

Bundle Finance Committee 27 November 2019

Agenda attachments

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- 5 Date and time of next Meeting
- 5.1 Wednesday 18th December 2019 at 2pm, Executives Meeting Room, Woodland House

AGENDA
FINANCE COMMITTEE
27th November 2019 at 2.45pm
Cefn Mably Meeting Room, Floor 2, Woodland House

1.	Preliminaries	
1.1	Welcome & Introductions	John Union
1.2	Apologies for Absence	John Union
1.3	Declarations of Interest	John Union
1.4	Minutes of the Committee Meeting held on 30 th October 2019	John Union
1.5	Action Log	John Union
1.6	Chairs Action taken since last meeting	John Union
2.	Items for Review and Assurance	
2.1	Financial Performance 2019/20 a. Finance Report for Month 7 b. Updated financial forecast (presentation)	Chris Lewis
2.2	Clinical Boards in Escalation	Steve Curry
2.3	Cost Reduction Programme	Andrew Gough
2.4	Finance Risk Register	Andrew Gough
2.5	2020/21 IMTP (verbal)	Bob Chadwick
3	Items for Noting and Information	
3.1	Month 7 Financial Monitoring Returns	
4.	Items to bring to the attention of the Board	John Union
5.	Date and time of next Meeting	
	Wednesday 18th December 2019 at 2pm, Executives Meeting Room, Woodland House	

**UNCONFIRMED MINUTES OF FINANCE COMMITTEE
HELD ON 30th OCTOBER 2019
LARGE MEETING ROOM, HQ, UHW**

Present:

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

In Attendance:

Arran Fowler	AF	Head Of Governance
Daniela Bridgeman	DB	Project Manager Improvement Implementation

Secretariat:

Paul Emmerson	PE	Finance Manager
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Apologies:

John Antoniazzi	JA	Independent Member – Estates
Abigail Harris	AH	Executive Director of Planning
Len Richards	LR	Chief Executive
Martin Driscoll	MD	Executive Director of Workforce and Organisational Development

FC 19/107	WELCOME AND INTRODUCTIONS The Chair welcomed everyone to the meeting.	ACTION
FC 19/108	APOLOGIES FOR ABSENCE Apologies for absence were noted.	
FC 19/109	DECLARATIONS OF INTEREST The Chair invited members to declare any interests in proceedings on the Agenda. None were declared.	
FC 19/110	MINUTES OF THE FINANCE COMMITTEE MEETING HELD ON 25th SEPTEMBER 2019	

	<p>The minutes of the meeting held on 25th September 2019 were reviewed for accuracy and were agreed as a true and accurate record.</p> <p>Resolved – that:</p> <p>The minutes of the meeting held on 25th September 2019 were approved by the Committee as an accurate record.</p>	
FC 19/111	<p>ACTION LOG FOLLOWING THE LAST MEETING</p> <p>The Finance Committee reviewed the Action Log and noted the following:</p> <p>FC19/099 – Financial position reporting against planned profile. A comparison of actual performance against the forecast recovery profile was now incorporated within the Monthly Finance Report provided to Finance Committee.</p> <p>Action Complete.</p> <p>FC19/100 - Profile of UHB plans to deliver a break even position. The expected financial position profile had been revised for the updated financial breakeven plan and included within the Monthly Finance Report provided to the Finance Committee of the 30th October 2019.</p> <p>Action Complete</p> <p>FC19/100 - Updated financial forecast. A presentation on Plans to Deliver a Break Even Position was considered as part of the agenda of the Finance Committee held on the 25th September 2019 and is included as a standing item on the agenda for the remainder of the year.</p> <p>Action Complete</p> <p>Resolved – that:</p> <p>The Finance Committee received the Action Log and noted the completed action.</p>	
FC 19/112	<p>CHAIRS ACTION SINCE THE LAST MEETING</p> <p>There had been no Chairs action taken since the last meeting.</p>	
FC 19/113	<p>FINANCE REPORT AS AT MONTH 6</p> <p>The Deputy Director of Finance presented the UHB's financial performance to month 6 and highlighted that the UHB had reported an in month underspend of £0.291m and a year to date deficit of £2.525m. It was noted that the in month underspend was in part a result of the release of a £0.800m provision which was no longer required.</p>	

	<p>The year to date deficit was expected to be recovered by year end through the delivery of identified remedial actions. However there were some risks in the delivery of the remedial actions and these had been quantified at £4m excluding any financial risks associated with overspends against the Welsh Risk Pool.</p> <p>The forecast trajectory in order to achieve break-even was amended at month 6 to reflect the updated financial breakeven plan and in response to a question from the UHB Vice Chair (CJ) the Deputy Director of Finance confirmed that the updated trajectory had assumed the release of the £0.800m provision at month 6.</p> <p>It was noted that delegated budgets had reported an in month overspend in month 6 and that this was expected to continue until the final month of the year. The position against delegated budgets was expected to be more than offset by the delivery of corporate opportunities leading to a balanced year end position.</p> <p>The Finance Committee Chair (JU) asked whether the UHB's revised recovery profile has been shared with Welsh Government and in response the Deputy Director of Finance confirmed that the profile Had been provided as part of the monthly financial monitoring return to Welsh Government.</p> <p>Moving on, the Committee was informed that income was broadly balanced in month and there was a small in month overspend against pay as a result of nursing pressures partly due to supernumerary posts. Non pay budgets had reported an underspend in the month due to the release of the provision and a non recurring re-assessment of Continuing Health Care (CHC) liabilities, however the underlying pressures against drugs, premises and CHC had continued.</p> <p>Further Comments were received as follows:</p> <ul style="list-style-type: none"> • The UHB Vice Chair asked what influence the UHB had over drugs spend and in response the Chief Operating Officer pointed towards the UHB's Medicines Management Group which had an agreed workstream focussing on the evaluation and communication of value based prescribing practice to prescribing clinicians. The Executive Director of Finance added that other Health Boards had also reported pressures against prescribing budgets due to price increases. • In answer to a query from the UHB vice chair (CJ) as to whether there were any new pressures against premises the Deputy Director of Finance indicated that the overspend was caused by a continuation of additional security costs although it was noted that some of the pressures around securing the Whitchurch and Lansdowne sites were non recurrent in nature. The Lansdowne site was expected to be sold in 2019/20 however the disposal plans for the Whitchurch site were 	
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	<p>dependent on the plans to develop Velindre Hospital and not within the discretion of the UHB.</p> <ul style="list-style-type: none"> The UHB vice chair (CJ) queried the pressures driving the overspend on CHC and enquired if the shift towards providing more care in the community would add further pressure. In response the Chief Operating Officer stated that the UHB had observed a net increase in CHC clients in year as the number of entrants to the service outstripped the numbers leaving the service. It was also acknowledged that some packages were particularly complex and that this could lead to pressures. Turning towards the push from hospital to community and home based care the Chief Operating Officer stated that partnership working with the local authorities was key to the UHB's future plans and these would need to reflect the financial impact of changes. <p>Four measures remained RAG rated Red on the Finance Dashboard namely: remaining within revenue resource limits; the reduction in the underlying deficit to £4m; the delivery of the recurrent £16.345m 2% devolved target; the delivery of the £12.8m recurrent/non recurrent corporate target. It was indicated that greater assurance of delivery against the 4 red rated measures was expected to be gained as the UHB moved into the second half of the year.</p> <p>It was noted that the UHB's PSPP performance continued to exceed the 95% target; cash plans were currently on target with the UHB not expecting to request additional cash support in 2019/20 and that there was some slippage against capital expenditure profiles at month 6 which was expected to be recovered by year-end.</p> <p>In conclusion the Deputy Director of Finance highlighted that the key risk to the Plan was the management of budgets to deliver a balanced financial position by year end and this risk was assessed as being up to £4m. In addition it was noted that a recent risk had emerged relating to the Welsh Risk Pool where costs across NHS Wales are now predicted to exceed the budget available. The risk to the UHB had been reassessed by NWSSP as being up to £1.4m.</p> <p>ASSURANCE was provided by:</p> <ul style="list-style-type: none"> The scrutiny of financial performance undertaken by the Finance Committee and the UHBs intention to recover the year to date deficit and deliver a break even position by the year end as planned. <p>Resolved – that:</p> <p>The Finance Committee noted that the UHB has an approved IMTP which includes a balanced Financial Plan for 2019/20;</p> <p>The Finance Committee noted the £2.525m deficit at month 6;</p>	
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	The Finance Committee noted the key concerns and actions being taken to manage risks	
FC 19/114	<p>PLANS TO DELIVER A BREAK EVEN POSITION (presentation)</p> <p>The Deputy Director of Finance presented an update on the Plans To Deliver A Break Even Position stating that plans had been adjusted for issues which had emerged in September as follows:</p> <ul style="list-style-type: none"> • The UHB position had improved by £0.292m in September, however a number of significant overspends had been reported by Clinical Boards in month. • A full savings programme was in place to meet the £29.145m target. £5.5m of savings schemes remained RAG rated amber and the Committee was informed that Welsh Government was pressing the UHB to expedite the remaining amber schemes to green status. • At month 6 Clinical Boards were reporting a cumulative overspend of £7.705m which was £0.459m higher than the original forecast. Five Clinical Boards had recorded cumulative overspends in excess of their forecast profile. Clinical Board Recovery actions are back loaded and there was a straight line risk of £6.3m if Clinical Board performance continued at the rate established in the first 6 months of the year. • In recognition of the deterioration in Clinical Board overspends at month 6 the Risk Adjusted Forecast had been increased by £0.6m. A further increase of £0.3m in respect of IT pressures and the TACU initiative to improve patient flows was also recognised. The increase was offset by slippage on corporate reserves and a reduction in forecast premises costs following the receipt of professional advice. • Moving forwards, the overall UHB overspend was expected to show a gradual improvement each month before finally reaching a breakeven position in March. The forecast was sensitive to the following factors: the management of the risk adjusted position across a number of areas; turning amber savings schemes to green as soon as possible; maintaining expenditure restraints; unexpected events as the UHB is not holding a contingency; closing down the residual £1m risk; Clinical Board improvement plans; and the Welsh Risk Pool • A further risk which had recently emerged in respect of a potential year end overspend against the Welsh Risk Pool. If there was a requirement for Health Boards to cover the cost of the overspend Cardiff and Vale UHBs share was expected to be c £1.4m. <p>Comments were received as follows:</p> <ul style="list-style-type: none"> • The UHB Vice Chair (CJ) asked what confidence the UHB had in the likely success of the remaining amber schemes. In reply the Deputy Director of Finance stated that the UHB had some 	

	<p>assurance and that generally the schemes had a 80% success rate of delivery.</p> <ul style="list-style-type: none"> • The Finance Committee Chair (JU) asked whether savings were profiled to deliver on a monthly basis and the Deputy Director of Finance confirmed that this was the case and that some savings remained to be deliver over the second half of the year. • A further question was raised by the Finance Committee Chair (JU) who asked whether the UHB had an impression of the month 7 financial position and any impact that this may have on the forecast position. The Deputy Director of Finance confirmed that the monthly position is normally confirmed on the fourth working day following month end and at this stage nothing had emerged to suggest a change to the UHB's forecast year end position. <p>Resolved – that:</p> <p>The Finance Committee noted the plans and actions required to deliver a break even position in 2019/20.</p>	
FC19/115	<p>CLINICAL BOARDS IN ESCALATION</p> <p>The Chief Operating Officer confirmed that the number of Clinical Boards in escalation remained at 3. The Medicine Clinical Board was in escalation as a consequence of financial performance particularly around nursing. The other two Boards were in escalation as a result of activity performance.</p> <p>In the context of the pressures faced by the Medicine Clinical Board the Chief Operating Officer stated that pressures in unscheduled care had been reported across the UK and that the UHB had observed a significant increase in the numbers attending A & E in 2019/20. In response to a query from the Finance Committee Chair (JU) the Chief Operating Officer indicated that the increase in A & E numbers did not appear to be correlated to an increase in specific health conditions.</p> <p>Resolved – that:</p> <p>The Finance Committee noted the actions being taken to manage financial performance</p>	
FC19/116	<p>COST REDUCTION PROGRAMME AND CROSS CUTTING THEME</p> <p>The Assistant Director of Finance asked the Finance Committee to note the 2019/20 Cost Reduction Report which included the following key points:</p> <ul style="list-style-type: none"> • At 30th September 2019 £15.777m of schemes had been identified as Green or Amber against the devolved 2% savings target of £16.345m, leaving a gap of £0.568m. £14.771m of the identified schemes were recurrent. • Schemes totalling £13.368m had been identified as Green or Amber against the corporate savings target of £12.800m target as at 30th September 2019 leaving a surplus of £0.568m which 	

