







## Finance Committee

26 August 2020, 14:00 to 16:00  
Cefn Mably / Skype

### Agenda

- |               |  |              |
|---------------|--|--------------|
| <b>1.</b>     | <b>Preliminaries</b>   |              |
| <b>1.1.</b>   | <b>Welcome &amp; Introductions</b>   | Rhian Thomas |
| <b>1.2.</b>   | <b>Apologies for Absence</b>   | Rhian Thomas |
| <b>1.3.</b>   | <b>Declarations of Interest</b>  | Rhian Thomas |
| <b>1.4.</b>   | <b>Minutes</b>   |              |
| <b>1.4.1.</b> | <b>Minutes of the Private Committee Meeting held on 29th July 2020</b>   | Rhian Thomas |
|               |  1.4a PRIVATE UNCONFIRMED MINUTES OF THE PRIVATE FINANCIAL COMMITTEE JULY 2020.pdf | (2 pages)    |
| <b>1.4.2.</b> | <b>Minutes of the Committee Meeting held on 29th July 2020</b>   | Rhian Thomas |
|               |  1.4b UNCONFIRMED MINUTES OF THE FINANCE COMMITTEE JULY 2020.pdf                  | (7 pages)    |
| <b>1.5.</b>   | <b>Action Log</b>  | Rhian Thomas |
|               |  1.5. Action Log For August 2020 Finance Committee Meeting.pdf                    | (1 pages)    |
| <b>1.6.</b>   | <b>Chairs Action taken since last meeting</b>  | Rhian Thomas |
| <b>2.</b>     | <b>Items for Review and Assurance</b>  |              |
| <b>2.1.</b>   | <b>Financial Performance Month 4</b>   |              |
|               | a) Financial Position Report   | Andrew Gough |
|               |  2.1a Finance Position Report for Month 4.pdf                                     | (22 pages)   |
| <b>2.2.</b>   | <b>Finance Risk Register 2020/21</b>   |              |
|               | 1. Main Risk Register  | Andrew Gough |
|               | 2. Dragon's Heart Hospital   |              |
|               |  2.2 Finance Risk Register 2020-21 August 2020.pdf                                | (2 pages)    |
|               |  2.2a Finance Risk Register 2020-21 - Appendix 1.pdf                              | (6 pages)    |

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2.2b Dragons Heart Hospital (DHH) Finance Risk  
Register 2020-21 - Appendix 2.pdf

(5 pages)

### **3. Items for Noting and Information**

#### **3.1. Month 4 Financial Monitoring Returns**



3.1a CV Financial Monitoring Returns 2020-21 -  
Month 4.pdf

(11 pages)



3.1b 2020\_21 MMR Template from M4.pdf

(5 pages)

### **4. Items to bring to the attention of the Board**

Rhian Thomas

### **5. Date and time of next Meeting**

Wednesday 23rd September 2020 at 2pm, Skype / Cefn Mably Meeting Room, Woodland House

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**UNCONFIRMED MINUTES OF THE PRIVATE MEETING OF THE FINANCE COMMITTEE  
HELD ON 29<sup>th</sup> JULY 2020  
CEFN MABLY MEETING ROOM/SKYPE, WOODLAND HOUSE**

**Present:**

Dr Rhian Thomas	RT	Chair, Independent Member – Capital and Estates
John Union	JU	Independent Member - Finance
Abigail Harris	AH	Executive Director of Strategic Planning
Andrew Gough	AG	Assistant Director of Finance
Chris Lewis	CL	Deputy Director of Finance
Len Richards	LR	Chief Executive
Martin Driscoll	MD	Executive Director of Workforce and Organisational Development
Robert Chadwick	RC	Director of Finance
Steve Curry	SC	Chief Operating Officer

**In Attendance:**

**Secretariat:**

Paul Emmerson	PE	Finance Manager
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**Apologies:**

Charles Janczewski	CJ	Board Chair
Nicola Foreman	NF	Director of Corporate Governance
Ruth Walker	RW	Executive Nurse Director

<b>FC 20/053</b>	<b>WELCOME AND INTRODUCTIONS</b>  The Chair welcomed everyone to the meeting.	<b>ACTION</b>
<b>FC 20/054</b>	<b>APOLOGIES FOR ABSENCE</b>  Apologies for absence were noted.	
<b>FC 20/055</b>	<b>DECLARATIONS OF INTEREST</b>  The Chair invited members to declare any interests in proceedings on the Agenda. None were declared.	
<b>FC 20/056</b>	<b>MINUTES OF THE COMMITTEE MEETING HELD ON 24<sup>TH</sup> JUNE 2020</b>	

	<p>The minutes of the private meeting held on 24<sup>th</sup> June 2020 were reviewed for accuracy and were agreed as a true and accurate record.</p> <p><b>Resolved – that:</b></p> <p>The minutes of the private meeting held on 24<sup>th</sup> June 2020 were approved by the Committee as an accurate record.</p>	
<b>FC 20/057</b>	<p><b>ACTION LOG FOLLOWING THE LAST MEETING</b></p> <p><b>The Finance Committee was advised that there were no outstanding Actions.</b></p> <p><b>Resolved – that:</b></p> <p>The Finance Committee <b>noted</b> that there were no outstanding Actions.</p>	
<b>FC 20/058</b>	<p><b>ITEMS TO BRING TO THE ATTENTION OF THE BOARD</b></p> <p>There were no items to bring to the attention of the Board.</p>	

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**UNCONFIRMED MINUTES OF THE MEETING OF THE FINANCE COMMITTEE  
HELD ON 29<sup>th</sup> JULY 2020  
CEFN MABLY MEETING ROOM/SKYPE , WOODLAND HOUSE**

**Present:**

Dr Rhian Thomas	RT	Chair, Independent Member – Capital and Estates
John Union	JU	Independent Member - Finance
Abigail Harris	AH	Executive Director of Strategic Planning
Andrew Gough	AG	Assistant Director of Finance
Chris Lewis	CL	Deputy Director of Finance
Len Richards	LR	Chief Executive
Martin Driscoll	MD	Executive Director of Workforce and Organisational Development
Robert Chadwick	RC	Executive Director of Finance
Steve Curry	SC	Chief Operating Officer

**In Attendance:**

**Secretariat:**

Paul Emmerson	PE	Finance Manager
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**Apologies:**

Charles Janczewski	CJ	Board Chair
Nicola Foreman	NF	Director of Corporate Governance
Ruth Walker	RW	Executive Nurse Director

<b>FC 20/059</b>	<b>WELCOME AND INTRODUCTIONS</b>  The Chair welcomed everyone to the meeting.	<b>ACTION</b>
<b>FC 20/060</b>	<b>APOLOGIES FOR ABSENCE</b>  Apologies for absence were noted.	
<b>FC 20/061</b>	<b>DECLARATIONS OF INTEREST</b>  The Chair invited members to declare any interests in proceedings on the Agenda. None were declared.	
<b>FC 20/062</b>	<b>MINUTES OF THE COMMITTEE MEETING HELD ON 24<sup>th</sup> JUNE 2020</b>  The minutes of the meeting held on 24 <sup>th</sup> June 2020 were reviewed for accuracy and were agreed as a true and accurate record.	

	<p><b>Resolved – that:</b></p> <p>The minutes of the meeting held on 27<sup>th</sup> June 2020 were approved by the Committee as an accurate record.</p>	
<b>FC 20/063</b>	<p><b>ACTION LOG FOLLOWING THE LAST MEETING</b></p> <p><b>The Finance Committee was advised that there were no outstanding Actions.</b></p> <p><b>Resolved – that:</b></p> <p>The Finance Committee <b>noted</b> that there were no outstanding Actions.</p>	
<b>FC 20/064</b>	<p><b>CHAIRS ACTION SINCE THE LAST MEETING</b></p> <p>There had been no Chairs action taken since the last meeting.</p>	
<b>FC 20/065</b>	<p><b>FINANCIAL PERFORMANCE MONTH 3</b></p> <p>The Deputy Director of Finance informed the Committee that at month 3, the UHB had reported an overspend of £45.774m against the 2020/21 plan. The reported position was primarily a result of net expenditure of £56.850m arising from the management of COVID 19 which was offset by Welsh Government COVID 19 funding of £11.016m and an operating surplus of £0.061m.</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. 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>Performance against the Finance Dashboard was skewed by the impact of COVID 19 and six out of the eight measures remained RAG rated red namely: remaining 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.</p> <p>It was highlighted that within the additional COVID 19 expenditure of £61.060m at month 3, the sum of £39.994m related to the Dragons Heart Hospital with further net expenditure of £21.066m being incurred in Clinical Boards. The expenditure reported against the DHH had fallen by £2.378m in month following the confirmation and re-evaluation of a number of key contractual liabilities and their phasing.</p>	

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<p>Bricknell Helen 08/20/2020 10:50:51</p>	<p>COVID 19 was also adversely impacting on the UHB savings programme where there was an underachievement of £6.320m against the month 3 target of £7.196m 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 3 months of the year as part of the UHB response to COVID 19 and this was the main reason behind a £9.683m reduction in planned expenditure.</p> <p>Moving onto expenditure headings the Deputy Director of Finance indicated that a surplus of £7.607m was reported against income targets at month 3 as a result of net COVID 19 expenditure of £3.314m, an operational overspend of £0.094m which were offset by additional Welsh Government finding of £11.016m for COVID 19 quarter 1 pay costs. The key COVID 19 costs were largely unchanged from the previous month and related to income reductions 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. The operational shortfall in income had marginally improved in month.</p> <p>The pay position at month 3 was a deficit of £7.592m made up of a net COVID 19 expenditure of £10.208m and an operational underspend of £2.616m. The main additional COVID 19 pay costs were for medical, nursing and ancillary staff in the Medicine Clinical Board and in Facilities.</p> <p>The Finance Committee Chair (RT) asked whether any of the operational underspend on pay was due to the reduction in elective cases and the Deputy Director of Finance confirmed that the reduction in elective work had led to drop in spend and this was reported as a reduction in planned expenditure due to COVID 19. The Chief Operating Officer added that the UHB had been successful in re-organizing some services e.g. in mental health to work around the constraints presented by COVID 19 and added that some staff who would normally work in an elective environment had provided additional cover in unscheduled care.</p> <p>In reply to a further query from the Finance Committee Chair (RT) the Executive Director of Workforce and Organisational Development confirmed that the significant additional staff costs arising from COVID 19 were in part influenced by the significant numbers of staff who had been required to either shield or quarantine in line with Government and UHB Guidance. Where possible the UHB had endeavoured to redeploy staff where their working position was adversely affected by COVID 19 and the response from staff to this initiative had been positive.</p> <p>Non pay budgets reported a deficit of £45.788m at month 3 comprising of net COVID 19 expenditure of £43.328m and an operational overspend of £2.460m.</p>	
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£37.930m of the additional COVID 19 expenditure related to plant and premises costs at the Dragon's Heart Hospital, £6.663m was attributed to other non pay primarily due to slippage against savings schemes and a further £1.332m 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.

The operational overspend on non pay was mainly concentrated in medicines, additional IT spend, continuing healthcare and non COVID related underperformance against savings schemes.

