

# Finance Committee

Wed 28 April 2021, 14:00 - 16:00

Via MS Teams



## Agenda

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14:00 - 14:00  
0 min

### 1. Preliminaries

#### 1.1. Welcome & Introductions

*Rhian Thomas*

#### 1.2. Apologies for Absence

*Rhian Thomas*

#### 1.3. Declarations of Interest

*Rhian Thomas*

#### 1.4. Minutes of the Committee Meeting held on 24th March 2021

*Rhian Thomas*

 1.4 UNCONFIRMED MINUTES OF THE FINANCE COMMITTEE MARCH 24 2021.pdf (5 pages)

#### 1.5. Action Log

*Rhian Thomas*

 1.5. Action Log For 28 April 2021 Finance Committee Meeting.pdf (1 pages)

#### 1.6. Chairs Action taken since last meeting

*Rhian Thomas*

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14:00 - 14:00  
0 min

### 2. Items for Review and Assurance

#### 2.1. Financial Performance Month 12

*Christopher Lewis*

 2.1 Finance Position Report for Month 12.pdf (25 pages)

#### 2.2. Deep Dive – Resource Allocations and Funding

*Christopher Lewis*

 2.2 Finance Committee Deep Dive Resource Allocations - 28-04-21.pdf (32 pages)

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14:00 - 14:00  
0 min

### 3. Items for Noting and Information

#### 3.1. Month 12 Financial Monitoring Returns

 3.1a CV Financial Monitoring Returns 2020-21 - Month 12.pdf (9 pages)

Bricknell, Helen  
04/28/2021 15:00:41

14:00 - 14:00  
0 min

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

*Rhian Thomas*

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14:00 - 14:00  
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#### **5. Date and time of next Meeting**

*Wednesday 26th May 2021 at 2.00pm, Virtual Meeting via Teams*

Bricknell Helen  
04/26/2021 15:00:41

**UNCONFIRMED MINUTES OF THE MEETING OF THE FINANCE COMMITTEE  
HELD ON 24<sup>th</sup> MARCH 2021  
VIRTUAL MEETING via TEAMS**

**Present:**

Dr Rhian Thomas	RT	Chair, Independent Member – Capital and Estates
John Union	JU	Independent Member - Finance
Abigail Harris	AH	Executive Director of Strategic Planning
Catherine Phillips	CP	Executive Director of Finance
Chris Lewis	CL	Deputy Director of Finance
Len Richards	LR	Chief Executive
Nicola Foreman	NF	Director of Corporate Governance
Ruth Walker	RW	Executive Nurse Director

**In Attendance:**

**Secretariat:**

Paul Emmerson	PE	Finance Manager
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**Apologies:**

Andrew Gough	AG	Assistant Director of Finance
Charles Janczewski	CJ	Board Chair
Rachel Gidman	RG	Director of Workforce and Organisational Development
Steve Curry	SC	Chief Operating Officer

FC 21/03/007	WELCOME AND INTRODUCTIONS	ACTION
	The Chair welcomed everyone to the meeting.	
FC 21/03/008	APOLOGIES FOR ABSENCE	
	Apologies for absence were noted.	
FC 21/03/009	DECLARATIONS OF INTEREST	
	The Chair invited members to declare any interests in proceedings on the Agenda. None were declared.	

<p><b>FC 21/03/010</b></p>	<p><b>MINUTES OF THE COMMITTEE MEETING HELD ON 27<sup>th</sup> JANUARY 2021</b></p> <p>The minutes of the meeting held on 24<sup>th</sup> February 2021 were reviewed and confirmed to be an accurate record.</p> <p><b>Resolved – that:</b></p> <p>The minutes of the meeting held on 24<sup>th</sup> February 2021 were approved by the Committee as an accurate record.</p>	
<p><b>FC 21/03/011</b></p>	<p><b>ACTION LOG FOLLOWING THE LAST MEETING</b></p> <p>There were no outstanding actions.</p> <p><b>Resolved – that:</b></p> <p>The Finance Committee <b>noted</b> that there were no outstanding actions.</p>	
<p><b>FC 21/03/012</b></p>	<p><b>CHAIRS ACTION SINCE THE LAST MEETING</b></p> <p>There had been no Chairs action taken since the last meeting.</p>	
<p><b>FC 21/03/013</b></p>	<p><b>FINANCIAL PERFORMANCE MONTH 11</b></p> <p>The Deputy Director of Finance summarised the key points within the Month 11 Finance Report. The UHB had reported a year to date underspend of £0.502m. The reported position included net expenditure of £135.826m arising from the management of COVID 19 which was offset by an equal amount of Welsh Government COVID 19 funding.</p> <p>Six of the eight measures on the Finance Dashboard were RAG rated green. Two measures remained RAG rated red namely: the reduction in the underlying deficit to £4m and the delivery of the recurrent £25m 3% devolved savings target. Progress against the 2 measures was still impeded by the COVID pandemic and this had adversely affected the underlying deficit brought forward to the 2021/22 Financial plan.</p> <p>Moving onto performance against income, pay and non pay budgets the Committee was informed that the UHB had reported an in month operational underspend of £0.294m and that trends were broadly in line with the first 10 months of the year.</p> <p>At month 11 the year end forecast of net expenditure due to COVID 19 in 2020/21 was £161.179m and this was offset by confirmed additional COVID 19 funding of £161.179m.</p> <p>The key assumptions informing additional COVID allocations were unchanged in month and the key area of uncertainty was the cost estimate of the additional annual leave accrual which would be based upon the level of untaken annual leave carried forward from 2020/21. In response to a query from the Independent Member – Finance (JU), the Deputy Director of Finance confirmed that work was ongoing to assess the financial accrual required in</p>	

respect of untaken annual leave and that the collection of data to inform the accrual was continuing.

Turning to Clinical Board performance it was highlighted that the operational overspends in the Women & Children and in the Medicine Clinical Boards had both improved in month, although cumulative material overspends were still reported by both Boards.

The Finance Committee Chair (RT) asked if the operational overspend reported by both Clinical Boards was expected to continue in the new financial year and whether the position required further scrutiny by the Finance committee. In response, the Deputy Director of Finance advised that during the pandemic, the focus had been on the overall UHB position. However, when the UHB emerged from the direct impact of the pandemic it was expected that the focus would shift and that Clinical Board performance may require further scrutiny if significant overspends were reported.

The Committee was asked to note that the UHB had received a significant amount of additional capital allocations in later part of the year which in turn required additional operational attention on capital spending plans at the end of year to ensure that the UHB maximised the use of its available capital resource.

In this context the Independent Member – Finance (JU) asked for assurance that the UHB had a robust structure and process in place to manage its capital expenditure as it moved towards year end. The Deputy Director of Finance confirmed that the UHBs Capital Management Group monitored capital spend on a scheme by schemes basis and that agreed virements were actioned to ensure that the capital allocation was utilised. The UHB had also developed a prioritized list of additional capital expenditure that could be actioned if further Welsh Government Capital funding was provided.

There were no significant concerns around the UHBs balance sheet and the UHB remained on track to meet its PSPP and Cash targets.

In conclusion, the Deputy Director of Finance highlighted that at month 11, the key revenue financial risk remained managing the impact of COVID 19 within the additional resources provided.

**Resolved – that:**

The Finance Committee **noted** the month 11 financial impact of COVID 19 which is assessed at £135.826m;

The Finance Committee **noted** the additional Welsh Government funding of £135.826m assumed within the month 11 position;

The Finance Committee **noted** the month 11 reported financial position being a surplus of £0.502m;

The Finance Committee **noted** the breakeven position which assumes additional Welsh Government funding of £161.179m to manage the impact of COVID 19 in line with quarter 3&4 planning assumptions;

	<p>The Finance Committee <b>noted</b> the revised forecast 2020/21 carry forward Underlying Deficit is £25.3m and the risks identified that, if not managed, could increase this.</p>	
<p><b>FC 21/03/014</b></p>	<p><b>FINANCE RISK REGISTER</b></p> <p>The Deputy Director of Finance presented the Finance Risk register.</p> <p>The two remaining extreme risks were noted as being:</p> <p><b>Fin01/20</b> – Reducing underlying deficit from £11.5m to £4.0m in line with IMTP submission.  <b>Fin03/20</b> – Delivery of £29.0m (3.5%) CIP</p> <p>The Finance Committee noted that the COVID-19 financial plan risk (FIN10/20) including Surge capacity was shown in an appendix as a sub-set to the main risk register.</p> <p>The Deputy Director of Finance indicated that all risks had been reviewed in month.</p> <p>The Committee was asked to agree to the removal of the 1 risk below where Optimum controls were in place.</p> <ul style="list-style-type: none"> <li>• FIN06/20 – Nursing Position. Whilst there were pressures against nursing budgets which would continue into 2021/22 the position would not impact on the delivery of the 2020/21 financial plan. Therefore the risk was reported as low and the Committee was requested to approve removal of the risk from the risk register.</li> </ul> <p>The Independent Member – Finance (JU) asked whether the 2021/22 risk Register would be presented at the next Finance Committee and the Finance Committee Chair (RT) asked whether a separate register was still required for the Surge capacity. In response the Deputy Director of Finance indicated that the 2021/22 register was expected to be presented to the next Committee meeting and that it was not expected that the surge capacity would continue to be included as a sub set risk register.</p> <p>Referring to the inclusion of the nursing position on the Risk Register the Chief Executive indicated that budgets were set in accordance with Nursing standards and that controls on additional deployment of nursing input were in place. The Executive Nurse Director added that funding was now allocated in respect of Birth Rate plus and that there had been some success in the recruitment of additional nurses. In this context, it was suggested that the nursing position should be reported by exception in 2021/22 and should necessarily be included on the risk register if the absence of new risks emerging around nursing.</p>	

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	<p><b>Resolved - that:</b></p> <p>The Finance Committee <b>noted</b> the risks highlighted in the 2020/21 risk register.</p> <p>The Finance Committee <b>agreed</b> that risks FIN06/20 could be removed from the risk register.</p> <p>The Finance Committee <b>noted</b> the risks highlighted in the Surge Capacity sub set risk register.</p>	
<p><b>FC 21/03/015</b></p>	<p><b>FINANCE COMMITTEE – ANNUAL REPORT</b></p> <p>A paper summarising how the Finance Committee has met its Terms of Reference during the financial year was introduced by the Director of Corporate Governance.</p> <p>The Finance Committee considered and agreed the report.</p> <p><b>Resolved – that:</b></p> <p>The Finance Committee <b>recommended</b> the report for Board <b>approval</b> subject to an amendment to reflect attendance at the February meeting.</p>	
<p><b>FC 21/03/016</b></p>	<p><b>MONTH 11 FINANCIAL MONITORING RETURNS</b></p> <p>These were noted for information.</p>	
<p><b>FC 21/03/017</b></p>	<p><b>ITEMS TO BRING TO THE ATTENTION OF THE BOARD</b></p> <p>There were no items to bring to the attention of the Board.</p>	
<p><b>FC 21/03/018</b></p>	<p><b>DATE OF THE NEXT MEETING OF THE COMMITTEE</b></p> <p><b>Wednesday 28<sup>th</sup> April 2.00pm; Virtual Meeting via Teams</b></p>	

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04/26/2021 15:00:41

**FINANCE COMMITTEE – PUBLIC MEETING**

**ACTION LOG**

<b>MINUTE</b>	<b>DATE</b>	<b>SUBJECT</b>	<b>AGREED ACTION</b>	<b>ACTIONED TO</b>	<b>STATUS</b>
			No Outstanding Actions		

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04/26/2021 15:00 #1

<b>Report Title:</b>	Finance Report for the Period Ended 31 <sup>st</sup> March 2021				
<b>Meeting:</b>	Finance Committee			<b>Meeting Date:</b>	28 <sup>th</sup> April 2021
<b>Status:</b>	For Discussion	x	For Assurance	x	For Approval
<b>Lead Executive:</b>	Executive Director of Finance				
<b>Report Author (Title):</b>	Deputy Director of Finance				

### Background and current situation:

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

**Table 1: 2020/21 IMTP**

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

The UHB's provisional year end revenue outturn is a surplus of £0.090m which is broadly in line with the break-even position previously forecast. The UHB is also reporting that it stayed within its Capital Resource limit and achieved its creditor payment compliance target. The Finance Committee is asked to note that these are all provisional at this stage as the draft accounts have not yet been finalized and when this is completed it will be subject to External Audit scrutiny. The year-end reported position is however, not expected to materially change.

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04/26/2021 15:00:41

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

**Table 2: Performance against 3 year financial break even duty**

	Actual / Forecast year end position surplus/(deficit) £m	Rolling 3 year break even duty surplus/(deficit) £m	Pass of fail financial duty
2014/15	(21.364)	n/a	n/a
2015/16	0.068	n/a	n/a
2016/17	(29.243)	(50.539)	Fail
2017/18	(26.853)	(56.028)	Fail
2018/19	(9.872)	(65.968)	Fail
2019/20	0.058	(36.667)	Fail
2020/21 Draft	0.090	(9.724)	Fail

The three year break even duty came into effect in 2014/15 and the first measurement of it was in 2016/17. The table above shows the UHB reported a surplus in 2019/20 and is reporting a draft surplus in 2020/21. The tables also outline that the UHB breached its statutory financial duty in 2016/17, 2017/18, 2018/19 & 2019/20 and that the forecast balanced 2020/21 outturn position also results in a breach of financial duty at the end of 2020/21.

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

With the operation imperative being managing the impact of COVID 19, the initial financial focus was on justifying additional expenditure incurred in dealing with the pandemic. Welsh Government set out the resources available to support the COVID 19 response with an expectation that NHS bodies would manage within these resources to deliver their original planned position, which for the UHB was a break even position by year end. **The UHB is reporting a provisional year end surplus of £0.090m against its resource limit which is broadly in line with the break-even position within the original plan.**

**Assessment and Risk Implications**

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

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04/26/2021 15:00:41

**Table 3: Finance Dashboard @ March 2021**

Measure	n	STATUS REPORT				
		March 2021	Rating	Latest Trend	Target	Time Period
Financial balance: remain within revenue resource limits	36	Draft £0.090m surplus at month 12.	G	⦿	2020/21 Break-Even	M12 2020-21
Remain within capital resource limits.	37	Expenditure at the end of March was £95.343m against a plan of £95.447m.	G	⦿	Approved planned expenditure £95.447m	M12 2020-21
Reduction in Underlying deficit	36a	£11.5m assessed underlying deficit (ULD) position b/f to month 1. Year end ULD £25.3m	R	⦿	If 2020/21 plan achieved reduce underlying deficit to £4.0m	M12 2020-21
Delivery of recurrent £25.000m 3% devolved target	36b	£3.682m forecast at month 12. Performance impaired by response to COVID- 19	R	⦿	£25.000m	M12 2020-21
Delivery of £4m non recurrent devolved target	36c	£4.978m at month 12. Performance impaired by response to COVID- 19	G	⦿	£4.000m	M12 2020-21
Creditor payments compliance 30 day Non NHS	37a	Cumulative 96.2% at the end of March	G	⦿	95% of invoices paid within 30 days	M12 2020-21
Remain within Cash Limit	37b	Cash Surplus £3.637m	G	⦿	To remain within Cash Limit	M12 2020-21
Maintain Positive Cash Balance	37c	Cash balance = £3.637m	G	⦿	To Maintain Positive Cash Balance	End of March 2021

**Month 12 Cumulative Financial Position**

The Welsh Government made amendments to the monthly financial monitoring returns to capture and monitor net costs due to COVID 19 that are over and above LHB plans. The provisional financial position reported to Welsh Government for month 12 is a surplus of £0.090m and this is summarised in Table 4.

**Table 4: Month 12 Financial Position 2020/21**

	Month 1 £m	Month 2 £m	Month 3 £m	Month 4 £m	Month 5 £m	Month 6 £m	Month 7 £m	Month 8 £m	Month 9 £m	Month 10 £m	Month 11 £m	Month 12 £m	Total £m
COVID 19 Additional Expenditure	38.438	17.290	5.330	6.565	10.597	7.939	8.561	8.776	12.453	12.114	10.859	40.283	179.205
COVID 19 Non Delivery of Savings Plans	2.118	2.150	2.056	2.094	1.752	(1.704)	1.960	1.946	1.368	2.579	2.001	2.020	20.340
COVID 19 Reductions in Planned Expenditure	(2.522)	(4.241)	(2.921)	(1.626)	(1.885)	(0.965)	(1.230)	(0.299)	(1.234)	(1.418)	(1.428)	(1.054)	(20.823)
COVID 19 Release of Planned Investments	0.000	(0.168)	(0.679)	(0.089)	(0.244)	(0.142)	0.044	(0.142)	(0.031)	(0.098)	(0.098)	(0.955)	(2.602)
Net Expenditure Due To COVID 19	38.034	15.030	3.786	6.944	10.220	5.129	9.335	10.281	12.556	13.177	11.334	40.294	176.120
Operational position (Surplus) / Deficit	0.191	(0.048)	(0.204)	0.244	(0.361)	(0.094)	(0.091)	(0.099)	0.158	0.095	(0.294)	0.412	(0.090)
Welsh Government COVID 19 funding received			(11.016)	(0.306)	(34.950)	(32.871)	(9.335)	(10.281)	(12.556)	(13.177)	(11.334)	(40.294)	(176.120)
Financial Position (Surplus) / Deficit	38.225	14.982	(7.434)	6.882	(25.091)	(27.836)	(0.091)	(0.099)	0.158	0.095	(0.294)	0.412	(0.090)

This shows that the in month net expenditure of £40.294m due to COVID 19 was matched by and equal amount of additional Welsh Government funding to cover the costs arising from the impact of COVID 19.

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04/26/2021 15:00:41

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The COVID 19 related expenditure reported in month 12 included additional pay costs of circa £26.7m in relation to untaken annual leave, carried over training grade doctors study leave and the NHS bonus payment.

The additional COVID 19 expenditure in the 12 months to the end of March was £179.205m. Within this, the costs of the Dragon's Heart Hospital are significant, especially the set up costs which allowed for significant expansion. At month 12 revenue costs of £55.422m relate to the Dragon's Heart Hospital (DHH) and these are detailed in **Appendix 5**.

There was also £123.783m of other COVID 19 related additional expenditure.

COVID 19 also adversely impacted on the UHB savings programme with underachievement of £20.340m against the month 12 target.

Elective and other planned work has been significantly curtailed during this period as part of the UHB response to COVID 19 and this has seen a £20.823m reduction in planned expenditure.

The UHB has also seen slippage of £2.602m on the WHSSC commissioning plan and other investments due to the impact of COVID 19.

The net expenditure due to COVID 19 is £176.120m. This is matched by the additional Welsh Government funding outlined in the table 5 below:

**Table 5: Welsh Government COVID Funding received 2020/21**

<b>Welsh Government COVID Funding</b>	<b>£m</b>
Sustainability Funding	(50.100)
C-19 Pay Costs Q1 (Future Quarters covered by SF)	(11.016)
Field Hospital (Set Up Costs, Decommissioning & Consequential losses)	(53.203)
PPE (including All Wales Equipment via NWSSP)	(7.965)
TTP- Testing & Sampling - Pay & Non Pay	(2.882)
TTP - NHS & LA Tracing - Pay & Non Pay	(6.652)
Vaccination - Extended Flu Programme	(0.570)
Vaccination - COVID-19	(5.507)
Annual Leave Accrual - Increase due to Covid	(8.798)
Staff Bonus Payment	(17.285)
Urgent & Emergency Care	(3.243)
Support for Adult Social Care Providers	(4.141)
Independent Health Sector	(1.036)
Mental Health	(0.805)
Other Primary Care	(1.288)
Other	(1.629)
<b>Total funding received / assumed £m</b>	<b>(176.120)</b>

The UHB also has a small operating underspend of £0.090m leading to a net reported surplus at month 12.

Table 6 analyses the reported position between income, pay and non pay.

