

Finance Committee

Wed 28 September 2022, 14:00 - 16:00

Agenda

14:00 - 14:00 **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 – 24 August 2022

 1.4 Draft Public Finance Minutes AugustMD.NF.pdf (7 pages)

1.5. Action log following the meeting held on 24 August 2022

 1.5 Action Log - Following Meeting in AugustMD.NF.pdf (1 pages)

1.6. Chair's Actions since previous meeting

14:00 - 14:00 **2. Items for Review and Assurance**

0 min

2.1. Financial Report – Month 5


Robert Mahoney

 2.1 Public Finance Committee Finance Position Report for Month 5.pdf (21 pages)

2.2. BAF Risk – Financial Sustainability

Nicola Foreman

 2.2 BAF Financial Sustainability Covering report - 2022.NF.pdf (2 pages)

 2.2a Financial Sustainability- BAF Risk.pdf (2 pages)

2.3. Integrated Radiotherapy Solutions – Velindre University NHS Trust

Catherine Phillips

2.4. Radiotherapy Satellite Centre – Aneurin Bevan UHB and Velindre University NHS Trust

Catherine Phillips

14:00 - 14:00 **3. Items for Approval / Ratification**

0 min

3.1. Fracture Clinic

Mohamed Sarab
20/09/2022 17:11:10

14:00 - 14:00 4. Items for Information and Noting

0 min

4.1. Financial Monitoring Return – Month 5

Robert Mahoney

-  4.1 WG month 4 MMR Covering Report.pdf (2 pages)
 -  4.1a CV Financial Monitoring Returns 2022-23 - Month 5.pdf (13 pages)
 -  4.1b 2022-23 MMR Template - Cardiff & Vale UHB Month 5.pdf (4 pages)
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14:00 - 14:00 5. Agenda for Private Finance Committee Meeting

0 min

Rhian Thomas

5.1. Approval of Private Minutes

5.2. Health & Wellbeing Centre Business Case - Park View

5.3. Update on the Financial Plan (Verbal)

5.4. 10 Year Capital Plan

14:00 - 14:00 6. AOB

0 min

14:00 - 14:00 7. Review and Final Closure

0 min

Rhian Thomas

7.1. Items to be deferred to Board / Committee

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

Wednesday 26 October 2022 at 2pm via MS Teams

14:00 - 14:00 8. Declaration

0 min

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]

Mohamed Sarah
20/09/2022 17:11:10

**Unconfirmed Minutes of the Finance Committee Meeting
Held On 24 August 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:		
Abigail Harris	AH	Executive Director of Strategic Planning
Catherine Phillips	CP	Executive Director of Finance
Hywel Pullen	HP	Interim Deputy Director of Finance (Strategy)
Mike Bond	MB	Managing Director – Acute Services
Tim Davies	TD	Head of Corporate Business
Kris Prosser	KP	Assistant Head of Finance - Financial Planning & Transformation
Wendy Wright – Davies	WWD	Internal Audit
Nicola Foreman	NF	Director of Corporate Governance
Observers:		
Darren Griffiths	DG	Audit Wales
Secretariat		
Sarah Mohamed	SM	Corporate Governance Officer
Apologies:		
Robert Mahoney	RM	Interim Deputy Director of Finance (Operational)
Charles Janczewski	CJ	UHB Chair

Item No	Agenda Item	Action
FC 24/8/001	Welcome & Introduction The Committee Chair (CC) welcomed everyone to the meeting.	
FC 24/8/002	Apologies for Absence The Finance Committee resolved that: a) Apologies were noted.	
FC 24/8/003	Declarations of Interest The Finance Committee resolved that: a) No Declarations of Interest were noted.	
FC 24/8/004	Minutes of the meeting Held on 27 July 2022 The minutes of the meeting held on 27 July 2022 were received. The Finance Committee resolved that:	

	a) The minutes of the meeting held on 27 July 2022 were held as a true and accurate record of the meeting.	
FC 24/8/005	<p>Action Log following the meeting held on 27 July 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>	
FC 24/8/006	<p>Chairs Action since previous meeting</p> <p>There had been no Chair's actions taken since the last meeting.</p>	
Items for Review and Assurance		
FC 24/8/007	<p>Financial Report – Month 4</p> <p>The Interim Deputy Director of Finance Strategy (IDDFS) presented the Financial Report and highlighted the following:</p> <p><u>Table 1: Month 4 Financial Position 2022/23</u></p> <ul style="list-style-type: none"> • The Health Board reported an £8m deficit in Month 4. • £5.7m related to the planned deficit of £17.1m. • £2.3m related to the operational position (Surplus) / deficit. <p><u>Table 3 - Key Performance Indicator dashboard at July 2022</u></p> <ul style="list-style-type: none"> • The Health Board was “red” in terms of the operational deficit impacting the delivery of the financial plan. • The Health Board was yet to find the full recurrent savings that it wished to achieve. • The Health Board was overachieving on non-recurrent savings being found. • Creditor performance continued to be below 95%. • The Health Board was forecasting a deficit of £17m at the year end. It would need cash support from Welsh Government (WG) to cover the Health Board cash position in relation to revenue deficit. <p><u>Financial performance of Clinical Boards</u></p> <ul style="list-style-type: none"> • The Health Board had a £2.3m operational deficit. • Largest operational overspends experienced were in the Medicine Clinical Board, Mental Health Clinical Board, and Capital Estates and Facilities. • That was all due to a continuation of trends which included the pressure of recruiting nursing and medical staff and agency staff. 	

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The Managing Director – Acute Services (MDAS) advised on the following in relation to the Clinical Boards:

- The Specialist Clinical Board had moved from adequate to substantial. It had an underspend and a good grip on its financials.
- Medicine continued to be under pressure. That was mainly due to the workforce. It was also driven by the combination of back door and delayed transfer of care. There was lots of work to do to support the workforce and ensure costs were reduced.
- There was ongoing work that needed to happen.
- Surgery had moved from adequate to limited assurance. This is due to complexity of activity. There are some historical CRPs that need to be worked on with additional savings.
- Mental Health had a good grip but there were significant challenges in terms of inpatients. There was also an increased demand.
- All Clinical Boards were currently looking for ways to reduce their current expenditure.

The Committee Chair (CC) commented that it was very reassuring to have the Clinical Board reviews. However, there should be more quantifiable plans in place. The CC requested a push for more concrete data. It would be useful to get more information on what the recovery plan was.

The MDAS stated he would work with the IDDFS to obtain the details and share the cost improvement plans with the Committee.

The Independent Member – ICT (IMI) agreed with greater visibility on plans. He expressed concern that the pressures which caused the overspend did not seem to be going away. The Health Board might need to include how to stabilise and how to recover.

The MDAS responded that the workforce challenges seen at the moment would be compounded in the Winter. The Health Board needed to recognise what the costs would be and make decisions about what it could do financially. The overall aim was to maintain a safe service, to look after staff and meet the financial target set at the start.

The Independent Member for Finance (IMF) commented that in previous years where the Health Board was in overspend, the Finance Committee looked at all aspects. It could mean looking at other areas across the Health Board where expenditure could be stopped and delayed to get back on track.

The MDAS responded that he reviewed the situation with the Executive Director of Finance (EDF). Within Medicine there were different ways of working and it was about introducing

MDAS/IDDFS

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change and different roles. There were matters being undertaken by the operational team to ensure it got the best out of the current staff and reduced costs where possible.

The EDF advised there was a piece about how Clinical Boards were working to their budgets and how to get them back on track if they were off track. The EDF added that the wider Corporate areas could possibly support the Clinical Boards that were under pressure. The vast majority of expenditure was spent on delivering services across the 7 Clinical Boards.

Exceptional costs

It was noted that the forecast for the energy costs had increased significantly. That reflected the global situation of energy prices.

COVID 19 Expenditure and Funding

It was noted that Table 7 captured the COVID costs from the national programmes and local response. The costs came down by £1m. They were continuing to reduce the Health Board expenditure in that area.

Table 9: Risk Register at July 2022

It was noted that there was one risk rated red. The Health Board was not planning to meet the Revenue Funding Limit and was unlikely to achieve its Three Year Rolling Breakeven Duty.

Savings Programme

It was noted that the savings target was £19.4m which reflected the additional £3.4m savings that were part of the improved plan submitted at the end of June.

The IDDFS added that £2m was required to achieve that target. Appendix 2 detailed the areas that needed action to improve the financial position. It was split between the different Clinical Boards and the different financial recovery areas.

The IMF queried what the impact on cash would be if the Health Board was at 95% compliance.

The IDDFS responded that it would have an impact on cash initially. That would be managed through the amount of money forecast from WG.

The EDF confirmed that the reason the Health Board was not meeting the payment compliance was not because of cash difficulties. A bigger cash balance should be driven at this point than expected because invoices were not being paid in the way expected.

