when compared to month 4 as a result of the following reductions in forecast expenditure: Dragons Heart Hospital - £1.900m; Green zone COVID plan - £1.800m; Spire (WG funding to 6th September) - £1.800m; TTP net costs - £0.900m; Workforce review

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<p>Bricknell Helen 09/16/2020 15:46:56</p>	<p>improvements - £0.900m and Other reductions including PPE - £0.700m</p> <p>The Finance Committee was referred to the key assumptions underpinning the forecast and the following key issues were highlighted:</p> <ul style="list-style-type: none"> • Dragons Hearth Hospital (DHH) revenue costs were estimated at circa £65.9m and this included decommissioning and an estimate of consequential losses costs. • The UHB had developed alternative plans which have been shared with Welsh Government to establish a facility for surge capacity on the UHW site. However, no costs for additional potential surge capacity requirements were included in the forecast at this stage • Costs for additional capacity commissioned from SPIRE were included up until the end of the year. • Slippage of circa £24.8m against savings plans that the UHB was unable to progress during the pandemic was included in the forecast. Welsh Government had indicated that it expected the UHB to progress savings plans where it could and the UHB continued to identify and maximise all potential savings opportunities available. • The forecast cost of COVID 19 regional Test, Trace and Protect (TTP) was included in the forecast at c £11.0m. <p>In response to a query from the Independent Member (Estates) the Assistant Director of Finance confirmed that the UHB had received confirmation of the following additional Welsh Government funding to in part cover the additional costs of managing the impact of COVID 19:</p> <ul style="list-style-type: none"> • Funding reflecting COVID workforce costs month 1 to 3 - £11.016m • Test, Trace and Protect (TTP) - £8.239m • Transformation Optimise flow and outcomes - £1.251m • Mental Health Services - £0.503m • GMS DES - £0.210m <p>Following a query from the UHB Chair (CJ) the Assistant Director of Finance also confirmed that the full year cost of CAV 24/7 were included in the forecast.</p> <p>The Finance Committee Chair (RT) raised a query in respect of the forecast slippage against the savings programme and the Assistant Director of Finance confirmed that the UHB maintained a detailed list of actual and forecast performance against all schemes to facilitate performance management. The detail was also submitted to Welsh Government for scrutiny on a monthly basis. The Committee was informed that it remained important for the UHB to maximise savings in year particularly in respect of medicines management and procurement schemes.</p>	
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<p>Bricknell Helen 09/16/2020 15:46:56</p>	<p>In the context of surge capacity following the egress from the Dragons Heart Hospital the Finance Committee Chair asked whether the UHB had received approval of additional capital to proceed with plans to increase capacity on the UHW site. The Chief Executive indicated that a decision was expected from Welsh Government shortly and the UHB Chair confirmed that the UHB was not in a position to run at risk with the capital build in lieu of Welsh Government approval.</p> <p>In response to further queries from the Finance Committee Chair the Assistant Director of Finance confirmed that considerable progress had been made in agreement of consequential losses arising from the Dragons Heart Hospital and that all significant contentious issues had now been resolved. It was confirmed that estimates of both consequential losses and reparations for stadium damages were included in the UHB's forecast year end deficit.</p> <p>The largest operational pressures within Clinical Boards were reported in PCIC where there were pressures against GP prescribing and CHC and Medicine where there were pressures spread against nursing, clinical services and supplies and other areas of non pay. It was noted that the overall operational position had deteriorated in month and as discussed earlier in the meeting this would continue to be monitored.</p> <p>Moving on to the UHBs underlying deficit the Deputy Director Of Finance reported that £21.5m of the £24.8m forecast slippage against 2020/21 savings targets was recurrent. As a result of the savings slippage the forecast year end underlying deficit was £25.5m which was £21.5m more than the planned £4m identified in the submitted IMTP.</p> <p>Picking up on the underlying deficit the UHB Chair (CJ) suggested that it would be helpful for the UHB to consider and reflect on progress made to reduce the underlying deficit over recent years and it was agreed that an outline of progress would be provided with the month 5 Finance report.</p> <p>ACTION POINT</p> <p>The UHB cash balance at the end of August was c £4.1m and the UHB was forecasting a year end cash deficit in line with the financial forecast.</p> <p>PSPP performance had improved from 94.1% to 94.8% in July but was still below the 95% target. Performance in future months was expected to continue to improve.</p> <p>Capital expenditure was satisfactory with net expenditure to the end of July being 40% of the UHB's approved Capital Resource Limit (CRL). The Committee was informed that the UHB has requested a further 2.5m COVID 19 capital funding to support the provision of elective and routine services through the creation of green zones and</p>	<p>ADOF</p>
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	<p>that without this support the containment of capital costs within the CRL was at risk. The UHB had reprioritized its capital plan to mitigate the risk.</p> <p>In conclusion, the Deputy Director of Finance highlighted that at month 4, the key financial risk facing the UHB continued to be managing the impact of COVID 19 without confirmation of further funding available to cover the additional costs. The UHB also has a capital risk to manage if further COVID 19 funding was not secured from Welsh Government</p> <p>Resolved – that:</p> <p>The Finance Committee noted the month 4 financial impact of COVID 19 which is assessed at £63.794m;</p> <p>The Finance Committee noted the additional Welsh Government funding of £11.322m received in respect of COVID 19 additional costs;</p> <p>The Finance Committee noted the month 4 reported financial position being a deficit of £52.656m;</p> <p>The Finance Committee noted the forecast deficit of £131.381m arising from managing the impact of COVID 19;</p> <p>The Finance Committee noted that the UHB does not yet know what funding may be available from Welsh Government to help support the financial costs of managing COVID 19.</p> <p>The Finance Committee noted the revised forecast 2020/21 carry forward Underlying Deficit is £25.5m due to the impact of COVID 19;</p>	
FC 20/078	<p>FINANCE RISK REGISTER</p> <p>The Assistant Director of Finance (AG) presented the Finance Risk register.</p> <p>The extreme risks were noted as being:</p> <p>Fin01/20 – Reducing underlying deficit from £11.5m to £4.0m in line with IMTP submission.</p> <p>Fin02/20 – Management of budget pressures.</p> <p>Fin03/20 – Delivery of £29.0m (3.5%) CIP</p> <p>Fin10/20 – COVID-19 impact on financial plan</p> <p>It was also noted that risks around the Dragons Heart Hospital (DHH) COVID-19 were reported as a sub-set to the main risk register. The Finance Committee Chair observed that there had been little progress in the risk categorisation since the start of the year and the Assistant Director of Finance agreed and indicated that progress in the reduction of risk had been obstructed by the management of COVID</p>	

	<p>19. This was unlikely to change until there was confirmation of the level additional to meet the current cost of COVID 19 and the impact on recurrent saving plans.</p> <p>Resolved - that:</p> <p>The Finance Committee noted the risks highlighted in the 2020/21 risk register.</p> <p>The Finance Committee noted the risks highlighted in the Dragon's Heart Hospital sub set risk register.</p>	
FC 20/079	<p>MONTH 4 FINANCIAL MONITORING RETURNS</p> <p>These were noted for information.</p>	
FC 20/080	<p>ITEMS TO BRING TO THE ATTENTION OF THE BOARD</p> <p>There were no items to bring to the attention of the Board.</p>	
FC 20/081	<p>DATE OF THE NEXT MEETING OF THE COMMITTEE</p> <p>The Finance Committee Chair (RT) relayed apologies for absence at the next planned meeting and it was agreed that the Independent Member (Estates) (JU) would chair the next meeting.</p> <p>Wednesday 23rd September 2.00pm; Skype / Cefn Mably Meeting Room, Ground Floor, HQ, Woodland House</p>	

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FINANCE COMMITTEE – PUBLIC MEETING

ACTION LOG

MINUTE	DATE	SUBJECT	AGREED ACTION	ACTIONED TO	STATUS
FC 20/077	26 th August 2020	UHB Underlying Deficit	An outline of progress made to reduce the UHB underlying deficit over recent years would be provided with the month 5 Finance report.	Assistant Director of Finance	Complete - Included in Month 5 Finance Report on the agenda of the September 2020 Finance Committee meeting

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Report Title:	Finance Report for the Period Ended 31st August 2020						
Meeting:	Finance Committee				Meeting Date:	23rd September 2020	
Status:	For Discussion	x	For Assurance	x	For Approval	For Information	x
Lead Executive:	Executive Director of Finance						
Report Author (Title):	Interim Director of Finance						

Background and current situation:

The Health Board agreed and submitted its 2020/21 – 2022/23 IMTP to Welsh Government by the end of January 2020 for its consideration. The Welsh Government wrote to the UHB on 19th March 2020 to inform it whilst it had an approvable plan, it had paused the IMTP process for an indefinite period so that organisations could focus on the challenges of COVID 19. Welsh Government however are still monitoring the UHB against its submitted plan with a focus on the financial impact of COVID 19. A summary of this plan is provided in Table 1.

Table 1: 2020/21 IMTP

	2020/21 IMTP £m
Prior Year Plan	(4.0)
Adjustment for non recurrent items in previous year	(7.5)
b/f underlying deficit	(11.5)
Net Allocation Uplift (including LTA inflation)	36.2
Cost Pressures	(50.7)
Investments	(3.0)
Recurrent Cost Improvement Plans 3%	25.0
Non Recurrent Cost Improvement Plans 0.5%	4.0
Planned Surplus/(Deficit) 2020/21	0.0

At month 5, the UHB is reporting an overspend of £27.565m against this plan due to net expenditure of £74.014m arising from the management of COVID 19 which is offset by Welsh Government COVID 19 funding of £46.272m and an operating surplus of £0.177m.

The UHB continues to progress its plans to manage the pandemic at risk pending the agreement of further additional funding to fully cover additional costs arising from the management of COVID 19.

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Executive Director Opinion /Key Issues to bring to the attention of the Board/ Committee:

With the operation imperative being managing the impact of COVID 19, the main financial focus has been on justifying and scrutinising additional expenditure incurred in dealing with COVID 19 and assessing its financial impact. The UHB needs to keep in check its non COVID operational position to ensure that financial control is maintained particularly as planned care workflows come back on line.

What is key for the Board is how it recovers from this period. It needs to avoid adding recurrent expenditure to its underlying position and to embed the many transformation changes that have been delivered at pace due to necessity. This is a period of both significant financial risk and opportunity for the UHB.

Assessment and Risk Implications

The Finance Dashboard outlined in Table 2 reports actual financial performance against key financial performance measures.

Table 2: Finance Dashboard @ August 2020

Measure	n	STATUS REPORT				
		August 2020	Rating	Latest Trend	Target	Time Period
Financial balance: remain within revenue resource limits	36	£27.565m deficit at month 5.	R	↑	2020/21 Break-Even	M5 2020-21
Remain within capital resource limits.	37	Expenditure at the end of August was £21.474m against a plan of £23.641m.	G	⑨	Approved planned expenditure £47.404m	M5 2020-21
Reduction in Underlying deficit	36a	£11.5m assessed underlying deficit (ULD) position b/f to month 1. Forecast year end ULD £25.4m	R	⑨	If 2020/21 plan achieved reduce underlying deficit to £4.0m	M5 2020-21
Delivery of recurrent £25.000m 3% devolved target	36b	£4.662m forecast at month 5. Performance impaired by response to COVID- 19	R	⑨	£25.000m	M5 2020-21
Delivery of £4m non recurrent devolved target	36c	£1.044m forecast at month 5. Performance impaired by response to COVID- 19	R	⑨	£4.000m	M5 2020-21
Creditor payments compliance 30 day Non NHS	37a	Cumulative 95.3 % at the end of August	G	↑	95% of invoices paid within 30 days	M5 2020-21
Remain within Cash Limit	37b	Forecast cash deficit in line with forecast deficit of £91.287m	R	↑	To remain within Cash Limit	M5 2020-21
Maintain Positive Cash Balance	37c	Cash balance = £4.107m	G	⑨	To Maintain Positive Cash Balance	End of August 2020

Month 5 Cumulative Financial Position

The Welsh Government has made amendments to the monthly financial monitoring returns to capture and monitor net costs due to COVID 19 that are over and above LHB plans. The

financial position reported to Welsh Government for month 5 is a deficit of £27.565m this represents an improvement of £25.091m in month and this is summarised in Table 3.

Table 3: Month 5 Financial Position 2020/21

	Month 1 £m	Month 2 £m	Month 3 £m	Month 4 £m	Month 5 £m	Total £m
COVID 19 Additional Expenditure	38.438	17.290	5.330	6.565	10.597	78.220
COVID 19 Non Delivery of Savings Plans	2.118	2.150	2.056	2.094	1.752	10.170
COVID 19 Reductions in Planned Expenditure	(2.522)	(4.241)	(2.921)	(1.626)	(1.885)	(13.195)
COVID 19 Release of Planned Investments	0.000	(0.168)	(0.679)	(0.089)	(0.244)	(1.180)
Net Expenditure Due To COVID 19	38.034	15.030	3.786	6.944	10.220	74.014
Operational position (Surplus) / Deficit	0.191	(0.048)	(0.204)	0.244	(0.361)	(0.177)
Welsh Government COVID 19 funding received			(11.016)	(0.306)	(34.950)	(46.272)
Financial Position (Surplus) / Deficit £m	38.225	14.982	(7.434)	6.882	(25.091)	27.565

This shows that the key driver of the month 5 financial position is the impact of COVID 19.

The additional COVID 19 expenditure in the 5 months to the end of August was £78.220m. Within this, the costs of the Dragon's Heart Hospital are significant, especially the set up costs which allow for significant expansion. At month 5 revenue costs of £45.216m relate to the Dragon's Heart Hospital (DHH) and these are detailed in **Appendix 4**. There was also £33.004m of other COVID 19 related additional expenditure. The in month COVID additional expenditure increase of £4.032m relates to expenditure profiling of Dragon's Heart Hospital set up and decommissioning costs.

COVID 19 is also adversely impacting on the UHB savings programme with underachievement of £10.170m against the month 5 target of £12.283m. It is not anticipated that this will significantly improve until the COVID 19 pandemic passes.

Elective work has been significantly curtailed during this period as part of the UHB response to COVID 19 and this has contributed to a £13.195m reduction in planned expenditure.

The UHB has also seen slippage as a commissioner of £1.180m on the WHSSC commissioning plan due to the impact of COVID 19.

The net expenditure due to COVID 19 is £74.014m. The UHB also has a small operating underspend of £0.177m and has allocated additional Welsh Government funding of £46.272m against COVID costs (COVID related Quarter 1 pay costs £11.016m, TF Optimise Flow and Outcomes £0.140m, All Wales Easter Bank Holiday DES (GMS) £0.210m, COVID 19 field hospital set up costs £34.906m) resulting in a Month 5 deficit of £27.565m.

Table 4 analyses the reported position between income, pay and non pay.