Referring to the Financial Forecast for 2020/21 outlined in table 8 the Deputy Director of Finance noted 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. Overall the additional costs of managing Covid 19 were expected to continue and the financial deficit was forecast to move from £45.774 at month 3 to a deficit of £139.438m at year end. The month 3 operational underspend of £0.061m was expected to move towards a balanced position as the year progressed.

The Finance Committee was referred to the key assumptions underpinning the forecast and the following key issues were highlighted:

- Dragons Hearth Hospital (DHH) revenue costs were estimated at circa £68m and this included decommissioning and compensation costs.
- No costs for additional potential surge capacity requirements were included in the forecast.
- Costs for additional capacity commissioned from SPIRE were included up until the end of the year.
- Slippage of circa £24.9m against savings plans that the UHB was unable to progress during the pandemic was iincuded 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 testing was included in the forecast at c £3.5m.

It was noted 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 and that this was included with the Finance Committee papers. The Deputy Director of Finance confirmed that the forecast was not fixed and would be subject to further refinement as the year unfolded.

The largest operational pressures within Clinical Boards were reported in PCIC where there were pressures against GP prescribing

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	<p>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 improved in month and would continue to be monitored.</p> <p>Moving on to the UHBs underlying deficit the Deputy Director Of Finance reported that £21.7m of the £25.0m forecast slippage against 2020/21 savings targets was recurrent. As a result of the savings slippage the forecast year end underlying deficit was £25.7m which was £21.7m more than the planned £4m identified in the submitted IMTP.</p> <p>The UHB cash balance at the end of April 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 93.0% to 94.1% in June but was still below the 95% target. Performance in future months was expected to continue to improve.</p> <p>Capital expenditure was broadly in line with plans.</p> <p>In conclusion, the Deputy Director of Finance flagged that at month 3, 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.</p> <p><b>Resolved – that:</b></p> <p>The Finance Committee <b>noted</b> the pausing of the IMTP process for 2020/21.</p> <p>The Finance Committee <b>noted</b> the month 3 financial impact of COVID 19 which is assessed at £56.850m;</p> <p>The Finance Committee <b>noted</b> the additional Welsh Government funding of £11.016m received in respect of COVID 19 additional pay costs - Quarter 1;</p> <p>The Finance Committee <b>noted</b> the revised forecast 2020/21 carry forward Underlying Deficit is £25.7m due to the impact of COVID 19;</p> <p>The Finance Committee <b>noted</b> 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><b>FC 20/066</b></p> <p>Bricknell Helen 08/20/2020 10:56:51</p>	<p><b>FINANCE RISK REGISTER</b></p> <p>The Assistant Director of Finance (AG) presented the Finance Risk register.</p> <p>The key risks remained unchanged and the extreme risks were noted as being:</p>	

	<p><b>Fin01/20</b> – Reducing underlying deficit from £11.5m to £4.0m in line with IMTP submission.</p> <p><b>Fin02/20</b> – Management of budget pressures.</p> <p><b>Fin03/20</b> – Delivery of £29.0m (3.5%) CIP</p> <p><b>Fin10/20</b> – COVID-19 impact on financial plan</p> <p>The COVID-19 financial plan risk (FIN10/20) was shown at appendix 2 as a sub-set to the main risk register</p> <p>The Finance Committee was asked to note that the UHB had been in discussion with the Welsh Government's Finance Delivery Unit (FDU) over the forecast shortfall against 2020/21 savings targets and that it was accepted that some of the UHB's high impact schemes would not deliver as expected in the current environment. However the UHB was expected to maximise savings opportunities where possible with particular emphasis on procurement and medicines management schemes.</p> <p><b>Resolved - that:</b></p> <p>The Finance Committee <b>noted</b> the risks highlighted in the 2020/21 risk register.</p> <p>The Finance Committee <b>noted</b> the risks highlighted in the Dragon's Heart Hospital sub set risk register.</p>	
<p><b>FC 20/067</b></p>	<p><b>NHS WALES ORGANISATIONS £470M DEBT WRITTEN-OFF TO HELP PREPARE FOR COVID-19 RECOVERY</b></p> <p>The Deputy Director of Finance presented a paper which considered the impact on the UHB of the Welsh Government press release which announced "NHS Wales organisations £470m debt written-off to help prepare for COVID-19 recovery".</p> <p>The Committee was informed that the press release indicated that the historic cumulative deficit which the UHB had reported since the beginning of 2014 will not be required to be repaid once the UHB achieves its three-year break-even duty. This provided clarity and it was noted that the UHB had incurred net deficits totalling £87.206m in the 6 years since the beginning of 2014/15.</p> <p>In response to a query from the Finance Committee Chair (RT) the Deputy Director of Finance indicated that the announcement did not change the UHB plans , however it was noted that the UHB historic debt would be written off at the end 2021/22 if it achieved a break even position over the course of 2020/21 and 2021/22.</p> <p><b>Resolved - that:</b></p> <p>The Finance Committee <b>noted</b> the proposals to write off historic debt once the UHB meets its three-year break-even duty.</p>	

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<b>FC 20/068</b>	<b>MONTH 3 FINANCIAL MONITORING RETURNS</b>  These were noted for information.	
<b>FC 20/069</b>	<b>ITEMS TO BRING TO THE ATTENTION OF THE BOARD</b>  There were no items to bring to the attention of the Board.	
<b>FC 20/070</b>	<b>DATE OF THE NEXT MEETING OF THE COMMITTEE</b>  <b>Wednesday</b> 26 <sup>th</sup> August <b>2.00pm</b> ; <b>Skype</b> / Cefn Mably Meeting Room, Ground Floor, HQ, Woodland House	

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## FINANCE COMMITTEE – PUBLIC MEETING

### ACTION LOG

MINUTE	DATE	SUBJECT	AGREED ACTION	ACTIONED TO	STATUS
			No Outstanding Actions		

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<b>Report Title:</b>	<b>Finance Report for the Period Ended 31<sup>th</sup> July 2020</b>							
<b>Meeting:</b>	<b>Finance Committee</b>					<b>Meeting Date:</b>	<b>26<sup>th</sup> August 2020</b>	
<b>Status:</b>	<b>For Discussion</b>	<b>x</b>	<b>For Assurance</b>	<b>x</b>	<b>For Approval</b>		<b>For Information</b>	<b>x</b>
<b>Lead Executive:</b>	<b>Executive Director of Finance</b>							
<b>Report Author (Title):</b>	<b>Deputy Director of Finance</b>							

### 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 19<sup>th</sup> 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>b/f underlying deficit</b>	<b>(11.5)</b>
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
<b>Planned Surplus/(Deficit) 2020/21</b>	<b>0.0</b>

At month 4, the UHB is reporting an overspend of £52.656m against this plan due to a small operating deficit of £0.184m and net expenditure of £63.794m arising from the management of COVID 19 which is offset by Welsh Government COVID 19 funding of £11.322m.

**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 @ July 2020**

Measure	n	STATUS REPORT				
		July 2020	Rating	Latest Trend	Target	Time Period
Financial balance: remain within revenue resource limits	36	£52.656m deficit at month 4.	R	↓	2020/21 Break-Even	M4 2020-21
Remain within capital resource limits.	37	Expenditure at the end of the July was £18.267m against a plan of £21.774m.	G	9	Approved planned expenditure £45.282m	M4 2020-21
Reduction in Underlying deficit	36a	£11.5m assessed underlying deficit (ULD) position b/f to month 1. Forecast year end ULD £25.5m	R	9	If 2020/21 plan achieved reduce underlying deficit to £4.0m	M4 2020-21
Delivery of recurrent £25.000m 3% devolved target	36b	£3.493m forecast at month 4. Performance impaired by response to COVID- 19	R	9	£25.000m	M4 2020-21
Delivery of £4m non recurrent devolved target	36c	£0.743m forecast at month 3. Performance impaired by response to COVID- 19	R	9	£4.000m	M4 2020-21
Creditor payments compliance 30 day Non NHS	37a	Cumulative 94.8 % at the end of July	R	↑	95% of invoices paid within 30 days	M4 2020-21
Remain within Cash Limit	37b	Forecast cash <b>deficit</b> of £131.381m	R	↑	To remain within Cash Limit	M4 2020-21
Maintain Positive Cash Balance	37c	Cash balance = £4.122m	G	9	To Maintain Positive Cash Balance	End of July 2020

## Month 4 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 4 is a deficit of £52.656m and this is

summarised in Table 3.

**Table 3: Month 4 Financial Position 2020/21**

	Month 1 £m	Month 2 £m	Month 3 £m	Month 4 £m	Total £m
COVID 19 Additional Expenditure	38.438	17.290	5.330	6.565	67.623
COVID 19 Non Delivery of Savings Plans	2.118	2.150	2.056	2.094	8.418
COVID 19 Reductions in Planned Expenditure	(2.522)	(4.241)	(2.921)	(1.626)	(11.310)
COVID 19 Release of Planned Investments	0.000	(0.168)	(0.679)	(0.089)	(0.936)
Net Expenditure Due To COVID 19	38.034	15.030	3.786	6.944	63.794
Operational position (Surplus) / Deficit	0.191	(0.048)	(0.204)	0.244	0.184
Welsh Government COVID 19 funding received			(11.016)	(0.306)	(11.322)
Financial Position (Surplus) / Deficit	38.225	14.982	(7.434)	6.882	52.656

This shows that the key driver of the month 4 financial position is the impact of COVID 19.

The additional COVID 19 expenditure in the 4 months to the end of July was £67.623m. Within this, the costs of the Dragon's Heart Hospital are significant, especially the set up costs which allow for significant expansion. At month 4 costs of £40.669m relate to the Dragon's Heart Hospital (DHH) and these are detailed in **Appendix 4**. 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 £8.418m against the month 4 target of £9.624m. 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 £11.310m reduction in planned expenditure.

The UHB has also seen slippage as a commissioner of £0.936m on the WHSSC commissioning plan due to the impact of COVID 19.

