

Public Finance Committee Meeting

Wed 19 October 2022, 14:30 - 16:30

Agenda

14:30 - 14:30 1. Standing Items

0 min


Rhian Thomas

1.1. Welcome and Introductions


1.2. Apologies for Absence

1.3. Declarations of Interest

1.4. Minutes of the previous Committee meeting – 28 September 2022

 1.4 Public Finance Minutes SeptemberMD.NF.pdf (10 pages)

1.5. Action log following the meeting held on 28 September 2022

 1.5 Action Log - Following Public Meeting in SeptemberMD.NF.pdf (2 pages)

1.6. Chair's Actions since previous meeting

14:30 - 14:30 2. Items for Review and Assurance

0 min

2.1. Financial Report – Month 6

Robert Mahoney

 2.1 Public Finance Committee Finance Position Report for Month 6.pdf (22 pages)

2.2. Financial performance of Clinical Boards

Mike Bond Robert Mahoney


14:30 - 14:30 3. Items for Information and Noting

0 min

3.1. Financial Monitoring Return – Month 6

Robert Mahoney

 3.1 WG month 6 MMR Covering Report.pdf (2 pages)

 3.1a CV Financial Monitoring Return 2022-23 - Month 6.pdf (16 pages)

 3.1b 2022-23 MMR Template - Cardiff & Vale UHB Month 6.pdf (4 pages)

14:30 - 14:30 4. Agenda for Private Finance Committee Meeting

0 min

Rhian Thomas

Mohamed Sarah
13/10/2022 15:24:39

4.1. Approval of Private Minutes

4.2. Update on Risks to the Financial Plan

4.3. COVID funding analysis

14:30 - 14:30 5. AOB 0 min

14:30 - 14:30 6. Review and Final Closure 0 min

6.1. Items to be deferred to Board / Committee

Rhian Thomas

6.2. Date, time and venue of the next Committee meeting:

Wednesday 23rd November 2022 at 2pm via MS Teams

14:30 - 14:30 7. Declaration 0 min

Rhian Thomas

To consider a resolution that representatives of the press and other members of the public be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest [Section 1(2) Public Bodies (Admission to Meetings) Act 1960]

**Unconfirmed Minutes of the Public Finance Committee Meeting
Held On 28 September 2022 at 2pm
Via MS Teams**

Chair:		
Rhian Thomas	RT	Independent Member - Capital and Estates
Present:		
John Union	JU	Independent Member – Finance
David Edwards	DE	Independent Member – ICT
In Attendance:		
Charles Janczewski	CJ	UHB Chair
Abigail Harris	AH	Executive Director of Strategic Planning
Catherine Phillips	CP	Executive Director of Finance
Hywel Pullen	HP	Interim Deputy Director of Finance (Strategy)
Tim Davies	TD	Head of Corporate Business
Nicola Foreman	NF	Director of Corporate Governance
Robert Mahoney	RM	Interim Deputy Director of Finance (Operational)
Marie Davies	MD	Deputy Director of Planning
Robert Wilkinson	RW	Programme Support Manager
Jason Roberts	JR	Executive Nurse Director
Paul Bostock	PB	Chief Operating Officer
Geoff Walsh	GW	Director Capital Estates and Facilities
Secretariat		
Sarah Mohamed	SM	Corporate Governance Officer
Apologies:		

Item No	Agenda Item	Action
FC 28/9/001	Welcome & Introduction The Committee Chair (CC) welcomed everyone to the meeting.	
FC 28/9/002	Apologies for Absence The Finance Committee resolved that: a) No Apologies were noted.	
FC 28/9/003	Declarations of Interest The Finance Committee resolved that: a) No Declarations of Interest were noted.	
FC 28/9/004	Minutes of the meeting Held on 24 August 2022 The minutes of the meeting held on 24 August 2022 were received. The Finance Committee resolved that:	

	<p>a) The minutes of the meeting held on 24 August 2022 were held as a true and accurate record of the meeting.</p>	
<p>FC 28/9/005</p>	<p>Action Log following the meeting held on 24 August 2022</p> <p>The Action Log was received.</p> <p>The Finance Committee resolved that:</p> <p>a) The Action Log was up to date.</p>	
<p>FC 28/9/006</p>	<p>Chairs Action since previous meeting</p> <p>There had been no Chair's actions taken since the last meeting.</p>	
	<p>Items for Review and Assurance</p>	
<p>FC 28/9/007</p>	<p>Financial Report – Month 5</p> <p>The Interim Deputy Director of Finance Operations (IDDFO) presented the Financial Report Month 5 and highlighted the following:</p> <p>The Health Board had a planned deficit of £17.1m and was currently reporting a £9.652m overspend at Month 5.</p> <p><u>Table 1: Month 5 Financial Position 2022/23</u></p> <p>It was noted that there was an additional Covid 19 expenditure reported at £25m to date. It was anticipated that this would be £58m by year end.</p> <p>It was split into two components. Firstly, the Covid response costs and, secondly, the national programmes that were being delivered.</p> <p>The exceptional inflationary pressures covered several items. It was noted that £6.7m had been spent on energy costs so far. The Health Board anticipated to spend £45m by year end. The Health Board was anticipating funding from Welsh Government (WG).</p> <p><u>Table 2 - 2022/23 Draft Financial Plan - Resubmitted 30 June 2022</u></p> <p>It was noted that the Health Board had overspent by £9.652m against its core financial plan, of which (i) £7.125m was planned as part of the underlying financial deficit, and (ii) £2.527m was unplanned as an overspend in delegated and central positions.</p>	

The rate of unplanned overspend fell in month, deteriorating by £0.228m from the cumulative Month 4 unplanned overspend of £2.299m.

Table 3 - Finance - Key Performance Indicator Dashboard at August 2022

The IDDFO stated that delivering the financial plan was “red” at the moment because the Health Board had overspent.

The IDDFO added that the Health Board was still managing within the capital resource limit anticipated and was ambitious that it would remain “green” throughout the year.

It was noted that the pressure of the plan also had an effect on the underlying deficit and savings. Some of the savings delivered were not recurrent and the total savings plan had not been reached yet.

The IDDFO highlighted that creditor payments had improved. It could take a while for the non-compliance rates to improve.

The Committee Chair (CC) queried the Finance team’s confidence in meeting the financial plan as it stood. The Health Board was about to go into the Winter period and it was already showing a month by month deficit.

The IDDFO responded that there was a table, in the meeting pack, which dealt with the financial pressures that were not anticipated. There was pressure to deliver the £17.1m plan. The Finance team would need to get a forecast position of the year end.

The UHB Chair stated that as the Health Board was shortly approaching Month 6, it was a key time for Welsh Government (WG) to take a keen interest in the financial plan. It was therefore important that the Finance team put together a forecast and highlighted any revision to the financial plan. The Board would also be keen to understand the position as soon as possible.

The IDDFO responded that was the intention as it was a mid-way point. It was also a forecast month upon which WG placed great reliance. The Finance team would also make sure that the Health Board governance structures were appropriately engaged if any revision was needed.

Table 5 - Key Cost pressures and risks within delegated positions as at Month 5

IDDFO

The IDDFO noted that some of the unfunded medical agencies were “in play”, but not to the levels being experienced at the moment. There were initiatives underway, especially with Healthcare Support Workers, to have enhanced recruitment and to take pressure off some of those costs.

The Independent Member for Finance (IMF) queried whether the Finance team would also be looking at options where costs could be stopped, paused or reduced.

The IDDFO responded that he had expressed an awareness of where there might be a stop programme. However, he did not want to mix actions with forecast in the initial forecast. It was important to present realistic expectations to the Finance Committee and Board.

The Independent Member for ICT (IMI) stated that he did not envisage any of the pressures changing. He queried what a realistic timescale would be and when would the Health Board act.

The IDDFO responded that they would need to respond as soon as they reached the conclusion that the year end forecast would need to be revised.

The Executive Director of Finance (EDF) stated that the first matter was how to get back on the forecast and deliver the plan. The Finance Team had envisaged some improvement over the Summer, but that had not happened.

The Chief Operating Officer (CEO) gave assurance that the Clinical Boards and the operational teams were working with the Finance team to give that forecast.

The CC queried whether a breakdown of the costs in table 5 was already assumed for the planned deficit and any unplanned deficit elements.

The IDDFO responded that when budgets were set it was upon the assumption that they were appropriately funded to deliver.

However, the level of vacancies the Health Board was currently experiencing was unforeseen.

It was noted that the WHSCC LTA performance was still being worked up to see if some of it could be recovered. There was nothing indicating that there would be a swing on prescribing.

Mohamed Sarah
13/10/2022 15:24:59

The IDDFO explained the planned deficit versus actual extrapolated deficit graph showed the diversions from the planned deficit to the current deficit. It was already showing that there was a £7m gap.

The UHB Chair requested that the deficit forecast was measured against actuals at Month 6.

IDDFO

Exceptional costs

It was noted that it was assumed that WG would fund the energy costs. It was a volatile figure and WG had queried that.

The IDDFO added that the Health Board had a responsibility to report it as accurately as possible.

Key financial assumptions and risks

It was noted that the assumption that WG would fund exceptional costs, programme costs and response costs was a risk.

The IMI queried the narrative under table 7. He requested more detail on how much more would be at risk in the areas the WG did not class as Covid recovery costs.

The IDDFO responded that the conversation on Covid response was mixed because there was a huge amount of Covid consequential costs.

Savings programme

It was noted that at Month 5, the Health Board was forecasting £17.445m of savings to deliver against the revised £19.400m savings target, leaving a further £1.955m schemes to identify.

There was a gap of £3.434m against the £15.400m recurrent target at Month 5. That would add to the recurrent underlying deficit to be carried into 2023/24 if further recurrent savings were not identified in year. It was noted that progress made continued to identify a full programme of deliverable savings.

The EDF requested that the Finance Committee meeting be moved forward next month because it fell a day before the Board Development Session.

DCG

The UHB Chair supported that request to move the Finance Committee to earlier in the month in October to allow the Finance team to really examine the Month 6 position carefully to allow the Board to then decide as to whether to accept it.

Mohamed Sarah
13/10/2022 15:24:59

	<p>The Finance Committee resolved that:</p> <ul style="list-style-type: none"> a) The reported overspend of £9.652m due to £2.527m of operational pressures and a planning deficit of £7.125m, was noted. b) The financial impact of COVID 19 which was assessed at £25.063m, was noted. c) The additional Welsh Government COVID 19 funding of £25.063m assumed within the position, was noted. d) The financial impact of Exceptional inflationary pressures which was assessed at £6.783m, was noted. e) The additional Exceptional inflationary pressures funding of £6.783m assumed within the position, was noted. f) The forecast deficit of £17.1m, which was consistent with the Final Financial plan and was a reduction of £3.7m from the £20.8m included within the initial Draft Financial Plan, was noted. g) The 2021/22 brought forward Underlying Deficit of £29.7m and the planned forecast carry forward of £20.0m to 2023/24, was noted. 	
<p>FC 28/9/008</p>	<p>BAF Risk – Financial Sustainability</p> <p>The Director of Corporate Governance (DCG) presented the BAF Risk – Financial Sustainability Report.</p> <p>The BAF risks had been taken to the Committees of the Board so that they could be scrutinised. The risks were agreed between the DCG and the EDF.</p> <p>The DCG advised that the financial sustainability risk was currently scored at 15 and consideration should be given as to whether this should be high taking into account the previous discussion on the financial position. However, it could be better to wait until the Month 6 financial report had been received by the Committee before amending the rating.</p> <p>The EDF agreed that then the score given could be changed, once the Month 6 position had been reviewed.</p> <p>The Finance Committee resolved that:</p> <ul style="list-style-type: none"> a) The attached risk in relation to Financial Sustainability was reviewed to enable the Committee to provide further assurance to the Board when the Board Assurance Framework was reviewed in its entirety. 	

**FC
28/9/009**

Velindre NHS Trust Business Cases - Radiotherapy Services and Radiotherapy Satellite Centre

The Executive Director of Strategic Planning (EDSP) presented the Velindre NHS Trust Business Cases for (i) Radiotherapy Solution IRS and (ii) Radiotherapy Satellite Centre and highlighted the following:

- These were two interconnected business cases to improve the capability in the South East region.
- It would allow for new treatments to be provided for patients across South East Wales.
- The number of linac machines would increase from 8 to 10.
- An increase in demand had been predicted.
- The costs would come from the increased capacity.
- The summary paper attached gave a good breakdown of the financial elements.
- It was a significant investment over 10 years.

The Interim Deputy Director of Finance (Strategy) (IDDFS) advised the Committee that the costs expected from the Health Board were slightly less than the costs under the current framework with Velindre. That would be the small advantage if the activity actually occurred.

The IDDFS added that because the Health Board was investing upfront into a second centre, if the activity did not materialise then the Health Board would have committed money upfront to have that capacity.

It was noted that there was an agreement with Velindre that if there was additional capacity in the early years and they were able to treat patients from other areas in Wales, then they would share that information.

The EDSP commented that at the moment the Health Board was commissioning additional capacity from additional places, such as the Rutherford Centre which was a private facility in Newport.

The EDF commented that looking at the cumulative situation the Health Board was not paying that much more for 8 brand new linac facilities. It was just over £300,000 to refresh the technology and the Health Board would get a 28% share of that.

The EDF added that £400,000 would be committed this year and next. She asked how it would deliver on the organisations agenda and was it funded from recovery or commissioning?

Mohamed Sarah
13/10/2022 15:24:59

	<p>The COO responded that he did not know the answer. However, the Cancer backlog had grown. In March 2020, there were 820 Cancer patients on a single Cancer pathway. 20 patients were waiting more than 62 days. In September 2022, there were 3,300 patients on a single Cancer pathway. 817 patients had been waiting more than 62 days. The COO stated that it would take a long time to reduce the backlog.</p> <p>The CC queried whether the Committee needed more assurance.</p> <p>The EDF responded that it was not a reason not to move forward with the business case. The conditions outlined were important and understanding how the extra capacity would help the Health Board's recovery journey and whether they would receive the activity for the population. The EDF added that the Committee would need to keep an eye on it.</p> <p>The Finance Committee resolved that:-</p> <p>a) that the Board be recommended to: -</p> <ol style="list-style-type: none"> 1. Approve that the IRS replacement of the existing LINAC fleet at Velindre; 2. Agree to support up to the maximum annual revenue funding level (with indexation to be applied), and contract mechanisms reflected within this paper; 3. Note the associated IRS cost element of the RSC, as an independent approval of the RSC overall FBC was noted; 4. Approve the RSC FBC subject to: <ol style="list-style-type: none"> a) agreement on sharing any benefits from the use of redundant LINAC capacity to provide services to other Commissioners outside of South East Wales b) the provider seeks to minimise and defer the transitional costs were approved; and 5. Agree in principle to support the revenue costs associated with the provision of radiotherapy for Cardiff and Vale residents following the procurement of the new radiotherapy equipment and the development of the Radiotherapy Satellite Centre at Nevill Hall Hospital. 	
	Items for Approval / Ratification	
<p>FC 28/9/010</p> <p style="font-size: small; transform: rotate(-45deg); opacity: 0.5;">Mohammed Ibrahim 13/10/2022 15:24:59</p>	Fracture Clinic	

The Director of Capital Estates and Facilities (DCEF) presented the Fracture Clinic Paper and highlighted the following:

- The proposal was to move the Fracture Clinic to the Lakeside Wing.
- During the Pandemic it was moved from UHW to UHL.
- The move was supported by Clinical teams and the Clinical Boards.
- To help expedite work as quickly as possible, a Chair's Action would be taken to the Board tomorrow.
- The Capital Management Group had identified £1m to undertake the work.