**Table 6: Summary Financial Position for the period ended 31<sup>st</sup> March 2021**

Income/Pay/Non Pay	Budget	Actual	Net Expenditure Due To COVID 19	Welsh Government COVID 19 Funding Received	Operational Variance (Fav)/Adv	Total Variance
	£m	£m	£m	£m	£m	£m
<b>In Month</b>						
Income	(196.606)	(195.512)	0.662	0.000	0.432	1.094
Income - Welsh Govt. COVID 19 Funding Received	0.000	(40.294)	0.000	(40.294)	0.000	(40.294)
Pay	89.844	120.404	31.758	0.000	(1.198)	30.560
Non Pay	106.763	115.815	7.874	0.000	1.178	9.051
Variance to Plan £m	(0.000)	0.412	40.294	(40.294)	0.412	0.412
<b>Cumulative</b>						
Income	(1,514.607)	(1,505.081)	9.183	0.000	0.343	9.526
Income - Welsh Govt. COVID 19 Funding Received	0.000	(176.120)	0.000	(176.120)	0.000	(176.120)
Pay	707.284	762.241	67.829	0.000	(12.872)	54.957
Non Pay	807.323	918.870	99.105	0.000	12.440	111.548
Variance to Plan £m	0.000	(0.090)	176.120	(176.120)	(0.090)	(0.090)

## Income

The year to date and in month financial position for income is shown in Table 7:

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04/26/2021 15:00:41

**Table 7: Income Variance @ March 2021**

Income	COVID 19 Additional Expenditure £m	COVID 19 Non Delivery of Planned Savings £m	COVID 19 Reductions In Planned Expenditure £m	Net Expenditure Due to COVID 19 £m	COVID 19 Additional Welsh Govt. Funding £m	Operational Variance (Fav)/Adv £m	Total Variance £m
<b>In Month</b>							
Revenue Resource Limit (RRL)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
RRL Welsh Govt. COVID 19 Funding	0.000	0.000	0.000	0.000	(40.294)	0.000	(40.294)
Welsh Government Income (Non RRL)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Accommodation & Catering	0.076	0.000	0.000	0.076	0.000	(0.000)	0.075
Education & Training	0.000	0.000	0.000	0.000	0.000	(0.780)	(0.780)
Injury Cost Recovery Scheme (CRU) Income	(0.004)	0.000	0.000	(0.004)	0.000	0.043	0.039
NHS Patient Related Income	0.095	0.000	0.000	0.095	0.000	(0.425)	(0.330)
Other Operating Income	0.450	0.005	0.000	0.455	0.000	1.558	2.013
Overseas Patient Income	0.001	0.000	0.000	0.001	0.000	0.086	0.087
Private Patient Income	0.039	0.000	0.000	0.039	0.000	0.013	0.052
Research & Development	0.000	0.000	0.000	0.000	0.000	(0.063)	(0.063)
Variance to Plan £m	0.657	0.005	0.000	0.662	(40.294)	0.432	(39.200)
<b>Cumulative</b>							
Revenue Resource Limit (RRL)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
RRL Welsh Govt. COVID 19 Funding	0.000	0.000	0.000	0.000	(176.120)	0.000	(176.120)
Welsh Government Income (Non RRL)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Accommodation & Catering	1.050	0.000	0.000	1.050	0.000	0.028	1.078
Education & Training	0.034	0.000	0.000	0.034	0.000	(0.610)	(0.576)
Injury Cost Recovery Scheme (CRU) Income	0.281	0.000	0.000	0.281	0.000	(0.089)	0.191
NHS Patient Related Income	1.338	0.000	0.000	1.338	0.000	(1.028)	0.310
Other Operating Income	5.620	0.089	0.000	5.709	0.000	1.985	7.694
Overseas Patient Income	0.011	0.000	0.000	0.011	0.000	0.032	0.043
Private Patient Income	0.722	0.000	0.000	0.722	0.000	0.138	0.861
Research & Development	0.039	0.000	0.000	0.039	0.000	(0.114)	(0.075)
Variance to Plan £m	9.094	0.089	0.000	9.183	(176.120)	0.343	(166.594)

The month 12 income position is a surplus of £166.594m comprising of a net COVID 19 income loss of £9.183m, confirmed additional Welsh Government funding of £176.120m for COVID 19 costs and an operational overspend of £0.343m.

The key COVID 19 costs related to income reductions have continued in month and cumulative income losses are as follows:

- £1.050m shortfall on accommodation and catering income as a result of a reduction in retail and restaurant services.
- A £0.281m adverse variance against the Injury Cost Recovery Scheme following a significant fall in the number and value of new claims between April and July.
- £1.338m adverse variance in NHS Patient related income following the reduction in English non-contracted income due to COVID 19.
- £5.709m deficit against Other Operating Income. The majority of the deficit is a result of the COVID 19 reduction of activity in dental practices leading to a loss of Dental Patient Charges income. There is also a reduction in income because of reduced activity in laboratories and radiopharmacy.

Bricknell, Helen  
04/26/2021 15:00:41

- £0.722m adverse variance against private patient income following the re-planning of non COVID activity.

## Pay

The year to date and in month financial position for pay is shown in Table 8.

**Table 8: Analysis of pay expenditure by staff group @ March 2020**

Pay	COVID 19 Additional Expenditure £m	COVID 19 Non Delivery of Planned Savings £m	COVID 19 Reductions In Planned Expenditure £m	Net Expenditure Due to COVID 19 £m	Operational Variance (Fav)/Adv £m	Total Variance £m
<b>In Month</b>						
Medical and Dental	11.675	0.000	0.000	11.675	0.072	11.747
Nursing (registered)	6.563	(0.004)	(0.234)	6.326	(0.391)	5.934
Nursing (unregistered)	2.125	0.000	0.000	2.125	0.087	2.212
Scientific, prof & technical	1.686	0.000	0.000	1.686	(0.260)	1.427
Additional clinical services	2.779	0.000	0.000	2.779	(0.054)	2.725
Management, admin & clerical	3.672	(0.001)	0.000	3.671	(0.544)	3.127
Other staff groups	3.494	0.003	0.000	3.496	(0.108)	3.388
<b>Total £m</b>	<b>31.994</b>	<b>(0.002)</b>	<b>(0.234)</b>	<b>31.758</b>	<b>(1.198)</b>	<b>30.560</b>
<b>Cumulative</b>						
Medical and Dental	23.607	(0.174)	0.000	23.433	(0.409)	23.024
Nursing (registered)	16.845	0.067	(2.806)	14.106	(4.602)	9.504
Nursing (unregistered)	6.859	0.000	0.000	6.859	1.698	8.557
Scientific, prof & technical	2.055	(0.031)	0.000	2.024	(1.692)	0.332
Additional clinical services	3.785	0.000	0.000	3.785	(1.311)	2.475
Management, admin & clerical	5.839	0.020	0.000	5.860	(3.205)	2.654
Other staff groups	11.728	0.033	0.000	11.761	(3.351)	8.410
<b>Total £m</b>	<b>70.719</b>	<b>(0.084)</b>	<b>(2.806)</b>	<b>67.829</b>	<b>(12.872)</b>	<b>54.957</b>

The pay position at month 12 is a deficit of £54.957m made up of a net COVID 19 expenditure of £67.829m and an operational underspend of £12.872m.

The main change in pay costs from previous months relates to the inclusion of the following COVID related costs in month 12:

- Additional Annual Leave Accrual £6.052m
- Additional Study Leave Accrual -Training Grade Doctors £3.382m
- NHS Bonus Payment £17.285m

In addition to the month 12 costs above, significant COVID 19 pay costs have been incurred for medical and nursing staff in the Medicine Clinical Board where cumulative additional costs of £13.778m are reported and for ancillary staff and in Capital and Estates where reported additional costs are £4.161m for the year. Additional COVID 19 pay costs have also been incurred across all other Clinical Boards. Some of these costs are netted down by nursing staff savings in the Specialist and Surgical Clinical Boards.

Cumulative operational pay underspends are reported by all Clinical Boards except the Medicine Clinical Board where there is an operational overspend of £0.801m primarily as a result of nursing costs.

## Non Pay

The year to date and in month financial position for non pay is shown in Table 9.

**Table 9: Non Pay Variance @ March 2021**

Non Pay	COVID 19 Additional Expenditure £m	COVID 19 Non Delivery of Planned Savings £m	COVID 19 Reductions In Planned Expenditure £m	Net Expenditure Due to COVID 19 £m	Operational Variance (Fav)/Adv £m	Total Variance £m
<b>In Month</b>						
Drugs / Prescribing	0.440	(0.020)	(0.104)	0.316	0.098	0.414
Clinical services & supplies	0.714	0.024	(0.414)	0.324	(0.203)	0.121
General supplies & services	1.076	0.004	0.054	1.134	(0.059)	1.075
Establishment expenses	0.195	0.002	0.000	0.197	1.907	2.104
Premises & fixed plant	1.569	0.053	0.000	1.622	0.802	2.424
Continuing healthcare	0.840	0.000	0.000	0.840	(0.471)	0.369
Commissioned Services	0.148	0.000	(0.285)	(0.137)	(0.132)	(0.269)
Primary Care Contractors	1.263	0.000	(0.258)	1.005	(1.539)	(0.534)
Other non pay	1.418	1.945	(0.791)	2.572	0.776	3.348
<b>Total £m</b>	<b>7.663</b>	<b>2.009</b>	<b>(1.798)</b>	<b>7.874</b>	<b>1.178</b>	<b>9.051</b>
<b>Cumulative</b>						
Drugs / Prescribing	4.598	(0.613)	(2.501)	1.484	3.318	4.802
Clinical services & supplies	6.511	(0.134)	(10.482)	(4.104)	1.443	(2.661)
General supplies & services	11.151	0.052	(0.249)	10.953	1.008	11.962
Establishment expenses	0.852	(0.080)	0.000	0.772	0.764	1.536
Premises & fixed plant	54.113	(0.002)	0.000	54.111	4.644	58.755
Continuing healthcare	4.690	(1.773)	(0.010)	2.907	(0.025)	2.883
Commissioned Services	1.989	(0.010)	(2.901)	(0.923)	(0.070)	(0.993)
Primary Care Contractors	5.493	(0.291)	(3.612)	1.590	(2.375)	(0.784)
Other non pay	10.048	23.179	(0.911)	32.316	3.731	36.047
<b>Total £m</b>	<b>99.445</b>	<b>20.328</b>	<b>(20.666)</b>	<b>99.105</b>	<b>12.440</b>	<b>111.548</b>

The largest deficit is in non pay budgets. The month 12 position is a deficit of £114.548m comprising net COVID 19 expenditure of £99.105m and an operational overspend of £12.440m.

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

- £10.953m overspend on general supplies and services primarily relating to PPE.
- £54.111m overspend on Premises and Fixed Plant including £49.506m in relation to the Dragons Heart Hospital as well as additional spend on beds and mattresses, cleaning, waste management, IT to support distancing and overnight accommodation.
- £32.316m on other non pay primarily due to slippage against savings schemes.

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The COVID 19 related costs have been netted down by £20.666m for reductions in non pay costs mainly arising from reduced levels consumables associated with elective activity, adjustments to dental contracts, reduced non contracted activity (NCA) and slippage on investment programmes.

The main issues driving the £12.440m operational overspend against non pay were as follows:

- £3.318m overspend against drugs and prescribing primarily due to pressures against primary care GP prescribing where pressures slowed down in month.
- £4.644m adverse variance against premises and fixed plant due to additional IT spend, security costs, community equipment and a number of overspends across Clinical Boards. Part of the overspend on premises and fixed plant costs has arisen from the use of estates contractors and these costs are offset by a related underspend of £1.262m against vacant posts in Capital Estates.
- £3.731m adverse variance against other non-pay mainly due to non COVID related savings slippage and small pockets of pressures across Clinical Boards.

### Net Expenditure Due to COVID 19

The UHB has delivered its planned breakeven year end position based upon the resource assumptions set out in NHS Wales Operating Framework 2020/21 for Q3 and Q4. The year end net expenditure position due to COVID-19 is £176.120m. The COVID year-end position is breakeven following receipt/confirmation of £176.120m Welsh Government (WG) funding. This is summarised below in table 10.

**Table 10: Summary of Forecast COVID 19 Net Expenditure**

	Year-End Position £m
COVID 19 Additional Expenditure	179.205
COVID 19 Non Delivery of Savings Plans	20.340
COVID 19 Reductions in Planned Expenditure	(20.823)
COVID 19 Release/Repurposing of Planned Investments/Development Initiatives	(2.602)
<b>Net Expenditure Due To COVID 19</b>	<b>176.120</b>
Welsh Government COVID funding received	(176.120)
<b>Net COVID 19 Forecast Position (Surplus) / Deficit £m</b>	<b>0.000</b>

A graphical representation of the COVID and non COVID operational performance to breakeven in the final 6 months of the Year is provided at **Appendix 7**.

The key financial components of the COVID 19 response are:

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04/26/2021 15:00:41

## **Dragons Heart Hospital**

Within this forecast the Dragon's Heart Hospital costs are now assessed at £57.790m with a further £2.368m capital costs. The revenue cost of £55.422m represents set-up, decommissioning and consequential losses costs of £53.204m and running costs of £2.218m.

## **COVID Surge Capacity / Lakeside Wing**

The UHB developed alternative plans which were approved by Welsh Government to establish a facility for 400 beds surge capacity on the UHW site – Lakeside Wing. The UHB's bed capacity plan maintains some of the initial bed expansion created in the UHB's GOLD capacity plan (wards in Barry and St David's Hospital as well as the conversion of a physiotherapy area at UHW), but some of the beds originally identified as conversion to COVID 19 beds are required as the UHB brings back on line more non-COVID 19 activity.

## **Resuming Non-Covid Activity**

Throughout the pandemic the UHB has maintained core essential services with the prioritisation of need based upon clinical-stratification rather than time-based stratification.

As well as maintaining essential services the UHB has re-introduced more routine services where it is safe to do so.

The UHB has been able to achieve this through:

- Establishment of Protected Elective Surgery Units ('Green zones') in UHW and UHL;
- Use of Independent Hospital capacity;
- A refreshed clinically led Outpatients Transformation Programme, across primary and secondary care.

The reductions in non pay costs due to reduced elective capacity is now assessed and to be £20.823m over the year.

At the beginning of the COVID 19 pandemic, the UHB reached early agreement with a small number of Independent Providers to enable patients with non-complex cancer and other urgent conditions to receive treatment. This allowed the UHB extra capacity to care for COVID 19 patients on its main sites, in particular to enable space for regional services.

Costs of Independent sector activity are included to the end of the 31<sup>st</sup> March totaling £1.252m.

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

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

The TTP service went live on 1st June 2020. The outturn includes TTP costs (separately identified on TTP template) of £9.282m. This includes Local Authority costs of £6.634m and Health Board TTP costs totalling £2.648m.

### **COVID Vaccination Programme**

The year end position includes the cost of a mass COVID vaccination programme totaling £5.034m.

### **Personal Protective Equipment**

At month 12 costs are assessed to be £8.671m.

### **Urgent and Emergency Care Funding**

Funding has been confirmed totalling £3.243m through the Urgent and Emergency Care Fund.

- £1.350m allocated to RPB for discharge to recover and assess pathways
- £0.423m for urgent primary care centres
- £0.978m for CAV247
- £0.492m SDEC/AEC

### **Financial Performance of Clinical Boards**

Budgets were set to ensure that there is sufficient resource available to deliver the UHB's plan. Financial performance for month 12 by Clinical Board is shown in Table 11.

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04/26/2021 15:00:41

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**Table 11: Financial Performance for the period ended 31<sup>st</sup> March 2021**

Clinical Board	COVID 19 Additional Expenditure £m	COVID 19 Non Delivery of Planned Savings £m	COVID 19 Reductions in Planned Expenditure £m	COVID 19 Net Expenditure £m	Welsh Government COVID 19 Funding Received £m	Operational Position (Surplus) / Deficit Variance £m	In Month (Surplus) / Deficit Variance £m
<b>In Month</b>							
All Wales Genomics Service	0.000	0.000	0.000	0.000	0.000	0.034	0.034
Capital Estates & Facilities	0.665	0.178	0.054	0.896	0.000	0.114	1.010
Children & Women	0.231	0.213	0.000	0.443	0.000	(0.111)	0.333
Clinical Diagnostics & Therapies	0.282	0.133	(0.012)	0.403	0.000	0.359	0.762
Surge Hospitals	1.731	0.000	0.000	1.731	0.000	0.068	1.799
Executives	0.264	0.096	0.000	0.360	0.000	0.491	0.851
Medicine	1.489	0.232	(0.030)	1.691	0.000	0.192	1.883
Mental Health	0.144	0.215	0.000	0.359	0.000	(0.108)	0.251
PCIC	5.276	0.419	(0.396)	5.299	0.000	(3.011)	2.288
Specialist	0.541	0.269	(0.101)	0.709	0.000	0.082	0.791
Surgery	0.578	0.258	(0.470)	0.366	0.000	1.088	1.454
<b>SubTotal Delegated Position £m</b>	<b>11.201</b>	<b>2.013</b>	<b>(0.956)</b>	<b>12.257</b>	<b>0.000</b>	<b>(0.803)</b>	<b>11.454</b>
Central Budgets	29.113	0.000	(1.076)	28.037	0.000	1.212	29.249
<b>Total Variance pre COVID -19 Funding</b>	<b>40.314</b>	<b>2.013</b>	<b>(2.032)</b>	<b>40.294</b>	<b>0.000</b>	<b>0.410</b>	<b>40.704</b>
Welsh Government COVID - 19 Funding	0.000	0.000	0.000	0.000	(40.294)	0.000	(40.294)
<b>Total Variance £m</b>	<b>40.314</b>	<b>2.013</b>	<b>(2.032)</b>	<b>40.294</b>	<b>(40.294)</b>	<b>0.410</b>	<b>0.410</b>
<b>Cumulative</b>							
All Wales Genomics Service	0.062	0.000	0.000	0.062	0.000	(0.101)	(0.040)
Capital Estates & Facilities	6.747	1.709	(0.139)	8.316	0.000	(0.001)	8.316
Children & Women	3.629	2.425	0.000	6.054	0.000	1.078	7.132
Clinical Diagnostics & Therapies	3.241	1.750	(0.910)	4.082	0.000	0.034	4.116
Surge Hospitals	56.471	0.000	0.000	56.471	0.000	0.069	56.541
Executives	4.031	1.148	0.000	5.179	0.000	(0.866)	4.312
Medicine	15.772	2.740	(0.313)	18.198	0.000	0.824	19.022
Mental Health	2.348	2.580	0.000	4.928	0.000	0.147	5.075
PCIC	29.059	5.014	(4.104)	29.969	0.000	(2.816)	27.153
Specialist	5.717	3.275	(3.597)	5.395	0.000	(0.543)	4.852
Surgery	6.415	3.307	(10.716)	(0.995)	0.000	0.594	(0.401)
<b>SubTotal Delegated Position £m</b>	<b>133.491</b>	<b>23.948</b>	<b>(19.779)</b>	<b>137.658</b>	<b>0.000</b>	<b>(1.582)</b>	<b>136.076</b>
Central Budgets	45.767	(3.615)	(3.692)	38.460	0.000	1.492	39.955
<b>Total</b>	<b>179.258</b>	<b>20.333</b>	<b>(23.472)</b>	<b>176.117</b>	<b>0.000</b>	<b>(0.090)</b>	<b>176.030</b>
Welsh Government COVID - 19 Funding	0.000	0.000	0.000	0.000	(176.120)	0.000	(176.120)
<b>Total Variance £m</b>	<b>179.258</b>	<b>20.333</b>	<b>(23.472)</b>	<b>176.117</b>	<b>(176.120)</b>	<b>(0.090)</b>	<b>(0.090)</b>

Delegated budgets are £136.076m overspent for the 12 months to the end of March 2021. £137.658m of this overspend relates to additional expenditure generated in response to COVID 19 which is offset by a £1.582m operational surplus. The cumulative operational surplus of £1.582m against delegated budgets offsets a £1.492m overspend against central budgets leaving a total operational underspend of £0.090m at year end.

Additional COVID 19 Expenditure of £28.037m, primarily relating to the accruals for the NHS COVID bonus payment, the additional annual leave and training grade doctors study leave, was reported centrally in month 12.

Whilst the overall operational position is broadly balanced there are pressures in some areas. The largest operational overspends are in the Women & Children (£1.078m deficit) where there are pressures against medical and nursing staff and non pay and in the Medicine Clinical Board

(£0.824m deficit) where the main pressure is against nursing. The in month operational surplus reported by PCIC reflects favourable in month movements against premises, CHC, Primary Care contractors and other non pay costs. The in month operational overspend against central budgets resulted from a revision of year end provisions.