The net expenditure due to COVID 19 is £63.794m. The UHB also has a small operating overspend of £0.184m and has allocated additional Welsh Government funding of £11.322m against COVID costs (COVID related Quarter 1 pay costs £11.016m, Transformation Optimise Flow and Outcomes £0.096m, All Wales Easter Bank Holiday DES (GMS) £0.210m) resulting in a Month 4 deficit of £52.656m

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

**Table 4: Summary Financial Position for the period ended 31<sup>st</sup> July 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
<b>In Month</b>						
Income	(118.625)	(117.870)	0.735	0.000	0.020	0.755
Income - Welsh Govt. COVID 19 Funding Received	0.000	(0.306)	0.000	(0.306)	0.000	(0.306)
Pay	55.088	57.648	3.677	0.000	(1.117)	2.560
Non Pay	63.537	67.410	2.531	0.000	1.342	3.872
Variance to Plan £m	0.000	6.882	6.943	(0.306)	0.245	6.882
<b>Cumulative</b>						
Income	(468.412)	(464.248)	4.050	0.000	0.115	4.164
Income - Welsh Govt. COVID 19 Funding Received	0.000	(11.322)	0.000	(11.322)	0.000	(11.322)
Pay	220.323	230.476	13.885	0.000	(3.732)	10.153
Non Pay	248.088	297.750	45.859	0.000	3.802	49.661
Variance to Plan £m	0.000	52.656	63.794	(11.322)	0.184	52.656

## Income

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

**Table 5: Income Variance @ July 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
<b>In Month</b>							
Revenue Resource Limit (RRL)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	0.000	0.000	0.000	0.000	(0.306)	0.000	(0.306)
Welsh Government Income (Non RRL)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Accommodation & Catering	0.065	0.000	0.000	0.065	0.000	0.036	0.101
Education & Training	0.023	0.000	0.000	0.023	0.000	0.048	0.071
Injury Cost Recovery Scheme (CRU) Incc	(0.035)	0.000	0.000	(0.035)	0.000	(0.010)	(0.045)
NHS Patient Related Income	0.065	0.000	0.000	0.065	0.000	(0.006)	0.059
Other Operating Income	0.537	0.003	0.000	0.540	0.000	(0.033)	0.507
Overseas Patient Income	0.002	0.000	0.000	0.002	0.000	0.003	0.005
Private Patient Income	0.069	0.000	0.000	0.069	0.000	0.002	0.072
Research & Development	0.006	0.000	0.000	0.006	0.000	(0.021)	(0.015)
Variance to Plan £m	0.732	0.003	0.000	0.735	(0.306)	0.020	0.450
<b>Cumulative</b>							
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	(11.322)	0.000	(11.322)
Welsh Government Income (Non RRL)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Accommodation & Catering	0.487	0.000	0.000	0.487	0.000	0.023	0.510
Education & Training	0.029	0.000	0.000	0.029	0.000	0.096	0.125
Injury Cost Recovery Scheme (CRU) Incc	0.307	0.000	0.000	0.307	0.000	(0.039)	0.268
NHS Patient Related Income	0.535	0.000	0.000	0.535	0.000	(0.055)	0.480
Other Operating Income	2.341	0.005	0.000	2.346	0.000	0.133	2.478
Overseas Patient Income	0.004	0.000	0.000	0.004	0.000	0.004	0.008
Private Patient Income	0.306	0.000	0.000	0.306	0.000	0.005	0.311
Research & Development	0.036	0.000	0.000	0.036	0.000	(0.052)	(0.016)
Variance to Plan £m	4.045	0.005	0.000	4.050	(11.322)	0.115	(7.159)



The month 4 income position is a surplus of £7.158m comprising net COVID 19 expenditure of £4.050m, additional Welsh Government funding of £11.322m for COVID 19 costs and an operational overspend of £0.115m.

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

- £0.487m shortfall on accommodation and catering income as a result of a reduction in retail and restaurant services.
- A £0.307m adverse variance against the Injury Cost recovery Scheme following a significant fall in the number and value of new claims in the first 4 months. The value of new claims and level of cash received improved in July resulting in an in month surplus.
- £0.535m adverse variance in NHS Patient related income following the continuation of the reduction in English non-contracted income due to COVID 19.
- £2.346m deficit against Other Operating Income primarily as a result of the loss of Dental Patient Charges income due to the COVID 19 closure of dental practices alongside reduced activity in laboratories and radiopharmacy.
- £0.306m 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 @ July 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
<b>In Month</b>						
Medical and Dental	1.117	0.001	0.000	1.119	(0.202)	0.917
Nursing (registered)	0.695	0.003	(0.057)	0.642	(0.319)	0.323
Nursing (unregistered)	0.219	0.000	0.000	0.219	0.127	0.345
Scientific, prof & technical	0.039	0.000	0.000	0.039	(0.057)	(0.018)
Additional clinical services	0.162	0.000	0.000	0.162	(0.114)	0.047
Management, admin & clerical	0.202	0.002	0.000	0.204	(0.260)	(0.057)
Other staff groups	1.293	0.001	0.000	1.294	(0.291)	1.003
<b>Total £m</b>	<b>3.727</b>	<b>0.008</b>	<b>(0.057)</b>	<b>3.677</b>	<b>(1.117)</b>	<b>2.560</b>
<b>Cumulative</b>						
Medical and Dental	4.753	0.005	0.000	4.758	(0.822)	3.936
Nursing (registered)	2.898	0.030	(1.025)	1.903	(0.843)	1.060
Nursing (unregistered)	1.549	0.000	0.000	1.549	0.464	2.013
Scientific, prof & technical	0.155	0.002	0.000	0.157	(0.438)	(0.281)
Additional clinical services	0.270	0.000	0.000	0.270	(0.342)	(0.072)
Management, admin & clerical	0.753	0.013	0.000	0.766	(0.822)	(0.056)
Other staff groups	4.479	0.003	0.000	4.482	(0.930)	3.552
<b>Total £m</b>	<b>14.857</b>	<b>0.052</b>	<b>(1.025)</b>	<b>13.885</b>	<b>(3.732)</b>	<b>10.153</b>

The pay position at month 4 is 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 are for medical, nursing and ancillary staff in the

Medicine and Children & Women Clinical Boards and in Facilities. 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. The largest operational pay underspends are on nursing staff in the Mental Health Clinical Board and medical staff in the Surgery Clinical Board. The Medicine Clinical Board has reported an operational overspend of £0.454m against pay for the first four month and £0.373m of the overspend has been recorded against nursing.

## Non Pay

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

**Table 7: Non Pay Variance @ July 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
<b>In Month</b>						
Drugs / Prescribing	(0.368)	(0.004)	(0.373)	(0.745)	0.707	(0.038)
Clinical services & supplies	0.284	(0.028)	(0.831)	(0.575)	0.384	(0.191)
General supplies & services	0.323	0.004	0.009	0.336	0.002	0.339
Establishment expenses	0.027	(0.001)	0.000	0.026	(0.169)	(0.142)
Premises & fixed plant	1.230	0.000	0.000	1.230	0.406	1.636
Continuing healthcare	0.000	0.000	0.000	0.000	0.216	0.216
Commissioned Services	0.044	0.000	(0.169)	(0.125)	(0.069)	(0.194)
Primary Care Contractors	0.236	0.000	(0.238)	(0.002)	(0.078)	(0.080)
Other non pay	0.329	2.115	(0.060)	2.385	(0.058)	2.326
<b>Total £m</b>	<b>2.104</b>	<b>2.087</b>	<b>(1.660)</b>	<b>2.531</b>	<b>1.342</b>	<b>3.872</b>
<b>Cumulative</b>						
Drugs / Prescribing	1.723	0.027	(1.798)	(0.048)	1.480	1.433
Clinical services & supplies	4.006	(0.034)	(6.222)	(2.251)	0.525	(1.726)
General supplies & services	1.855	0.005	(0.192)	1.669	0.007	1.676
Establishment expenses	0.121	(0.001)	0.000	0.121	(0.594)	(0.473)
Premises & fixed plant	39.604	0.000	0.000	39.604	1.267	40.871
Continuing healthcare	0.060	0.000	(0.010)	0.050	0.761	0.812
Commissioned Services	0.119	0.000	(1.337)	(1.218)	(0.317)	(1.535)
Primary Care Contractors	0.487	0.000	(1.604)	(1.117)	(0.080)	(1.197)
Other non pay	0.744	8.364	(0.060)	9.048	0.753	9.801
<b>Total £m</b>	<b>48.720</b>	<b>8.361</b>	<b>(11.222)</b>	<b>45.859</b>	<b>3.802</b>	<b>49.661</b>

The largest deficit is in non pay budgets. The month 4 position is a deficit of £49.661m comprising net COVID 19 expenditure of £45.859m and an operational overspend of £3.802m.

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

- £1.669m overspend on general supplies and services primarily relating to PPE.
- £39.604m overspend on Premises and Fixed Plant including £37.777m in relation to the Dragons Heart Hospital as well as additional spend on beds and mattresses, cleaning, waste management, IT and overnight accommodation.
- £9.048m on other non pay primarily due to slippage against savings schemes.

The in month improvement on COVID 19 related drugs and prescribing costs follows a re-assessment of the impact on costs in primary care following the receipt of May prescribing data.

The COVID 19 related costs have been netted down by £11.222m for reductions in non pay costs mainly arising from reduced levels of elective activity and an adjustment to dental contracts.

The main issues driving the £3.802m operational overspend against non pay were as follows;

- £1.480m overspend against drugs and prescribing primarily due to an increase in Category M Prices and growth in NICE drugs.
- £1.267m 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. £0.327m has arisen from the use of estates contractors and these costs are offset by a related underspend against pay costs.
- £0.761m overspend against continuing healthcare arising from the full year effect of the growth in cases during 2019/20.
- £0.753m adverse variance against other non-pay mainly due to non COVID related savings slippage.

### 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 £152.598m. This is offset by confirmed additional COVID 19 funding of £21.217m as summarised in table 8.

**Table 8: Summary of Forecast COVID 19 Net Expenditure**

Expenditure	Cumulative Month 4 £m	Forecast Year End position £m
Total Additional Operational Expenditure (related to Covid 19)	67.633	147.901
Total Non Delivery of Savings (related to Covid 19)	8.413	24.764
Total Expenditure Reduction (related to Covid 19)	(11.315)	(19.098)
Total Release of Planned Investments/Development Initiatives (related to Covid 19)	(0.936)	(0.969)
<b>NET EXPENDITURE due to COVID- 19 £m</b>	63.794	152.598
Operational Position (Surplus) / Deficit	0.184	0.000
Welsh Government Covid 19 Funding Received	(11.322)	(21.217)
<b>FINANCIAL POSITION / FORECAST Deficit £m</b>	52.656	131.381

**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.**

This is an improvement of £8.057m in the forecast position when compared to month 3. The key drivers for this improvement are summarised below:

- Dragons Heart Hospital - £1.900m
- Green zone COVID plan - £1.800m
- Spire (WG funding to 6<sup>th</sup> September) - £1.800m
- TTP net costs - £0.900m
- Workforce review improvements - £0.900m
- Other reductions including PPE - £0.700m

Confirmed COVID 19 income included in the month 4 forecast is detailed below:

- 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

The key financial planning assumptions are:

### Dragons Heart Hospital

Within this forecast the Dragon's Heart Hospital costs are assessed at £65.917m with a further £2.634m capital costs. This is based upon the DHH going on standby from 5<sup>th</sup> June and retention until 31<sup>st</sup> October 2020. Clarification has been received on initial build stage of the project revising and reducing the previous assessment of final build costs. The UHB continues to work to maximise value for money in the remaining occupancy, removal and reinstatement phases of the project with the aim of reducing the overall cost of the project.

Dragons Heart Hospital consequential loss compensation costs for the WRU and Cardiff Blues of £2.332m are included in the 2020/21 forecast. 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 stadia 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 £9.480m of decommissioning costs for the DHH including reinstatement of the stadium.

### Surge Capacity post 31<sup>st</sup> 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. In addition to providing COVID-19 surge capacity, it would provide the surge beds the UHB needs to commission for this winter, recognising that predicting winter demand this year is particularly difficult. The 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 as required. The UHB bed capacity plan maintains some of the initial bed expansion created in phase 2 of the UHB response (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 more non-COVID-19 activity is brought back on line.