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Table 4: Summary Financial Position for the period ended 31st August 2020

Income/Pay/Non Pay	Budget	Actual	Net Expenditure Due To COVID 19	Welsh Government COVID 19 Funding Received	Operational Variance (Fav)/Adv	Total Variance
	£m	£m	£m	£m	£m	£m
In Month						
Income	(120.259)	(119.251)	0.940	0.000	0.066	1.008
Income - Welsh Govt. COVID 19 Funding Received	0.000	(34.950)	0.000	(34.950)	0.000	(34.950)
Pay	55.243	57.222	2.913	0.000	(0.934)	1.979
Non Pay	65.015	71.887	6.367	0.000	0.505	6.872
Variance to Plan £m	0.000	(25.091)	10.220	(34.950)	(0.363)	(25.091)
Cumulative						
Income	(588.671)	(583.502)	4.990	0.000	0.180	5.170
Income - Welsh Govt. COVID 19 Funding Received	0.000	(46.272)	0.000	(46.272)	0.000	(46.272)
Pay	275.567	287.698	16.798	0.000	(4.666)	12.132
Non Pay	313.104	369.638	52.226	0.000	4.309	56.535
Variance to Plan £m	0.000	27.563	74.013	(46.272)	(0.177)	27.565

Income

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

Table 5: Income Variance @ August 2020

Income	COVID 19 Additional Expenditure	COVID 19 Non Delivery of Planned Savings	COVID 19 Reductions In Planned Expenditure	Net Expenditure Due to COVID 19	COVID 19 Additional Welsh Govt. Funding	Operational Variance (Fav)/Adv	Total Variance
	£m	£m	£m	£m	£m	£m	£m
In Month							
Revenue Resource Limit (RRL)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
RRL Welsh Govt. COVID 19 Funding	0.000	0.000	0.000	0.000	(34.950)	0.000	(34.950)
Welsh Government Income (Non RRL)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Accommodation & Catering	0.089	0.000	0.000	0.089	0.000	0.011	0.099
Education & Training	0.002	0.000	0.000	0.002	0.000	0.039	0.041
Injury Cost Recovery Scheme (CRU) Income	0.030	0.000	0.000	0.030	0.000	(0.009)	0.020
NHS Patient Related Income	0.122	0.000	0.000	0.122	0.000	0.008	0.130
Other Operating Income	0.577	0.042	0.000	0.618	0.000	0.001	0.620
Overseas Patient Income	0.001	0.000	0.000	0.001	0.000	0.005	0.005
Private Patient Income	0.079	0.000	0.000	0.079	0.000	(0.006)	0.074
Research & Development	0.000	0.000	0.000	0.000	0.000	0.017	0.017
Variance to Plan £m	0.899	0.042	0.000	0.940	(34.950)	0.066	(33.944)
Cumulative							
Revenue Resource Limit (RRL)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
RRL Welsh Govt. COVID 19 Funding	0.000	0.000	0.000	0.000	(46.272)	0.000	(46.272)
Welsh Government Income (Non RRL)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Accommodation & Catering	0.576	0.000	0.000	0.576	0.000	0.033	0.609
Education & Training	0.031	0.000	0.000	0.031	0.000	0.136	0.167
Injury Cost Recovery Scheme (CRU) Income	0.337	0.000	0.000	0.337	0.000	(0.049)	0.288
NHS Patient Related Income	0.657	0.000	0.000	0.657	0.000	(0.048)	0.609
Other Operating Income	2.917	0.046	0.000	2.964	0.000	0.134	3.098
Overseas Patient Income	0.005	0.000	0.000	0.005	0.000	0.009	0.013
Private Patient Income	0.385	0.000	0.000	0.385	0.000	(0.001)	0.385
Research & Development	0.036	0.000	0.000	0.036	0.000	(0.035)	0.001
Variance to Plan £m	4.944	0.046	0.000	4.990	(46.272)	0.180	(41.101)

The month 5 income position is a surplus of £41.101m comprising net COVID 19 expenditure of

£4.990m, additional Welsh Government funding of £46.272m for COVID 19 costs and an operational overspend of £0.180m.

The key COVID 19 costs related to income reductions are as follows:

- £0.576m shortfall on accommodation and catering income as a result of a reduction in retail and restaurant services.
- A £0.337m adverse variance against the Injury Cost recovery Scheme following a significant fall in the number and value of new claims in the first 5 months. The value of new claims and level of cash received in August was an improvement on the average established in the first 4 months.
- £0.657m adverse variance in NHS Patient related income following the continuation of the reduction in English non-contracted income due to COVID 19. The in month deficit of £0.122m was broadly in line with the trend for the first 4 month of the year.
- £2.964m deficit against Other Operating Income. The majority of the deficit is a result of the COVID 19 reduction of activity in dental practices leading to a loss of Dental Patient Charges income. There was also a reduction in income because of reduced activity in laboratories and radiopharmacy. The in month deficit of £0.618m was broadly in line with the trend for the first 4 month of the year.
- £0.385m adverse variance against private patient income following the re-planning of non COVID activity.

Pay

The year to date and in month financial position for pay is shown in Table 6.

Table 6: Analysis of pay expenditure by staff group @ August 2020

Pay	COVID 19 Additional Expenditure £m	COVID 19 Non Delivery of Planned Savings £m	COVID 19 Reductions In Planned Expenditure £m	Net Expenditure Due to COVID 19 £m	Operational Variance (Fav)/Adv £m	Total Variance £m
In Month						
Medical and Dental	1.206	0.010	0.000	1.216	(0.279)	0.937
Nursing (registered)	0.703	(0.001)	(0.162)	0.540	(0.241)	0.299
Nursing (unregistered)	0.281	0.000	0.000	0.281	0.199	0.480
Scientific, prof & technical	0.027	0.000	0.000	0.027	(0.049)	(0.022)
Additional clinical services	0.082	0.000	0.000	0.082	(0.105)	(0.023)
Management, admin & clerical	0.171	0.012	0.000	0.183	(0.193)	(0.010)
Other staff groups	0.577	0.007	0.000	0.583	(0.265)	0.318
Total £m	3.047	0.028	(0.162)	2.913	(0.934)	1.979
Cumulative						
Medical and Dental	5.959	0.015	0.000	5.974	(1.101)	4.873
Nursing (registered)	3.601	0.029	(1.187)	2.443	(1.084)	1.359
Nursing (unregistered)	1.829	0.000	0.000	1.829	0.663	2.492
Scientific, prof & technical	0.183	0.002	0.000	0.184	(0.487)	(0.303)
Additional clinical services	0.353	0.000	0.000	0.353	(0.447)	(0.094)
Management, admin & clerical	0.924	0.025	0.000	0.949	(1.015)	(0.066)
Other staff groups	5.055	0.010	0.000	5.065	(1.195)	3.870
Total £m	17.904	0.080	(1.187)	16.798	(4.666)	12.132

The pay position at month 5 is a deficit of £12.132m made up of a net COVID 19 expenditure of

£16.798m and an operational underspend of £4.666m.

The main additional COVID 19 pay costs are for medical and nursing staff in the Medicine Clinical Board where additional costs of £6.246m have been incurred. Additional costs of £2.260m have been incurred in capital and estates for ancillary staff. Significant additional pay costs have also been incurred across all other Clinical Boards. Some of these costs are netted down by nursing staff savings in the specialist and surgical clinical boards.

Cumulative operational pay underspends are reported by all Clinical boards bar the Medicine Clinical Board where there is an operational overspend of £0.610m primarily as a result of nursing costs. The largest operational pay underspends are on registered nursing staff in the Mental Health Clinical Board, support staff in Capital estates and medical staff in the Surgery Clinical Board.

Non Pay

The year to date and in month financial position for non pay is shown in Table 7.

Table 7: Non Pay Variance @ August 2020

Non Pay	COVID 19 Additional Expenditure £m	COVID 19 Non Delivery of Planned Savings £m	COVID 19 Reductions In Planned Expenditure £m	Net Expenditure Due to COVID 19 £m	Operational Variance (Fav)/Adv £m	Total Variance £m
In Month						
Drugs / Prescribing	0.275	0.014	(0.459)	(0.169)	0.093	(0.076)
Clinical services & supplies	0.836	0.115	(0.885)	0.066	0.720	0.786
General supplies & services	0.674	0.000	(0.027)	0.646	(0.019)	0.627
Establishment expenses	0.054	0.006	0.000	0.060	(0.117)	(0.057)
Premises & fixed plant	4.364	0.025	0.000	4.389	0.041	4.430
Continuing healthcare	0.000	0.000	0.000	0.000	(0.524)	(0.524)
Commissioned Services	0.077	0.000	(0.334)	(0.257)	(0.128)	(0.385)
Primary Care Contractors	0.021	0.000	(0.242)	(0.221)	(0.288)	(0.509)
Other non pay	0.346	1.522	(0.015)	1.853	0.727	2.580
Total £m	6.647	1.682	(1.962)	6.367	0.505	6.872
Cumulative						
Drugs / Prescribing	1.999	0.041	(2.256)	(0.217)	1.573	1.356
Clinical services & supplies	4.842	0.081	(7.107)	(2.184)	1.244	(0.940)
General supplies & services	2.529	0.005	(0.219)	2.315	(0.012)	2.303
Establishment expenses	0.175	0.005	0.000	0.180	(0.710)	(0.530)
Premises & fixed plant	43.968	0.025	0.000	43.993	1.308	45.301
Continuing healthcare	0.060	0.000	(0.010)	0.050	0.237	0.288
Commissioned Services	0.196	0.000	(1.671)	(1.475)	(0.443)	(1.918)
Primary Care Contractors	0.508	0.000	(1.846)	(1.338)	(0.368)	(1.706)
Other non pay	1.090	9.885	(0.075)	10.901	1.480	12.381
Total £m	55.367	10.042	(13.184)	52.226	4.309	56.535

The largest deficit is in non pay budgets. The month 5 position is a deficit of £56.535m comprising net COVID 19 expenditure of £52.226m and an operational overspend of £4.309m.

The key COVID 19 costs related to non pay are as follows:

- £2.315m overspend on general supplies and services primarily relating to PPE.
- £43.993m overspend on Premises and Fixed Plant including £42.264m in relation to the Dragons Heart Hospital as well as additional spend on beds and mattresses, cleaning, waste management, IT and overnight accommodation.
- £10.901m on other non pay primarily due to slippage against savings schemes.

The COVID 19 related costs have been netted down by £13.184m for reductions in non pay costs mainly arising from reduced levels consumables associated with elective activity, adjustments to dental contracts, reduced non contracted activity (NCA) and slippage on investment programmes

The main issues driving the £4.309m operational overspend against non pay were as follows;

- £1.573m overspend against drugs and prescribing primarily due to pressures against primary care GP prescribing.
- £1.308m adverse variance against premises and fixed plant due to additional IT spend, security costs, community equipment and a number of overspends across Clinical Boards. Part of the overspend on premises and fixed plant costs circa. c £0.5m has arisen from the use of estates contractors and these costs are offset by a related underspend against pay costs in Capital Estates.
- £1.480m adverse variance against other non-pay mainly due to non COVID related savings slippage.
- The operational variance reported against continuing healthcare improved by £0.524m in month due to the recognition of the in year reduction in the number of continuing healthcare cases and NHS funded nursing care placements.

Forecast Net Expenditure Due to COVID 19

Whilst the UHB expects the non COVID related operational position to remain broadly balanced as the year progresses, the additional costs arising from plans to manage COVID 19 are expected to continue. The latest forecast of net expenditure due to COVID 19 in 2020/21 is £148.802m. This is offset by confirmed additional COVID 19 funding of £55.185m as summarised in table 8.

Table 8: Summary of Forecast COVID 19 Net Expenditure

	Cumulative Month 5 £m	Forecast Year End Position £m
COVID 19 Additional Expenditure	78.220	145.081
COVID 19 Non Delivery of Savings Plans	10.170	24.331
COVID 19 Reductions in Planned Expenditure	(13.195)	(19.430)
COVID 19 Release of Planned Investments	(1.180)	(1.180)
Net Expenditure Due To COVID 19	74.014	148.802
Operational position (Surplus) / Deficit	(0.177)	0.000
Welsh Government COVID 19 funding received	(46.272)	(55.185)
Financial Position (Surplus) / Deficit £m	27.565	93.617

This forecast is however not fixed and is based on a number of variable assumptions and takes no account of any further Welsh Government funding to help meet these costs.

The revised forecast includes an additional cost of £2.330m which has been added in month in respect of an extension to the flu vaccination programme..

Notwithstanding this, the revised forecast is an improvement of £37.764m in the forecast year end position when compared to month 4. The key drivers for this improvement are summarised below:

- Additional COVID 19 Welsh Government funding of £34.950m
- DHH £2.6m
- Workforce requirement review £1.5m
- Dental contract income £0.9m
- Medical Staff extra duty claims review £0.5m
- DOAC prescribing £0.3m
- OOH fill rates £0.3m

Income assumptions include in the month 5 forecast are detailed below:

- Dragons Heart Hospital certificated expenditure £34.905m (received month 5)
- Funding reflecting COVID workforce costs month 1 to 3 - £11.016m
- Test, Trace and Protect (TTP) - £7.300m (HB and LA TTP costs shown in forecast)
- Transformation Optimise flow and outcomes - £1.251m
- Mental Health Services - £0.503m
- GMS DES - £0.210m

The key financial planning assumptions are:

Dragons Heart Hospital

Within this forecast the Dragon's Heart Hospital costs are now assessed at £63.307m with a further £2.634m capital costs. The revenue cost of £63.307m represents a reduction of £2.610m on the estimated revenue costs reported at month 4 primarily as a result of the reduction in forecast set up and building operational costs. This is based upon the DHH going on standby from 5th June and retention until 31st October 2020. The UHB continues to work to maximise value for money in the remaining occupancy, removal and reinstatement phases of the project and is hopeful that this will continue to reduce the overall cost of the project.

Dragons Heart Hospital consequential loss compensation costs for the WRU and Cardiff Blues of £3.417m are included in the 2020/21 forecast. This is an increase of £1.085m on the month 4 forecast and these costs represent the best forecast that can be modelled at this time for events that might reasonably have been held at the Principality Stadium and Cardiff Arms Park in the period May 2019 to January 2020 but cannot be due to the continued occupancy of the Dragon's Heart Hospital to 31 October 2020. The realised losses total may decrease for successful mitigation actions being explored with the WRU or increase if government restrictions are relaxed allowing the attendance of crowds within stadia. Programmes have been set up to oversee the removal and reinstatement phases of the programme to maximise value for money in the way that work is delivered and to ensure that costs are reasonable, fair and proportionate. There is a balance of consideration between the most economic egress from the stadium and

the potential costs arising from consequential losses if the pace of egress compromises events for the WRU and Blues. KPMG have been engaged to provide due diligence on baseline events revenues and costs relating to the WRU. The process to assess consequential loss is complex and involves variables that are not yet known pertaining to government COVID 19 regulations in play at the time of scheduled events. Specialist legal advice has been obtained to draft the WRU contract to a position that is acceptable to both organisations.

The forecast includes £9.309m of decommissioning costs for the DHH including reinstatement of the stadium.

Surge Capacity post 31st October

The UHB has developed alternative plans which have been shared with Welsh Government to establish a facility for surge capacity on the UHW site. The plans have now been approved by Welsh Government. In addition to providing COVID-19 surge capacity, it will provide the surge beds that the UHB would need to commission for this winter, recognising that predicting winter demand this year is particularly difficult. The UHB's assessment is that of the 400 beds provided in this proposed facility, 50 would be developed as winter surge beds. The remainder would be kept as surge beds to use if there was a significant demand. The UHB's bed capacity plan maintains some of the initial bed expansion created in the UHB's GOLD capacity plan (wards in Barry and St David's Hospital as well as the conversion of a physiotherapy area at UHW), but some of the beds originally identified as conversion to COVID-19 beds are required as the UHB brings back on line more non-COVID-19 activity.

The forecast does not include any additional costs arising from potential surge capacity requirements post 31st October 2020. Additional workforce requirements would need to be reviewed looking at utilisation of staff already in post and the availability of bank and agency staff if this additional surge capacity was required.

Resuming Non-Covid Activity

Throughout the pandemic the UHB has maintained core essential services. Given the uncertainty brought about by COVID 19 the UHB continues to operate in 4-6 week planning cycles, with prioritisation of need based upon clinical-stratification rather than time-based stratification. Given the significant uncertainty in the current operating environment, it is extremely difficult to forecast activity with any degree of certainty - and therefore forecasts beyond the 4 – 6 week current planning horizon are less reliable.

The UHB's Q2 plan update set out in detail our assessment of surgical demand and backlog for levels 2 and 3 and the capacity we intend to establish in our three green zones – UHW, UHL and Spire.

At this stage, even with the green zones established and the use of Spire, the UHB does not anticipate having the capacity to treat level 4 patients in any significant volumes.

The reductions in non pay costs due to reduced elective capacity is now assessed and forecast to be £19.436m over the year which is a further reduction of £0.332m on the month 4 forecast of

£19.098m. This is a moving piece and will be constantly reviewed as the planned care work stream comes back on line through the use of established green zones at UHW and UHL.