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	<p>The EDF added that the Audit Committee had an interest in the creditor payment process and procedure and it would be overseeing the improvement work.</p> <p>The CC queried the statement in the report regarding the Finance Delivery Unit (FDU) and what constituted Covid costs. The CC queried the risk around what costs the Health Board thought were covered compared to what WG thought it was.</p> <p>The IDDFS responded that there were a few Health Boards that stated that local Covid costs were significant. The FDU was undertaking a piece of work to understand that.</p> <p>The Finance Committee resolved that at Month 4:</p> <ol style="list-style-type: none"> a) The reported overspend of £7.999m due to £2.299m of operational pressures and a planning deficit of £5.700m, was noted. b) The financial impact of COVID 19 which was assessed at £20.739m, was noted. c) The additional Welsh Government COVID 19 funding of £20.739m assumed within the position was noted. d) The financial impact of Exceptional inflationary pressures which was assessed at £5.238m, was noted. e) The additional Exceptional inflationary pressures funding of £5.238m 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 £3.6m variation from the planned forecast carry forward of £20.0m to 2023/24, was noted. 	
<p>FC 24/8/008</p>	<p>High Level Resource Map</p> <p>The IDDFS presented the High Level Resource Map and highlighted the following:</p> <ul style="list-style-type: none"> • The purpose was to provide an overview of the funding the Health Board had received and how it was used. • Funding was received from WG. The Health Board also received money for services it provided to WHSCC and neighbouring Health Boards. <p><u>What is a high-level resource map?</u></p> <ul style="list-style-type: none"> • It assisted decision making by providing insight into the distribution of resources. 	

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- The Finance Team was looking to update it on an annual basis to inform the financial strategy and long-term financial plans.
- The CAVUHB resource map spanned financial years 18/19 – 21/22.
It was split into two elements – (i) the source of funding and (ii) application of funding.

Source of funding

- The biggest element was the allocation from WG. This was based on a formula driven by the population.
- The next biggest element of funding was from WHSCC.

Source of funding extract

- Revenue resource limit was a large number. The Health Board also provided £35m services to Aneurin Bevan.
- The Health Board also had a role in providing education and training to Clinical staff. The Health Board received money for that.

The CC queried what costs were being incurred in providing the income services and could the Health Board determine which were the most profitable.

The IDDFS responded that in certain places, they have tried to drill down.

Revenue resource limit

- The revenue resource limit could be broken down into additions to the baseline i.e. recurrent changes and in year allocations/technical accounting allocations.
- Recurrent allocation and in year non-recurrent allocations had increased.

The CC queried how the Finance Team was audited to ensure that it was spending money in the right areas.

The IDDFS responded that WG ring fenced certain items in its allocation, such as Mental Health Services, and was also required to submit invoices to WG. Internal Audit also looked at the programme of work.

WHSSC

- It was noted that the Committee had previously had deep dives on WHSSC funding.
- The funding the Health Board received has grown over the years.

Application of funding

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	<p>The funding received was split across 3 main areas which included Clinical Boards, specific commissioning reserves and other reserves.</p> <p><u>Clinical Board expenditure</u></p> <ul style="list-style-type: none"> • It was noted that Primary Care had doubled the expenditure. • Overall it had been a steady growth. However, the Medicine Clinical Board expenditure had increased by £46m. <p>The Head of Corporate Business (HCB) queried whether a service generating income goes directly back to the service or to the Health Board.</p> <p>The Assistant Head of Finance (AHF) responded that the income would sit in the Clinical Board and should fund the service.</p> <p>The Finance Committee resolved that:</p> <ol style="list-style-type: none"> a) The information included with the High Level Resource Map was noted; and b) The High Level Resource Map would be presented at a future Board development session. 	DCG
	Items for Information and Noting	
FC 24/8/009	Financial Monitoring Return – Month 4	
	Agenda for Private Finance Committee Meeting	
FC 24/8/010	<ol style="list-style-type: none"> i. Approval of Private Minutes ii. Update on the Financial Plan 	
FC 24/8/011	<p>Any Other Business</p> <p>It was agreed that the High-Level Funding Resource Map would be presented at a future Board development session.</p>	
	Review and Final Closure	
FC 24/8/012	<p>Items to be deferred to Board / Committee</p> <p>No items were deferred to Board/Committee.</p>	
	<p>Date & time of next Meeting</p> <p>Wednesday 28th September 2022 at 2pm Via MS Teams</p>	

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Public Action Log

Following Finance Committee Meeting
24 August 2022
(For the Meeting 28 September 2022)

Completed actions					
REF	SUBJECT	AGREED ACTION	ACTIONED TO	DATE	STATUS/COMMENTS
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	26 October 2022	Update by 26 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	15 December 2022	On Board Development agenda for December

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Report Title:	Finance Report for the Period Ended 31 st August 2022		Agenda Item no.	2.1	
Meeting:	Finance Committee	Public	<input checked="" type="checkbox"/>	Meeting Date:	28 th September 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 5 the UHB is reporting an overspend of £9.652m against its submitted draft plan. This is comprised of £2.527m of operational overspend and the planned deficit of £7.125m (five 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 5 Financial Position 2022/23

	Month 5	Forecast Year-End Position £m
COVID 19 Additional Expenditure	25.063	58.923
Exceptional Inflationary Pressures	6.783	45.825
Gross additional COVID and Exceptional Inflationary Pressures £m	31.846	104.748
Welsh Govt. Funding for additional COVID and Exceptional Inflationary Pressures	(31.846)	(104.748)
Planned deficit	7.125	17.100
Operational position (Surplus) / Deficit	2.527	0.000
Financial Position £m (Surplus) / Deficit £m	9.652	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 5 Cumulative Position

The UHB is overspent by £9.652m against its core financial plan. £7.125m of this was planned as part of the underlying financial deficit. £2.527m is unplanned as an overspend in delegated and central positions. The rate of unplanned overspend fell in month, deteriorating by £0.228m from the cumulative Month 4 unplanned overspend of £2.299m. Table 3 provides a summary of the Month 5 position.

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

Measure	STATUS REPORT				
	August 2022	Rating	Latest Trend	Target	Time Period
Deliver 2022/23 Draft Financial Plan	£9.652m deficit at month 5. £7.125m planned deficit and £2.527m operational deficit	R	↓	Deliver 2022/23 £17.1m Planned Deficit	M5 2022-23
Remain within capital resource limits.	Expenditure at the end of August was £12.991m against a plan of £14.548m.	G	⊕	Remain within approved planned expenditure £45.396m	M5 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	M5 2022-23
Delivery of recurrent £15.400m savings target	£11.966m forecast at month 5.	R	↑	£15.400m	M5 2022-23
Delivery of £4m non recurrent savings target	£5.479m forecast at month 5.	G	⊕	£4.000m	M5 2022-23
Creditor payments compliance 30 day Non NHS	Cumulative 92.6% at the end of August	R	↑	95% of invoices paid within 30 days	M5 2022-23
Remain within Cash Limit	The UHB's working capital requirement will be discussed with Welsh Government as the year progresses. At month 5 the UHB forecast is a year end cash deficit of £17.1m in line with the forecast planning deficit.	A	⊕	To remain within Cash Limit	M5 2022-23
Maintain Positive Cash Balance	Cash balance = £5.147m	G	⊕	To Maintain Positive Cash Balance	End of August 2022

A number of cost pressures have emerged or increased in the year to date that weren't forecast within the 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 5 by Clinical Board is shown in Table 4.

Table 4: Financial Performance for the period ended 31st August 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	0.235	(0.235)	0.044	(0.044)	0.054	0.054
Children & Women	0.086	(0.086)	0.052	(0.052)	0.167	0.167
Capital Estates & Facilities	0.459	(0.459)	0.929	(0.929)	0.439	0.439
Surge Hospitals	0.000	0.000	0.000	(0.000)	0.005	0.005
Executives	0.114	(0.114)	0.021	(0.021)	(0.382)	(0.382)
All Wales Genomics Service	0.000	0.000	0.006	(0.006)	(0.002)	(0.002)
Medicine	1.436	(1.436)	0.059	(0.059)	0.445	0.445
Mental Health	0.182	(0.182)	0.030	(0.030)	0.380	0.380
PCIC	1.178	(1.178)	0.261	(0.261)	0.532	0.532
Specialist	0.218	(0.218)	0.056	(0.056)	(0.707)	(0.707)
Surgery	0.394	(0.394)	0.073	(0.073)	0.119	0.119
SubTotal Delegated Position £m	4.302	(4.302)	1.529	(1.529)	1.050	1.050
Central Budgets	0.023	(0.023)	0.016	(0.016)	(0.822)	(0.822)
Central Budgets - Planning Deficit					1.425	1.425
Total Deficit/(Surplus) £m	4.326	(4.326)	1.545	(1.545)	1.653	1.653
Draft 2022/23 Planning Deficit					(1.425)	(1.425)
Operational Deficit/(surplus Against Plan) £m	4.326	(4.326)	1.545	(1.545)	0.228	0.228
Cumulative						
Clinical Diagnostics & Therapies	1.022	(1.022)	0.223	(0.223)	0.108	0.108
Children & Women	0.716	(0.716)	0.263	(0.263)	0.729	0.729
Capital Estates & Facilities	2.093	(2.093)	3.675	(3.675)	1.562	1.562
Surge Hospitals	0.000	0.000	0.001	(0.001)	0.005	0.005
Executives	0.542	(0.542)	0.104	(0.104)	(0.101)	(0.101)
All Wales Genomics Service	0.000	0.000	0.028	(0.028)	(0.004)	(0.004)
Medicine	8.331	(8.331)	0.297	(0.297)	2.403	2.403
Mental Health	0.893	(0.893)	0.150	(0.150)	1.627	1.627
PCIC	8.071	(8.071)	1.307	(1.307)	0.727	0.727
Specialist	1.174	(1.174)	0.283	(0.283)	(1.297)	(1.297)
Surgery	2.074	(2.074)	0.369	(0.369)	1.056	1.056
SubTotal Delegated Position £m	24.915	(24.915)	6.699	(6.699)	6.814	6.814
Central Budgets	0.149	(0.149)	0.084	(0.084)	(4.287)	(4.287)
Central Budgets - Planning Deficit					7.125	7.125
Total Deficit/(Surplus) £m	25.063	(25.063)	6.783	(6.783)	9.652	9.652
Draft 2022/23 Planning Deficit					(7.125)	(7.125)
Operational Deficit/(surplus Against Plan) £m	25.063	(25.063)	6.783	(6.783)	2.527	2.527