## Savings Programme

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

At month 12 the UHB had identified green and amber savings schemes totalling £8.660m to deliver against the £29.000m savings target as summarised in Table 12.

**Table 12: Progress against the 2020/21 Savings Programme at Month 12**

	Total Savings Target £m	Total Savings Identified £m	Total Savings (Unidentified) £m
Total £m	29.000	8.660	(20.340)

A number of the UHB's high impact schemes were based on reducing bed capacity, improving flow coupled with workforce efficiencies and modernisation. It is not anticipated that significant progress will be made to recover the shortfall against these schemes until the impact of pandemic passes. However, the UHB continues to identify and maximise all potential savings opportunities available. Schemes that are continuing to develop and progress include procurement and medicines management.

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

## Underlying Financial Position

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

Successful delivery of the 2020/21 plan would have reduced the underlying deficit to £4m by the year end. The achievement of this was dependent upon delivering £25.0m recurrent savings. The latest assessment is that this will be circa £21.3m less than planned and this will increase the underlying deficit to £25.3m as shown in Table 13.

Bricknell, Helen  
04/26/2021 15:00:41

**Table 13: Summary of Underlying Financial Position**

	Submitted IMTP £m	Draft Position @Month 12	
		Non Recurrent £m	Recurrent Position £m
<b>b/f underlying deficit</b>	<b>(11.5)</b>	<b>0.000</b>	<b>(11.500)</b>
Net Allocation Uplift (inc LTA inflation)	36.1		36.1
Cost Pressures	(50.6)		(50.6)
Investments	(3.0)		(3.0)
Recurrent Cost Improvement Plans	25.0		25.0
Non Recurrent Cost Improvement Plans	4.0	4.0	
Submitted 2020/21 IMTP £m	(0.0)	4.0	(4.0)
<b><u>In Year Movements</u></b>			
Non Delivery of Planned Savings (due to COVID- 19)	(20.3)	1.0	(21.3)
Revenue cost DHH	(55.4)	(55.4)	
Operational Expenditure Cost Increase Due To Covid-19	(123.8)	(123.8)	
Planned Operational Expenditure Cost Reduction Due To Covid-19	20.8	20.8	
Slippage on Planned Investments Due To Covid-19	2.6	2.6	
COVID 19 Welsh Govt. Funding based on Q3/Q4 planning assumptions	176.1	176.1	
Operational Surplus	(0.1)	(0.1)	
<b>Draft Surplus 2020/21</b>	<b>(0.1)</b>	<b>25.2</b>	<b>(25.3)</b>
<b>Planned Surplus/(Deficit) 2020/21</b>	<b>(0.090)</b>	<b>25.210</b>	<b>(25.300)</b>

## Balance Sheet

The balance sheet at month 12 is detailed in **Appendix 2**.

The opening balances at the beginning of April 2020 reflect the closing balances in the 2019/20 Annual Accounts approved by the UHB's Board

The increase in carrying value of property, plant & equipment reflects the level of capital investment during 2020/21 in particular in relation to COVID 19 schemes.

The overall increase in trade and other debtors since the start of the year, largely relates to amounts due from the Welsh Risk Pool.

The increase in overall trade and other creditors in part relates to a large increase in non NHS accruals where the level of capital creditors has increased following the completion of £21m of capital expenditure in March.

## Cash Flow Forecast

The closing cash balance at the end of March was £3.637m. The UHB maintained a positive cash balance during 2020/21 as shown at **Appendix 3**.

## Public Sector Payment Compliance

The UHB's public sector payment compliance performance was 96.2% at the end of March and therefore the UHB achieved its statutory target in 2020/21.

## Capital Resource Limit (CRL)

Progress against the CRL for the period to the end of March 2021 is summarised in Table 14 and detailed in **Appendix 4**.

**Table 14: Progress against Capital Resource Limit @ March 2021**

	£m
Planned Capital Expenditure at month 11	95.447
Actual net expenditure against CRL at month	95.343
Variance against planned Capital Expenditure at month	0.104

The UHB successfully remained within its Capital Resource Limit (CRL) in 2020/21. Net capital expenditure was £0.104m (0.1%) below the approved CRL of £95.447m

## Key Risks

The UHB's provisional year end position is a £0.090m surplus on the revenue and a £0.104m surplus on capital which is subject to External Audit scrutiny and review. At this point in time the UHB does not expect any risks to materially affect the reported year end position.

## Conclusion

The reported position is very satisfactory conclusion to the financial year, with the UHB having remained within its revenue and capital resource limits in year and achieving its creditor payment compliance target.

## Recommendation:

The Finance Committee is asked to:

- **NOTE** the provisional draft year end revenue surplus of £0.090m against the planned breakeven position;
- **NOTE** that the year end capital position is a underspend of £0.104m against a CRL of £95.447m;
- **NOTE** that the UHB achieved its creditor payment compliance target of 95%.
- **NOTE** the month 12 financial impact of COVID 19 which is assessed at £176.120m;
- **NOTE** the additional Welsh Government COVID 19 confirmed funding of £176.120m which is included within the month 12 position:
- **NOTE** the revised forecast 2020/21 carry forward Underlying Deficit of £25.3m.

Bricknell Helen  
04/26/2021 15:00:41

### Shaping our Future Wellbeing Strategic Objectives

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

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

### Five Ways of Working (Sustainable Development Principles) considered

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

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

Bricknell, Helen  
04/26/2021 15:00:41



## 2020/21 SAVING SCHEMES

## 2020-21 In-Year Effect

Clinical Board	20-21 Target 3.5%	Green	Amber	Total Green & Amber	Red	Shortfall on Total Target vs Green & Amber
	£'000	£'000	£'000	£'000	£'000	£'000
PCIC Clinical Board	5,855	839	0	839	10	5,017
Surgery	4,081	774	0	774	0	3,307
Specialist Services	3,582	307	0	307	0	3,275
Mental Health	2,608	28	0	28	0	2,580
CD&T	2,897	1,146	2	1,149	0	1,748
Children & Women	3,149	716	8	724	0	2,425
Medicine	3,330	585	0	585	0	2,745
Capital Estates and Facilities	2,289	440,196	139	579	1,622	1,710
Corporate Executives	1,209	61	0	61	102	1,148
<b>SubTotal Clinical Boards</b>	<b>29,000</b>	<b>4,896</b>	<b>150</b>	<b>5,046</b>	<b>1,734</b>	<b>23,954</b>
<b>Health Board Wide Schemes</b>		3,614	0	3,614	13,900	<b>(3,614)</b>
<b>Total</b>	<b>29,000</b>	<b>8,510</b>	<b>150</b>	<b>8,660</b>	<b>15,634</b>	<b>20,340</b>

## 2020-21 Full Year Effect

Clinical Board	20-21 Target 3.5%	Green	Amber	Total Green & Amber	Red	Shortfall on Total Target vs Green & Amber
	£'000	£'000	£'000	£'000	£'000	£'000
PCIC Clinical Board	5,047	845	0	845	10	4,203
Surgery	3,518	587	62	650	0	2,869
Specialist Services	3,088	105	0	105	0	2,983
Mental Health	2,248	21	0	21	0	2,227
CD&T	2,497	1,075	6	1,081	0	1,417
Children & Women	2,715	498	20	518	0	2,196
Medicine	2,871	241	0	241	0	2,630
Capital Estates and Facilities	1,973	47	145	192	23	1,781
Corporate Executives	1,042	30	0	30	0	1,012
<b>SubTotal Clinical Boards</b>	<b>25,000</b>	<b>3,448</b>	<b>234</b>	<b>3,682</b>	<b>33</b>	<b>21,318</b>
<b>Health Board Wide Schemes:</b>					13,900	
<b>Total</b>	<b>25,000</b>	<b>3,448</b>	<b>234</b>	<b>3,682</b>	<b>13,933</b>	<b>21,318</b>

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WALES**

Bwrdd Iechyd Prifysg  
Caerdydd a'r Fro  
Cardiff and Vale  
University Health Bo

## Appendix 2

### Balance Sheet as at 31<sup>st</sup> March 2021

	Opening Balance 1 <sup>st</sup> April 2020	Closing Balance 31 <sup>st</sup> March 2021
<b>Non-Current Assets</b>	<b>£'000</b>	<b>£'000</b>
Property, plant and equipment	687,650	742,339
Intangible assets	2,133	2,253
Trade and other receivables	17,779	7,630
Other financial assets		
<b>Non-Current Assets sub total</b>	<b>707,562</b>	<b>752,222</b>
<b>Current Assets</b>		
Inventories	16,784	16,684
Trade and other receivables	161,605	189,532
Other financial assets	0	
Cash and cash equivalents	1,410	3,637
Non-current assets classified as held for sale		
<b>Current Assets sub total</b>	<b>179,799</b>	<b>209,853</b>
<b>TOTAL ASSETS</b>	<b>887,361</b>	<b>962,075</b>
<b>Current Liabilities</b>		
Trade and other payables	182,792	219,883
Other financial liabilities	0	
Provisions	113,580	139,790
<b>Current Liabilities sub total</b>	<b>296,372</b>	<b>359,673</b>
<b>NET ASSETS LESS CURRENT LIABILITIES</b>	<b>590,989</b>	<b>602,402</b>
<b>Non-Current Liabilities</b>		
Trade and other payables	8,489	7,841
Other financial liabilities	0	
Provisions	19,327	4,398
<b>Non-Current Liabilities sub total £'000s</b>	<b>27,816</b>	<b>12,239</b>
<b>TOTAL ASSETS EMPLOYED £'000s</b>	<b>563,173</b>	<b>590,163</b>
<b>FINANCED BY:</b>		
<b>Taxpayers' Equity</b>		
General Fund	450,666	476,963
Revaluation Reserve	112,507	113,200
<b>Total Taxpayers' Equity £'000s</b>	<b>563,173</b>	<b>590,163</b>

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Cardiff and Vale  
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APPENDIX 3

**CASHFLOW FORECAST AT THE END OF MARCH 2021**

	April £'000	May £'000	June £'000	July £'000	Aug £'000	Sept £'000	Oct £'000	Nov £'000	Dec £'000	Jan £'000	Feb £'000	Mar £,000	Total £,000
<b>RECEIPTS</b>													
WG Revenue Funding - Cash Limit (excluding NCL)	134,620	99,200	101,500	83,800	77,520	92,495	97,405	65,890	108,805	82,130	92,705	66,057	1,102,127
WG Revenue Funding - Non Cash Limited (NCL)	1,600	1,500	1,435	1,510	660	1,265	1,330	1,060	760	1,220	860	941	14,141
WG Revenue Funding - Other (e.g. invoices)	1,308	1,271	2,919	1,339	1,596	1,381	3,001	1,501	2,687	344	4,435	4,722	26,505
WG Capital Funding - Cash Limit	13,100	4,000	4,000	4,000	6,000	2,500	3,000	21,600	9,000	6,500	5,500	21,575	100,775
Sale of Assets	0	0	0	0	0	0	0	0	0	0	24	6,982	7,006
Income from other Welsh NHS Organisations	54,611	45,256	47,524	56,980	33,653	47,691	56,508	36,358	54,977	37,469	36,908	67,680	575,614
Other - (Specify in narrative)	11,911	3,736	4,851	11,409	5,068	6,656	13,888	4,920	3,357	8,130	12,251	5,033	91,211
<b>TOTAL RECEIPTS</b>	<b>217,150</b>	<b>154,963</b>	<b>162,229</b>	<b>159,039</b>	<b>124,498</b>	<b>151,988</b>	<b>175,131</b>	<b>131,329</b>	<b>179,586</b>	<b>135,793</b>	<b>152,683</b>	<b>172,990</b>	<b>1,917,378</b>
<b>PAYMENTS</b>													
Primary Care Services : General Medical Services	5,816	4,468	8,805	4,351	4,377	6,887	4,890	4,546	9,542	4,585	4,902	7,883	71,051
Primary Care Services : Pharmacy Services	219	189	115	87	65	81	90	81	322	650	397	197	2,494
Primary Care Services : Prescribed Drugs & Appliances	13,902	8,639	7,986	14,801	3	7,661	14,557	3	14,829	1,342	8,647	8,378	100,748
Primary Care Services : General Dental Services	1,902	1,959	2,011	2,001	2,282	2,186	2,350	2,115	1,852	2,051	1,999	2,002	24,710
Non Cash Limited Payments	1,928	2,235	2,014	1,701	1,831	1,904	1,558	1,829	1,801	1,659	1,729	1,945	22,133
Salaries and Wages	53,294	55,612	56,237	56,072	54,957	53,575	55,466	56,380	55,004	55,967	56,934	57,585	667,084
Non Pay Expenditure	103,118	63,632	60,123	55,255	53,816	55,082	59,734	53,059	59,437	56,789	52,488	79,025	751,557
Capital Payment	9,740	6,975	6,191	2,331	2,513	3,984	10,078	16,451	11,779	3,995	3,954	26,786	104,777
Other items (Specify in narrative)	21,838	15,111	17,641	22,372	4,669	15,749	22,443	5,055	26,220	7,093	5,294	7,115	170,599
<b>TOTAL PAYMENTS</b>	<b>211,756</b>	<b>158,821</b>	<b>161,123</b>	<b>158,969</b>	<b>124,513</b>	<b>147,110</b>	<b>171,165</b>	<b>139,518</b>	<b>180,787</b>	<b>134,131</b>	<b>136,343</b>	<b>190,916</b>	<b>1,915,151</b>
<b>Net cash inflow/outflow</b>	5,394	(3,858)	1,106	70	(15)	4,878	3,966	(8,189)	(1,201)	1,662	16,340	(17,926)	
<b>Balance b/f</b>	1,410	6,804	2,946	4,052	4,122	4,107	8,985	12,951	4,762	3,561	5,223	21,563	
<b>Balance c/f</b>	6,804	2,946	4,052	4,122	4,107	8,985	12,951	4,762	3,561	5,223	21,563	3,637	

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04/26/2021 15:00:41

PROGRESS AGAINST CRL AS AT 31<sup>st</sup> MARCH 2021

Approved CRL issued April 20 <sup>th</sup> 2021 £'000s		95,447				
Performance against CRL	Year To Date			Forecast		
	Plan £'000	Actual £'000	Var. £'000	Plan £'000	F'cast £'000	Var. £'000
<b>All Wales Capital Programme:</b>						
Reprovision of Rookwood Hospital	3,512	4,560	1,048	3,512	4,560	1,048
MRI Scanner 19/20 Slippage	250	250	0	250	250	0
Cystic Fibrosis Service	3,734	2,862	(872)	3,734	2,862	(872)
Well Being Hub - Maelfa	245	258	13	245	258	13
Well Being Hub - Penarth	224	113	(111)	224	113	(111)
CT Scanner- Emergency Unit	660	719	59	660	719	59
ICF-CRI Chapel	2,633	2,070	(563)	2,633	2,070	(563)
Major Trauma Centre	605	360	(245)	605	360	(245)
CRI Links	4,805	5,184	379	4,805	5,184	379
Eye Care - e-referral system	774	546	(228)	774	546	(228)
NDR Transfer from NWIS	186	183	(3)	186	183	(3)
Maelfa - Primary Care Pipeline – FBC	579	637	58	579	637	58
Y/E Funding – January 2021	4,330	4,333	3	4,330	4,333	3
SARCS OBC	288	310	22	288	310	22
Refit 2020	2,003	2,044	41	2,003	2,044	41
Digital Eyecare Equipment	144	57	(87)	144	57	(87)
Devices for Community Nursing Groups	135	135	0	135	135	0
Imaging Upgrades	222	222	0	222	222	0
DPIF - LINC - ETR	118	114	(4)	118	114	(4)
Medical equipment and IT requirements 2020-21	1,003	1,007	4	1,003	1,007	4
Medical equipment	1,287	1,288	1	1,287	1,288	1
Covid 19 - Pharmacy equipment	28	30	2	28	30	2
Covid 19 -Mobile CT Scanner	600	598	(2)	600	598	(2)
Covid 19-digital/inpatient/critical care beds	1,071	1,071	0	1,071	1,071	0
Covid 19- slippage from 19/20 (monitors & mobile x ray)	742	743	1	742	743	1
Covid 19 oxygen infrastructure works at uhw	350	378	28	350	378	28
Covid 19-HCID Development uhw	6,250	6,250	0	6,250	6,250	0
Covid 19-digital devices	589	683	94	589	683	94
COVID 19 - Works to St David's Hospital	136	135	(1)	136	135	(1)
COVID 19 - Works to Barry Hospital	239	240	1	239	240	1
COVID – 19 Funding requirements for 2020-21 (Tranche 1,2,4,5)	7,038	6,949	(89)	7,038	6,949	(89)
COVID 19 - Additional surge capacity at UHW	33,230	33,230	0	33,230	33,230	0
COVID 19 - Green Zones	2,515	2,785	270	2,515	2,785	270
COVID 19 - Hot labs and 19/20 ventilators NWSSP	391	392	1	391	392	1
Purchase of land from Velindre Trust	7,005	7,005	0	7,005	7,005	0
<b>Sub Total</b>	<b>87,921</b>	<b>87,741</b>	<b>(180)</b>	<b>87,921</b>	<b>87,741</b>	<b>(180)</b>
<b>Discretionary:</b>						
I.T.	1,250	1,122	(128)	1,250	1,122	(128)
Equipment	2,467	4,266	1,799	2,467	4,266	1,799
Statutory Compliance	2,800	2,254	(546)	2,800	2,254	(546)
Estates	8,024	7,264	(760)	8,024	7,264	(760)
<b>Sub Total</b>	<b>14,541</b>	<b>14,906</b>	<b>365</b>	<b>14,541</b>	<b>14,906</b>	<b>365</b>
<b>Other schemes:</b>						
DH Assets	536	536	0	536	536	0
<b>Sub Total</b>	<b>536</b>	<b>536</b>	<b>0</b>	<b>536</b>	<b>536</b>	<b>0</b>
<b>Capital grants:</b>						
DH Assets	536	536	0	536	536	0
<b>Sub Total</b>	<b>536</b>	<b>536</b>	<b>0</b>	<b>536</b>	<b>536</b>	<b>0</b>
<b>Donations:</b>						
Charitable Funds Equipment	9	298	289	9	298	289
<b>Sub Total</b>	<b>9</b>	<b>298</b>	<b>289</b>	<b>9</b>	<b>298</b>	<b>289</b>
<b>Asset Disposals:</b>						
Whitchurch road	6,874	6,874	0	6,874	6,874	0
Equipment disposals - various	103	103	0	103	103	0
CRC Disposals	29	29	0	29	29	0
<b>Sub Total</b>	<b>7,006</b>	<b>7,006</b>	<b>0</b>	<b>7,006</b>	<b>7,006</b>	<b>0</b>
<b>CHARGE AGAINST CRL</b>	<b>95,447</b>	<b>95,343</b>	<b>(104)</b>	<b>95,447</b>	<b>95,343</b>	<b>(104)</b>
<b>PERFORMANCE AGAINST CRL (Under)/Over £'000s</b>			<b>(104)</b>		<b>(104)</b>	

**DRAGONS HEART HOSPITAL (DHH) - FIELD HOSPITAL COST ESTIMATE MONTH 12**

<b>Organisation:</b>	Cardiff & Vale UHB	Cardiff & Vale UHB
<b>Proposed site:</b>	Total	Dragons Heart Hospital

	2020/21	2021/22	2020/21	2021/22
	£000	£000	£000	£000
<b>Estimated Costs</b>	£	£	£	£
Set up costs - capital	2368	0	2368	0
Set up costs - revenue	45026	0	45026	0
Running costs - pay	401	0	401	0
Running costs - non pay	9995	0	9995	0
<b>Total estimated costs</b>	<b>57790</b>	<b>0</b>	<b>57790</b>	<b>0</b>

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

Bed Numbers	2020/21													Total
	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21		
Beds Available	1,500	1,500	1,500	1,500	400	400	400	-	-	-	-	-	-	
Beds In use (Planned)	10	40	10	-	-	-	-	-	-	-	-	-	-	
<b>Total Beds</b>	<b>1,510</b>	<b>1,540</b>	<b>1,510</b>	<b>1,500</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