	<p>covered the gap in delegated schemes. The recurrent effect of the identified schemes in 2020/21 was £3.332m. The recurrent position of corporate schemers was being reviewed on a scheme by scheme basis.</p> <p>The Committee was informed the main concerns were the shortfall against the 2% devolved CRP target of £0.568m which needed to be addressed as soon as possible and the level of recurrent schemes which needed to improve to ensure that the UHB started 2020/21 in the best possible position.</p> <p>Resolved – that:</p> <p>The Finance Committee noted the progress against the £29.145m UHB savings requirement for 2019/20.</p>	
FC19/117	<p>RISK REGISTER</p> <p>The Assistant Director of Finance asked the Finance Committee to endorse the removal of a low level risk from the risk register, namely Increased employers pension contributions where optimum controls were now in place.</p> <p>Three (3) risks remained categorized as extreme risks (Red) on the 2019/20 Risk Register as follows:</p> <ul style="list-style-type: none"> • Reduction in the £36.3m underlying deficit b/f to 2019/20 to the IMTP planned £4m c/f underlying deficit in 2020/21; • Management of Budget pressures; • Management of Nursing overspend - £1.741m month 6. <p>Resolved – that:</p> <p>The Finance Committee noted the risks highlighted within the 2019/20 risk register.</p> <p>The Finance Committee endorsed the removal of the highlighted low level risk from the risk register.</p>	
FC 19/118	<p>MONTH 6 FINANCIAL MONITORING RETURNS</p> <p>These were noted for information.</p>	
FC 19/119	<p>ITEMS TO BRING TO THE ATTENTION OF THE BOARD/OTHER COMMITTEES</p> <p>No other items to bring to the main Board.</p>	
FC 19/120	<p>DATE OF THE NEXT MEETING OF THE BOARD</p> <p>Wednesday 27th November; 2.00pm; Cefn Mably, Meeting Room, Ground Floor, HQ, Woodland House</p>	

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Report Title:	Finance Report for the Period Ended 31st October 2019						
Meeting:	Finance Committee				Meeting Date:	November 27th 2019	
Status:	For Discussion	x	For Assurance	x	For Approval	For Information	x
Lead Executive:	Executive Director of Finance						
Report Author (Title):	Deputy Director of Finance						

SITUATION

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

At month 7, the UHB is reporting an overspend of £2.385m against this plan. The UHB plans to recover this year to date deficit and deliver a break even position by the year end.

REPORT

BACKGROUND

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

A summary of this plan is provided in Table 1.

Table 1: 2019/20 IMTP

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

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

Table 2: Performance against 3 year financial break even duty

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

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

ASSESSMENT

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

Table 3: Finance Dashboard @ October 2019

		STATUS REPORT				
Measure	n	October 2019	RAG Rating	Latest Trend	Target	Time Period
Financial balance: remain within revenue resource limits	36	£2.385m deficit at month 7.	R	●	2019/20 Break-Even	M7 2019-20
Remain within capital resource limits.	37	Expenditure at the end of October was £19.579m against a plan of £19.920m.	G	●	Approved planned expenditure £42.139m	M7 2019-20
Reduction in Underlying deficit	36a	£6.6m shortfall against the recurrent savings plan target at month 7 (see below).	R	●	If 2019/20 plan achieved reduce underlying deficit to £4.0m	M7 2019-20
Delivery of recurrent £16.345m 2% devolved target	36b	£16.345m in year schemes identified at Month 7. £ 2.1m shortfall against recurrent schemes.	R	●	£16.345m	M7 2019-20
Delivery of £9.750m recurrent/non recurrent corporate target	36c	£9.750m in year schemes identified at month 7. £4.5m shortfall against recurrent schemes	R	●	£9.750m	M7 2019-20
Creditor payments compliance 30 day Non NHS	37a	Cumulative 96.8% in October	G	●	95% of invoices paid within 30 days	M7 2019-20
Remain within Cash Limit	37b	Forecast cash surplus of £ 0.677 m	G	●	To remain within Cash Limit	M7 2019-20
Maintain Positive Cash Balance	37c	Cash balance = £4.233m	G	●	To Maintain Positive Cash Balance	End of October 2019

Month 7 Cumulative Financial Position

The UHB reported a year to date deficit of £2.385m at month 7 which represents an improvement of £0.140m on the position reported at the end of September.

The UHB has a plan to recover the remaining deficit and deliver a break even position by the year end. **Whilst the UHB's financial position improved again this month, it was circa £0.2m short of the expected profiled position. The delivery of the plan will take concerted management attention and is not without risk of delivery which is assessed to be up to £4m. This assumes full delivery of the savings plan and excludes risks relating to the Welsh Risk Pool.**

Performance against the forecast trajectory in order to achieve break-even has been updated in month to reflect month 7 reported position and this is included in Appendix 6. Whilst the UHB month 7 position was £0.2m higher than forecast it is still expected to improve throughout the rest of the year resulting in a break even position at the end of March. Part of the improvement in month 7 was due to the release of £0.5m accruals.

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

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

Income/Pay/Non Pay	In Month			Cumulative Year to Date			Full Year		
	Budget £m	Actual £m	Variance (Fav)/Adv £m	Budget £m	Actual £m	Variance (Fav)/Adv £m	Budget £m	Forecast £m	Variance (Fav)/Adv £m
Income	(115.962)	(115.988)	(0.026)	(830.561)	(832.937)	0.009	(1,467.056)	(1,467.056)	0.000
Pay	54.706	54.645	(0.061)	374.234	372.983	(1.251)	631.457	631.457	0.000
Non Pay	62.009	61.955	(0.053)	456.327	459.955	3.628	835.599	835.599	0.000
Variance to Plan £m	0.753	0.613	(0.140)	0.000	0.000	2.385	0.000	0.000	0.000

Income

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

Table 5: Income Variance @ October 2019

Income	In Month			Cumulative Year to Date		
	Budget £m	Actual £m	Variance (Fav)/Adv £m	Budget £m	Actual £m	Variance (Fav)/Adv £m
Research & Development	(0.779)	(0.780)	(0.000)	(5.820)	(6.049)	(0.229)
Revenue Resource Limit	(75.034)	(75.034)	0.000	(555.080)	(557.465)	0.000
Accommodation & Catering	(0.431)	(0.402)	0.029	(2.630)	(2.495)	0.136
Education & Training	(3.292)	(3.331)	(0.039)	(22.748)	(22.729)	0.019
Injury Cost Recovery Scheme (CRU) Income	(0.044)	(0.265)	(0.221)	(1.263)	(1.484)	(0.221)
NHS Patient Related Income	(27.507)	(27.413)	0.094	(184.585)	(184.689)	(0.104)
Non Revenue Resource Limit	(1.609)	(1.609)	(0.000)	(11.266)	(11.267)	0.000
Other Operating Income	(7.150)	(7.076)	0.074	(46.366)	(45.852)	0.513
Overseas Patient Income	(0.007)	(0.007)	(0.000)	(0.052)	(0.118)	(0.066)
Private Patient Income	(0.107)	(0.069)	0.038	(0.751)	(0.790)	(0.039)
Total £m	(115.962)	(115.988)	(0.026)	(830.561)	(832.937)	0.009

A deficit of £0.009m is reported against income budgets. The main in month variances to note are:

- £0.094m adverse in month variance on NHS patient related income where there has been a deterioration in month on LTA and English cross border activity. A large part of the LTA underperformance is a result of a downturn in the level of orthopaedic work.
- £0.074m in month adverse variance on other operating income primarily due to continuing underperformance PICU and NICU and a fall in chargeable critical care activity.
- A £0.221m favourable variance on Injury Cost Recovery scheme income as a consequence of an increase in the value of new claims alongside a fall in the value of withdrawn claims.

LTA Provider Performance

The UHB receives circa £300m income from its contracts with WHSSC, LHBs and other commissioners, in addition to non-contractual flows. In-month reporting reflects an estimate based on the prior month's activity, given the timeline for receipt of coded contract information.

There is a deterioration in M7 LTA position with LHBs of £0.152m in the month. The overall provider position is a favourable variance of £0.103m at month 7. The LTA position with LHBs at Month 7 is underperforming, this is mainly driven by under delivery within Orthopaedics. This is offset by overperformance on the WHSSC and non welsh LTA's. The overall performance against plan at month 7 is summarised in Table 6 below.

Table 6: Month 7 LTA Provider Position

Income - C&V Provider				(fav) / adv
	Annual Budget	YTD Profile	YTD Actual	YTD Variance
	£m	£m	£m	£m
WHSSC	(229.741)	(135.292)	(135.596)	(0.304)
Aneurin Bevan	(30.441)	(17.707)	(17.741)	(0.034)
Other LHBs	(39.029)	(22.871)	(22.491)	0.380
Non-Welsh	(3.419)	(2.694)	(2.839)	(0.145)
	(302.629)	(178.563)	(178.666)	(0.103)

Pay

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

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

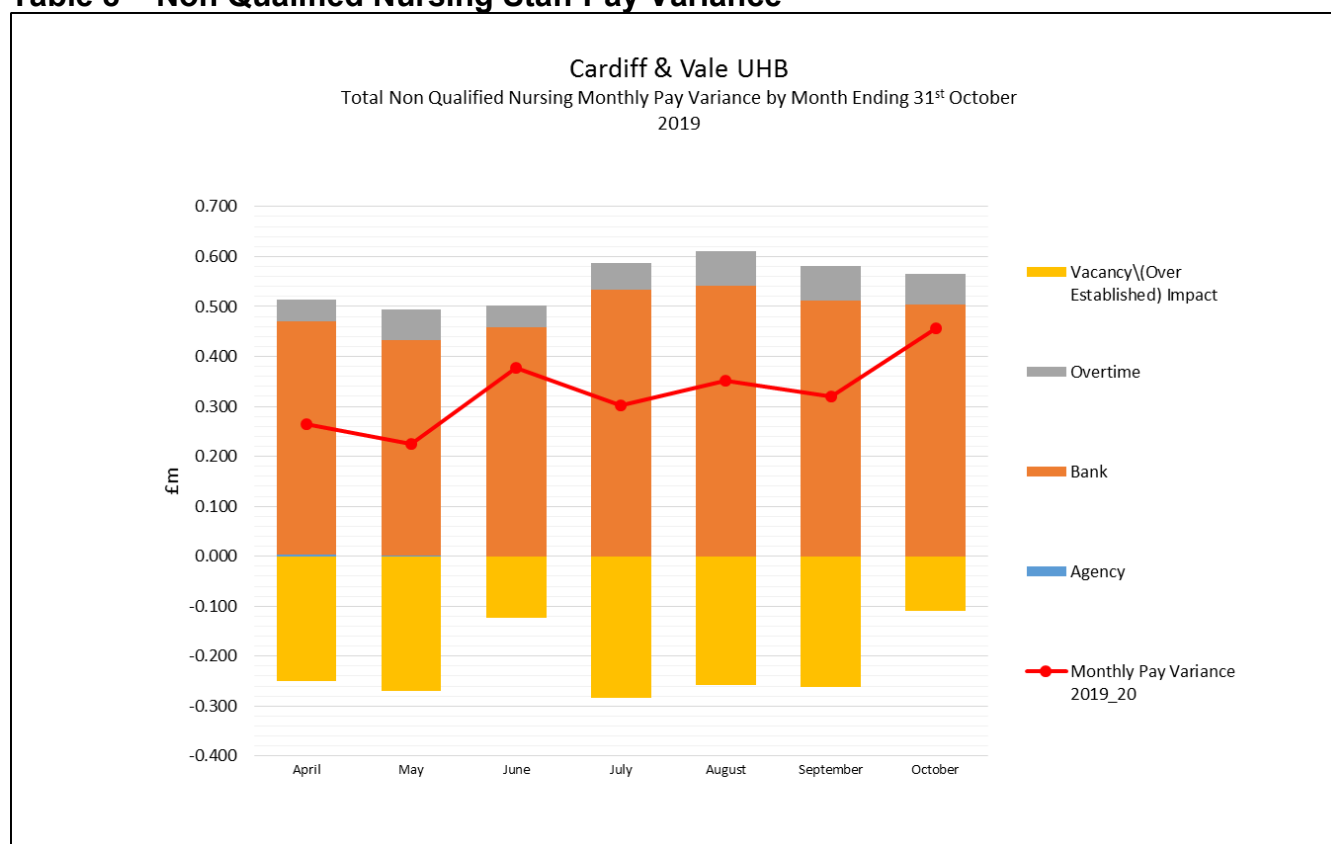
Pay	In Month			Cumulative Year to Date		
	Budget	Actual	Variance (Fav)/Adv	Budget	Actual	Variance (Fav)/Adv
	£m	£m	£m	£m	£m	£m
Additional clinical services	2.062	1.995	(0.067)	14.203	14.038	(0.164)
Management, admin & clerical	6.341	6.374	0.033	44.600	44.502	(0.098)
Medical and Dental	15.006	14.653	(0.354)	94.336	93.798	(0.538)
Nursing (registered)	16.038	16.056	0.018	112.846	112.764	(0.082)
Nursing (unregistered)	4.052	4.508	0.456	29.492	31.790	2.297
Other staff groups	8.071	8.079	0.008	57.008	55.557	(1.450)
Scientific, prof & technical	3.135	2.980	(0.156)	21.749	20.533	(1.215)
Total £m	54.706	54.645	(0.061)	374.234	372.983	(1.251)

Total pay budgets are underspent by £1.251m at the end of October after an in month underspend of £0.061m

The pressure against nursing budgets where the in month overspend has deteriorated from the previous month continues to be of concern. Part of the overspend is a result of the continuing provision of additional capacity particularly on medical wards.