The operational deficit of £6.814m against delegated budgets is offset by a £4.287m underspend against central budgets leaving a total operational overspend of £2.527m before the addition of the cumulative £7.125m planned deficit to leave a total overspend of £9.652m

The largest operational overspends are in the Medicine Clinical Board (£2.403m deficit) where the main pressure areas are nursing and medical staffing, in Mental Health (£1.627m deficit) where there are nursing and continuing healthcare placement pressures and Capital Estates & Facilities

(£1.562m 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 5

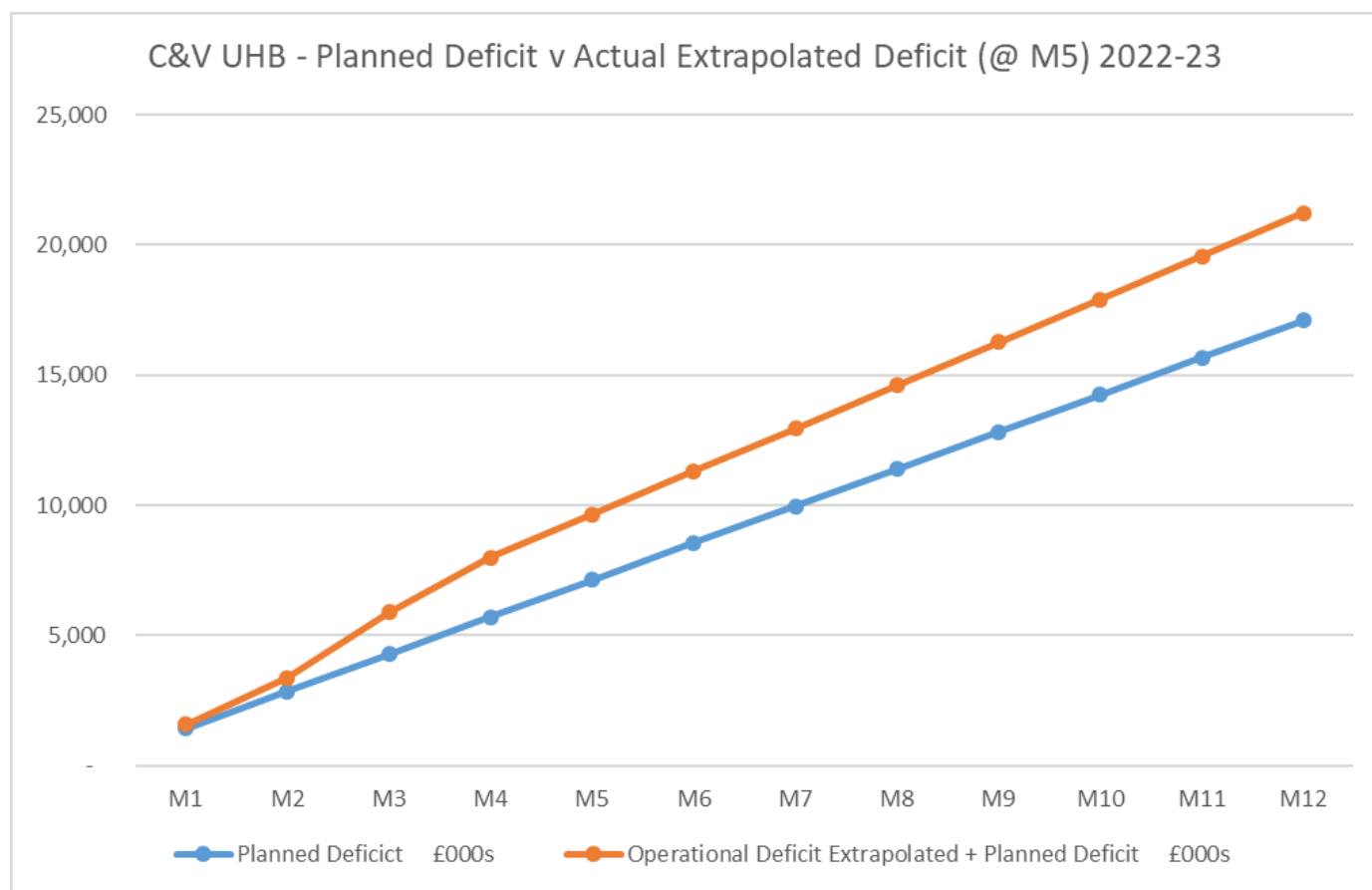
	Impact in Month	Year to date impact	Full Year Forecast Impact	
Key Cost pressures incorporated in position at Month 5	£000s	£000s	£000s	Future outlook and potential mitigations
Unfunded Medical Staffing inc. Agency & Premium costs	272	1,973	4,942	Strategies to improve permanent Recruitment and Retention will improve agency dependency
Nursing Staff Agency & Premium costs	437	1,754	4,365	
International Nurse Recruitment	49	340	815	Non recurrent based on unforeseen excess costs 2021-22 initiative
WHSSC LTA performance	(537)	515	1,500	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	67	373	895	Will benefit from throughput initiatives
Prescribing	342	958	4,000	Currently assessing the impact of days supplied and bank holidays
Mental Health CHC Placements	202	988	2,810	Nurse Director led initiative to improve CHC placement pressures
General Dental Services Ers pension costs	225	313	1,023	Seek to manage this within the totality of contractor services
Security at Rookwood & Whitchurch	99	423	1,015	In the system until the disposal of estate
Footfall impact on Aroma Sales/Concourse Leases	97	430	1,033	Anticipated that footfall will improve as UHB moves away from Covid footprint

The UHB continues to face a significant challenge as it delivers services from an operational footprint that is still predominantly designed to react to 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 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 5 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 risk. A central focus of Executive Performance Reviews with Clinical Boards is on

the remedial actions and additional savings that are needed to mitigate and address these cost pressures.



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 £37.025m for the year, which is £16.125m higher than the estimate in the plan and reflects an increase of £8.584m on the annual forecast in August.

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 a spot price (30.08.2022 market price for Month 5) and consequently provides for a high level of volatility between forecasts. The UHB utilises the Shared Services model in common with the other Health Boards in Wales. The energy forecast will remain a live piece of work involving the UHB Capital and Estates Team and Shared Services market intelligence and the in light of the volatility of market intelligence.

- 2) Employers NI costs of £6.9m. This has been reduced to reflect the latest UHB estimate at £5.9m.
- 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 5	Forecast Year-End Position
Incremental costs in 2022/23	£m	£m
Energy/Fuel	3.611	37.025
National Insurance Levy	1.964	5.900
Living Wage - Social Care	1.208	2.900
Total COVID Expenditure £m	6.783	45.825
Sub Total COVID funding confirmed/assumed £m	6.783	45.825

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

COVID 19 Expenditure and Funding

At month 5, the UHB projects expenditure (and matched income) of £58.923m relating to Covid costs. £9.274m has already been received as funding in allocations with an additional £31.862m for Local Response and £17.787m 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 £0.132m between Month 4 and Month 5 primarily as a result of an increase in the forecast cost of national tracing and vaccination programmes.

Table 7: Summary of Forecast COVID 19 Net Expenditure

	Month 5	Forecast Year-End Position	Forecast Year-End Position @ Month 4	Change in Forecast Year-End Position in month
	£m	£m	£m	£m
COVID 19 Testing	0.544	1.643	1.652	(0.009)
COVID 19 Tracing	2.610	5.767	5.493	0.274
COVID 19 Vaccination	3.324	8.789	8.656	0.134
Extended Flu Vaccination	0.136	1.243	1.243	0.000
PPE	1.396	3.381	3.532	(0.151)
Sub Total National Programmes	8.010	20.823	20.576	0.247
Cleaning Standards	0.877	2.675	3.213	(0.538)
COVID 19 Local Response	14.854	31.862	31.623	0.239
Sub Total Local response including Cleaning Standards	15.732	34.537	34.836	(0.299)
Dental Income; Flu; Long Covid; Anti-Viral; Allergy Advice and Nosocomial	1.321	3.562	3.379	0.184
Total COVID Expenditure assumed to be matched by WG Funding £m	25.063	58.923	58.790	0.132

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

The Welsh Government Finance Delivery Unit (FDU) has enquired over the suitability of some of the cost areas that the UHB has designated as a local Covid response cost, including, at this stage, relating to costs supporting Lakeside Wing and the use of alternatives to Warfarin to prevent hospital attendance. The costs queried are additional costs incurred by the UHB as a consequence of operational changes actioned to address risks presented by the pandemic. This presents a financial risk to the UHB if Welsh Government does not confirm support for these costs, which were incurred as a result of the pandemic response.