At the beginning of the COVID-19 pandemic, the UHB reached an early agreement with Spire Healthcare to enable patients with non-complex cancer and other urgent conditions to receive treatment at Spire's Cardiff hospital. This allowed the UHB extra capacity to care for COVID-19 patients on its main sites, in particular to enable space for regional services.

Costs of Spire are included in the forecast to the 31st of March totalling £6.150m. Costs up until 6th September are assumed to be funded by Welsh Government.

Regional Test, Trace and Protect (TTP)

Working with its local authority partners the UHB has established its TTP service as one of the key pillars to the safe releasing of lockdown measures. The contact tracing service is hosted by Cardiff Council on behalf of the three organisations; Contact Tracers and Contact Advisors are managed in teams by the Local Authority.

The TTP service went live on 1st June 2020. The forecast includes TTP costs of £10.982m. This includes Local Authority costs of £8.239m which have been queried with WG as this is £0.939m higher than the confirmed £7.3m income for local authority costs.

Enhanced Flu Vaccination Programme

A further pressure has arisen in month 5 around the cost of an enhanced flu vaccination programme. The costing of the programme is based on fees payable to GPs as this is the main delivery route for immunisations and the estimated costs are £2.330m. This has been calculated in line with the recent guidance and includes the provision of an additional 111,000 vaccines.

The forecast costs of vaccinations **excludes** the cost of a mass COVID vaccination programme which are currently being assessed.

Unscheduled Care - CAV 24/7

The UHB will be establishing a 24/7 phone first triage approach, targeting citizens who would traditionally have walked up to the Emergency Department. The focus will be on reducing footfall through the Emergency Department, social distancing has significantly reduced the capacity in the waiting area and we do not want to create queues around UHW where we are not safely able to protect and prioritise patients.

The forecast includes in year costs for CAV 24/7 totalling £1.405m largely relating to call handlers, triage nurses and non-salaried GPs.

Savings Programme 2020-21

The assessed slippage against the UHB £29m savings plan of has improved from £24.769m to £24.331m in month. A number of the UHB's high impact schemes were based on reducing bed capacity, improving flow coupled with workforce efficiencies and modernisation. It is not anticipated that significant progress will be made to improve this position until the pandemic passes. However, the UHB continues to identify and maximise all potential savings opportunities

available. Schemes that are continuing to develop and progress include procurement and medicines management. The UHB is aiming to review all potential non-recurrent opportunities to support firming up the forecast at month 6.

With regard to other significant items of expenditure the following should be noted:

- Additional workforce costs included within the forecast have been reviewed by Executive leads ensuring all fixed term / temporary staff have clear end dates where appropriate.
- The estimated forecast costs of PPE and MSE consumable have increased from £7.0m to £7.9m over the course of the month. The spikes in expenditure in PPE in months 1 and 2 is due to items purchased locally which includes some initial stocking up.
- The key driver to the drugs costs are NCSO in primary care and drugs expenditure in critical care. It also includes an assessment for increased prescriptions in the early part of the year which then tails off.

It is not clear at this stage how much Welsh Government intend to fund the UHB for the financial impact of managing COVID 19. It is anticipated that further clarity will be provided within the month.

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 month 5 by Clinical Board is shown in Table 9.

Table 9: Financial Performance for the period ended 31st August 2020

Clinical Board	COVID 19 Additional Expenditure £m	COVID 19 Non Delivery of Planned Savings £m	COVID 19 Reductions in Planned Expenditure £m	COVID 19 Net Expenditure £m	Welsh Government COVID 19 Funding Received £m	Operational Position (Surplus) / Deficit Variance £m	In Month (Surplus) / Deficit Variance £m
In Month							
All Wales Genomics Service	0.000	0.000	0.000	0.000	0.000	(0.003)	(0.003)
Capital Estates & Facilities	0.364	0.069	(0.027)	0.406	0.000	0.035	0.441
Children & Women	0.234	0.173	0.000	0.407	0.000	0.029	0.436
Clinical Diagnostics & Therapies	0.285	0.118	(0.198)	0.204	0.000	0.151	0.356
Dragon's Heart Hospital	4.547	0.000	0.000	4.547	0.000	(0.000)	4.547
Executives	0.157	0.089	0.000	0.245	0.000	(0.081)	0.164
Medicine	1.199	0.232	(0.027)	1.404	0.000	0.164	1.568
Mental Health	0.214	0.209	0.000	0.423	0.000	(0.180)	0.243
PCIC	1.098	0.418	(0.267)	1.249	0.000	(0.409)	0.840
Specialist	0.493	0.142	(0.231)	0.404	0.000	(0.227)	0.177
Surgery	0.553	0.301	(1.039)	(0.185)	0.000	(0.092)	(0.278)
SubTotal Delegated Position £m	9.144	1.751	(1.790)	9.105	0.000	(0.614)	8.491
Central Budgets	1.449	0.000	(0.334)	1.115	0.000	0.254	1.368
Total Variance pre COVID -19 Funding	10.592	1.751	(2.124)	10.220	0.000	(0.361)	9.859
Welsh Government COVID - 19 Funding	0.000	0.000	0.000	0.000	(34.950)	0.000	(34.950)
Total Variance £m	10.592	1.751	(2.124)	10.220	(34.950)	(0.361)	(25.091)
Cumulative							
All Wales Genomics Service	0.036	0.000	0.000	0.036	0.000	(0.114)	(0.078)
Capital Estates & Facilities	3.262	0.810	(0.109)	3.963	0.000	0.122	4.085
Children & Women	1.729	1.019	0.000	2.749	0.000	0.324	3.073
Clinical Diagnostics & Therapies	1.591	0.781	(0.631)	1.741	0.000	0.357	2.098
Dragon's Heart Hospital	45.215	0.000	0.000	45.215	0.000	0.001	45.216
Executives	2.227	0.478	0.000	2.705	0.000	(0.565)	2.140
Medicine	6.907	1.115	(0.193)	7.828	0.000	0.852	8.680
Mental Health	1.227	1.078	0.000	2.305	0.000	(0.091)	2.214
PCIC	5.653	2.094	(1.980)	5.767	0.000	0.534	6.301
Specialist	2.678	1.365	(3.438)	0.605	0.000	(0.343)	0.262
Surgery	2.922	1.430	(6.349)	(1.997)	0.000	(0.878)	(2.874)
SubTotal Delegated Position £m	73.448	10.169	(12.700)	70.917	0.000	0.199	71.116
Central Budgets	4.767	0.000	(1.671)	3.096	0.000	(0.376)	2.720
Total	78.215	10.169	(14.371)	74.013	0.000	(0.177)	73.837
Welsh Government COVID - 19 Funding	0.000	0.000	0.000	0.000	(46.272)	0.000	(46.272)
Total Variance £m	78.215	10.169	(14.371)	74.013	(46.272)	(0.177)	27.565

Delegated budgets are £73.387m overspent for the 5 months to the end of August 2020. £70.917m of this overspend relates to additional expenditure generated in response to COVID 19. There is an operational overspend of £0.199m against delegated budgets which is offset by a £0.376m underspend against central budgets leaving a total operational underspend excluding the net costs of COVID 19 of £0.177m. The largest operational overspend is in the medicine clinical board (£0.852m deficit) where there are pressures against nursing, clinical services and supplies and other areas of non pay and in PCIC (£0.534m deficit) where there are pressures against GP prescribing.

Whilst the UHB currently has an operational underspend further review and assurance will be required to ensure that this is maintained as there is a wide variation in performance.

Savings Programme

The UHBs 2020/21 IMTP included a £29.000m savings target.

The assessed slippage against the plan has improved from £24.769m to £24.331m in month. At month 5 the UHB has identified green and amber savings schemes totalling £4.669m to deliver against the £29.000m savings target as summarised in Table 10.

Table 10: Progress against the 2020/21 Savings Programme at Month 5

	Total Savings Target £m	Total Savings Identified £m	Total Savings (Unidentified) £m
Total £m	29.000	4.669	(24.331)

Further analysis of the August position is shown in **Appendix 1**.

Underlying Financial Position

A key challenge to the UHB is eliminating its underlying deficit. The UHB's accumulated underlying deficit brought forward into 2020/21 is £11.5m which reflects a reduction of £24.8m during 2019/20. An illustration of the year on year movement in the underlying deficit is shown at **appendix 6**.

Successful delivery of the 2020/21 plan would have reduced this to £4m by the year end. The achievement of this is dependent upon delivering the £25.0m 2020/21 recurrent savings schemes. The latest assessment is that this will be circa £21.4m less than planned and this will increase the underlying deficit to £25.4m. This is shown in Table 11.

Table 11: Summary of Underlying Financial Position

	Forecast Position @Month 5		
	Submitted IMTP £m	Non Recurrent £m	Recurrent Position £m
b/f underlying deficit	(11.5)	0.000	(11.500)
Net Allocation Uplift (inc LTA inflation)	36.1		36.1
Cost Pressures	(50.6)		(50.6)
Investments	(3.0)		(3.0)
Recurrent Cost Improvement Plans	25.0		25.0
Non Recurrent Cost Improvement Plans	4.0	4.0	
Submitted 2020/21 IMTP £m	(0.0)	4.0	(4.0)
In Year Movements			
Non Delivery of Planned Savings (due to COVID- 19)	(24.3)	(2.9)	(21.4)
Revenue cost DHH	(63.3)	(63.3)	
Operational Expenditure Cost Increase Due To Covid-19	(81.8)	(81.8)	
Planned Operational Expenditure Cost Reduction Due To Covid-19	19.4	19.4	
Slippage on Planned Investments Due To Covid-19	1.2	1.2	
COVID-19 Welsh Government Funding Received Quarter 1 Pay Co	55.2	55.2	
Revised Forecast Surplus/(Deficit) 2020/21	(93.6)	(68.2)	(25.4)

In addition, the UHB has identified a number of areas where expenditure could impact upon the underlying position. These risks are set out in **Appendix 5** and further work is required to either mitigate them or manage them within a deliverable 2021/22 financial plan. The list of new/potential recurrent commitments of £4.2m is not exhaustive and further detailed work will continue in order to identify recurrent impacts.

Balance Sheet

Following the completion of the 2019/20 financial accounts and determination of brought forward balances the balance sheet is expected to be provided at month 6 in line with the revised Welsh Government monthly monitoring returns requirements.

Cash Flow Forecast

The closing cash balance at the end of August was £4.107m

The UHB is currently predicting a cash shortfall in 2020/21 broadly in line with the forecast deficit as shown at **Appendix 2**. The cash position will be very much determined by how much additional funding is secured against COVID 19 costs.

Public Sector Payment Compliance

The UHB's public sector payment compliance performance improved in month from 94.8% to 95.3% at the end of August and is now meeting the 95% performance target.

Capital Resource Limit (CRL)

Progress against the CRL for the period to the end of September 2020 is summarised in Table 12 and detailed in **Appendix 3**.

Table 12: Progress against Capital Resource Limit @ August 2020

	£m
Planned Capital Expenditure at month 5	23.155
Actual net expenditure against CRL at month	21.474
Variance against planned Capital Expenditure at month	1.681

Capital progress for the year to date is satisfactory with net expenditure to the end of August being 45% of the UHB's approved Capital Resource Limit. The UHB had an approved capital resource limit of £47.404m as at the 10th August 2020 comprising of £14.548m discretionary funding and £32.856m towards specific projects (including Rookwood Replacement, CRI Links, Cystic Fibrosis Service, CT Scanners & COVID-19 capital works and equipment)

Additional funding has been allocated to support the response to COVID 19 and the UHBs CRL has been updated to reflect this. The UHB has however requested further COVID 19 funding especially to support the provision of elective and routine services through the creation of green zones. The value of this is £2.5m and as this funding has not yet been confirmed, the UHB has reprioritized its capital plan to mitigate this risk.

Key Risks

At month 5, the key revenue financial risk is managing the impact of COVID 19 without knowing the total amount of additional resources that are available to cover it. The UHB also has a capital risk to manage if further COVID 19 funding is not secured from Welsh Government.

Recommendation:

The Finance Committee is asked to:

- **NOTE** the month 5 financial impact of COVID 19 which is assessed at £74.014m;
- **NOTE** the additional Welsh Government COVID 19 funding of £46.272m assumed within the month 5 position.
- **NOTE** the month 5 reported financial position being a deficit of £27.565m;
- **NOTE** the forecast deficit of £93.617m arising from managing the impact of COVID 19;
- **NOTE** that the UHB does not yet know the level of additional funding which is available from Welsh Government to help support the financial costs of managing COVID 19;
- **NOTE** the risks that are being managed on the capital programme;
- **NOTE** the revised forecast 2020/21 carry forward Underlying Deficit of £25.4m and the risks identified that, if not managed, could increase this.

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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							

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2020/21 SAVING SCHEMES

2020-21 In-Year Effect

Clinical Board	20-21 Target 3.5%	Green	Amber	Total Green & Amber	Red	Shortfall on Total Target vs Green & Amber
	£'000	£'000	£'000	£'000	£'000	£'000
PCIC Clinical Board	5,855	839	0	839	10	5,016
Surgery	4,081	660	34	694	0	3,387
Specialist Services	3,582	305	0	305	0	3,277
Mental Health	2,608	28	0	28	0	2,580
CD&T	2,897	905	166	1,071	0	1,826
Children & Women	3,149	697	36	733	0	2,416
Medicine	3,330	585	0	585	0	2,745
Capital Estates and Facilities	2,289	346	0	346	1,622	1,943
Corporate Executives	1,209	68	0	68	102	1,141
SubTotal Clinical Boards	29,000	4,432	236	4,669	1,734	24,331

2020-21 Full Year Effect

Clinical Board	20-21 Target 3.5%	Green	Amber	Total Green & Amber	Red	Shortfall on Total Target vs Green & Amber
	£'000	£'000	£'000	£'000	£'000	£'000
PCIC Clinical Board	5,047	839	0	839	10	4,208
Surgery	3,518	598	69	668	0	2,851
Specialist Services	3,088	105	0	105	0	2,983
Mental Health	2,248	21	0	21	0	2,227
CD&T	2,497	1,007	6	1,013	0	1,484
Children & Women	2,715	551	36	587	0	2,128
Medicine	2,871	388	0	388	0	2,483
Capital Estates and Facilities	1,973	0	0	0	23	1,973
Corporate Executives	1,042	30	0	30	0	1,012
Total	25,000	3,539	111	3,650	33	21,350

