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WALES

Bwrdd Iechyd Prifysgol  
Abertawe Bro Morgannwg  
University Health Board



<b>Meeting Date</b>	<b>26<sup>th</sup> July 2018</b>		<b>Agenda Item</b>	<b>4i.</b>
<b>Report Title</b>	<b>FINANCIAL REPORT – Period 3</b>			
<b>Report Author</b>	Samantha Lewis, Assistant Director of Finance			
<b>Report Sponsor</b>	Lynne Hamilton, Director of Finance			
<b>Presented by</b>	Lynne Hamilton, Director of Finance			
<b>Freedom of Information</b>	Open			
<b>Purpose of the Report</b>	The report advises the Board of the Health Board financial position for Period 3 (June 2018).			
<b>Key Issues</b>	<p>The report invites the Board to note the detailed analysis of the financial position for Period 3 2018/19.</p> <p>The report also invites the Board to note the capital budget forecast position, cash position and key balance sheet movements.</p>			
<b>Specific Action Required</b> <i>(please ✓ one only)</i>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>	<b>Approval</b>
		✓		
<b>Recommendations</b>	<p>Members are asked to:</p> <ul style="list-style-type: none"> <li>• <b>Consider and comment</b> upon the Board's Period 3 financial performance.</li> </ul>			

## FINANCIAL REPORT – PERIOD 3

### 1. INTRODUCTION

The report advises the Board that the Period 3 (April 2018) revenue financial position is an overspend of £6.716m.

The report invites the Board to note the detailed analysis of the revenue financial position and to consider the impact of the Recovery and Sustainability workstreams on the Financial Plan.

The report also invites the Board to note the capital budget forecast position, cash position and key balance sheet movements.

### 2. BACKGROUND

2.1 The Health Board has two key statutory duties to achieve:

- **To submit an Integrated Medium Term Plan (IMTP) to secure compliance with breakeven over 3 years.**

2016/17	No Approved Plan
2017/18	No Approved Plan
2018/19	No Approved Plan

The Health Board will fail to achieve this Statutory Duty.

- **To achieve financial breakeven over a rolling three year period, which commenced on 1<sup>st</sup> April 2016 and will end on 31<sup>st</sup> March 2019.**

2016/17	£39.3m Overspend
2017/18	£32.4m Overspend
2018/19	£25.0m Forecast Overspend

The Health Board will fail to achieve this Statutory Duty.

#### 2.2 Summary of Performance against Key Financial Targets

<b>Financial KPIs : To ensure that net operating costs do not exceed the revenue resource limit set by Welsh Government</b>	<b>Value £000</b>
Reported year to date financial position – deficit/(surplus)	6,716
Reported year to date financial position compared to forecast deficit plan	454
Current year-end Forecast – deficit/(surplus)	25,048
<b>Capital KPIs: To ensure that costs do not exceed the</b>	<b>Value</b>

<b>capital resource limit set by Welsh Government</b>	<b>£000</b>
Reported in month financial position – deficit/(surplus)	(41)
<b>PSPP Target : To pay a minimum of 95% of all non NHS creditors within 30 days of receipt of goods or a valid invoice</b>	<b>Value %</b>
Cumulative year to date % of invoices paid within 30 days (by number)	94.0

### 3. FINANCIAL IMPLICATIONS

#### 3.1 Revenue Position

##### 3.1.1 Summary Revenue Position

The Health Board has reported an in-month overspend of £2.061m in Period 3 (June 2018), with the reported cumulative position after three months of £6.716m

The cumulative overspend is £0.454m above that which should be anticipated based on the £25m planned forecast deficit.

The key reason for the overspend above the planned forecast deficit is the non-delivery of the required level of savings. This non-delivery has been partially offset in-month by the release of slippage on planned commitments held in reserve (£0.5m) and other mitigating opportunities (£0.2m). **Slide 1**

##### 3.1.2 Income

Income budgets have reported an under-achievement of £0.512m at Period 3. This reflects some of the income volatility and is expected to be recover in future months.

##### 3.1.3 Pay

Pay budgets have reported an underspend of £1.5m, this is primarily net underspend for Registered nursing offset by HCSW overspends. The current underspend trend is reducing due to increasing use of bank and agency not only to cover vacancies but also to meet patient acuity.

Medical staff costs are also increasing, particularly the costs of internal cover of sessions.

**Slide 5**

##### 3.1.4 Non Pay

Non-pay budgets have reported an overspend of £7.7m.

The non-pay position includes £6.3m, which reflects the planned deficit £7m less the released reserves and other mitigating opportunities £0.7m.

Following the budget rebasing undertaken for the start of 2018/19, non-pay budgets and expenditure are better aligned. The residual £1.4m non-pay overspend is in the main linked to the savings non-delivery, both in terms of 2018/19 savings requirements and the 2017/18 savings included in the underlying financial position.

### **3.1.5 Savings Requirement**

The Health Board Annual Operating Plan established a savings requirement of £21.2m for 2018/19. The identification and delivery of the savings requirement has been attributed to Executive led workstreams and is being managed through the Recovery and Sustainability Programme.

To date the Health Board has identified £14.6m of schemes rated as Green and Amber at the end of June, with a further £1.1m of Red schemes where delivery confidence is less assured. This £15.7m equates to 73% of the savings requirement. **Slide 4**

The level of savings has risen significantly from the start of the financial year and whilst work is continuing to develop the workstream plans to enable further savings to be identified and delivered, the Health Board is also identifying mitigating actions and opportunities to ensure that the £25m forecast deficit is able to be delivered.

### **3.1.6 Recovery & Sustainability Programme**

At the Board meeting in May, the Board noted progress in mobilising the Recovery and Sustainability Programme. Performance and Finance Committee have continued to receive monthly updates on savings delivery and an overall assessment of delivery confidence against each of the individual projects within the Programme. Work streams have been monitored against their milestone plans submitted in April and it is clear that there has been good progress in a number of areas. There are areas of the Programme where delivery confidence remains low including the review of mental health services, reducing waste, harm and variation and workforce redesign, and this is now reflected in the Board's forecast financial position and within the overall assessment of risks and opportunities. Performance and Finance Committee have also reviewed the 3 work streams identified above as part of its escalation process. Workforce redesign and the Reducing Waste, Harm and Variation were scrutinised in detail at the July PFC meeting. The Recovery and Sustainability Programme will continue to meet monthly to review work stream delivery and is now focussing on the identification of detailed plans and actions for the remainder of 2018/19 to ensure that the opening position for 2019/20 reflects full year delivery of this year's programme.