Summary Financial Table

The following table analyses the £9.652m overspend at Month 5, between Income, Pay and Non Pay. The table details the costs as Covid Response, Exceptional and Operational categories with funding assumed to match Covid Response and Exceptional cost categories.

Table 8: Summary Financial Position for the period ended 31st August 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	(1,700.868)	(136.996)	(136.884)	0.066	0.000	(0.066)	0.000	0.000	0.066	0.112
Pay	728.406	62.870	62.326	2.226	0.460	(2.686)	0.388	(0.388)	3.074	(0.544)
Non Pay	972.461	74.125	76.209	0.549	0.700	(1.249)	1.158	(1.158)	2.407	2.085
Covid Funding delegated to C. Boards					0.318	(0.318)			0.318	
Sub Total £m	(0.000)	0.000	1.651	2.841	1.479	(4.319)	1.546	(1.546)	5.865	1.653
2022/23 Planned Deficit	17.100	0.000	(1.425)						0.000	(1.425)
Variance to Plan £m	17.100	0.000	0.226	2.841	1.479	(4.319)	1.546	(1.546)	5.865	0.228
Cumulative										
Income	(1,700.868)	(676.410)	(676.439)	0.468	0.000	(0.468)	0.000	0.000	0.468	(0.029)
Pay	728.406	312.392	309.352	12.779	2.808	(15.587)	1.964	(1.964)	17.551	(3.041)
Non Pay	972.460	364.017	376.738	2.485	5.072	(7.558)	4.820	(4.820)	12.377	12.721
Covid Funding delegated to C. Boards					1.451	(1.451)			1.451	
Sub Total £m	(0.000)	0.000	9.651	15.732	9.331	(25.063)	6.783	(6.783)	31.847	9.652
2022/23 Planned Deficit	17.100	0.000	(7.125)						0.000	(7.125)
Variance to Plan £m	17.100	0.000	2.526	15.732	9.331	(25.063)	6.783	(6.783)	31.847	2.527

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 £34.537m (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 £20.823m to cover:
 - Testing costs
 - Tracing costs (allocated from separate fund)
 - Mass vaccination programme
 - Extended Flu Vaccination
 - PPE
- Funding for exceptional cost pressures of £45.825m, 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 August 2022

	Risks	Rating	Comment
Key Corporate Risk	Approved Three year Financial plan (IMTP)	16	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 yet to approve the plan.
	Revenue Funding Limit.	20	The UHB has submitted a £17.1m deficit plan and therefore will breach its Three Year Rolling Breakeven Duty in 2022-23. The risk beyond this is that the UHB breaches the approved spending limit control to be received from Welsh Government if the submitted plan is approved.
	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.	16	Table 4 refers to in 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 5 , the gap against the total revised target was £2.0m
	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 Welch Government funding. On full exit there are likely to be care model and building support costs that will maintain eg. 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 £45m 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

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Savings Programme

At month 5, the UHB is forecasting £17.445m of savings to deliver against the revised £19.400m savings target leaving a further £1.955m schemes to identify.

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

Table 10: Savings Schemes

	Total Savings Target £m	Total Savings Identified £m	Total Savings (Unidentified) £m
Total £m	19.400	17.445	(1.955)

There is a gap of £3.434m against the £15.400m recurrent target at month 5. This will add to the recurrent underlying deficit to be carried into 2023/24 if further recurrent savings are not identified in year.

Progress is continuing to identify a full programme of deliverable savings.

The UHB expects to finalise the balance of savings plans required to deliver the revised planning deficit of £17.1m. Further analysis of the August 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 5 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 £50m since the start of the year. This relates to amounts due from the Welsh Risk Pool (39m) in respect of clinical negligence cases, NHS receivables and prepayments.

Trade and other payables have fallen by around £54m since the start of the year. This mainly relates to a significant decrease in the levels of Accounts Payable Control (£38m), 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 August, was £5.147m.

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.

Public Sector Payment Compliance

The UHB's public sector payment compliance performance remains below the target of 95%. Performance for the 5 months to the end of August was 92.6%. Whilst this remains below the 93.1% achieved at August 2021 it is an improvement in month of 0.2% in month.

The below target performance is due to the high number of invoices that are on hold. Significant progress has been made by the Procurement department working with those placing orders to clear the backlog of holds, which represents a 44% reduction. 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 August 2022 is summarised in Table 12 and detailed in **Appendix 4**.

Table 12: Progress against Capital Resource Limit @ August 2022

	£m
Planned Capital Expenditure at month 5	14.548
Actual net expenditure against CRL at month	12.991
Variance against planned Capital Expenditure at month 5	(1.556)

Of the UHB's approved Capital Resource Limit, 28.6% has been expended to date.

All schemes are currently in line with annual forecast.

The UHB had an approved capital resource limit of £45.396m in line with the latest CRL received from Welsh Government 8th September 2022 comprising of £10.263m discretionary funding and £35.133m 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 £3.434m 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 £0.228m in month 5 which was less than the trend in the first 4 months of the year. The reported operational overspend which is £2.527m for the 5 months to the end of August 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 £104.748m in 2022-23 which is an increase of £8.717m on the forecast at month 4 due to energy price volatility.

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

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Recommendation:

At Month 5 the Committee are requested to:

- **NOTE** the reported overspend of £9.652m due to £2.527m of operational pressures and a planning deficit of £7.125m.
- **NOTE** the financial impact of COVID 19 which is assessed at £25.063m ;
- **NOTE** the additional Welsh Government COVID 19 funding of £25.063m assumed within the position.
- **NOTE** the financial impact of Exceptional inflationary pressures which is assessed at £6.783m.
- **NOTE** the additional Exceptional inflationary pressures funding of £6.783m 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: 28 th September 2022

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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 @ August 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)	(1,221.621)	(94.612)	(94.612)			0.000			0.000	0.000
RRL Welsh Govt. COVID 19 Funding		4.324	4.324			0.000			0.000	
RRL Welsh Govt. Exceptional Pressures Funding		1.546	1.546			0.000			0.000	
Welsh Government Income (Non RRL)	(13.091)	(0.755)	(0.755)			0.000			0.000	0.000
Accommodation & Catering	(4.582)	(0.444)	(0.330)	0.000		0.000			0.000	0.114
Education & Training	(39.753)	(3.719)	(3.718)	0.000		0.000			0.000	0.001
Injury Cost Recovery Scheme (CRU) Income	(2.165)	(0.180)	(0.180)	0.000		0.000			0.000	0.000
NHS Patient Related Income	(394.807)	(37.164)	(37.118)	(0.023)		0.023			(0.023)	0.046
Other Operating Income	(14.344)	(4.735)	(4.725)	0.005		(0.005)			0.005	0.009
Overseas Patient Income	(0.076)	(0.005)	(0.001)	(0.004)		0.004			(0.004)	0.004
Private Patient Income	(1.318)	(0.108)	(0.122)	0.088		(0.088)			0.088	(0.014)
Research & Development	(9.111)	(1.145)	(1.193)	0.000		0.000			0.000	(0.048)
Variance to Plan £m	(1,700.868)	(136.996)	(136.884)	0.066	0.000	(0.066)	0.000	0.000	0.066	0.112
Cumulative										
Revenue Resource Limit (RRL)	(1,221.621)	(473.038)	(473.038)			0.000			0.000	0.000
RRL Welsh Govt. COVID 19 Funding		20.352	20.352			0.000			0.000	
RRL Welsh Govt. Exceptional Pressures Funding		5.485	5.485			0.000			0.000	
Welsh Government Income (Non RRL)	(13.091)	(5.500)	(5.500)			0.000			0.000	0.000
Accommodation & Catering	(4.582)	(1.965)	(1.604)	0.000		0.000			0.000	0.361
Education & Training	(39.753)	(18.596)	(18.542)	0.000		0.000			0.000	0.053
Injury Cost Recovery Scheme (CRU) Income	(2.165)	(0.902)	(0.902)	0.000		0.000			0.000	0.000
NHS Patient Related Income	(394.807)	(179.727)	(180.145)	(0.120)		0.120			(0.120)	(0.418)
Other Operating Income	(14.344)	(17.707)	(17.624)	0.179		(0.179)			0.179	0.083
Overseas Patient Income	(0.076)	(0.039)	(0.088)	0.008		(0.008)			0.008	(0.049)
Private Patient Income	(1.318)	(0.565)	(0.583)	0.401		(0.401)			0.401	(0.018)
Research & Development	(9.111)	(4.209)	(4.250)	0.000		0.000			0.000	(0.041)
Variance to Plan £m	(1,700.868)	(676.410)	(676.439)	0.468	0.000	(0.468)	0.000	0.000	0.468	(0.029)

The income position at month 5 is an underspend of £0.029m. This position includes consideration of additional Welsh Government income of £0.468m 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 £0.361m in month 5.