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APPENDIX 2

CASHFLOW FORECAST AT THE END OF AUGUST 2020

	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)	134,620	99,200	101,500	83,800	77,520	80,395	94,155	82,758	105,158	81,598	63,658	10,078	1,014,440
WG Revenue Funding - Non Cash Limited (NCL)	1,600	1,500	1,435	1,510	660	1,265	1,330	1,330	1,330	1,330	1,330	4,759	19,379
WG Revenue Funding - Other (e.g. invoices)	1,308	1,271	2,919	1,339	1,596	1,263	1,263	1,504	1,263	1,504	4,152	4,392	23,776
WG Capital Funding - Cash Limit	13,100	4,000	4,000	4,000	6,000	2,500	1,000	1,300	1,035	2,000	2,514	5,955	47,404
Sale of Assets	0	0	0	0	0	0	0	0	386	0	0	0	386
Income from other Welsh NHS Organisations	54,611	45,256	47,524	56,980	33,653	47,108	54,505	34,169	53,015	36,877	41,064	49,215	553,976
Other - (Specify in narrative)	11,911	3,736	4,851	11,409	5,068	7,920	12,074	6,992	5,290	12,228	4,734	10,349	96,562
TOTAL RECEIPTS	217,150	154,963	162,229	159,039	124,498	140,451	164,328	128,053	167,477	135,537	117,451	84,747	1,755,923
PAYMENTS													
Primary Care Services : General Medical Services	5,816	4,468	8,805	4,351	4,377	6,787	4,424	4,424	7,308	4,424	4,424	7,308	66,913
Primary Care Services : Pharmacy Services	219	189	115	87	65	81	130	130	260	520	260	260	2,316
Primary Care Services : Prescribed Drugs & Appliances	13,902	8,639	7,986	14,801	3	7,657	15,400	0	15,400	0	7,700	7,700	99,189
Primary Care Services : General Dental Services	1,902	1,959	2,011	2,001	2,282	2,186	2,055	2,055	2,055	2,055	2,055	2,055	24,671
Non Cash Limited Payments	1,928	2,235	2,014	1,701	1,831	1,904	1,955	1,955	1,955	1,955	1,955	1,955	23,343
Salaries and Wages	53,294	55,612	56,237	56,072	54,957	54,235	55,046	54,857	54,894	54,728	55,342	55,071	660,343
Non Pay Expenditure	103,118	63,632	60,123	55,255	53,816	46,797	59,291	58,457	58,362	64,861	57,835	56,589	735,805
Capital Payment	9,740	6,975	6,191	2,331	2,513	4,000	2,800	1,300	1,400	2,000	2,480	6,060	47,790
Other items (Specify in narrative)	21,838	15,111	17,641	22,372	4,669	16,873	23,165	4,945	25,873	4,945	14,055	16,763	188,250
TOTAL PAYMENTS	211,756	158,821	161,123	158,969	124,513	140,520	164,266	128,122	167,506	135,488	146,105	151,430	1,848,620
Net cash inflow/outflow	5,394	(3,858)	1,106	70	(15)	(69)	62	(69)	(29)	49	(28,654)	(69,013)	
Balance b/f	1,410	6,804	2,946	4,052	4,122	4,107	4,037	4,099	4,030	4,001	4,050	(24,604)	
Balance c/f	6,804	2,946	4,052	4,122	4,107	4,037	4,099	4,030	4,001	4,050	(24,604)	(93,617)	

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Appendix 3

PROGRESS AGAINST CRL AS AT 31st AUGUST 2020

Approved CRL issued August 25th 2020 £'000s

47,404

Performance against CRL	Year To Date			Forecast		
	Plan £'000	Actual £'000	Var. £'000	Plan £'000	F'cast £'000	Var. £'000
All Wales Capital Programme:						
Reprovision of Rookwood Hospital	2,829	2,482	(347)	4,662	6,888	2,226
MRI Scanner 19/20 Slippage	255	255	0	250	255	5
Cystic Fibrosis Service	1,209	1,208	(1)	3,734	3,734	0
Well Being Hub - Maelfa	184	215	31	245	245	0
Well Being Hub - Penarth	222	33	(189)	224	224	0
CT Scanner- Emergency Unit	0	0	0	427	427	0
CT Scanner- Emergency Unit	0	0	0	600	600	0
ICF-CRI Chapel	1,329	743	(586)	2,633	2,633	0
Major Trauma Centre	174	25	(149)	605	605	0
CRI Links	753	980	227	4,528	4,528	0
Pharmacy equipment	28	13	(15)	28	28	0
Covid 19 -Mobile CT Scanner	600	600	0	600	600	0
Covid 19-digital/inpatient/critical care beds	612	612	0	1,071	1,071	0
Covid 19- slippage from 19/20 (monitors & mobile x ray)	525	340	(185)	742	742	0
Covid 19 oxygen infrastructure works at uhw	370	371	1	350	371	21
Covid 19-HCID Development uhw	6,020	5,721	(299)	6,250	6,250	0
Covid 19-digital devices	341	341	0	589	589	0
COVID 19 - Works to St David's Hospital	136	78	(58)	136	136	0
COVID 19 - Works to Barry Hospital	239	139	(100)	239	239	0
COVID – 19 Funding requirements for 2020-21 (Tranche 1 – June 2020)	608	571	(37)	1,027	1,027	0
COVID 19 - Funding requirements for 2020-21 (Tranche 2 – July 2020)	3,916	3,680	(236)	3,916	3,916	0
	0	0	0	0	0	0
	0	0	0	0	0	0
Sub Total	20,350	18,407	(1,943)	32,856	35,108	2,252
Discretionary:						
I.T.	110	107	(3)	1,250	1,250	0
Equipment	161	162	1	2,467	2,467	0
Statutory Compliance	255	247	(8)	2,800	2,800	0
Estates	2,279	2,551	272	8,884	6,632	(2,252)
Sub Total	2,805	3,067	262	15,401	13,149	(2,252)
Donations:						
Charitable Funds Equipment	0	0	0	467	467	0
Sub Total	0	0	0	467	467	0
Asset Disposals:						
Broad Street Clininc	0	0	0	236	236	0
Radyr Health Centre	0	0	0	150	150	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
Sub Total	0	0	0	386	386	0
CHARGE AGAINST CRL	23,155	21,474	(1,681)	47,404	47,404	0
PERFORMANCE AGAINST CRL (Under)/Over £'000s		(25,930)			0	

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DRAGONS HEART HOSPITAL (DHH) - FIELD HOSPITAL COST ESTIMATE MONTH 5

Organisation:	Cardiff & Vale UHB	Cardiff & Vale UHB
Proposed site:	Total	Dragons Heart Hospital
	2020/212021/22	2020/212021/22
	£000£000	£000£000
Estimated Costs	££	££
Set up costs - capital	26340	26340
Set up costs - revenue	446250	446250
Running costs - pay	4410	4410
Running costs - non pay	182410	182410
Total estimated costs	659410	659410

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Organisation (Select from list):	Cardiff & Vale UHB
Proposed site:	Dragons Heart Hospital

2020/21

Bed Numbers	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total
Beds Available	1500	1500	1500	1500	400	400	400	0	0	0	0	0	
Beds In use (Planned)	10	40	10	0	0	0	0	0	0	0	0	0	
Total Beds	1510	1540	1510	1500	400	400	400	0	0	0	0	0	

Set up costs - capital	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total	Sunk Costs	Variable
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
IT costs (capital)	886	259	0	-146	0								999	999	0
Oxygen costs (Infrastructure only)													0		
Fit out costs (specify below) eg. Beds, infrastructure													0		
													0		
													0		
													0		
													0		
													0		
Medical equipment costs - deemed as capital (specify below)													0		
Multiple equipment categories including beds and furniture	1677	0	0	-42									1635	1635	0
													0		
													0		
													0		
Fees (specify below) eg. Health Board, External contractors													0		
													0		
													0		
													0		
Other (specify below)													0		
													0		
													0		
Total set up costs - capital	2563	259	0	-188	0	0	0	0	0	0	0	0	2634	2634	0

Set up costs - revenue match with line 61 of Tab B3 of the (MIMR).	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total	Sunk Costs	Variable
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Commissioning costs	24000	8098	-4144	-85	3110	1942	1678	0					34599	34599	0
Other professional fees	10	10	10	5	16	15	15	15	15	10	10		131	131	0
Legal fees	50	-36	7	28	25	10	10	5					99	99	0
Insurance													0	0	0
Project management costs	905	256	180	110	-2	99	99	143	22	25	125		1962	1962	0
IT costs (revenue)	780	-458	0	145									467	467	0
Fit out costs (specify below) eg. Beds, infrastructure - not deemed capital															
WRU Stadium Support Set Up Costs	750	489			-105								1134	1134	0
Cardiff Blues Cardiff Arms Park Support Set Up Costs	150	69			-43								176	176	0
Mitie Set Up Costs	1022												1022	1022	0
Military Assistance Set Up Costs						2							2	2	0
													0		
													0		
Medical equipment costs - not deemed capital (specify below)															
All other non IT UHB purchased equipment including beds, medical, furniture	4757	305	-67	38									5033	5033	0
													0		
													0		
													0		
Equipment costs - (specify below)															
													0		
													0		
													0		
													0		
													0		
													0		
													0		
													0		
Total set up costs - revenue	32424	8733	-4014	241	3001	2068	1802	163	37	35	135	0	44625	44625	0

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Running costs - non pay	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total	Sunk Costs	Variable
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Rent													0		
Business rates													0		
Utility costs													0		
Laundry costs													0		
Catering costs													0		
Cleaning costs													0		
Waste disposal costs													0		
Security costs													0		
Transport costs													0		
Personal Protective Equipment													0		
Drugs	14	8	1										23		23
Medical gases	0	17	28	7	7	7	7						73		73
M&SE - consumables	86	98	45	2	0								231		231
Stationery													0		
Telephony costs													0		
CHC costs													0		
Discharge to assess/recover costs													0		
Insurance													0		
IT													0		
Maintenance													0		
Site management													0		
Decommissioning Costs					858	110	77	3564					4609	4609	0
Consequential Losses			204	-126	64	207	1568	1500					3417	3417	0
Other costs (specify below)															
WRU Stadium Running Costs			169	498	519	379	385	385	399	385			3119	3119	0
Blues CAP site Running Costs			43	52	48	153	75						371	371	0
WRU & Blues Reinstatement/Dilapidation Compensation								1400	1400	1400			4200	4200	0
UHB Equipment Removal Costs					50	50	75	100	25				300	300	0
Cardiff Council - Plaza Reinstatement						200							200	200	0
Mitie - soft FM running costs	194	206	750										1150	300	850
Hard FM, e.g electrical contractors, plumbing contractors	130	122	112	-133	0								231	231	
Other costs	120		197										317	120	197
													0		
Total running costs - non pay	544	451	1549	300	1546	1106	2187	6949	1824	1785	0	0	18241	16867	1374

Summary	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total	Sunk Costs	Variable
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Total Setup Costs	34987	8992	-4014	53	3001	2068	1802	163	37	35	135	0	47259	47259	0
Total Running Costs	576	639	1637	433	1546	1106	2187	6949	1824	1785	0	0	18682	17000	1682
Total Costs	35563	9631	-2377	486	4547	3174	3989	7112	1861	1820	135	0	65941	64259	1682

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Running costs - pay (additional costs only)																			
Medical and Dental - establishment	36	10	22	-2	6	0	0	0	0	0	0	0	0	0	36		36	Possible high range of estimate (see Note 1 below schedule)	
Medical and Dental - agency / locum															0				
Nursing - establishment	111	12	65	34	0	0	0	0	0	0	0	0	0	0	111		111	Possible high range of estimate (see Note 1 below schedule). The estimate figures for nursing include registered nurses and HCSWs, patient access team and nursing leadership.	
Nursing - bank															0				
Nursing - agency															0				
Prof Scientific and Technical - establishment	19	1	5	13	0	0	0	0	0	0	0	0	0	0	19		19	Estimate associated with Pharmacists	
Prof Scientific and Technical - agency															0				
AHP - establishment	49	7	22	16	4	0	0	0	0	0	0	0	0	0	49		49	Estimate associated with Radiology and Therapists	
AHP - agency															0				
Healthcare Scientists - establishment	20	2	18	0	0	0	0	0	0	0	0	0	0	0	20		20	Estimate associated with Laboratories (haematology, biochemistry, microbiology and POCT) and the mortuary	
Healthcare Scientists - agency															0				
Estates / Anciliary staff - establishment	73	0	56	27	-10	0	0	0	0	0	0	0	0	0	73		73	Estimate for the firefighters	
Estates / Anciliary staff - agency	133				133										133		133		
Admin and Clerical - establishment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	It is assumed that Management and Administration roles are filled by NHS staff redeployment and do not attract an additional cost.	
Admin and Clerical - agency															0				
Students															0				
Total running costs - pay (additional costs only)	441	32	188	88	133	0	0	0	0	0	0	0	0	0	441	133	308		
Running costs - non pay																			
Rent															0			Included in 'Set up costs' part of the schedule	
Business rates															0			Included in 'Set up costs' part of the schedule	
Utility costs															0			Included in 'Set up costs' part of the schedule	
Laundry costs																			
Catering costs																			
Cleaning costs																			
Waste disposal costs	1150	194	206	750	0	0	0	0	0	0	0	0	0	0	1150	300	850	The sunk costs are assumed to be the estimate of costs in April + estimate for ending the service (week of costs).	
Security costs																			
Total Soft FM																			
Transport costs															0		0	Assumed that there is no charge to the Health Board, as per the CASC's letter.	
Personal Protective Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	Estimate to be updated based upon experience in May	
Drugs	23	14	8	1	0	0	0	0	0	0	0	0	0	0	23		23	The estimate had been based on 2019/20 expenditure on a respiratory ward. These are actuals.	
Medical gases	73	0	17	28	7	7	7	7	0	0	0	0	0	0	73		73	Currently, oxygen concentrator machines are being used, rather than liquid oxygen from a cylinder or the VIEs. For the projected number of patients this is assumed to continue. The costs continuing throughout relate to the hire of cylinders.	
M&SE - consumables	231	86	98	45	2	0	0	0	0	0	0	0	0	0	231		231	The estimate had been based on 2019/20 expenditure on a respiratory ward. These are actuals.	
Stationery															0				
Telephony costs															0				
CHC costs															0				
Discharge to assess/recover costs															0				
Other costs (specify below)															0		0		
Hard FM, e.g electrical contractors	231	130	122	112	-133	0	0	0	0	0	0	0	0	0	231	231	0	Assumed that the first 3 months are committed to and, therefore, sunk costs	
Other ward costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0		
Other costs	317	120	0	197	0	0	0	0	0	0	0	0	0	0	317	120	197	This line is to cover any other costs incurred and not specifically identified against other lines of the schedule. The sunk costs relate to April 2020.	
Total running costs - non pay	2025	544	451	1133	-124	7	7	7	0	0	0	0	0	0	2025	651	1374		
Total running costs	2466	576	639	1221	9	7	7	7	0	0	0	0	0	0	2466	784	1682		

NOTES

For estimated staff costs the distinction between whether staff are deployed from within an existing NHS Wales establishment, newly recruited or from locum, bank and agency creates a wide potential range of costs.

The staffing model is constantly under review. This return has been completed on the basis of version 12.

The model for clinical support services, such as radiology, pharmacy etc, is being revised, given the experience to date and projected patient numbers.

The Running costs part of the schedule excludes costs, which are included in LR letter to AG on 8 April, such as for WRU and Cardiff Blues. These are included in the Set up costs part of the schedule.

Similarly, costs associated with setting up the Soft FM services have been included in the Running costs part of the schedule.

An estimate for potential consequential losses for the WRU and the Cardiff Blues is included above. There are a range of scenarios under which the estimates vary considerably.

Phasing of opening beds													
The Health Board is currently determining how to restart some of the range of healthcare services, which were paused as part of the initial response to COVID19.													
The preparation of these plans involves consideration of all hospital beds available within the Health Board, including those at the Dragon's Heart Hospital.													
This return assumes that 40 beds are open in Q1 (from w/c 26 April to w/c 1 June) and no beds in Q2, Q3 and Q4. All beds within one zone.													
Whilst those plans are being developed and are not yet finalised, it was decided to estimate the running costs of the DHH based on a prudent profile of opening beds.													