### 3.1.7 Revenue Risks and Opportunities

Within the Health Board forecast of £25m, a number of risks and opportunities are being mitigated and managed. The key risks and opportunities are shown in **Slide 6**. These risks are updated each month and are reviewed by the Performance and Finance Committee.

## 3.2 Capital

The approved CRL value at Month 3 is £19.265m which includes Discretionary Capital and the schemes under the All Wales Capital Programme. In addition to this there is an anticipated allocations for the approved Invest to Save Scheme - Health Records Modernisation of £0.769m.

### 3.2.1 Performance to Date

The reported financial performance at Month 3 is a £0.673m under spend to plan. The majority of this is due to a slight delay in the completion of the Moriston Renal Refurbishment. The scheme is now complete and in the final commissioning stages, the scheme does however have a contingency remaining. See risk assessment below.

### 3.2.2 Risk Assessment

The risk assessments on All Wales Capital Programme schemes which are not considered to be low risk are:

Scheme	Risk Profile	Risk Value £'000	Comments
National Clinical Systems	High	68	This has been reported to Welsh Government in the Month 1 and 2 Scheme Progress Report and discussed at the May and June CRM. The forecast spend for 2018/19 is £790k against an allocation of £858k. A transfer of £68k is therefore required from All Wales Capital into Discretionary and the funding will be reprovided out of 19/20 Discretionary Capital
Morrison - Renal unit refurbishment	Medium	0-140	There is a remaining contingency on this scheme of 140k. The scheme is in the commissioning phase which is expected to complete in July 2018 and the final account is anticipated to be agreed by August 2018. Any underspend is likely to be confirmed in the summer and if appropriate a proposal for reinvestment will be submitted.

## 3.3 Balance Sheet

For the period ended 30<sup>th</sup> June 2018 there was an increase of £1.784m in net assets employed (0.40%). Total assets reduced by £3.512m with total liabilities reducing by £5.296m.

The main reduction in assets was in respect of tangible and intangible fixed assets which reduced by £6.147m, with depreciation on these assets during the first quarter exceeding the asset additions for the period. There was an increase in trade and other receivables of £1.286m linked to anticipated allocations from Welsh Government and an increase in the VAT reclaim from HM Revenue and Customs following submission of the final VAT claim for 2017/18 in accordance with the HMRC deadline. The closing cash balance at the end of June of £1.513m was also £1.137m higher than at the end of March 2018, with a small increase in stocks of £0.212m relating to pharmacy stocks at Morriston and Singleton Hospitals.

The reduction in liabilities was due to a trade and other payables (£3.499m) mainly relating to capital schemes, and provisions (£1.797m) due to payments against existing provisions for clinical negligence and personal injury claims and against retrospective CHC claims.

### 3.4 Cash

The closing June balance amounted to £1.513m which is in line with the plan to hold between £1m and £2m of cash at the end of the month in accordance with the Welsh Government best practice figure. The forecast cash deficit for 2018/19 based on first quarter trends is estimated at £33.816m as detailed below

<b>Analysis of Cash Position</b>	<b>£000</b>
Current Forecast I&E Deficit	25,048
Cash required for working balances movements - Capital	5,989
Cash required for working balances movements - Revenue	3,270
<b>Total Cash Movement</b>	<b>34,307</b>
Less Opening Cash Balance	491
<b>Forecast Cash Deficit</b>	<b>33,816</b>

The cash forecast will be monitored and updated monthly, with the forecast deficit needing to be funded by Welsh Government through a combination of cash support for movement in working balances and strategic cash assistance with any strategic cash assistance required adding to the £55.292m strategic cash assistance already provided up to 31<sup>st</sup> March 2018. Repayment of this strategic cash assistance will be required in

accordance with the Health Board's future Integrated Medium Term Plan submissions.

### **3.5 Public Sector Payment Policy (PSPP)**

To the end of June, the health board did not achieve the 95% PSPP target with 92.3% of supplier invoices paid within the 30 day target. The failure to achieve the 95% compliance was due to delays in authorising nurse agency invoices, this being a particular problem in June with in month compliance of only 88.4%. In order to address this issue additional resources have been put into this area and a thorough review of the authorisation processes undertaken, with changes made to the process in order to speed up the authorisation of these invoices.

## **4 RECOMMENDATION**

The Board is invited to consider and comment upon the Board's Period 3 financial performance, in particular:

- i. the revenue outturn position; cumulative overspend of £6.716m, the revenue forecast position and the revenue risk profile in particular in connection with the Recovery and Sustainability Programme delivery confidence;
- ii. the capital forecast position;
- iii. balance sheet movements;
- iv. cash position; and
- v. performance against the Public Sector Payment Policy compliance.

Governance and Assurance					
<b>Link to corporate objectives</b> (please ✓)	Promoting and enabling healthier communities	Delivering excellent patient outcomes, experience and access	Demonstrating value and sustainability	Securing a fully engaged skilled workforce	Embedding effective governance and partnerships
					✓
<b>Quality, Safety and Patient Experience</b>					
Financial Governance supports quality, safety and patient experience.					
<b>Financial Implications</b>					
No Implications for the Board to be aware of.					
<b>Legal Implications (including equality and diversity assessment)</b>					
No Implications for the Board to be aware of.					
<b>Staffing Implications</b>					
No Implications for the Board to be aware of.					
<b>Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)</b>					
No implications for the Board to be aware of.					
<b>Report History</b>	Board receives an update on the financial position at every meeting.				
<b>Appendices</b>	Appendix 1 – Appendix 2 -				