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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 @ August 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	185.101	16.046	16.318	0.452	0.000	(0.452)	0.099	(0.099)	0.552	0.272
Nursing (registered)	218.037	18.412	17.461	0.595	0.135	(0.730)	0.111	(0.111)	0.841	(0.951)
Nursing (unregistered)	54.736	4.687	5.447	0.629	0.042	(0.671)	0.036	(0.036)	0.707	0.759
Scientific, prof & technical	41.689	3.789	3.527	0.054	(0.013)	(0.041)	0.021	(0.021)	0.062	(0.261)
Additional clinical services	28.835	2.539	2.336	0.073	0.032	(0.104)	0.015	(0.015)	0.119	(0.202)
Management, admin & clerical	88.970	7.859	7.713	0.068	0.263	(0.332)	0.048	(0.048)	0.380	(0.145)
Other staff groups	111.039	9.539	9.523	0.353	0.002	(0.356)	0.057	(0.057)	0.413	(0.016)
Variance to Plan £m	728.406	62.870	62.326	2.226	0.460	(2.686)	0.388	(0.388)	3.074	(0.544)
Cumulative										
Medical and Dental	185.101	78.468	80.912	2.674	0.001	(2.675)	0.503	(0.503)	3.179	2.443
Nursing (registered)	218.037	92.234	87.884	3.673	0.821	(4.494)	0.562	(0.562)	5.056	(4.350)
Nursing (unregistered)	54.736	23.425	26.511	3.723	0.310	(4.033)	0.184	(0.184)	4.216	3.086
Scientific, prof & technical	41.689	18.835	17.577	0.299	0.021	(0.320)	0.109	(0.109)	0.428	(1.258)
Additional clinical services	28.835	12.674	11.827	0.349	0.122	(0.471)	0.075	(0.075)	0.546	(0.846)
Management, admin & clerical	88.970	39.124	38.498	0.360	1.526	(1.886)	0.244	(0.244)	2.130	(0.625)
Other staff groups	111.039	47.633	46.142	1.701	0.008	(1.708)	0.288	(0.288)	1.996	(1.491)
Variance to Plan £m	728.406	312.392	309.352	12.779	2.808	(15.587)	1.964	(1.964)	17.551	(3.041)

The pay position at month 5 is an operational underspend of £3.041m. The in month pay position underspend was £0.544m which is broadly in line with the trend for first 4 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 £1.626m, as a result of nursing and medical staffing pressures.

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Non Pay

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

Table 15: Non-Pay Variance @ August 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	167.319	17.915	18.493	0.108	0.000	(0.108)	0.000	0.000	0.108	0.578
Clinical services & supplies	109.431	11.189	10.727	0.070	0.178	(0.248)	(0.000)	0.000	0.248	(0.462)
General supplies & services	9.222	0.889	0.933	0.021	0.100	(0.121)	0.000	0.000	0.121	0.044
Establishment expenses	10.074	0.793	0.869	0.006	(0.003)	(0.003)	0.000	0.000	0.003	0.076
Premises & fixed plant	36.911	3.019	3.470	0.132	0.163	(0.296)	0.916	(0.916)	1.212	0.450
Continuing healthcare	73.634	6.381	6.922	0.000	0.000	0.000	0.242	(0.242)	0.242	0.540
Healthcare Provided Services	225.249	18.834	18.612	0.160	0.000	(0.160)	0.000	0.000	0.160	(0.222)
Primary Care Contractors	144.151	11.433	11.332	0.036	0.000	(0.036)	0.000	0.000	0.036	(0.101)
Other non pay	196.470	3.670	4.852	0.017	0.261	(0.278)	0.000	0.000	0.278	1.182
Variance to Plan £m	972.461	74.125	76.209	0.549	0.700	(1.249)	1.158	(1.158)	2.407	2.085
Cumulative										
Drugs / Prescribing	167.319	88.192	89.285	0.591	0.000	(0.591)	0.000	0.000	0.591	1.094
Clinical services & supplies	109.431	48.752	48.343	0.312	0.992	(1.304)	0.000	0.000	1.304	(0.409)
General supplies & services	9.222	4.219	4.789	0.087	0.415	(0.502)	0.000	0.000	0.502	0.571
Establishment expenses	10.074	4.183	4.459	0.039	0.023	(0.063)	0.000	0.000	0.063	0.276
Premises & fixed plant	36.911	15.775	18.497	0.537	0.951	(1.488)	3.611	(3.611)	5.099	2.722
Continuing healthcare	73.634	30.733	32.342	0.000	0.000	0.000	1.208	(1.208)	1.208	1.609
Healthcare Provided Services	225.249	93.510	92.619	0.691	0.000	(0.691)	0.000	0.000	0.691	(0.891)
Primary Care Contractors	144.151	57.891	57.770	0.115	0.012	(0.127)	0.000	0.000	0.127	(0.121)
Other non pay	196.470	20.763	28.633	0.113	2.680	(2.793)	0.000	0.000	2.793	7.871
Variance to Plan £m	972.461	364.017	376.738	2.485	5.072	(7.558)	4.820	(4.820)	12.377	12.721

There is an operational overspend of £12.721m on non-pay budgets which incorporates the 2022/23 monthly planning deficit of £7.125m.

The additional gross COVID 19 expenditure of £7.558m (local response and national programmes) is matched by £7.558m of anticipated COVID 19 funding and the additional exceptional energy costs of £3.611m and continuing healthcare costs of £1.208m arising from national pressures are matched by assumed funding of £4.820m.

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 5

Clinical / Service Board	Cumulative Variance £m	Reasons
Capital Estates & Facilities	0.968	Additional water charges, security costs and Estates non pay contractor costs which are broadly balanced by a pay underspends against estates staff
Executives	0.562	Digital costs and accomodation costs in respect of Overseas Nurses
Central Budgets	0.415	Additional Bed Contract costs reported Centrally
Other Clinical Boards	0.778	
Total Variance to Plan £m	2.722	

Mohamed Sarah
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2022/23 SAVING SCHEMES

2022-23 In-Year Effect

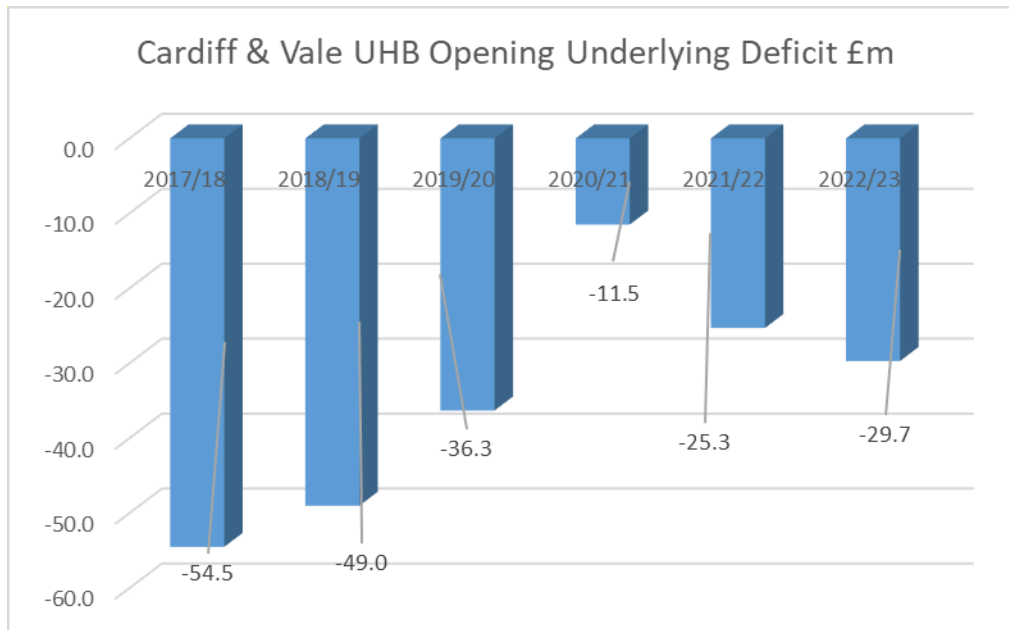
Clinical/Service Board	22-23 Target 2%	Green	Amber	Total Green & Amber	Red	Shortfall on Total Target vs Green & Amber
	£'000	£'000	£'000	£'000	£'000	£'000
Capital Estates and Facilities	946	946	0	946	0	0
Children and Women	1,303	1,303	0	1,303	18	-0
Clinical Diagnostics and Therapeutics	1,199	1,177	0	1,177	0	21
Corporate Executives	500	430	0	430	11	70
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	11,887	25	11,912	1,103	88
Corporate	7,400	4,983	550	5,533	0	1,867
Total £'000	19,400	16,870	575	17,445	1,103	1,955

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	828	0	828	24	476
Clinical Diagnostics and Therapeutics	1,199	687	0	687	0	512
Corporate Executives	500	55	0	55	11	445
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	8,556	25	8,581	2,449	3,419
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	10,741	1,225	11,966	2,449	3,434

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20/09/2023 11:11 AM

Year on Year Movement in Cardiff & Vale UHB Underlying Deficit



Mohamed Sarah
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BALANCE SHEET AT THE END OF AUGUST 2022