Set up costs - capital	2020/21													Total	Sunk Costs £000	Variable £000
	Apr-20 £000	May-20 £000	Jun-20 £000	Jul-20 £000	Aug-20 £000	Sep-20 £000	Oct-20 £000	Nov-20 £000	Dec-20 £000	Jan-21 £000	Feb-21 £000	Mar-21 £000				
IT costs (capital)	886	259	-	(146)	-	(10)	-	(23)	-	-	-	-	-	966	966	-
Oxygen costs (Infrastructure only)																
<i>Fit out costs (specify below) eg. Beds, infrastructure</i>																
<i>Medical equipment costs - deemed as capital (specify below)</i>																
Multiple equipment categories including beds and furniture	1,677	-	-	(42)	-	62	-	35	-	(330)	-	-	-	1,402	1,402	-
<i>Fees (specify below) eg. Health Board, External contractors</i>																
<i>Other (specify below)</i>																
<b>Total set up costs - capital</b>	<b>2,563</b>	<b>259</b>	<b>-</b>	<b>(188)</b>	<b>-</b>	<b>52</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>(330)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,368</b>	<b>2,368</b>	<b>-</b>

Set up costs - revenue match with line 61 of Tab B3 of the (MMR).	2020/21													Total	Sunk Costs £000	Variable £000
	Apr-20 £000	May-20 £000	Jun-20 £000	Jul-20 £000	Aug-20 £000	Sep-20 £000	Oct-20 £000	Nov-20 £000	Dec-20 £000	Jan-21 £000	Feb-21 £000	Mar-21 £000				
Commissioning costs	24,000	8,098	(4,144)	(85)	3,110	(766)	1,922	900	179	(167)	-	(132)	32,915	32,915	-	
Other professional fees	10	10	10	5	56	(25)	45	45	-	(84)	-	(27)	45	45	-	
Legal fees	50	(36)	7	28	25	25	25	13	-	(47)	-	14	104	104	-	
Insurance													-	-	-	
Project management costs	905	256	180	110	(2)	99	16	95	13	16	29	47	1,764	1,764	-	
IT costs (revenue)	780	(458)	-	145	-	-	-	35	-	-	-	-	502	502	-	
<i>Fit out costs (specify below) eg. Beds, infrastructure - not deemed capital</i>																
WRU Stadium Facility Costs - Set Up and Maintenance	750	489	169	498	414	379	402	385	397	385	-	(904)	3,364	3,364	-	
Cardiff Blues Cardiff Arms Park Facility Costs - Set Up and Maintenance	150	69	43	52	5	153	(138)	28	(33)	6	(1)	-	334	334	-	
Mitie Set Up Costs	1,022												1,022	1,022	-	
Military Assistance Set Up Costs						2							2	2	-	
<i>Medical equipment costs - not deemed capital (specify below)</i>																
All other non IT UHB purchased equipment including beds, medical, furniture	4,757	305	(67)	38	-	20	-	(87)	-	8	-	-	4,974	4,974	-	
<i>Other</i>																
<i>Equipment costs - (specify below)</i>																
<b>Total set up costs - revenue</b>	<b>32,424</b>	<b>8,733</b>	<b>(3,802)</b>	<b>791</b>	<b>3,608</b>	<b>(113)</b>	<b>2,272</b>	<b>1,414</b>	<b>556</b>	<b>117</b>	<b>28</b>	<b>(1,002)</b>	<b>45,026</b>	<b>45,026</b>	<b>-</b>	

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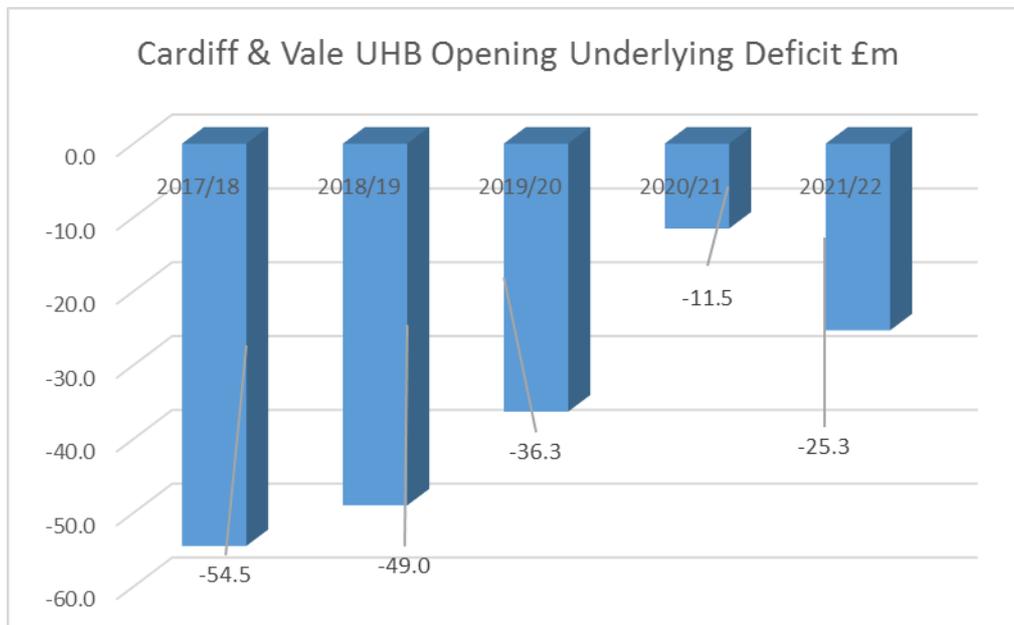
Running costs - pay (additional costs only)	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total	Sunk Costs	Variable
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Medical and Dental - establishment	10	22	(2)	6	-	-	-	-	-	-	-	-	36	36	
Medical and Dental - agency / locum															
Nursing - establishment	12	65	34	-	-	-	-	-	1	-	-	-	112	112	
Nursing - bank															
Nursing - agency															
Prof Scientific and Technical - establishment	1	5	13	-	-	-	-	-	-	-	-	-	19	19	
Prof Scientific and Technical - agency															
AHP - establishment	7	22	16	4	-	-	-	-	(1)	-	-	-	48	48	
AHP - agency															
Healthcare Scientists - establishment	2	18	-	-	-	-	-	-	-	-	-	-	20	20	
Healthcare Scientists - agency															
Estates / Ancillary staff - establishment	-	56	27	(10)	-	-	-	-	1	(1)	-	-	73	73	
Estates / Ancillary staff - agency				133	-	-	-	-	-	(40)	-	-	93	93	
Admin and Clerical - establishment															
Admin and Clerical - agency															
Students															
HCA's															
Portering															
Domestics															
Catering															
IT															
<b>Total running costs - pay (additional costs only)</b>	<b>32</b>	<b>188</b>	<b>88</b>	<b>133</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>(41)</b>	<b>-</b>	<b>-</b>	<b>401</b>	<b>401</b>	<b>-</b>

Running costs - non pay	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total	Sunk Costs	Variable
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Rent															
Business rates															
Utility costs															
Laundry costs															
Catering costs															
Cleaning costs															
Waste disposal costs															
Security costs															
Transport costs															
Personal Protective Equipment															
Drugs	14	8	1	-	-	(5)	-	-	-	-	-	-	18	18	
Medical gases	-	17	28	7	7	(6)	7	7	(8)	-	-	-	59	59	
M&SE - consumables	86	98	45	2	-	156	-	-	-	77	-	-	464	464	
Stationery															
Telephony costs															
CHC costs															
Discharge to assess/recover costs															
Insurance															
IT															
Maintenance															
Site management															
Decommissioning Costs (Including Reinstatement)					908	(235)	169	910	2,528	(13)	214	1,141	5,622	5,622	
Consequential Losses			204	(126)	64	217	348	(15)	102	518	(6)	1,250	2,556	2,556	
<b>Other costs (specify below)</b>															
Mitie - soft FM running costs	194	206	750	-	-	-	-	(45)	-	(100)	-	-	1,005	1,005	
Hard FM, e.g electrical contractors, plumbing contractors	130	122	112	(133)	-	-	-	-	-	(70)	-	-	161	161	
Other costs	120	-	197	-	-	(145)	4	(18)	-	(48)	-	-	110	110	
<b>Total running costs - non pay</b>	<b>544</b>	<b>451</b>	<b>1,337</b>	<b>(250)</b>	<b>979</b>	<b>(18)</b>	<b>528</b>	<b>839</b>	<b>2,622</b>	<b>364</b>	<b>208</b>	<b>2,391</b>	<b>9,995</b>	<b>9,995</b>	<b>-</b>

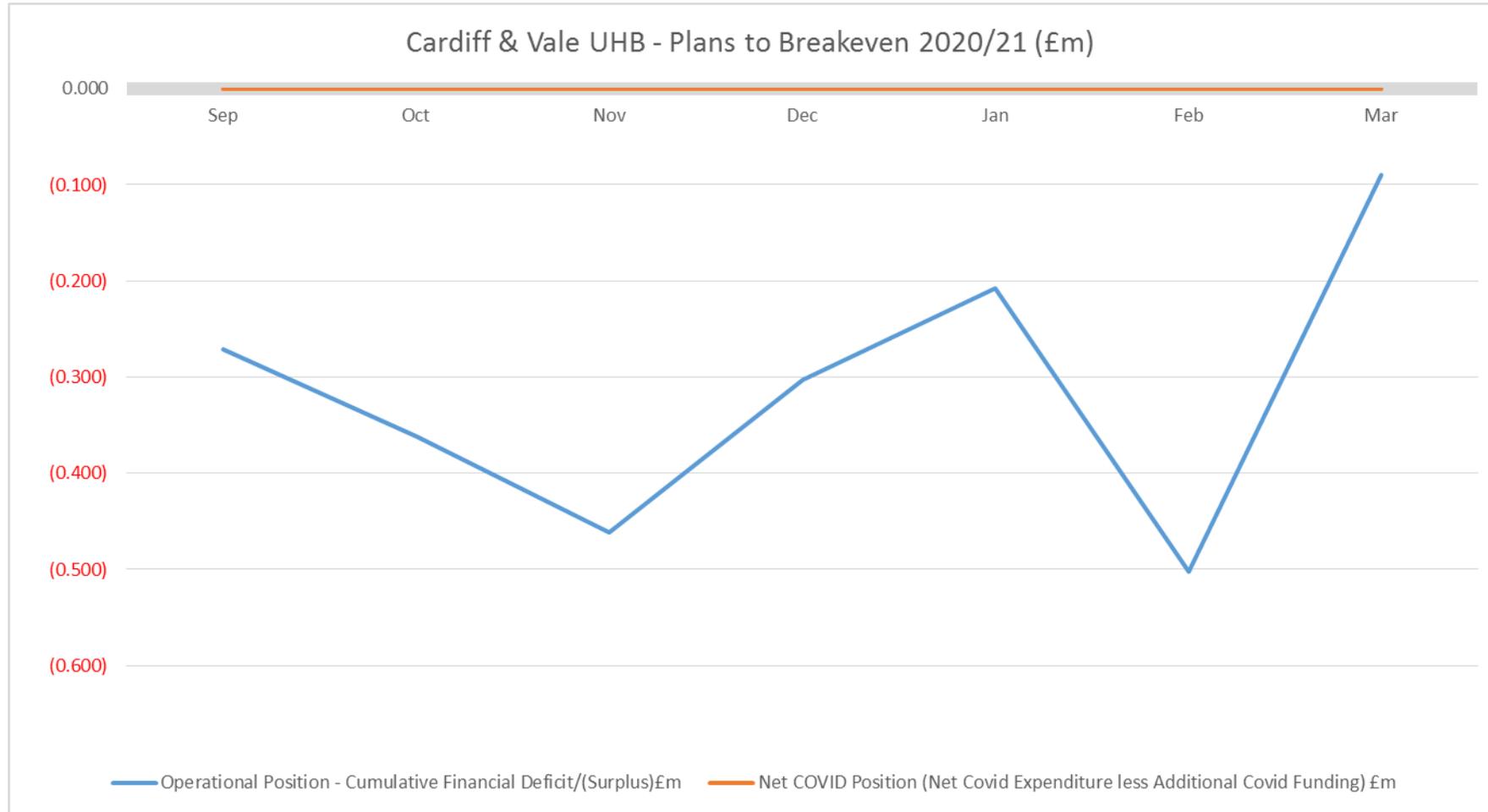
Summary	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Total	Sunk Costs	Variable
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Total Setup Costs</b>	<b>34,987</b>	<b>8,992</b>	<b>(3,802)</b>	<b>603</b>	<b>3,608</b>	<b>(61)</b>	<b>2,272</b>	<b>1,426</b>	<b>556</b>	<b>(213)</b>	<b>28</b>	<b>(1,002)</b>	<b>47,394</b>	<b>47,394</b>	<b>-</b>
<b>Total Running Costs</b>	<b>576</b>	<b>639</b>	<b>1,425</b>	<b>(117)</b>	<b>979</b>	<b>(18)</b>	<b>528</b>	<b>839</b>	<b>2,623</b>	<b>323</b>	<b>208</b>	<b>2,391</b>	<b>10,396</b>	<b>10,396</b>	<b>-</b>
<b>Total Costs</b>	<b>35,563</b>	<b>9,631</b>	<b>(2,377)</b>	<b>486</b>	<b>4,587</b>	<b>(79)</b>	<b>2,800</b>	<b>2,265</b>	<b>3,179</b>	<b>110</b>	<b>236</b>	<b>1,389</b>	<b>57,790</b>	<b>57,790</b>	<b>-</b>

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04/26/2021 15:00:41

### Year on Year Movement in Cardiff & Vale UHB Underlying Deficit



### Cardiff & Vale UHB – Performance to Draft Break Even



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# Finance Committee

## Deep Dive – Resource Allocations and Funding

Wednesday 28<sup>th</sup> April 2021

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# How the Health Board is Funded

- How the Welsh Government is funded
- Funding from Welsh Government
- Cross Border flows and LTAs
- What we spend our money on

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# Funding of Government

- As with most other public expenditure in the UK, the funding for the Welsh Government is mainly determined by the Chancellor of the Exchequer, and is approved by the UK Parliament in Westminster.
- The Chancellor decides how much funding to allocate Whitehall Departments in Spending Reviews. These normally take place every two years and cover the following three financial years.
- The funding received by the Welsh Government in the Spending Review is derived using the Barnett Formula.
- >80% of Welsh Government is funded this way with the rest coming from taxes collected in Wales.

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# Funding the Welsh Assembly Government – the Barnett Formula

- The Barnett formula works by applying an equivalent share for Wales of the extra funding given to each Whitehall Department in the Spending Review. These shares are called “consequentials”. The total extrafunding received in the Spending Review equals the consequentials from each of the relevant UK Government Department’s.
- The Barnett formula shares for Wales are based on the proportion of the Welsh population against the English population. They also reflect how much responsibility the Welsh Government has compared to equivalent Whitehall Departments.
- The current Barnett share for is 5.8%. But it is up to the Welsh Government and the to determine how the budget is spent.

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# Welsh Government Funding

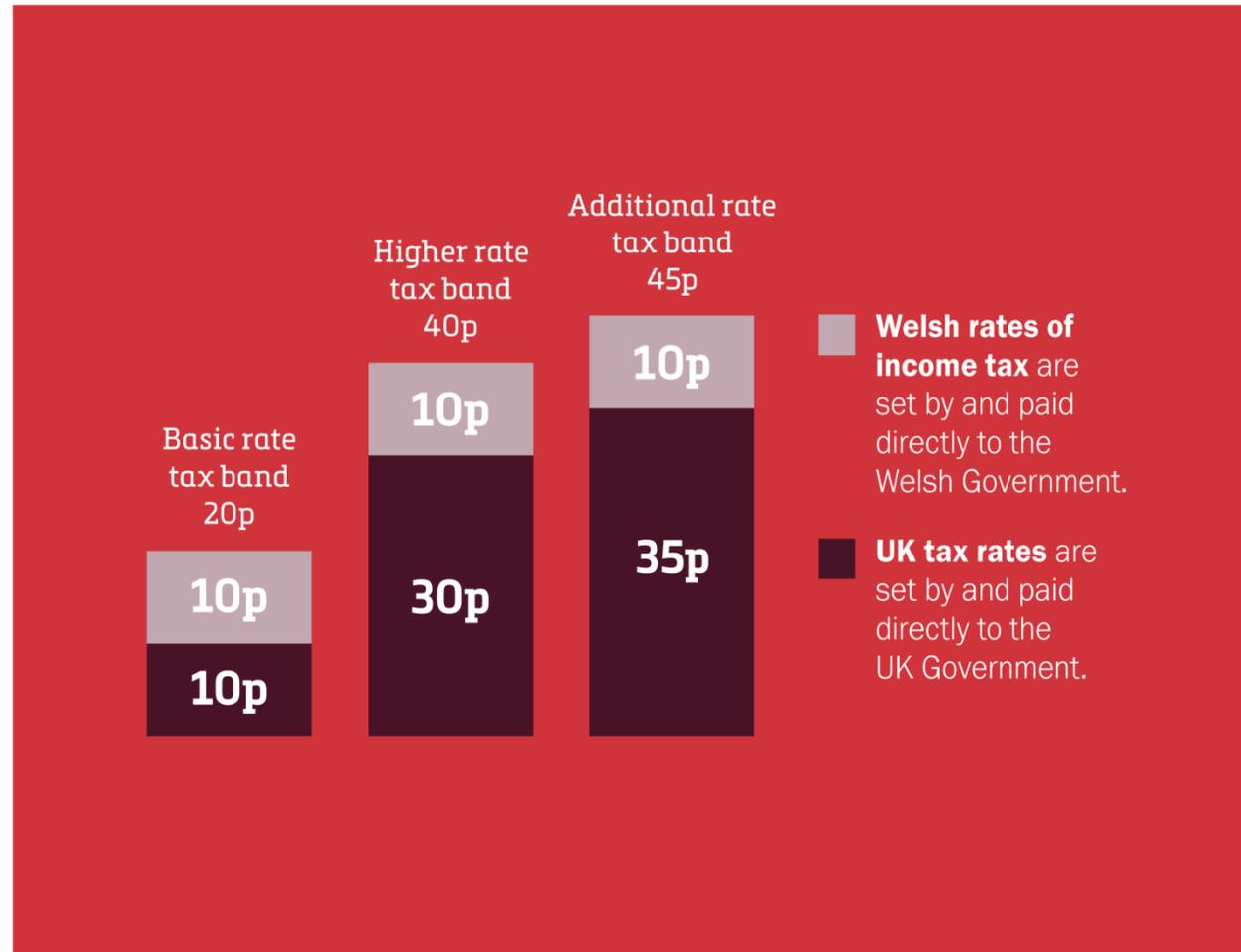
- £21.9bn Total budget
- £18.2bn UK Government funding (including £2.2bn AME and £0.5bn non fiscal budgets)
- £1.1bn Non domestic rates
- £2.1bn Welsh rate of income tax
- £0.3bn Fully devolved taxes (land transaction and landfill disposal taxes)
- £0.1bn Use of revenue reserve
- £0.1bn Capital borrowing (up to £150m a year)

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04/26/2021 15:00:41



# Setting Welsh rates of income tax

In April 2019, the UK government reduced the 3 rates of Income Tax paid by Welsh taxpayers as illustrated in the below diagram: Each year, the Welsh Government decides the Welsh rates of income tax which are added to the reduced UK rates; choosing to vary these rates, or keep them the same as those paid by English and Northern Irish taxpayers.