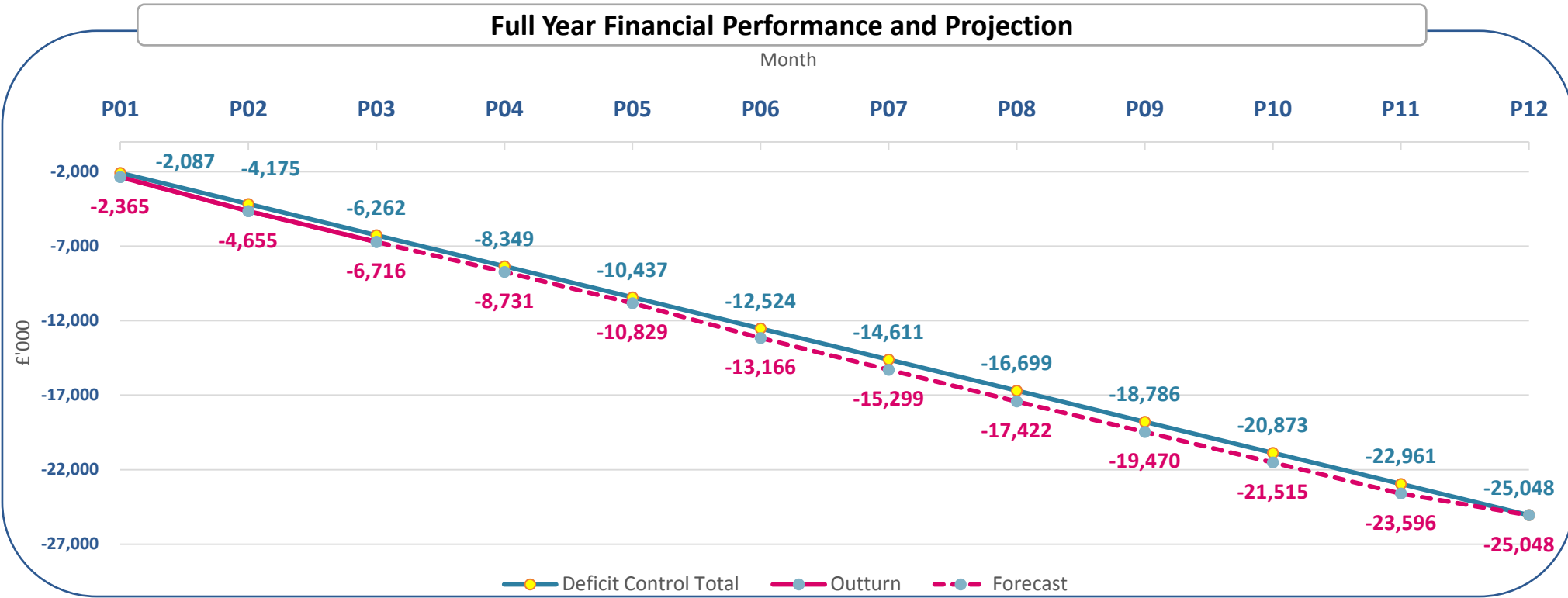
Bwrdd Iechyd Prifysgol  
Abertawe Bro Morgannwg  
University Health Board

# ABMU FINANCE DEPT. HEALTH BOARD REPORT

Period 03 Data (June 2018)

Lynne Hamilton

In Month					Cumulative					Forecast				
£ 2,060,927 overspent					£ 6,715,702 overspent					£25,048,000 overspent				
Type	Cur Month Budget (£'000)	Cur Month Actual (£'000)	Cur Month Variance (£'000)	% Variance	Type	YTD Budget (£'000)	YTD Actual (£'000)	YTD Variance (£'000)	% Variance	Type	Full Year Budget (£'000)	Full Year Forecast (£'000)	Forecast Variance (£'000)	% Variance
Income	(19,786)	(19,931)	(144)	0.73%	Income	(59,606)	(59,094)	512	0.86%	Income	(225,779)	(225,779)	-	-
Pay	54,193	54,180	(13)	0.02%	Pay	160,976	159,475	(1,500)	0.93%	Pay	646,245	646,245	-	-
Non Pay	55,921	58,139	2,218	3.97%	Non Pay	163,169	170,873	7,704	4.72%	Non Pay	890,897	915,945	25,048	2.80%
Total	90,328	92,389	2,061	2.28%	Total	264,539	271,254	6,716	2.54%	Total	1,311,363	1,336,411	25,048	1.90%



Revenue		
Financial KPIs : To ensure that net operating costs do not exceed the revenue resource limit set by Welsh Government	Value £'000	Trend
Reported in-month financial position – deficit/(surplus) – Forecast Red	2,061	↓
Reported year to date financial position – deficit/(surplus) – Forecast Red	6,716	↑
Reported year to date compared to forecast financial plan deficit – Forecast Amber	454	↓
Current reported year end forecast – deficit/(surplus) – Forecast Red	25,048	→

Capital		
Capital KPIs: To ensure that costs do not exceed the Capital resource limit set by Welsh Government	Value £000	Trend
Current reported year end forecast – deficit/(surplus) – Forecast Green	Breakeven	→
Reported in-month financial position – deficit/(surplus) – Forecast Amber	(673)	→
PSPP		
PSPP Target : To pay a minimum of 95% of all non NHS creditors within 30 days of receipt of goods or a valid invoice	Value %	Trend
Cumulative year to date % of invoices paid within 30 days (by number) – Forecast Red	92.3%	↓

## Revenue Narrative

1. The Health Board P03 in-month overspend was £2.061m a slight improvement on the P02 in-month overspend of £2.290m
2. The Health Board Annual Operating Plan results in a year end forecast of £25.048m, which is being discussed with WG.
3. The year to date overspend is £0.454m over the forecast deficit plan based on 3/12ths of £25.048m. This reflects the non-delivery of required savings, which has been partially offset by the release of slippage on some committed reserves (£0.5m) and mitigating opportunities (£0.2m)
4. The opportunities and risks continued to be reviewed to maintain delivery of the £25.048m forecast.