The CC queried the revenue and cost consequences from making the move. She added that a lot of it would be funded from Recovery money. The CC queried what the medium to long term plan was to fund the costs.

The IDDFS responded that the Health Board had been given Recovery money on a reoccurring basis. It was to close £23m. The move from UHL would free capacity, especially for elective Orthopaedic work and also provided benefit. There was some opportunity to benefit the Health Board as the major commissioners.

The Finance Committee resolved that:

- a) A recommendation was made to the Board to APPROVE:
 - (i) the development of a new Fracture Clinic in the Ground Floor of the Lakeside wing at UHW to enable the return of the service from UHL;
 - (ii) the proposed procurement and approval process, being Chairs action, recognising the need to commence works on site at the earliest opportunity to support the Clinical Recovery Programme; and
 - (iii) the Chairs action to enter into contract with the successful framework contractor subject to the tender return being within 10% of the budget allowance set by the CMG, that being £1.653m inclusive of VAT.
- b) The successful contractor and contract value would be reported to the November UHB Board, was noted.
- c) The revenue implications, funding source and the proposal to minimise any additional investment was noted.

Mohamed Sarah
13/10/2022 15:24:53

Items for Information and Noting

FC 28/9/011	Financial Monitoring Return – Month 5 The Finance Committee resolved that: a) The extract from the UHB’s Monthly Financial Monitoring Return was noted.	
	Agenda for Private Finance Committee Meeting	
FC 28/9/012	i. Approval of Private Minutes ii. Health & Wellbeing Centre Business Case - Park View iii. Update on the Financial Plan iv. 10 Year Capital Plan	
FC 28/9/013	Any Other Business No Other Business was discussed.	
	Review and Final Closure	
FC 28/9/014	Items to be referred to Board / Committee The BAF Risk – Financial Sustainability agenda item was referred to Board.	DCG
	Date & time of next Meeting Wednesday 19 October 2022 at 2:30pm Via MS Teams	

Mohamed Sarah
13/10/2022 15:24:59

Public Action Log

Following Finance Committee Meeting
28 September 2022
(For the Meeting 19 October 2022)

Completed actions					
REF	SUBJECT	AGREED ACTION	ACTIONED TO	DATE	STATUS/COMMENTS
FC 28/9/007	Financial Report – Month 5	To move the next Finance Committee to an earlier day in the month due to the Board Development Session falling on 27 October 2022	Nicola Foreman	19 October 2022	Completed October's Finance Committee moved to 19 October 2022
Actions in progress					
REF	SUBJECT	AGREED ACTION	ACTIONED TO	DATE	STATUS/COMMENTS
FC 24/8/007	Financial performance of Clinical Boards	More quantifiable data and concrete information on the recovery plans to be shared with the Committee.	Mike Bond Hywel Pullen	19 October 2022	Update by 19 October 2022
FC 28/9/007	Forecast	To put together a forecast and highlight any revision to the financial plan.	Robert Mahoney	19 October 2022	Update by 19 October 2022

Mohamed Sarah
13/10/2022 15:24:59

FC 28/9/007	Planned deficit vs actual extrapolated deficit graph	To ensure the deficit forecast was measured against actuals at month 6.	Robert Mahoney	19 October 2022	Update by 19 October 2022
Actions referred to Board/Committees					
FC 24/8/008	High-level funding resource map	The high-level funding resource map would be presented at a future Board Development Session.	Nicola Foreman	14 December 2022	On Board Development agenda for December
Fc 28/9/008	Items referred to Board	BAF Risk – Financial Sustainability	Nicola Foreman	24 November 2022	To go to Board on 24 November 2022

Mohamed Sarah
13/10/2022 15:24:59

Report Title:	Finance Report for the Period Ended 30 th September 2022		Agenda Item no.	2.1	
Meeting:	Finance Committee	Public	<input checked="" type="checkbox"/>	Meeting Date:	19 th October 2022
		Private	<input type="checkbox"/>		
Status <i>(please tick one only):</i>	Assurance	<input checked="" type="checkbox"/>	Approval	<input type="checkbox"/>	Information
Lead Executive:	Executive Director of Finance				
Report Author (Title):	Interim Deputy Director of Finance (Operational)				

Main Report

Background and current situation:

Summary

At month 6 the UHB is reporting an overspend of £12.807m against its submitted draft plan. This is comprised of £4.257m of operational overspend and the planned deficit of £8.550m (six twelfths of the annual planned deficit of £17.1m set out in 2022/23 financial plan).

The UHB assumes that Covid and exceptional costs incurred to date, of £31.846m, will be funded by Welsh Government and further costs will continue to be funded to the end of the financial year.

Table 1: Month 6 Financial Position 2022/23

	Month 6	Forecast Year-End Position £m
COVID 19 Additional Expenditure	30.441	60.004
Exceptional Inflationary Pressures	6.783	45.825
Gross additional COVID and Exceptional Inflationary Pressures £m	37.225	105.829
Welsh Govt. Funding for additional COVID and Exceptional Inflationary Pressures	(37.225)	(105.829)
Planned deficit	8.550	17.100
Operational position (Surplus) / Deficit	4.257	0.000
Financial Position £m (Surplus) / Deficit £m	12.807	17.100

Financial Plan

The Health Board submitted an initial draft financial plan to Welsh Government at the end of March 2022. A revised re-submission of the Plan was sent to Welsh Government on 30 June 2022. The plan is structured in three parts, in line with Welsh Government discussions, as follows:

- Core Financial Plan including recovery
- Exceptional inflationary cost increases
- Ongoing COVID response costs (Local and Welsh Government Covid Programmes)

The UHB's core financial plan incorporated:

- Brought forward underlying deficit of £29.7m
- Allocations and inflationary uplifts of £29.8m
- Capped cost pressures and investments of £36.9
- A £16m (2%) Savings programme

This resulted in an initial 2022-23 planning deficit of £20.8m. The plan was subject to further development during quarter 1 of 2022/23 when further Financial Recovery Plans totaling £3.7m in 2022/23 were identified, resulting in a revised planning deficit of £17.1m per Table 2.

Table 2: 2022/23 Draft Financial Plan - Resubmitted 30 June 2022

	2022/23 Plan £m
Underlying deficit from 2020/21 Plan	(4.0)
Adjustment for non-recurrent items in 2020/21 and 2021/22	(25.7)
b/f underlying deficit	(29.7)
Allocation uplift (including LTA inflation)	29.8
Capped cost pressures assessment recurrent	(31.8)
Capped cost pressures assessment non-recurrent	(1.1)
Investment reserve	(4.0)
2022/23 Planned Surplus/(Deficit) before efficiency programme	(36.8)
Efficiency Programme of 2%	
Recurrent cost improvement plans (1.5% in 22/23)	12.0
Non Recurrent cost improvement plans (0.5% in 22/23)	4.0
Initial Planned Surplus/(Deficit)	(20.8)
Additional Financial Recovery Plans	3.7
Final Planned Surplus/(Deficit)	(17.1)

Core Financial Plan – Month 6 Cumulative Position

The UHB is overspent by £12.807m against its core financial plan. £8.550m of this was planned as part of the underlying financial deficit. £4.257m is unplanned as an overspend in delegated and central positions. The rate of unplanned overspend increased in month, deteriorating by £1.730m from the cumulative Month 5 unplanned overspend of £2.527m. Table 3 provides a summary of the Month 6 position.

Mohamed Sarah
13/10/2022 15:24:59

Table 3: Finance - Key Performance Indicator Dashboard at September 2022

Measure	STATUS REPORT				
	September 2022	Rating	Latest Trend	Target	Time Period
Deliver 2022/23 Draft Financial Plan	£12.807m deficit at month 6. £8.550m planned deficit and £4.257m operational deficit	R	↓	Deliver 2022/23 £17.1m Planned Deficit	M6 2022-23
Remain within capital resource limits.	Expenditure at the end of September was £12.074m against a plan of £16.945m.	G	⊙	Remain within approved planned expenditure £45.404m	M6 2022-23
Maintenance (no deterioration) of Underlying Deficit	£29.7m assessed underlying deficit (ULD) position b/f to month 1. Planned Year End ULD £20.0m.	R	⊙	2022/23 plan to reduce from £29.7m to £20.0m underlying deficit	M6 2022-23
Delivery of recurrent £15.400m savings target	£12.087m forecast at month 6.	R	↑	£15.400m	M6 2022-23
Delivery of £4m non recurrent savings target	£5.369m forecast at month 6.	G	⊙	£4.000m	M6 2022-23
Creditor payments compliance 30 day Non NHS	Cumulative 93.9% at the end of September	R	↑	95% of invoices paid within 30 days	M6 2022-23
Remain within Cash Limit	The UHB's working capital requirement will be discussed with Welsh Government as the year progresses. At month 6 the UHB forecast is a year end cash deficit of £17.1m in line with the forecast planning deficit. The UHB has identified a further forecast working balances cash requirement of £2.8m at month 6.	A	⊙	To remain within Cash Limit	M6 2022-23
Maintain Positive Cash Balance	Cash balance = £4.669m	G	⊙	To Maintain Positive Cash Balance	End of September 2022

A number of cost pressures have emerged or increased in the year to date that were not foreseen in the original financial plan. Table 4 summarises the year to date position across the Clinical Boards and delegated areas of the UHB.

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 6 by Clinical Board is shown in Table 4.

Mohamed Sarah
13/10/2022 15:24:59

Table 4: Financial Performance for the period ended 30th September 2022

Clinical Board	Gross Expenditure Due To COVID 19 £m	Welsh Government Covid 19 Funding £m	Exceptional Inflationary Expeniture £m	Welsh Government Exceptional Inflationary Pressure Funding £m	Operational Position (Surplus) / Deficit Variance £m	Total (Surplus) / Deficit Variance £m
In Month						
Clinical Diagnostics & Therapies	0.185	(0.185)	0.095	(0.095)	0.041	0.041
Children & Women	0.109	(0.109)	0.112	(0.112)	0.215	0.215
Capital Estates & Facilities	0.644	(0.644)	0.784	(0.784)	0.137	0.137
Surge Hospitals	0.000	0.000	0.000	(0.000)	0.005	0.005
Executives	0.126	(0.126)	0.044	(0.044)	0.419	0.419
All Wales Genomics Service	0.000	0.000	0.012	(0.012)	(0.013)	(0.013)
Medicine	1.697	(1.697)	0.127	(0.127)	0.432	0.432
Mental Health	0.177	(0.177)	0.064	(0.064)	0.376	0.376
PCIC	1.879	(1.879)	0.284	(0.284)	0.290	0.290
Specialist	0.115	(0.115)	0.121	(0.121)	(0.343)	(0.343)
Surgery	0.436	(0.436)	0.157	(0.157)	0.535	0.535
SubTotal Delegated Position £m	5.367	(5.367)	1.800	(1.800)	2.094	2.094
Central Budgets	0.010	(0.010)	0.036	(0.036)	(0.363)	(0.363)
Central Budgets - Planning Deficit					1.425	1.425
Total Deficit/(Surplus) £m	5.377	(5.377)	1.836	(1.836)	3.156	3.156
Draft 2022/23 Planning Deficit					(1.425)	(1.425)
Opeartional Deficit/(surplus Against Plan) £m	5.377	(5.377)	1.836	(1.836)	1.731	1.731
Cumulative						
Clinical Diagnostics & Therapies	1.207	(1.207)	0.318	(0.318)	0.148	0.148
Children & Women	0.825	(0.825)	0.375	(0.375)	0.944	0.944
Capital Estates & Facilities	2.737	(2.737)	4.458	(4.458)	1.699	1.699
Surge Hospitals	0.000	0.000	0.001	(0.001)	0.011	0.011
Executives	0.667	(0.667)	0.148	(0.148)	0.318	0.318
All Wales Genomics Service	0.000	0.000	0.041	(0.041)	(0.018)	(0.018)
Medicine	10.028	(10.028)	0.424	(0.424)	2.834	2.834
Mental Health	1.070	(1.070)	0.214	(0.214)	2.003	2.003
PCIC	9.950	(9.950)	1.591	(1.591)	1.017	1.017
Specialist	1.289	(1.289)	0.404	(0.404)	(1.640)	(1.640)
Surgery	2.510	(2.510)	0.526	(0.526)	1.591	1.591
SubTotal Delegated Position £m	30.283	(30.283)	8.499	(8.499)	8.907	8.907
Central Budgets	0.159	(0.159)	0.120	(0.120)	(4.650)	(4.650)
Central Budgets - Planning Deficit					8.550	8.550
Total Deficit/(Surplus) £m	30.441	(30.441)	8.620	(8.620)	12.807	12.807
Draft 2022/23 Planning Deficit					(8.550)	(8.550)
Opeartional Deficit/(surplus Against Plan) £m	30.441	(30.441)	8.620	(8.620)	4.257	4.257

The operational deficit of £8.907m against delegated budgets is offset by a £4.650m underspend against central budgets leaving a total operational overspend of £4.257m before the addition of the cumulative £8.550m planned deficit to leave a total overspend of £12.807m

The largest operational overspends are in the Medicine Clinical Board (£2.834m deficit) where the main pressure areas are nursing and medical staffing, in Mental Health (£2.003m deficit) where there are nursing and continuing healthcare placement pressures and Capital Estates & Facilities (£1.699m deficit) where there are pressures against security costs, patient catering in EU and commercial income.

Table 5 provides details of some of the cost pressures impacting operational positions. These pressures are incorporated within the financial tables included within the body of the report and within the appendices. The cost pressures have the effect of removing budgetary surpluses that the UHB has partially relied on to achieve break even positions in previous financial years.