The forecast does not include any additional revenue costs arising from potential surge capacity requirements. 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 assessed to be £19.098m over the year. 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 at its main sites, in particular to enable space for regional services.

Costs of Spire are included in the forecast to the 31<sup>st</sup> of March totalling £6.150m. Costs up until 6<sup>th</sup> 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 that is matched in the forecast by assumed income. This is being queried with WG as this is in excess of the confirmed £7.3m income for local authority costs.

### **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**

There is assessed slippage against the UHB £29m savings plan of £24.769m. A number of our 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. We are 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.
- PPE costs and MSE consumable are estimated to cost £7.0m. 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 cost increases 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**

### **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 4 by Clinical Board is shown in Table 9.

**Table 9: Financial Performance for the period ended 31<sup>st</sup> July 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	0.282	0.156	(0.207)	0.231	0.000	0.185	0.416
Capital Estates & Facilities	0.376	0.180	0.000	0.556	0.000	0.023	0.578
Children & Women	0.567	0.168	0.009	0.744	0.000	0.045	0.788
Clinical Diagnostics & Therapies	0.674	0.000	0.000	0.674	0.000	0.001	0.675
Dragon's Heart Hospital	0.980	0.097	0.000	1.077	0.000	(0.197)	0.880
Executives	0.000	0.000	0.000	0.000	0.000	(0.003)	(0.003)
Medicine	1.169	0.221	(0.084)	1.306	0.000	0.190	1.496
Mental Health	0.339	0.224	0.000	0.563	0.000	0.085	0.649
PCIC	0.781	0.419	(0.263)	0.937	0.000	0.178	1.115
Specialist	0.370	0.379	(0.494)	0.255	0.000	(0.202)	0.053
Surgery	0.626	0.254	(0.510)	0.370	0.000	0.039	0.409
<b>SubTotal Delegated Position £m</b>	<b>6.164</b>	<b>2.097</b>	<b>(1.548)</b>	<b>6.713</b>	<b>0.000</b>	<b>0.343</b>	<b>7.057</b>
Central Budgets	0.399	0.000	(0.169)	0.230	0.000	(0.099)	0.131
<b>Total Variance pre COVID -19 Funding</b>	<b>6.563</b>	<b>2.097</b>	<b>(1.717)</b>	<b>6.943</b>	<b>0.000</b>	<b>0.245</b>	<b>7.188</b>
COVID - 19 Funding Pay Costs Q1	0.000	0.000	0.000	0.000	(0.306)	0.000	(0.306)
<b>Total Variance £m</b>	<b>6.563</b>	<b>2.097</b>	<b>(1.717)</b>	<b>6.943</b>	<b>(0.306)</b>	<b>0.245</b>	<b>6.882</b>
Cumulative							
All Wales Genomics Service	0.036	0.000	0.000	0.036	0.000	(0.111)	(0.075)
Capital Estates & Facilities	2.898	0.740	(0.081)	3.557	0.000	0.087	3.644
Children & Women	1.495	0.847	0.000	2.342	0.000	0.295	2.637
Clinical Diagnostics & Therapies	1.307	0.662	(0.433)	1.537	0.000	0.206	1.743
Dragon's Heart Hospital	40.668	0.000	0.000	40.668	0.000	0.001	40.669
Executives	2.070	0.390	0.000	2.460	0.000	(0.484)	1.976
Medicine	5.707	0.882	(0.166)	6.424	0.000	0.688	7.112
Mental Health	1.013	0.869	0.000	1.882	0.000	0.089	1.971
PCIC	4.555	1.676	(1.713)	4.518	0.000	0.943	5.461
Specialist	2.185	1.223	(3.207)	0.201	0.000	(0.115)	0.086
Surgery	2.369	1.129	(5.310)	(1.812)	0.000	(0.785)	(2.597)
<b>SubTotal Delegated Position £m</b>	<b>64.304</b>	<b>8.418</b>	<b>(10.910)</b>	<b>61.812</b>	<b>0.000</b>	<b>0.814</b>	<b>62.626</b>
Central Budgets	3.319	0.000	(1.337)	1.982	0.000	(0.630)	1.352
<b>Total</b>	<b>67.623</b>	<b>8.418</b>	<b>(12.247)</b>	<b>63.794</b>	<b>0.000</b>	<b>0.184</b>	<b>63.978</b>
COVID - 19 Funding Pay Costs Q1	0.000	0.000	0.000	0.000	(11.322)	0.000	(11.322)
<b>Total Variance £m</b>	<b>67.623</b>	<b>8.418</b>	<b>(12.247)</b>	<b>63.794</b>	<b>(11.322)</b>	<b>0.184</b>	<b>52.656</b>

Delegated budgets are £62.626m overspent for the 4 months to the end of July. £61.812m of this overspend relates to additional expenditure generated in response to COVID 19. There is an operational overspend of £0.814m against delegated budgets which is offset by a £0.630m underspend against central budgets leaving a total operational overspend excluding the net costs of COVID 19 of £0.184m. The largest operational pressures are reported in PCIC (£0.943m deficit) where there are pressures against GP prescribing and CHC and Medicine (£0.688m deficit) where there are pressures against nursing, clinical services and supplies and other areas of non pay.

The operational position has deteriorated this month and will need to be carefully monitored to ensure that risks are being managed, especially within those clinical boards with material overspends.

## Savings Programme

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

At month 4 the UHB has identified green and amber savings schemes totalling £4.231m to deliver against the £29.000m savings target as summarised in Table 10.

**Table 10: Progress against the 2020/21 Savings Programme at Month 4**

	Total Savings Target £m	Total Savings Identified £m	Total Savings (Unidentified) £m
Total £m	29.000	4.231	(24.769)

Further analysis of the July 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

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 £21.5m less than planned and this will increase the underlying deficit to £25.5m. This is shown in Table 11.

**Table 11: Summary of Underlying Financial Position**

	Forecast Position @Month 4		
	Submitted IMTP £m	Non Recurrent £m	Recurrent Position £m
<b>b/f underlying deficit</b>	(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)
<b>In Year Movements</b>			
Non Delivery of Planned Savings (due to COVID- 19)	(24.8)	(3.3)	(21.5)
Revenue cost DHH	(65.9)	(65.9)	
Operational Expenditure Cost Increase Due To Covid-19	(82.0)	(82.0)	
Planned Operational Expenditure Cost Reduction Due To Covid-19	19.1	19.1	
Slippage on Planned Investments Due To Covid-19	1.0	1.0	
COVID 19 Welsh Government Funding Received Quarter 1 Pay Co	21.2	21.2	
<b>Revised Forecast Surplus/(Deficit) 2020/21</b>	<b>(131.4)</b>	<b>(105.9)</b>	<b>(25.5)</b>



## 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 July was £4.122m

The UHB is currently predicting a cash shortfall in 2020/21 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 performance improved in month from 94.1% to 94.8% at the end of July. Performance is expected to continue to improve as the year progresses.

## Capital Resource Limit (CRL)

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

**Table 12: Progress against Capital Resource Limit @ July 2020**

	£m
Planned Capital Expenditure at month 4	21.774
Actual net expenditure against CRL at month	18.267
Variance against planned Capital Expenditure at month	3.507

Capital progress for the year to date is satisfactory with net expenditure to the end of July being 40% of the UHB's approved Capital Resource Limit. The UHB had an approved capital resource limit of £45.282m as at the 10<sup>th</sup> August 2020 comprising of £14.548m discretionary funding and £30.734m 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 without this support the containment of capital costs within the CRL is at risk. The UHB has reprioritized its capital plan to mitigate this risk.**

## Key Risks

At month 4, 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 4 financial impact of COVID 19 which is assessed at £63.794m;
- **NOTE** the additional Welsh Government COVID 19 funding of £11.322m assumed within the month 4 position.
- **NOTE** the month 4 reported financial position being a deficit of £52.656m;
- **NOTE** the forecast deficit of £131.381m 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 need to be managed on the capital programme;
- **NOTE** the revised forecast 2020/21 carry forward Underlying Deficit is £25.5m due to the impact of COVID 19;

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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	
<b>Equality and Health Impact Assessment Completed:</b>	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	716	0	716	0	3,365
Specialist Services	3,582	305	0	305	0	3,277
Mental Health	2,608	28	0	28	0	2,580
CD&T	2,897	941	8	949	0	1,948
Children & Women	3,149	697	8	705	0	2,444
Medicine	3,330	585	0	585	0	2,745
Capital Estates and Facilities	2,289	69	0	69	1,874	2,220
Corporate Executives	1,209	35	0	35	99	1,174
<b>SubTotal Clinical Boards</b>	<b>29,000</b>	<b>4,215</b>	<b>16</b>	<b>4,231</b>	<b>1,983</b>	<b>24,769</b>

## 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	442	0	442	10	4,605
Surgery	3,518	763	0	763	22	2,755
Specialist Services	3,088	0	0	0	0	3,088
Mental Health	2,248	21	0	21	0	2,227
CD&T	2,497	967	6	973	8	1,525
Children & Women	2,715	785	27	812	938	1,903
Medicine	2,871	452	0	452	0	2,419
Capital Estates and Facilities	1,973	0	0	0	1,405	1,973
Corporate Executives	1,042	30	0	30	57	1,012
<b>Total</b>	<b>25,000</b>	<b>3,461</b>	<b>33</b>	<b>3,493</b>	<b>2,440</b>	<b>21,507</b>