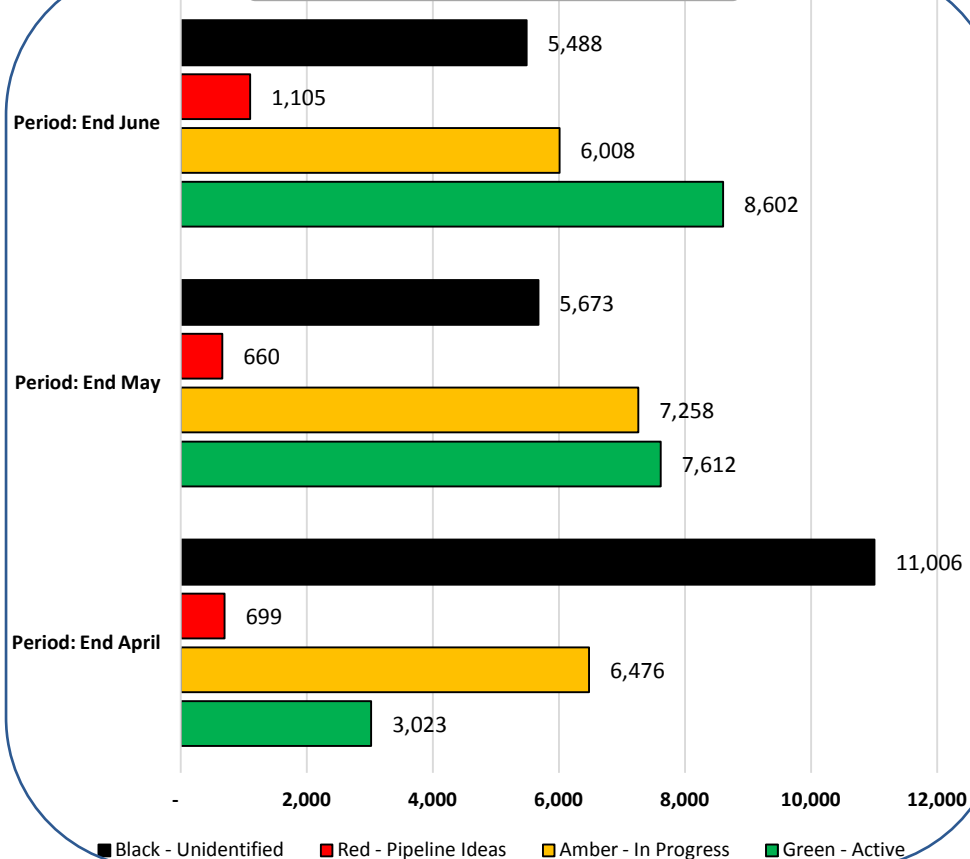
## Capital Narrative

1. Approved CRL value for 18/19 is £19.265m which includes Discretionary Capital and the schemes under the All Wales Capital Programme.
2. An Additional allocation of £0.769m is anticipated from Welsh Government for the approved Invest to Save scheme - Modernise Health Records (RFID) . The forecast year end position assumes this funding is received.
3. Underspend to date relates in the main to a slight delay in the completion of the Moriston Renal Refurbishment. The scheme is now complete and in final commissioning stages – see risk assessment in Annex

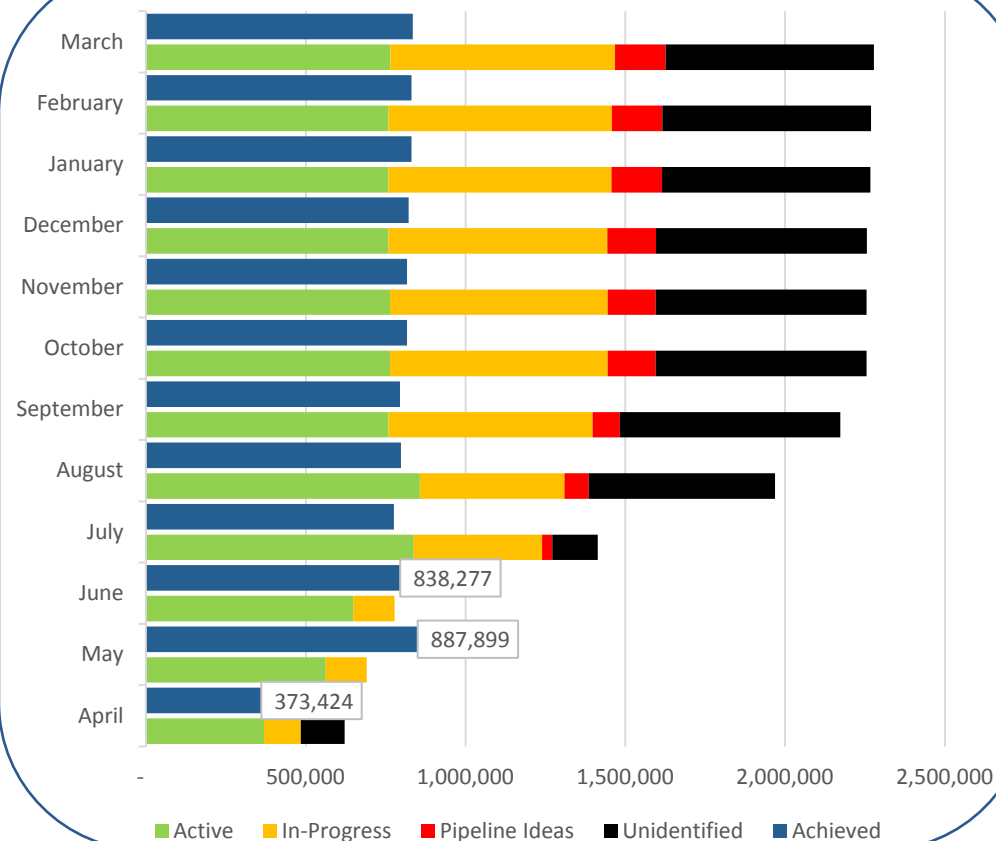
## PSPP Narrative

1. The number of invoices paid within 30 days continues to be below the 95% target.
2. Issues with payment of nurse agency invoices in June saw the cumulative compliance reduce from 94.5% at the end of May to 92.3% at the end of June with the in month compliance being only 88.4%.
3. As a result of the issues with the delays in authorising nurse bank invoices, additional temporary resources have been allocated to this area and a detailed process review has been undertaken and the process changed in order to speed up the authorisation process.