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# How Welsh Government allocates funding to health

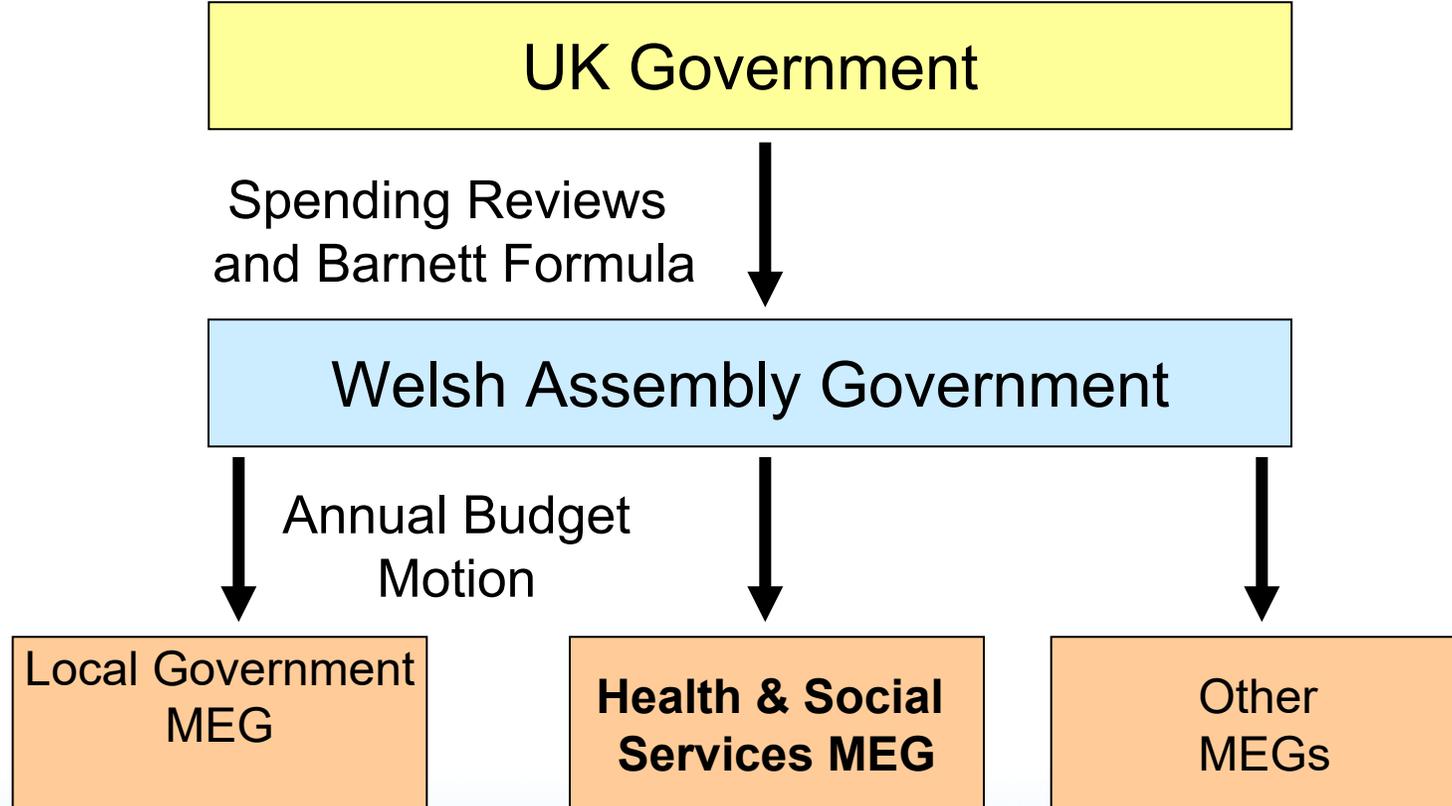
- The Welsh Government undertakes an Annual Budget Round.
- It normally publishes a draft budget in October which details its spending plans for the next three years for Main Expenditure Groups (MEGs)
- Health and Social Services is the largest MEG in the Welsh Government Budget
- During October and November, the Assembly's Finance Committee scrutinises the budget. It is also advised by subject committees
- An Annual Budget Motion (final budget) is normally tabled in December and then formally approved by the Assembly.

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# Summary

## How funds get to health in Wales

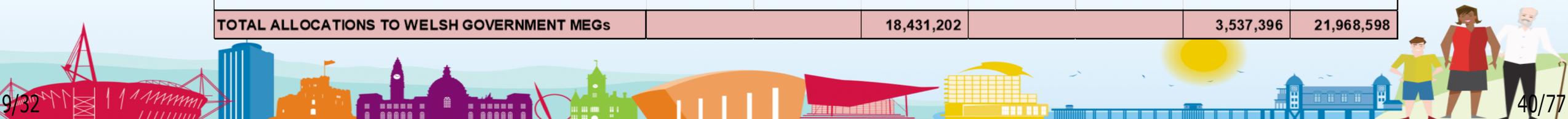


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FINAL BUDGET MAIN EXPENDITURE GROUP (MEG)							
Components of the Welsh Government Budget							£000s
MAIN EXPENDITURE GROUP (MEG) Resource and Capital (Excluding AME)	2021-22						
	Resource			Capital			TOTAL
	Fiscal	Non Fiscal	Resource Total	General	Financial Transactions	Capital Total	
Health and Social Services	8,925,807	186,137	9,111,944	382,528	0	382,528	9,494,472
Housing and Local Government	4,411,441	381	4,411,822	728,465	65,806	794,271	5,206,093
Economy and Transport	615,568	192,436	808,004	807,163	13,766	820,929	1,628,933
Education	1,515,870	111,052	1,626,922	279,491	1,968	281,459	1,908,381
Mental Health, Wellbeing and the Welsh Language	268,345	10,278	278,623	50,938	-227	50,711	329,334
Environment, Energy and Rural Affairs	510,159	21,675	531,834	197,892	0	197,892	729,726
Central Services and Administration	369,004	16,000	385,004	38,665	1,980	40,645	425,649
<b>Total Resource and Capital (Excluding AME)</b>	<b>16,616,194</b>	<b>537,959</b>	<b>17,154,153</b>	<b>2,485,142</b>	<b>83,293</b>	<b>2,568,435</b>	<b>19,722,588</b>
MAIN EXPENDITURE GROUP	2021-22						
Annually Managed Expenditure (AME)	Resource			Capital			TOTAL
Health and Social Services			148,403			0	148,403
Housing and Local Government			1,130,517			0	1,130,517
Economy and Transport			127,515			0	127,515
Education			-148,386			968,961	820,575
Mental Health, Wellbeing and the Welsh Language			16,000			0	16,000
Environment, Energy and Rural Affairs			0			0	0
Central Services and Administration			3,000			0	3,000
<b>Total Annually Managed Expenditure (AME)</b>			<b>1,277,049</b>			<b>968,961</b>	<b>2,246,010</b>
<b>TOTAL ALLOCATIONS TO WELSH GOVERNMENT MEGs</b>			<b>18,431,202</b>			<b>3,537,396</b>	<b>21,968,598</b>

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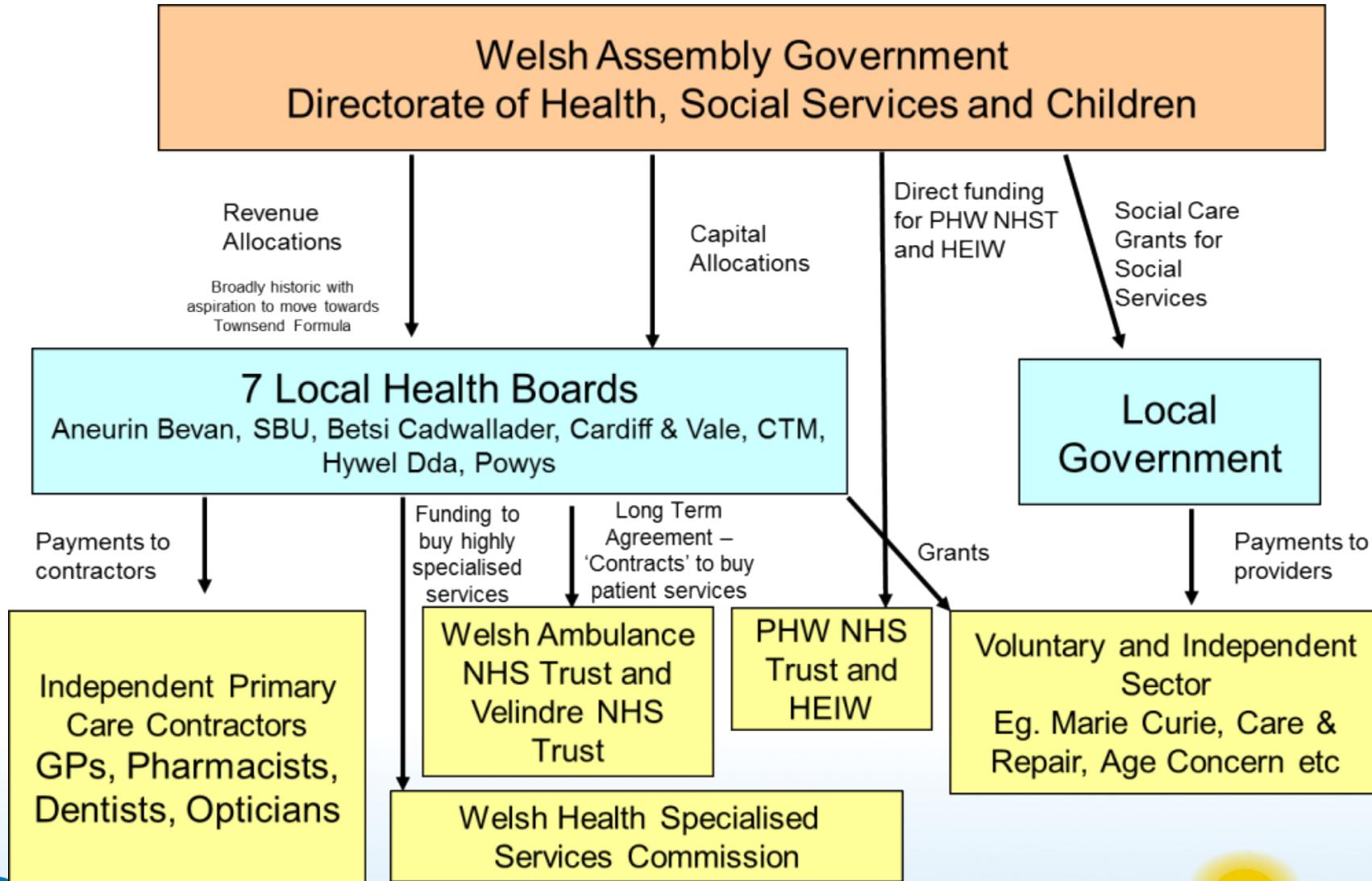
# Welsh Government Allocations to NHS

- Welsh Government normally issues annual NHS revenue allocations in December for the following financial year
- Funding is allocated to the 7 Health Boards to fund healthcare services for their resident population (or registered for some primary care services)
- The revenue allocations are based on previous years funding uplifted for growth, and new development funding. There is a new allocation formula which allocates annual growth and this was introduced in 2020/21.
- Further allocations are made during year – some are non recurrent and some are recurrent and incorporated in the following years allocation
- 2020/21 was exceptional with a starting allocation of circa £0.950bn and a closing allocation of circa £1.2bn. Last 2 years has seen 160 in year allocation adjustments.
- Some health funding is held in Welsh Government central budgets and issued direct to trusts, LHBs or other bodies

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# Welsh Government – NHS Wales Funding



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# Initial LHB Budget Allocations - Total HCCHS, Drug Prescribing and Primary Care Contracts Resource Limit 2021-22

	2021-22 Recurrent HCCHS and Prescribing Discretionary Allocation	2021-22 HCCHS Ring Fenced Allocation	2021-22 Directed Expenditure	Total 2021-22 HCCHS and Prescribing Revenue Allocation	2021-22 GMS Contract - Table C	2021-22 Community Pharmacy Contract - Table E	2021-22 Dental Contract - Table F	Total Revenue Resource Limit 2021-22
	£m	£m	£m	£m	£m	£m	£m	£m
Aneurin Bevan HB	961.602	181.335	16.387	1,159.323	102.026	32.265	29.489	1,323.104
Betsi Cadwaladr University HB	1,117.251	320.945	3.161	1,441.356	133.832	34.457	28.265	1,637.910
Cardiff and Vale University HB	685.303	153.230	18.539	857.072	75.532	22.859	26.323	981.786
Cwm Taf Morgannwg HB	763.824	157.441	2.256	923.520	78.842	27.602	21.128	1,051.092
Hywel Dda HB	641.566	133.870	1.178	776.615	73.081	21.496	17.853	889.045
Powys HB	224.588	49.284	4.473	278.346	34.101	4.923	6.414	323.783
Swansea Bay HB	616.924	161.110	5.857	783.890	65.069	21.482	21.476	891.917
<b>Total</b>	<b>5,011.057</b>	<b>1,157.215</b>	<b>51.850</b>	<b>6,220.122</b>	<b>562.483</b>	<b>165.084</b>	<b>150.947</b>	<b>7,098.636</b>

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# New Allocation Formula: Principles & Aims

- The formula needs to be transparent, simple to maintain and to update, and based on available, accurate and consistent population, needs and financial information.
- The aim would be for the formula to operate on a number of population levels:
  - 7 Local Health Boards
  - 22 Public Services Boards
  - 64 Locality Networks / Primary Care Clusters
- This will support LHBs, RPBs, PSBs and Clusters to internally review, challenge and prioritise spends against the needs of their respective population sub groups and localities. This approach, at sub LHB level, supports Townsend's recommendations of targeting funding at areas of greatest need through a revised focus on improving the allocation of resources within Health Boards.

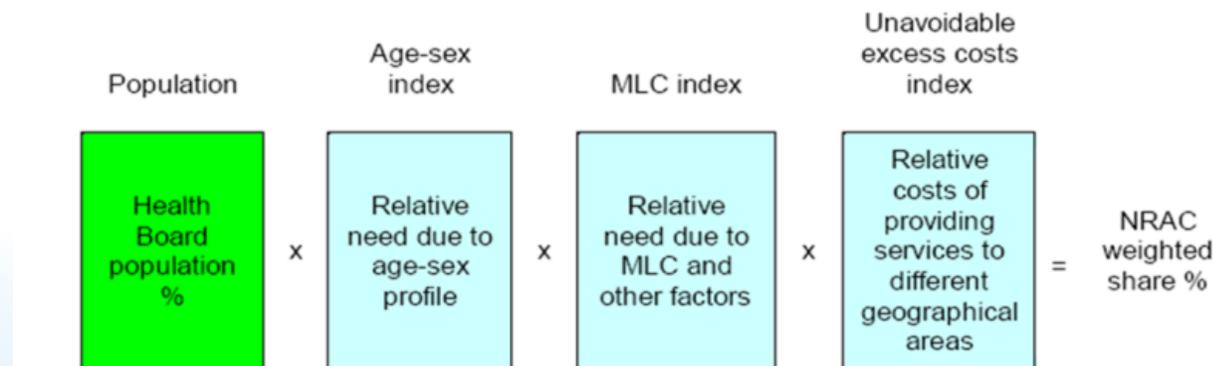
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# Adopted Scotland allocation formula approach

The four components of the Scottish formula are:

1. Population
2. Age/Sex adjustment
3. Morbidity and Life Circumstances adjustment (often referred to as MLC) – accounts for additional needs of the population over and above those due to age and sex
4. Unavoidable Excess Costs of Supply adjustment (often referred to as Excess Costs) – accounts for unavoidable additional costs of delivering services due to remoteness and rurality.



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04/26/2021 15:00:41

# New Revenue Allocation Formula

SUMMARY OF THE CARE PROGRAMMES, COMPONENTS AND INDICATORS USED IN THE RESOURCE ALLOCATION FORMULA REVIEW					
Components Care programme	Share of Population	Age-Sex cost index	Additional Needs index	Additional costs index (Excess costs)	Share of allocation - Expenditure 2017/18 (%)
<a href="#">Acute</a>	2021 population projections re-based using the 2019 population estimates	Health Foundation work 15-16	ASMR<75 (2019) + LLTI (2011 census)	-	72.20%
<a href="#">Maternity</a>	2021 population projections re-based using the 2019 population estimates	Scottish costs 2021-22	Birth rates (2019, 15-49) + Low birth weight (3 year average 2017-2019)	-	3.40%
<a href="#">Community</a>	2021 population projections re-based using the 2019 population estimates	Scottish costs 2021-22	Weighted average of the acute and maternity additional needs	Scottish indicators using Welsh data including WIMD 2019 travel time for GP surgeries	13.40%
<a href="#">Prescribing</a>	2021 population projections re-based using the 2019 population estimates	Scottish costs 2021-22	As acute	-	11.00%
<a href="#">Summary</a>					100.00%

ASMR – Age standardised mortality rates  
LLTI – Limiting long term illness

Mental Health and depreciation budgets of £812m are not included in the application of the allocation formula.

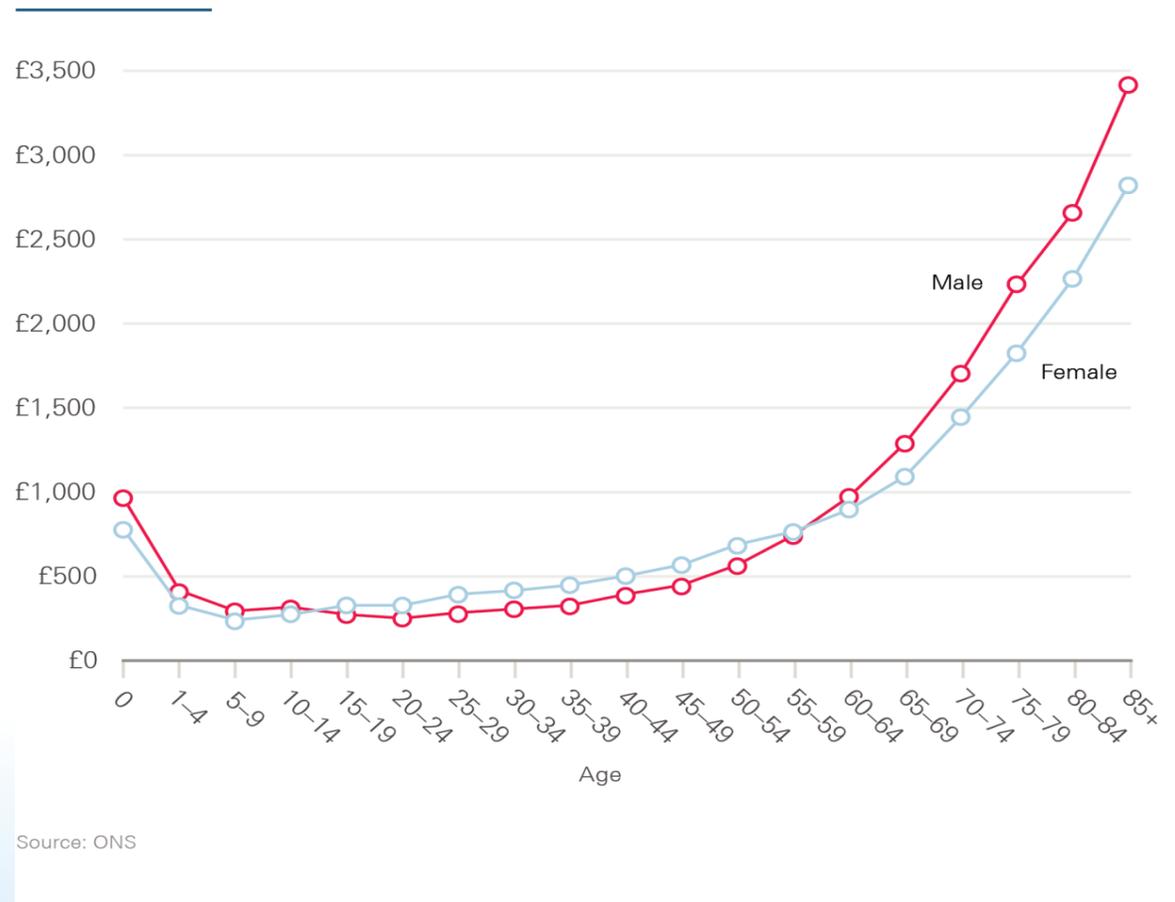
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# The path to sustainability

October 2016

Figure 2: Cost of acute care in Wales  
Average annual cost by age and sex 2014/15