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

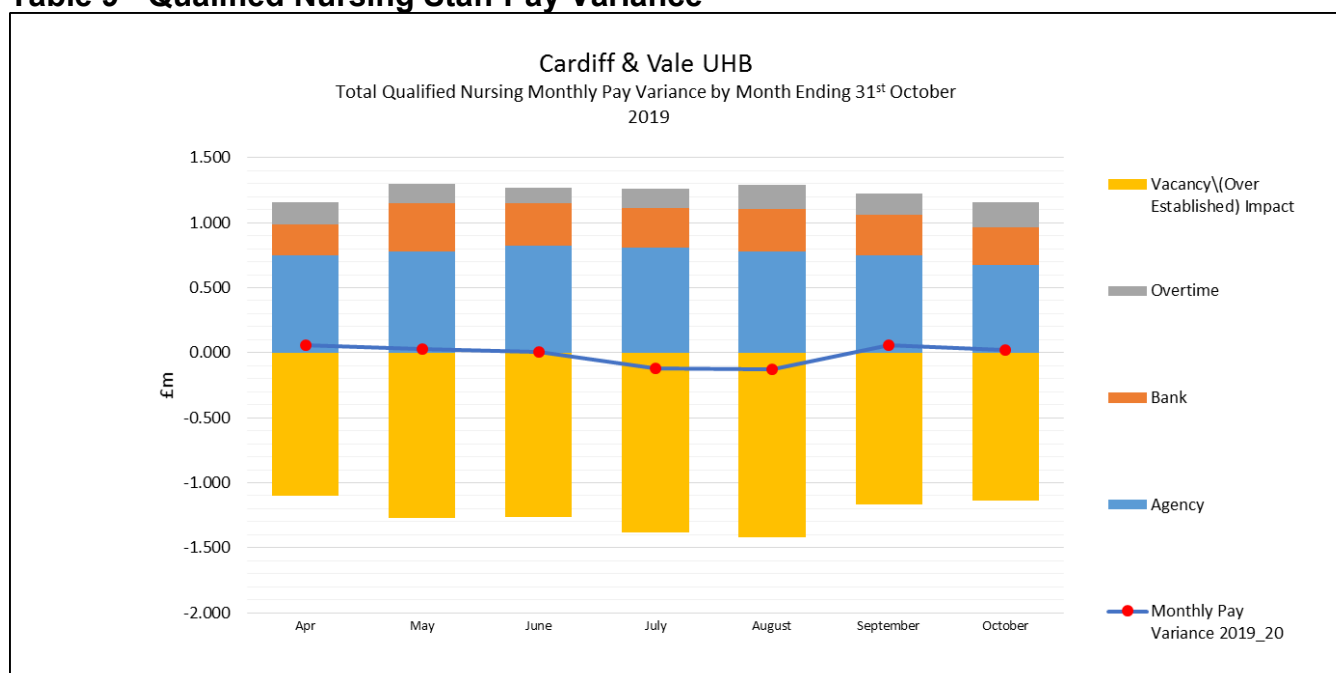
Table 8 – Non Qualified Nursing Staff Pay Variance



Reason	In Month £m (Fav)/Adv	Year To Date £m (Fav)/Adv
Agency	0.000	0.002
Bank	0.504	3.449
Overtime	0.062	0.402
Adverse Impact	0.566	3.852
Vacancy\ (Over Established) Impact	(0.110)	(1.555)
Total Pay Variance - Unqualified Nursing (Fav)/Adv £m	0.456	2.297

Table 8 indicates that the £2.297m adverse variance against non-qualified nursing assistants is due to overspends of £3.449m on bank staff and £0.402m on overtime which is partly offset by an underspend against established posts.

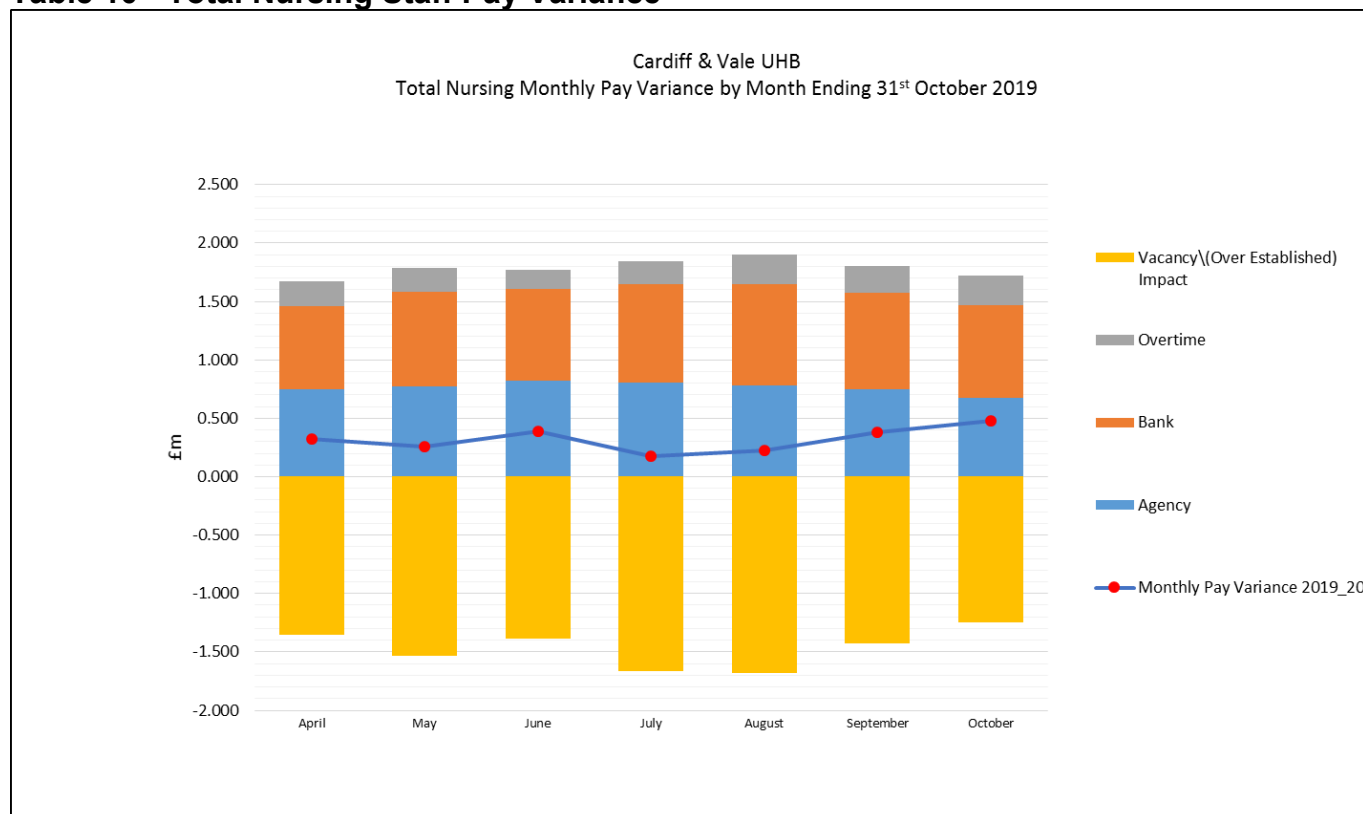
Table 9 - Qualified Nursing Staff Pay Variance



Reason	In Month £m (Fav)/Adv	Year To Date £m (Fav)/Adv
Agency	0.677	5.358
Bank	0.288	2.178
Overtime	0.193	1.121
Adverse Impact	1.158	8.658
Vacancy\ (Over Established) Impact	(1.140)	(8.740)
Total Pay Variance - Qualified Nursing (Fav)/Adv £m	0.018	(0.082)

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

Table 10 - Total Nursing Staff Pay Variance

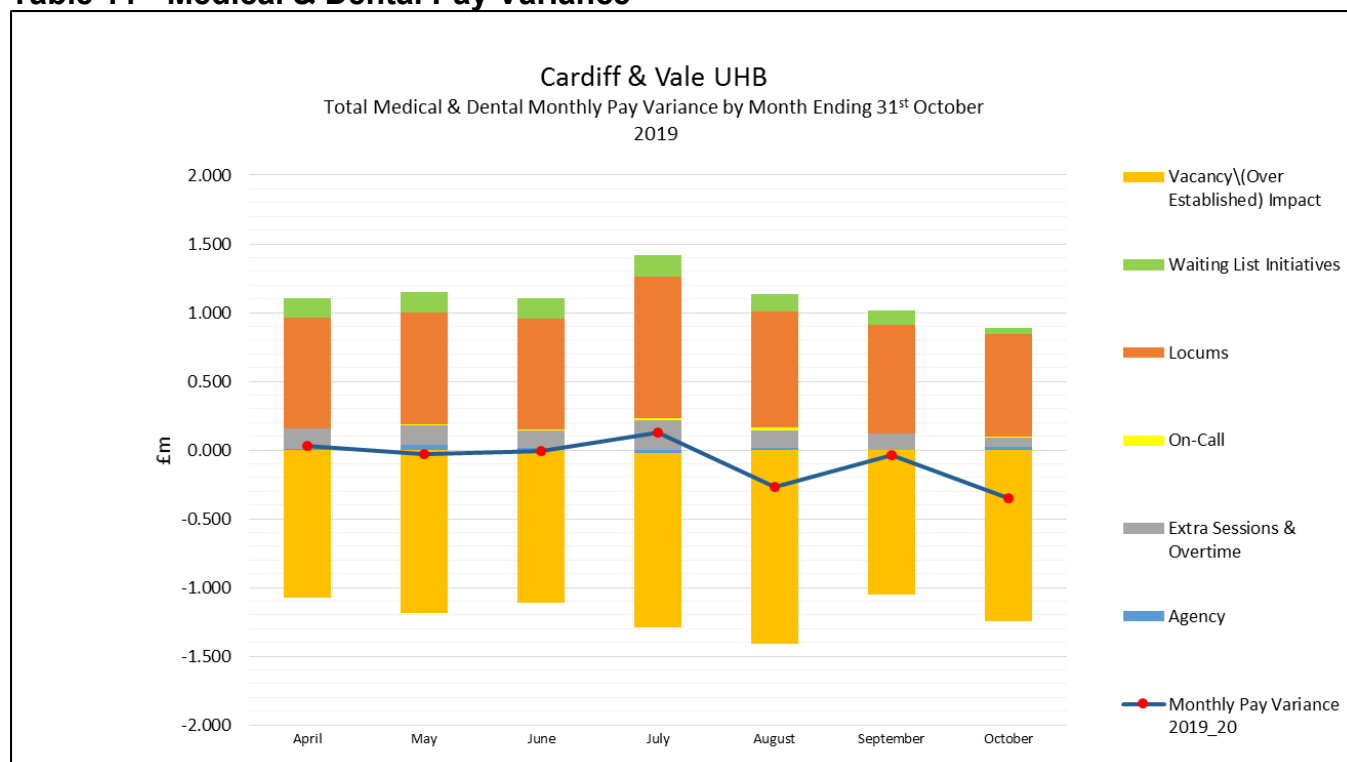


Reason	In Month £m (Fav)/Adv	Year To Date £m (Fav)/Adv
Agency	0.678	5.360
Bank	0.792	5.627
Overtime	0.254	1.523
Adverse Impact	1.724	12.510
Vacancy\ (Over Established) Impact	(1.250)	(10.295)
Total Pay Variance - (Fav)/Adv £m	0.474	2.215

Table 10 identifies expenditure against substantive nursing posts for the year to date which is £2.215m more than budget. The £10.295m surplus against established posts is offset by a £12.510m overspend on agency, bank and overtime leading to an overall overspend against nursing budgets. Performance on nursing budgets remains a concern and features on the risk register for 2019/20.

Table 11 shows financial performance against medical and dental pay budgets. This identifies that the majority of the favourable variance against established posts is offset by expenditure on locums, waiting list initiatives and extra sessions leaving an underspend of £0.538m at month 7.

Table 11 - Medical & Dental Pay Variance



Reason	In Month £m (Fav)/Adv	Year To Date £m (Fav)/Adv
Agency	0.019	0.063
Extra Sessions & Overtime	0.073	0.959
On-Call	0.008	0.059
Locums	0.745	5.848
Waiting List Initiatives	0.044	0.864
Adverse Impact	0.889	7.793
Vacancy\ (Over Established) Impact	(1.242)	(8.331)
Total Pay Variance - Medical & Dental (Fav)/Adv £m	(0.354)	(0.538)

Non Pay

Table 12 highlights an overspend of £3.628m against non pay budgets.