Table 5 Key Cost pressures and risks within delegated positions as at Month 6

	Impact in Month	Year to date impact	Full Year Forecast Impact	
Key Cost pressures incorporated in position at Month 6	£000s	£000s	£000s	Future outlook and potential mitigations
Unfunded Medical Staffing inc. Agency & Premium costs	259	3,081	5,769	
Nursing Staff Agency & Premium costs	722	2,350	4,950	Strategies to improve permanent Recruitment and Retention will improve agency dependency
International Nurse Recruitment	22	361	815	Non recurrent based on unforeseen excess costs 2021-22 initiative
WHSSC LTA performance	30	545	1,100	WHSSC performance should recover towards the end of the year and will improve on return to pre Covid footprint
Patient Catering to EU and food price rises	106	399	797	Will benefit from throughput initiatives
Prescribing	378	1,336	4,975	Currently assessing the impact of days supplied and bank holidays
Mental Health CHC Placements	239	1,277	2,958	Nurse Director led initiative to improve CHC placement pressures
General Dental Services Ers pension costs	-47	250	500	Seek to manage this within the totality of contractor services
Security at Rookwood & Whitchurch	79	621	1,242	In the system until the disposal of estate
Footfall impact on Aroma Sales/Concourse Leases	112	672	1,344	Anticipated that footfall will improve as UHB moves away from Covid footprint

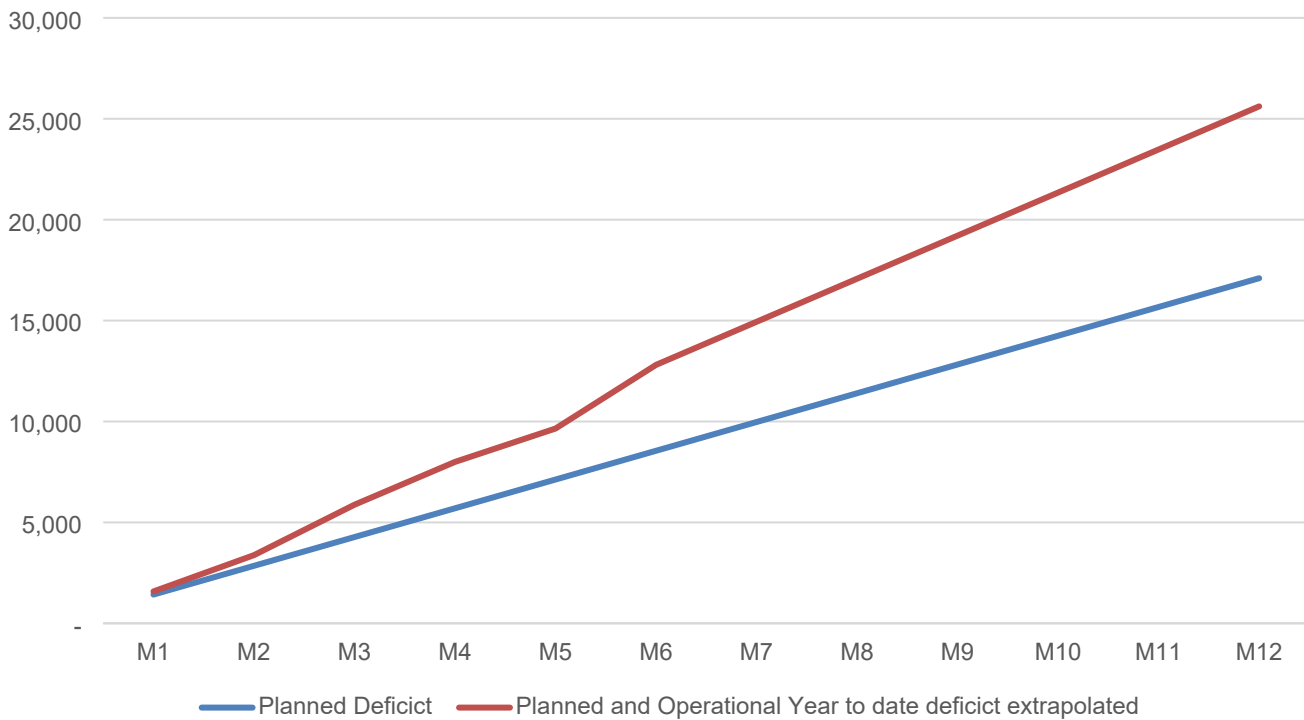
The UHB continues to face a significant challenge as it improves elective throughput from an operational footprint that is still dealing with Covid patients and primed for a further upswing in cases. This is coupled with difficulties in discharging patients to appropriate support packages in the community whilst experiencing increased emergency demand. This in turn has restricted the UHB's ability to deliver a full elective output when contractual obligations to recover to pre pandemic activity levels has re-introduced financial performance arrangements for under delivery of patient activity. In particular, WHSSC commissioned specialties operate to sensitive contract parameters that include high marginal rates for under and over performance.

The current UHB forecast assumes that the UHB will successfully identify and deliver the required cost and income improvement to meet the revised Financial Plan deficit of £17.1m.

The continued deterioration of the UHB position in Month 6 and the ongoing nature of the cost pressures highlighted in Table 5 places the UHB ambition to return to a position within the 2022-23 planned deficit at significant risk. A central focus of Executive Performance Reviews with Clinical Boards has been on the remedial actions and additional savings that are needed to mitigate and address these cost pressures.

Reviewed by Sarah
17/10/2022 15:24:59

Cardiff and Vale UHB Planned and Operational YTD
Extrapolated Trajectory @ M6
£000s



This trajectory does not include a number of potential cost issues that could add pressure to efforts to recover the trajectory. These include Winter Pressures planning for additional bed capacity and Emergency Unit service mitigations whilst Covid restricts the ability to efficiently discharge patients. The UHB also still has to deliver additional savings of £1.9m against its plans in the second half of 2022-23.

Exceptional Costs

In line with guidance from Welsh Government, the UHB's plan anticipated Welsh Government funding for the three National Inflationary Pressure exceptional costs:

- 1) **Increased** energy costs of £20.9m for 2022-23. The current forecast informed by information provided by Shared Services is £15.837m for the year, which is £5.063m less than the estimate in the plan and reflects a decrease of £21.188m in the annual forecast between August and September.

The UHB receives market intelligence on prices from Shared Services on a monthly basis, which in turn is based on market forecasting provided by British Gas. The Shared Services Forecasting model is based on the latest spot price and consequently provides for a high level of volatility between forecasts. In September the spot price reduced at the same time the government announced the Energy Billing Relief Scheme (EBRS). This has had a significant impact on the forecast costs requiring Welsh government support.

The energy forecast will remain a live piece of work involving the UHB Capital and Estates Team and Shared Services market intelligence, in light of the volatility of market intelligence.

- 2) Employers NI costs of £6.9m. The forecast of the employers cost of NI levy had previously decreased by £1.0m from the planning estimate of £6.9m to £5.9m. Following the recent

announcement of the discontinuation of the levy from November 6th 2022 the forecast has been revised down to £3.361m and will continue to be reviewed in October and November.

- 3) The impact of paying Real Living Wage (RLW) for staff working within social care and Third Sector remains at the original estimated level of a £2.9m increase in annual costs. This position assumes that the cost impact of 2022/23 real living wage for staff directly employed on the UHB's payroll will be supported separately through the 2022/23 pay settlement.

A summary of forecast exceptional costs is outlined in Table 5 below:

Table 6 – Exceptional Cost forecast for 2022-23

	Month 6	Forecast Year-End Position
Incremental costs in 2022/23	£m	£m
Energy/Fuel	4.368	15.837
National Insurance Levy	2.802	3.361
Living Wage - Social Care	1.450	2.900
Total Exceptional Costs Expenditure £m	8.620	22.098
Sub Total Exceptional Cost funding confirmed/assumed £m	8.620	22.098

Welsh Government funding to support these costs is assumed but has not yet been confirmed.

COVID 19 Expenditure and Funding

At month 6, the UHB projects expenditure (and matched income) of £60.004m relating to Covid costs. £9.274m has already been received as funding in allocations with an additional £32.469m for Local Response and £18.261m for National Programmes anticipated. The forecast costs, and associated income assumption, will adjust throughout the year as Covid prevalence fluctuates, combined with developments in Welsh Government vaccination and infection control policy. The current outlook is summarised in Table 7 below which demonstrates that forecast 2022/23 costs have increased by £1.081m between Month 5 and Month 6. The increase is primarily a result of the 2022/23 pay award with forecast provider pay costs being £39.445m at month 6 compared to £38.534m at Month 5.

Table 7: Summary of Forecast COVID 19 Net Expenditure

	Month 6	Forecast Year-End Position	Forecast Year-End Position @ Month 5	Change in Forecast Year-End Position in month
	£m	£m	£m	£m
COVID 19 Testing	0.665	1.696	1.643	0.053
COVID 19 Tracing	2.917	5.617	5.767	(0.150)
COVID 19 Vaccination	4.413	9.031	8.789	0.241
Extended Flu Vaccination	0.161	1.243	1.243	(0.000)
PPE	1.606	3.303	3.381	(0.078)
Sub Total National Programmes	9.762	20.889	20.823	0.065
Cleaning Standards	1.175	2.782	2.675	0.106
COVID 19 Local Response	17.910	32.771	31.862	0.909
Sub Total Local response including Cleaning Standards	19.085	35.553	34.537	1.015
Dental Income; Flu; Long Covid; Anti-Viral; Allergy Advice and Nosocomial	1.594	3.562	3.562	0.000
Total COVID Expenditure assumed to be matched by WG Funding £m	30.441	60.004	58.923	1.081

Welsh Government funding to support these costs is assumed but has not yet been confirmed.

Summary Financial Table

The following table analyses the £12.807m overspend at Month 6, between Income, Pay and Non Pay. The table details the costs as Covid, Exceptional and Operational categories with funding assumed to match Covid and Exceptional cost categories.

Table 8: Summary Financial Position for the period ended 30th September 2022

Income/Pay/Non Pay	Memorandum Annual Budget	Current Period Budget	Current Period Actual	COVID 19 Response	Welsh Government COVID 19 Programmes Expenditure	Welsh Government COVID 19 Funding Assumed	Exceptional Inflationary Expenditure	Welsh Government Exceptional Inflationary Expenditure Funding Assumed	Total COVID & Exceptional Inflationary Expenditure	Operational Variance (Fav)/Adv
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
In Month										
Income	(1,714.571)	(156.507)	(156.665)	0.039	0.000	(0.039)	0.000	0.000	0.039	(0.158)
Pay	766.793	80.749	80.119	2.829	0.712	(3.541)	0.838	(0.838)	4.379	(0.629)
Non Pay	947.778	75.758	79.701	0.483	1.016	(1.499)	0.998	(0.998)	2.497	3.943
Covid Funding delegated to C. Boards						(0.299)			0.299	
Sub Total £m	(0.000)	(0.000)	3.156	3.351	2.026	(5.377)	1.836	(1.836)	7.214	3.156
2022/23 Planned Deficit	17.100	0.000	(1.425)						0.000	(1.425)
Variance to Plan £m	17.100	(0.000)	1.731	3.351	2.026	(5.377)	1.836	(1.836)	7.214	1.731
Cumulative										
Income	(1,714.571)	(832.918)	(833.104)	0.507	0.000	(0.507)	0.000	0.000	0.507	(0.187)
Pay	766.793	393.141	389.471	15.608	3.520	(19.128)	2.802	(2.802)	21.930	(3.670)
Non Pay	947.778	439.775	456.439	2.968	6.082	(9.051)	5.818	(5.818)	14.869	16.664
Covid Funding delegated to C. Boards						(1.755)			1.755	
Sub Total £m	(0.000)	(0.000)	12.806	19.083	11.358	(30.441)	8.620	(8.620)	39.061	12.807
2022/23 Planned Deficit	17.100	0.000	(8.550)						0.000	(8.550)
Variance to Plan £m	17.100	(0.000)	4.256	19.083	11.358	(30.441)	8.620	(8.620)	39.061	4.257

Further detail in respect of the Income, Pay and Non pay budgetary positions is provided at Appendix 1.

Key Financial Assumptions and Risks

Following on from Tables 6 & 7 the overall UHB position assumes:

- Local COVID response allocations from Welsh Government of £35.553m (annual) to support the ongoing additional COVID costs and to fund achieving the Cleaning Standards.
- Funding for national COVID programmes on an actual cost basis, currently forecast at £20.889m to cover:
 - Testing costs
 - Tracing costs (allocated from separate fund)
 - Mass vaccination programme
 - Extended Flu Vaccination
 - PPE
- Funding for exceptional cost pressures of £22.098m, which are deemed to be outside of the UHB's direct control. The forecast cost of exceptional cost pressures will be subject to review as the year progresses driven by the unpredictability of some cost areas, such as energy.

Table 9 summarises the Finance Department's Risk Register. The key risk which feeds the UHB Corporate Risk Register is the failure of the UHB to deliver a breakeven position by 2022-23 year end with a current planned deficit of £17.1m.

Table 9: Risk Register at September 2022

	Risks	Rating	Comment
Key Corporate Risk	Approved Three year Financial plan (IMTP)	20	A revised financial plan was submitted into Welsh Government on 30 June 2022. The plan projected a £17.1m deficit by the end of 2022-23. Welsh Government has now moved into Enhanced Monitoring based on financial concerns.
	Revenue Funding Limit.	20	The UHB has submitted a £17.1m deficit plan and therefore will breach breakeven duty in 2022-23. There is a high risk that this will not be recovered in years two and three of the rolling performance measure.
	Capital Funding - Three Year Rolling Breakeven Duty	10	The current 2022-23 UHB Capital Plan is structured to remain within the Capital Resource limit

Financial Performance	Operational delegated positions deteriorate in year resulting from cost and service pressures and excess inflation.	20	Table 5 refers to new in year cost pressures arising from demand and staffing pressures whilst still maintaining a Covid ready environment.
	Failure to deliver 2022-23 Savings Programme	16	Most savings have been identified to address the 2022-23 programme but the lack of recurrent savings within this will bring pressure on the underlying carry forward deficit of the UHB. In addition, the UHB has to identify £3.7m of new savings to deliver the revised £17.1m deficit plan. At month 6, the gap against the total revised target was £1.9m
	Failure to exit current Covid Response costs once Welsh Government funding ceases. Cost will transfer to the UHB underlying deficit.	16	The timing of full Covid exit is uncertain alongside any associated Welsh Government funding. On full exit there are likely to be care model and building support costs that will maintain e.g. Lakeside Wing support costs.
	2022-23 One Year LTA framework in NHS Wales	16	Failure to recover delivery of activity to contracted organisations (WHSSC), Welsh LHBs to a level of 90% of 2019-20 levels and beyond. Initial activity figured for 2022-23 indicate that the UHB will struggle to deliver 90% across the Board whilst the WHSSC contracts are more sensitive to any activity deficits below 100%.