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04/26/2021 15:00:41



# Acute Formula

Local Authority	Population	Age-Sex cost index	Additional Needs index	Additional costs index (Excess costs)	Adjusted Population	Scaled Population	Acute Index
Isle of Anglesey	70,003	1.129	0.967	1.000	77,474	77,429	1.106
Gwynedd	125,078	1.019	0.898	1.000	119,668	119,599	0.956
Conwy	117,787	1.155	0.981	1.000	134,496	134,419	1.141
Denbighshire	96,042	1.091	1.015	1.000	105,674	105,613	1.100
Flintshire	156,943	1.018	0.891	1.000	149,267	149,181	0.951
Wrexham	135,637	0.991	1.001	1.000	134,441	134,363	0.991
Powys	132,515	1.163	0.875	1.000	142,548	142,466	1.075
Ceredigion	71,821	1.088	0.882	1.000	72,594	72,553	1.010
Pembrokeshire	126,457	1.120	0.923	1.000	135,111	135,034	1.068
Carmarthenshire	189,761	1.074	0.980	1.000	201,346	201,230	1.060
Swansea	248,362	0.949	1.021	1.000	238,724	238,586	0.961
Neath Port Talbot	144,129	1.005	1.184	1.000	160,882	160,789	1.116
Bridgend	148,552	0.998	1.126	1.000	159,391	159,299	1.072
Vale of Glamorgan	135,349	1.017	0.885	1.000	128,077	128,003	0.946
Cardiff	368,776	0.814	0.955	1.000	292,212	292,043	0.792
Rhondda Cynon Taf	242,614	0.963	1.160	1.000	255,938	255,791	1.054
Merthyr Tydfil	60,702	0.962	1.194	1.000	65,225	65,188	1.074
Caerphilly	181,618	0.980	1.122	1.000	191,046	190,936	1.051
Blaenau Gwent	69,786	0.999	1.203	1.000	78,186	78,141	1.120
Torfaen	94,504	0.992	1.030	1.000	95,499	95,444	1.010
Monmouthshire	95,283	1.114	0.746	1.000	89,953	89,902	0.944
Newport	157,119	0.917	0.987	1.000	142,913	142,830	0.909

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04/26/2021 15:00:41



# Maternity Formula

Local Authority	Population	Age-Sex cost index	Additional Needs index	Additional costs index (Excess costs)	Adjusted Population	Scaled Population	Maternity Index
Isle of Anglesey	70,003	1.002	0.921	1.000	64,630	64,746	0.925
Gwynedd	125,078	1.004	0.905	1.000	113,705	113,909	0.911
Conwy	117,787	1.002	1.014	1.000	119,673	119,888	1.018
Denbighshire	96,042	1.003	1.096	1.000	105,625	105,815	1.102
Flintshire	156,943	1.000	0.981	1.000	153,968	154,245	0.983
Wrexham	135,637	1.000	1.178	1.000	159,785	160,072	1.180
Powys	132,515	1.007	0.961	1.000	128,201	128,431	0.969
Ceredigion	71,821	1.015	0.821	1.000	59,895	60,003	0.835
Pembrokeshire	126,457	1.003	0.968	1.000	122,871	123,091	0.973
Carmarthenshire	189,761	1.001	0.992	1.000	188,446	188,784	0.995
Swansea	248,362	1.001	0.940	1.000	233,607	234,027	0.942
Neath Port Talbot	144,129	1.000	1.022	1.000	147,371	147,635	1.024
Bridgend	148,552	0.998	0.989	1.000	146,662	146,926	0.989
Vale of Glamorgan	135,349	1.002	0.913	1.000	123,830	124,052	0.917
Cardiff	368,776	1.000	0.905	1.000	333,546	334,145	0.906
Rhondda Cynon Taf	242,614	0.996	1.147	1.000	277,192	277,690	1.145
Merthyr Tydfil	60,702	0.993	1.215	1.000	73,252	73,384	1.209
Caerphilly	181,618	0.996	0.964	1.000	174,438	174,751	0.962
Blaenau Gwent	69,786	0.995	1.234	1.000	85,650	85,803	1.230
Torfaen	94,504	0.995	1.094	1.000	102,815	103,000	1.090
Monmouthshire	95,283	1.007	0.773	1.000	74,176	74,309	0.780
Newport	157,119	0.993	1.114	1.000	173,820	174,132	1.108

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# Community Formula

Local Authority	Population	Age-Sex cost index	Additional Needs index	Additional costs index (Excess costs)	Adjusted Population	Scaled Population	Community Index
Isle of Anglesey	70,003	1.069	0.965	1.016	73,434	73,635	1.052
Gwynedd	125,078	1.030	0.898	1.065	123,208	123,544	0.988
Conwy	117,787	1.136	0.983	1.000	131,511	131,869	1.120
Denbighshire	96,042	1.034	1.018	1.016	102,751	103,031	1.073
Flintshire	156,943	0.993	0.895	1.000	139,413	139,793	0.891
Wrexham	135,637	0.993	1.009	0.968	131,406	131,765	0.971
Powys	132,515	1.093	0.879	1.081	137,653	138,028	1.042
Ceredigion	71,821	1.062	0.880	1.097	73,633	73,834	1.028
Pembrokeshire	126,457	1.079	0.925	1.049	132,409	132,770	1.050
Carmarthenshire	189,761	1.032	0.980	1.032	198,265	198,806	1.048
Swansea	248,362	0.980	1.017	0.984	243,666	244,330	0.984
Neath Port Talbot	144,129	0.981	1.177	1.000	166,388	166,841	1.158
Bridgend	148,552	0.979	1.120	1.000	162,829	163,273	1.099
Vale of Glamorgan	135,349	0.998	0.886	0.984	117,758	118,079	0.872
Cardiff	368,776	0.912	0.953	0.951	304,823	305,654	0.829
Rhondda Cynon Taf	242,614	0.969	1.159	0.968	263,637	264,356	1.090
Merthyr Tydfil	60,702	0.968	1.195	1.000	70,205	70,396	1.160
Caerphilly	181,618	0.968	1.115	0.968	189,622	190,139	1.047
Blaenau Gwent	69,786	0.976	1.204	0.968	79,393	79,610	1.141
Torfaen	94,504	1.005	1.033	0.968	94,953	95,212	1.007
Monmouthshire	95,283	1.066	0.747	1.016	77,116	77,326	0.812
Newport	157,119	0.968	0.993	0.968	146,148	146,547	0.933

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# Prescribing Formula

Local Authority	Population	Age-Sex cost index	Additional Needs index	Additional costs index (Excess costs)	Adjusted Population	Scaled Population	Prescribing Index
Isle of Anglesey	64,203	1.105	0.967	1.000	68,638	68,594	1.068
Gwynedd	121,263	1.027	0.898	1.000	111,824	111,752	0.922
Conwy	114,423	1.118	0.981	1.000	125,520	125,440	1.096
Denbighshire	109,572	1.068	1.015	1.000	118,732	118,655	1.083
Flintshire	150,113	1.011	0.891	1.000	135,153	135,066	0.900
Wrexham	134,771	0.983	1.001	1.000	132,654	132,569	0.984
Powys	136,363	1.132	0.875	1.000	135,150	135,063	0.990
Ceredigion	91,028	1.076	0.882	1.000	86,401	86,346	0.949
Pembrokeshire	117,935	1.097	0.923	1.000	119,395	119,318	1.012
Carmarthenshire	177,310	1.058	0.980	1.000	183,756	183,638	1.036
Swansea	249,029	0.975	1.021	1.000	247,808	247,649	0.994
Neath Port Talbot	136,353	1.019	1.184	1.000	164,480	164,375	1.206
Bridgend	155,631	1.001	1.126	1.000	175,358	175,245	1.126
Vale of Glamorgan	128,811	1.009	0.885	1.000	115,010	114,937	0.892
Cardiff	381,482	0.846	0.955	1.000	308,061	307,863	0.807
Rhondda Cynon Taf	240,887	0.975	1.160	1.000	272,267	272,093	1.130
Merthyr Tydfil	59,738	0.960	1.194	1.000	68,492	68,448	1.146
Caerphilly	181,508	0.980	1.122	1.000	199,617	199,489	1.099
Blaenau Gwent	70,059	0.996	1.203	1.000	83,937	83,884	1.197
Torfaen	94,399	0.990	1.030	1.000	96,316	96,254	1.020
Monmouthshire	98,797	1.096	0.746	1.000	80,738	80,686	0.817
Newport	155,163	0.924	0.987	1.000	141,566	141,475	0.912

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# Latest Allocation Formula - Summary

FINAL INDEX = ACUTE + MATERNITY + COMMUNITY + PRESCRIBING											
2017/18 expenditure weights			72.20%	3.40%	13.40%	11.00%					
Code	Local Authority	Population	Care programme				Final Allocations			Shares	
			Acute	Maternity	Community	Prescribing	Final Index	Adjusted population	Scaled population	Population	Final
W0600001	Isle of Anglesey	70,003	1.106	0.925	1.052	1.068	1.089	76,199	76,190	2.2%	2.4%
W0600002	Gwynedd	125,078	0.956	0.911	0.988	0.922	0.955	119,458	119,444	3.9%	3.8%
W0600003	Conwy	117,787	1.141	1.018	1.120	1.096	1.129	133,001	132,985	3.7%	4.2%
W0600004	Denbighshire	96,042	1.100	1.102	1.073	1.083	1.094	105,097	105,085	3.0%	3.3%
W0600005	Flintshire	156,943	0.951	0.983	0.891	0.900	0.938	147,218	147,201	5.0%	4.6%
W0600006	Wrexham	135,637	0.991	1.180	0.971	0.984	0.994	134,785	134,769	4.3%	4.3%
W0600023	Powys	132,515	1.075	0.969	1.042	0.990	1.058	140,160	140,144	4.2%	4.4%
W0600008	Ceredigion	71,821	1.010	0.835	1.028	0.949	1.000	71,811	71,802	2.3%	2.3%
W0600009	Pembrokeshire	126,457	1.068	0.973	1.050	1.012	1.056	133,544	133,528	4.0%	4.2%
W0600010	Carmarthenshire	189,761	1.060	0.995	1.048	1.036	1.054	199,965	199,942	6.0%	6.3%
W0600011	Swansea	248,362	0.961	0.942	0.984	0.994	0.967	240,125	240,096	7.8%	7.6%
W0600012	Neath Port Talbot	144,129	1.116	1.024	1.158	1.206	1.128	162,579	162,559	4.5%	5.1%
W0600013	Bridgend	148,552	1.072	0.989	1.099	1.126	1.079	160,288	160,269	4.7%	5.1%
W0600014	Vale of Glamorgan	135,349	0.946	0.917	0.872	0.892	0.929	125,744	125,729	4.3%	4.0%
W0600015	Cardiff	368,776	0.792	0.906	0.829	0.807	0.802	295,911	295,876	11.6%	9.3%
W0600016	Rhondda Cynon Taf	242,614	1.054	1.145	1.090	1.130	1.070	259,691	259,660	7.7%	8.2%
W0600024	Merthyr Tydfil	60,702	1.074	1.209	1.160	1.146	1.098	66,645	66,637	1.9%	2.1%
W0600018	Caerphilly	181,618	1.051	0.962	1.047	1.099	1.053	191,233	191,210	5.7%	6.0%
W0600019	Blaenau Gwent	69,786	1.120	1.230	1.141	1.197	1.135	79,194	79,185	2.2%	2.5%
W0600020	Torfaen	94,504	1.010	1.090	1.007	1.020	1.013	95,771	95,759	3.0%	3.0%
W0600021	Monmouthshire	95,283	0.944	0.780	0.812	0.817	0.906	86,357	86,347	3.0%	2.7%
W0600022	Newport	157,119	0.909	1.108	0.933	0.912	0.919	144,440	144,423	5.0%	4.6%

Code	Health Boards	Population	Final Index	Health Boards	Population	Final	Index
W1100023	Betsi Cadwaladr	701,490	1.020	715,674	22.1%	22.6%	1.020
W1100024	Powys	132,515	1.058	140,144	4.2%	4.4%	1.058
W1100025	Hywel Dda	388,039	1.044	405,272	12.2%	12.8%	1.044
W1100031	Swansea Bay	392,492	1.026	402,656	12.4%	12.7%	1.026
W1100029	Cardiff and Vale	504,125	0.836	421,604	15.9%	13.3%	0.836
W1100030	Cwm Taf Morgannwg	451,867	1.077	486,566	14.3%	15.4%	1.077
W1100028	Anuerin Bevan	598,311	0.998	596,924	18.9%	18.8%	0.998
W1100026	Abertawe Bro Morgannwg	541,044	1.040	562,924	17.1%	17.8%	1.040
W1100027	Cwm Taf	303,315	1.076	326,297	9.6%	10.3%	1.076

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# Impact on C&V

	Formula shares %	
Health Board	20/21	21/22
Betsi Cadwaladr	22.38	22.59
Powys	4.17	4.42
Hywel Dda	12.90	12.79
Swansea Bay	12.97	12.71
Cardiff and Vale	13.50	13.31
Cwm Taf Morgannwg	15.13	15.36
Anuerin Bevan	18.95	18.84
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

	Core cost and demand uplift for 2021-22
	£m
Aneurin Bevan HB	19.779
Betsi Cadwaladr University HB	23.714
Cardiff and Vale University HB	13.970
Cwm Taf Morgannwg HB	16.122
Hywel Dda HB	13.429
Powys HB	4.644
Swansea Bay HB	13.342
<b>Total</b>	<b>105.000</b>

- C&V latest Townsend share was 14.4%
- The latest formula is 13.31%
- C&V currently gets 13.53% of total funding

The impact on the 2021/22 allocation is

- Reduced allocation of £1.2m when compared to the Townsend formula
- Reduced allocation of £0.2m when compared to 20/21 formula

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# Allocations – Resource Limits

- Revenue Resource Limit – funding for day-to-day services (e.g. salaries, goods and services), and
- Capital Resource Limit – funding for significant capital investment (e.g. buildings, equipment).

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04/26/2021 15:00:41



# Reminder Definition of Capital Expenditure

- Expenditure on a tangible asset with an expected life in excess of 1 year.
- Examples include land, buildings, vehicles, equipment and staff (where they are directly involved in the production of an asset)
- The capitalisation limit is expenditure of £5,000 or more on equipment.
- Can include smaller items that are functionally inter-dependant.
- All networked IT equipment >£250.

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04/26/2021 15:00:41



# Capital or Revenue

- Expenditure on maintaining capital assets in effective working order, or in good repair, is charged to revenue whatever the cost.
- Exceptionally, expenditure on renovating or upgrading an asset can be capitalised where the standard of the asset has been enhanced.
- Capital is expenditure that either adds financial or economic value to the asset.
- They are two different funding streams and need to be treated separately
- They are accounted for differently, have separate statutory targets and resource limits can only be swapped upon agreement by Welsh Government.

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04/26/2021 15:00:41



# Capital Funding Sources

## How does the UHB get Capital Funding:

- Discretionary Capital Funding from WG. Currently £14.4m per annum for C&V.
- All Wales Capital Programme funding from WG for specific initiatives and projects approved on a case by case basis e.g. Replacement for Rookwood. C&V received £27.7m funding in 20/21.
- Exceptionally, C&V also received £53.2m Covid-19 capital funding in 20/21.
- Donations (£0.3m in 20/21)
- Disposal of Assets, can retain receipts up to £0.5m. Amounts above this need to be approved by WG. (£7m land swap with Velindre in 20/21).

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# Healthcare Agreements

- Most revenue funding is allocated to Health Boards which they spend on providing services for their local population.
- But:
  - Some patient flows between Health Boards
  - Some services provided by NHS Trusts (e.g. Emergency Ambulance and cancer services)
  - Some specialist services planned and funded jointly through the Welsh Health Specialised Services Committee (WHSSC)
- Funding flows for these situations between NHS organisations are covered by Long Term Agreements

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04/26/2021 15:00:41



# LTA Financial Frameworks

## LHB / Trust LTAs

- Based on historic costs, inflated year on year. But some are being remodelled.
- Supplemented for clinical developments (e.g. Robot, blood products)
- At specialty and patient category level (e.g. General surgery inpatients)

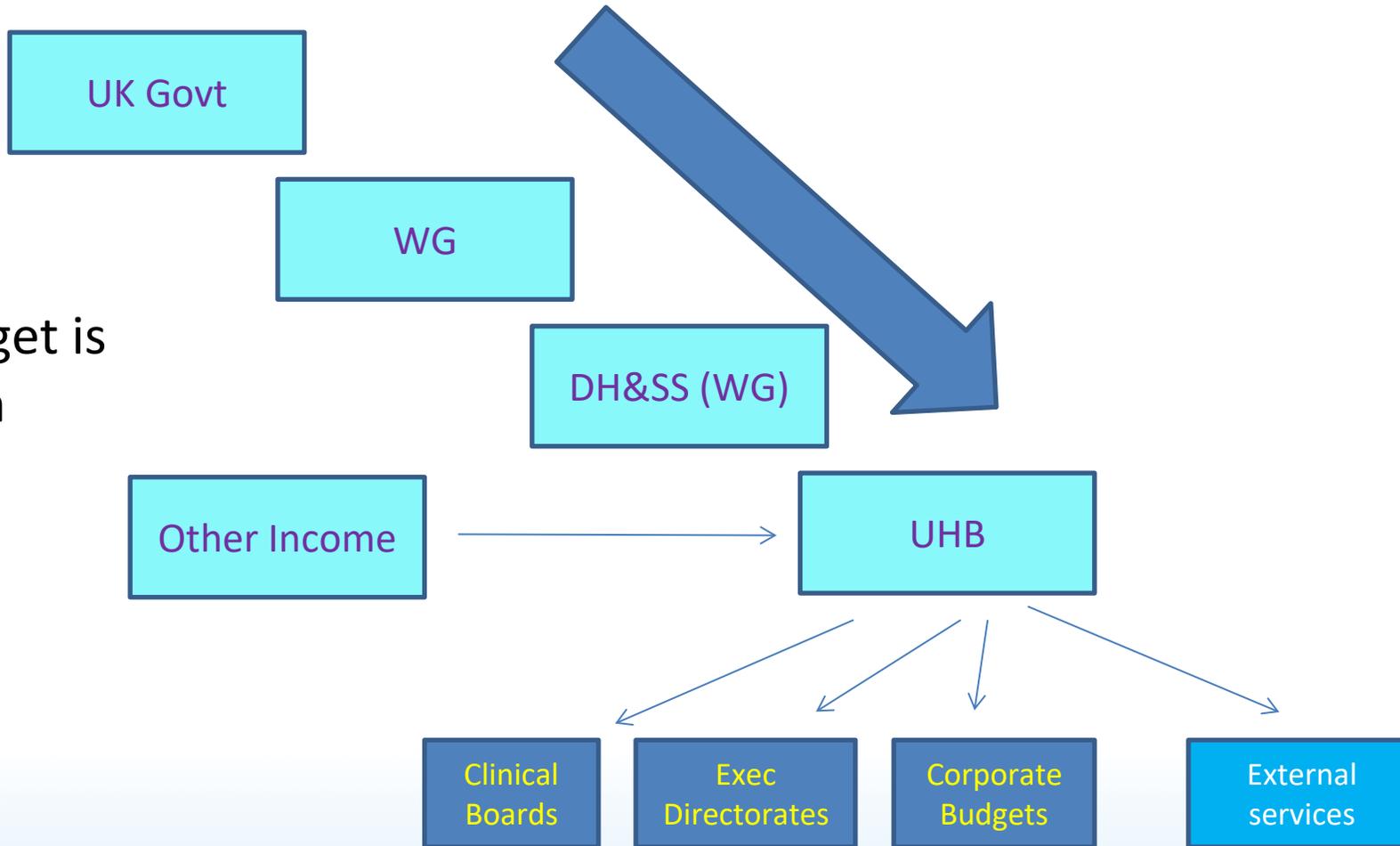
## WHSSC LTA

- Established through Resource Mapping 2010
- Our provider contract was rebased in 2015-16 to better align the income to service costs individual services

## Mixture of :-

- Block Contracts – no adjustment for variation, ‘manage within resources’
- Traditional ‘Cost & Volume’ Contracts – variation adjusted for at marginal rates
- Cost per Case Contracts – full cost price variation
- ‘Pass Through’ Contracts – actual expenditure e.g. NICE and High Cost Drugs