The key operational pressure areas are:

- Continuing high levels of CHC growth as a consequence of increasing numbers particularly in respect of palliative care, learning difficulties and high cost mental health placements;
- An overspend against drug budgets primarily in medicine and primary care; the in month overspend primarily related to GP prescribing where category M prices and cost and volume growth are driving additional costs;

- Premises and fixed plant where key cost drivers are: increased spend on estates contractors to cover vacancies in substantive posts during a workforce modernisation programme; energy costs; and the significant cost of security on the vacant sites at Lansdowne and Whitchurch. £0.525m of the overspend on estates contractor costs is offset by staff underspends on vacant posts. Approximately £0.080m of the in month overspend against energy is a result of a non recurrent increase in unit costs prior to a switch in tariffs.
- The in month increase in overspend against clinical services and supplies is a result of an increase in laboratory activity.
- Pressures against commissioned services relate to the recognition of the UHB's contribution to the WHSCC budget, drug costs at Velindre NHS Trust and additional costs of hospice care.

Table 12: Non Pay Variance @ October 2019

Non Pay	In Month			Cumulative Year to Date		
	Budget	Actual	Variance (Fav)/Adv	Budget	Actual	Variance (Fav)/Adv
	£m	£m	£m	£m	£m	£m
Clinical services & supplies	9.717	9.805	0.087	61.453	62.353	0.899
Commissioned Services	14.512	14.514	0.002	100.738	101.272	0.535
Continuing healthcare	5.710	6.051	0.341	39.107	40.009	0.902
Drugs / Prescribing	13.732	13.982	0.250	88.190	90.466	2.275
Establishment expenses	0.961	0.962	0.001	6.734	7.084	0.350
General supplies & services	0.869	0.983	0.114	5.168	5.453	0.285
Other non pay	(1.792)	(3.074)	(1.282)	33.774	30.032	(3.742)
Premises & fixed plant	2.665	3.036	0.371	19.783	21.797	2.014
Primary Care Contractors	15.635	15.696	0.061	101.381	101.490	0.110
Total £m	62.009	61.955	(0.053)	456.327	459.955	3.628

LTA Commissioner Performance

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

Table 13: Month 7 LTA Commissioner Position

Expenditure - C&V Commissioner				(fav) / adv
Annual Budget	YTD Profile	YTD Actual	YTD Variance	
£m	£m	£m	£m	
WHSSC	126.626	73.627	74.003	0.376
Velindre	17.495	10.205	10.118	(0.088)
LHBs	20.254	11.909	12.043	0.133
Other / NCAs	1.329	0.771	0.647	(0.123)
	165.704	96.512	96.811	0.299

Financial Performance of Clinical Boards

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

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

Clinical Board	M6 Budget Variance £m	M7 Budget Variance £m	In Month Variance £m	Cumulative % Variance
All Wales Genomics Service	(0.036)	(0.029)	0.007	(0.42%)
Capital Estates & Facilities	0.994	0.983	(0.011)	2.58%
Children & Women	0.796	0.869	0.074	1.35%
Clinical Diagnostics & Therapies	0.936	1.048	0.112	1.69%
Executives	(0.158)	(0.175)	(0.017)	(0.74%)
Medicine	2.590	3.141	0.550	4.56%
Mental Health	0.037	0.049	0.012	0.11%
PCIC	1.348	1.754	0.406	0.88%
Specialist	(0.914)	(0.978)	(0.064)	(0.97%)
Surgery	1.168	1.397	0.229	1.57%
SubTotal Delegated Position	6.760	8.059	1.299	0.00%
Central Budgets	(4.235)	(5.674)	(1.439)	(4.38%)
Total	2.525	2.385	(0.140)	0.29%

The largest in month overspend was in the Medicine Clinical Board where the majority of the overspend is caused by continuing difficulties in managing nursing overspends alongside an ongoing overspend against drugs budgets. The overspend in PCIC continues to be driven by pressures in prescribing and CHC. The October overspend in Surgery follows: continuing pressures against nursing partly as a result of capacity demands in the SAU and SSU; activity driven drug pressures; and overpends against clinical supplies linked to theatre consumables. The in month overspend in CD & T was in part caused by a spike in referrals out of area for Interventional Neuroradiology alongside the continuing closure of the radio-pharmacy unit. The overspend in the Women and Children's Clinical Board was caused by further under-performance against NICU & PICU activity targets alongside one off staff costs associated with new starters in nursing.

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

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

Savings Programme

The UHBs £31.245m savings target has been reduced by £5.150m to reflect the release of £2.1m relating to the UHBs remaining investment reserve and a further £3.050m to reflect an operational underspend on WEQAS. The target is now £26.095m.

At month 7 the UHB has a fully identified savings programme to deliver against the £26.095m savings target as summarised in Table 15.

Table 15: Progress against the 2019/20 Savings Programme at Month 6

	Total Savings Target £m	Total Savings Identified £m	Total Savings (Unidentified) £m
Total £m	26.095	26.095	0.000

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

Whilst good progress has been made in the month, further work will continue on the savings programme to convert the key remaining amber schemes to green as soon as possible.

Underlying Financial Position

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

Table 16: Summary of Underlying Financial Position

	2019/20 Plan £m	Forecast Position @ Month 7	
		Non Recurrent £m	Recurrent Position £m
Opening Underlying Deficit £m	36.261	0.000	36.261
Income	(56.610)		(56.610)
Cost pressures less mitigating actions	51.594		51.594
Less CIPs (includes income generation & NR accountancy gains)	(26.345)	4.000	(22.345)
Release of Remaining Investment Reserve & operational underspend at WEQAS	(4.900)		(4.900)
Deficit £m	0.000	4.000	4.000

The achievement of this is very much dependent upon delivering the full year impact of

2019/20 savings schemes. The risk involved is now assessed to be circa £6m and further actions required to address this risk are currently being reviewed.

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

Balance Sheet

The balance sheet at month 7 is detailed in **Appendix 3**.

The increase in the carrying value of property, plant & equipment since the start of the year is largely due to the impact of annual indexation. The significant decrease in month, reflects the reduction in the Land & Buildings indices issued by Welsh Government and applied by the UHB in October.

Overall trade debtors have increased £17.4m (9.5%) since the start of the year mainly due to an increase in amounts due from the Welsh Risk Pool in respect of clinical negligence cases, and an increase in NHS invoice accruals. The in month decrease of £7.5m was primarily a consequence of the timing of payments and receipts to and from the pooled CHC Fund.

The carrying value of Inventory held fell by circa £0.3m in month as a result of the use of cardiac stock previously purchased in bulk to obtain a discounted purchase price. There has also been a reduction in the level of pharmacy stocks held in month.

The value of Trade and other payables has fallen by around £20.1m since the start of the year following a reduction in capital creditors, a reduction in clinical negligence accruals and the settlement of year end liabilities. The carrying value of trade creditors fell by £9.6m in October largely reflecting the timing of the UHB's £7.2m quarterly payment into the Pooled CHC fund.

Cash Flow Forecast

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

The UHB's cash balance at the end of October was £4.233m.

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

Public Sector Payment Compliance

The UHB's cumulative performance to the end of October is 96.8% following a 0.2% improvement in month.

Capital Resource Limit (CRL)

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

Table 17: Progress against Capital Resource Limit @ October 2019

	£m
Planned Capital Expenditure at month 7	19.920
Actual net expenditure against CRL at month 7	19.579
Variance against planned Capital Expenditure at month	(0.341)

Capital progress for the year to date is satisfactory with net expenditure to the end of October being 46% of the UHB's approved Capital Resource Limit. The UHB had an approved capital resource limit of £42.139m at the end of October 2019 comprising of £13.889m discretionary funding and £28.250m towards specific projects (including Neo Natal Upgrading Phase 2, Rookwood Replacement, MRI Scanners & Pharmacy Equipment)

Key Risks and Recovery Actions

At month 7, the key risk is the management of budgets to deliver a balanced financial position by year end. This risk is assessed as being up to £4m. Clinical Boards have identified recovery measures to deliver an improved financial position. The UHB is also carefully managing its corporate risks and opportunities. The scale of this risk will be reviewed in November and revised based upon month 8 performance.

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

A further emerging risk relates to the Welsh Risk Pool where costs across NHS Wales are now predicted to exceed the budget available. This was assessed at £1.4m for the UHB last month and this has now been reassessed and has risen to £2.4m. This is cause of concern as at this point the UHB has not identified opportunities to mitigate against this risk.

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

RECOMMENDATION

The Finance Committee is asked to:

- **NOTE** that the UHB has an approved IMTP which includes a balanced Financial Plan for 2019/20;
- **NOTE** the £2.385m deficit at month 7;
- **NOTE** the key risks in delegated budgets and the Welsh Risk Pool;
- **NOTE** the plan to deliver a break even position by year end.

Shaping our Future Wellbeing Strategic Objectives

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

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

Five Ways of Working (Sustainable Development Principles) considered

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

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

Kind and caring
Caredig a gofalgar

Respectful
Dangos parch

Trust and integrity
Ymddiriedaeth ac uniondeb

Personal responsibility
Cyfrifoldeb personol

2019-20 In-Year Effect

Clinical Board	19-20 Target	Green	Amber	Total Green & Amber	Pipeline Red	Shortfall/(Surplus) on Total Target vs Green & Amber
	£'000	£'000	£'000	£'000	£'000	£'000
PCIC	3,300	3,442	691	4,133	517	(833)
Surgery	2,300	2,580	0	2,580	375	(280)
Specialist Services	2,019	2,071	136	2,207	0	(188)
Mental Health	1,470	1,428	42	1,470	100	0
CD&T	1,633	995	639	1,633	574	0
Children & Women	1,775	1,525	119	1,644	225	131
Corporate Execs	681	593	17	610	20	71
Medicine	1,877	1,105	572	1,677	196	200
Capital Estates and Facilities	1,290	1,001	20	1,021	267	269
Total	16,345	14,740	2,235	16,975	2,274	(630)
Corporate	12,800	13,005	500	13,505	6,439	(705)
Total	29,145	27,746	2,735	30,480	8,713	(1,335)

2019-20 Full Year Effect

Clinical Board	Recurrent	Green	Amber	Total Green & Amber	Pipeline Red	Shortfall/(Surplus) on Total Target vs Green & Amber
	£'000	£'000	£'000	£'000	£'000	£'000
PCIC	3,300	3,451	767	4,218	0	(918)
Surgery	2,300	2,198	0	2,198	560	102
Specialist Services	2,019	1,903	136	2,039	0	(20)
Mental Health	1,470	1,102	50	1,152	100	318
CD&T	1,633	799	211	1,010	574	623
Children & Women	1,775	536	336	872	245	903
Corporate Execs	681	646	0	646	0	35
Medicine	1,877	1,233	1,417	2,650	321	(773)
Capital Estates and Facilities	1,290	800	43	843	0	447
Total	16,345	12,668	2,960	15,627	1,800	718
Corporate	12,800	4,332	0	4,332	6,439	8,468
Total	29,145	17,000	2,960	19,959	8,239	9,186

BALANCE SHEET AS AT 31st OCTOBER 2019

	Opening Balance 1 st April 2019	Closing Balance 31st Oct. 2019
	£'000	£'000
Non-Current Assets		
Property, plant and equipment	675,904	687,678
Intangible assets	2,902	2,346
Trade and other receivables	21,432	58,451
Other financial assets		
Non-Current Assets sub total	700,238	748,475
Current Assets		
Inventories	16,926	17,434
Trade and other receivables	176,987	157,334
Other financial assets		
Cash and cash equivalents	1,219	4,233
Non-current assets classified as held for sale	1,906	994
Current Assets sub total	197,038	179,995
TOTAL ASSETS	897,276	928,470
Current Liabilities		
Trade and other payables	174,685	154,975
Other financial liabilities		
Provisions	129,087	107,474
Current Liabilities sub total	303,772	262,449
NET ASSETS LESS CURRENT LIABILITIES	593,504	666,021
Non-Current Liabilities		
Trade and other payables	9,095	8,739
Other financial liabilities		
Provisions	24,862	54,914
Non-Current Liabilities sub total	33,957	63,653
TOTAL ASSETS EMPLOYED	559,547	602,368
FINANCED BY:		
Taxpayers' Equity		
General Fund	443,904	485,593
Revaluation Reserve	115,643	116,775
Total Taxpayers' Equity	559,547	602,368