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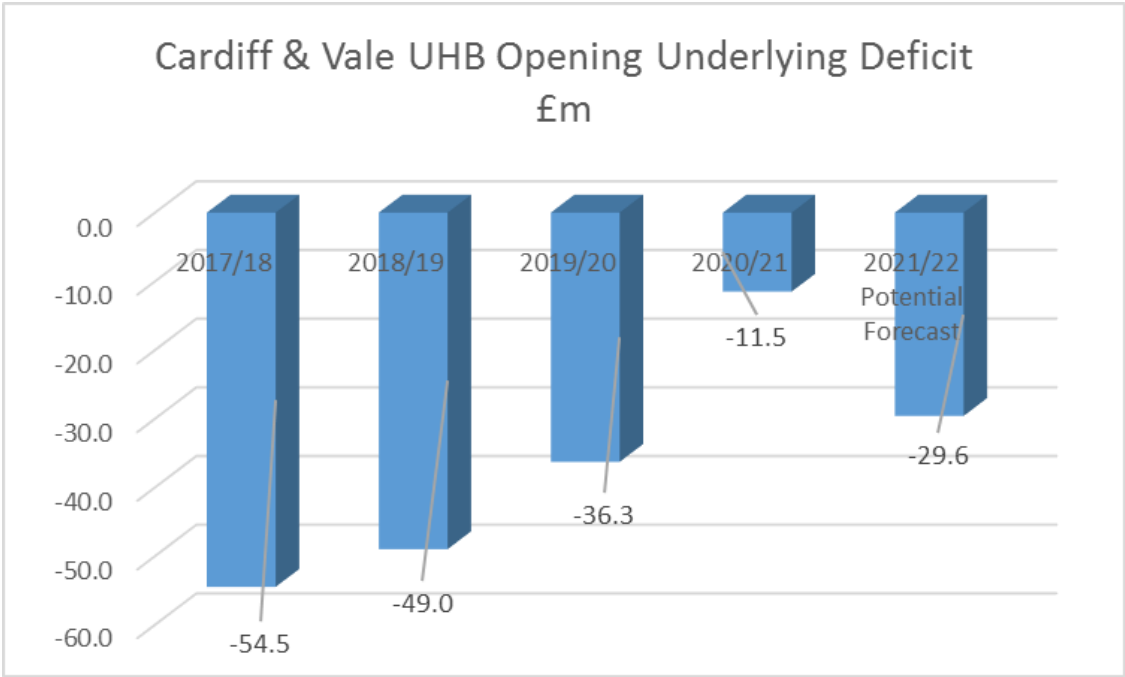
POTENTIAL UNDERLYING DEFICIT

	£m
Assessed underlying deficit at month 5	(25.4)
New/potential recurrent commitments	
CAV 24/7	(1.8)
PART team	(1.6)
EU junior doctor rota	(0.5)
Antimicrobial stewardship	(0.1)
Quality led Governance	(0.2)
Cardiac services Llandough	tbc
Critical care capacity	tbc
PACU dislocation from ITU	tbc
Primary care - switch to DOACs	tbc
Potential closing underlying position £m	(29.6)

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Year on Year Movement in Cardiff & Vale UHB Underlying Deficit



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Report Title:	Finance Risk Register				
Meeting:	Finance Committee			Meeting Date:	23 rd September 2020
Status:	For Discussion		For Assurance	For Approval	For Information
Lead Executive:	Executive Director of Finance				
Report Author (Title):	Assistant Director of Finance				

Background and current situation:

This report highlights the 2020/21 Finance Risk Register risk categorisation by severity of risk as at 23rd September 2020. The detailed 2020/21 risk register is shown in Appendix 1.

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

2020/21 UHB Financial Risks at 23rd September 2020

Risk Category	Risk Score	Number of Risks as at 23 September 2020
Extreme Risk	20 - 25	3
High Risk	12 - 16	5
Moderate Risk	4 - 10	3
Low Risk	1 - 3	0

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

Fin01/20 – Reducing underlying deficit from £11.5m to £4.0m in line with IMTP submission.

Fin03/20 – Delivery of £29.0m (3.5%) CIP

Fin10/20 – COVID-19 impact on financial plan

The Finance Committee is asked to note the COVID-19 financial plan risk (FIN10/20). The Dragons Heart Hospital (DHH) / Surge capacity COVID-19 is shown in appendix 2 as a sub-set to the main risk register.

Assessment and Risk Implications (Safety, Financial, Legal, Reputational etc:)

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

All risks have been reviewed in the month. Key updates for the month:

FIN02/20 – Manage budget pressures. Risk has been reduced from extreme to high based on the reported month 5 operational underspend position of £0.177m.

FIN11/20 – COVID-19 Test, Trace, Protect (TTP) has been added to the risk register.

Recommendation:

The Finance Committee is asked to:

- **NOTE** the risks highlighted within the 2020/21 risk register
- **NOTE** the risks highlighted in the Dragons Heart Hospital (DHH) / Surge Capacity
- sub set-risk register

Shaping our Future Wellbeing Strategic Objectives

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

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

Five Ways of Working (Sustainable Development Principles) considered

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

Prevention		Long term	x	Integration		Collaboration		Involvement	
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Equality and Health Impact Assessment Completed:

Not Applicable



CB/Dir Ref No	Domain	Date Entered onto new CB/Dir/UHB Risk Register	Risk/Issue (Including Impact)	Exec Lead	Initial Risk Rating			Existing Controls	Assurance	Current Risk Rating			Gaps in Controls	Gaps in Assurance	Summary of Additional Actions being undertaken	Who	When	Target Risk Rating if Controls in Place			Date of Next Review	Level of assurance required
					Impact / Consequence	Likelihood	Score			Impact / Consequence	Likelihood	Score						Impact / Consequence	Likelihood	Score		
Fin01/20	Finance	Jan-20	The opening underlying deficit in 20/21 is planned to be £11.5m. The IMTP planned c/f underlying deficit in 2021/22 is £4m.	Director of Finance	5	4	20	Governance reporting and monitoring arrangements through the Finance Committee and Board	Limited Assurance	5	4	20	Adequate but more Action Required	Identification of 3.5% savings plan whilst managing and addressing budget pressures.	Progress against the underlying deficit is to be managed by Management Executive.	Assistant Director of Finance	Mar-21	5	4	20	Oct-20	Management
Fin02/20	Finance	Jan-20	Manage Budget pressures	Director of Finance	5	4	20	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.	Limited Assurance	5	3	15	Adequate but more Action Required	Plans to address overspending budgets in 2019/20 addressing the risk in 2020/21. A small operational underspend of £0.177m was reported at month 5.	Progress to be monitored and managed by Management Executive.	Assistant Director of Finance	Mar-21	5	2	10	Oct-20	Management
Fin03/20	Finance	Jan-20	Deliver 3.5% CIP (£29m)	Director of Finance	5	4	20	3.5% recurrent CIP target clearly communicated to budget holders. CIP tracker in place to monitor weekly progress across the organisation. Health Board Wide Schemes being led by Executive Directors Monthly Financial Clearance Meeting. Executive / Clinical Board Performance Reviews.	Limited Assurance	5	4	20	Adequate but more Action Required	£11.330m savings identified as green or amber against target of £29m as at w/c 17th February 2020. Following COVID-19 impact, £4.669m savings are currently identified as green or amber	Savings tracker updated weekly with WG being kept informed of our progress against savings target through monthly monitoring returns.	Assistant Director of Finance	Mar-21	5	4	20	Oct-20	Management
Fin04/20	Finance	Jan-20	Manage internal investments within £3m envelope	Director of Finance	4	4	16	Internal investment plan agreed - business cases continue to be approved through the Business Case Approval Group (BCAG)	Reasonable assurance	4	3	12	Optimum Controls/NFA Required	None	No new revenue or capital business investments should be progressed unless related to the response to COVID-19 or otherwise expressly approved by Welsh Government.	Assistant Director of Finance	Mar-21	4	2	8	Oct-20	Management
Fin05/20	Finance	Jan-20	Commissioning Risks	Director of Finance	3	3	9	Regular performance/LTA meetings with other providers/WHSSC and internal commissioning group.	Reasonable assurance	3	3	9	Optimum Controls/NFA Required	IMTP commissioner / provider sign off and agreement	None	Assistant Director of Finance	Mar-21	3	2	6	Oct-20	Management
Fin06/20	Finance	Feb-20	Management of Nursing overspend	Director of Finance	4	4	16	Progress to be monitored through Nursing Productivity Group and Executive / Clinical Board Performance Reviews.	Limited Assurance	4	3	12	Adequate but more Action Required	Plans to address overspending budgets in 2019/20 addressing the risk in 2020/21.	Progress on delivery against nursing budgets is to be managed by Management Executive.	Assistant Director of Finance	Mar-21	4	4	16	Oct-20	Management
Fin07/20	Finance	Feb-20	Deliver RTT within resources available	Director of Finance	4	4	16	The UHB will continue to work closely with WG to ensure appropriate resources are made available to maintain progress against the national operating framework.	Limited Assurance	4	4	16	Adequate but more Action Required	None	Position will need to be assessed as planned care workstreams come back online.	Assistant Director of Finance	Mar-21	4	4	16	Oct-20	Management
Fin08/20	Finance	Feb-20	Winter pressures managed within available resources	Director of Finance	4	4	16	Winter plan for 2020/21 to be developed in partnership with Local Authorities and signed off by Management Executive	Limited Assurance	4	3	12	Adequate but more Action Required	None	WG do not require a separate winter plan in 2020/21. WG Winter Protection Plan set to be published w/c 14th September.	Assistant Director of Finance	Mar-21	3	3	9	Oct-20	Management
Fin09/20	Finance	Feb-20	Cardiac outsourcing	Director of Finance	3	3	9	Potential to need to outsource up to 50 patients at an estimated cost of £0.020m per patient	Reasonable assurance	3	3	9	Adequate but more Action Required	None	None	Assistant Director of Finance	Mar-21	3	3	9	Oct-20	Management
Fin10/20	Finance	Feb-20	COVID-19 financial plan impact	Director of Finance	5	4	20	Oversight arrangements in place at Board level and through the command structure. Expenditure Plans developing controlled through COVID-19 Strategic Gold Command and Directors of Operations. Capital and Revenue expenditure to be claimed through WG	Limited Assurance	5	4	20	Adequate but more Action Required	Agreement of plan and funding with WG. WG COVID Funding totalling £55.185m has been received to month 5. The net COVID forecast at month 5 stands at £93.617m.	1. Modelling of anticipated patient flows, and the resultant workforce, equipment and operational requirements is managed through Gold command; 2. Financial modelling and forecasting is co-ordinated on a regular basis; 3. Financial reporting to WG on local costs incurred as a result of COVID-19 to inform central and local scrutiny, feedback and decision making.	Assistant Director of Finance	Mar-21	5	3	15	Oct-20	Management
Fin11/20	Finance	Feb-20	COVID-19 Test, Trace, Protect (TTP)	Director of Finance	3	3	9	Oversight arrangements in place at Board level and through the command structure. Expenditure Plans developing controlled through COVID-19 Strategic Gold Command and Directors of Operations. Capital and Revenue expenditure to be claimed through WG	Limited Assurance	3	3	9	Adequate but more Action Required	The contact tracing service is hosted by Cardiff Council on behalf of the 3 organisations. The TTP service went live on 1st June. Local authority income of £7.3m confirmed by WG against local authority costs of £8.239m and a total TTP forecast cost of £10.982m.	Detailed TTP forecast projections are submitted to WG on a monthly basis through the monthly monitoring returns	Assistant Director of Finance	Mar-21	3	2	6	Oct-20	Management

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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 their 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.

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	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

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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

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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

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CB/Dir Ref No	Domain	Date Entered onto new CB/Dir/UHB Risk Register	Risk/Issue (Including Impact)	Exec Lead	Initial Risk Rating			Existing Controls	Assurance	Current Risk Rating			Gaps in Controls	Gaps in Assurance	Summary of Additional Actions being undertaken	Who	When	Target Risk Rating if Controls in Place			Date of Next Review	Level of assurance required
					Impact / Consequence	Likelihood	Score			Impact / Consequence	Likelihood	Score						Impact / Consequence	Likelihood	Score		
Fin01/20 DHH	Finance	Apr-20	COVID-19 financial plan impact Dragons Heart Hospital(DHH)	Director of Finance	5	4	20	Oversight arrangements in place at Board level and through the command structure. Expenditure Plans developing controlled through COVID-19 Strategic Gold Command and Director of Operations. Capital and Revenue expenditure to be claimed through WG	Limited Assurance	4	3	12	Adequate but more Action Required	Agreement of plan and funding with WG	1. Modelling of anticipated patient flows, and the resultant workforce, equipment and operational requirements is managed through Gold command; 2. Financial modelling and forecasting is co-ordinated on a regular basis; 3. Financial reporting to WG on local costs incurred as a result of COVID-19 to inform central and local scrutiny, feedback and decision making. 4. Fundamental assurance will only be secured on final confirmation of full Welsh Government Funding. WG have issued a £35m allocation based on certification and invoices received to date. This is less than liabilities incurred to date not yet invoiced and less than forecast project costs. Welsh Government have not given any indication that the additional cost will not be funded once cost are finalised and appropriate documentation is in place.	Assistant Director of Finance	Mar-21	3	3	9	Oct-20	Management
Fin02/20 DHH	Finance	Apr-20	Costs exceeding forecast ranges due to unforeseen technical and/or market forces factors	Director of Finance	5	4	20	Oversight arrangements in place at Board level and through the command structure. Expenditure Plans developing controlled through COVID-19 Strategic Gold Command and Director of Operations. Capital and Revenue expenditure to be claimed through WG	Limited Assurance	3	3	9	Adequate but more Action Required	Agreement of plan and funding with WG	Most build costs are now known reducing the risk for this material phase of the project. The move to a 400 bed standby model has allowed a significant reduction in plant rental costs and allowed egress from the Blues site in its entirety.	Assistant Director of Finance	Mar-21	3	2	6	Oct-20	Management
Fin03/20 DHH	Finance	Apr-20	Damage and alteration to the stadium driving reinstatement cost above current project provision	Director of Finance	5	4	20	Oversight arrangements in place at Board level and through the command structure. Expenditure Plans developing controlled through COVID-19 Strategic Gold Command and Director of Operations. Capital and Revenue expenditure to be claimed through WG	Limited Assurance	4	4	16	Adequate but more Action Required	Agreement of plan and funding with WG	Exit Strategy Planning is an ongoing key phase of the DHH project overseen by Mott McDonalds. Reinstatement process is a key component of plan. A Reinstatement Steering Group has been established between Mott McDonald , WRU and UHB and its arrangements are incorporated in the contract to be signed with the WRU. There is an obligation for the WRU to work within a 'fair and reasonable' cost base for reinstatement. There is damage to WRU estate as a result of the pace of build. Decommissioning costs are better understood and reinstatement surveys and market testing processes are underway under the oversight of the joint Re-instatement Process . The pitch condition at the Blues is a source of serious concern following an extended period of cover and heavy plant usage on the site. This may lead to a requirement for total pitch replacement and extended cost of hiring alternative facilities whilst this is put in place. Current forecast project costs allow for this albeit by a substantial call on the remaining Project contingency.	Assistant Director of Finance	Mar-21	3	3	9	Oct-20	Management
Fin04/20 DHH	Finance	Apr-20	Cost of delays in vacating the stadium leading to consequential claim by the WRU and Cardiff Blues	Director of Finance	5	4	20	Oversight arrangements in place at Board level and through the command structure. Expenditure Plans developing controlled through COVID-19 Strategic Gold Command and Director of Operations. Capital and Revenue expenditure to be claimed through WG	Limited Assurance	3	5	15	Adequate but more Action Required	Agreement of plan and funding with WG	There are multiple variables at play in assessing this risk including the period of DHH tenure within the stadium and the nature of tenure (ie. partial or full). The move to a 400 bed stand by hospital means that the decommissioning and reinstatement works can commence at an earlier date than originally anticipated and contribute to better planning for the later stages of decommissioning. The other key variable concerns government policy concerning matches and spectators. A fixed settlement for conferences and stadium tours has been concluded. Good progress has been made in the WRU contract which remains in negotiation. There is greater certainty regarding the Autumn internationals that means that crowds are unlikely to be authorised to any great degree although the cost of alternative playing arrangements will be a realised consequential cost. Vacating the Blues site will help mitigate, but not eradicate, the consequential losses/costs of the Blues.	Assistant Director of Finance	Mar-21	2	5	10	Oct-20	Management