# How does C&V UHB get its funding?



20/21 C&V budget is circa £1.7 billion

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04/26/2021 15:00:41



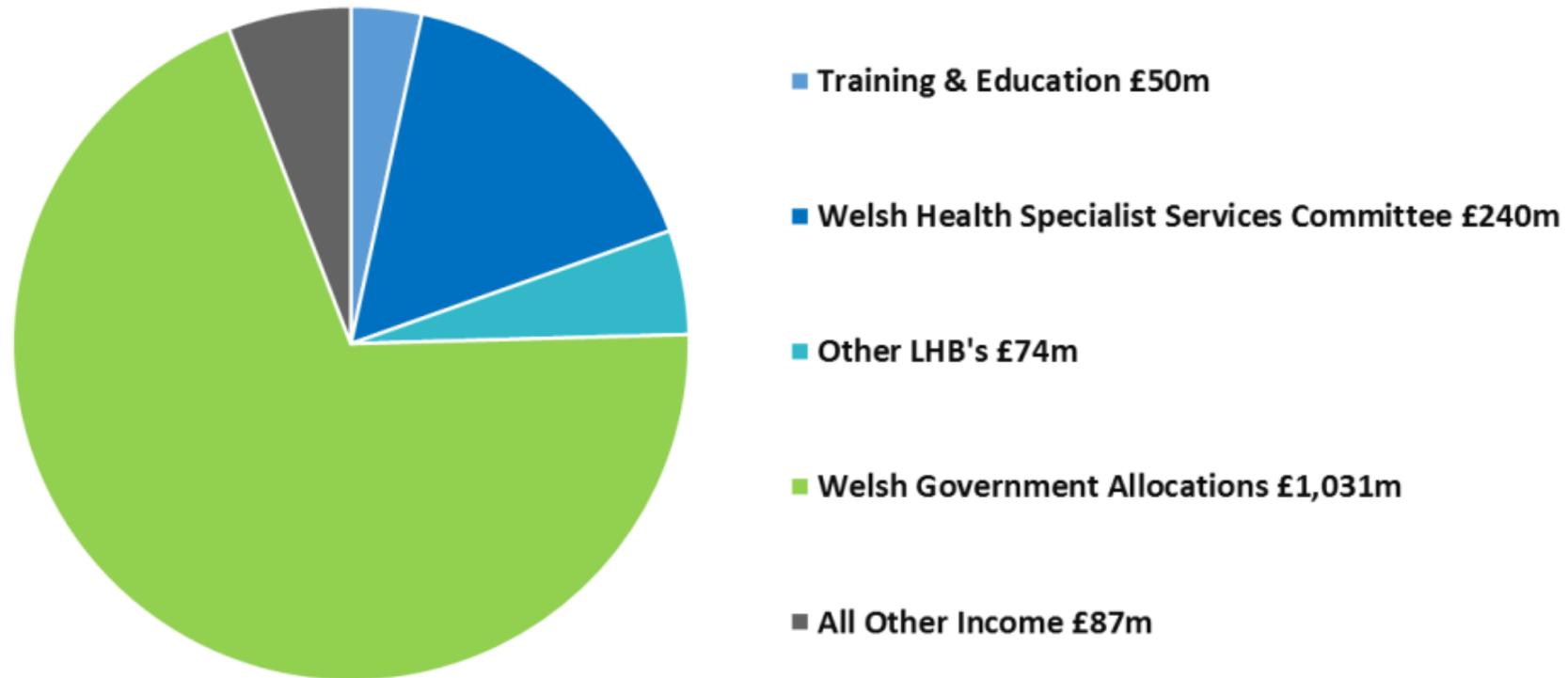
# C&V Source and Application of Funds

Cardiff and Vale UHB @ Month 12 2020/21	Annual Budget Pay £m	Annual Budget Non-Pay £m	Annual Budget Total Exp £m	Annual Budget Income £m
<b>Clinical Boards</b>				
All Wales Genomics	11	6	17	-3
Children & Women's	93	19	112	-8
Clinical, Diagnostics & Therapeutics	90	22	112	-17
Corporate Executives	38	13	41	-12
Medicine	88	38	126	-2
Mental Health	59	23	82	-5
Capital, Estates and Facilities	32	35	67	-8
Primary, Community & Intermediate Care	38	279	317	-10
Specialist Services	99	88	187	-4
Surgical Services	116	36	152	-6
<b>Sub Total Clinical Boards</b>	<b>665</b>	<b>560</b>	<b>1,225</b>	<b>-75</b>
<b>Central Budgets</b>				
Revenue Resource Limit	0	0	0	-1,219
Central Income	0	0	0	-47
Central Budgets	13	267	278	0
Welsh LTAs	0	40	40	-73
English LTA's	0	1	1	-4
WHSSC	0	139	139	-267
<b>Sub Total Central Budgets</b>	<b>13</b>	<b>447</b>	<b>460</b>	<b>-1,610</b>
<b>Total</b>	<b>678</b>	<b>1,007</b>	<b>1,685</b>	<b>-1,685</b>

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04/26/2021 15:00:41

# Income and Expenditure for the year ended 31 March 2020

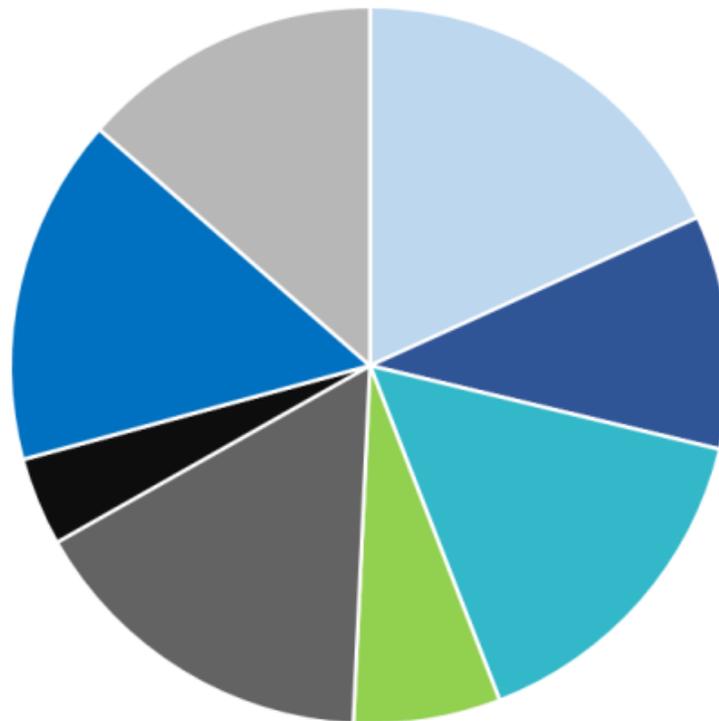
Annual Income £1,482m



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04/26/2021 15:00:41

# Income and Expenditure for the year ended 31 March 2020

Annual Expenditure £1,482m



- Nursing Staff £270m
- Medical and Dental Staff £156m
- Other Staff Costs £228m
- Drug Costs £98m
- Primary Health Care Services £238m
- Continuing Health Care £59m
- Healthcare from Other Providers £232m
- Other Hospital and Community Expenditure £201m

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04/26/2021 15:00:41



**THE WELSH GOVERNMENT FINANCIAL COMMENTARY**  
**FINANCIAL POSITION FOR THE TWELVE MONTH PERIOD ENDED**  
**31<sup>st</sup> MARCH 2021**

**INTRODUCTION**

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

**The UHB’s provisional year end revenue outturn is a surplus of £0.090m which is broadly in line with the break-even position previously forecast. The UHB is also reporting that it stayed within its capital resource limit and achieved its creditor payment compliance target.**

During the 12 months to the end of March the UHB incurred net expenditure of £176.120m relating to the management of COVID 19 which is offset by Welsh Government COVID 19 funding leaving an operating surplus of £0.090m. Whilst this is subject to external audit verification, the year-end reported position is not expected to materially change.

**BACKGROUND**

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

**Table 1: 2020/21 IMTP**

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

These financial monitoring returns have been prepared against the UHB's submitted IMTP which includes a balanced position for 2020/21. This report details the financial position of the UHB for the period ended 31<sup>st</sup> March 2021. The UHB has separately identified COVID 19 and non COVID 19 expenditure against its submitted plan in order to assess the financial impact of COVID 19.

A full commentary has been provided to cover the tables requested for the month 12 financial position.

The response to the queries raised in the month 11 financial monitoring returns was set out in a reply and returned within the timeframe requested.

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

Table A sets out the financial plan and latest position at month 12 for which the following should be noted:

- LTA inflation that was passed to the UHB from other Health Boards;
- The UHBs £29m 2020/21 savings target was established before the implications of managing COVID 19 were worked through. COVID 19 adversely impacted on the UHB savings programme with substantial underachievement against the annual savings plan.
- The financial position reflects the assessed COVID 19 costs in Table B3;
- The additional costs were supported by Welsh Government COVID 19 funding;
- Some of the identified savings schemes have a larger full year impact;
- The underlying deficit has moved from a planned £4m as per the IMTP to £25.3m due to slippage against the recurrent saving target.

## **UNDERLYING POSITION (TABLE A1)**

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

**The opening position was an underlying deficit of £11.5m and if the plan was fully delivered this would reduce to £4.0m by the year end. The achievement of this was very much dependent upon delivering the full year impact of 2020/21 savings schemes. As a result of the impact of COVID 19 the delivery of savings schemes is circa £21.3m less than planned and this has increased the underlying deficit to £25.3m.**

## **OVERVIEW OF KEY RISKS & OPPORTUNITIES (TABLE A2)**

The UHB's provisional year end position is a £0.090m surplus which is subject to External Audit scrutiny and review. At this point in time the UHB does not expect any risks to materially affect the reported year end position

## ACTUAL YEAR TO DATE (TABLE B)

Table B confirms the draft year end surplus of £0.090m and reflects the analysis contained in the annual operating plan in Table A. A Summary of the surplus of £0.090m for the year is shown in Table 2.

**Table 2: Summary Financial Position for the period ended 31<sup>st</sup> March 2021**

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
COVID 19 Additional Expenditure	38.438	17.290	5.330	6.565	10.597	7.939	8.561	8.776	12.453	12.114	10.859	40.283	179.205
COVID 19 Non Delivery of Savings Plans	2.118	2.150	2.056	2.094	1.752	(1.704)	1.960	1.946	1.368	2.579	2.001	2.020	20.340
COVID 19 Reductions in Planned Expenditure	(2.522)	(4.241)	(2.921)	(1.626)	(1.885)	(0.965)	(1.230)	(0.299)	(1.234)	(1.418)	(1.428)	(1.054)	(20.823)
COVID 19 Release of Planned Investments	0.000	(0.168)	(0.679)	(0.089)	(0.244)	(0.142)	0.044	(0.142)	(0.031)	(0.098)	(0.098)	(0.955)	(2.602)
Net Expenditure Due To COVID 19	38.034	15.030	3.786	6.944	10.220	5.129	9.335	10.281	12.556	13.177	11.334	40.294	176.120
Operational position (Surplus) / Deficit	0.191	(0.048)	(0.204)	0.244	(0.361)	(0.094)	(0.091)	(0.099)	0.158	0.095	(0.294)	0.412	(0.090)
Welsh Government COVID 19 funding received			(11.016)	(0.306)	(34.950)	(32.871)	(9.335)	(10.281)	(12.556)	(13.177)	(11.334)	(40.294)	(176.120)
Financial Position (Surplus) / Deficit	38.225	14.982	(7.434)	6.882	(25.091)	(27.836)	(0.091)	(0.099)	0.158	0.095	(0.294)	0.412	(0.090)

The COVID 19 related expenditure reported in month 12 included additional pay costs of circa £26.7m in relation to untaken annual leave, carried over training grade doctors study leave and the NHS bonus payment.

The additional COVID 19 expenditure in the 12 months to the end of March was £176.120m. £55.422m of the additional costs related to the Dragon's Heart Hospital (DHH) and there was also £123.783m of other COVID 19 related additional expenditure.

COVID 19 also adversely impacted on the UHB savings programme with underachievement of £20.340m against the month 12 target.

Elective work has been curtailed during this period as part of the UHB response to COVID 19 and this has seen a £20.823m reduction in planned expenditure. The UHB has also seen slippage of £2.602m on the WHSSC commissioning plan and other investments due to the impact of COVID 19.

The net expenditure due to COVID 19 is £176.120m. This is matched by the additional Welsh Government funding outlined in the table 3 below:

Bricknell Helen  
04/26/2021 15:00:00

**Table 3: Welsh Government COVID Funding Received 2020/21**

<b>Welsh Government COVID Funding</b>	<b>£m</b>
Sustainability Funding	(50.100)
C-19 Pay Costs Q1 (Future Quarters covered by SF)	(11.016)
Field Hospital (Set Up Costs, Decommissioning & Consequential losses)	(53.203)
PPE (including All Wales Equipment via NWSSP)	(7.965)
TTP- Testing & Sampling - Pay & Non Pay	(2.882)
TTP - NHS & LA Tracing - Pay & Non Pay	(6.652)
Vaccination - Extended Flu Programme	(0.570)
Vaccination - COVID-19	(5.507)
Annual Leave Accrual - Increase due to Covid	(8.798)
Staff Bonus Payment	(17.285)
Urgent & Emergency Care	(3.243)
Support for Adult Social Care Providers	(4.141)
Independent Health Sector	(1.036)
Mental Health	(0.805)
Other Primary Care	(1.288)
Other	(1.629)
<b>Total funding received / assumed £m</b>	<b>(176.120)</b>

The UHB also has a small operating underspend of £0.090m leading to a net reported surplus at month 12.

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

The UHB has recorded agency expenditure of £14.238m for the 12 months to the end of March 2021. The majority of agency expenditure relates to nursing where expenditure of £9.749m is reported. £5.728m of the cumulative agency expenditure has been incurred to provide cover in respect of COVID 19.

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

The UHB has delivered its planned breakeven year end position as set out in its Q3 and Q4 financial plan. The year end net expenditure position due to COVID-19 is £176.120m. The COVID year-end position is breakeven following receipt/confirmation of £176.120m Welsh Government (WG) funding. This is summarised below in table 4.

Bricknell Helen  
04/26/2021 15:00

**Table 4: Summary of COVID 19 Net Expenditure**

	<b>Year-End Position £m</b>
COVID 19 Additional Expenditure	179.205
COVID 19 Non Delivery of Savings Plans	20.340
COVID 19 Reductions in Planned Expenditure	(20.823)
COVID 19 Release/Repurposing of Planned Investments/Development Initiatives	(2.602)
<b>Net Expenditure Due To COVID 19</b>	<b>176.120</b>
Welsh Government COVID funding received	(176.120)
<b>Net COVID 19 Forecast Position (Surplus) / Deficit £m</b>	<b>0.000</b>

The key financial components of the COVID 19 response are:

### **Dragons Heart Hospital**

Within this forecast the Dragon’s Heart Hospital costs are now assessed at £57.790m with a further £2.368m capital costs. The revenue cost of £55.422m represents set-up, decommissioning and consequential losses costs of £53.204m and running costs of £2.218m.

### **COVID Surge Capacity / Lakeside Wing**

The UHB developed alternative plans which were approved by Welsh Government to establish a facility for 400 beds surge capacity on the UHW site – Lakeside Wing. The UHB’s bed capacity plan maintains some of the initial bed expansion created in the UHB’s GOLD capacity plan (wards in Barry and St David’s Hospital as well as the conversion of a physiotherapy area at UHW), but some of the beds originally identified as conversion to COVID 19 beds are required as the UHB brings back on line more non-COVID 19 activity.

### **Resuming Non-Covid Activity**

Throughout the pandemic the UHB has maintained core essential services with the prioritisation of need based upon clinical-stratification rather than time-based stratification.

As well as maintaining essential services the UHB has re-introduced more routine services where it is safe to do so.

The UHB has been able to achieve this through:

- Establishment of Protected Elective Surgery Units (‘Green zones’) in UHW and UHL;
- Use of Independent Hospital capacity;

Bricknell Helen  
04/26/2021 15:00

- A refreshed clinically led Outpatients Transformation Programme, across primary and secondary care.

The reductions in non pay costs due to reduced elective capacity is now assessed and to be £20.823m over the year.

At the beginning of the COVID 19 pandemic, the UHB reached early agreement with a small number of Independent Providers to enable patients with non-complex cancer and other urgent conditions to receive treatment. This allowed the UHB extra capacity to care for COVID 19 patients on its main sites, in particular to enable space for regional services.

Costs of Independent sector activity are included to the end of the 31<sup>st</sup> March totaling £1.252m.

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

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

The TTP service went live on 1st June 2020. The outturn includes TTP costs (separately identified on TTP template) of £9.282m. This includes Local Authority costs of £6.634m and Heath Board TTP costs totalling £2.648m.

### **COVID Vaccination Programme**

The year end position includes the cost of a mass COVID vaccination programme totaling £5.034m.

### **Personal Protective Equipment**

At month 12 costs are assessed to be £8.671m.

### **Urgent and Emergency Care Funding**

Funding has been confirmed totalling £3.243m through the Urgent and Emergency Care Fund.

- £1.350m allocated to RPB for discharge to recover and assess pathways
- £0.423m for urgent primary care centres
- £0.978m for CAV247
- £0.492m SDEC/AEC

Bricknell Helen  
04/26/2021 15:00

## **SAVINGS PROGRAMME 2020-21 (TABLE C, C1 & C2)**

The assessed slippage against the UHB £29m savings plan is forecast to be £20.340m and this includes the release of non-recurrent opportunities.

A number of the UHB's high impact schemes were based on reducing bed capacity, improving flow coupled with workforce efficiencies and modernisation. These were not able to be pursued during the pandemic.

## **INCOME/EXPENDITURE ASSUMPTIONS (TABLE D)**

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

## **INCOME ASSUMPTIONS 2020/21 (TABLE E)**

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

Similar to practice in previous years, the UHB outturn excludes the impact of £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 has confirmed this accounting treatment with Welsh Government.

## **BALANCE SHEET - STATEMENT OF FINANCIAL POSITION (TABLE F)**

The opening balances at the beginning of April 2020 reflect the closing balances in the 2019/20 Annual Accounts approved by the UHB's Board.

The increase in carrying value of property, plant & equipment reflects the high level of capital investment during 2020/21 in particular in relation to COVID 19 schemes.

Overall trade and other debtors have increased by £17.8m since the start of the year. Largely relating to amounts due from the Welsh Risk Pool in respect of clinical negligence which have increased by £14m since the start of the year. During March there was a £17.3m reduction in the overall carrying value of debtors relating to a reduction in NHS invoice accruals.

Overall trade and other creditors have increased by £36.4m since the start of the year many relating to a large increase in Non NHS accruals. The carrying value of trade and other creditors increased by £38.7m in March reflecting the increase in capital creditors of £8m following the completion of £21m capital expenditure in March and significant increase in the level of NHS creditors in the month.

## CASH FLOW (TABLE G)

The closing cash balance at the end of the year was £3.637m. This was higher than forecasted however the balance is reasonable for a body of the UHB's size and complexity.

Amounts shown on the sale of assets line in Table K reflect the full value of sale proceeds received in year. This includes £6.874m in relation to the Land exchange with Velindre.

## PSPP (TABLE H)

The UHB's cumulative performance to the end of March was 96.2% which exceeds the statutory 95% target. During the same period, the UHB paid 82.4% of its NHS invoices by number within 30 days which represented a marginal improvement on cumulative performance at the end of quarter 3.

## CAPITAL SCHEMES (TABLES I, J & K)

The UHB successfully remained within its Capital Resource Limit (CRL) in 2020/21. Net capital expenditure was £0.104m (0.1%) below the approved CRL of £95.447m.

Planned expenditure for the year reflects the latest CRL received from Welsh Government dated 20<sup>th</sup> April 2021.

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

1. The forecast overspend ascribed to the Rookwood Hospital Replacement Scheme repays funding drawn down but not spent in previous years, this is managed within the discretionary forecast.
2. The Cystic Fibrosis £0.872m underspend partially relates to the delayed East 2 ward refurbishment £0.198m, £0.310m relating to management of 19/20 slippage and the remaining £0.274m intended to be managed through the 21/22 discretionary programme (TBC by Welsh Government).

All other variances relate to schemes being progressed as effectively as possible under the Covid-19 restrictions and will be managed through the discretionary programmes. This has been agreed with Welsh Government.

## AGED WELSH NHS DEBTORS (TABLE M)

At the 31<sup>st</sup> March 2021 there were no invoices raised by the UHB against other Welsh NHS bodies which had been outstanding for more than 17 weeks.

## GMS & DENTAL (TABLE N & O)

The cumulative position for GMS & Dental is reported at Tables N & O.

## OTHER ISSUES

The financial information reported in these monitoring returns aligns to the financial details included within the Finance Committee and Board papers. These monitoring returns will be taken to the 28<sup>th</sup> April 2021 meeting of the Finance Committee for information.