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## APPENDIX 2

### CASHFLOW FORECAST AT THE END OF JULY 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
<b>RECEIPTS</b>													
WG Revenue Funding - Cash Limit (excluding NCL)	126,700	99,200	101,500	83,800	72,020	86,495	93,456	85,436	104,236	82,436	27,346	11,283	973,908
WG Revenue Funding - Non Cash Limited (NCL)	1,600	1,500	1,435	1,510	660	1,340	1,340	1,340	1,340	1,340	1,340	4,634	19,379
WG Revenue Funding - Other (e.g. invoices)	9,228	1,271	2,919	1,339	1,554	1,263	1,504	1,263	1,263	1,504	4,152	4,392	31,654
WG Capital Funding - Cash Limit	13,100	4,000	4,000	4,000	6,000	2,500	2,640	1,300	1,035	2,000	2,514	2,193	45,282
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	32,687	47,938	32,807	27,985	27,120	30,017	26,985	30,537	460,446
Other - (Specify in narrative)	11,911	3,736	4,851	11,409	7,377	4,814	12,806	4,657	5,043	11,993	4,499	9,968	93,064
<b>TOTAL RECEIPTS</b>	<b>217,150</b>	<b>154,963</b>	<b>162,229</b>	<b>159,039</b>	<b>120,298</b>	<b>144,350</b>	<b>144,553</b>	<b>121,981</b>	<b>140,422</b>	<b>129,290</b>	<b>66,836</b>	<b>63,007</b>	<b>1,624,119</b>
<b>PAYMENTS</b>													
Primary Care Services : General Medical Services	5,816	4,468	8,805	4,351	4,433	7,311	4,431	4,431	7,311	4,431	4,431	7,311	67,530
Primary Care Services : Pharmacy Services	219	189	115	87	65	135	135	135	270	540	270	270	2,430
Primary Care Services : Prescribed Drugs & Appliances	13,902	8,639	7,986	14,801	0	7,710	15,420	0	15,420	0	7,710	7,710	99,298
Primary Care Services : General Dental Services	1,902	1,959	2,011	2,001	2,282	2,030	2,030	2,030	2,030	2,030	2,030	2,030	24,365
Non Cash Limited Payments	1,928	2,235	2,014	1,701	1,883	1,975	1,975	1,975	1,975	1,975	1,975	1,975	23,586
Salaries and Wages	53,294	55,612	56,237	56,072	55,835	55,762	56,079	55,881	55,923	55,745	56,367	56,087	668,892
Non Pay Expenditure	103,118	63,632	60,123	55,255	46,371	48,495	61,714	56,202	56,107	62,607	55,580	57,053	726,258
Capital Payment	9,740	6,975	6,191	2,331	4,500	4,000	2,800	1,300	1,400	2,000	2,480	1,950	45,668
Other items (Specify in narrative)	21,838	15,111	17,641	22,372	4,969	16,953	0	0	0	0	0	0	98,884
<b>TOTAL PAYMENTS</b>	<b>211,756</b>	<b>158,821</b>	<b>161,123</b>	<b>158,969</b>	<b>120,337</b>	<b>144,370</b>	<b>144,584</b>	<b>121,954</b>	<b>140,436</b>	<b>129,328</b>	<b>130,844</b>	<b>134,387</b>	<b>1,756,910</b>
<b>Net cash inflow/outflow</b>	5,394	(3,858)	1,106	70	(39)	(20)	(31)	27	(14)	(38)	(64,008)	(71,380)	
<b>Balance b/f</b>	1,410	6,804	2,946	4,052	4,122	4,083	4,063	4,032	4,059	4,045	4,007	(60,001)	
<b>Balance c/f</b>	6,804	2,946	4,052	4,122	4,083	4,063	4,032	4,059	4,045	4,007	(60,001)	(131,381)	

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## Appendix 3

### PROGRESS AGAINST CRL AS AT 31<sup>st</sup> JULY 2020

Approved CRL issued August 10<sup>th</sup> 2020 £'000s

45,282

Performance against CRL	Year To Date			Forecast		
	Plan £'000	Actual £'000	Var. £'000	Plan £'000	F'cast £'000	Var. £'000
<b>All Wales Capital Programme:</b>						
Reprovision of Rookwood Hospital	2,651	2,163	(488)	4,662	6,888	2,226
MRI Scanner 19/20 Slippage	250	255	5	250	255	5
Cystic Fibrosis Service	1,679	961	(718)	3,734	3,734	0
Well Being Hub - Maelfa	190	151	(39)	245	245	0
Well Being Hub - Penarth	217	101	(116)	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	987	501	(486)	511	2,460	1,949
Major Trauma Centre	12	25	13	605	605	0
CRI Links	149	453	304	4,528	4,528	0
Pharmacy equipment	0	13	13	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)	524	307	(217)	742	742	0
Covid 19 oxygen infrastructure works at uhw	350	370	20	350	370	20
Covid 19-HCID Development uhw	6,076	5,620	(456)	6,250	6,250	0
Covid 19-digital devices	589	341	(248)	589	589	0
COVID 19 - Works to St David's Hospital	136	48	(88)	136	136	0
COVID 19 - Works to Barry Hospital	203	196	(7)	239	239	0
COVID – 19 Funding requirements for 2020-21 (Tranche 1 – June 2020)	316	212	(104)	1,027	1,027	0
COVID 19 - Funding requirements for 2020-21 (Tranche 2 – July 2020)	3,488	3,488	0	3,916	3,916	0
	0	0	0	0	0	0
	0	0	0	0	0	0
<b>Sub Total</b>	<b>19,029</b>	<b>16,417</b>	<b>(2,612)</b>	<b>30,734</b>	<b>34,934</b>	<b>4,200</b>
<b>Discretionary:</b>						
I.T.	19	60	41	1,250	1,250	0
Equipment	108	109	1	2,467	2,467	0
Statutory Compliance	429	194	(235)	2,800	2,800	0
Estates	2,189	1,487	(702)	8,884	4,684	(4,200)
<b>Sub Total</b>	<b>2,745</b>	<b>1,850</b>	<b>(895)</b>	<b>15,401</b>	<b>11,201</b>	<b>(4,200)</b>
<b>Donations:</b>						
Charitable Funds Equipment	0	0	0	467	467	0
<b>Sub Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>467</b>	<b>467</b>	<b>0</b>
<b>Asset Disposals:</b>						
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
<b>Sub Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>386</b>	<b>386</b>	<b>0</b>
<b>CHARGE AGAINST CRL</b>	<b>21,774</b>	<b>18,267</b>	<b>(3,507)</b>	<b>45,282</b>	<b>45,282</b>	<b>0</b>
<b>PERFORMANCE AGAINST CRL (Under)/Over £'000s</b>		<b>(27,015)</b>			<b>0</b>	

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## DRAGONS HEART HOSPITAL (DHH) - FIELD HOSPITAL COST ESTIMATE MONTH 4

<b>Organisation:</b>		Cardiff and Vale		
<b>Proposed site:</b>		Principality Stadium		
<b>Additional capacity required (no. of beds):</b>		1500		
<b>Period of requirement:</b>		Assumed 31 Oct 2020		
<b>Estimated Costs</b>		<b>£</b>		
Set up costs - capital	2634			
Set up costs - revenue	63451			
Running costs - pay	441			
Running costs - non pay	2025			
<b>Total estimated costs</b>	<b>68551</b>			

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Costing of surge capacity / field hospitals									
Organisation:	Cardiff and Vale								
Proposed site:	Principality Stadium								
Additional capacity required (no. of beds):	1500								
Period of requirement:	Assumed 31 Oct 2020 +								

Commissioning costs	
Other professional fees	
Legal fees	
Insurance	
Project management costs	
IT costs (revenue)	



[illegible]

## 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.

<b><u>Phasing of opening beds</u></b>													
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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<b>Report Title:</b>	<b>Finance Risk Register</b>					
<b>Meeting:</b>	Finance Committee			<b>Meeting Date:</b>	26 <sup>th</sup> August 2020	
<b>Status:</b>	<b>For Discussion</b>		<b>For Assurance</b>		<b>For Approval</b>	<b>For Information</b>
<b>Lead Executive:</b>	<b>Executive Director of Finance</b>					
<b>Report Author (Title):</b>	<b>Assistant Director of Finance</b>					

### Background and current situation:

This report highlights the 2020/21 Finance Risk Register risk categorisation by severity of risk as at 26<sup>th</sup> August 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 26<sup>th</sup> August 2020

Risk Category	Risk Score	Number of Risks as at 26 August 2020
Extreme Risk	20 - 25	4
High Risk	12 - 16	4
Moderate Risk	4 - 10	2
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.

**Fin02/20** – Management of budget pressures.

**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) 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.

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## 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) 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	
<b>Equality and Health Impact Assessment Completed:</b>	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	Sep-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	4	20	Adequate but more Action Required	Plans to address overspending budgets in 2019/20 addressing the risk in 2020/21.	Progress to be monitored and managed by Management Executive.	Assistant Director of Finance	Mar-21	5	4	20	Sep-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, £4.231m 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	Sep-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	4	16	Adequate but more Action 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	4	16	Sep-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	Adequate but more Action Required	IMTP commissioner / provider sign off and agreement	None	Assistant Director of Finance	Mar-21	3	3	9	Sep-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	4	16	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	Sep-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	Sep-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	4	16	Adequate but more Action Required	None	WG do not require a separate winter plan in 2020/21.	Assistant Director of Finance	Mar-21	3	3	9	Sep-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	Sep-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 Funding totalling £11.016m was received in month 3 relating to qtr1 COVID workforce costs.	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	4	20	Sep-20	Management

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Guidance Notes to assist completing the risk register
<b>Remember all risks must have undergone a risk assessment, prior to them being added to the Risk Register</b>
<b>UHB Reference No:-</b> This number will be allocated by the Risk Management Department. Once added this will be communicated back to the Divisions.
<b>Divisional / Directorate Reference No:-</b> Each Division / Directorate should have a unique numbering system for the risks that they enter onto the register. It should contain the initials of the Division, a consecutive number and the year e.g. Mental Health = MH, Children's and Women's = CW, Primary, Community & Intermediate & Older Persons = PCIO, Dental = Den, Diagnostics & Therapeutics = DT, Medicine = M, Surgical Services = SS, Specialist Services = SpS. MH 01/10, SPS 01/10 etc. (Note - as this register is in the developmental stage please advise Melanie Westlake if there are alternative initials to be used).
<b>Previous Reference No:-</b> 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.
<b>Date entered onto original Register:-</b> as above
<b>Risk / Issue (Including Impact):-</b> 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.
<b>Link to UHB Core Objectives:-</b> List here, the main Strategic Goal that links to the risk being assessed.
<b>Existing Controls:-</b> Summarise in bullet form the existing controls to prevent the risk / issue occurring or reduce the impact.
<b>Current Risk Rating:-</b> Assess the current impact on the UHB using Tables 1,2 & 3.
<b>Ranking:-</b> 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.
<b>Adequacy of existing controls:-</b> 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.
<b>Summary of Additional Controls Required:-</b> Summarise in bullet form the controls that you know should be introduced to reduce the risk together with resources required.
<b>Target Risk Rating if Controls in Place:-</b> What will be the risk be if the actions proposed to further reduce / eliminate the risk are taken.
<b>Date of Last Review:-</b> When was the Risk Assessment / Control measures last reviewed.
<b>Review completed by:-</b> This should be a senior member of staff for high / medium risk on the register e.g. Divisional Manager / Nurse.
<b>Date of Next Review:-</b> 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.
<b>Risk Owner:-</b> Who is the lead for taking the actions proposed relating to this risk. This should be Divisional Director, Board Secretary, Assistant Director etc.
<b>Director Lead:-</b> Who is the lead Director for this risk.
<b>Assuring Committee:-</b> 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
<b>Impact on the safety of patients, staff or public (physical/psychological harm)</b>	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
<b>Quality/complaints/audit</b>	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
<b>Human resources/organisational development/staffing/competence</b>	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
<b>Statutory duty/inspections</b>	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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<b>Adverse publicity/ reputation</b>	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
<b>Business objectives/ projects</b>	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
<b>Finance including claims</b>	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
<b>Service/business interruption</b>	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
<b>Environmental impact</b>	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
<b>Frequency</b> 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
<b>Probability</b> Will it happen or not? % chance of not meeting objective	<0.1 per cent	0.1-1 per cent	1 -10 per cent	10-50 per cent	>50 per cent