Funding Assumptions	Welsh Government has notified LHBs that assumed funding for Exceptional Costs remains at risk	16	Circa £22m risk to assumed funding within the UHB Financial Plan
	Welsh Government has notified LHBs that assumed funding for Covid Response remains at risk	16	Circa £35m risk to assumed funding within the UHB

Mohamed Sarhan
13/10/2022 15:24:59

Savings Programme

At month 6, the UHB is forecasting £17.457m of savings to deliver against the revised £19.400m savings target leaving a further £1.943m schemes to identify. This represents a marginal increase in identified schemes of £0.012m in month. Delegated budget holders are being pressed to close the remaining gap through the established internal review process. The UHB expects to finalise the balance of savings plans required to deliver the revised planning deficit of £17.1m.

Overall progress in the identification of savings schemes is outlined in table 10 below:

Table 10: Savings Schemes

	Total Savings Target £m	Total Savings Identified £m	Total Savings (Unidentified) £m
Total £m	19.400	17.457	(1.943)

The UHB expects to finalise the balance of savings plans required to deliver the revised planning deficit of £17.1m. Further analysis of the September position is shown in **Appendix 2**.

Underlying Financial Position

A key challenge to the UHB is the elimination of the underlying deficit. The UHB's accumulated underlying deficit brought forward into 2022/23 was £29.7m. An illustration of the year on year movement in the underlying deficit is shown at **Appendix 3**.

Delivery of the UHB's draft financial plan will ensure that the underlying position does not deteriorate in 2022/23 and reduces to £20.0m as outlined in Table 11.

Table 11: Summary of Underlying Financial Position

	Submitted Plan £m
b/f underlying deficit	(29.7)
Net Allocation Uplift (inc LTA inflation)	29.8
Cost Pressures	(31.8)
Cost Pressures - Non recurrent	(1.1)
Investments	(4.0)
Recurrent Cost Improvement Plans	12.0
Non Recurrent Cost Improvement Plans	4.0
First Draft Submitted 2022/23 IMTP £m	(20.8)
Further Financial Recovery Plans	3.7
Final Submitted 2022/23 IMTP £m	(17.1)
Cost Pressures - Non recurrent	1.1
Non Recurrent Cost Improvement Plans	(4.0)
Planned Underlying Deficit c/f to 2023/24 £m	(20.0)

Balance Sheet

The balance sheet at month 6 is detailed in **Appendix 4**. The opening balances at the beginning of April 2022 reflect the closing balances in the 2021/22 Annual Accounts approved by the UHB's Board.

The increase in the carrying value of property, plant & equipment since the start of the year is due to the impact of annual indexation plus the recognition of Right of use Assets (£12m), which is a result of the implementation of International Financial Reporting Standard (IFRS) 16 Leases.

Overall trade debtors have increased by £44.8m since the start of the year. This relates to amounts due from the Welsh Risk Pool in respect of clinical negligence cases, NHS receivables and prepayments.

Trade and other payables have fallen by around £57m since the start of the year. This mainly relates to a significant decrease in the levels of Accounts Payable Control, NHS and capital accruals. The fall in Trade and other payables has in part been abated by the recognition of £12m of Lease payables as a result of the implementation IFRS 16 Leases.

Cash Flow Forecast

The closing cash balance at the end of September, was £4.669m.

The UHB is currently predicting a cash shortfall in 2022/23 in line with the forecast deficit as shown at **Appendix 4**. The UHB has highlighted the forecast cash deficit within the monthly monitoring return provided to Welsh Government and expects to discuss its working capital requirements as the year progresses.

In addition, the UHB has identified an estimated working cash balance requirement of £2.774m to Welsh Government. This is comprised of a £1.334m of payment in respect of the Annual Leave Buy Back Scheme and a further £1.440m in respect of 2021/22 Welsh Government funding confirmed in March 2022, which was not backed by cash because of the proximity of the end of the financial year.

Public Sector Payment Compliance

The UHB's public sector payment compliance performance remains below the target of 95%. Performance for the 6 months to the end of September was 93.9%. Whilst this remains below the target, it is an improvement of 1.3% in month.

The below target performance is due to the high number of invoices which were on hold and subsequently cleared following work by the Procurement department with those placing orders to clear the backlog of holds. However, this has contributed to the performance remaining below target, as holds exceeding the 30 days have been resolved and paid.

Performance is expected to improve in the coming months as newer holds will be cleared, and then paid, within the 30 days target. Work is ongoing with departments within the UHB, including training, to address the level of orders not receipted, and the high number of workforce and nursing holds, which should improve the UHB's position.

Capital Resource Limit (CRL)

Progress against the CRL for the period to the end of September 2022 is summarised in Table 12 and detailed in **Appendix 4**.

Table 12: Progress against Capital Resource Limit @ September 2022

	£m
Planned Capital Expenditure at month 6	16.945
Actual net expenditure against CRL at month	12.074
Variance against planned Capital Expenditure at month 6	(4.871)

Of the UHB's approved Capital Resource Limit, 27% has been expended to date. VAT recovery for a number of schemes has been reflected in M6 reducing the overall year to date expenditure.

Whilst all schemes are currently classified as low risk, two schemes are being closely monitored:

- Maelfa which is forecasting a potential slippage of £0.5m
- Genomics forecasting a potential £0.2m overspend

All other schemes are currently in line with annual forecast.

The UHB had an approved capital resource limit of £45.404m in line with the latest CRL received from Welsh Government 15th September 2022 comprising of £10.263m discretionary funding and £35.141m towards specific projects (including Maelfa Primary Care Pipeline, the National Imaging Programme, Developing Genomics Partnership Wales, UHL Electrical infrastructure, Endoscopy Unit UHL & Refit - Phase 2)

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

The draft Financial Plan sets out the UHB financial strategy in three parts:

1. Core Financial Plan including recovery
2. National inflationary pressures which are out of the direct control of individual Health Boards
3. Ongoing COVID response costs and Welsh Government Covid Programmes

The planning deficit included in the UHBs Final Financial Plan for 2022/23 reduced from £20.8m to £17.1m financial plan following the inclusion of further recurrent Financial Recovery Plans totaling £3.7m.

Delivery of the core financial plan initially included an 2% (£16.0m) savings requirement, which included a recurrent savings target of £12.0m . A further recurrent savings target of £3.4m was added to the initial target and included within the final financial plan submitted to Welsh Government at the end of Quarter 1. Further progress needs to be made in respect of the £3.312m shortfall against the final recurrent savings target of £15.4m.

The UHB also needs to manage its operational position and mitigate any emerging pressures as its Covid response costs are collapsed. The rate of operational overspend was £1.731m in month 6 which is an increase on the trend in the first 5 months of the year. The reported operational overspend which is £4.257m for the 6 months to the end of September remains cause for concern and has prompted enhanced monitoring through the monthly Executive Performance Reviews of Clinical Boards.

The UHB position is heavily predicated on the assumption of Welsh Government continuing to provide income support for local Covid response, exceptional costs and central Covid programmes. The total of these is currently forecast at £82.102m in 2022-23 which is a decrease of £22.646m on the forecast at month 5 mainly due to energy price volatility and the impact of the Energy Billing Relief Scheme (EBRS).

These assumptions will be tested out in ongoing discussions with Welsh Government regarding the UHB's Financial Plan.

Recommendation:

At Month 6 the Committee are requested to:

- **NOTE** the reported overspend of £12.807m due to £4.257m of operational pressures and a planning deficit of £8.550m.
- **NOTE** the financial impact of COVID 19 which is assessed at £30.441m.
- **NOTE** the additional Welsh Government COVID 19 funding of £30.441m assumed within the position.
- **NOTE** the financial impact of Exceptional Inflationary Pressures which is assessed at £8.620m.
- **NOTE** the additional Exceptional Inflationary Pressures funding of £8.620m assumed within the position.
- **NOTE** the forecast deficit of £17.1m, which is consistent with the Final Financial plan and is a reduction of £3.7m from the £20.8m included within the initial Draft Financial Plan .
- **NOTE** the 2021/22 brought forward Underlying Deficit of £29.7m and the planned forecast carry forward of £20.0m to 2023/24.

Link to Strategic Objectives of Shaping our Future Wellbeing:

Please tick as relevant

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

Prevention		Long term	x	Integration		Collaboration		Involvement	
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Impact Assessment:

Please state yes or no for each category. If yes please provide further details.

Risk: Yes

No

Safety: Yes/No

No

Financial: Yes

As detailed in the report.

Workforce: Yes/No

No

Legal: Yes/No

No	
Reputational: Yes/No	
Yes, if forecast financial position is not delivered.	
Socio Economic: Yes/No	
No	
Equality and Health: Yes/No	
No	
Decarbonisation: Yes/No	
No	
Approval/Scrutiny Route:	
Finance Committee	Date: 19 th October 2022

Mohamed Sarah
13/10/2022 15:24:59

ANALYSIS OF INCOME, PAY AND NON PAY BUDGETS BY CATEGORIES

Income

The year to date and in month financial position for income is shown in Table 13:

Table 13: Income Variance @ September 2022

	Memorandum Annual Budget	Current Period Budget	Current Period Actual	COVID 19 Response Expenditure	Welsh Government COVID 19 Programmes Expenditure	Welsh Government COVID 19 Funding Assumed	Exceptional Inflationary Expenditure	Welsh Government Exceptional Funding Assumed	Total COVID & Exceptional Inflationary Expenditure	Operational Variance (Fav)/Adv
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
In Month										
Revenue Resource Limit (RRL)	(1,236.858)	(116.414)	(116.414)			0.000			0.000	0.000
RRL Welsh Govt. COVID 19 Funding		5.377	5.377			0.000			0.000	
RRL Welsh Govt. Exceptional Pressures Funding		1.836	1.836			0.000			0.000	
Welsh Government Income (Non RRL)	(13.091)	(1.087)	(1.087)			0.000			0.000	0.000
Accommodation & Catering	(4.641)	(0.474)	(0.406)	0.000		0.000			0.000	0.068
Education & Training	(40.531)	(3.806)	(3.868)	0.000		0.000			0.000	(0.061)
Injury Cost Recovery Scheme (CRU) Income	(2.165)	(0.180)	(0.180)	0.000		0.000			0.000	0.000
NHS Patient Related Income	(397.460)	(35.392)	(35.480)	0.007		(0.007)			0.007	(0.087)
Other Operating Income	(9.282)	(5.499)	(5.527)	0.058		(0.058)			0.058	(0.027)
Overseas Patient Income	(0.086)	(0.015)	(0.072)	(0.017)		0.017			(0.017)	(0.057)
Private Patient Income	(1.262)	(0.052)	(0.109)	(0.009)		0.009			(0.009)	(0.058)
Research & Development	(9.195)	(0.801)	(0.735)	0.000		0.000			0.000	0.065
Variance to Plan £m	(1,714.571)	(156.507)	(156.665)	0.039	0.000	(0.039)	0.000	0.000	0.039	(0.158)
Cumulative										
Revenue Resource Limit (RRL)	(1,236.858)	(589.452)	(589.452)			0.000			0.000	0.000
RRL Welsh Govt. COVID 19 Funding		30.441	30.441			0.000			0.000	
RRL Welsh Govt. Exceptional Pressures Funding		8.620	8.620			0.000			0.000	
Welsh Government Income (Non RRL)	(13.091)	(6.587)	(6.587)			0.000			0.000	0.000
Accommodation & Catering	(4.641)	(2.439)	(2.010)	0.000		0.000			0.000	0.429
Education & Training	(40.531)	(22.402)	(22.410)	0.000		0.000			0.000	(0.008)
Injury Cost Recovery Scheme (CRU) Income	(2.165)	(1.083)	(1.083)	0.000		0.000			0.000	0.000
NHS Patient Related Income	(397.460)	(215.119)	(215.625)	(0.113)		0.113			(0.113)	(0.505)
Other Operating Income	(9.282)	(29.216)	(29.160)	0.237		(0.237)			0.237	0.055
Overseas Patient Income	(0.086)	(0.054)	(0.160)	(0.009)		0.009			(0.009)	(0.106)
Private Patient Income	(1.262)	(0.617)	(0.693)	0.392		(0.392)			0.392	(0.076)
Research & Development	(9.195)	(5.009)	(4.985)	0.000		0.000			0.000	0.024
Variance to Plan £m	(1,714.571)	(832.918)	(833.104)	0.507	0.000	(0.507)	0.000	0.000	0.507	(0.187)

The income position at month 6 is an underspend of £0.187m. This position includes consideration of additional Welsh Government income of £0.507m in recognition of income losses caused by COVID 19 disruption. The position excludes anticipated income relating to exceptional costs and Covid 19 response costs. Part of the in year financial pressure, already noted in Table 4, relates to the shortfall on accommodation and catering income previously supported by Welsh Government funding but now, no longer falling within the defined Covid response costs. This pressure is £0.429m in month 6.

Mohamed Sarah
13/10/2022 15:24:59

Pay

The year to date and in month financial position for pay is shown in Table 14.

Table 14: Analysis of pay expenditure by staff group @ September 2022

	Memorandum Annual Budget	Current Period Budget	Current Period Actual	COVID 19 Response	Welsh Government COVID 19 Programmes Expenditure	Welsh Government COVID 19 Funding Assumed	Exceptional Inflationary Expenditure	Welsh Government Exceptional Funding Assumed	Total COVID & Exceptional Inflationary Expenditure	Operational Variance (Fav)/Adv
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
In Month										
Medical and Dental	194.580	20.351	20.495	0.544	0.000	(0.544)	0.215	(0.215)	0.759	0.144
Nursing (registered)	228.352	23.267	22.528	0.693	0.219	(0.913)	0.240	(0.240)	1.152	(0.739)
Nursing (unregistered)	58.454	6.440	7.692	0.850	0.092	(0.941)	0.078	(0.078)	1.020	1.253
Scientific, prof & technical	44.046	4.828	4.394	0.067	0.006	(0.072)	0.046	(0.046)	0.119	(0.434)
Additional clinical services	30.767	3.442	3.188	0.075	0.033	(0.107)	0.032	(0.032)	0.139	(0.254)
Management, admin & clerical	93.782	10.099	9.872	0.068	0.362	(0.430)	0.104	(0.104)	0.534	(0.227)
Other staff groups	116.812	12.323	11.950	0.532	0.001	(0.533)	0.123	(0.123)	0.656	(0.373)
Variance to Plan £m	766.793	80.749	80.119	2.829	0.712	(3.541)	0.838	(0.838)	4.379	(0.629)
Cumulative										
Medical and Dental	194.580	98.819	101.407	3.219	0.001	(3.220)	0.718	(0.718)	3.938	2.588
Nursing (registered)	228.352	115.501	110.412	4.366	1.040	(5.406)	0.802	(0.802)	6.208	(5.089)
Nursing (unregistered)	58.454	29.865	34.203	4.573	0.402	(4.974)	0.262	(0.262)	5.236	4.339
Scientific, prof & technical	44.046	23.663	21.972	0.366	0.026	(0.392)	0.155	(0.155)	0.547	(1.692)
Additional clinical services	30.767	16.116	15.016	0.423	0.155	(0.578)	0.107	(0.107)	0.685	(1.100)
Management, admin & clerical	93.782	49.222	48.370	0.428	1.888	(2.316)	0.348	(0.348)	2.664	(0.852)
Other staff groups	116.812	59.955	58.092	2.233	0.009	(2.241)	0.410	(0.410)	2.652	(1.864)
Variance to Plan £m	766.793	393.141	389.471	15.608	3.520	(19.128)	2.802	(2.802)	21.930	(3.670)

The pay position at month 6 is an operational underspend of £3.670m. The in month pay position underspend was £0.629m which is broadly in line with the trend for first 5 months of the year.