CASH FLOW FORECAST AS AT 31st OCTOBER 2019

	April £'000	May £'000	June £'000	July £'000	Aug £'000	Sept £'000	Oct £'000	Nov £'000	Dec £'000	Jan £'000	Feb £'000	Mar £,000	Total £,000
RECEIPTS													
WG Revenue Funding - Cash Limit (excluding NCL)	91,830	92,150	73,290	73,685	82,585	76,520	83,570	82,235	73,830	73,066	78,666	62,452	943,879
WG Revenue Funding - Non Cash Limited (NCL)	1,590	1,590	1,005	1,555	1,685	1,210	1,560	1,390	1,470	1,470	1,470	3,383	19,378
WG Revenue Funding - Other (e.g. invoices)	1,255	1,255	1,255	2,108	2,396	1,307	3,026	2,700	1,271	1,571	2,716	4,460	25,320
WG Capital Funding - Cash Limit	8,500	1,000	0	3,850	3,900	4,900	4,440	3,400	4,150	3,400	2,891	1,708	42,139
Sale of Assets	0	1,200	0	166	0	0	0	0	2,100	0	0	260	3,726
Income from other Welsh NHS Organisations	39,794	47,109	39,129	53,252	50,677	34,006	43,675	50,390	46,422	43,534	39,391	36,817	524,196
Other - (Specify in narrative)	14,126	6,259	5,137	12,752	6,892	4,176	13,884	7,002	6,130	15,185	5,915	7,700	105,158
TOTAL RECEIPTS	157,095	150,563	119,816	147,368	148,135	122,119	150,155	147,117	135,373	138,226	131,049	116,780	1,663,796
PAYMENTS													
Primary Care Services : General Medical Services	5,495	4,343	8,338	4,816	4,261	6,402	4,755	4,595	7,562	4,554	4,554	7,562	67,237
Primary Care Services : Pharmacy Services	165	136	176	124	132	145	150	133	290	580	290	290	2,611
Primary Care Services : Prescribed Drugs & Appliances	6,818	15,385	3	7,987	15,385	3	7,473	15,528	7,620	7,620	7,620	0	91,442
Primary Care Services : General Dental Services	1,835	1,877	1,926	2,054	1,786	1,900	1,941	2,150	1,935	1,935	1,935	1,935	23,209
Non Cash Limited Payments	1,957	1,861	2,088	2,215	2,005	2,182	1,984	2,100	2,060	2,060	2,060	2,060	24,632
Salaries and Wages	51,454	51,583	50,105	51,135	51,185	50,037	51,844	52,083	51,059	51,170	51,512	51,700	614,867
Non Pay Expenditure	68,366	54,158	46,656	61,896	45,187	52,173	63,042	43,460	43,261	52,510	45,944	46,529	623,182
Capital Payment	6,335	2,613	3,087	3,268	4,047	3,649	4,470	3,775	4,410	3,461	2,743	2,004	43,862
Other items (Specify in narrative)	10,691	19,637	7,881	14,604	22,839	6,045	14,147	23,456	17,203	14,350	14,350	8,093	173,296
TOTAL PAYMENTS	153,116	151,593	120,260	148,099	146,827	122,536	149,806	147,280	135,400	138,240	131,008	120,173	1,664,338
Net cash inflow/outflow	3,979	(1,030)	(444)	(731)	1,308	(417)	349	(163)	(27)	(14)	41	(3,393)	
Balance b/f	1,219	5,198	4,168	3,724	2,993	4,301	3,884	4,233	4,070	4,043	4,029	4,070	
Balance c/f	5,198	4,168	3,724	2,993	4,301	3,884	4,233	4,070	4,043	4,029	4,070	677	

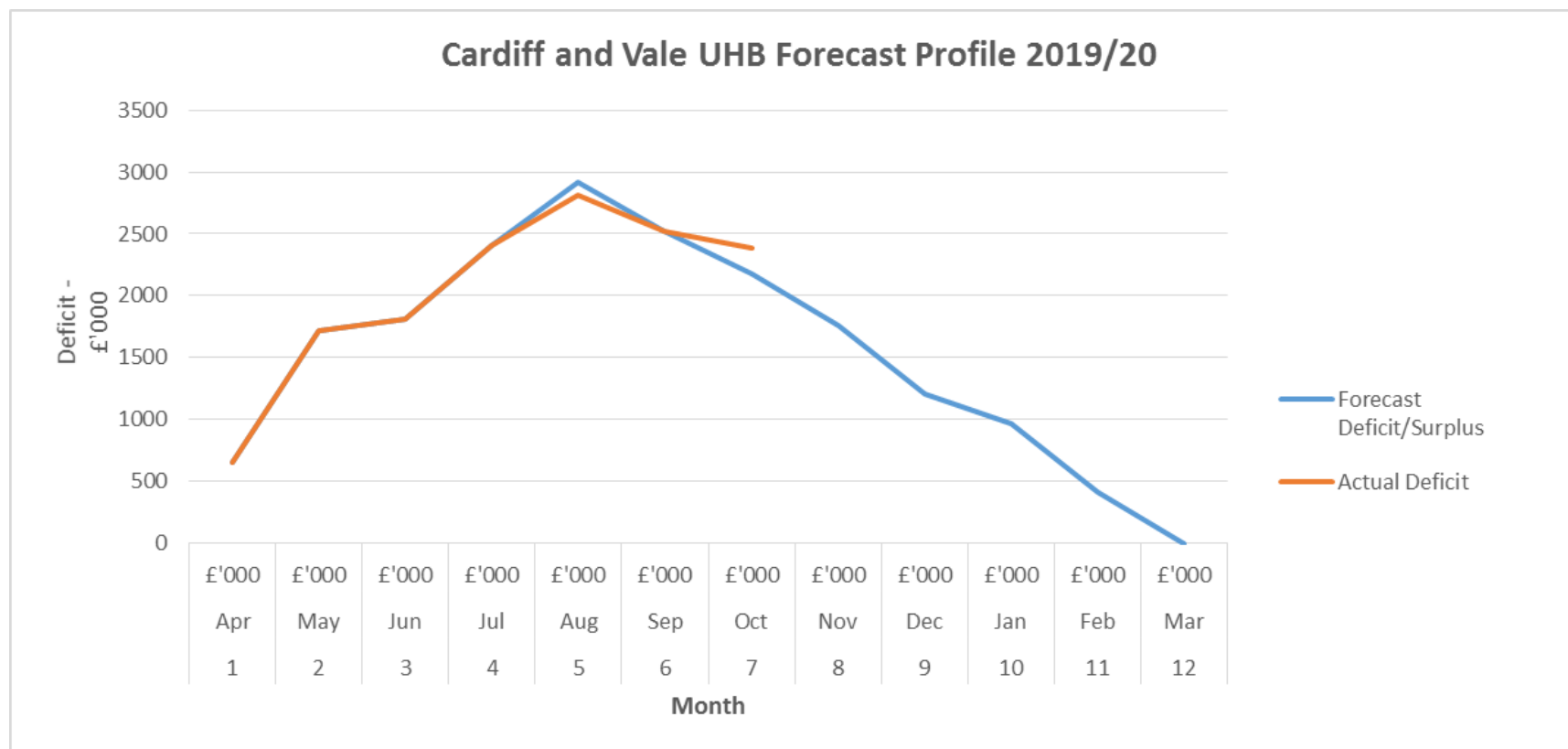
PROGRESS AGAINST CRL AS AT 31st OCTOBER 2019

Approved CRL issued October 23rd 2019 £'000s	42,139
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FINANCIAL PERFORMANCE OF EXECUTIVE DIRECTORATES

Corporate Executive Directorate	M7 Budget Variance £m
Chief Executive Officer	(0.004)
Chief Operating Officer	0.048
Director of Finance	(0.142)
Director of Governance	0.136
Director of Nursing	(0.112)
Director of Planning	0.051
Director of Public Health	0.019
Director of Therapies	(0.034)
Director of Transformation	0.175
Director of Workforce	(0.040)
Medical Director	(0.270)
Total £m	(0.175)



Report Title:	2019-20 Cost Reduction Programme							
Meeting:	Finance Committee					Meeting Date:	27th November 2019	
Status:	For Discussion	x	For Assurance	x	For Approval		For Information	x
Lead Executive:	Executive Director of Finance							
Report Author	Assistant Director of Finance							

SITUATION

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

ASSESSMENT

PROGRESS AGAINST DEVOLVED CRP REQUIREMENT 2019-20

As at 31st October 2019 £16.975m of schemes had been identified as Green or Amber against the devolved 2% savings target of £16.345m. There is a therefore a surplus of £0.630m. Of the £16.975m identified schemes, £15.627m is recurrent 2020/21.

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

PROGRESS AGAINST CORPORATE AND HIGH VALUE OPPORTUNITIES TARGET

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

As at 31st October 2019 £13.505m had been identified as Green or Amber against the £12.800m corporate and high value opportunities target. Of the £13.505m identified schemes, £4.332m is recurrent in 2020/21. The recurrent position is currently being reviewed on a scheme by scheme basis.

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

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

SUMMARY

To date the value of Green and Amber schemes identified totals £30.480m against the UHB savings target of £29.145m. However, £10.521m of savings identified are non-recurrent.

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

AREAS OF CONCERN

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

ASSURANCE is provided by:

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

RECOMMENDATION

The Finance Committee is asked to:

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

Shaping our Future Wellbeing Strategic Objectives

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

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

Five Ways of Working (Sustainable Development Principles) considered

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

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

Savings Tracker Summary

2019-20 In-Year Effect

Clinical Board	19-20 Target	Green	Amber	Total Green & Amber	Pipeline Red	Shortfall/(Surplus) on Total Target vs Green & Amber
	£'000	£'000	£'000	£'000	£'000	£'000
PCIC	3,300	3,442	691	4,133	517	(833)
Surgery	2,300	2,580	0	2,580	375	(280)
Specialist Services	2,019	2,071	136	2,207	0	(188)
Mental Health	1,470	1,428	42	1,470	100	0
CD&T	1,633	995	639	1,633	574	0
Children & Women	1,775	1,525	119	1,644	225	131
Corporate Execs	681	593	17	610	20	71
Medicine	1,877	1,105	572	1,677	196	200
Capital Estates and Facilities	1,290	1,001	20	1,021	267	269
Total	16,345	14,740	2,235	16,975	2,274	(630)
Corporate	12,800	13,005	500	13,505	6,439	(705)
Total	29,145	27,746	2,735	30,480	8,713	(1,335)

Full Year Effect in 2020/21

Clinical Board	Recurrent	Green	Amber	Total Green & Amber	Pipeline Red	Shortfall/(Surplus) on Total Target vs Green & Amber
	£'000	£'000	£'000	£'000	£'000	£'000
PCIC	3,300	3,451	767	4,218	0	(918)
Surgery	2,300	2,198	0	2,198	560	102
Specialist Services	2,019	1,903	136	2,039	0	(20)
Mental Health	1,470	1,102	50	1,152	100	318
CD&T	1,633	799	211	1,010	574	623
Children & Women	1,775	536	336	872	245	903
Corporate Execs	681	646	0	646	0	35
Medicine	1,877	1,233	1,417	2,650	321	(773)
Capital Estates and Facilities	1,290	800	43	843	0	447
Total	16,345	12,668	2,960	15,627	1,800	718
Corporate	12,800	4,332	0	4,332	6,439	8,468
Total	29,145	17,000	2,960	19,959	8,239	9,186

Corporate Schemes

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

Corporate Scheme	19-20 Target	Green	Amber	Total Green & Amber	Pipeline Red	Shortfall/(Surplus) on Total Target vs Green & Amber
	£'000	£'000	£'000	£'000	£'000	£'000
Medicines Management (Lucentis / Avastin)	1,000			-	1,000	1,000
Estates Management (Global Link rent)	200	200		200	0	0
Sale of Iorwerth Jones profit on disposal	400	400		400	0	0
Net rates reduction	450	450		450	0	0
Management Structures - Organising for Success	1,000	401		401	0	599
Non Electice LOS - Bed reduction (3 wards)	1,250	1,063		1,063	0	187
Managed Service Contract - Theatres stock	500		500	500	0	0
Cost Avoidance - WEQAS	1,800	3,050		3,050	0	(1,250)
Review of discretionary expenditure	1,000	1,000		1,000	0	0
Cost Avoidance - Rates	2,000	2,078		2,078	0	(78)
Cost Avoidance - CHC	2,000	1,628		1,628	0	372
Accounting policy change - goods received	1,000	1,600		1,600	0	(600)
Stock Management	200	300		300	0	(100)
Prescribing provision, Cardiac Devices, R&D plus other accruals	0	621		621	0	(621)
FP2 Rebanding provision	0	214		214	0	(214)
Total	12,800	13,005	500	13,505	-	(705)

Full Year Effect

Corporate Scheme	Recurrent Target	Green	Amber	Total Green & Amber	Pipeline Red	Shortfall on Total Target vs Green & Amber
	£'000	£'000	£'000	£'000	£'000	£'000
Medicines Management (Lucentis / Avastin)	2,000			-	1,000	2,000
Estates Management (Global Link rent)	450	450		450	0	0
Net rates reduction	450	450		450	0	0
Management Structures - Organising for Success	2,000	811		811	1,189	1,189
Non Electice LOS - Bed reduction (3 wards)	5,100	1,621		1,621	3,750	3,479
Managed Service Contract - Theatres stock	1,500			-	500	1,500
Review of discetionry expenditure	1,300	1,000		1,000	0	1,300
Total	12,800	4,332	-	4,332	6,439	8,468

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

CRP RAG Rating

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

Report Title:	Finance Risk Register									
Meeting:	Finance Committee						Meeting Date:	27 th November 2019		
Status:	For Discussion	x	For Assurance	x	For Approval		For Information		x	
Lead Executive:	Executive Director of Finance									
Report Author (Title):	Assistant Director of Finance									

SITUATION

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

REPORT

ASSESSMENT

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

2019/20 UHB Financial Risks at 31st October 2019

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

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

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

Fin02/19 – Management of budget pressures. Month 7 overspends reported in Medicine Clinical Board (£3.141m), PCIC (£1.754m), Surgery (£1.397m)

Fin09/19 – Management of nursing position £2.215m overspend at month 7.