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					Initial Risk Rating					Current Risk Rating								Target Risk Rating if Controls in Place				
CB/Dir Ref No	Domain	Date Entered onto new CB/Dir/UHB Risk Register	Risk/Issue (Including Impact)	Exec Lead	Impact / Consequence	Likelihood	Score	Existing Controls	Assurance	Impact / Consequence	Likelihood	Score	Gaps in Controls	Gaps in Assurance	Summary of Additional Actions being undertaken	Who	When	Impact / Consequence	Likelihood	Score	Date of Next Review	Level of assurance required
Fin05/20 DHH	Finance	May-20	In many instances there is only a letter of intent in place with contractors as opposed to a formal contract	Director of Finance	4	4	16	Oversight arrangements in place at Board level and through the command structure. Expenditure Plans developing controlled through COVID-19 Strategic Gold Command and Director of Operations. Capital and Revenue expenditure to be claimed through WG	Limited Assurance	3	4	12	Adequate but more Action Required	Agreement of plan and funding with WG	ESG contract has been signed by ESG and is awaited for UHB signature and seal once WG authorisation for the final estimated values is received.. Contract negotiations are at an advanced stage for the WRU. Negotiations continue for the other 2 main contracts (Mott McDonald and Blues). Each offers a different set of complications which have prevented successful finalisation to date. It is still the UHB intention to successfully conclude all 4 contracts.	Assistant Director of Finance	Mar-21	3	3	9	Oct-20	Management
Fin06/20 DHH	Finance	Sep-20	Period between egress from the DHH (31 October 2020) and availability of the new Surge Hospital (Mid to late November)	Director of Finance / COO	5	4	20	DHH Programme Board continues with its work concentrating on operational stand by, cost control, decommissioning, reinstatement and egress. DHH Programme Board has reported via SBAR to Management Executive the key egress dates it is working to in conjunction with all partners. On current trajectory there will be a gap between availability of the DHH surge capacity and the new Surge Hospital capacity at UHW. A recommendation has been made to Management Executive that the COO considers emergency capacity to support a surge in COVID admissions during the gap period. The option to extend at the DHH is uncertain and carries significant financial penalty.	Limited Assurance	5	4	20	Adequate but more Action Required	Agreement of an internal clinical and operational plan to step up available capacity within the UHB footprint to breach the gap in surge capacity if needed as a result of increased COVID admissions.	Re-confirmation of key egress dates has been provided to Director of Planning to identify need for contingency planning within the UHB's operational services	DHH Programme Director/Assistant Director of Finance	Sep-20	3	3	9	Oct-20	Management
Fin07/20 DHH	Finance	Oct-20	Failure to deliver new Surge Hospital on time on budget to ready state for operational usage	Director of Finance	4	4	16	A Surge Hospital Programme Board is being established. This partially mirrors the DHH Programme Board which continues to operate effectively. The new Board retains the experience of a number of DHH Programme Board members alongside the new partners. The build project will be led by Capital & Estates alongside the main contractors, Darlows and other cost advisors. It is crucial that the appropriate clinical and operational groups feed into the design and fit out of the new build to enable the initial bed capacity to be fit for purpose as early as possible.	Limited Assurance	5	4	20	Adequate but more Action Required	Surge Hospital Programme Board due to convene on 14 Sep 2020	It will be important that the Surge Hospital Programme Board correctly identifies the appropriate working sub groups and assigns clear responsibilities and time lines accordingly. The UHB needs to free up appropriate officers to enable the same level of rigour and urgency that existed in the original DHH Project	Director of Planning/Director of Finance	Sep-20	3	3	9	Oct-20	Management

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Guidance Notes to assist completing the risk register
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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.

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	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

Bricknell Helen
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THE WELSH GOVERNMENT FINANCIAL COMMENTARY

FINANCIAL POSITION FOR THE FIVE MONTH PERIOD ENDED 31st AUGUST 2020

INTRODUCTION

The Welsh Government wrote to the UHB on 19th March 2020 to confirm that whilst the UHB had an approvable plan, it had paused the IMTP process for an indefinite period so that organisations could focus on the challenges of COVID 19.

At month 5, the UHB is reporting an overspend of £27.565m against this plan due to net expenditure of £74.014m arising from the management of COVID 19 which is offset by Welsh Government COVID 19 funding of £46.272m and an operating surplus of £0.177m.

The UHB continues to progress its plans at risk pending the agreement of further additional funding to fully cover additional costs arising from the management of COVID 19.

BACKGROUND

The Health Board agreed and submitted its 2020/21 – 2022/23 IMTP to Welsh Government at the end of January 2020 for its consideration. A summary of the submitted plan is provided in Table 1.

Table 1: 2020/21 IMTP

	2020/21 IMTP £m
Prior Year Plan	(4.0)
Adjustment for non recurrent items in previous year	(7.5)
b/f underlying deficit	(11.5)
Net Allocation Uplift (including LTA inflation)	36.2
Cost Pressures	(50.7)
Investments	(3.0)
Recurrent Cost Improvement Plans 3%	25.0
Non Recurrent Cost Improvement Plans 0.5%	4.0
Planned Surplus/(Deficit) 2020/21	0.0

These financial monitoring returns have been prepared against the UHB's submitted IMTP which includes a balanced position for 2020/21. This report details the financial position of the UHB for the period ended 31st August 2020. The UHB has separately identified non COVID 19 and COVID 19 expenditure against its submitted plan in order to assess the financial impact of COVID 19.

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

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

MOVEMENT OF OPENING FINANCIAL PLAN TO FORECAST OUTTURN (TABLE A)

Table A sets out the financial plan and latest position at month 4 for which the following should be noted:

- Assumed LTA inflation that was passed to the UHB from other Health Boards;
- The UHBs £29m 2020/21 savings target was established before the implications of managing COVID 19 were worked through. COVID 19 is adversely impacting on the UHB savings programme with substantial underachievement against the annual savings plan. It is not anticipated that this will significantly improve until the COVID 19 pandemic passes;
- The forecast position reflects the assessed COVID 19 costs in Table B3;
- Some of the identified savings schemes have a larger full year impact;
- The forecast underlying deficit has moved from a planned £4m as per the IMTP to £25.4m due to slippage against the recurrent saving target.

OVERVIEW OF KEY RISKS & OPPORTUNITIES (TABLE A2)

Table A2 reflects the forecast contained in Table B3. This has been maintained this month with the removal of previously identified risks and redefined opportunities. Given the volatility in the forecast this will be reviewed on a monthly basis.

The supporting narrative to the previous monitoring return highlighted an issue which arose on Day 4 of month 4 reporting, which created an area of uncertainty in the UHB's financial return for the year to date and in the forecast financial performance of the Health Board. It related to the funding arrangements applying to TAVI between WHSSC and provider Health Boards. However, it should have a nil impact across NHS Wales.

The issue has not resolved ahead of reporting Month 5, but should be by Month 6 as it is being discussed at the Joint Committee of WHSSC, which will

provide Chief Executives with the opportunity to agree the arrangements to be applied. The Health Board has continued to recognise funding in line with the DoF's agreement and it understands that this is consistent with how WHSSC have treated the matter. This risk has been included in Table A2.

A further risk has arisen in month 5 around the cost of an enhanced flu vaccination programme. The costing of the expansion are based on fees payable to GPs as this is the main delivery route for immunisations. The estimated cost which has been included in the revised forecast deficit of £93.617m is estimated at £2.330m and this is in accordance with the recently published guidance.

These current forecast excludes the cost of a mass COVID vaccination programme which are currently being assessed.

ACTUAL YEAR TO DATE (TABLE B)

Table B confirms the year to date deficit of £27.565m and reflects the analysis contained in the annual operating plan in Table A. A Summary of the deficit of £27.565m for the year to date is shown in Table 2.

Table 2: Summary Financial Position for the period ended 31st August 2020

	Month 1 £m	Month 2 £m	Month 3 £m	Month 4 £m	Month 5 £m	Total £m
COVID 19 Additional Expenditure	38.438	17.290	5.330	6.565	10.597	78.220
COVID 19 Non Delivery of Savings Plans	2.118	2.150	2.056	2.094	1.752	10.170
COVID 19 Reductions in Planned Expenditure	(2.522)	(4.241)	(2.921)	(1.626)	(1.885)	(13.195)
COVID 19 Release of Planned Investments	0.000	(0.168)	(0.679)	(0.089)	(0.244)	(1.180)
Net Expenditure Due To COVID 19	38.034	15.030	3.786	6.944	10.220	74.014
Operational position (Surplus) / Deficit	0.191	(0.048)	(0.204)	0.244	(0.361)	(0.178)
Welsh Government COVID 19 funding received			(11.016)	(0.306)	(34.950)	(46.272)
Financial Position (Surplus) / Deficit £m	38.225	14.982	(7.434)	6.882	(25.091)	27.565

This shows that the key driver of the month 5 financial position is the impact of COVID 19.

The additional COVID 19 expenditure in the 5 months to the end of August was £78.220m. Within this, the costs of the Dragon's Heart Hospital are significant, especially the set up costs which allow for significant expansion. At month 5 additional costs of £45.216m related to the Dragon's Heart Hospital (DHH). The expenditure reported against the DHH increased by £4.547m in month as detailed in the Field Hospital Template.

There was also £26.954m of other COVID 19 related additional expenditure.

COVID 19 is also adversely impacting on the UHB savings programme with underachievement of £10.170m against the month 5 target of £12.283m. It is

not anticipated that this will significantly improve until the COVID 19 pandemic passes.

Elective work has been significantly curtailed during this period as part of the UHB response to COVID 19 and this has seen a £12.283m reduction in planned expenditure.

The UHB has also seen slippage as a commissioner of £1.180m on the WHSSC commissioning plan due to impact of COVID 19.

The net expenditure due to COVID 19 is £74.014m. The UHB also has a small operating underspend of £0.177m and has allocated additional Welsh Government funding of £46.272m against COVID costs (COVID related Quarter 1 pay costs £11.016m, TF Optimise Flow and Outcomes £0.140m, All Wales Easter Bank Holiday DES (GMS) £0.210m, COVID 19 field hospital set up costs £34.906m) resulting in a Month 5 deficit of £27.565m.

PAY AND AGENCY (TABLE B2)

The UHB has recorded agency expenditure of £4.912m for the 5 months to the end of August 2020. The majority of agency expenditure relates to nursing where expenditure of £3.592m is reported. £1.772m of the cumulative agency expenditure has been incurred to provide cover in respect of COVID 19. It is assumed that agency cost will broadly continue at the level established at month 5 for the remainder of the year.

COVID 19 ANALYSIS (TABLE B3)

At month 5 Table B3 is projecting net expenditure due to COVID-19 to be £146.472m. The COVID year-end forecast position is £93.617m following receipt of £55.185m Welsh Government (WG) funding. This is summarised in the following table:

Table 3: Summary of Forecast COVID 19 Net Expenditure

	Forecast Year- End Position £m
COVID 19 Additional Expenditure	145.081
COVID 19 Non Delivery of Savings Plans	24.331
COVID 19 Reductions in Planned Expenditure	(19.430)
COVID 19 Release/Repurposing of Planned Investments/Development Initiatives	(1.180)
Net Expenditure Due To COVID 19	148.802
Welsh Government COVID 19 funding received	(55.185)
Net Covid 19 Forecast Position (Surplus) / Deficit £m	93.617

The revised forecast includes an additional cost of £2.330m in respect of an extension to the flu vaccination programme. The costs have been separately identified and included on a free field on line 94 of Table B 3 and are also identified under the Major Project costs section.

Notwithstanding this, the revised forecast is an improvement of £37.764m in the forecast year end position when compared to month 4. The key drivers for this improvement are summarised below:

- Additional COVID 19 Welsh Government funding of £34.950m
- DHH £2.600m
- Workforce requirement review £1.500m
- Dental contract income £0.900m
- Medical Staff extra duty claims review £0.500m
- DOAC prescribing £0.300m
- OOH fill rates £0.300m

Income assumptions include in the month 5 forecast are detailed below:

- Dragons Heart Hospital certificated expenditure £34.905m (received month 5)
- Funding reflecting COVID workforce costs month 1 to 3 - £11.016m
- Test, Trace and Protect (TTP) - £7.300m (HB and LA TTP costs shown in forecast)
- Transformation Optimise flow and outcomes - £1.251m
- Mental Health Services - £0.503m
- GMS DES - £0.210m

As described in the UHB's 2020/21 framework plan update, as an immediate acute response to the pandemic, the UHB took a phased approach:

Phase 1: Repurposing capacity and zoning within UHB acute hospitals – e.g. to enable cohorting of suspected and confirmed cases, stepping up critical care capability and capacity, creating dedicated pathways to manage patient flows safely

Phase 2: Commissioning new infrastructure and additional capacity within UHB facilities – i.e. additional ward capacity and a 10 bedded specialist High Consequence Infectious Diseases Unit

Phase 3: 'In Extremis' commissioning short-term surge capacity outside UHB facilities (Dragon's Heart Hospital) – this will be reviewed through Q2 to secure a sustainable, medium-term solution that will meet the likely reduced surge capacity requirement determined by the emerging UK and Welsh Government response to the pandemic over the longer term.

The UHB's **Phase 4** ongoing response described the principles, operating model and gearing approach that it is applying to ensure that the UHB is able to continue to provide a flexible approach to developing and balancing the UHB's capacity to deliver essential services, in particular to:

- meet the ongoing undulating emergency, rehabilitation and ongoing care demand arising from COVID-19 across all partners in health and social care, recognising the current relative unpredictability of this need
- meet the returning and growing demand for non-COVID-19 related unscheduled care – in both the acute and primary/community environments
- optimise safe elective care for those priority patients based on clinical need recognising the particular challenges in meeting the demand from out wider South Wales catchment population for complex and tertiary care – both adult and paediatric.

The key financial planning assumptions are:

Dragons Heart Hospital

Within this forecast the Dragon's Heart Hospital costs are now assessed at £63.307m with a further £2.634m capital costs. The revenue cost of £63.207 represent a reduction of £2.610m on the estimated revenue costs reported at month 4 primarily as a result of the reduction in forecast set up and building operational costs. This is based upon the DHH going on standby from 5th June and retention until 31st October 2020. The UHB continues to work to maximise value for money in the remaining occupancy, removal and reinstatement phases of the project and is hopeful that this will continue to reduce the overall cost of the project.

Dragons Heart Hospital consequential loss compensation costs for the WRU and Cardiff Blues of £3.417m are included in the 2020/21 forecast. This is an increase of £1.085m on the month 4 forecast and these costs represent the best forecast that can be modelled at this time for events that might reasonably have been held at the Principality Stadium and Cardiff Arms Park in the period May 2019 to January 2020 but cannot be due to the continued occupancy of the Dragon's Heart Hospital to 31 October 2020. The realised losses total may decrease for successful mitigation actions being explored with the WRU or increase if government restrictions are relaxed allowing the attendance of crowds within stadia. Programmes have been set up to oversee the removal and reinstatement phases of the programme to maximise value for money in the way that work is delivered and to ensure that costs are reasonable, fair and proportionate. There is a balance of consideration between the most economic egress from the stadium and the potential costs arising from consequential losses if the pace of egress compromises events

for the WRU and Blues. KPMG have been engaged to provide due diligence on baseline events revenues and costs relating to the WRU. The process to assess consequential loss is complex and involves variables that are not yet known pertaining to government COVID 19 regulations in play at the time of scheduled events. Specialist legal advice has been obtained to draft the WRU contract to a position that is acceptable to both organisations.

The forecast includes £9.309m of decommissioning costs for the DHH including reinstatement of the stadium.

Surge Capacity post 31st October

The UHB has developed alternative plans which have been shared with Welsh Government to establish a facility for surge capacity on the UHW site. The plans have now been approved by Welsh Government. In addition to providing COVID-19 surge capacity, it will provide the surge beds that the UHB would need to commission for this winter, recognising that predicting winter demand this year is particularly difficult. The UHB's assessment is that of the 400 beds provided in this proposed facility, 50 would be developed as winter surge beds. The remainder would be kept as surge beds to use if there was a significant demand. The UHB's bed capacity plan maintains some of the initial bed expansion created in the UHB's GOLD capacity plan (wards in Barry and St David's Hospital as well as the conversion of a physiotherapy area at UHW), but some of the beds originally identified as conversion to COVID-19 beds are required as the UHB brings back on line more non-COVID-19 activity.

The forecast does not include any additional costs arising from potential surge capacity requirements post 31st October 2020. Additional workforce requirements would need to be reviewed looking at utilisation of staff already in post and the availability of bank and agency staff if this additional surge capacity was required.