Performance against operational pay varies across the UHB with the largest overspend being reported by the Medicine Clinical Board where there is an operational overspend of £1.938m, as a result of nursing and medical staffing pressures.

Mohamed Sarah
13/10/2022 15:24:59

Non Pay

The year to date and in month financial position for non pay is shown in Table 15.

Table 15: Non-Pay Variance @ September 2022

	Memorandum Annual Budget	Current Period Budget	Current Period Actual	COVID 19 Response	Welsh Government COVID 19 Programmes Expenditure	Welsh Government COVID 19 Funding Assumed	Exceptional Inflationary Expenditure	Welsh Government Exceptional Funding Assumed	Total COVID & Exceptional Inflationary Expenditure	Operational Variance (Fav)/Adv
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
In Month										
Drugs / Prescribing	171.503	18.020	18.479	0.108	0.000	(0.108)	0.000	0.000	0.108	0.459
Clinical services & supplies	104.348	8.150	8.468	0.054	0.155	(0.210)	(0.000)	0.000	0.210	0.319
General supplies & services	9.287	0.841	0.930	0.017	0.056	(0.073)	0.000	0.000	0.073	0.088
Establishment expenses	9.926	0.783	1.436	0.003	0.018	(0.021)	0.000	0.000	0.021	0.652
Premises & fixed plant	36.967	3.075	3.688	0.132	0.388	(0.520)	0.757	(0.757)	1.277	0.613
Continuing healthcare	73.533	6.127	6.659	0.000	0.000	0.000	0.242	(0.242)	0.242	0.532
Healthcare Provided Services	231.297	20.989	21.752	0.116	0.000	(0.116)	0.000	0.000	0.116	0.763
Primary Care Contractors	143.817	11.742	11.698	0.032	0.061	(0.093)	0.000	0.000	0.093	(0.044)
Other non pay	167.101	6.031	6.592	0.021	0.337	(0.358)	0.000	0.000	0.358	0.561
Variance to Plan £m	947.778	75.758	79.701	0.483	1.016	(1.499)	0.998	(0.998)	2.497	3.943
Cumulative										
Drugs / Prescribing	171.503	106.212	107.764	0.699	0.000	(0.699)	0.000	0.000	0.699	1.552
Clinical services & supplies	104.348	56.902	56.811	0.366	1.147	(1.513)	0.000	0.000	1.513	(0.091)
General supplies & services	9.287	5.060	5.719	0.104	0.471	(0.575)	0.000	0.000	0.575	0.659
Establishment expenses	9.926	4.967	5.768	0.042	0.041	(0.083)	0.000	0.000	0.083	0.802
Premises & fixed plant	36.967	18.850	22.185	0.670	1.339	(2.008)	4.368	(4.368)	6.376	3.335
Continuing healthcare	73.533	36.859	39.001	0.000	0.000	0.000	1.450	(1.450)	1.450	2.142
Healthcare Provided Services	231.297	114.499	114.371	0.807	0.000	(0.807)	0.000	0.000	0.807	(0.128)
Primary Care Contractors	143.817	69.633	69.469	0.146	0.073	(0.220)	0.000	0.000	0.220	(0.165)
Other non pay	167.101	26.794	35.351	0.134	3.011	(3.145)	0.000	0.000	3.145	8.558
Variance to Plan £m	947.778	439.775	456.439	2.968	6.082	(9.051)	5.818	(5.818)	14.869	16.664

There is an operational overspend of £16.664m on non-pay budgets which incorporates the 2022/23 year to date planning deficit of £8.550m.

The additional gross COVID 19 expenditure of £9.051m (local response and national programmes) is matched by £9.051m of anticipated COVID 19 funding and the additional exceptional energy costs of £4.368m and continuing healthcare costs of £1.450m arising from national pressures are matched by assumed funding of £5.818m.

Pressures are reported against Premises and Fixed Plant by all Clinical Boards, with the majority of overspends being reported against Capital Estates & Facilities, Executive and Central Budgets as identified by Table 16 below:

Table 16: Cumulative overspend Premises and Fixed Plant @ Month 6

Clinical / Service Board	Cumulative Variance £m	Reasons
Capital Estates & Facilities	1.166	Additional water charges, security costs and Estates non pay contractor costs which are broadly balanced by a pay underspends against estates staff
Executives	0.761	Digital costs and accommodation costs in respect of Overseas Nurses
Central Budgets	0.510	Additional Bed Contract costs reported Centrally
Other Clinical Boards	0.898	
Total Variance to Plan £m	3.335	

Mohamed Sarah
13/10/2022 15:24:59

2022/23 SAVING SCHEMES

2022-23 In-Year Effect

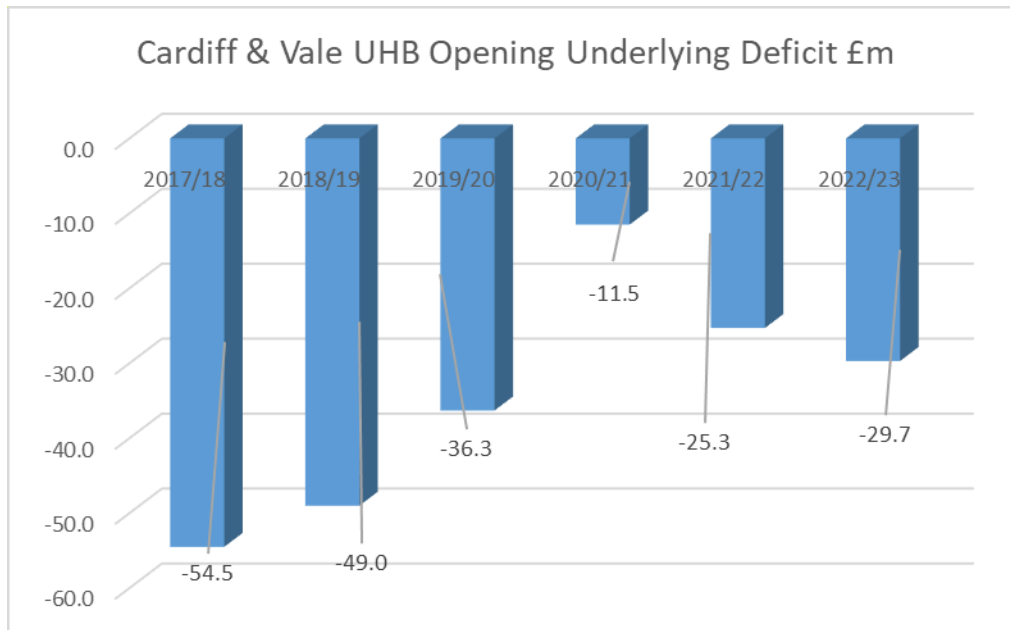
Clinical/Service Board	22-23 Target 2%	Green	Amber	Total Green & Amber	Red	Shortfall on Total Target vs Green & Amber
	£'000	£'000	£'000	£'000	£'000	£'000
Capital Estates and Facilities	946	946	0	946	0	0
Children and Women	1,303	1,303	0	1,303	18	-0
Clinical Diagnostics and Therapeutics	1,199	1,177	0	1,177	0	21
Corporate Executives	500	441	0	441	0	59
Medicine	1,378	1,378	0	1,378	360	0
Mental Health	1,079	1,080	0	1,080	399	-0
Primary, Community and Intermediate Care	2,423	2,398	25	2,423	15	-0
Specialist Services	1,482	1,480	0	1,480	0	2
Surgical Services	1,689	1,695	0	1,695	300	-6
Sub Total Clinical Boards £'000	12,000	11,898	25	11,923	1,092	76
Corporate	7,400	4,983	550	5,533	0	1,867
Total £'000	19,400	16,881	575	17,456	1,092	1,943

2022-23 Full Year Effect

Clinical/Service Board	22-23 Target 1.5%	Green	Amber	Total Green & Amber	Pipeline Red	Shortfall on Total Target vs Green & Amber
	£'000	£'000	£'000	£'000	£'000	£'000
Capital Estates and Facilities	946	742	0	742	136	204
Children and Women	1,303	933	5	938	24	366
Clinical Diagnostics and Therapeutics	1,199	687	0	687	0	512
Corporate Executives	500	66	0	66	0	434
Medicine	1,378	661	0	661	778	717
Mental Health	1,079	1,033	0	1,033	650	46
Primary, Community and Intermediate Care	2,423	2,018	25	2,043	250	380
Specialist Services	1,482	1,266	0	1,266	0	216
Surgical Services	1,689	1,267	0	1,267	600	422
Sub Total Clinical Boards £'000	12,000	8,672	30	8,702	2,438	3,297
Corporate						
Additional Savings Target:						
- Continuing Healthcare	220	610	0	610	0	-390
- Medicines Management	650	1,250	200	1,450	0	-800
Procurement	1,930	325	1,000	1,325	0	605
Repatriation	600	0	0	0	0	600
Total £'000	15,400	10,857	1,230	12,087	2,438	3,312

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13/10/2024:59

Year on Year Movement in Cardiff & Vale UHB Underlying Deficit



Mohamed Sarah
13/10/2022 15:24:59

BALANCE SHEET AT THE END OF SEPTEMBER 2022

	Opening Balance 1 st April 2022	Closing Balance 30 th September 2022
Non-Current Assets	£'000	£'000
Property, plant and equipment	789,607	815,215
Intangible assets	2,611	2,140
Trade and other receivables	33,427	39,972
Other financial assets		
Non-Current Assets sub total	825,645	857,327
Current Assets		
Inventories	20,391	21,009
Trade and other receivables	228,915	267,244
Other financial assets		
Cash and cash equivalents	4,607	4,669
Non-current assets classified as held for sale		
Current Assets sub total	253,913	292,922
TOTAL ASSETS	1,079,558	1,150,249
Current Liabilities		
Trade and other payables	245,910	177,565
Other financial liabilities	0	
Provisions	165,709	211,921
Current Liabilities sub total	411,619	389,486
NET ASSETS LESS CURRENT LIABILITIES	667,939	760,763
Non-Current Liabilities		
Trade and other payables	7,683	18,749
Other financial liabilities		
Provisions	39,304	36,829
Non-Current Liabilities sub total £'000s	46,987	55,578
TOTAL ASSETS EMPLOYED £'000s	620,952	705,185
FINANCED BY:		
Taxpayers' Equity		
General Fund	503,471	566,445
Revaluation Reserve	117,481	138,740
Total Taxpayers' Equity £'000s	620,952	705,185

Mohamed Sarah
13/10/2022 15:24:59

CASHFLOW FORECAST AT THE END OF SEPTEMBER 2022

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£,000	£,000
RECEIPTS													
WG Revenue Funding - Cash Limit (excluding NCL)	111,385	108,155	103,795	100,045	100,535	107,615	101,145	105,895	93,650	82,090	99,535	65,497	1,179,342
WG Revenue Funding - Non Cash Limited (NCL)	1,170	1,650	945	1,085	1,340	1,130	850	835	1,125	1,125	1,125	710	13,090
WG Revenue Funding - Other (e.g. invoices)	3,046	1,298	84	2,667	2,775	1,343	5,790	1,284	2,775	1,284	2,775	3,025	28,143
WG Capital Funding - Cash Limit	10,000	4,000	3,500	7,875	3,440	4,155	500	3,500	3,125	3,000	2,309	0	45,404
Sale of Assets	0	0	0	0	0	0	0	0	0	0	0	0	0
Income from other Welsh NHS Organisations	40,206	38,287	36,007	36,065	40,743	44,393	36,197	31,607	42,556	42,006	32,607	44,104	464,778
Other - (Specify in narrative)	5,714	11,261	6,390	12,037	8,008	5,626	14,092	8,019	10,543	12,842	6,206	11,552	112,292
TOTAL RECEIPTS	171,521	164,651	150,721	159,774	156,841	164,262	158,575	151,141	153,773	142,346	144,557	124,887	1,843,049
PAYMENTS													
Primary Care Services : General Medical Services	6,488	5,786	7,107	5,176	5,083	6,540	5,522	5,476	6,826	5,476	5,476	6,826	71,782
Primary Care Services : Pharmacy Services	209	128	138	113	100	122	121	135	270	540	270	270	2,416
Primary Care Services : Prescribed Drugs & Appliances	16,137	4	8,731	8,153	8,024	16,947	0	8,285	16,570	0	8,285	8,285	99,422
Primary Care Services : General Dental Services	2,389	2,290	2,212	2,236	2,408	2,193	2,216	2,280	2,280	2,280	2,280	2,280	27,343
Non Cash Limited Payments	1,977	1,906	1,790	1,964	1,829	1,729	1,859	1,865	1,865	1,865	1,865	1,865	22,379
Salaries and Wages	57,983	60,275	59,453	58,739	58,557	65,113	68,318	61,898	61,822	61,855	62,242	62,320	738,573
Non Pay Expenditure	70,738	85,467	68,932	76,285	77,605	68,658	77,701	67,704	61,142	67,327	61,831	66,916	850,305
Capital Payment	11,209	7,322	3,938	4,505	3,282	2,743	3,500	3,500	3,000	3,000	2,311	0	48,310
Other items (Specify in narrative)	5,182	337	652	96	34	696	3	0	0	0	0	0	7,000
TOTAL PAYMENTS	172,312	163,514	152,953	157,267	156,921	164,740	159,240	151,142	153,775	142,343	144,560	148,762	1,867,530
Net cash inflow/outflow	(791)	1,136	(2,233)	2,508	(80)	(478)	(665)	(1)	(2)	4	(4)	(23,875)	
Balance b/f	4,607	3,816	4,952	2,719	5,227	5,147	4,669	4,004	4,003	4,001	4,005	4,001	
Balance c/f	3,816	4,952	2,719	5,227	5,147	4,669	4,004	4,003	4,001	4,005	4,001	(19,874)	