The Finance Committee is also asked to note an increase in the assessed risk attached to the forecast 2019/20 Welsh Risk Pool overspend (Fin 13/19) where the UHB's share of the overspend has increased from £1.4m to £2.4m following a revision to the forecast at month 7.

SUMMARY

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

ASSURANCE is provided by:

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

RECOMMENDATION

The Finance Committee is asked to:

- **NOTE** the risks highlighted within the 2019/20 risk register
- **NOTE** the increase in the value of risk associated with the 2019/20 Welsh Risk Pool overspend where the UHB share is now estimated at £2.4m
- **ENDORSE** the removal of highlighted low level risks from the risk register

Shaping our Future Wellbeing Strategic Objectives

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

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

Five Ways of Working (Sustainable Development Principles) considered

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

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

Yes / No / Not Applicable

If "yes" please provide copy of the assessment. This will be linked to the report when published.

					Current Risk Rating					Target Risk Rating if Controls in Place								
Categories	CB/Dir Ref No	Date Entered onto new CB/Dir/UHB Risk Register	Risk/Issue (Including Impact)	Existing Controls	Impact / Consequence	Likelihood	Score	Adequacy Existing Controls	Summary of Additional Controls Required	Impact / Consequence	Likelihood	Score	Date of Last Review	Review Completed By	Date of Next Review	Risk Owner	Exec Lead	Assuring committee
Finance	Fin01/19	Mar-19	The opening underlying deficit in 19/20 is £36.3m. The IMTP planned c/f underlying deficit in 2020/21 is £4m.	Governance reporting and monitoring arrangements through the Finance Committee and Board	5	4	20	Adequate but more Action Required	Progress against the underlying deficit is to be managed by Management Executive.	4	3	12	Oct-19	Assistant Director of Finance	Nov-19	The Board	Director of Finance	Finance Committee
Finance	Fin02/19	Mar-19	Manage Budget pressures	The requirement to manage budget pressures clearly communicated to primary budget holders. Standing Financial Instructions set spending limits. Break even plans have been requested from all Clinical Boards. Progress to be reviewed through Executive Performance Reviews with Clinical Boards. Significant overspends at month 6: Medicine Clinical Board £3.141m PCIC £1.754m Surgery £1.397m	5	4	20	Adequate but more Action Required	Escalation process led by Chief Executive.	4	2	8	Oct-19	Assistant Director of Finance	Nov-19	The Board	Chief Operating Officer	Finance Committee
Finance	Fin03/19	Mar-19	Deliver 2% Recurrent CIP (£16.4m) - £0.630m surplus at month 7.	2% recurrent CIP target clearly communicated to budget holders. CIP tracker in place to monitor weekly progress across the organisation. Project Management Office in place to support the identification of cross cutting CIPs. Executive lead identified for each cross cutting theme. Monthly Financial Clearance Meeting. Executive / Clinical Board Performance Reviews. Shortfalls at month 6: Medicine Clinical Board £0.200m Children & Women £0.131m	3	2	6	Adequate but more Action Required		3	2	6	Oct-19	Assistant Director of Finance	Nov-19	The Board	Director of Finance	Finance Committee
Finance	Fin04/19	Mar-19	Develop and deliver Corporately led financial opportunities of £12.8m to achieve year end break even position - Full CIP plan in place at month 7.	CIP target clearly communicated. CIP tracker in place to monitor weekly progress. Executive lead identified for each Corporate Scheme	2	3	6	Adequate but more Action Required	Progress against Corporate schemes is to be managed by Management Executive.	3	2	6	Oct-19	Assistant Director of Finance	Nov-19	The Board	Director of Finance	Finance Committee
Finance	Fin05/19	Mar-19	Manage internal investments within £4m envelope	When Internal investment plan agreed business cases to be approved through the Business Case Approval Group (BCAG)	3	3	9	Optimum Controls/NFA Required	Internal investments will not be agreed until the UHB has a full savings programme in place.	3	2	6	Oct-19	Assistant Director of Finance	Nov-19	The Board	Director of Finance	Finance Committee
Finance	Fin06/19	Mar-19	Deliver RTT within resources available (Baseline£10.5m 19/20) Additional £6.1m funding agreed with WG	The UHB will continue to work closely with WG to ensure appropriate resources are made available to maintain progress.	4	3	12	Adequate but more Action Required	Monthly meetings with the COO, progress report to be received through performance review meetings and regular dialogue with WG.	3	2	6	Oct-19	Assistant Director of Finance	Nov-19	The Board	Chief Operating Officer	Finance Committee
Finance	Fin07/19	Mar-19	Winter pressures managed within (£3.3m control total 19/20)	Winter plan for 2019/20 being developed in partnership with Local Authorities for sign off by Management Executive	4	3	12	Adequate but more Action Required	Progress report to be received through performance review meetings.	3	2	6	Oct-19	Assistant Director of Finance	Nov-19	The Board	Chief Operating Officer	Finance Committee
Finance	Fin08/19	Mar-19	Commissioning Risks	Regular performance/LTA meetings with other providers/WHSSC and internal commissioning group.	3	3	9	Optimum Controls/NFA Required	None	3	2	6	Oct-19	Assistant Director of Finance	Nov-19	The Board	Director of Finance	Finance Committee
Finance	Fin09/19	Mar-19	Management of Nursing overspend - £2.215m month 7 (£1.8m month 12 2018/19)	Progress to be monitored through Nursing Productivity Group and Executive / Clinical Board Performance Reviews.	4	5	20	Adequate but more Action Required	Escalation process led by Chief Executive	3	4	12	Oct-19	Assistant Director of Finance	Nov-19	The Board	Chief Operating Officer / Director of Nursing	Finance Committee
Finance	Fin10/19	Mar-19	Containment of IT developments	Internal investment plan agreed with business cases to be approved through the Business Case Approval Group (BCAG) / Capital Management Group	3	3	9	Optimum Controls/NFA Required	Internal investments will not be agreed until the UHB has a full savings programme in place. Possibility of digital funding from WG.	2	3	6	Oct-19	Assistant Director of Finance	Nov-19	The Board	Director of Transformation	Finance Committee
Finance	Fin12/19	Jul-19	Research & Development expenditure plan to align with WG Policy. Up to £0.5m.	The UHB will continue to work closely with WG and the R&D Office to ensure appropriate allocation of resources.	3	3	9	Optimum Controls/NFA Required	None	2	2	4	Oct-19	Assistant Director of Finance	Nov-19	The Board	Director of Finance	Finance Committee
Finance	Fin13/19	Aug-19	Welsh Risk Pool - £2.4m	The UHB will continue to work closely with WG .	4	3	12	Optimum Controls/NFA Required	None	2	2	4	Oct-19	Assistant Director of Finance	Nov-19	The Board	Director of Finance	Finance Committee



Guidance Notes to assist completing the risk register
Remember all risks must have undergone a risk assessment, prior to them being added to the Risk Register
UHB Reference No:- This number will be allocated by the Risk Management Department. Once added this will be communicated back to the Divisions.
Divisional / Directorate Reference No:- Each Division / Directorate should have a unique numbering system for the risks that they enter onto the register. It should contain the initials of the Division, a consecutive number and the year e.g. Mental Health = MH, Children's and Women's = CW, Primary, Community & Intermediate & Older Persons = PCIO, Dental = Den, Diagnostics & Therapeutics = DT, Medicine = M, Surgical Services = SS, Specialist Services = SpS. MH 01/10, SPS 01/10 etc. (Note - as this register is in the developmental stage please advise Melanie Westlake if there are alternative initials to be used).
Previous Reference No:- Whilst the UHB is in the process of consolidating and updating registers it will be necessary to include the previous reference number for audit purposes. This will be populated by the Risk Management Department.
Date entered onto original Register:- as above
Risk / Issue (Including Impact):- The Risk or Issue is the event that could cause an incident or hinder the achievement of objectives. A risk is something that may happen. An issue is already occurring. The impact is the effect that the Risk or Issue will have on the UHB.
Link to UHB Core Objectives:- List here, the main Strategic Goal that links to the risk being assessed.
Existing Controls:- Summarise in bullet form the existing controls to prevent the risk / issue occurring or reduce the impact.
Current Risk Rating:- Assess the current impact on the UHB using Tables 1,2 & 3.
Ranking:- This is the ranking of the risk e.g. The highest risk will score 25 and be ranked at 1, those that score 20 will be ranked at 2 etc.
Adequacy of existing controls:- Indicate how well controlled you feel the risk / issue is i.e. No control, Inadequate controls, Adequate but more action required and Optimum / NFA required.
Summary of Additional Controls Required:- Summarise in bullet form the controls that you know should be introduced to reduce the risk together with resources required.
Target Risk Rating if Controls in Place:- What will be the risk be if the actions proposed to further reduce / eliminate the risk are taken.
Date of Last Review:- When was the Risk Assessment / Control measures last reviewed.
Review completed by:- This should be a senior member of staff for high / medium risk on the register e.g. Divisional Manager / Nurse.
Date of Next Review:- This should be determined by the adequacy of controls and risk score e.g. risks scoring 25 with Inadequate control = monthly, risk scoring 12 with adequate controls but more action required = 6 monthly.
Risk Owner:- Who is the lead for taking the actions proposed relating to this risk. This should be Divisional Director, Board Secretary, Assistant Director etc.
Director Lead:- Who is the lead Director for this risk.
Assuring Committee:- This is the Committee that will monitor / manage the risk on behalf of the UHB Board or the UHB itself e.g. Quality & Safety Committee, Performance Committee.

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

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

Likelihood Score (L)

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

Likelihood Score

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

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

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

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

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

THE WELSH GOVERNMENT FINANCIAL COMMENTARY

FINANCIAL POSITION FOR THE PERIOD ENDED 31st OCTOBER 2019

INTRODUCTION

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

At month 7, the UHB is reporting an overspend of £2.385m against this plan which represents an improvement of £0.140m on the position reported at the end of September. The UHB has plans to recover the remaining deficit and deliver a break even position by the year end. This reported position is however some £0.2m higher than the expected profiled position and further management attention will be needed to ensure deliver of this plan.

BACKGROUND

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

A summary of this plan is provided in Table 1.

Table 1: 2019/20 IMTP

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

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

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

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

A full commentary has been provided to cover the tables requested for the month 7 financial position.

The response to the queries raised in the month 6 financial monitoring returns is set out in an attachment to this commentary.

FINANCIAL PLAN (TABLE A)

Table A sets out the financial plan and latest position at month 7. In interpreting Table A the following should be noted:

- Welsh Government funding includes the £10m operational plan allocation that has been made recurrent;
- The UHBs £31.245m savings target has been reduced in year by £5.150m to £26.095m. The reduction reflects the release of £2.1m from the UHBs investment reserve which cannot be applied as sufficient savings had not been made to support it and a reduction of £3.050m to reflect the anticipated operational underspend on WEQAS, which been increased by £0.250m this month.

UNDERLYING POSITION (TABLE A1)

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

The opening position is an underlying deficit of £36.3m and if the plan is successfully delivered this would reduce to £4.0m by the year end. The achievement of this is very much dependent upon delivering the full year impact of 2019/20 savings schemes. The risk involved is now assessed to be circa £6m and further actions required to address this risk are currently being reviewed.

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

RING FENCED ALLOCATIONS (TABLES B, N & O)

The UHB is not expecting to underspend on any of its ring fenced funding for Learning Disabilities, Depreciation, Mental Health Services, Renal Services, Palliative Care, Integrated Care Fund (ICF), Delivery Plan, Paramedic banding, Clinical Desk enhancements, Genomics for Precision Medicine Strategy, GMS and Dental Services.

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

Table B confirms the year to date deficit of £2.385m.

The UHB intends to recover this year to date deficit and deliver a break even position by the year end. The UHB has a plan to achieve this which includes the delivery of remedial actions and the careful management and control of budgets and expenditure. Whilst the UHB's financial position improved again this month, it was circa £0.2m short of the expected profiled position. The delivery of this plan will take concerted management attention and is not without risk of delivery which is assessed to be up to £4m. This assumes full delivery of the savings plan and excludes risks relating to the Welsh Risk Pool.