## CONCLUSION

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

The UHB has delivered a balanced position in line with its original 2020/21 financial plan and subsequently forecast in its Q3 and Q4 revised financial plan. The draft reported financial position for the twelve months to the end of March 2021 is a surplus of £0.090m.

The reported position includes the cost incurred in managing the impact of COVID 19 where the additional net costs are £176.120m for the year.

At the beginning of 2020/21 the UHB had a brought forward underlying recurrent deficit of £11.5m and if the UHB's original plan was fully delivered this would have reduced to £4.0m by the year end. The impact of COVID 19 impacted the delivery of recurrent savings schemes by circa £21.3m and as a consequence the underlying deficit has increased to £25.3m during the year

Notwithstanding this, the reported position is very satisfactory conclusion to the financial year, with the UHB having remained within its revenue and capital resource limits in year and achieving its creditor payment compliance target.



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

26<sup>th</sup> April 2021



.....  
**CATHERINE PHILLIPS**  
**EXECUTIVE DIRECTOR OF FINANCE**

26<sup>th</sup> April 2021

Table A - Movement of Opening Financial Plan to Forecast Outturn

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

Lines 1 - 12 should not be adjusted after Month 1

	In Year Effect	Non Recurring	Recurring	FYE of Recurring
	£'000	£'000	£'000	£'000
1 Underlying Position b/fwd from Previous Year - as per 3 year plan (Surplus - Positive Value / Deficit - Negative Value)	-11,500	0	-11,500	-11,500
2 New Cost Pressures - as per 3 year plan (Negative Value)	-53,639	-1,867	-51,772	-51,772
3 <b>Opening Cost Pressures</b>	<b>-65,139</b>	<b>-1,867</b>	<b>-63,272</b>	<b>-63,272</b>
4 Welsh Government Funding (Positive Value)	31,622	1,866	29,756	29,756
5 Identified Savings Plan (Positive Value)	10,512	1,376	9,136	9,136
6 Planned Net Income Generated (Positive Value)	239	20	219	219
7 Planned Accountancy Gains (Positive Value)	43	43	0	0
8 Planned Profit / (Loss) on Disposal of Assets	0	0	0	0
9 Planned Release of Uncommitted Contingencies & Reserves (Positive Value)	0	0	0	0
10 Provider Income (LTA/SLA)	4,520	0	4,520	4,520
11 Planning Assumptions still to be finalised at Month 1	18,202	2,561	15,641	15,641
12 <b>IMTP / Annual Operating Plan</b>	<b>0</b>	<b>4,000</b>	<b>-4,000</b>	<b>-4,000</b>
13 Reversal of Planning Assumptions still to be finalised at Month 1	-18,202	-2,561	-15,641	-15,641
14 Month 1 Planned Savings - Forecast Underachievement Due to Covid-19	-8,518	-936	-7,582	-7,285
15 Month 1 Planned Savings - Other Forecast (Underachievement) / Overachievement	8	-61	69	13
16 Additional In Year Identified Savings - Forecast (Positive Value)	3,150	1,500	1,650	1,719
17 Additional In Year & Variance from Planned Net Income Generated (Positive Value)	-119	23	-142	-120
18 Additional In Year & Variance from Planned Accountancy Gains (Positive Value)	3,344	3,344	0	0
19 Additional In Year & Variance from Planned Profit / (Loss) on Disposal of Assets	0	0	0	0
20 Release of Previously Committed Contingencies & Reserves (Positive Value)	0	0	0	0
21 Additional In Year Welsh Government Funding (Positive Value)	0	0	0	0
22 Additional In Year Welsh Government Funding Due To Covid-19 (Positive Value)	176,120	176,120	0	0
23 Operational Expenditure Cost Increase Due To Covid-19 (Negative Value)	-179,205	-179,205	0	0
24 Planned Operational Expenditure Cost Reduction Due To Covid-19 (Positive Value)	20,823	20,823	0	0
25 (Positive Value)	2,602	2,602	0	0
26 Net In Year Operational Variance to IMTP/AOP (material gross amounts to be listed separately)	-27	-27	0	0
27 Urgent & Emergency Care Funding	0	0	0	0
28 WRP Risk Share	-658	-658	0	0
29 Cost Pressure Reserve - Medicines	658	658	0	0
30 Additional In Year & Variance from Planned Net Income Generated (Positive Value)	113	113	0	0
31	0	0	0	0
32	0	0	0	0
33	0	0	0	0
34	0	0	0	0
35	0	0	0	0
36	0	0	0	0
37	0	0	0	0
38	0	0	0	0
39	0	0	0	0
40 <b>Forecast Outturn (- Deficit / + Surplus)</b>	<b>90</b>	<b>25,736</b>	<b>-25,645</b>	<b>-25,313</b>

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD	In Year Effect
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1	-958	-958	-958	-958	-958	-958	-958	-958	-958	-958	-958	-958	-11,500	-11,500
2	-4,470	-4,470	-4,470	-4,470	-4,470	-4,470	-4,470	-4,470	-4,470	-4,470	-4,470	-4,470	-53,639	-53,639
3	<b>-5,428</b>	<b>-5,428</b>	<b>-5,428</b>	<b>-5,428</b>	<b>-5,428</b>	<b>-5,428</b>	<b>-5,428</b>	<b>-5,428</b>	<b>-5,428</b>	<b>-5,428</b>	<b>-5,428</b>	<b>-5,428</b>	<b>-65,139</b>	<b>-65,139</b>
4	2,783	2,733	2,752	2,648	2,646	2,592	2,623	2,623	2,535	2,552	2,552	2,584	31,622	31,622
5	401	401	450	934	948	954	977	977	1,129	1,102	1,102	1,136	10,512	10,512
6	19	19	19	24	20	20	20	20	20	20	20	20	239	239
7	0	0	0	0	0	43	0	0	0	0	0	0	43	43
8													0	0
9													0	0
10	377	377	377	377	377	377	377	377	377	377	377	377	4,520	4,520
11	1,849	1,899	1,831	1,446	1,437	1,443	1,432	1,432	1,367	1,378	1,378	1,311	18,202	18,202
12	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
13	-1,849	-1,899	-1,831	-1,446	-1,437	-1,443	-1,432	-1,432	-1,367	-1,378	-1,378	-1,311	-18,202	-18,202
14	-102	-80	-228	-620	-1,309	-746	-809	-807	-972	-922	-942	-980	-8,518	-8,518
15	-152	-199	-101	-126	577	0	0	-1	1	0	-7	15	8	8
16	204	159	148	259	326	224	215	318	340	299	297	361	3,150	3,150
17	-14	6	-13	-16	-15	-6	7	-13	-13	-13	-13	-13	-119	-119
18	0	0	0	0	239	3,614	-2	34	50	-591	0	0	3,344	3,344
19													0	0
20													0	0
21													0	0
22			11,016	306	35,022	32,799	9,335	10,281	12,556	13,178	11,334	40,294	176,120	176,120
23	-38,440	-17,289	-5,330	-6,564	-11,077	-7,460	-8,561	-9,417	-11,873	-12,101	-10,836	-40,258	-179,205	-179,205
24	2,522	4,240	2,921	1,627	1,885	965	1,230	299	1,234	1,418	1,428	1,054	20,823	20,823
25	0	168	679	89	244	142	-44	142	31	98	98	965	2,602	2,602
26	-395	-89	172	-391	636	-252	151	629	-158	-95	301	-535	-27	-27
27													0	0
28													-658	-658
29													658	658
30								66	13	13	13	7	113	113
31													0	0
32													0	0
33													0	0
34													0	0
35													0	0
36													0	0
37													0	0
38													0	0
39													0	0
40	<b>-38,225</b>	<b>-14,982</b>	<b>7,433</b>	<b>-6,882</b>	<b>25,091</b>	<b>27,836</b>	<b>91</b>	<b>99</b>	<b>-158</b>	<b>-95</b>	<b>294</b>	<b>-412</b>	<b>90</b>	<b>90</b>

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Table A2 - Overview Of Key Risks & Opportunities		FORECAST YEAR END	
		£'000	Likelihood
<b>Opportunities to achieve IMTP/AOP (positive values)</b>			
1	Red Pipeline schemes (inc AG & IG)		
2	Potential Cost Reduction		
3	<b>Total Opportunities to achieve IMTP/AOP</b>	<b>0</b>	
<b>Risks (negative values)</b>			
4	Under delivery of Amber Schemes included in Outturn via Tracker		
5	Continuing Healthcare		
6	Prescribing		
7	Pharmacy Contract		
8	WHSSC Performance		
9	Other Contract Performance		
10	GMS Ring Fenced Allocation Underspend Potential Claw back		
11	Dental Ring Fenced Allocation Underspend Potential Claw back		
12			Medium
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26	<b>Total Risks</b>	<b>0</b>	
<b>Further Opportunities (positive values)</b>			
27	COVID 19 costs	0	Low
28	Annual leave accrual	0	Medium
29			
30			
31			
32			
33			
34	<b>Total Further Opportunities</b>	<b>0</b>	
<b>Current Reported Forecast Outturn</b>		<b>90</b>	
<b>IMTP / AOP Outturn Scenario</b>		<b>90</b>	
<b>Worst Case Outturn Scenario</b>		<b>90</b>	
<b>Best Case Outturn Scenario</b>		<b>90</b>	

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57	Non Pay (Additional costs due to C19)													
58	Accommodation Costs	14	223	37	392	47	0	126	47	41	41	(197)	699	809
59	Additional costs in Primary Care	123	776	311	2,396	211	20	252	93	278	2,105	1,006	1,283	5,533
60	Additional costs in Private Sector including via WHS2C	112	0	0	1,113	29	193	12	14	39	150	1,247	1,635	1,635
61	Additional costs in Temporary Hospital Capacity - Set Up Costs e.g. Field Hospitals	31,492	8,733	(3,892)	(3,736)	3,993	689	2,147	1,453	569	1,166	28	(1,016)	39,446
62	Catering Costs	0	34	(1)	0	0	0	(6)	(6)	4	0	0	0	39
63	CCF	11	21	20	0	0	0	1,362	192	664	1,362	1,362	1,362	4,369
64	Cleaning Costs	31	48	(4)	25	(8)	(1)	(3)	(3)	1	8	0	49	158
65	Costs as a result of lost income (inc. R.A. services & private patients)	591	1,610	1,092	727	507	616	436	614	745	387	731	673	9,148
66	Covid 19 Testing Units	0	0	0	16	(36)	63	693	61	0	0	0	0	6
67	Discommissioning costs	0	0	0	0	858	(285)	269	910	2,628	(13)	214	1,141	5,622
68	Discharge to assist	0	0	0	0	0	0	0	0	0	0	0	0	0
69	Discharge to recover	0	0	0	0	0	0	0	0	0	0	0	0	0
70	Drug & Medical Costs	338	858	810	1,889	274	498	356	355	208	346	568	444	4,477
71	Equipment costs - beds	153	92	12	2,654	1	48	0	2	0	0	0	0	2,895
72	Equipment costs - ventilators	0	0	0	0	0	0	0	0	0	0	0	0	0
73	Equipment costs - other specific in narrative	0	292	0	2,473	189	496	117	(18)	89	(1)	22	11	3,295
74	Estates/Security costs	1,383	315	899	(1,146)	20	53	(73)	(22)	176	240	190	946	3,167
75	External Project Management Costs	0	11	(11)	171	178	44	163	79	34	22	154	298	1,626
76	Insurance	0	0	0	0	1	0	0	0	0	0	0	0	1
77	IT Costs	392	(97)	108	828	(136)	58	68	136	289	45	183	199	2,074
78	Laundry Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
79	Legal Fees	0	0	1	49	25	25	28	13	0	(47)	0	14	105
80	M&SE - consumables	786	749	631	344	844	(162)	198	124	302	441	388	(183)	3,315
81	Mortuary/Funeral Expenses	77	33	10	4	0	0	0	0	0	0	0	0	34
82	PPE	965	(367)	786	185	0	830	2,052	693	359	678	732	328	11,228
83	Rent	0	0	0	0	0	0	0	0	0	0	0	0	0
84	Rent	0	0	0	0	0	0	0	0	0	0	0	0	0
85	Reprovision of existing services to external facilities e.g. Haemophilia services	0	0	0	0	0	0	0	0	0	0	0	0	0
86	Telephony	0	0	0	35	0	1	30	1	(30)	6	4	4	47
87	Temporary LTA Arrangements	0	0	0	0	0	0	0	0	0	0	0	0	0
88	Transport	0	0	0	0	0	0	0	0	0	0	0	0	0
89	Transportation	0	0	0	0	4	3	4	2	2	4	14	5	38
90	Utility costs	0	0	0	0	0	0	0	0	0	0	0	0	0
91	Other costs (specify below and in narrative)	249	(80)	25	(102)	240	169	(35)	639	234	(467)	147	95	1,111
92	Transfer of Canteen (specify in narrative)	0	0	0	0	0	0	0	0	0	0	0	0	0
93	Travel/Hotel/Compensation payments	0	0	0	16	(16)	0	68	49	69	334	56	56	418
94	BMO/Analyst Managed contract	0	0	0	(126)	64	217	348	(16)	102	518	(6)	1,250	2,556
95	Local Authority Support	0	0	0	0	0	0	2	2	2	2	2	2	12
96	Local Authority Support	0	0	0	18	1,032	622	1,064	1,213	1,227	1,149	1,162	1,643	7,441
97	TOTAL ADDITIONAL NON PAY EXPENDITURE	36,590	12,462	722	2,721	7,773	6,829	6,842	6,562	8,220	7,170	6,316	8,336	107,844
98	TOTAL ADDITIONAL OPERATIONAL EXPENDITURE (Agrees to Table A)	39,440	17,393	5,330	6,564	11,873	7,466	6,564	9,473	11,873	12,391	19,156	49,358	179,265

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

REF	1	2	3	4	5	6	7	8	9	10	11	12	Total YTD	Forecast year-end position
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	£'000	£'000
98	Enter as positive values													
98	33,001	9,372	(2,377)	874	4,547	(81)	2,800	2,253	3,178	440	238	1,389	55,422	55,422
99	0	0	0	0	0	0	0	0	0	0	0	0	0	0
100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
101	0	0	0	0	0	0	0	0	0	0	0	0	0	0
102	0	0	0	0	0	0	0	0	0	0	0	0	0	0
103	0	0	0	0	0	0	0	0	0	0	0	0	0	0
104	0	0	0	0	0	0	0	0	0	0	0	0	0	0
105	0	0	0	0	0	0	0	0	0	0	0	0	0	0
106	0	0	0	0	0	0	0	0	0	0	0	0	0	0
107	0	0	0	0	0	0	0	118	751	1,143	979	2,073	5,035	5,035
108	0	0	0	0	0	0	240	168	243	(285)	212	292	770	770
109	1	0	0	0	0	0	0	0	0	0	0	0	0	0
110	33,001	9,372	(2,377)	881	4,855	419	3,878	3,574	5,639	3,048	2,443	5,281	70,510	70,510
110	TOTAL MAJOR PROJECTS: ADDITIONAL CAPACITY EXPENDITURE													

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

REF	1	2	3	4	5	6	7	8	9	10	11	12	Total YTD	Forecast year-end position
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	£'000	£'000
98	Enter as positive values													
98	10	40	10	0	0	0	0	0	0	0	0	0	60	60
99	0	0	0	0	0	0	0	0	0	0	0	0	0	0
100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
101	0	0	0	0	0	0	0	0	0	0	0	0	0	0
102	0	0	0	0	0	0	0	0	0	0	0	0	0	0
103	0	0	0	0	0	0	0	0	0	0	0	0	0	0
104	0	0	0	0	0	0	0	0	0	0	0	0	0	0
105	0	0	0	0	0	0	0	0	0	0	0	0	0	0
106	0	0	0	0	0	0	0	0	0	0	0	0	0	0
107	0	0	0	0	0	0	0	0	0	0	0	0	0	0
108	0	0	0	0	0	0	0	0	0	0	0	0	0	0
109	0	0	0	0	0	0	0	0	0	0	0	0	0	0
110	10	40	10	0	0	0	0	0	0	0	0	0	60	60
110	TOTAL MAJOR PROJECTS: ADDITIONAL BED CAPACITY													

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B - Non Delivery of Planned Savings Due To C19

	1	2	3	4	5	6	7	8	9	10	11	12	Total YTD	Forecast year-end position
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	£'000	£'000
<b>Enter as Positive values</b>														
111 Non Delivery of Planned Savings (due to C19)														
112 Non Delivery of Finalised (M1) Savings	102	80	228	620	1,309	746	809	807	972	922	942	980	8,518	8,518
113 Non Delivery of Savings Agreed but not Released at M1	2,017	2,069	3,827	3,488	448	(2,487)	1,129	438	872	3,470	3,081	3,085	11,823	11,823
114 TOTAL NON DELIVERY OF PLANNED SAVINGS	2,119	2,149	4,055	3,998	1,757	(1,740)	1,946	1,255	1,864	4,392	3,924	3,965	20,340	20,340

C - Planned Operational Expenditure Cost Reduction Due To C19

	1	2	3	4	5	6	7	8	9	10	11	12	Total YTD	Forecast year-end position
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	£'000	£'000
<b>Enter as Negative values</b>														
115 Expenditure Reductions (due to C19)	(2,157)	(2,771)	(1,354)	(1,117)	(1,338)	(351)	(773)	(234)	(616)	(836)	(842)	(379)	(12,788)	(12,788)
116 Reduction of regular costs due to reduced clinical activity	0	0	0	0	0	0	0	0	0	0	0	0	0	0
117 Reduction of outsourcing costs due to reduced planned activity	0	0	0	0	0	0	0	0	0	0	0	0	0	0
118 Reduction of travel and expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0
119 Nursing bed closures in Surgery	(158)	(151)	(155)	(277)	(369)	(285)	(43)	(150)	(207)	(281)	(222)	(183)	(1,778)	(1,778)
120 Reduction in premium nursing costs	(108)	(275)	(293)	24	(94)	(289)	(158)	(74)	(187)	(187)	(99)	(295)	(1,914)	(1,914)
121 Other non-consulted services	(107)	(114)	(88)	(267)	(157)	49	(90)	388	(155)	113	(17)	(71)	(1,051)	(1,051)
122 Patient provisions	0	(79)	(11)	(27)	(6)	(27)	(11)	(5)	(18)	(20)	(24)	54	(1,391)	(1,391)
123 GDS Contract	0	(856)	(427)	0	0	(636)	(196)	(206)	(111)	(273)	(224)	(179)	(5,181)	(5,181)
124 Release of Cost Pressure Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0
125 TOTAL EXPENDITURE REDUCTION (Agrees to Table A)	(2,521)	(4,240)	(2,921)	(1,627)	(1,885)	(851)	(1,310)	(299)	(1,234)	(1,418)	(1,428)	(1,054)	(20,823)	(20,823)

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

	1	2	3	4	5	6	7	8	9	10	11	12	Total YTD	Forecast year-end position
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	£'000	£'000
<b>Enter as Negative values</b>														
126 Slippage on Planned Investments/Repurposing of Developmental Initiatives (due to C19)	0	(168)	(679)	(89)	(244)	(142)	44	(142)	(21)	(88)	(214)	(214)	(2,861)	(2,861)
127 V&I R&D Development	0	0	0	0	0	0	0	0	0	0	0	0	(741)	(741)
128 Repurposing of Investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
129 Evacuate Sustainability Slippage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
130	0	0	0	0	0	0	0	0	0	0	0	0	0	0
131	0	0	0	0	0	0	0	0	0	0	0	0	0	0
132	0	0	0	0	0	0	0	0	0	0	0	0	0	0
133	0	0	0	0	0	0	0	0	0	0	0	0	0	0
134	0	0	0	0	0	0	0	0	0	0	0	0	0	0
135 Slippage on V&I Investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL RELEASE/REPURPOSING OF PLANNED INVESTMENTS/DEVELOPMENT INITIATIVES (Agrees to Table A)	0	(168)	(679)	(89)	(244)	(142)	44	(142)	(21)	(88)	(214)	(214)	(2,861)	(2,861)
137 NET EXPENDITURE DUE TO COVID-19	38,036	15,029	3,788	6,037	10,789	4,680	9,336	10,281	12,208	13,178	11,334	48,294	176,120	176,120

Bricknell Helen  
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