Mohamed Sarah
13/10/2022 15:24:59

Report Title:	2022-23 Month 6 Monthly Financial Monitoring Return			Agenda Item no.	3.1
Meeting:	Finance Committee	Public	X	Meeting Date:	19th October 2022
Status <i>(please tick one only):</i>	Assurance	x	Approval	Information	x
Lead Executive:	Executive Director of Finance				
Report Author (Title):	Deputy Director of Finance				
Main Report					
Background and current situation:					
SITUATION					
WHC (2022) 013 - Welsh Government 2022/23 Monthly Financial Monitoring Return Guidance requires the UHB to provide a main Committee of the Board with copy of the monthly Financial Monitoring Return (consisting of the Narrative, Table A and Tables C,C1,C2 & C3) in order to provide the Committee with transparency on the submission made to the Welsh Government.					
Executive Director Opinion and Key Issues to bring to the attention of the Board/Committee:					
The extract from the UHBs Monthly Financial Monitoring Return is provided for information and assurance.					
Recommendation:					
The Committee is requested to:					
NOTE the extract from the UHBs Monthly Financial Monitoring Return.					
Link to Strategic Objectives of Shaping our Future Wellbeing:					
<i>Please tick as relevant</i>					
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					
<i>Please tick as relevant</i>					
Prevention	Long term	x	Integration	Collaboration	Involvement
Impact Assessment:					
<i>Please state yes or no for each category. If yes please provide further details.</i>					
Risk: No					

Safety: No
Financial: Yes
As detailed above.
Workforce: No
Legal: No
Reputational: Yes
Yes, if forecast financial position is not delivered.
Socio Economic: No
Equality and Health: No
Decarbonisation: No
Approval/Scrutiny Route:
Finance Committee Date: 19 th October 2022

Mohamed Sarah
13/10/2022 15:24:59

THE WELSH GOVERNMENT FINANCIAL COMMENTARY

FINANCIAL POSITION FOR THE SIX MONTHS PERIOD ENDED 30th SEPTEMBER 2022

INTRODUCTION

The UHB's 2022/23 financial plan is structured in three parts in line with Welsh Government guidance as follows:

- Core Financial Plan including recovery
- National inflationary pressures which are out of the direct control of individual Health Boards
- Ongoing COVID response costs

The UHB's initial core plan incorporated:

- Brought forward underlying deficit of £29.7m
- Allocations and inflationary uplifts of £29.8m
- Capped cost pressures and investments of £36.9
- A £16m (2%) Savings programme

This resulted in a 2022-23 planning deficit of £20.8m.

The initial plan was subject to further development during quarter 1 of 2022/23 when further Financial Recovery Plans totaling £3.7m in 2022/23 were identified, resulting in a revised planning deficit of £17.1m.

In line with guidance from Welsh Government, the UHB's plan also anticipated Welsh Government funding for the three National Inflationary Pressure exceptional costs as outlined below:

- 1) Energy costs where the planning assumption was based on a mid-range estimate from Shared services at £20.9m.
- 2) Employers NI cost of £6.9m.
- 3) The impact of paying Real Living Wage (RLW) for staff working within social care and Third Sector currently estimated at £2.9m.

The exceptional forecast costs have varied from the planned figure in year and remain as informed estimates at present. The energy cost forecasting is particularly volatile and is based, in common with other LHBs on the latest Shared Services estimates in conjunction with the British Gas advisors.

In line with Welsh Government advice, it is assumed that the costs of the RLW paid to staff directly employed by the UHB will be funded through the 2022-23 pay award funding following the outcome of the pay negotiation exercise. Following payment of the pay award and associated arrears in month 6, the UHB has included anticipated 'Operational Pay Award' funding in its Resource Limit assumptions on Table E/E1 at a cost of £36.5m.

In addition to the core plan the UHB anticipates funding for:

- Ongoing Covid local response costs as defined by updated 2022/23 Welsh Government definitions.
- Central Covid programme funding as informed by the Welsh Government Allocation Letter to include TTP, MVC, PPE and Flu costs incurred within health boards.

The UHB submitted a final financial plan for 2022/23 at the end of quarter 1 with a planned deficit of £17.1m.

At month 6, the UHB is reporting an overspend of £12.807m against its submitted plan. This is due to £4.257m of operational pressures and a planning deficit of £8.550m, which is six twelfths of the planned deficit of £17.1m identified in the 2022/23 financial plan.

In addition, the UHB reports that it has incurred additional costs in the year to date for which it anticipates funding of:

- Exceptional Cost Pressures £8.620m
- Local Covid response including Cleaning Standards £19.085m
- Central Welsh Government Covid Programmes £9.762m
- Welsh Government Specific Covid Funding streams £1.594m

BACKGROUND

The Board agreed and submitted a revised draft financial plan to Welsh Government at the end of June 2022. A summary of the core draft plan submitted is provided in Table 1.

Table 1: 2022/23 Core Draft Plan

	2022/23 Plan £m
Underlying deficit from 2020/21 Plan	(4.0)
Adjustment for non-recurrent items in 2020/21 and 2021/22	(25.7)
b/f underlying deficit	(29.7)
Allocation uplift (including LTA inflation)	29.8
Capped cost pressures assessment recurrent	(31.8)
Capped cost pressures assessment non-recurrent	(1.1)
Investment reserve	(4.0)
2022/23 Planned Surplus/(Deficit) before efficiency programme	(36.8)
Efficiency Programme of 2%	
Recurrent cost improvement plans (1.5% in 22/23)	12.0
Non Recurrent cost improvement plans (0.5% in 22/23)	4.0
Planned Surplus/(Deficit)	(20.8)
Financial Recovery Plans	3.7
Planned Surplus/(Deficit)	(17.1)

This represents the core financial plan of the Health Board which:

- delivers the best possible end of year position of a £17.1m deficit in 2022/23
- reduces the UHB's underlying deficit from £29.7m to £20.0m in 2022/23 and over the subsequent two years removes the underlying deficit;
- manages exceptional cost pressures and reduces and exits the significant costs introduced as a result of the pandemic, limiting any impact on the underlying deficit.

The UHB expects to incur additional costs and funding in respect of:

- Exceptional costs from National Inflationary pressures.
- Local Covid response costs
- Welsh Government national COVID programmes.

These financial monitoring returns have been prepared within the framework of the UHB's submitted Core Financial Plan, which includes a planning deficit

of £17.1m for 2022-23. This report details the financial position of the UHB for the period ended 30th September 2022.

The UHB has separately identified non COVID 19 and COVID 19 expenditure against its submitted plan in order to assess the financial impact of COVID 19. Specific Covid funding related to the Dental Income Target (£1.859m), Long Covid (£0.749m), Anti-viral (£0.250m), Vaccine Allergy (£0.184m) and Nosocomial Covid 19 (£0.520m) costs is included within Table B3 alongside associated costs.

A full commentary has been provided to cover the tables requested for the month 6 financial position.

The response to the queries raised in the month 5 financial monitoring returns is set out in an attachment to this commentary.

MOVEMENT OF OPENING FINANCIAL PLAN TO FORECAST OUTTURN and UNDERLYING POSITION (TABLE A & A1)

Table A sets out the financial plan and latest position at month 6 for which the following should be noted:

- It is assumed that LTA inflation of £7.827m that will be passed to the UHB from other Health Boards;
- The UHB's initial £16m 2022/23 savings target is reported on lines 8,9 & 13;
- The forecast position reflects the assessed COVID 19 response and national programme costs in Table B3 and assumes that additional Welsh Government Funding will be provided to match the costs;
- The bought forward underlying deficit is £29.7m as outlined in the draft financial plan.

The identification and delivery of the initial £12m (1.5%) recurrent savings target and the further £3.7m of recurrent transformational schemes is key to delivery of the planned in year and underlying position.

OVERVIEW OF KEY RISKS & OPPORTUNITIES (TABLE A2)

Table A2 reflects current assessment of the risks identified in the financial plan and these will continue to be reviewed on a monthly basis.

The following risks are reported:

- GP Prescribing - £3m
- Medical staffing - £4m
- Nurse staffing - £3m

- Mental Health Continuing Healthcare - £2m
- Funding for Covid Non Programme Areas (including Cleaning standards) - £35.6m
- Funding for Exceptional Cost pressures (Energy, NI Levy & RLW) - £22.1m

The Risks are partially offset by the following opportunities:

- Potential Slippage on Investments - £0.2m
- Overperformance Against savings delivery - £1.0m
- Reduced Response Costs due to a better COVID situation - £4.0m

The funding for Covid non programme areas and Operational Exceptional costs, is anticipated at Risk.

ACTUAL YEAR TO DATE (TABLE B AND B2)

Table B confirms the year to date deficit of £12.807m and reflects the analysis contained in the annual operating plan in Table A. A summary of the year to date position and the forecast year end deficit of £17.100m is shown in Table 2 below.

Table 2: Summary Financial Position for the period ended 30th September 2022

	Month 6	Forecast Year-End Position £m
COVID 19 Additional Expenditure	30.441	60.004
Exceptional Inflationary Pressures	8.620	22.098
Gross additional COVID and Exceptional Inflationary Pressures £m	39.061	82.102
Welsh Govt. Funding for additional COVID and Exceptional Inflationary Pressures	(39.061)	(82.102)
Planned deficit	8.550	17.100
Operational position (Surplus) / Deficit	4.257	0.000
Financial Position £m (Surplus) / Deficit £m	12.807	17.100

The month 6 deficit of £12.807m comprised of the following:

- £8.550m planned deficit (6/12th of £17.1m);
- £4.257m adverse variance against plan.

The operational variance deteriorated by £1.731m in month from £2.527m at Month 5 to £4.257m. Pressures continue to be reported in nursing, medical staffing, mental health continuing healthcare placements and primary care prescribing.

The UHB continues to face a significant challenge as it delivers services from an operational footprint that is still predominantly designed to address Covid demands and infection control. The contractual obligations to deliver improved throughput has re-introduced pre-pandemic performance arrangements for

under delivery of patient activity. In particular, WHSSC commissioned specialties operate to sensitive contract parameters that include high marginal rates for under and over performance. The challenge for the UHB is to deliver improved patient throughput from a Covid service footprint whilst Covid continues to influence patient admissions and discharges and impact staff availability.

The UHB has seen a sustained growth in prescribing cost in the first months of the year. This comprises growth in volume, partly driven by longer prescription periods to relieve pressure on prescribers, alongside a persistent increase in unit prices. There has also been unprecedented growth in NCSOs where normal supply has not been accessible. These factors are common across NHS Wales and are not a C&V UHB specific pressure. The full year effect of this pressure has not yet been included in the UHB financial forecast awaiting further months information. This represents a key risk to the UHB's plan.

It is assumed that the recently announced 2022/23 pay award will be fully funded.

The UHB is re-assessing its plans to recover the adverse operational variance of £4.257m as the year progresses and to deliver its planned deficit position of £17.1m.

The forecast assumes that the UHB will successfully identify and deliver further savings schemes to cover the planning assumptions detailed in the financial plan.

The UHB reports that it has incurred the following additional costs:

- Exceptional Cost Pressures £8.620m
- Local Covid response including Cleaning Standards £19.089m
- Central Welsh Government Covid Programmes £9.762m
- Welsh Government Specific Covid Funding streams £1.590m

It is assumed that Welsh Government funding will be provided to cover the COVID and exceptional inflationary costs arising up to month 6 and for the remainder of the year.

PAY & AGENCY (TABLE B2)

The UHB recorded Agency costs of £2.505m in month 6, which is an increase of £0.463m on the £2.042m reported at month 5. £1.552m of the costs reported in month 6 related to registered nursing and midwifery, where the UHB is progressing programmes including overseas recruitment to manage pressures.

In line with Welsh Government guidance, the impact of the pay award (back pay and future month increases) is treated as follows:

- **Levy ENIC** – The Levy element of the additional costs has been added to the existing Levy ENIC section of the Exceptional Costs Template and the associated funding is identified as a consequence of the Levy on Table E. The Levy is assumed to end on November 6th 2022.
- **Covid** – Additional pay costs (excluding the Levy element of ENIC) are allocated to the Pay spend areas within Table B3 (Covid), with the associated Covid funding anticipated in Table E/E1 (Covid section).
- **Operational** – the anticipated ‘Operational Pay Award’ funding is included in Table E/E1 on a free text line.

COVID 19 ANALYSIS (TABLE B3)

At month 6, Table B3 is projecting net expenditure due to COVID-19 to be £60.004m. This includes expenditure related to the Covid funding for the Dental Income Target (£1.859m), Long Covid (£0.749m), Anti-viral (£0.250m), Vaccine Allergy (£0.184m) and Nosocomial Covid 19 (£0.520m) allocations.

The forecast Covid position is breakeven following confirmation/assumed funding matching net expenditure. Overall forecast expenditure has increased by £1.081m in month. The increase is primarily a result of the 2022/23 pay award with forecast provider pay costs being £39.445m at month 6 compared to £38.534m at month 5.

Year to date and forecast Covid Expenditure is summarised in Table 3 below. The projected year end spend on Welsh Government Covid programmes is based on current projection of activity. Should programmes be reduced or end, the projected expenditure will reduce accordingly.

Table 3: Summary of Forecast COVID 19 Net Expenditure

	Month 6	Forecast Year-End Position	Forecast Year-End Position @ Month 5	Change in Forecast Year-End Position in month
	£m	£m	£m	£m
COVID 19 Testing	0.665	1.696	1.643	0.053
COVID 19 Tracing	2.917	5.617	5.767	(0.150)
COVID 19 Vaccination	4.413	9.031	8.789	0.241
Extended Flu Vaccination	0.161	1.243	1.243	(0.000)
PPE	1.606	3.303	3.381	(0.078)
Sub Total National Programmes	9.762	20.889	20.823	0.065
Cleaning Standards	1.175	2.782	2.675	0.106
COVID 19 Local Response	17.910	32.771	31.862	0.909
Sub Total Local response including Cleaning Standards	19.085	35.553	34.537	1.015
Dental Income; Flu; Long Covid; Anti-Viral; Allergy Advice and Nosocomial	1.594	3.562	3.562	0.000
Total COVID Expenditure assumed to be matched by WG Funding £m	30.441	60.004	58.923	1.081

This forecast includes funding assumed from Welsh Government COVID Funding totaling £60.004m to match the forecast costs.

The forecast cost of national Covid programmes is £20.889m, which is an increase of £0.065m against the £20.823m forecast costs reported at month 5.