The forecast trajectory in order to achieve break-even is included in Table B. This shows that the recovery in September and October is expected to continue over the remaining 5 months of the year resulting in a break even position at the end of March. Part of the improvement in month 7 was due to the release of £0.5m accruals.

Income and Expenditure Analysis

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

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

Income/Pay/Non Pay	In Month			Cumulative Year to Date			Full Year		
	Budget	Actual	Variance (Fav)/Adv	Budget	Actual	Variance (Fav)/Adv	Budget	Forecast	Variance (Fav)/Adv
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Income	(115.962)	(115.988)	(0.026)	(830.561)	(832.937)	0.009	(1,467.056)	(1,467.056)	0.000
Pay	54.706	54.645	(0.061)	374.234	372.983	(1.251)	631.457	631.457	0.000
Non Pay	62.009	61.955	(0.053)	456.327	459.955	3.628	835.599	835.599	0.000
Variance to Plan £m	0.753	0.613	(0.140)	0.000	0.000	2.385	0.000	0.000	0.000

The month 7 income variance is detailed in Table 3.

Table 3: Analysis of Income Budgets

Income	In Month			Cumulative Year to Date		
	Budget	Actual	Variance (Fav)/Adv	Budget	Actual	Variance (Fav)/Adv
	£m	£m	£m	£m	£m	£m
Research & Development	(0.779)	(0.780)	(0.000)	(5.820)	(6.049)	(0.229)
Revenue Resource Limit	(75.034)	(75.034)	0.000	(555.080)	(557.465)	0.000
Accommodation & Catering	(0.431)	(0.402)	0.029	(2.630)	(2.495)	0.136
Education & Training	(3.292)	(3.331)	(0.039)	(22.748)	(22.729)	0.019
Injury Cost Recovery Scheme (CRU) Income	(0.044)	(0.265)	(0.221)	(1.263)	(1.484)	(0.221)
NHS Patient Related Income	(27.507)	(27.413)	0.094	(184.585)	(184.689)	(0.104)
Non Revenue Resource Limit	(1.609)	(1.609)	(0.000)	(11.266)	(11.267)	0.000
Other Operating Income	(7.150)	(7.076)	0.074	(46.366)	(45.852)	0.513
Overseas Patient Income	(0.007)	(0.007)	(0.000)	(0.052)	(0.118)	(0.066)
Private Patient Income	(0.107)	(0.069)	0.038	(0.751)	(0.790)	(0.039)
Total £m	(115.962)	(115.988)	(0.026)	(830.561)	(832.937)	0.009

A deficit of £0.009m is reported against income budgets. The main variances to note are:

- £0.094m adverse in month variance on NHS patient related income where there has been a deterioration in month on LTA and English cross border activity. A large part of the LTA underperformance is a result of a downturn in the level of orthopaedic work.
- £0.074m in month adverse variance on other operating income primarily due to continuing underperformance PICU and NICU and a fall in chargeable critical care activity.
- A £0.221m favourable variance on Injury Cost Recovery scheme income as a consequence of an increase in the value of new claims alongside a fall in the value of withdrawn claims.

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

Table 4: Analysis of Pay Budgets

Pay	In Month			Cumulative Year to Date		
	Budget	Actual	Variance (Fav)/Adv	Budget	Actual	Variance (Fav)/Adv
	£m	£m	£m	£m	£m	£m
Additional clinical services	2.062	1.995	(0.067)	14.203	14.038	(0.164)
Management, admin & clerical	6.341	6.374	0.033	44.600	44.502	(0.098)
Medical and Dental	15.006	14.653	(0.354)	94.336	93.798	(0.538)
Nursing (registered)	16.038	16.056	0.018	112.846	112.764	(0.082)
Nursing (unregistered)	4.052	4.508	0.456	29.492	31.790	2.297
Other staff groups	8.071	8.079	0.008	57.008	55.557	(1.450)
Scientific, prof & technical	3.135	2.980	(0.156)	21.749	20.533	(1.215)
Total £m	54.706	54.645	(0.061)	374.234	372.983	(1.251)

Total pay budgets are underspent by £1.251m at the end of October after an in month underspend of £0.061m

The pressure against nursing budgets where the in month overspend has deteriorated from the previous month continues to be of concern. Part of the overspend is a result of the continuing provision of additional capacity particularly on Medical wards.

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

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

Table 5: Analysis of Non Pay Budgets

Non Pay	In Month			Cumulative Year to Date		
	Budget	Actual	Variance (Fav)/Adv	Budget	Actual	Variance (Fav)/Adv
	£m	£m	£m	£m	£m	£m
Clinical services & supplies	9.717	9.805	0.087	61.453	62.353	0.899
Commissioned Services	14.512	14.514	0.002	100.738	101.272	0.535
Continuing healthcare	5.710	6.051	0.341	39.107	40.009	0.902
Drugs / Prescribing	13.732	13.982	0.250	88.190	90.466	2.275
Establishment expenses	0.961	0.962	0.001	6.734	7.084	0.350
General supplies & services	0.869	0.983	0.114	5.168	5.453	0.285
Other non pay	(1.792)	(3.074)	(1.282)	33.774	30.032	(3.742)
Premises & fixed plant	2.665	3.036	0.371	19.783	21.797	2.014
Primary Care Contractors	15.635	15.696	0.061	101.381	101.490	0.110
Total £m	62.009	61.955	(0.053)	456.327	459.955	3.628

Table 5 highlights an overspend of £3.628m against non pay budgets.

The key operational pressure areas are:

- Continuing high levels of CHC growth as a consequence of increasing numbers particularly in respect of palliative care, learning difficulties and high cost mental health placements;
- An overspend against drug budgets primarily in medicine and primary care; the in month overspend primarily related to GP prescribing where category M prices and cost and volume growth are driving additional costs;
- Premises and fixed plant where key cost drivers are: increased spend on estates contractors to cover vacancies in substantive posts during a workforce modernisation programme; energy costs; and the significant cost of security on the vacant sites at Lansdowne and Whitchurch. £0.525m of the overspend on estates contractor costs is offset by staff underspends on vacant posts. Approximately £0.080m of the in month overspend against energy is a result of a non recurrent increase in unit costs prior to a switch in tariffs.
- The in month increase in overspend against clinical services and supplies is a result of an increase in laboratory activity.

- Pressures against Commissioned services relate to the recognition of the UHB's contribution to the WHSCC budget, drug costs at Velindre NHS Trust and additional costs of hospice care.

SAVING PLANS (TABLE C, C1 AND C2)

The UHBs £31.245m savings target has been reduced by £5.150m to reflect the release of £2.1m relating to the UHBs remaining investment reserve and a further £3.050m to reflect an operational underspend on WEQAS. The target is now £26.095m

At month 7 the UHB has a fully identified savings programme to deliver against the £26.095m savings target as summarised in Table 6. The identified schemes include income generation schemes and accounting gains which are excluded from Table C.

Table 6: Progress against the 2019/20 Savings Programme at Month 7

	Total Savings Target £m	Total Savings Identified £m	Total Savings (Unidentified) £m
Total £m	26.095	26.095	0.000

Whilst good progress has been made in the month, further work will continue on the savings programme to convert the key remaining amber schemes to green as soon as possible.

INCOME/EXPENDITURE ASSUMPTIONS (TABLE D)

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

RESOURCE LIMITS 2018/19 (TABLE E)

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

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

RISK MANAGEMENT (TABLE F)

The key financial risk is now the management of operational pressures which has a risk assessed of up to £4m. The scale of this risk will be reviewed during the month and revised based upon month 8 performance. Clinical Boards have identified recovery measures to deliver an improved financial position. In addition the UHB is also carefully managing its corporate risks and opportunities.

There still remains a risk on savings schemes until these have been fully converted to green. There has however been a stepped improvement in the month and based upon an 80% conversion rate these are now assessed at circa £0.5m.

A risk of circa £1.4m is included in relation to the Welsh Risk Pool.

Work on mitigating these risks will continue until the UHB has assurances on the delivery of its financial plan. These will be reviewed on a monthly basis and where appropriate, revised down.

STATEMENT OF FINANCIAL POSITION (TABLE G)

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

The significant decrease in the carrying value of property, plant & equipment in month, reflects the reduction in the Land & Buildings indices issued by WG and applied by the UHB in October.

The carrying value of Inventory held fell by circa £0.3m in month primarily as a result of the use of cardiac stock previously purchased in bulk to obtain a discounted purchase price. There has also been a reduction in the level of pharmacy stocks held in month.

Overall trade debtors have increased by £17.4m since the start of the year. Amounts due from the Welsh Risk Pool in respect of clinical negligence have increased by £9.7m since the start of the year. In addition NHS invoice accruals have increased by £10.6m, largely relating to: money due from Welsh Government in respect of R&D funding; Welsh LHB's performance on UHB commissioned LTA's; and WHSCC in respect additional activity. During October there was a £7.5m reduction in the overall carrying value of debtors. Of this, £5m related to the timing of payments due from Cardiff Council in respect of the pooled CHC Fund.

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

The value of Trade and other payables has reduced by around £20.1m since the start of the year. The decrease reflects: a reduction of £6.1m in capital creditors, where the majority of the significant year-end balance has now been settled; a £3.8m reduction in clinical negligence settlements accrued; a £3.2m reduction in year-end settlements with WHSCC and other LHB's; and a fall of £4.4m in amounts due to Cardiff Council in respect of the timing the CHC Pool payments.

The carrying value of trade creditors fell by £9.6m in October largely reflecting the timing of the UHB's £7.2m quarterly payment into the Pooled CHC fund, a £1.5m increase in deferred income and the timing of £2.5m creditor payments which were committed in September.

At the time of reporting the UHB was not aware of any invoices raised against the UHB by other Welsh NHS bodies that had been outstanding for more than 17 weeks.

The forecast balance sheet reflects the UHB's latest non cash estimates (submitted in November) and its anticipated capital funding.

CASHFLOW FORECAST (TABLE H)

The closing cash balance for the month is in line with plan.

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

The UHB understands the requirement to ensure that capital funding drawn down is broadly in line with the capital payments to the same date and this was broadly achieved in October.

The UHB does not expect to require additional cash support in 2019/20 and will continue to monitor this position with a view to managing payments to suppliers in March if required. In respect of this, whilst the current reported level of anticipated capital payments in February & March would be below the required levels, the UHB is very likely to receive additional capital approvals between now and March which would mean (as in past years) that any capital support requested now would turn out not to be required.

PUBLIC SECTOR PAYMENT COMPLIANCE (TABLE J)

The UHB's cumulative performance to the end of October is 96.8% which is 0.2% higher than the previous month and better than the cumulative rate achieved in 2018/19 (95.6%). During the same period, the UHB paid 81.5% of its NHS invoices by number within 30 days which is 0.3% higher than the previous month and is considerably better than the 70.2% achieved for the same period in 2018/19.

Sustained improvement in the NHS position is predicated upon the implementation of a No PO /No Pay policy by the UHB in this area. In this context appropriate communications have been relayed to partner bodies to advise that the UHB went live with this policy on 1st October 2019. The UHB is running the policy as a pilot in conjunction with the NHS Wales Finance Academy and if as expected it proves successful it will be rolled out to other NHS Wales bodies. The policy only applies to invoices dated on or after 1st October, hence it will take a couple of months before any significant improvements to the reported position are confirmed. However the UHB remains confident that this process change will accrue significant benefits over the remaining months of the year. (Action Point 6.4)

CAPITAL SCHEMES (TABLES J, K, L)

Capital progress for the year to date is satisfactory with net expenditure to the end of October being 46% of the UHB's approved Capital Resource Limit. This is in line with expectation as expenditure linked to the sale of the former Lansdowne Hospital cannot be committed until the sale is finalised.

Planned spends for the year reflect the latest CRL received from Welsh Government dated 23rd October 2019.

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

1. As outlined in the 2018/19 month 12 return, the 2018/19 slippage on the Rookwood Replacement, Rookwood Essential Maintenance and the Black and Grey Theatres Schemes has been re-provided by the UHB from discretionary capital funds in 2019/20.
2. The reported in year under spend on the Neo Natal Scheme repays money that the UHB has spent on the project from its discretionary funds in previous financial years.
3. The UHB is currently incurring expenditure in respect of the business cases for the Well Being Hubs at Maelfa and Penarth, the Hybrid Theatre and the Cystic Fibrosis business case at its own risk. It is assumed that these costs will be recoverable if the cases are approved.

4. The forecast overspend ascribed to the Rookwood Hospital Replacement Scheme repays funding drawn down but not spent in previous years.
5. No significant slippage is anticipated on the allocations currently shown in the CRL. The main risk revolves around the installation cost of the MRI Scanners, where the UHB will look to agree a position with Welsh Government to manage the impact of any slippage.
6. The UHB is expecting its approved allocations to be uplifted once the necessary administrative process is complete in respect of replacement imaging equipment and digital prioritisation funding.