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**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	4	16	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 Welsh Government Funding. Despite comprehensive monitoring process for DHH by WG final confirmation of funding has not been received to date.	Assistant Director of Finance	Mar-21	3	3	9	Sep-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	2	6	Adequate but more Action Required	Agreement of plan and funding with WG	Most initial 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 consideration of vacating the Blues site in its entirety. Decommissioning cost are better understood and the reinstatement survey and market testing processes are underway. The combination of these factors is contributing to confidence that costs will be restricted within forecasts. This may change if any decision is taken to stay longer than 31 October 2020.	Assistant Director of Finance	Mar-21	3	2	6	Sep-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	3	3	9	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.	Assistant Director of Finance	Mar-21	3	3	9	Sep-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	Sep-20	Management
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. 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	Sep-20	Management



Guidance Notes to assist completing the risk register
<b>Remember all risks must have undergone a risk assessment, prior to them being added to the Risk Register</b>
<b>UHB Reference No:-</b> This number will be allocated by the Risk Management Department. Once added this will be communicated back to the Divisions.
<b>Divisional / Directorate Reference No:-</b> Each Division / Directorate should have a unique numbering system for the risks that they enter onto the register. It should contain the initials of the Division, a consecutive number and the year e.g. Mental Health = MH, Children's and Women's = CW, Primary, Community & Intermediate & Older Persons = PCIO, Dental = Den, Diagnostics & Therapeutics = DT, Medicine = M, Surgical Services = SS, Specialist Services = SpS. MH 01/10, SPS 01/10 etc. (Note - as this register is in the developmental stage please advise Melanie Westlake if there are alternative initials to be used).
<b>Previous Reference No:-</b> 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.
<b>Date entered onto original Register:-</b> as above
<b>Risk / Issue (Including Impact):-</b> 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.
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#### Likelihood Score

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<b>Probability</b> Will it happen or not? % chance of not meeting objective	<0.1 per cent	0.1-1 per cent	1 -10 per cent	10-50 per cent	>50 per cent

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

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# THE WELSH GOVERNMENT FINANCIAL COMMENTARY

## FINANCIAL POSITION FOR THE FOUR MONTH PERIOD ENDED 31<sup>st</sup> JULY 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 4, the UHB is reporting an overspend of £52.656m against this plan due to a small operating deficit of £0.184m and net expenditure of £63.794m arising from the management of COVID 19 which is offset by Welsh Government COVID 19 funding of £11.322m.**

**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>b/f underlying deficit</b>	<b>(11.5)</b>
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
<b>Planned Surplus/(Deficit) 2020/21</b>	<b>0.0</b>



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 31<sup>st</sup> July 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 4 financial position.

The response to the queries raised in the month 3 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 £25.5m 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 amended 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.

An issue has arisen which creates an area of uncertainty in our financial return for the year to date and in the forecast financial performance. The Health Board has been declaring in its monthly monitoring returns a financial benefit arising from the block contract financial arrangements agreed by NHS Wales DoFs due to less elective activity being undertaken than is contracted for. As at month 4, reduced expenditure of £1.0m arising from cardiothoracic activity is included within Table B3. WHSSC has written to Cardiff and Vale and Swansea Bay Health Boards, as providers of Transcatheter Aortic Valve Implantation (TAVI), a tertiary cardiology service, regarding reimbursement of the service. The cost of the device and associated consumables is contracted

for as a 'pass through cost' (at £18,035). The Health Board over performed against the baseline contract in 2019/20 (143 v 100) and the level of over performance has increased in 2020/21 (66 v 33 YTD). Throughout the year the Health Board has assumed that funding would be received for this activity, £0.6m as at month 4. WHSSC has also accounted for the over performance as expenditure consistent with the Health Board's approach. However, WHSSC has written, since reporting its month 4 position:

"WHSSC will only reimburse up to contracted levels and there is no agreement at this point to go above these levels for the year as a whole. Should you as provider take the view that you will substitute cardiac surgery for more TAVI above commissioned levels then this will have to be covered out of the block contract, which as you be aware is materially under-performing in cardiac surgery and many other specialties and shows no sign of significant recovery."

If the above is implemented, then it would have the impact of increasing the Health Board's YTD variance by £0.6m as it would net of COVID planned expenditure savings. In terms of forecasting the impact for this financial year, if the activity continued at the current level then there would be a £1.767m reduction in planned COVID expenditure savings offset by a £0.521m reduction in the Health Board's commissioner contribution to WHSSC. There would also be equivalent reductions for other Health Boards, estimated as CTM £0.278m, AB £0.930m and Powys £0.038m. This risk has been included in Table A2.

## ACTUAL YEAR TO DATE (TABLE B)

Table B confirms the year to date deficit of £52.656m and reflects the analysis contained in the annual operating plan in Table A. A Summary of the deficit of £52.656m for the year to date is shown in Table 2.

**Table 2: Summary Financial Position for the period ended 31<sup>st</sup> July 2020**

	Month 1 £m	Month 2 £m	Month 3 £m	Month 4 £m	Total £m
COVID 19 Additional Expenditure	38.438	17.290	5.330	6.565	67.623
COVID 19 Non Delivery of Savings Plans	2.118	2.150	2.056	2.094	8.418
COVID 19 Reductions in Planned Expenditure	(2.522)	(4.241)	(2.921)	(1.626)	(11.310)
COVID 19 Release of Planned Investments	0.000	(0.168)	(0.679)	(0.089)	(0.936)
Net Expenditure Due To COVID 19	38.034	15.030	3.786	6.944	63.794
Operational position (Surplus) / Deficit	0.191	(0.048)	(0.204)	0.244	0.184
Welsh Government COVID 19 funding received			(11.016)	(0.306)	(11.322)
Financial Position (Surplus) / Deficit	38.225	14.982	(7.434)	6.882	52.656

This shows that the key driver of the month 4 financial position is the impact of COVID 19.

The additional COVID 19 expenditure in the 4 months to the end of July was £67.623m. Within this, the costs of the Dragon's Heart Hospital are significant, especially the set up costs which allow for significant expansion. At month 4 additional costs of £40.669m related to the Dragon's Heart Hospital (DHH). The expenditure reported against the DHH increased by £1.886m 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 £8.418m against the month 4 target of £9.624m. 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 £11.310m reduction in planned expenditure.

The UHB has also seen slippage as a commissioner of £0.936m on the WHSSC commissioning plan due to impact of COVID 19.

The net expenditure due to COVID 19 is £63.794m. The UHB also has a small operating overspend of £0.184m and has allocated additional Welsh Government funding of £11.322m against COVID costs (COVID related Quarter 1 pay costs £11.016m, TF Optimise Flow and Outcomes £0.096m, All Wales Easter Bank Holiday DES (GMS) £0.210m) resulting in a Month 4 deficit of £52.656m.

## **PAY AND AGENCY (TABLE B2)**

The UHB has recorded agency expenditure of £3.957m for the 4 months to the end of July 2020. The majority of agency expenditure relates to nursing where expenditure of £2.826m is reported. £1.369m 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 4 for the remainder of the year.

## **COVID 19 ANALYSIS (TABLE B3)**

At month 4 Table B3 is projecting net expenditure due to COVID 19 to be £152.598m. The COVID year-end forecast position is £131.381m following receipt of £21.217m WG funding. This is summarised in the following table..

**Table 3: Summary of Forecast COVID 19 Net Expenditure**

	<b>Forecast Year-End Position £m</b>
Total Additional Operational Expenditure	147.901
Total Non Delivery Of Planned Savings	24.764
Total Expenditure Reduction	(19.098)
Total Release/Repurposing Of Planned Investments/Development Initiatives	(0.969)
<b>NET EXPENDITURE DUE TO Covid-19 £m</b>	<b>152.598</b>
Covid-19 WG Funding received/assumed	(21.217)
<b>Net Covid-19 Forecast position</b>	<b>131.381</b>

This is an improvement of £8.057m in the forecast position when compared to month 3. The key drivers for this improvement are summarised below:

- Dragons Heart Hospital - £1.900m
- Green zone COVID plan - £1.800m
- Spire (WG funding to 6<sup>th</sup> September) - £1.800m
- TTP net costs - £0.900m
- Workforce review improvements - £0.900m
- Other reductions including PPE - £0.700m

Income assumptions include in the month 4 forecast are detailed below:

- 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

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 is being applied to ensure that the UHB is able to continue to provide a flexible approach to developing and balancing our 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 assessed at £65.917m with a further £2.634m capital costs. This is based upon the DHH going on standby from 5<sup>th</sup> June and retention until 31<sup>st</sup> October 2020. Clarification has been received on initial build stage of the project revising and reducing the previous assessment of final build costs. We continue to work to maximise value for money in the remaining occupancy, removal and reinstatement phases of the project. We are 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 £2.332m are included in the 2020/21 forecast. 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 £9.480m of decommissioning costs for the DHH including reinstatement of the stadium.

### **Surge Capacity post 31<sup>st</sup> October**

We have developed alternative plans which have been shared with Welsh Government to establish a facility for surge capacity on the UHW site. In addition to providing COVID-19 surge capacity, it would provide the surge beds we would need to commission for this winter, recognising that predicting winter demand this year is particularly difficult. Our 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 we did see a significant. Our bed capacity plan maintains some of the initial bed expansion created in phase 2 of our response (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 we bring back on line more non-COVID-19 activity.

The forecast does not include any additional costs arising from potential surge capacity requirements post 31<sup>st</sup> 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 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. 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 assessed to be £19.098m over the year. 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, we 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 us extra capacity to care for COVID 19 patients at our main sites, in particular to enable space for regional services.

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

### **Regional Test, Trace and Protect (TTP)**

Working with our local authority partners we have established our 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 that is matched in the forecast by assumed income. This being queried with WG as this is in excess of the confirmed £7.3m income for local authority costs.

### **Unscheduled Care - CAV 24/7**

We 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**

There is assessed slippage against the UHB £29m savings plan of £24.769m. A number of our 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. We are 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.
- PPE costs and MSE consumable are estimated to cost £7.0m. 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 following costs will be covered by additional resource limit allocations:



- £8.239m projected LA TTP costs.
- The additional cost of the 2020/21 DDRB pay award in excess of the 1% funded through the initial cash letter allocation.

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 July was £4.122m.

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 July being 40% of the UHB's approved Capital Resource Limit.

Planned expenditure for the year reflect the latest CRL received from Welsh Government dated 10<sup>th</sup> 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 been queried with Welsh Government. £511k relates to the agreed 19/20 delayed spend, however a further £1.9m has previously been approved for 20/21 but is not reflected on the current CRL. This has been assumed to be managed within the discretionary forecast in M3 return however should this not be funded this will need to be reviewed. The scheme is slightly behind forecast in month due to the delayed steel frame.
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.

All schemes are currently assessed 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 31<sup>st</sup> July 2020 there were two invoices raised by the UHB against other Welsh NHS bodies which had been outstanding for more than 17 weeks. One of which has since been credited on 5<sup>th</sup> August 2020.

### 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 26<sup>th</sup> August 2020 meeting of the Finance Committee for information.

### CONCLUSION

The Welsh Government wrote to the UHB on 19<sup>th</sup> 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 £52.656m at month 4 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 additional costs are reported at £52.472m. The position against Non COVID 19 services is broadly in line with the plan submitted with the UHBs IMTP.