## Trend over time



## Current Profile of Savings

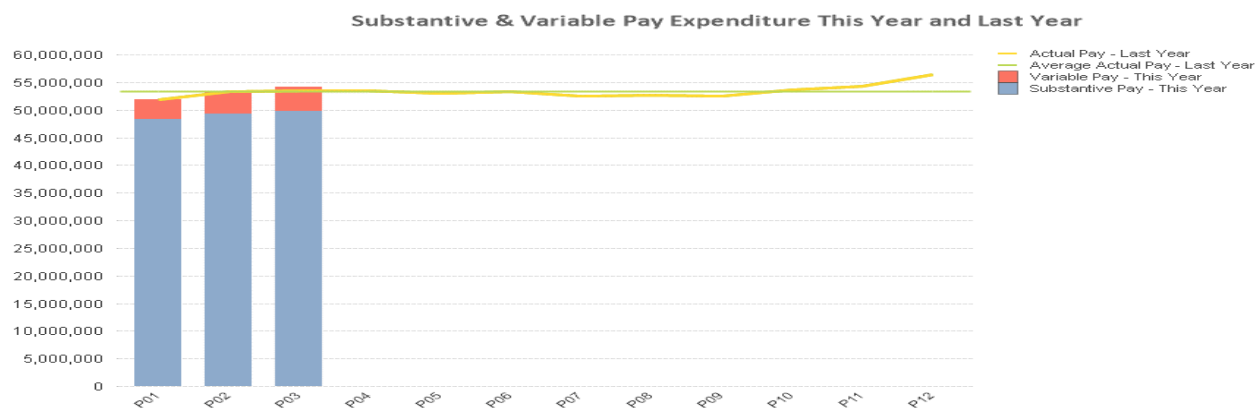
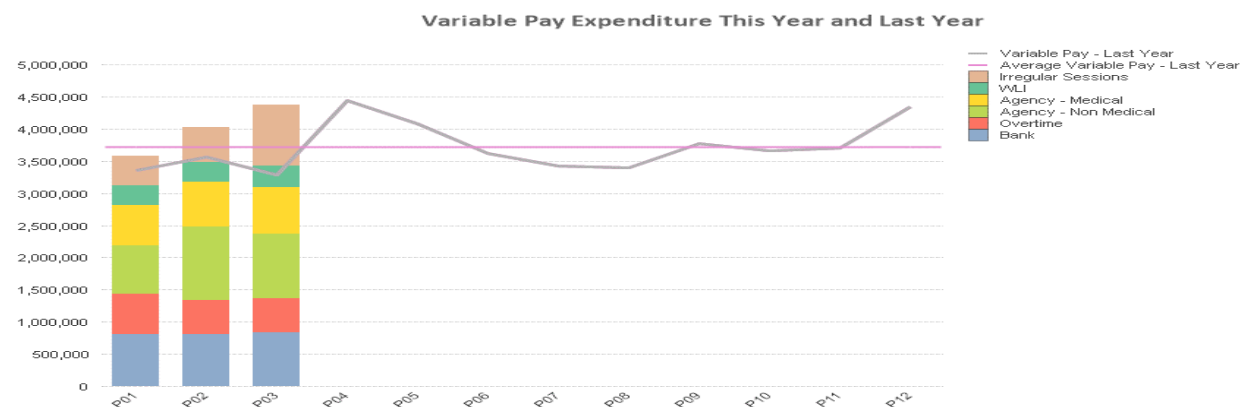
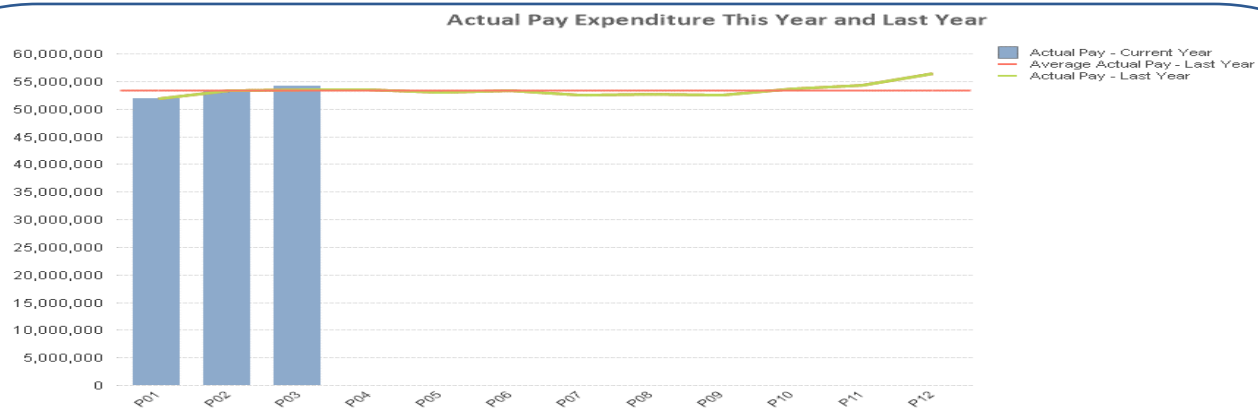


## Narrative

- The Health Board has £15.7m of fully worked up schemes (73%).
- A number of amber schemes have moved to red as confidence levels reduce on some of the Service Remodelling schemes.
- WG expectation that 100% savings identified by the end of Quarter 1 has not been achieved, however this shortfall in savings is being offset by other mitigating opportunities.
- Within the £15.7m savings around £3.3m are non-recurrent.