The forecast local Covid response costs and Cleaning Standards is £35.553m, which is an increase of £1.015m against the comparable £34.537m forecast costs reported at month 5.

The analysis of Covid 19 expenditure included in Table B3 includes spend associated with the following allocations alongside COVID response costs.

- Covid: Adferiad Long Covid - £0.749m
- Covid: Anti Viral Service Cost - £0.250m
- Covid: Investigating And Learning From Cases Of Nosocomial Covid 19 - £0.520m
- GDS loss of dental income - £1.859m
- Covid Vaccine Allergy advice - £0.184m

Key Financial Assumptions

- The UHB originally anticipated funding of £40.6m in its initial plan to support Local Covid Response including cleaning standards. This support continues to be anticipated at a lower value, as at Month 6, of £35.6m

The UHB responded to the pandemic through a wide range of actions including establishing red, amber and green zones across its hospital sites, relocating services and expanding capacity. These arrangements remain in place as the UHB needs to remain COVID ready, as recent waves of COVID have shown. The UHB has a plan to decommission additional ward capacity. However, recent waves of COVID and the pressures in the system as a consequence of COVID, have delayed the ability to decommission additional ward capacity in line with the timescales envisaged.

The UHB is constantly looking to refine its costs downwards, if possible, and the forecast outturn continues to reflect changes in practice where

appropriate, which has now given a lower 2022/23 estimate. All costs incurred are minimised wherever possible to lessen the burden on the UHB and NHS Wales.

Since the pandemic began in March 2020 the UHB has sought to be consistent in its recognition of schemes put in place in response to COVID. These have been funded over the past 2 prior years and, therefore, the 2022/23 plan, developed in Q4 of 2021/22 aligned with this. At this stage, the UHB has retained the categorisation as COVID response, which was used in establishing the UHB's financial plan and the corresponding £17.1m planning deficit.

The re-categorisation and transfer of Covid Response costs to the operational position would require the UHB to consider the impact on the forecast £17.1m deficit within its revised plan.

- Funding for national programmes on an actual cost basis:
 - Testing costs
 - Tracing costs (allocated from separate fund)
 - Mass vaccination programme
 - Extended Flu Vaccination
 - PPE

- The UHB's plan includes exceptional cost pressures, which are deemed to be outside of the UHB's direct control. The forecast cost will be subject to review as the year progresses. The plan assumes that additional Welsh Government funding will be provided to mitigate these exceptional inflationary cost pressures set out in the following table below in full.

Table 4: Exceptional Inflationary Pressures

	Month 6	Forecast Year-End Position
Incremental costs in 2022/23	£m	£m
Energy/Fuel	4.368	15.837
National Insurance Levy	2.802	3.361
Living Wage - Social Care	1.450	2.900
Total Exceptional Costs Expenditure £m	8.620	22.098
Sub Total Exceptional Cost funding confirmed/assumed £m	8.620	22.098

Note. It is assumed that employer living wage costs will be covered by the 2022/23 pay settlement

The forecast of the incremental cost of energy has decreased by £21.188m in month from £37.025m to £15.837m based on the revised schedule issued by NWSSP on the 7th October 2022. The revised forecast includes the impact of the changes in market spot prices and additional assumptions in relation to the Energy Billing Relief Scheme (EBRS). The UHB utilises the Shared Services model in common with the other Health Boards in Wales.

A planning estimate of £20.9m for exceptional energy costs was included in the initial draft plan.

The forecast of the employers cost of NI levy had previously decreased by £1.0m from the planning estimate of £6.9m to £5.9m. Following the recent announcement of the discontinuation of the levy from November 6th 2022 the forecast has been revised down to £3.361m and will continue to be reviewed in October and November.

Financial Risks and Uncertainties

The key financial risks for the Health Board within this financial plan are set out below:

- Providing services in a pandemic – The UHB continues to operate in a dynamic environment with considerable uncertainty which affects the availability of its workforce and the planning and delivery of services.
- Achievement of the efficiency plan target – Savings plans delivering 2% need to be in place as soon as possible. There are clear lines of accountability in delivering identified high value opportunities.
- Management of Operational Pressures – The UHB expects its budget holders to manage and recover any operational pressures within the totality of resources delegated to them.
- Inflationary pressures – There are considerable inflationary pressures across the Health Board with pay and energy being the largest. This will affect the UHB directly and also through its supply chain. The UHB will monitor this closely and work with our partners to find a system wide approach to manage the risk.
- Develop and deliver a programme of transformational savings – Delivering a programme of the scale needed to address the underlying deficit is a key priority and will be subject to robust management arrangements.
- COVID Response – The UHB needs to exit its COVID 19 response costs in a manageable way for service delivery and within available resources, whilst maintaining the ability to respond to changes in COVID demands.

The Health Board recognises the risks in the financial plan and is taking actions in order to ensure that they are appropriately managed and that financial opportunities to support mitigation are fully explored. Additionally, it continues to work to finalise the additional savings of £3.4m and manage the

reduction of £0.3m in planned investments required to deliver the revised £17.1m deficit in the draft plan. The progress made in identifying the additional schemes required is outlined in the section below.

Savings Programme 2022-32 (TABLE C, C1 & C2)

At month 6, the UHB is forecasting £17.457m of savings to deliver against the revised £19.400m savings target leaving a further £1.943m schemes to identify. This represents a marginal increase in identified schemes of £0.012m in month. Delegated budget holders are being pressed to close the remaining gap through the established internal review process. The UHB expects to finalise the balance of savings plans required to deliver the revised planning deficit of £17.1m.

Overall progress in the identification of savings schemes is outlined in table 5 below:

Table 5: Savings Schemes

	Total Savings Target £m	Total Savings Identified £m	Total Savings (Unidentified) £m
Total £m	19.400	17.457	(1.943)

INCOME/EXPENDITURE ASSUMPTIONS (TABLE D)

The UHB progressed LTA discussions in line with the Welsh Government timetable.

The current status of Welsh LTA agreements is as follows:

- Aneurin Bevan – The LTA is agreed and signed.
- Swansea Bay – The LTA is agreed and signed.
- Hywel Dda – The LTA is agreed and signed.
- Powys – The LTA is agreed and signed.
- Cwm Taf Morgannwg – The LTA is agreed and signed.
- WHSSC – The LTA is agreed and signed.
- Velindre – The LTA is agreed and signed.

INCOME ASSUMPTIONS 2022/23 (TABLE E)

Table E outlines the UHB's 2022/23 resource limit.

The DEL anticipated allocations are based on the June 2022 submission and the AME anticipated allocations remain in line with the November 2021 non cash estimates. In addition, anticipated allocation adjustments for IFRS16 Transitioning leases are also now included.

Similar to practice in previous years, the UHB forecast continues to exclude recurrent expenditure, which has arisen following a change in the accounting treatment of UHB PFI schemes under International Financial Reporting Standards (IFRS). The UHB is assuming that Welsh Government will continue to provide resource cover for this cost, which was assessed at £0.222m in the previous financial year.

BALANCE SHEET - STATEMENT OF FINANCIAL POSITION (TABLE F)

The opening balances at the beginning of April 2022 reflect the closing balances in the 2021/22 Annual Accounts approved by the UHB's Board.

The increase in the carrying value of property, plant & equipment since the start of the year is largely due to the impact of annual indexation.

The forecast balance sheet reflects the UHB's June DEL non-cash estimates.

CASHFLOW (TABLE G)

The closing cash balance at the end of September was £4.669m.

The UHB is currently predicting a minimum cash shortfall of £19.874m in 2022/23. This reflects the £17.1m forecast deficit and an estimated working cash balance requirement of £2.774m as outlined below:

2022/23 Working Cash Requirement - estimate at month 6	£
2021/22 Resource Limit adjustments not backed by cash	
CL 151 - Holiday Pay Accrual on Overtime	943,241
CL 152 - GPW Slippage Genomics	293,644
CL 153 - Covid Allocation : Covid Therapeutic (Treatment) Medicines	202,993
Annual Leave Buy Back Scheme - cash payments to month 6 2022/23	1,334,000
Total £	2,773,878

The UHB is undertaking a major piece of work review the forecast movement in its revenue and capital debtor and creditor balances to inform its working balances and will continue to review the estimated working cash requirement as the year progresses.

PSPP (TABLE H)

The UHB's public sector payment compliance performance remains below the target of 95%. Performance for the 6 months to the end of September was 93.9%. Whilst this remains below the target, it is an improvement of 1.3% in month.

The below target performance is due to the high number of invoices which were on hold and subsequently cleared following work by the Procurement department with those placing orders to clear the backlog of holds. However, this has contributed to the performance remaining below target, as holds exceeding the 30 days have been resolved and paid.

Performance is expected to continue to improve in future months as newer holds will be cleared, and then paid, within the 30 days target. Work is ongoing with departments within the UHB, including training, to address the level of orders not receipted, and the high number of workforce and nursing holds, which should improve the UHB's position

CAPITAL SCHEMES (TABLES I, J & K)

Of the UHB's approved Capital Resource Limit, 27% has been expended to date. VAT recovery for a number of schemes has been reflected in M6 reducing the overall year to date expenditure.

Whilst all schemes are currently classified as low risk, two schemes are being closely monitored:

- Maelfa which is forecasting a potential slippage of £0.5m
- Genomics forecasting a potential £0.2m overspend

All other schemes are currently in line with annual forecast.

Planned expenditure for the year reflects the CRL received from Welsh Government dated 15th September 2022 - £45.404m.

AGED WELSH NHS DEBTORS (TABLE M)

At the 30th September 2022, there were no invoices 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

Ringfenced & Other Template

The UHB can confirm that plans are in place to spend Ring Fenced allocations in full in 2022/23. Expenditure Plans have been worked up and agreed with Partner bodies where applicable and are supported by detailed commitments. Established processes are in place to review and scrutinise actual and forecast spend.

Annual Leave Accrual

The UHB did not maintain a high accrual level for its Annual Leave Accrual in the 2021-22 position or drawdown commensurate additional funding from Welsh Government. Consequently, there is little scope as a working balance for material balance sheet opportunities in this area in 2022-23.

The UHB can confirm that further expenditure was reported against the annual leave "sell back" scheme in month 6. This resulted in a further reduction in respect of the UHB's Annual Leave accrual as follows:

Table 6: Remaining Annual Leave Accrual

	£m
b/f Opening Annual Leave Accrual value	9.308
Annual Leave Paid month 2 2022/23 (Sell Back)	(1.271)
Annual Leave Paid month 3 2022/23 (Sell Back)	(0.033)
Annual Leave Paid month 4 2022/23 (Sell Back)	(0.013)
Annual Leave Paid month 5 2022/23 (Sell Back)	(0.010)
Annual Leave Paid month 6 2022/23 (Sell Back)	(0.007)
Remaining Annual Leave Accrual balance after 'Sell Back' @ Month 6 £m	7.974

The financial information reported in these monitoring returns aligns to the financial details included within Finance Committee and Board papers. These monitoring returns will be taken to the 19th October 2022 meeting of the Finance Committee for information.

CONCLUSION

The UHB submitted a draft financial plan at the end of March 2022 and a revised plan at the end of quarter 1 in line with the Welsh Government timetable.

The UHB is committed to achieving in year and recurrent financial balance as soon as possible. The UHB currently has a one year draft financial plan for 2022-23 which aims to deliver financial stability and ensure that the underlying position is reduced and delivers a deficit of £17.1m. This includes an initial savings target of £16.0m and a further target of £3.4m.

The reported financial position at month 6 is a deficit of £12.807m. This is made up of a budget plan deficit of £8.550m and an adverse variance against plan of £4.257m.



SUZANNE RANKIN
CHIEF EXECUTIVE

13th October 2022



CATHERINE PHILLIPS
EXECUTIVE DIRECTOR OF
FINANCE

13th October 2022

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Cardiff & Vale ULHB

Table A - Movement of Opening Financial Plan to Forecast Outturn

Period : Sep 22

This Table is currently showing 0 errors

Line 14 should reflect the corresponding amounts included within the latest IMTP/AOP submission to WG
 Lines 1 - 14 should not be adjusted after Month 1

	In Year Effect £'000	Non Recurring £'000	Recurring £'000	FYE of Recurring £'000
1 Underlying Position b/fwd from Previous Year - must agree to M12 MMR (Deficit - Negative Value)	-29,700	0	-29,700	-29,700
2 Planned New Expenditure (Non Covid-19) (Negative Value)	-92,708	-1,125	-91,583	-91,583
3 Planned Expenditure For Covid-19 (Negative Value)	-67,582	-67,582		
4 Planned Welsh Government Funding (Non Covid-19) (Positive Value)	77,781	0	77,781	77,781
5 Planned Welsh Government Funding for Covid-19 (Positive Value)	67,582	67,582		
6 Planned Provider Income (Positive Value)	7,827	0	7,827	7,827
7 RRL Profile - phasing only (In Year Effect / Column C must be nil)	0	0	0	0
8 Planned (Finalised) Savings Plan	13,061	7,942	5,120	6,218
9 Planned (Finalised) Net Income Generation	90	0	90	92
10 Planned Profit / (Loss) on Disposal of Assets	0	0	0	0
11 Planned Release of Uncommitted Contingencies & Reserves (Positive Value)	0	0	0	0
12	0	0	0	0
13 Planning Assumptions still to be finalised at Month 1	2,849	0	2,849	5,610
14 Opening IMTP / Annual Operating Plan	-20,800	6,817	-27,617	-23,755
15 Reversal of Planning Assumptions still to be finalised at Month 1	-2,849	0	-2,849	-5,610
16 Additional In Year & Movement from Planned Release of Previously Committed Contingencies & Reserves (Positive)	793	793		
17 Additional In Year & Movement from Planned Profit / (Loss) on Disposal of Assets	0	0		
18 Other Movement in Month 1 Planned & In Year Net Income Generation	105	65	41	49
19 Other Movement in Month 1 Planned Savings - (Underachievement) / Overachievement	-199	-121	-78	0
20 Additional In Year Identified Savings - Forecast	3,744	1,009	2,735	5,874
21 Variance to Planned RRL & Other Income	0	0		
22 Additional In Year & Movement in Planned Welsh Government Funding for Covid-19 (Positive Value - additional)	-7,579	-7,579		
23 Additional In Year & Movement in Planned Welsh Government Funding (Non Covid) (Positive Value - additional)	0	0		
24 Additional In Year & Movement Expenditure for Covid-19 (Negative Value - additional/Positive Value - reduction)	7,579	7,579		
25 In Year Accountancy Gains (Positive Value)	582	582	0	0
26 Net In Year Operational Variance to IMTP/AOP (material gross amounts to be listed separately)	1,222	1,222		
27 Additional savings to be identified	0	0		
28 Transformational Savings (£3.4M) & Reduction on Investments	300	0	300	300
29 Roundings	3	3		
30	0	0		
31	0	0		
32	0	0		
33	0	0		
34	0	0		
35	0	0		
36 Forecast Outturn (- Deficit / + Surplus)	-17,100	10,367	-27,467	-23,143
37 Covid-19 - Forecast Outturn (- Deficit / + Surplus)	-1			