.....  
**LEN RICHARDS**  
**CHIEF EXECUTIVE**

13<sup>th</sup> August 2020



.....  
**ROBERT CHADWICK**  
**DIRECTOR OF FINANCE**

13<sup>th</sup> August 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	Non Recurring	Recurring	FYE of Recurring
	£'000	£'000	£'000	£'000
1 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
2 New Cost Pressures - as per 3 year plan (Negative Value)	-53,639	-1,867	-51,772	-51,772
3 Opening Cost Pressures	-65,139	-1,867	-63,272	-63,272
4 Welsh Government Funding (Positive Value)	31,622	1,866	29,756	29,756
5 Identified Savings Plan (Positive Value)	10,312	1,396	8,916	9,258
6 Planned Net Income Generated (Positive Value)	239	0	239	97
7 Planned Accountancy Gains (Positive Value)	243	43	200	0
8 Planned Profit / (Loss) on Disposal of Assets	0	0	0	0
9 Planned Release of Uncommitted Contingencies & Reserves (Positive Value)	0	0		
10 Provider Income (LTA/SLA)	4,520	0	4,520	4,520
11 Planning Assumptions still to be finalised at Month 1	18,202	2,561	15,641	15,641
12 IMTP / Annual Operating Plan	0	4,000	-4,000	-4,000
13 Reversal of Planning Assumptions still to be finalised at Month 1	-18,202	-2,561	-15,641	-15,641
14 Month 1 Planned Savings - Forecast Underachievement Due to Covid-19	-6,562	0	-6,562	-6,562
15 Month 1 Planned Savings - Other Forecast (Underachievement) / Overachievement	-1,988	-1,077	-912	-1,713
16 Additional In Year Identified Savings - Forecast (Positive Value)	2,363	610	1,753	2,414
17 Additional In Year & Variance from Planned Net Income Generated (Positive Value)	-136	43	-178	2
18 Additional In Year & Variance from Planned Accountancy Gains (Positive Value)	-236	-36	-200	0
19 Additional In Year & Variance from Planned Profit / (Loss) on Disposal of Assets	0	0		
20 Release of Previously Committed Contingencies & Reserves (Positive Value)	0	0		
21 Additional In Year Welsh Government Funding (Positive Value)	0	0		
22 Additional In Year Welsh Government Funding Due To Covid-19 (Positive Value)	21,217	21,217		
23 Operational Expenditure Cost Increase Due To Covid-19 (Negative Value)	-147,901	-147,901		
24 Planned Operational Expenditure Cost Reduction Due To Covid-19 (Positive Value)	19,098	19,098		
25 (Positive Value)	969	969		
26 Net In Year Operational Variance to IMTP/AOP (material gross amounts to be listed separately)	0	0		
27	0	0		
28 WRP Risk Share	-658	-658		
29 Cost Pressure Reserve - Medicines	658	658		
30	0	0		
31 ROUNDING	-3	-3		
32 Adjustment to In year Position	0	0		
33	0	0		
34 Adjutment to classification of savings schemes	0	0		
35	0	0		
36	0	0		
37	0	0		
38	0	0		
39	0	0		
40 Forecast Outturn (- Deficit / + Surplus)	-131,381	-105,642	-25,739	-25,500

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD	In Year Effect
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1	-958	-958	-958	-958	-958	-958	-958	-958	-958	-958	-958	-958	-3,833	-11,500
2	-4,470	-4,470	-4,470	-4,470	-4,470	-4,470	-4,470	-4,470	-4,470	-4,470	-4,470	-4,470	-17,880	-53,639
3	-5,428	-5,428	-5,428	-5,428	-5,428	-5,428	-5,428	-5,428	-5,428	-5,428	-5,428	-5,428	-21,713	-65,139
4	2,783	2,733	2,752	2,648	2,646	2,635	2,623	2,623	2,535	2,552	2,552	2,541	10,916	31,622
5	401	401	430	914	928	934	957	957	1,109	1,082	1,082	1,116	2,146	10,312
6	19	19	19	24	20	20	20	20	20	20	20	20	80	239
7	0	0	20	20	20	20	20	20	20	20	20	63	40	243
8													0	0
9													0	0
10	377	377	377	377	377	377	377	377	377	377	377	377	1,507	4,520
11	1,849	1,899	1,831	1,446	1,437	1,443	1,432	1,432	1,367	1,378	1,378	1,311	7,024	18,202
12	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	-1,849	-1,899	-1,831	-1,446	-1,437	-1,443	-1,432	-1,432	-1,367	-1,378	-1,378	-1,311	-7,024	-18,202
14	-287	-267	-240	-599	-404	-625	-633	-631	-692	-687	-715	-781	-1,393	-6,562
15	29	-16	-73	-131	-366	-147	-177	-179	-271	-247	-221	-188	-192	-1,988
16	208	163	152	263	220	211	181	181	201	184	184	214	787	2,363
17	-14	6	-13	-16	-15	-11	5	-15	-15	-15	-15	-15	-38	-136
18	0	0	-20	-20	-20	-20	-20	-20	-20	-20	-20	-56	-40	-236
19													0	0
20													0	0
21													0	0
22			11,016	306	1,016	1,214	1,278	1,278	1,278	1,278	1,278	1,275	11,322	21,217
23	-38,440	-17,289	-5,330	-6,564	-10,581	-10,199	-10,720	-14,272	-12,201	-8,702	-6,812	-6,792	-67,622	-147,901
24	2,522	4,240	2,921	1,627	1,548	1,516	916	879	814	747	703	665	11,310	19,098
25	0	168	679	89	16	16	0	0	0	0	0	0	936	969
26	-189	47	201	-243	23	23	23	23	23	23	23	23	-184	0
27													0	0
28												-658	0	-658
29												658	0	658
30													0	0
31												-3	0	-3
32	-205	-135	-29	-148	181	-33	11	33	105	98	72	48	-517	0
33													0	0
34													0	0
35													0	0
36													0	0
37													0	0
38													0	0
39													0	0
40	-38,225	-14,982	7,433	-6,882	-9,819	-9,497	-10,568	-14,155	-12,146	-8,719	-6,901	-6,922	-52,656	-131,381

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

Bricknell Helen  
08/20/2020 10:56:51

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Table A2 - Overview Of Key Risks & Opportunities		FORECAST YEAR END	
		£'000	Likelihood
<b>Opportunities to achieve IMTP/AOP (positive values)</b>			
1	Red Pipeline schemes (inc AG & IG)		
2	Potential Cost Reduction		
3	<b>Total Opportunities to achieve IMTP/AOP</b>	<b>0</b>	
<b>Risks (negative values)</b>			
4	Under delivery of Amber Schemes included in Outturn via Tracker	(2)	Medium
5	Continuing Healthcare		
6	Prescribing		
7	Pharmacy Contract		
8	WHSSC Performance	(1,246)	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	<b>Total Risks</b>	<b>(1,248)</b>	
<b>Further Opportunities (positive values)</b>			
27	COVID Costs (@ 5%)	7,600	Medium
28			
29			
30			
31			
32			
33			
34	<b>Total Further Opportunities</b>	<b>7,600</b>	
<b>Current Reported Forecast Outturn</b>		<b>(131,381)</b>	
<b>IMTP / AOP Outturn Scenario</b>		<b>(131,381)</b>	
<b>Worst Case Outturn Scenario</b>		<b>(131,381)</b>	
<b>Best Case Outturn Scenario</b>		<b>(123,781)</b>	

Cardiff & Vale ULHB

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Period: Jul 20

Table B3 - COVID-19 Analysis

A - Additional Expenditure

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
1	Pay (Additional costs due to C19)													725	2,624
2	Establishment & Bank Additional Hours													6,387	11,144
3	Administrative, Clinical & Board Members	69	166	226	269	186	189	164	164	164	164	164	164	1,941	1,941
4	Medical & Dental	198	1,086	1,498	1,188	1,098	988	884	817	810	810	810	810	1,463	5,808
5	Nurses & Midwifery Responder	181	546	654	654	594	594	594	594	594	594	594	594	1,463	5,808
6	Prof Scientific & Technical	1	49	153	44	84	92	92	92	92	92	92	92	1,463	5,808
7	Additional Clinical Services	179	329	338	469	617	379	395	395	364	363	363	363	1,911	4,434
8	Allied Health Professionals	34	185	151	150	123	123	122	122	122	122	122	122	520	1,444
9	Healthcare Scientists	10	55	33	130	31	6	6	6	6	6	6	6	21	51
10	Excess & Ancillary	282	835	454	455	471	481	449	449	446	446	446	446	1,916	5,529
11	Sub total Establishment & Bank Additional Hours	1,353	1,154	1,114	2,819	2,893	2,670	2,451	2,454	2,451	2,449	2,413	2,415	10,100	16,571
12	Agency														
13	Administrative, Clinical & 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	Nurses & Midwifery Responder	238	465	394	282	315	314	308	308	308	308	308	308	1,369	3,855
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	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Healthcare Scientists	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Excess & Ancillary	65	627	68	244	120	120	120	120	120	120	120	120	1,334	1,334
21	Sub total Agency	353	554	527	559	434	432	427	427	427	427	427	427	2,034	5,187
22	Returners (Provide WTE to the right)													22	22
23	Administrative, Clinical & Board Members	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	Medical & Dental	29	29	29	17	17	17	17	17	17	17	17	17	197	197
25	Nurses & Midwifery Responder	265	28	9	9	9	9	9	9	9	9	9	9	65	130
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	55	57	37	35	35	35	35	35	35	35	35	35	163	267
32	Students (Provide WTE to the right)													15	15
33	Medical & Dental	77	112	150	119	48	0	0	0	0	0	0	0	226	274
34	Nurses & Midwifery Responder	0	147	18	44	47	0	0	0	0	0	0	0	189	234
35	Prof Scientific & Technical	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36	Additional Clinical Services	0	570	580	580	147	77	77	77	77	77	77	77	1,718	2,012
37	Allied Health Professionals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
38	Healthcare Scientists	0	0	0	0	0	0	0	0	0	0	0	0	0	0
39	Excess & Ancillary	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40	Sub total Students	77	639	727	469	234	77	77	77	77	77	77	77	2,132	2,521
41	Other Temp Staff (Provide WTE to the right)													41	41
42	Administrative, Clinical & Board Members	0	0	0	0	0	0	0	0	0	0	0	0	0	0
43	Medical & Dental	0	62	79	60	38	0	0	0	0	0	0	0	191	234
44	Nurses & Midwifery Responder	0	92	28	0	0	0	0	0	0	0	0	0	79	79
45	Prof Scientific & Technical	0	0	0	0	0	0	0	0	0	0	0	0	0	0
46	Additional Clinical Services	0	79	66	174	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	163	173	180	38	0	0	0	0	0	0	0	263	312
51	Other (Specify below and in narrative)													0	0
52														0	0
53														0	0
54														0	0
55														0	0
56	TOTAL ADDITIONAL PAY EXPENDITURE	1,850	4,827	4,660	3,843	3,669	3,262	2,982	2,874	2,881	2,884	2,828	2,831	15,128	19,777