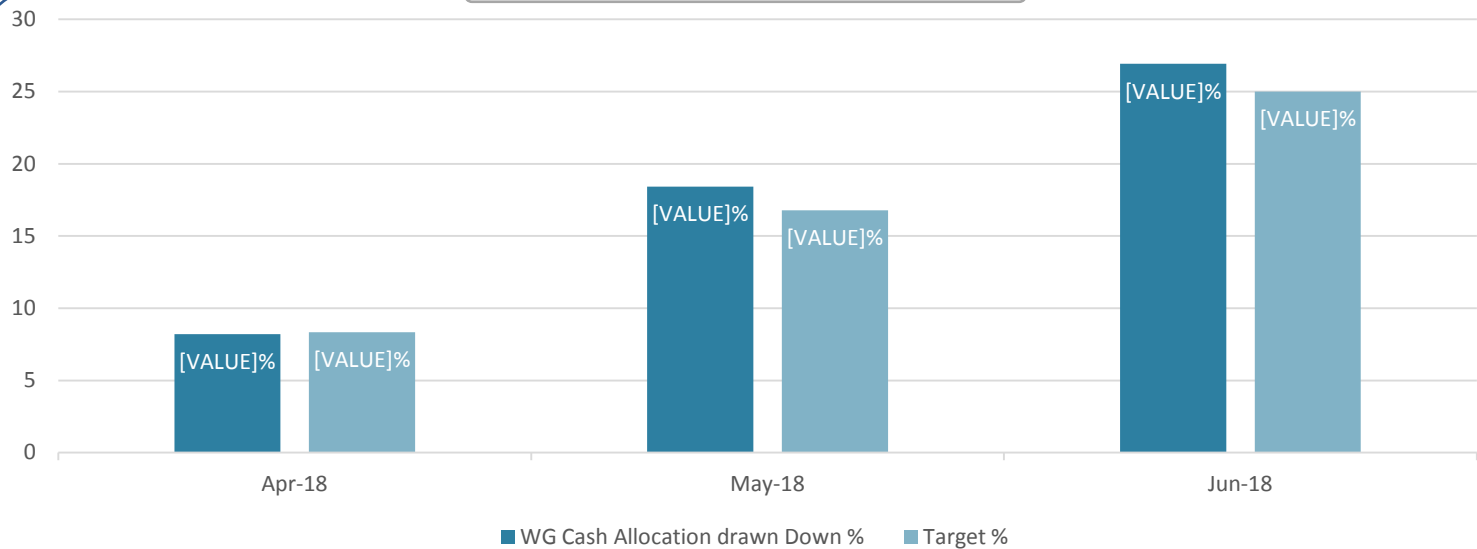
## Narrative

- The savings profile identifies a significant step up in savings delivery requirement across Quarter 2. It is also clear that the level of unidentified savings increases at this point, due to issues with a number of the workstreams.
- The identification and development of additional schemes to mitigate the lower than planned workstream delivery is essential in ensuring that the overall financial position is able to be maintained.

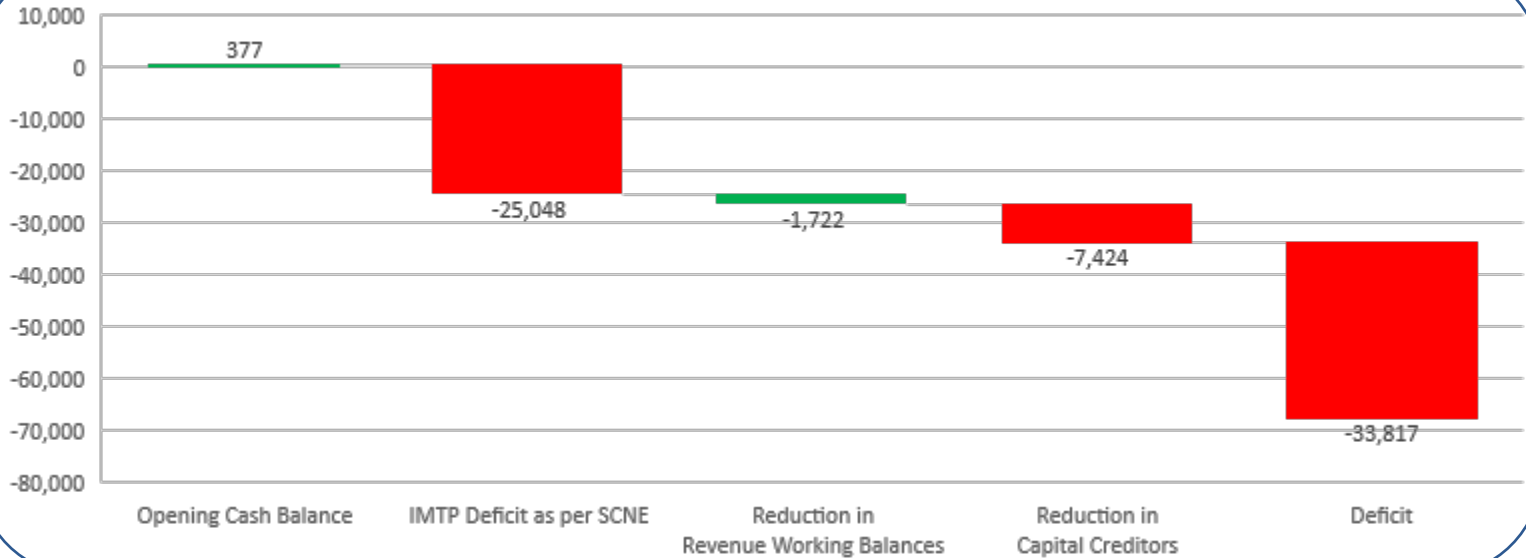


- The overall pay expenditure in P03 is above the average for 2017/2018 and the actual P03 in 2017/18.
- The variable pay spend in P03, is above the average for 2017/18 has increased from P02.
- The main increase in variable pay spend is medical staff internal locum cover.
- The Health Board continues to see the reduction in Medical Agency spend, which is currently below the target set based on the Cap Modelling work.

Welsh Government Draw Down



Analysis of Forecast Cash Deficit



1. The health board held a cash balance of £1.513m at the end of June which is broadly in line with the Welsh Government best practice figure of between £1m and £1.5m to be held at month end.
2. At the end of June the health board is forecasting a cash deficit of £33.817m. This deficit includes a forecast deterioration in working balances of £9.146m for which cash support will be required from Welsh Government.
3. The remaining forecast cash deficit of £24.671m will need to be supported by the provision of repayable strategic cash assistance from Welsh Government. The required sum comprises the forecast I&E deficit of £25.048m less the opening cash balance of £0.377m.
4. Any cash assistance required in 2018/19 will add to the strategic cash assistance received in previous years which up to 31<sup>st</sup> March 2018 totalled £55.292m.