Resuming Non-Covid Activity

Throughout the pandemic the UHB has maintained core essential services. Given the uncertainty brought about by COVID-19 the UHB continues to operate in 4-6 week planning cycles, with prioritisation of need based upon clinical-stratification rather than time-based stratification. Given the significant uncertainty in the current operating environment, it is extremely difficult to forecast activity with any degree of certainty - and therefore forecasts beyond the 4 – 6 week current planning horizon are less reliable.

The UHB's Q2 framework plan update set out in detail the UHB's assessment of surgical demand and backlog for levels 2 and 3 and the capacity the UHB intends to establish in its three green zones – UHW, UHL and Spire. The high level conclusions from this assessment remain extant and are as follows:

- The UHB has throughout the pandemic maintained level 1a and 1b surgery and the majority of level 2 surgery
- The UHB can put in place the theatre, bed and workforce capacity to meet all of the level 2 demand
- The UHB has the physical theatre capacity to also meet all of the level 3 demand but this is likely to present a theatre staffing deficit unless theatre throughout can significantly improve closer to pre-COVID-19 levels; it may also require an expansion of the green zones to allow for more bed provision
- This assessment assumes Spire is available to the UHB for the remainder of the financial year, any reduction in this would lead to a direct reduction in the capacity for urgent and time-sensitive activity

At this stage, even with the green zones established and the use of Spire, the UHB does not anticipate having the capacity to treat level 4 patients in any significant volumes.

The reductions in non pay costs due to reduced elective capacity is now assessed and forecast to be £19.430m over the year which is a further reduction of £0.332m on the month 4 forecast of £19.098m. This is a moving piece and will be constantly reviewed as the planned care work stream comes back on line through the use of established green zones at UHW and UHL.

At the beginning of the COVID-19 pandemic, the UHB reached an early agreement with Spire Healthcare to enable patients with non-complex cancer and other urgent conditions to receive treatment at Spire's Cardiff hospital. This allowed the UHB extra capacity to care for COVID-19 patients on its main sites, in particular to enable space for regional services.

Costs of Spire are included in the forecast to the 31st of March totalling £6.150m. Costs up until 6th September are assumed to be funded by Welsh Government.

Regional Test, Trace and Protect (TTP)

Working with its local authority partners the UHB has established its TTP service as one of the key pillars to the safe releasing of lockdown measures. The contact tracing service is hosted by Cardiff Council on behalf of the three organisations; Contact Tracers and Contact Advisors are managed in teams by the Local Authority.

The TTP service went live on 1st June 2020. The forecast includes TTP costs (separately identified on TTP template) of £10.982m. This includes Local Authority costs of £8.239m have been queried with WG as this is £0.939m higher than the confirmed £7.3m income for local authority costs.

Enhanced Flu Vaccination Programme

A further pressure has arisen in month 5 around the cost of an enhanced flu vaccination programme. The costing of the programme is based on fees payable to GPs as this is the main delivery route for immunisations. The estimated cost which has been included in the revised forecast deficit of £93.617m is estimated at £2.330m. This has been calculated in line with the recent guidance and includes the provision of an additional 111,000 vaccines.

The profile of costs are outlined on the free cost line 94 and are also included on the major projects section.

The forecast of costs outlined **exclude** the cost of a mass COVID vaccination programme which are currently being assessed.

Unscheduled Care - CAV 24/7

We have established a 24/7 phone first triage approach, targeting citizens who would traditionally have walked up to the Emergency Department. The focus is on reducing footfall through the Emergency Department, social distancing has significantly reduced the capacity in the waiting area and we do not want to create queues around UHW where we are not safely able to protect and prioritise patients.

The forecast includes in year costs for CAV 24/7 totalling £1.405m largely relating to call handlers, triage nurses and non-salaried GPs.

Savings Programme 2020-21

The assessed slippage against the UHB £29m savings plan of has improved from £24.769m to £24.331m in month. A number of the UHB's high impact schemes were based on reducing bed capacity, improving flow coupled with workforce efficiencies and modernisation. It is not anticipated that significant progress will be made to improve this position until the pandemic passes. However, the UHB continues to identify and maximise all potential savings opportunities available. Schemes that are continuing to develop and progress include procurement and medicines management. The UHB is aiming to review all potential non-recurrent opportunities to support firming up the forecast at month 6.

With regard to other significant items of expenditure the following should be noted:

- Additional workforce costs included within the forecast have been reviewed by Executive leads ensuring all fixed term / temporary staff have clear end dates where appropriate.
- The estimated forecast costs of PPE and MSE consumable have increased from £7.0m to £7.9m over the course of the month. The spikes in expenditure in PPE in months 1 and 2 is due to items purchased locally which includes some initial stocking up.
- The key driver to the drugs costs are NCSO in primary care and drugs expenditure in critical care. It also includes an assessment for increased prescriptions in the early part of the year which then tails off.

INCOME/EXPENDITURE ASSUMPTIONS (TABLE D)

LTA Heads of Agreements have been agreed and signed with the five Health Boards (Swansea Bay University, Cwm Taf Morgannwg, Powys, Hywel Dda, Aneurin Bevan) with which the UHB holds contracts. In addition, LTA Heads of Agreements have been agreed and signed off with WHSSC and Velindre.

INCOME ASSUMPTIONS 2019/20 (TABLE E)

Table E outlines the UHB's 2020/21 resource limit.

The UHB's financial forecast assumes that the additional cost of the 2020/21 DDRB pay award in excess of 1% will be funded by Welsh Government.

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

CASH FLOW (TABLE G)

The closing cash balance at the end of August was £4.107m.

The UHB is currently predicting a cash shortfall in 2020/21 in line with the forecast deficit.

CAPITAL SCHEMES (TABLE I)

Capital progress for the year to date was satisfactory with net expenditure to the end of August being 45% of the UHB's approved Capital Resource Limit.

Planned expenditure for the year reflect the latest CRL received from Welsh Government dated 25th August, 2020.

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

1. The forecast overspend ascribed to the Rookwood Hospital Replacement Scheme repays funding drawn down but not spent in previous years, this is managed within the discretionary forecast. The in month variance relates to COVID 19 delays to scheme.
2. The ICF – CRI Chapel 20/21 funding has now been updated to reflect additional the £1.9m previously approved for 20/21. The scheme remains slightly behind forecast in month due to the delayed steel frame, however no change is anticipated to full year costs.
3. The Oxygen infrastructure scheme incurred additional costs, this will be managed within the discretionary capital budget.

All other schemes are in line with annual forecast. In month variances are as a result of phasing of schemes impacted by COVID 19 delays / brought forward works.

Rookwood hospital is classed as medium risk due to the anticipated overspend, all other schemes are currently classed as low risk.

Additional funding has been allocated to support the response to COVID 19 and the UHBs CRL has been updated to reflect this. **The UHB has however requested further COVID 19 funding especially to support the provision of elective and routine services through the creation of green zones. The value of this is £2.5m and without this support the containment of capital costs within the CRL is at risk.**

AGED WELSH NHS DEBTORS (TABLE M)

At the 31st August 2020 there were three invoices raised by the UHB against other Welsh NHS bodies which had been outstanding for more than 17 weeks. The Cwm Taf invoice has since been agreed to be cancelled. A credit note will be issued in respect of the outstanding invoice with Welsh Government and the outstanding invoice with Aneurin Bevan is still under discussion.


OTHER ISSUES

The financial information reported in these monitoring returns aligns to the financial details included within the Finance Committee and Board papers. These monitoring returns will be taken to the 23rd September 2020 meeting of the Finance Committee for information.

CONCLUSION

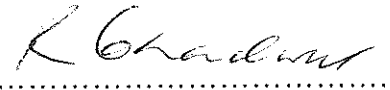
The Welsh Government wrote to the UHB on 19th March 2020 to inform it whilst it had an approvable plan, it had paused the IMTP process for an indefinite period so that organisations could focus on the challenges of COVID 19. The main focus of the UHB is managing the impact of COVID 19, which will inevitably come with a significant cost.

The UHB's is reporting a deficit of £27.565m at month 5 against the financial plan supporting the submitted IMTP. The deficit has been driven by the plans developed to manage the impact of COVID 19 where the net additional costs following the receipt of additional Welsh Government funding are reported at £27.742m. The position against Non COVID 19 services is broadly in line with the plan submitted with the UHBs IMTP.



LEN RICHARDS
CHIEFEXECUTIVE

11th September 2020



ROBERT CHADWICK
DIRECTOR OF FINANCE

11th September 2020

Table A - Movement of Opening Financial Plan to Forecast Outturn

This Table is currently showing 0 errors

Line 12 should reflect the corresponding amounts included within the latest IMTP/AOP submission to WG

Lines 1 - 12 should not be adjusted after Month 1

	In Year Effect £'000	Non Recurring £'000	Recurring £'000	FYE of Recurring £'000
Underlying Position b/fwd from Previous Year - as per 3 year plan (Surplus - Positive Value / Deficit - Negative Value)	-11,500	0	-11,500	-11,500
New Cost Pressures - as per 3 year plan (Negative Value)	-53,639	-1,867	-51,772	-51,772
Opening Cost Pressures	-65,139	-1,867	-63,272	-63,272
Welsh Government Funding (Positive Value)	31,622	1,866	29,756	29,756
Identified Savings Plan (Positive Value)	10,512	1,376	9,136	9,136
Planned Net Income Generated (Positive Value)	239	20	219	219
Planned Accountancy Gains (Positive Value)	43	43	0	0
Planned Profit / (Loss) on Disposal of Assets	0	0	0	0
Planned Release of Uncommitted Contingencies & Reserves (Positive Value)	0	0		
Provider Income (LTA/SLA)	4,520	0	4,520	4,520
Planning Assumptions still to be finalised at Month 1	18,202	2,561	15,641	15,641
IMTP / Annual Operating Plan	0	4,000	-4,000	-4,000
Reversal of Planning Assumptions still to be finalised at Month 1	-18,202	-2,561	-15,641	-15,641
Month 1 Planned Savings - Forecast Underachievement Due to Covid-19	-7,360	0	-7,360	-7,360
Month 1 Planned Savings - Other Forecast (Underachievement) / Overachievement	-1,362	-1,007	-355	-100
Additional In Year Identified Savings - Forecast (Positive Value)	2,490	757	1,733	1,864
Additional In Year & Variance from Planned Net Income Generated (Positive Value)	-136	23	-159	-137
Additional In Year & Variance from Planned Accountancy Gains (Positive Value)	239	239	0	0
Additional In Year & Variance from Planned Profit / (Loss) on Disposal of Assets	0	0		
Release of Previously Committed Contingencies & Reserves (Positive Value)	0	0		
Additional In Year Welsh Government Funding (Positive Value)	0	0		
Additional In Year Welsh Government Funding Due To Covid-19 (Positive Value)	55,184	55,184		
Operational Expenditure Cost Increase Due To Covid-19 (Negative Value)	-145,081	-145,081		
Planned Operational Expenditure Cost Reduction Due To Covid-19 (Positive Value)	19,430	19,430		
(Positive Value)	1,180	1,180		
Net In Year Operational Variance to IMTP/AOP (material gross amounts to be listed separately)	0	0		
	0	0		
WRP Risk Share	-658	-658		
Cost Pressure Reserve - Medicines	658	658		
	0	0		
ROUNDING	0	0		
Adjustment to In year Position	0	0		
	0	0		
Adjustment to classification of savings schemes	0	0		
	0	0		
	0	0		
	0	0		
	0	0		
	0	0		
Forecast Outturn (- Deficit / + Surplus)	-93,617	-67,835	-25,782	-25,374

[illegible]

TABLE A : Movement of Opening Financial Plan to Forecast Outturn

Monthly Positions (- Deficit / + Surplus) reconciles to Table B Monthly Positions	Ok
Recurring & Non Recurring Analysis of In Year items is not greater than In Year items	Ok
FYE of Recurring items are greater than, or equal to, the In Year Recurring amount	Ok
FYE of Recurring items only reported against Recurring items	Ok
Has Organisation name being selected	Ok

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This Table is currently showing 1 errors

Table A2 - Overview Of Key Risks & Opportunities		FORECAST YEAR END	
		£'000	Likelihood
Opportunities to achieve IMTP/AOP (positive values)			
1	Red Pipeline schemes (inc AG & IG)		
2	Potential Cost Reduction		
3	Total Opportunities to achieve IMTP/AOP	0	
Risks (negative values)			
4	Under delivery of Amber Schemes included in Outturn via Tracker	6	Medium
5	Continuing Healthcare		
6	Prescribing		
7	Pharmacy Contract		
8	WHSSC Performance	(725)	Medium
9	Other Contract Performance		
10	GMS Ring Fenced Allocation Underspend Potential Claw back		
11	Dental Ring Fenced Allocation Underspend Potential Claw back		
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26	Total Risks	(719)	
Further Opportunities (positive values)			
27	COVID Costs (@ 5%)	7,250	Medium
28			
29			
30			
31			
32			
33			
34	Total Further Opportunities	7,250	
35	Current Reported Forecast Outturn	(93,617)	
36	IMTP / AOP Outturn Scenario	(93,617)	
37	Worst Case Outturn Scenario	(93,617)	
38	Best Case Outturn Scenario	(86,367)	

Table A2 - Risks

Risks reported negative	There is one or more Risks reported as a positive value
Opportunities reported positive	Ok
Description completed	Ok
Likelihood completed	Ok

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Cardiff & Vale ULHB

This Table is currently showing 0 errors

Period : Aug 20

Table B3 - COVID-19 Analysis

A - Additional Expenditure

Additional Expenditure		1	2	3	4	5	6	7	8	9	10	11	12	Total YTD	Forecast year-end position £'000
REF		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	£'000	£'000
Enter as positive values															
1	Pay (Additional costs due to C19)														
2	Establishment & Bank Additional Hours:														
3	Administrative, Clerical & Board Members	69	156	235	285	208	205	205	174	173	173	172	172	931	2,173
4	Medical & Dental	588	1,085	1,459	1,146	1,131	695	588	579	587	579	572	572	5,418	9,889
5	Nursing & Midwifery Registered	181	586	424	425	485	489	461	597	597	597	597	595	3,695	5,831
6	Prof Scientific & Technical	1	49	53	44	35	32	30	30	30	30	30	30	182	395
7	Additional Clinical Services	179	325	338	469	375	446	335	369	369	367	368	367	1,681	4,493
8	Allied Health Professionals	34	185	181	150	117	86	79	79	79	79	74	74	637	1,187
9	Healthcare Scientists	19	16	16	15	4	2	6	6	4	3	3	3	20	56
10	Excess & Ancillary	282	835	474	325	283	333	272	269	319	269	269	269	3,289	4,303
11	Sub total Establishment & Bank Additional Hours	1,383	3,194	3,131	2,819	2,692	2,287	1,945	2,072	2,129	2,067	2,041	2,137	13,131	27,810
12	Agency														
13	Administrative, Clerical & Board Members	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Medical & Dental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Nursing & Midwifery Registered	238	465	384	282	402	314	314	314	314	314	314	314	1,774	3,868
16	Prof Scientific & Technical	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Additional Clinical Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Allied Health Professionals	29	52	29	10	10	8	0	0	0	0	0	0	116	118
19	Healthcare Scientists	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Excess & Ancillary	89	877	36	284	25	113	97	97	113	90	80	132	580	1,387
21	Sub total Agency	355	924	357	294	258	487	453	454	454	453	454	446	2,521	5,441
22	Returners (Provide WTE to the right):														
23	Administrative, Clerical & Board Members	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	Medical & Dental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	Nursing & Midwifery Registered	26	48	6	3	8	6	6	6	6	6	6	6	74	109
26	Prof Scientific & Technical	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	Additional Clinical Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	Allied Health Professionals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Healthcare Scientists	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Excess & Ancillary	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	Sub total Returners	52	97	32	19	16	13	13	13	13	13	13	13	132	238
32	Students (Provide WTE to the right):														
33	Medical & Dental	77	112	150	113	7	0	0	0	0	0	0	0	233	233
34	Nursing & Midwifery Registered	0	147	18	44	0	0	0	0	0	0	0	0	197	197
35	Prof Scientific & Technical	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36	Additional Clinical Services	0	579	580	559	110	77	77	77	77	77	77	77	1,828	1,881
37	Allied Health Professionals	0	0	0	0	27	28	28	28	28	28	28	28	27	187
38	Healthcare Scientists	0	0	0	0	0	0	0	0	0	0	0	0	0	0
39	Excess & Ancillary	77	0	0	0	0	0	0	0	0	0	0	0	0	0
40	Sub total Students	77	829	727	693	153	105	105	105	105	105	105	105	2,283	2,576
41	Other Temp Staff (Provide WTE to the right):														
42	Administrative, Clerical & Board Members	0	0	0	0	0	0	0	0	0	0	0	0	0	0
43	Medical & Dental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
44	Nursing & Midwifery Registered	0	52	26	0	0	0	0	0	0	0	0	0	78	78
45	Prof Scientific & Technical	0	0	0	0	0	0	0	0	0	0	0	0	0	0
46	Additional Clinical Services	0	78	86	114	0	0	0	0	0	0	0	0	0	0
47	Allied Health Professionals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
48	Healthcare Scientists	0	0	0	0	0	0	0	0	0	0	0	0	0	0
49	Excess & Ancillary	0	0	0	0	0	0	0	0	0	0	0	0	0	0
50	Sub total Other Temp Staff	0	130	112	144	0	0	0	0	0	0	0	0	334	334
51	Other (Specify below and in narrative)														
52														0	0
53														0	0
54														0	0
55														0	0
56	TOTAL ADDITIONAL PAY EXPENDITURE	1,850	4,827	4,888	3,843	3,383	2,864	2,482	2,514	2,504	2,504	2,450	2,588	18,431	36,407