	Opening Balance 1 st April 2022	Closing Balance 31 st August 2022
Non-Current Assets	£'000	£'000
Property, plant and equipment	789,607	815,914
Intangible assets	2,611	2,201
Trade and other receivables	33,427	45,559
Other financial assets		
Non-Current Assets sub total	825,645	863,674
Current Assets		
Inventories	20,391	21,068
Trade and other receivables	228,915	266,829
Other financial assets		
Cash and cash equivalents	4,607	5,147
Non-current assets classified as held for sale		
Current Assets sub total	253,913	293,044
TOTAL ASSETS	1,079,558	1,156,718
Current Liabilities		
Trade and other payables	245,910	180,014
Other financial liabilities	0	
Provisions	165,709	205,681
Current Liabilities sub total	411,619	385,695
NET ASSETS LESS CURRENT LIABILITIES	667,939	771,023
Non-Current Liabilities		
Trade and other payables	7,683	19,181
Other financial liabilities		
Provisions	39,304	42,442
Non-Current Liabilities sub total £'000s	46,987	61,623
TOTAL ASSETS EMPLOYED £'000s	620,952	709,400
FINANCED BY:		
Taxpayers' Equity		
General Fund	503,471	574,203
Revaluation Reserve	117,481	135,197
Total Taxpayers' Equity £'000s	620,952	709,400

Mohamed Sarah
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CASHFLOW FORECAST AT THE END OF AUGUST 2022

	April £'000	May £'000	June £'000	July £'000	Aug £'000	Sept £'000	Oct £'000	Nov £'000	Dec £'000	Jan £'000	Feb £'000	Mar £,000	Total £,000
RECEIPTS													
WG Revenue Funding - Cash Limit (excluding NCL)	111,385	108,155	103,795	100,045	100,535	107,615	96,015	82,094	108,309	82,539	99,744	63,874	1,164,105
WG Revenue Funding - Non Cash Limited (NCL)	1,170	1,650	945	1,085	1,340	1,130	850	1,170	1,170	1,170	1,170	240	13,090
WG Revenue Funding - Other (e.g. invoices)	3,046	1,298	84	2,667	2,775	1,284	1,284	7,180	1,284	1,284	2,674	2,674	27,533
WG Capital Funding - Cash Limit	10,000	4,000	3,500	7,875	3,440	4,155	1,600	2,280	3,000	3,000	2,546	0	45,396
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	42,516	33,929	40,442	31,994	41,049	31,651	43,148	456,036
Other - (Specify in narrative)	5,714	11,261	6,390	12,037	8,008	7,830	12,443	10,082	7,749	12,567	5,944	11,251	111,277
TOTAL RECEIPTS	171,521	164,651	150,721	159,774	156,841	164,530	146,121	143,248	153,506	141,609	143,729	121,186	1,817,437
PAYMENTS													
Primary Care Services : General Medical Services	6,488	5,786	7,107	5,176	5,083	8,167	5,491	5,491	7,381	5,491	5,491	7,381	74,531
Primary Care Services : Pharmacy Services	209	128	138	113	100	122	135	135	270	540	270	270	2,430
Primary Care Services : Prescribed Drugs & Appliances	16,137	4	8,731	8,153	8,024	16,572	0	8,230	16,460	0	8,230	8,230	98,771
Primary Care Services : General Dental Services	2,389	2,290	2,212	2,236	2,408	2,193	2,290	2,290	2,290	2,290	2,290	2,290	27,468
Non Cash Limited Payments	1,977	1,906	1,790	1,964	1,829	1,729	1,865	1,865	1,865	1,865	1,865	1,865	22,385
Salaries and Wages	57,983	60,275	59,453	58,739	58,557	58,775	59,022	59,093	59,099	59,100	59,439	59,578	709,111
Non Pay Expenditure	70,738	85,467	68,932	76,285	77,605	74,967	73,819	62,641	63,141	69,326	63,595	62,675	849,193
Capital Payment	11,209	7,322	3,938	4,505	3,282	2,500	3,500	3,500	3,000	3,000	2,546	0	48,302
Other items (Specify in narrative)	5,182	337	652	96	34	651	0	0	0	0	0	0	6,952
TOTAL PAYMENTS	172,312	163,514	152,953	157,267	156,921	165,675	146,121	143,245	153,506	141,612	143,726	142,290	1,839,144
Net cash inflow/outflow	(791)	1,136	(2,233)	2,508	(80)	(1,145)	(1)	3	(0)	(3)	3	(21,103)	
Balance b/f	4,607	3,816	4,952	2,719	5,227	5,147	4,002	4,001	4,004	4,003	4,001	4,004	
Balance c/f	3,816	4,952	2,719	5,227	5,147	4,002	4,001	4,004	4,003	4,001	4,004	(17,100)	

Mohamed Sarah
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Report Title:	Board Assurance Framework – Financial Sustainability		Agenda Item no.	2.2	
Meeting:	Finance Committee	Public	<input checked="" type="checkbox"/>	Meeting Date:	28 th September 2022
		Private	<input type="checkbox"/>		
Status <i>(please tick one only):</i>	Assurance <input type="checkbox"/>	Approval <input type="checkbox"/>	Information <input type="checkbox"/>		
Lead Executive:	Director of Corporate Governance				
Report Author (Title):	Director of Corporate Governance				

Main Report

Background and current situation:

The purpose of the report is to provide Members of the Finance Committee with the opportunity to review the Financial Sustainability Risk on the Board Assurance Framework which links specifically to this Committee.

There are currently nine key risks on the BAF, agreed by the Board in May 2022, which are impacting upon the Strategic Objectives of Cardiff and Vale Health Board. Financial Sustainability is one of those key risks and specifically identifies:

- There is a risk that the organisation will not be able to manage the impact of COVID 19 and other operational issues within the financial resources available.

It is good practice for Committees of the Board to also review risks on the BAF which relate to them. The role of the Committee in relation to the risk is to review it, check that the controls are in place and working and agree any further actions required in order to mitigate the risk. The Committee can then provide further assurance to the Board that the risk is being managed or mitigated as much as possible at the current time. The Executive Director Lead for this risk is the Executive Director of Finance.

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

The Board Assurance Framework provides the Board with information on the key risks impacting upon the delivery of the Strategic Objectives of Cardiff and Vale University Health Board.

The attached Finance risk (last considered by the Board in July 2022) is considered to be a key risk to the achievement of the organisation's Strategic Objectives. The actions on this risk have been updated by the Executive Director of Finance since the July Board Meeting.

Recommendation:

The Finance Committee are requested to:

Review the attached risk in relation to Financial Sustainability to enable the Committee to provide further assurance to the Board when the Board Assurance Framework is reviewed in its entirety.

Link to Strategic Objectives of Shaping our Future Wellbeing:

Please tick as relevant

1. Reduce health inequalities	<input type="checkbox"/>	6. Have a planned care system where demand and capacity are in balance	<input type="checkbox"/>
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20/09/2022

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	x	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	x	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	x	Long term		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

Financial: Yes/No

Workforce: Yes/No

Legal: Yes/No

Reputational: Yes/No

Socio Economic: Yes/No

Equality and Health: Yes/No

Decarbonisation: Yes/No

Approval/Scrutiny Route:

Committee/Group/Exec

Date:

Executive Director of Finance

6th September 2022

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1. Financial Sustainability – Executive Director of Finance (Catherine Phillips)

Across Wales, Health Boards and Trusts set out plans to manage their financial pressures by driving out inefficiencies, while at the same time looking to derive greater value from their resources through innovative ways of working and practicing Prudent and Value Based Healthcare. In October 2021 the Welsh Government signalled a return to a three-year planning approach and accordingly the Health Board has developed a new three-year IMTP for 2022 to 2025. In March 2022, the Board approved the draft 2022 – 2025 IMTP. In light of the financial position work was undertaken during the Quarter 1 to develop the financial plan. The final plan was approved by the Board on 30th June and submitted to Welsh Government.

Risk	There is a risk that the organisation will not be able to manage the impact of COVID 19 and other operational issues within the financial resources available.		
Date added: 01.04.2022			
Cause	The UHB has incurred significant additional costs arising from managing the COVID 19 pandemic. It also has to manage its operational budget.		
Impact	Unable to deliver a year-end financial position. Reputational loss. Improvement in the underlying financial position which is dependent upon recurrent funding provided		
Impact Score: 5	Likelihood Score: 5	Gross Risk Score:	25 (Extreme)
Current Controls	Additional expenditure is being authorised within the governance structure and the UHB Scheme of Delegation. Financial Plan submitted to Welsh Government 30 th June to deliver financial balance over the three-year period 2022-2025.		
Current Assurances	The financial position is reviewed by the Finance Committee which meets monthly and reports into the Board ⁽¹⁾ Financial performance is a standing agenda item monthly on Management Executives Meeting ⁽¹⁾ Financial performance is monitored by the Management Executive ⁽¹⁾ . Finance report presented to every Finance Committee Meeting highlighting progress against mitigating financial risks ⁽¹⁾ .		
Impact Score: 5	Likelihood Score: 3	Net Risk Score:	15 (Extreme)
Gap in Controls	No gaps currently identified.		
Gap in Assurances	To confirm COVID 19 and exceptional funding assumptions with Welsh Government for response and recovery. Certainty of COVID 19 expenditure and the management of non COVID 19 operational pressures. The financial plan 2022/23 does not achieve overall financial balance during the financial year.		