#	Issue	Description	Opportunity (Best Case) £000	Risks (Worse Case) £000	Most Likely £000	Key Decision Point and Summary Mitigation	Risk Owner Name
	Annual Plan Deficit		-25048	-25048	-25048		
1	Underlying Position Savings not Delivered	\$117 anticipated income has been assumed written off /counter-balanced within the forecast. Potential for some recovery.	1400	0	0	Ongoing negotiations with LAs are challenging but continuing. It is unlikely that significant income is recovered	David Roberts, Service Director, MH&LD
2	Operational expenditure reductions are not sustained	Operational expenditure reductions experienced in 2017/18 are not sustained and some increase in operational expenditure is experienced.	0	-2000	-500	Financial Control measures to be continued, including vacancy control panel.	Chris White, Interim Chief Operating Officer
3	ChC Ombudsman	The annual plan includes £1.5m for the settlement of ChC Ombudsman claims. There is a potential that if all claims are fully discharged in 2018/19, the impact could be higher than £1.5m	0	-600	0	Review settlements and closures on a quarterly basis	Lynne Hamilton, Director of Finance
4	CHC and FNC inflation exceeds plan	The HB is currently agreeing the CHC inflationary increases through Care Forum Wales. This is based on current 1% pay award expectation. If pay award exceeds 1% there is a potential further impact on ChC and FNC rates	0	-250	-110	Agree current settlements and consider and negotiate linkages to pay rates	Lynne Hamilton, Director of Finance
5	Nurse Staffing Act	The Health Board has agreed to an implementation prioritised based on risk assessment. To date the forecast includes £1.4m of cost for 2018/19, but depending on implementation plan, the financial impact could exceed the £1.4m included in forecast	0	-1500	-500	Agree the implementation and appointment plan	Angela Hopkins, Interim Director of Nursing & Patient Experience
6	Nurse Rostering - Shift Pattern Standardisation	The HB has been consulting on standardised shift patterns for ward nursing to support efficient rostering. The proposed shift patterns would add additional handover hours to current roster practice.	0	-600	0	The standardisation of shifts should not result in increased financial costs. The shifts patterns are being reviewed as a matter of urgency.	Angela Hopkins, Interim Director of Nursing & Patient Experience
7	Non-recurrent Mitigating Benefits	Forecast assumed £1,5m Non-recurrent mitigating benefits that are not yet confirmed.	0	-1500	0	Ensure all non-recurrent opportunities and benefits are identified and maximised	Lynne Hamilton, Director of Finance
8	Mitigating Actions - Holding of Commitments	£2m of commitments are being released to support the forecast. There is a potential that some of these commitments will be required.	0	-750	-200	Robustly assess any request to commit additional resources	Lynne Hamilton, Director of Finance
9	Welsh Language Standards	Welsh Language Standards effective from 29th June 2018 increase requirement for bilingual services within the Health Board, which in the first instance is likely to increase translation costs	0	-50	-10	Plan to be formulated to address the requirements of the Welsh Language Standards.	Pam Wenger, Director of Corporate Governance
10	Impact of TAVI report	The Health Board has a number of patients awaiting treatment and additional capacity will need to be resourced to support delivery	-1000	-2400	-1700	Options being considered and plan being formulated	Rebecca Carlton, Service Director, Morriston Service Delivery Unit
11	Mitigating Actions - Improved Delegated Positions	The forecast requires an improvement in delegated positions of £5m	5000	0	3000	Ensure all mitigating actions and opportunities are driven along with workstreams to maximise improvements in financial position	Lynne Hamilton, Director of Finance

-	19,648	-	34,698	-	25,068
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Executive Summary	Targets	Savings	Workforce	Cash	Risks & Issues
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# ABMU FINANCE DEPT. HEALTH BOARD REPORT – FINANCE ANNEXES

Management Accounts  
Period 03 Data (June 2018)

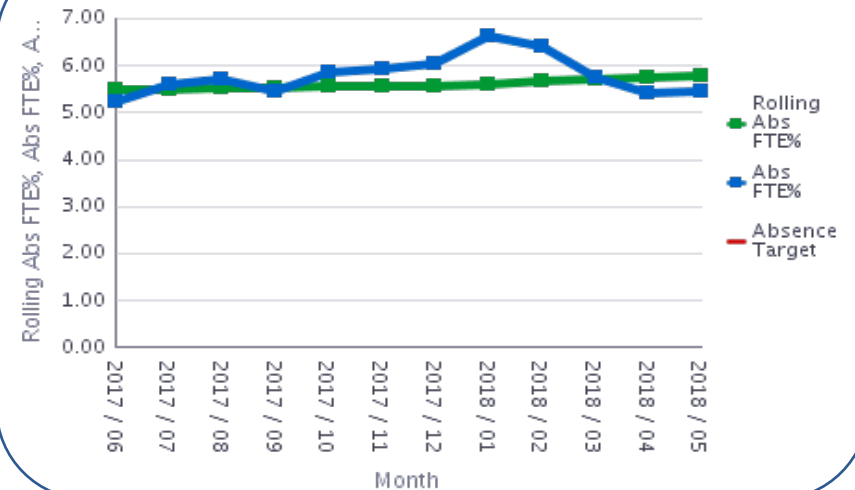
Lynne Hamilton



## Summary (May'18 Data)

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Rolling 12 Mths
<b>Cost Absence £000</b>	2,637	2,643	2,787	3,042	2,624	2,574	2,441	2,470	30,896
<b>% Absence Average</b>	5.87%	6.01%	6.15%	6.75%	6.47%	5.81%	5.47%	5.44%	5.79%
<b>No. Staff Absent Per Day</b>	966	992	1,009	1,106	1,074	964	902	889	953

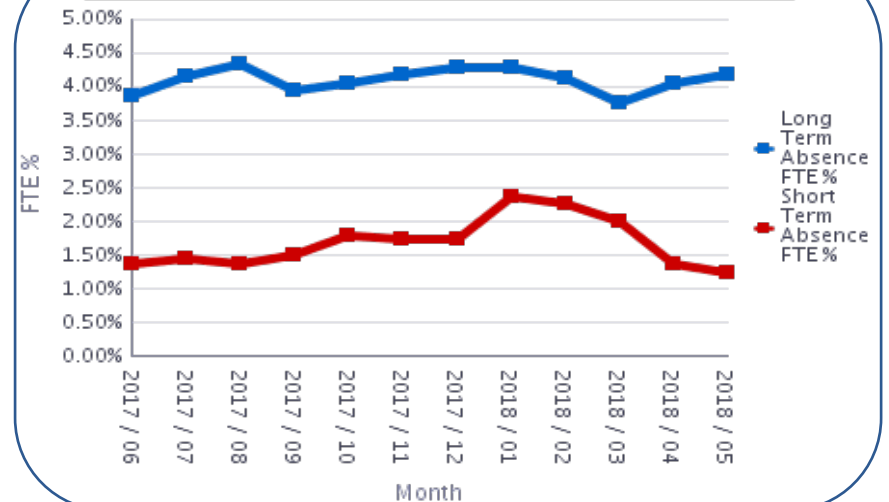
## Rolling Absence



## Cumulative % & £ Per Staff Group

	Absence % (FTE)	Absence Estimated Cost (£)
Add Prof Scientific and Technic	3.98%	£ 903,344
Additional Clinical Services	7.82%	£ 5,605,482
Administrative and Clerical	5.31%	£ 4,325,288
Allied Health Professionals	3.41%	£ 1,625,078
Estates and Ancillary	8.08%	£ 2,838,483
Healthcare Scientists	3.46%	£ 581,138
Medical and Dental	2.15%	£ 2,908,287
Nursing and Midwifery Registered	5.96%	£ 12,108,632
Students	0.00%	£ -
<b>Grand Total</b>	<b>5.79%</b>	<b>£ 30,895,733</b>