Section A - Additional Operational Expenditure agrees to Table A	OK
Section B - Total Expenditure Reduction agrees to Table A	OK
Section C - Total Savings 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	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	0.00
23	Administrative, Clinical & 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	2.80	2.80	2.40	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80
25	Nurses & Midwifery Responder	5.80	5.80	2.20	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80
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	7.80	8.60	2.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
32	Students	7.80	15.00	14.90	15.90	8.90	0.00	0.00	0.00	0.00	0.00	0.00
33	Medical & Dental	0.00	42.00	28.60	28.60	9.90	8.90	8.90	8.90	8.90	8.90	8.90
34	Nurses & Midwifery Responder	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
35	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
36	Additional Clinical Services	0.00	284.32	298.75	298.86	84.00	34.00	34.00	34.00	34.00	34.00	34.00
37	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
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	7.80	341.32	344.25	322.37	133.61	43.00	43.00	43.00	43.00	43.00	43.00
41	Other Temp Staff											
42	Administrative, Clinical & Board Members	3.23	6.20	6.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
43	Medical & Dental	1.95	11.25	12.20	7.33	5.60	3.40	3.50	3.50	3.50	3.50	3.50
44	Nurses & Midwifery Responder	1.30	25.48	29.83	4.92	4.90	4.90	4.90	4.90	4.90	4.90	4.90
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	6.48	43.93	47.41	11.61	10.19	7.60	7.60	7.60	7.60	7.60	7.60

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57	Non Pay (Additional costs due to C19)												
58	Accommodation Costs	14	228	37	392	159	159	159	159	159	159	159	571
59	Additional costs in Primary Care	123	78	31	238	35	35	35	35	35	24	25	468
60	Additional costs in Private Sector inclusive via WHS/SC	112	0	0	113	388	750	800	800	800	800	800	5,403
61	Additional costs in Temporary Hospital Capacity - Set Up Costs e.g. Field Hospitals	31,492	8,781	13,802	13,788	3,000	3,000	3,000	294	3,000	379	39	32,937
62	Catering Costs	0	34	(1)	0	0	0	0	0	0	0	0	40
63	CNC	17	25	0	0	0	0	0	0	0	0	0	40
64	Chemist Costs	39	49	46	39	15	15	15	15	15	15	15	100
65	Costs as a result of lost income (inc S/LA, services & private patients)	551	1,613	1,084	727	830	831	736	736	736	736	717	4,850
66	Covid-19 Testing Units	1	8	3	16	23	89	85	43	44	44	22	36
67	Decontamination costs	0	0	0	0	0	0	6,000	1,000	1,000	0	0	8,400
68	Discharge to nursing	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
70	Costs in Medical Classes	336	846	816	238	360	370	360	343	343	343	363	1,927
71	Equipment Costs - beds	159	39	12	2,688	11	11	11	11	11	11	11	2,842
72	Equipment costs - ventilators	0	0	0	0	0	0	0	0	0	0	0	0
73	Equipment costs - other (specific to narrative)	0	294	0	2,478	0	0	0	0	0	0	0	2,792
74	Equipment/Security costs	1,389	318	889	11,486	0	0	0	0	0	0	0	1,491
75	External Project Management Costs	0	11	(11)	191	0	0	0	0	0	0	0	176
76	Insurance	0	0	0	0	0	0	0	0	0	0	0	0
77	IT Costs	306	(27)	108	808	140	52	77	52	77	77	77	1,351
78	Laundry Costs	0	0	0	0	0	0	0	0	0	0	0	0
79	Legal Fees	0	0	1	49	25	10	0	0	0	0	0	90
80	M&SE - consumables	796	749	531	244	115	100	100	90	100	90	100	2,920
81	Marketing/Patient Expenses	0	0	0	0	0	0	0	0	0	0	0	0
82	PPE	963	(567)	706	165	351	294	294	294	294	294	294	1,468
83	Rates	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
85	Reprovision of existing services to external facilities e.g. Homeophiles services	0	0	0	0	0	0	0	0	0	0	0	0
86	Telephone	0	0	0	0	0	0	0	0	0	0	0	31
87	Temporary LTA Arrangements	0	0	0	0	0	0	0	0	0	0	0	0
88	Training	0	0	0	0	0	0	0	0	0	0	0	0
89	Transportation	0	0	1	0	0	0	0	0	0	0	0	1
90	Utility Costs	0	0	0	0	0	0	0	0	0	0	0	0
91	Other costs (specific below and in narrative)	249	(86)	25	(105)	214	18	0	0	0	0	0	82
92	Transfer of Cardiac Surgery to LHM	0	0	0	16	44	0	17	17	17	17	17	16
93	Field Hospital Contamination Controls	0	0	204	(126)	29	60	662	1,162	201	100	0	78
94	Local Authority Spend	0	0	0	0	0	0	1,134	1,134	1,134	1,134	1,134	5,125
95	Local Authority Spend	0	0	0	0	0	0	1,134	1,134	1,134	1,134	1,134	5,125
96	<b>TOTAL ADDITIONAL NON PAY EXPENDITURE</b>	<b>36,950</b>	<b>12,462</b>	<b>723</b>	<b>2,721</b>	<b>6,892</b>	<b>6,897</b>	<b>7,739</b>	<b>11,388</b>	<b>9,351</b>	<b>5,838</b>	<b>3,961</b>	<b>52,495</b>
97	<b>TOTAL ADDITIONAL OPERATIONAL EXPENDITURE (Agrees to Table A)</b>	<b>36,440</b>	<b>17,250</b>	<b>5,330</b>	<b>6,561</b>	<b>16,581</b>	<b>16,709</b>	<b>16,720</b>	<b>14,222</b>	<b>12,201</b>	<b>8,102</b>	<b>6,702</b>	<b>67,622</b>

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

	1	2	3	4	5	6	7	8	9	10	11	12	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
REF	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	Total YTD
98	Major Projects: Capacity Change Expenditure due to C19	33,000	9,372	(2,377)	674	3,751	3,132	3,724	7,416	5,307	1,678	39	40,669
99	COVID-19 Testing Units	0	0	0	0	0	0	0	0	0	0	0	0
100	COVID-19 Testing Units	0	0	0	0	0	0	0	0	0	0	0	0
101		0	0	0	0	0	0	0	0	0	0	0	0
102		0	0	0	0	0	0	0	0	0	0	0	0
103		0	0	0	0	0	0	0	0	0	0	0	0
104		0	0	0	0	0	0	0	0	0	0	0	0
105		0	0	0	0	0	0	0	0	0	0	0	0
106		0	0	0	0	0	0	0	0	0	0	0	0
107		0	0	0	0	0	0	0	0	0	0	0	0
108		0	0	0	0	0	0	0	0	0	0	0	0
109		0	0	0	0	0	0	0	0	0	0	0	0
110	<b>TOTAL MAJOR PROJECTS ADDITIONAL CAPACITY EXPENDITURE</b>	<b>33,000</b>	<b>9,372</b>	<b>(2,377)</b>	<b>674</b>	<b>3,751</b>	<b>3,132</b>	<b>3,724</b>	<b>7,416</b>	<b>5,307</b>	<b>1,678</b>	<b>39</b>	<b>40,669</b>

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

	1	2	3	4	5	6	7	8	9	10	11	12	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
REF	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	Total YTD
98	Major Projects: Bed Capacity (due to C19)	10	40	10	0	0	0	0	0	0	0	0	60
99	COVID-19 Testing Units	0	0	0	0	0	0	0	0	0	0	0	0
100	COVID-19 Testing Units	0	0	0	0	0	0	0	0	0	0	0	0
101		0	0	0	0	0	0	0	0	0	0	0	0
102		0	0	0	0	0	0	0	0	0	0	0	0
103		0	0	0	0	0	0	0	0	0	0	0	0
104		0	0	0	0	0	0	0	0	0	0	0	0
105		0	0	0	0	0	0	0	0	0	0	0	0
106		0	0	0	0	0	0	0	0	0	0	0	0
107		0	0	0	0	0	0	0	0	0	0	0	0
108		0	0	0	0	0	0	0	0	0	0	0	0
109		0	0	0	0	0	0	0	0	0	0	0	0
110	<b>TOTAL MAJOR PROJECTS ADDITIONAL BED CAPACITY</b>	<b>10</b>	<b>40</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>60</b>

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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
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	year-end position £'000
<i>Enter as Positive values</i>														
111 Non Delivery of Planned Savings (due to C19)														
112 Non Delivery of Fireload (M1) Savings	207	207	240	599	494	625	633	631	692	687	715	781	1,993	6,962
113 Non delivery of Savings Assigned but not finalised at M1	1,932	1,991	1,914	1,498	1,437	1,453	1,432	1,432	1,397	1,378	1,378	1,311	7,894	16,262
114 TOTAL NON DELIVERY OF PLANNED SAVINGS	2,139	2,198	2,054	2,097	1,931	2,078	2,065	2,063	2,089	2,065	2,093	2,092	8,418	24,794

C - 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
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	year-end position £'000
<i>Enter as Negative values</i>														
115 Expenditure Reductions (due to C19)														
116 Reduction of non pay costs due to reduced electric activity	(2,157)	(2,771)	(1,354)	(1,117)	(979)	(939)	(778)	(741)	(676)	(609)	(585)	(597)	(7,399)	(13,254)
117 Reduction of outsourcing costs due to reduced planned activity	0	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	0
119 Reduced charges in Salaries	(108)	(151)	(102)	(277)	(281)	(281)	(81)	(81)	(81)	(81)	(81)	(81)	(922)	(1,783)
120 Reduction in operation running costs	(108)	(275)	(283)	24	(106)	(106)	0	0	0	0	0	0	(682)	(852)
121 Other non-contracted services	(101)	(116)	(88)	(267)	(186)	(186)	(26)	(26)	(26)	(26)	(26)	(26)	(1,186)	(1,913)
122 Project overheads	0	(78)	(11)	0	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(81)	(165)
123 OGS Contract	0	(850)	(427)	0	0	0	0	0	0	0	0	0	(1,277)	(1,277)
124 Other Primary Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
125 TOTAL EXPENDITURE REDUCTION (Agrees to Table A)	(2,622)	(4,245)	(2,821)	(1,627)	(1,548)	(1,516)	(816)	(879)	(814)	(747)	(703)	(685)	(11,316)	(19,095)

D - Stoppage 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
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	year-end position £'000
<i>Enter as Negative values</i>														
126 Stoppage on Planned Investments/Repurposing of Developmental Initiatives (due to C19)														
127 Website and Development	0	(168)	(670)	(88)	(18)	(18)	0	0	0	0	0	0	(936)	(968)
128	0	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	0
130	0	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	0
132	0	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	0
134	0	0	0	0	0	0	0	0	0	0	0	0	0	0
135 TOTAL RELEASE/REPURPOSING OF PLANNED INVESTMENT/DEVELOPMENT INITIATIVES (Agrees to Table A)	0	(168)	(670)	(88)	(18)	(18)	0	0	0	0	0	0	(936)	(968)
137 NET EXPENDITURE DUE TO COVID-19	38,036	15,027	3,784	6,564	10,885	10,734	11,889	15,456	13,447	10,020	8,022	8,219	63,794	152,091

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