Mohamed Sarah
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Actions		Lead	By when	Update since July 22
1. Continue to work with Welsh Government to manage our recovery and COVID 19 response as well as exceptional cost pressures.		Catherine Phillips	30/09/2022	This continues to take place to understand resources which will be made available to the Health Board in 2022/23.
2. To monitor and control additional expenditure and financial performance to ensure that the year-end forecast is in line with financial plan 2022/23		Catherine Phillips	31/12/2022	Position continues to be reported to Senior Leadership Board, monthly Finance Committee and Board. Performance meetings with Clinical Board re introduced.
3. To understand the impact of responding to the Covid 19 pandemic has had on the organisations underlying position. To deliver on our savings plan recurrently		Paul Bostock	31/12/22	COVID response and recovery costs are being reviewed for plans to sustain in line with Service need. Savings are being managed and monitored with Clinical Boards.
Impact Score: 5	Likelihood Score:1	Target Risk Score:		4 (Moderate)

Mohamed Sarah
20/09/2022 17:11:10

Report Title:	2022-23 Month 5 Monthly Financial Monitoring Return			Agenda Item no.	4.1
Meeting:	Finance Committee	Public	X	Meeting Date:	28th September 2022
		Private			
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					
<p>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.</p>					
Executive Director Opinion and Key Issues to bring to the attention of the Board/Committee:					
<p>The extract from the UHBs Monthly Financial Monitoring Return is provided for information and assurance.</p>					
Recommendation:					
<p>The Committee is requested to:</p> <p>NOTE the extract from the UHBs Monthly Financial Monitoring Return.</p>					
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: 28 th Sept 2022

Mohamed Sarah
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THE WELSH GOVERNMENT FINANCIAL COMMENTARY

FINANCIAL POSITION FOR THE FIVE MONTHS PERIOD ENDED 31st August 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.

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

- Ongoing Covid local response costs as defined by updated 2022/23 Welsh Government allowable 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 5 the UHB is reporting an overspend of £9.652m against its submitted draft plan. This is due to £2.527m of operational pressures and a planning deficit of £7.125m, which is five 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 £6.783m
- Local Covid response including Cleaning Standards £15.732m
- Central Welsh Government Covid Programmes £8.010m
- Welsh Government Specific Covid Funding streams £1.321m

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 UHBs 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 31st August 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 5 financial position.

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

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

Table A sets out the financial plan and latest position at month 5 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 UHBs 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:

- Management of Operational Pressures (including prescribing) - £5.0m
- Shortfall Against Planned Savings Delivery £1.5m
- Outcome of LTA Framework £4.0m
- Funding for Covid Non Programme Areas (including Cleaning standards) - £34.537m

- Funding for Exceptional Cost pressures (Energy, NI Levy & RLW) - £45.825m

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 £9.652m 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 31st August 2022

	Month 5	Forecast Year-End Position £m
COVID 19 Additional Expenditure	25.063	58.923
Exceptional Inflationary Pressures	6.783	45.825
Gross additional COVID and Exceptional Inflationary Pressures £m	31.846	104.748
Welsh Govt FUNDING for additional COVID and Exceptional Inflationary Pressures	(31.846)	(104.748)
Planned deficit	7.125	17.100
Operational position (Surplus) / Deficit	2.527	0.000
Financial Position £m (Surplus) / Deficit £m	9.652	17.100

The month 5 deficit of £9.652m comprised of the following:

- £7.125m planned deficit (5/12th of £17.1m);
- £2.527m adverse variance against plan.

The rate of overspend against plan has fallen in month with the operational variance deteriorating by £0.228m from Month 4 (£2.299m deficit) .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 an increase in prescribing growth in the first months of the year, complicated by the change in prescribing length together with an increase in NCSOs. This is not yet reflected in the financial forecast until further months' information is available for review but is noted as a risk

It is assumed that the recently announced 2022/23 pay award will be fully funded. At this stage, the impact of the award is not included in the pay expenditure forecast.

The UHB plans to recover the adverse operational variance of £2.527m 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 £6.783m
- Local Covid response including Cleaning Standards £15.732m
- Central Welsh Government Covid Programmes £8.010m
- Welsh Government Specific Covid Funding streams £1.321m

It is assumed that Welsh Government funding will be provided to cover the COVID and exceptional inflationary costs arising up to month 5 and for the remainder of the year.

PAY & AGENCY (TABLE B2)

The UHB recorded Agency costs of £2.042m in month 5, which is a decrease of £0.306m on the £2.348m reported at month 4. £0.930m of the costs reported in month 5 related to registered nursing and midwifery, where the UHB is progressing programmes including overseas recruitment to manage pressures.

COVID 19 ANALYSIS (TABLE B3)

At month 5 Table B3 is projecting net expenditure due to COVID-19 to be £58.923m. 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 marginally in month. This 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 5	Forecast Year-End Position	Forecast Year-End Position @ Month 4	Change in Forecast Year-End Position in month
	£m	£m	£m	£m
COVID 19 Testing	0.544	1.643	1.652	(0.009)
COVID 19 Tracing	2.610	5.767	5.493	0.274
COVID 19 Vaccination	3.324	8.789	8.656	0.134
Extended Flu Vaccination	0.136	1.243	1.243	0.000
PPE	1.396	3.381	3.532	(0.151)
Sub Total National Programmes	8.010	20.823	20.576	0.247
Cleaning Standards	0.877	2.675	3.213	(0.538)
COVID 19 Local Response	14.854	31.862	31.623	0.239
Sub Total Local response including Cleaning Standards	15.732	34.537	34.836	(0.299)
Dental Income; Flu; Long Covid; Anti-Viral; Allergy Advice and Nosocomial	1.321	3.562	3.379	0.184
Total COVID Expenditure assumed to be matched by WG Funding £m	25.063	58.923	58.790	0.132

This forecast includes funding assumed from Welsh Government COVID Funding totaling £58.923m to match the forecast costs.

The forecast cost of national Covid programmes is £20.823m, which is an increase of £0.247m against the £20.576m forecast costs reported at month 4.

The forecast local Covid response costs and Cleaning Standards is £34.537m, which is a fall of £0.299m against the comparable £34.836m forecast costs reported at month 4. The fall in the forecast is in part due to the transfer of the £0.184m costs associated with the Covid Vaccine Allergy Advice Service to the line for specific allocations.

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 5, of £34.5m

The FDU has enquired over the suitability of some of the cost areas that the UHB has designated as a local Covid response cost. The costs queried are additional costs incurred by the UHB as a consequence of operational changes actioned to address risks presented by the pandemic. A response to specific queries has been included in the MMR and an overarching explanation is provided here.

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. We are committed to ensure 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, our plan for 2022/23, developed in Q4 of 2021/22 was done in alignment 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 5	Forecast Year-End Position
Incremental costs in 2022/23	£m	£m
Energy/Fuel	3.611	37.025
National Insurance Levy	1.964	5.900
Living Wage - Social Care	1.208	2.900
Total COVID Expenditure £m	6.783	45.825
Sub Total COVID funding confirmed/assumed £m	6.783	45.825

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 increased by £8.584m in month from £28.441m to £37.025m due to ongoing market issues. A planning estimate of £20.9m was included in the initial draft plan.

The Shared Services Forecasting model is based on a spot price (30.08.2022 market price for Month 5) and consequently provides for a high level of volatility between forecasts. The UHB utilises the Shared Services model in common with the other Health Boards in Wales.

The forecast of the employers cost of NI levy has decreased by £1.0m from the planning estimate of £6.9m to £5.9m and will continue to be reviewed as the year progresses.

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 5, the UHB is forecasting £17.445m of savings to deliver against the revised £19.400m savings target leaving a further £1.955m schemes to identify.

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	17.445	(1.955)

Progress is continuing to identify a full programme of deliverable savings.

The UHB expects to finalise the balance of savings plans required to deliver the revised planning deficit of £17.1m.

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 August was £5.147m.

The UHB is currently predicting a cash shortfall of £17.1m in 2022/23 in line with the forecast deficit.

CAPITAL SCHEMES (TABLES I, J & K)

Of the UHB's approved Capital Resource Limit, 29% has been expended to date.

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 digital eye care capital allocation has been reviewed and reduced to £0.150m from £0.643m, the delivery of this scheme is being closely monitored.

Planned expenditure for the year reflects the CRL received from Welsh Government dated 8th September 2022 - £45.396m.

AGED WELSH NHS DEBTORS (TABLE M)

At the 31st August 2022, there were 2 invoices outstanding for more than 17 weeks. Both of these invoices have since been cancelled.

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 5. 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)
Remaining Annual Leave Accrual balance after 'Sell Back' @ Month 5 £m	7.981

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 28th September 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 5 is a deficit of £9.652m. This is made up of a budget plan deficit of £7.125m and an adverse variance against plan of £2.527m.