## Long Term and Short Term Trends



Category	Balance at 1 <sup>st</sup> April 2018 (£000)	Balance at 30th June 2018 (£000)	Movement (£000)	Analysis
Tangible & Intangible Assets	606,232	600,085	(6,147)	Movement due to asset additions less forecast depreciation.
Trade & Other Receivables	209,999	211,285	1,286	Increase in VAT debtor as final claims submitted following review of final quarter VAT recovery for the 2017/18 financial year by 30 <sup>th</sup> June deadline. Increase in anticipated allocations from Welsh Government. No outstanding allocations at year end 2017/18.
Inventories	9,725	9,937	212	Increase in drugs stocks mainly at Morriston and Singleton Hospitals.
Cash	376	1,513	1,137	Cash balance held slightly above target of holding around £1m of cash at month end.
<b>Total Assets</b>	<b>826,332</b>	<b>822,820</b>	<b>(3,512)</b>	
Trade & Other Payables	193,796	190,297	(3,499)	Increase in accruals for CHC cases in Mental Health and LD. Increase in costs accrued for outsourcing activity.
Provisions	184,528	182,731	(1,797)	Reduction due to utilisation of existing provisions primarily clinical negligence provisions.
<b>Total Liabilities</b>	<b>378,324</b>	<b>373,028</b>	<b>(5,296)</b>	
<b>Total Assets Employed</b>	<b>448,008</b>	<b>449,792</b>	<b>1,784</b>	
Financed By				
General Fund	399,366	401,150	1,784	Movement is capital cash drawn down offset by I&E overspend.
Revaluation Reserve	48,642	48,642	0	
<b>Total Taxpayers Equity</b>	<b>448,008</b>	<b>449,792</b>	<b>1,784</b>	

**Month 3 Position**

The approved CRL value at Month 3 is £19.265m which includes Discretionary Capital and the schemes under the All Wales Capital Programme. In addition to this there are anticipated allocations for the approved Invest to Save Scheme - Health Records Modernisation of £0.769m . Further details on the planned spend can be seen in **Annex 2**

The reported financial performance at Month 3 is a £0.673m under spend to plan. The majority of this is due to a slight delay in the completion of the Moriston Renal Refurbishment. The scheme is now complete and in the final commissioning stages, the scheme does however have a contingency remaining. See risk assessment below.

As can be seen in **Annex 2** Neonatal and Post-Natal Capacity at Singleton Hospital shows a planned £0.381m underspend to the allocation, this is to reflect recovery of fees spent in prior years. Similarly the Renal Unit Refurbishment shows an overspend of £0.085m to reflect a prior year underspend.

**Forecast Outturn**

The forecast outturn against the current CRL shows a £0.769m overspend due to the anticipated allocation for Health Records Modernisation . The funding allocation letter was signed and return to Welsh Government on the 16<sup>th</sup> February 2018. Receipt of this funding will bring the position back to a breakeven position. Note this position also assumes the disposal of Fairwood and Coelbren are achieved in 2018/19

The risk assessments on schemes which are not considered to be low risk are:

Scheme	Risk Profile	Risk Value £'000	Comments
National Clinical Systems	High	68	This has been reported to Welsh Government in the Month 1 and 2 Scheme Progress Report and discussed at the May and June CRM. The forecast spend for 2018/19 is £790k against an allocation of £858k. A transfer of £68k is therefore required from All Wales Capital into Discretionary and the funding will be re-provided out of 19/20 Discretionary Capital
Renal Refurbishment Morriston	Medium	0-140	There is a remaining contingency on this scheme of 140k. The scheme is in the commissioning phase which is expected to complete in July 2018 and the final account is anticipated to be agreed by August 2018. Any underspend is likely to be confirmed in the summer and if appropriate a proposal for reinvestment will be submitted.

	Year To Date			Full Year Forecast		
	Plan £'000	Actual £'000	Variance £'000	Plan £'000	F'cast £'000	Variance £'000
<b>All Wales Capital Programme:</b>						
<b>Schemes:</b>						
Morrison - HVS Phase 1B (S1) Fees & Build Main Scheme	0	0	0	180	180	0
Morrison - Renal unit refurbishment	626	273	(353)	614	699	85
National Clinical Systems	63	60	(3)	858	790	(68)
Wireless Network Singleton Hosp & Community hospital sites	5	0	(4)	620	620	0
Neonatal and Post-Natal Capacity at Singleton Hospital	3	3	0	5,000	4,619	(381)
Health Records Modernisation (RFID)	248	199	(49)	0	769	769
<b>Sub Total</b>	<b>944</b>	<b>535</b>	<b>(409)</b>	<b>7,272</b>	<b>7,677</b>	<b>405</b>
<b>Discretionary:</b>						
I.T.	300	241	(59)	2,550	2,550	0
Equipment	248	151	(97)	2,231	2,231	0
Estates	1024	916	(107)	8,327	8,691	364
<b>Sub Total</b>	<b>1,572</b>	<b>1,309</b>	<b>(263)</b>	<b>13,108</b>	<b>13,472</b>	<b>364</b>
<b>Total Expenditure</b>	<b>2,516</b>	<b>1,843</b>	<b>(673)</b>	<b>20,380</b>	<b>21,149</b>	<b>769</b>
<b>Donations:</b>						
Donated Assets	64	64	0	600	600	0
<b>Asset Disposals:</b>						
Fairwood	0	0	0	350	350	0
Coelbren	0	0	0	165	165	0
<b>CHARGE AGAINST CRL</b>	<b>1,453</b>	<b>1,780</b>	<b>(673)</b>	<b>19,265</b>	<b>20,034</b>	<b>769</b>
<b>PERFORMANCE AGAINST CRL (Under)/Over</b>		<b>(17,485)</b>			<b>769</b>	