Section A - Additional Operational Expenditure agrees to Table A	Ok
Section B - Total Expenditure Reduction agrees to Table A	Ok
Section C - Total Sillage agrees to Table A	Ok

Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
WTE	WTE	WTE	WTE	WTE	WTE	WTE	WTE	WTE	WTE	WTE	WTE
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22 Returners:											
23 Administration, Clerical & Board Members	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
24 Medical & Dental	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
25 Nursing & Midwifery Registered	5.00	5.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
26 Prof Scientific & Technical	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27 Additional Clinical Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
28 Allied Health Professionals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
29 Healthcare Scientists	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30 Excess & Ancillary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31 Sub total Returners	7.00	6.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
32 Students:											
33 Medical & Dental	7.00	15.00	14.00	2.00	2.29	0.00	0.00	0.00	0.00	0.00	0.00
34 Nursing & Midwifery Registered	0.00	49.00	0.00	29.61	29.61	0.00	0.00	0.00	0.00	0.00	0.00
35 Prof Scientific & Technical	0.00	14.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
36 Additional Clinical Services	0.00	284.32	299.75	226.88	45.18	34.00	0.00	0.00	0.00	0.00	0.00
37 Allied Health Professionals	0.00	0.00	0.00	0.00	8.48	11.00	11.00	11.00	11.00	11.00	0.00
38 Healthcare Scientists	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
39 Excess & Ancillary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40 Sub total Students	7.00	243.32	314.65	226.47	85.56	45.00	11.00	11.00	11.00	11.00	0.00
41 Other Temp Staff:											
42 Administration, Clerical & Board Members	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
43 Medical & Dental	0.00	0.00	7.33	4.33	4.40	0.00	0.00	0.00	0.00	0.00	0.00
44 Nursing & Midwifery Registered	0.00	0.00	4.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
45 Prof Scientific & Technical	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
46 Additional Clinical Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
47 Allied Health Professionals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
48 Healthcare Scientists	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
49 Excess & Ancillary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50 Sub total Other Temp Staff	0.00	13.80	11.83	4.33	4.40	0.00	0.00	0.00	0.00	0.00	0.00

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57	Non Pay (Additional costs due to C19)														
58	Accommodation Costs	14	228	32	392	47	70	70	70	70	70	70	718	1,288	
59	Additional costs in Primary Care	123	78	31	236	21	25	25	25	25	25	25	489	663	
60	Additional costs in Private Sector including via WHSNC	112	0	0	113	29	750	900	900	900	900	900	254	6,404	
61	Additional costs in Temporary Hospital Capacity - Set Up Costs e.g. Field Hospitals	31,492	8,793	13,807	13,785	3,093	2,860	2,327	2,093	1,981	1,800	136	38,190	47,215	
62	Catering Costs	9	34	11	0	0	4	4	4	4	4	4	49	70	
63	CAC	17	23	20	0	0	0	0	0	0	0	0	60	60	
64	Cleanroom Costs	31	48	140	25	80	10	10	10	10	10	10	91	162	
65	Costs as a result of lost income (inc. SLA, services & private patients)	191	1,610	1,080	277	807	802	815	788	783	852	658	4,947	18,176	
66	Covid-19 Test Kits	5	6	8	16	130	0	0	0	0	0	0	11	5	
67	Decommissioning Costs	0	0	0	0	858	110	77	3,664	0	0	0	868	4,609	
68	Discharge to assist	0	0	0	0	0	0	0	0	0	0	0	0	0	
69	Discharge to recover	0	0	0	0	0	0	0	0	0	0	0	0	0	
70	Down Inc Medical Classes	336	846	810	1,760	274	331	312	301	300	301	300	1,900	4,690	
71	Equipment Costs - beds	163	32	12	2,664	1	8	8	8	8	8	8	2,843	2,902	
72	Equipment costs - ventilators	0	0	0	0	0	0	0	0	0	0	0	0	0	
73	Equipment costs - other (specific in narrative)	0	284	5	2,473	180	80	33	33	8	8	8	2,954	3,135	
74	Estimate/Security Costs	1,383	315	899	1,146	20	11	11	11	11	11	11	1,511	1,581	
75	External Project Management Costs	5	11	11	173	179	51	51	51	51	51	51	354	709	
76	Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0	
77	IT Costs	392	197	108	908	139	281	285	300	305	305	295	1,095	1,411	
78	Laundry Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	
79	Legal Fees	0	0	1	48	25	10	10	5	9	0	0	75	180	
80	MISSE - consumables	796	749	831	244	844	108	108	98	108	93	103	93	3,163	3,877
81	Materials/Functnal Expenses	71	13	10	4	0	0	0	0	0	0	0	30	60	
82	PPE	863	1,067	706	165	630	294	294	294	294	294	294	2,088	4,156	
83	Rates	0	0	0	0	0	0	0	0	0	0	0	0	0	
84	Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	
85	Reprovision of existing services to external facilities e.g. Haemophilia services	0	0	0	0	0	0	0	0	0	0	0	0	0	
86	Telephone	0	0	0	30	0	0	0	0	0	0	0	31	31	
87	Temporary LTA Arrangements	0	0	0	0	0	0	0	0	0	0	0	0	0	
88	Training	0	0	0	0	2	0	0	0	0	0	0	0	0	
89	Transportation	0	0	1	0	4	0	0	0	0	0	0	0	7	
90	Utility Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	
91	Other costs (specific below and in narrative)	249	180	25	1,100	240	953	103	81	83	82	60	63	332	1,795
92	Transfer of Cardiac Surgery to LHL	0	0	0	16	161	18	18	18	18	18	18	0	179	
93	Field Hospital Compensation payments	0	0	284	1,130	64	207	1,568	1,500	0	0	0	142	3,417	
94	Extension to Flu Vaccination Programme	0	0	0	0	0	61	375	788	541	516	57	14	0	2,330
95	Local Authority Support	0	0	0	0	0	0	18	1,227	1,226	1,184	1,220	1,184	0	2,342
96	TOTAL ADDITIONAL NON PAY EXPENDITURE	38,490	12,482	722	2,721	7,773	7,971	8,380	11,833	6,330	6,170	3,552	3,778	69,260	168,674
97	TOTAL ADDITIONAL OPERATIONAL EXPENDITURE (Agrees to Table A)	35,150	17,283	5,330	5,064	11,077	10,835	10,843	14,343	8,923	8,674	6,481	6,338	78,699	145,081

A1 - Major Projects : Change in Capacity Expenditure Due To C19 (subset of Table A)

REF	Enter as positive values	1	2	3	4	5	6	7	8	9	10	11	12	Total YTD	Forecast year-end position
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	£'000	£'000
98	Major Projects: Capacity Change Expenditure (due to C19)	33,051	9,327	(2,377)	674	4,547	3,174	3,980	7,112	1,861	1,800	1,367	0	45,216	63,307
99	Covid-19 Test Kits	0	0	0	0	0	0	0	0	0	0	0	0	0	0
100	Extension to Flu Vaccination Programme	0	0	0	0	0	0	0	0	0	0	0	0	0	0
101	Extension to Flu Vaccination Programme	0	0	0	0	0	0	0	0	0	0	0	0	0	0
102	Extension to Flu Vaccination Programme	0	0	0	0	0	0	0	0	0	0	0	0	0	0
103	Extension to Flu Vaccination Programme	0	0	0	0	0	0	0	0	0	0	0	0	0	0
104	Extension to Flu Vaccination Programme	0	0	0	0	0	0	0	0	0	0	0	0	0	0
105	Extension to Flu Vaccination Programme	0	0	0	0	0	0	0	0	0	0	0	0	0	0
106	Extension to Flu Vaccination Programme	0	0	0	0	0	0	0	0	0	0	0	0	0	0
107	Extension to Flu Vaccination Programme	0	0	0	0	0	0	0	0	0	0	0	0	0	0
108	Extension to Flu Vaccination Programme	0	0	0	0	0	0	0	0	0	0	0	0	0	0
109	Test, Trace, Protect Costs	0	0	0	207	309	1,272	1,679	1,557	1,626	1,561	1,504	1,508	916	11,819
110	TOTAL MAJOR PROJECTS: ADDITIONAL CAPACITY EXPENDITURE	33,051	9,327	(2,377)	681	4,855	4,507	5,843	9,435	3,028	3,097	1,695	1,620	45,732	75,655

A1 - Major Projects : Change in Bed Numbers Due To C19 (subset of Table A)

REF	Enter as positive values	1	2	3	4	5	6	7	8	9	10	11	12	Total YTD	Forecast year-end position
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	£'000	£'000
98	Major Projects: Bed Capacity (due to C19)	10	40	10	0	0	0	0	0	0	0	0	0	0	0
99	Drummers Head Hospital - Assumed occupancy to 31 October 2020 & 4 months decommission	0	0	0	0	0	0	0	0	0	0	0	0	0	0
100	Drummers Head Hospital - Assumed occupancy to 31 October 2020 & 4 months decommission	0	0	0	0	0	0	0	0	0	0	0	0	0	0
101	Drummers Head Hospital - Assumed occupancy to 31 October 2020 & 4 months decommission	0	0	0	0	0	0	0	0	0	0	0	0	0	0
102	Drummers Head Hospital - Assumed occupancy to 31 October 2020 & 4 months decommission	0	0	0	0	0	0	0	0	0	0	0	0	0	0
103	Drummers Head Hospital - Assumed occupancy to 31 October 2020 & 4 months decommission	0	0	0	0	0	0	0	0	0	0	0	0	0	0
104	Drummers Head Hospital - Assumed occupancy to 31 October 2020 & 4 months decommission	0	0	0	0	0	0	0	0	0	0	0	0	0	0
105	Drummers Head Hospital - Assumed occupancy to 31 October 2020 & 4 months decommission	0	0	0	0	0	0	0	0	0	0	0	0	0	0
106	Drummers Head Hospital - Assumed occupancy to 31 October 2020 & 4 months decommission	0	0	0	0	0	0	0	0	0	0	0	0	0	0
107	Drummers Head Hospital - Assumed occupancy to 31 October 2020 & 4 months decommission	0	0	0	0	0	0	0	0	0	0	0	0	0	0
108	Drummers Head Hospital - Assumed occupancy to 31 October 2020 & 4 months decommission	0	0	0	0	0	0	0	0	0	0	0	0	0	0
109	Drummers Head Hospital - Assumed occupancy to 31 October 2020 & 4 months decommission	0	0	0	0	0	0	0	0	0	0	0	0	0	0
110	TOTAL MAJOR PROJECTS: ADDITIONAL BED CAPACITY	10	40	10	0	0	0	0	0	0	0	0	0	0	0

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B - Non Delivery of Planned Savings Due To C19

B - Non Delivery of Planned Savings Due To C19														
	1	2	3	4	5	6	7	8	9	10	11	12		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Forecast year-end position
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Enter as Positive values														
111	Non Delivery of Planned Savings (due to C19)													
112	Non Delivery of Finalised M11 Savings													
113	Non delivery of Savings Assumed but not finalised at M1													
114	TOTAL NON DELIVERY OF PLANNED SAVINGS													
111	287	287	240	509	627	714	681	673	825	798	798	851	2,620	7,360
112	1,825	1,881	1,814	1,488	1,124	1,302	1,324	1,243	1,186	1,202	1,247	1,189	1,148	16,371
113	2,112	2,169	2,054	2,097	1,751	2,017	2,015	2,016	2,012	2,018	2,045	2,041	10,168	24,331

C - Planned Operational Expenditure Cost Reduction Due To C19

Planned Operational Expenditure Cost Reduction Due To C19															
	1	2	3	4	5	6	7	8	9	10	11	12			
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Forecast year-end position	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Enter as Negative values															
115	Expenditure Reductions (due to C19)														
116	Reduction of non pay costs due to reduced elective activity	(2,157)	(2,771)	(1,354)	(1,117)	(1,338)	(989)	(826)	(791)	(726)	(609)	(519)	(8,737)	(13,764)	
117	Reduction of Outpatients costs due to reduced planned activity	0	0	0	0	0	0	0	0	0	0	0	0	0	
118	Reduction of travel and expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	
119	Nursing bed closures in Surgery	(150)	(151)	(155)	(277)	(269)	(269)	(69)	0	0	0	0	(1,091)	(1,339)	
120	Reduction in premium nursing costs	(109)	(279)	(253)	24	(94)	(120)	0	0	0	0	0	(745)	(846)	
121	Other non-contracted services	(107)	(114)	(88)	(287)	(157)	(131)	(99)	(99)	(94)	(87)	(87)	(1,328)	(1,649)	
122	Patient provisions	0	(79)	(11)	0	(27)	(21)	(21)	(21)	(21)	(21)	(21)	(189)	(266)	
123	GPB Contracts	0	(859)	(427)	0	0	0	0	0	0	0	0	(1,277)	(1,277)	
124	Other Agency Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	
125	TOTAL EXPENDITURE REDUCTION (Agrees to Table A)	(2,522)	(4,240)	(2,521)	(1,827)	(1,885)	(1,519)	(1,011)	(911)	(841)	(697)	(603)	(8,077)	(13,195)	(19,430)
		0	0	0	0	0	0	0	0	0	0	0	0	0	0

D - Slippage on Planned Investments/Repurposing of Developmental Initiatives due to C19

	1	2	3	4	5	6	7	8	9	10	11	12		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Forecast year-end position
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Enter as Negative values														
126	Slippage on Planned Investments/Repurposing of Developmental Initiatives (due to C19)													
127		0	(189)	(879)	(89)	(244)	0	0	0	0	0	0	(1,180)	(1,180)
128		0	0	0	0	0	0	0	0	0	0	0	0	0
129		0	0	0	0	0	0	0	0	0	0	0	0	0
130		0	0	0	0	0	0	0	0	0	0	0	0	0
131		0	0	0	0	0	0	0	0	0	0	0	0	0
132		0	0	0	0	0	0	0	0	0	0	0	0	0
133		0	0	0	0	0	0	0	0	0	0	0	0	0
134		0	0	0	0	0	0	0	0	0	0	0	0	0
135		0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL RELEASE/REPURPOSING OF PLANNED INVESTMENTS/DEVELOPMENT INITIATIVES (Agrees to Table A)														
		0	(189)	(879)	(89)	(244)	0	0	0	0	0	0	(1,180)	(1,180)
136														
137	NET EXPENDITURE DUE TO Covid-19	38,636	16,623	3,764	6,944	16,693	11,343	11,842	15,451	10,893	9,994	7,793	7,793	74,493

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