.....
SUZANNE RANKIN
CHIEF EXECUTIVE

13th September 2022



.....
CATHERINE PHILLIPS
EXECUTIVE DIRECTOR OF
FINANCE

13th September 2022

Cardiff & Vale ULHB

Table A - Movement of Opening Financial Plan to Forecast Outturn

Period : Aug 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		
12	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	94	65	30	38
19 Other Movement in Month 1 Planned Savings - (Underachievement) / Overachievement	-179	-121	-58	0
20 Additional In Year Identified Savings - Forecast	3,744	1,009	2,735	5,764
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)	-8,660	-8,660		
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)	8,660	8,660		
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)	1,213	1,213		
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	10,358	-27,458	-23,264
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	-12,375	-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	-38,628	-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	-28,317	-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	32,409	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	28,317	67,582
6	652	652	652	652	652	652	652	652	652	652	652	652	3,261	7,827
7	296	27	-20	-15	-48	-83	5	-25	-38	-27	-27	-45	240	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	5,355	13,061
9	7	7	7	8	8	8	8	8	8	8	8	8	36	92
10													0	0
11													0	0
12													0	0
13		259	259	259	259	259	259	259	259	259	259	259	1,036	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	-8,666	-20,800
15	0	-259	-259	-259	-259	-259	-259	-259	-259	-259	-259	-259	-1,036	-2,849
16						113	113	113	113	113	113	113	497	793
17													0	0
18	0	3	4	4	4	11	11	11	11	11	11	11	15	94
19	-2	-2	-14	-29	-48	-12	-12	-12	-12	-12	-12	-12	-94	-179
20	32	120	220	189	224	196	409	399	453	507	498	497	796	3,744
21													0	0
22	0	-592	-988	-709	-966	-560	-850	-937	-820	-845	-744	-650	-3,254	-8,660
23													0	0
24	-1	592	988	709	966	560	850	937	820	845	744	650	3,254	8,660
25	139	50	328	65	0	0	0	0	0	0	0	0	582	582
26	-155	-458	-427	-360	160	890	678	688	633	-52	-43	-342	-1,240	1,213
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	-793	-793	-793	-793	-1,425	-1,425	-1,425	-9,652	-17,100
37	-1	0	0	0	0	0	0	0	0	0	0	0	-1	-1

Mohamed Sarah
 20/09/2022 17:11:10

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 £'000	May £'000	Jun £'000	Jul £'000	Aug £'000	Sep £'000	Oct £'000	Nov £'000	Dec £'000	Jan £'000	Feb £'000	Mar £'000				Green £'000	Amber £'000	non recurring £'000	recurring £'000		
1	CHC and Funded Nursing Care	Budget/Plan	50	50	65	65	65	65	65	65	65	65	65	295	750		750	0				
2		Actual/F'cast	50	50	65	72	90	100	100	100	125	141	141	327	1,175	27.80%	1,175	0	450	725	1,224	
3		Variance	0	0	0	7	25	35	35	35	60	76	76	77	32	425	10.71%	425	0			
4	Commissioned Services	Budget/Plan	4	4	4	4	4	4	4	4	4	4	4	21	50		50	0				
5		Actual/F'cast	4	4	4	4	4	4	4	4	4	4	4	21	50	41.67%	50	0	0	50	200	
6		Variance	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	465	1,819		1,819	0			
8		Actual/F'cast	74	74	107	91	97	180	179	209	222	217	217	230	444	1,897	23.40%	1,872	25	106	1,792	3,017
9		Variance	0	0	19	(10)	(30)	11	11	11	11	19	19	19	(21)	78	(4.55%)	53	25			
10	Non Pay	Budget/Plan	647	647	656	675	672	673	584	584	584	582	582	582	3,296	7,467		7,467	0			
11		Actual/F'cast	672	738	806	765	763	771	897	898	927	954	945	943	3,744	10,078	37.15%	9,528	550	6,368	3,711	5,483
12		Variance	26	91	150	91	90	98	313	314	343	372	362	361	448	2,611	13.59%	2,061	550			
13	Pay	Budget/Plan	255	265	274	237	246	238	240	240	240	244	244	249	1,278	2,975		2,975	0			
14		Actual/F'cast	260	293	312	311	337	278	279	268	268	272	272	277	1,512	3,426	44.12%	3,426	0	1,906	1,520	2,057
15		Variance	5	28	37	73	90	41	39	28	28	28	28	28	233	451	18.26%	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	5,355	13,061		13,061	0			
20		Actual/F'cast	1,061	1,159	1,294	1,243	1,290	1,333	1,458	1,478	1,546	1,588	1,579	1,597	6,047	16,626	36.37%	16,051	575	8,829	7,797	11,981
21		Variance	30	119	206	161	176	184	396	387	441	495	485	485	692	3,565	12.92%	2,990	575			
22	Variance in month	2.94%	11.41%	18.97%	14.83%	15.77%	16.01%	37.35%	35.41%	39.92%	45.22%	44.38%	43.65%	12.92%								
23	In month achievement against FY forecast	6.38%	6.97%	7.78%	7.48%	7.76%	8.02%	8.77%	8.89%	9.30%	9.55%	9.50%	9.60%									

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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	597	1,314		1,314	0				
2		Actual/F'cast	140	142	153	148	149	120	121	120	120	124	124	129	732	1,588	46.09%	1,588	0	680	908		1,079
3		Variance	5	7	18	54	51	22	20	19	19	19	19	19	135	274	22.53%	274	0				
4	Variable Pay	Budget/Plan	53	56	56	56	56	56	56	56	56	56	56	57	279	674		674	0				
5		Actual/F'cast	53	56	56	56	71	59	59	59	59	59	59	60	294	710	41.37%	710	0	512	198		202
6		Variance	0	0	0	0	15	3	3	3	3	3	3	3	15	36	5.32%	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	32	100		100	0				
11		Actual/F'cast	4	4	4	10	10	10	10	10	10	10	10	10	32	100	31.94%	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	15	35		35	0				
14		Actual/F'cast	3	3	3	3	3	3	3	3	3	3	3	3	15	35	41.67%	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	356	852		852	0				
17		Actual/F'cast	60	87	95	94	104	86	86	76	76	76	76	76	439	993	44.25%	993	0	714	279		641
18		Variance	0	21	19	19	24	15	15	5	5	5	5	5	84	141	23.62%	141	0				
19	Total	Budget/Plan	255	265	274	237	246	238	240	240	244	244	249	249	1,278	2,975		2,975	0				
20		Actual/F'cast	260	293	312	311	337	278	279	268	268	272	272	277	1,512	3,426	44.12%	3,426	0	1,906	1,520		2,057
21		Variance	5	28	37	73	90	41	39	28	28	28	28	28	233	451	18.26%	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	10	32	100		100	0				
2		Actual/F'cast	4	4	4	10	10	10	10	10	10	10	10	10	32	100	31.94%	100	0	0	100		100
3		Variance	0	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	10	32	100		100	0				
14		Actual/F'cast	4	4	4	10	10	10	10	10	10	10	10	10	32	100	31.94%	100	0	0	100		100
15		Variance	0	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	5,355	13,061	7,942	5,120	1,098	6,218	
	Month 1 - Actual/Forecast	1,029	1,039	1,074	1,053	1,066	1,137	1,049	1,079	1,093	1,082	1,099		5,261	12,883	7,821	5,062	1,156	6,218	
	Variance	(2)	(2)	(14)	(29)	(48)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(94)	(179)	(121)	(58)	58	0	
	In Year - Plan	32	120	220	189	224	196	409	399	453	507	498	497	786	3,744	1,009	2,735	2,884	5,619	
	In Year - Actual/Forecast	32	120	220	189	224	196	409	399	453	507	498	497	786	3,744	1,009	2,735	3,029	5,764	
	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	6,141	16,805	8,950	7,855	3,981	11,836	
	Total Actual/Forecast	1,061	1,159	1,294	1,243	1,290	1,333	1,458	1,478	1,546	1,588	1,579	1,597	6,047	16,626	8,829	7,797	4,184	11,981	
	Total Variance	(2)	(2)	(14)	(29)	(48)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(94)	(179)	(121)	(58)	203	145	
	Net Income Generation	Month 1 - Plan	7	7	7	8	8	8	8	8	8	8	8	8	36	90	0	90	3	92
Month 1 - Actual/Forecast		7	7	7	8	8	8	8	8	8	8	8	8	36	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	11	11	11	11	11	11	11	15	94	65	30	8	38	
In Year - Actual/Forecast		0	3	4	4	4	11	11	11	11	11	11	11	15	94	65	30	8	38	
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	19	19	19	19	19	19	19	51	184	65	119	10	130	
Total Actual/Forecast		7	10	11	12	12	19	19	19	19	19	19	19	51	184	65	119	10	130	
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	
	Month 1 - Plan	1,037	1,047	1,094	1,090	1,122	1,157	1,069	1,099	1,113	1,102	1,102	1,119	5,391	13,151	7,942	5,209	1,100	6,310	
Month 1 - Actual/Forecast	1,036	1,046	1,080	1,061	1,074	1,145	1,057	1,087	1,101	1,089	1,089	1,107	5,297	12,972	7,821	5,152	1,158	6,310		
Variance	(2)	(14)	(29)	(48)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(94)	(179)	(121)	(58)	58	0		
In Year - Plan	171	173	552	259	228	207	420	410	464	518	509	509	1,383	4,420	1,655	2,765	2,891	5,656		
In Year - Actual/Forecast	171	173	552	259	228	207	420	410	464	518	509	509	1,383	4,420	1,655	2,765	3,036	5,801		
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	1,364	1,489	1,509	1,577	1,620	1,610	1,628	6,773	17,571	9,596	7,974	3,992	11,966		
Total Actual/Forecast	1,206	1,219	1,633	1,320	1,302	1,352	1,477	1,497	1,565	1,607	1,598	1,616	6,679	17,392	9,475	7,917	4,184	12,111		
Total Variance	(2)	(2)	(14)	(29)	(48)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(94)	(179)	(121)	(58)	203	145		

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