	Apr £'000	May £'000	Jun £'000	Jul £'000	Aug £'000	Sep £'000	Oct £'000	Nov £'000	Dec £'000	Jan £'000	Feb £'000	Mar £'000	YTD £'000	In Year Effect £'000
1	-2,475	-2,475	-2,475	-2,475	-2,475	-2,475	-2,475	-2,475	-2,475	-2,475	-2,475	-2,475	-14,850	-29,700
2	-7,726	-7,726	-7,726	-7,726	-7,726	-7,726	-7,726	-7,726	-7,726	-7,726	-7,726	-7,726	-46,354	-92,708
3	-5,988	-5,801	-5,822	-5,416	-5,290	-5,480	-5,541	-5,814	-5,731	-5,759	-5,556	-5,385	-33,797	-67,582
4	6,482	6,482	6,482	6,482	6,482	6,482	6,482	6,482	6,482	6,482	6,482	6,482	38,891	77,781
5	5,988	5,801	5,822	5,416	5,290	5,480	5,541	5,814	5,731	5,759	5,556	5,385	33,797	67,582
6	652	652	652	652	652	652	652	652	652	652	652	652	3,914	7,827
7	296	27	-20	-15	-48	-83	5	-25	-38	-27	-27	-45	157	0
8	1,030	1,041	1,087	1,082	1,114	1,149	1,061	1,091	1,105	1,094	1,094	1,111	6,504	13,061
9	7	7	7	8	8	8	8	8	8	8	8	8	44	92
10													0	0
11													0	0
12													0	0
13		259	259	259	259	259	259	259	259	259	259	259	1,295	2,849
14	-1,733	-1,733	-1,733	-1,733	-1,734	-1,733	-1,733	-1,733	-1,733	-1,733	-1,733	-1,734	-10,400	-20,800
15	0	-259	-259	-259	-259	-259	-259	-259	-259	-259	-259	-259	-1,295	-2,849
16						113	113	113	113	113	113	113	113	793
17													0	0
18	0	3	4	4	4	22	11	11	11	11	11	11	38	105
19	-2	-2	-14	-29	-48	-32	-12	-12	-12	-12	-12	-12	-126	-199
20	32	120	220	189	224	196	409	399	453	507	498	497	982	3,744
21													0	0
22	0	-592	-988	-709	-966	-101	-665	-828	-737	-763	-646	-584	-3,356	-7,579
23													0	0
24	-1	592	988	709	966	101	665	828	737	763	646	584	3,355	7,579
25	139	50	328	65	0	0	0	0	0	0	0	0	582	582
26	-155	-458	-427	-360	160	-1,462	898	908	853	800	809	-342	-2,702	1,222
27	-171	171											0	0
28												300	0	300
29	2	0	0	0	0	0	0	0	0	0	0	0	2	3
30													0	0
31													0	0
32													0	0
33													0	0
34													0	0
35													0	0
36	-1,888	-2,108	-1,881	-2,122	-1,653	-3,155	-674	-574	-574	-574	-574	-1,425	-12,807	-17,100
37	-1	0	0	0	0	0	0	0	0	0	0	0	-1	-1

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

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		1	2	3	4	5	6	7	8	9	10	11	12	Total YTD	Full-year forecast	YTD as %age of FY YTD variance as %age of YTD	Assessment		Full In-Year forecast		Full-Year Effect of Recurring Savings £'000	
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar				Green	Amber	non recurring	recurring		
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000				£'000	£'000	£'000	£'000		£'000
1	CHC and Funded Nursing Care	Budget/Plan	50	50	65	65	65	65	65	65	65	65	65	360	750		750	0				
2		Actual/F'cast	50	50	65	72	90	100	100	100	125	141	141	142	426	1,175	36.28%	1,175	0	450	725	1,224
3		Variance	0	0	0	7	25	35	35	35	60	76	76	77	66	425	18.38%	425	0			
4	Commissioned Services	Budget/Plan	4	4	4	4	4	4	4	4	4	4	4	25	50		50	0				
5		Actual/F'cast	4	4	4	4	4	4	4	4	4	4	4	4	25	50	50.00%	50	0	0	50	200
6		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0			
7	Medicines Management (Primary & Secondary Care)	Budget/Plan	74	74	88	101	126	169	168	198	212	198	198	211	634	1,819		1,819	0			
8		Actual/F'cast	74	74	107	91	97	160	179	209	222	217	217	230	604	1,877	32.15%	1,877	0	106	1,771	3,027
9		Variance	0	0	19	(10)	(30)	(10)	11	11	11	19	19	19	(31)	58	(4.86%)	58	0			
10	Non Pay	Budget/Plan	647	647	656	675	672	673	584	584	584	582	582	582	3,969	7,467		7,467	0			
11		Actual/F'cast	672	738	806	765	763	771	897	898	927	954	945	943	4,515	10,078	44.80%	10,078	0	6,368	3,711	5,583
12		Variance	26	91	150	91	90	98	313	314	343	372	362	361	546	2,611	13.76%	2,611	0			
13	Pay	Budget/Plan	255	265	274	237	246	238	240	240	244	244	249	249	1,516	2,975		2,975	0			
14		Actual/F'cast	260	293	312	311	337	278	279	268	268	272	272	277	1,790	3,426	52.24%	3,426	0	1,906	1,520	2,057
15		Variance	5	28	37	73	90	41	39	28	28	28	28	28	274	451	18.07%	451	0			
16	Primary Care	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
17		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
18		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0			
19	Total	Budget/Plan	1,030	1,041	1,087	1,082	1,114	1,149	1,061	1,091	1,105	1,094	1,094	1,111	6,504	13,061		13,061	0			
20		Actual/F'cast	1,061	1,159	1,294	1,243	1,290	1,313	1,458	1,478	1,546	1,588	1,579	1,597	7,360	16,606	44.32%	16,606	0	8,829	7,777	12,091
21		Variance	30	119	206	161	176	164	396	387	441	495	485	485	855	3,545	13.15%	3,545	0			
22	Variance in month	2.94%	11.41%	18.97%	14.83%	15.77%	14.25%	37.35%	35.41%	39.92%	45.22%	44.38%	43.65%	13.15%								
23	In month achievement against FY forecast	6.39%	6.98%	7.79%	7.48%	7.77%	7.91%	8.78%	8.90%	9.31%	9.57%	9.51%	9.62%									

Mohamed Sarah
13/10/2022 15:24:59

Table C1- Savings Schemes Pay Analysis

Month		1	2	3	4	5	6	7	8	9	10	11	12	Total YTD	Full-year forecast	YTD as %age of FY YTD variance as %age of YTD Budget/Plan	Assessment		Full In-Year forecast		Full-Year Effect of Recurring Savings £'000		
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar				Green	Amber	non recurring	recurring			
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000				£'000	£'000	£'000	£'000		£'000	£'000
1	Changes in Staffing Establishment	Budget/Plan	135	136	135	94	98	98	100	100	100	104	104	109	695	1,314		1,314	0				
2		Actual/F'cast	140	142	153	148	149	120	121	120	120	124	124	129	852	1,588	53.65%	1,588	0	680	908		1,079
3		Variance	5	7	18	54	51	22	20	19	19	19	19	19	157	274	22.56%	274	0				
4	Variable Pay	Budget/Plan	53	56	56	56	56	56	56	56	56	56	56	57	335	674		674	0				
5		Actual/F'cast	53	56	56	56	71	59	59	59	59	59	60	60	353	710	49.74%	710	0	512	198		202
6		Variance	0	0	0	0	15	3	3	3	3	3	3	3	18	36	5.31%	36	0				
7	Locum	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0				
8		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0		0
9		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0		0
10	Agency / Locum paid at a premium	Budget/Plan	4	4	4	10	10	10	10	10	10	10	10	10	42	100		100	0				
11		Actual/F'cast	4	4	4	10	10	10	10	10	10	10	10	10	42	100	41.67%	100	0	0	100		100
12		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0				
13	Changes in Bank Staff	Budget/Plan	3	3	3	3	3	3	3	3	3	3	3	3	18	35		35	0				
14		Actual/F'cast	3	3	3	3	3	3	3	3	3	3	3	3	18	35	50.00%	35	0	0	35		35
15		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0				
16	Other (Please Specify)	Budget/Plan	60	66	76	74	80	71	71	71	71	71	71	71	426	852		852	0				
17		Actual/F'cast	60	87	95	94	104	86	86	76	76	76	76	76	526	993	52.93%	993	0	714	279		641
18		Variance	0	21	19	19	24	15	15	5	5	5	5	5	99	141	23.30%	141	0				
19	Total	Budget/Plan	255	265	274	237	246	238	240	240	244	244	249	249	1,516	2,975		2,975	0				
20		Actual/F'cast	260	293	312	311	337	278	279	268	268	272	272	277	1,790	3,426	52.24%	3,426	0	1,906	1,520		2,057
21		Variance	5	28	37	73	90	41	39	28	28	28	28	28	274	451	18.07%	451	0				

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

Month		1	2	3	4	5	6	7	8	9	10	11	12	Total YTD	Full-year forecast	YTD as %age of FY YTD variance as %age of YTD Budget/Plan	Assessment		Full In-Year forecast		Full-Year Effect of Recurring Savings £'000		
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar				Green	Amber	non recurring	recurring			
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000				£'000	£'000	£'000	£'000		£'000	£'000
1	Reduced usage of Agency/Locums paid at a premium	Budget/Plan	4	4	4	10	10	10	10	10	10	10	10	42	100		100	0					
2		Actual/F'cast	4	4	4	10	10	10	10	10	10	10	10	42	100	41.67%	100	0	0	100		100	
3		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0					
4	Non Medical 'off contract' to 'on contract'	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0				
5		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0		0
6		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0		0
7	Medical - Impact of Agency pay rate caps	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0				
8		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0		0
9		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0		0
10	Other (Please Specify)	Budget/Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0				
11		Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0		0
12		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0		0
13	Total	Budget/Plan	4	4	4	10	10	10	10	10	10	10	10	42	100		100	0					
14		Actual/F'cast	4	4	4	10	10	10	10	10	10	10	10	42	100	41.67%	100	0	0	100		100	
15		Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0					

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This Table is currently showing 0 errors

Table C3 - Tracker

	£'000	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Full-year forecast	Non Recurring	Recurring	FYE Adjustment	Full-year Effect	
Savings (Cash Releasing & Cost Avoidance)	Month 1 - Plan	1,030	1,041	1,087	1,082	1,114	1,149	1,061	1,091	1,105	1,094	1,094	1,111	6,504	13,061	7,942	5,120	1,098	6,218	
	Month 1 - Actual/Forecast	1,029	1,039	1,074	1,053	1,066	1,117	1,049	1,079	1,093	1,082	1,082	1,099	6,378	12,862	7,821	5,042	1,176	6,218	
	Variance	(2)	(2)	(14)	(29)	(48)	(32)	(12)	(12)	(12)	(12)	(12)	(12)	(126)	(199)	(121)	(78)	78	0	
	In Year - Plan	32	120	220	189	224	196	409	399	453	507	498	497	982	3,744	1,009	2,735	2,994	5,729	
	In Year - Actual/Forecast	32	120	220	189	224	196	409	399	453	507	498	497	982	3,744	1,009	2,735	3,139	5,874	
	Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	145	145
	Total Plan	1,062	1,161	1,307	1,272	1,338	1,345	1,470	1,490	1,558	1,601	1,591	1,609	7,486	16,805	8,950	7,855	4,091	11,946	
	Total Actual/Forecast	1,061	1,159	1,294	1,243	1,290	1,313	1,458	1,478	1,546	1,588	1,579	1,597	7,360	16,606	8,829	7,777	4,314	12,091	
Total Variance	(2)	(2)	(14)	(29)	(48)	(32)	(12)	(12)	(12)	(12)	(12)	(12)	(126)	(199)	(121)	(78)	223	145		
Net Income Generation	Month 1 - Plan	7	7	7	8	8	8	8	8	8	8	8	8	44	90	0	90	3	92	
	Month 1 - Actual/Forecast	7	7	7	8	8	8	8	8	8	8	8	8	44	90	0	90	3	92	
	Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	In Year - Plan	0	3	4	4	4	22	11	11	11	11	11	11	38	105	65	41	8	49	
	In Year - Actual/Forecast	0	3	4	4	4	22	11	11	11	11	11	11	38	105	65	41	8	49	
	Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Total Plan	7	10	11	12	12	30	19	19	19	19	19	19	81	195	65	130	10	141	
	Total Actual/Forecast	7	10	11	12	12	30	19	19	19	19	19	19	81	195	65	130	10	141	
Total Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Accountancy Gains	In Year - Plan	139	50	328	65	0	0	0	0	0	0	0	0	582	582	582	0	0	0	
	In Year - Actual/Forecast	139	50	328	65	0	0	0	0	0	0	0	0	582	582	582	0	0	0	
	Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Total	1,037	1,047	1,094	1,090	1,122	1,157	1,069	1,099	1,113	1,102	1,102	1,119	6,548	13,151	7,942	5,209	1,100	6,310	
Month 1 - Actual/Forecast	1,036	1,046	1,080	1,061	1,074	1,125	1,057	1,087	1,101	1,089	1,089	1,107	6,421	12,952	7,821	5,131	1,178	6,310		
Variance	(2)	(14)	(29)	(48)	(32)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(126)	(199)	(121)	(78)	78	0		
In Year - Plan	171	173	552	259	228	219	420	410	464	518	509	509	1,601	4,431	1,655	2,776	3,001	5,777		
In Year - Actual/Forecast	171	173	552	259	228	219	420	410	464	518	509	509	1,601	4,431	1,655	2,776	3,146	5,922		
Variance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	145	145	
Total Plan	1,208	1,221	1,646	1,349	1,350	1,375	1,489	1,509	1,577	1,620	1,610	1,628	8,149	17,582	9,596	7,986	4,102	12,087		
Total Actual/Forecast	1,206	1,219	1,633	1,320	1,302	1,343	1,477	1,497	1,565	1,607	1,598	1,616	8,022	17,383	9,475	7,908	4,325	12,232		
Total Variance	(2)	(2)	(14)	(29)	(48)	(32)	(12)	(12)	(12)	(12)	(12)	(12)	(126)	(199)	(121)	(78)	223	145		

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13/10/2022 15:24:59