The spend profile shown in Table K reflects the actual spend in the first 7 months of 2019/20 and the forecasts also reflect spend profile information that the UHB has received from its cost advisors with regards to its major projects. All schemes are currently allocated low risk ratings.

The figures shown in Table L reflect the three anticipated properties where disposals have or are expected to complete this year. The sales of Lansdowne and Amy Evans Hospitals have slipped from the dates originally anticipated, but both are still expected to complete in 2019/20. The sale of land at Whitchurch Hospital is also included in Table L, however due to the link to the Velindre Business Case for a new Cancer Hospital the timing of this sale remains uncertain.

AGED WELSH NHS DEBTORS (TABLE M)

There were 6 UHB invoices with other Welsh NHS bodies which were outstanding for more than 17 weeks as at the 31st October 2019. All 6 related to Cwm Taf Morgannwg LHB and all had been resolved as at the date of this submission. Three such invoices were outstanding with Welsh Government and only one of these items remained outstanding at the date of this submission.

OTHER ISSUES

The financial information reported in these monitoring returns aligns to the financial details included within Finance Committee and Board papers. These monitoring returns will be taken to the 27th November 2019 meeting of the Finance Committee for information.

CONCLUSION

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

At month 7 the UHB has a plan to fully deliver the savings target. The UHB's reported overspend at month 7 due to operational pressures is £2.385m which is an improvement of £0.140m in the month. The UHB plans to recover this year to date deficit and deliver a break even position by the year end. Delivery of this plan however is not without risk and it will therefore remain an area of focus for the UHB until this risk is managed.

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MARTIN DRISCOLL
DEPUTY CHIEF EXECUTIVE

13th November 2019

.....
CHRIS LEWIS
DEPUTY DIRECTOR OF
FINANCE

13th November 2019

Table A - Movement of Opening Financial Plan to Forecast Outturn

This Table is currently showing 1 errors

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

Lines 1 - 11 should not be adjusted after Month 1

		In Year Effect	Non Recurring	Recurring	FYE of Recurring
		£'000	£'000	£'000	£'000
1	Underlying Position b/fwd from Previous Year - as per 3 year plan (Surplus - Positive Value / Deficit - Negative Value)	-36,261	0	-36,261	-36,261
2	New Cost Pressures - as per 3 year plan (Negative Value)	-51,594		-51,594	-51,594
3	Opening Cost Pressures	-87,855	0	-87,855	-87,855
4	Identified Savings Plan (Positive Value)	23,270	6,809	16,461	21,645
5	Savings / Mitigating Actions Yet To Be Identified (Positive Value)	3,553	2,553	1,000	4,362
6	Welsh Government Funding (Positive Value)	56,610		56,610	56,610
7	Net Income Generated (Positive Value)	1,289	65	1,224	1,272
8	Planned Accountancy Gains (Positive Value)	1,000	1,000	0	0
9	Release of Uncommitted Contingencies & Reserves (Positive Value)				
10	Profit on Disposal of Asset / Weqas operational underspend	2,134	2,134	0	0
11	Opening Financial Plan	0	12,561	-12,560	-3,966
12	Cost Pressures b/fwd from Previous Year - unidentified within 3 year plan (Negative Value)				
13	Opening Plan Savings - Forecast (Underachievement) / Overachievement	-2,879	-208	-2,671	-3,979
14	Additional In Year Identified Savings - Forecast (Positive Value)	3,070	1,916	1,154	6,004
15	Additional In Year Identified Accountancy Gains (Positive Value)	1,435	1,435	0	0
16	Additional Net Income Generated (Positive Value)	-288	-38	-250	-233
17	Non Identification of Savings / Mitigating Actions Yet To Be Identified in Opening Plan	-3,553	-2,553	-1,000	-4,362
18	Release of Previously Committed Contingencies & Reserves (Positive Value)	2,100		2,100	2,100
19	Additional In Year Welsh Government Funding (Positive Value)	0			
20	Weqas operational underspend	1,250	1,250		
21	Operational Overspend	-2,435	-2,435		
22	Accountancy Gains - (release of provisions)	1,300	1,300		
23		0			
24		0			
25		0			
26		0			
27		0			
28		0			
29		0			
30		0			
31		0			
32		0			
33		0			
34		0			
35		0			
36		0			
37		0			
38	Forecast Outturn (- Deficit / + Surplus)	0	13,228	-13,228	-4,435

[illegible]

Period : Oct 19

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

This Table is currently showing 0 errors

			1	2	3	4	5	6	7	8	9	10	11	12	Total YTD	Full-year forecast	YTD as %age of FY	Assessment		Full In-Year forecast		Full-Year Effect of Recurring Savings	
			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar			YTD variance as %age of YTD	Green	Amber	non recurring	recurring		
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000			£'000	£'000	£'000	£'000	£'000		£'000
1	CHC and Funded Nursing Care	Budget/Plan	46	46	46	46	46	46	70	94	117	141	165	189	345	1,050		1,050	0				
		Actual/F'cast	46	46	46	46	46	46	70	94	117	141	165	189	345	1,050	32.84%	1,050	0	0	1,050	1,050	
		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0	0			
4	Commissioned Services	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0				
		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
7	Medicines Management (Primary & Secondary Care)	Budget/Plan	121	121	127	149	149	149	316	316	316	316	316	415	1,133	2,811		1,547	1,730				
		Actual/F'cast	121	121	127	149	149	149	436	277	277	277	277	326	1,253	2,686	46.67%	1,807	879	199	2,487	4,049	
		Variance	0	0	0	0	0	0	120	(39)	(39)	(39)	(39)	(89)	120	(125)	10.63%	260	(851)				
10	Non Pay	Budget/Plan	381	976	900	1,332	794	878	862	905	905	906	906	1,857	6,123	11,602		11,187	1,358				
		Actual/F'cast	305	963	829	1,356	705	1,241	886	944	955	964	963	1,833	6,285	11,944	52.62%	10,570	1,374	6,006	5,938	6,810	
		Variance	(76)	(13)	(71)	24	(89)	364	24	39	49	59	57	(25)	163	342	2.66%	(617)	16				
13	Pay	Budget/Plan	403	331	370	875	667	671	693	703	705	705	705	772	4,010	7,599		7,447	915				
		Actual/F'cast	380	316	433	647	616	633	686	657	672	745	742	1,045	3,711	7,572	49.00%	7,111	461	2,312	5,260	11,553	
		Variance	(23)	(15)	63	(228)	(51)	(38)	(7)	(45)	(33)	41	37	273	(299)	(26)	(7.46%)	(336)	(454)				
16	Primary Care	Budget/Plan	17	17	17	17	17	17	17	17	17	17	17	17	121	208		208	0				
		Actual/F'cast	17	17	17	17	17	17	17	17	17	17	17	17	121	208	58.33%	208	0	0	208	208	
		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0				
19	Total	Budget/Plan	968	1,492	1,460	2,419	1,673	1,761	1,958	2,035	2,060	2,084	2,109	3,250	11,731	23,270		21,439	4,004				
		Actual/F'cast	869	1,463	1,452	2,216	1,534	2,086	2,096	1,990	2,037	2,144	2,164	3,410	11,716	23,461	49.94%	20,746	2,715	8,518	14,943	23,670	
		Variance	(99)	(28)	(8)	(204)	(139)	325	138	(45)	(23)	60	55	159	(16)	191	(0.13%)	(693)	(1,289)				
22	Variance in month		(10.24%)	(1.91%)	(0.56%)	(8.41%)	(8.33%)	18.48%	7.03%	(2.21%)	(1.12%)	2.88%	2.62%	4.91%	(0.13%)								
23	In month achievement against FY forecast		3.70%	6.24%	6.19%	9.44%	6.54%	8.89%	8.93%	8.48%	8.68%	9.14%	9.22%	14.53%									

Table C1- Savings Schemes Pay Analysis

		Month	1	2	3	4	5	6	7	8	9	10	11	12	Total YTD	Full-year forecast	YTD as %age of FY YTD variance as %age of YTD Budget/Plan	Assessment		Full In-Year forecast		Full-Year Effect of Recurring Savings £'000
			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar				Green	Amber	non recurring	recurring	
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000				£'000	£'000	£'000	£'000	
1	Changes in Staffing Establishment	Budget/Plan	203	138	142	395	395	395	485	495	497	497	497	497	2,152	4,633		4,245	670			
2		Actual/F'cast	183	121	144	168	362	355	359	374	391	475	474	512	1,692	3,919	43.19%	3,502	416	424	3,495	9,074
3		Variance	(20)	(17)	3	(227)	(33)	(40)	(126)	(121)	(106)	(21)	(23)	16	(460)	(715)	(21.38%)	(743)	(254)			
4	Variable Pay	Budget/Plan	61	64	66	317	117	121	130	130	130	130	130	130	875	1,524		1,324	200			
5		Actual/F'cast	61	63	69	296	93	109	115	110	110	110	110	162	806	1,407	57.27%	1,407	0	558	849	930
6		Variance	(0)	(1)	3	(21)	(24)	(12)	(14)	(20)	(20)	(20)	(20)	32	(70)	(117)	(7.96%)	83	(200)			
7	Locum	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
8		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
9		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
10	Agency / Locum paid at a premium	Budget/Plan	10	10	10	10	10	10	10	10	10	10	10	10	69	118		118	0			
11		Actual/F'cast	10	10	10	10	10	10	10	10	10	10	10	10	69	118	58.33%	118	0	18	100	100
12		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0			
13	Changes in Bank Staff	Budget/Plan	4	4	4	4	4	4	4	4	4	4	4	4	25	42		42	0			
14		Actual/F'cast	4	4	3	3	6	4	4	4	5	1	1	1	26	38	68.42%	38	0	26	12	12
15		Variance	0	0	(1)	(1)	2	0	0	0	2	(3)	(3)	(3)	2	(4)	6.12%	(4)	0			
16	Other (Please Specify)	Budget/Plan	126	115	150	150	141	141	65	65	65	65	65	132	888	1,282		1,718	45			
17		Actual/F'cast	123	118	207	170	146	156	198	160	156	149	148	360	1,118	2,091	53.46%	2,046	45	1,286	805	1,438
18		Variance	(3)	3	57	20	5	14	133	95	90	84	82	228	229	809	25.81%	328	0			
19	Total	Budget/Plan	403	331	370	875	667	671	693	703	705	705	705	772	4,010	7,599		7,447	915			
20		Actual/F'cast	380	316	433	647	616	633	686	657	672	745	742	1,045	3,711	7,572	49.00%	7,111	461	2,312	5,260	11,553
21		Variance	(23)	(15)	63	(228)	(51)	(38)	(7)	(45)	(33)	41	37	273	(299)	(26)	(7.46%)	(336)	(454)			

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

		Month	1	2	3	4	5	6	7	8	9	10	11	12	Total YTD	Full-year forecast	YTD as %age of FY YTD variance as %age of YTD Budget/Plan	Assessment		Full In-Year forecast		Full-Year Effect of Recurring Savings £'000
			Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar				Green	Amber	non recurring	recurring	
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000				£'000	£'000	£'000	£'000	
1	Reduced usage of Agency/Locums paid at a premium	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
2		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
3		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
4	Non Medical 'off contract' to 'on contract'	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
5		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
6		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
7	Medical - Impact of Agency pay rate caps	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
8		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
9		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
10	Other (Please Specify)	Budget/Plan	10	10	10	10	10	10	10	10	10	10	10	10	69	118		118	0			
11		Actual/F'cast	10	10	10	10	10	10	10	10	10	10	10	10	69	118	58.33%	118	0	18	100	100
12		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0			
13	Total	Budget/Plan	10	10	10	10	10	10	10	10	10	10	10	10	69	118		118	0			
14		Actual/F'cast	10	10	10	10	10	10	10	10	10	10	10	10	69	118	58.33%	118	0	18	100	100
15		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0			

[illegible]

[illegible]

This Table is currently showing 0 errors

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

		FORECAST YEAR END			
		Worst Case £'000	Likelihood	Best Case £'000	Likelihood
	Current Reported Forecast Outturn	0		0	
	Risks (negative values)				
1	Non delivery of Saving Plans/CIPs	(500)	Low		
2	Continuing Healthcare				
3	Prescribing				
4	Pharmacy Contract				
5	WHSSC Performance				
6	Other Contract Performance				
7	GMS Ring Fenced Allocation Underspend Potential Claw back				
8	Dental Ring Fenced Allocation Underspend Potential Claw back				
9	Operational pressures	(4,000)	Medium		
10	Welsh Risk Pool	(1,400)	Medium		
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
	Opportunities (positive values)				
23					
24					
25					
26					
27					
28					
29					
30	Total Risks /Opportunities	(5,900)		0	
31	Total Amended Forecast	(5,900)		0	