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Bwrdd Iechyd Prifysgol
Abertawe Bro Morgannwg
University Health Board



Meeting Date	27th September 2018		Agenda Item	3.(iii)
Report Title	Financial Report – Period 5			
Report Author	Samantha Lewis, Assistant Director of Finance			
Report Sponsor	Lynne Hamilton, Director of Finance			
Presented by	Lynne Hamilton, Director of Finance			
Freedom of Information	Open			
Purpose of the Report	The report advises the Board of the Health Board financial position for Period 5 (August 2018).			
Key Issues	<p>The report invites the Board to note the detailed analysis of the financial position for Period 5 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>			
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance	Approval
		✓		
Recommendations	<p>Members are asked to:</p> <ul style="list-style-type: none"> • NOTE that Welsh Government has set the Health Board a Control Total of £20m deficit. • CONSIDER and COMMENT upon the Board's Period 5 financial performance. 			

FINANCIAL REPORT – PERIOD 5

1. INTRODUCTION

The report advises the Board that the Period 5 (August 2018) revenue financial position is an overspend of £11.005m.

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 1st April 2016 and will end on 31st March 2019.**

2016/17	£39.3m Overspend
2017/18	£32.4m Overspend
2018/19	£20.0m Forecast Overspend

The Health Board will fail to achieve this Statutory Duty.

2.2 Summary of Performance against Key Financial Targets

Financial KPIs : To ensure that net operating costs do not exceed the revenue resource limit set by Welsh Government	Value £000
Reported year to date financial position – deficit/(surplus)	11,005
Reported year to date financial position compared to forecast deficit plan	2,672
Current year-end Forecast – deficit/(surplus)	20,000
Capital KPIs: To ensure that costs do not exceed the capital resource limit set by Welsh Government	Value £000
Reported in month financial position – deficit/(surplus)	(837)
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 %
Cumulative year to date % of invoices paid within 30 days (by number)	92.0

3. FINANCIAL IMPLICATIONS

3.1 Revenue Position

3.1.1 Summary Revenue Position

The Welsh Government has made clear to the Health Board that it is expected to reduce its deficit towards a control total of £20m by 31 March 2019.

The Health Board has reported an in-month overspend of £2.044m in Period 5 (August 2018), with the reported cumulative position after five months of £11.005m.

The cumulative overspend is £2.672m above that which should be anticipated based on the £20m control total.

The key reasons for the overspend above the planned forecast deficit are the non-delivery of the required level of savings and increasing operational pressures, particularly nursing and medical staff costs. The non-delivery and operational pressures are being partially offset in-month by the use of mitigating opportunities, including slippage on some committed reserves and other recurrent and non-recurrent opportunities.

To meet the Welsh Government control total, the Health Board will need to deliver an average monthly deficit run-rate of £1,825m until the end of 2019.

The Chief Executive issued a Spending Controls Action note to Units and Executive Directors on 3 September. Plans submitted in response to the Action note were due for submission of 14 September with the detail prepared for Performance and Finance Committee review on 26 September.

3.1.2 Income

Income budgets have reported an over-achievement of £1.282m at Period 5. This reflects improving private patient income, RTA income and R&D income. It should be noted that much of the income is activity driven and is as a result may result in additional costs.

3.1.3 Pay

Pay budgets have reported an underspend of £1.6m. This underspend reflects vacancy levels across most staff groups. Whilst we are reporting an underspend, this is a misleading view because it does not reflect savings non-delivery. This is because CIPs, and therefore the effect of non-delivery, are classified as non-pay within the All Wales financial reporting structure. If the non-delivery impact was attributed on a 70/30 basis across pay and non-pay, the pay position would be reporting an overspend of £0.8m. This reflects that pay expenditure levels running above the levels for the same period in the previous year, due to increasing reliance on variable pay. **Slide 5.**

3.1.4 Non Pay

Non-pay budgets have reported an overspend of £13.926m.

The non-pay position includes £9.2m, which reflects the impact of £25m financial plan deficit, less the released reserves and other mitigating opportunities.

Following the budget rebasing undertaken for the start of 2018/19, non-pay budgets and expenditure are better aligned. The residual £4.7m 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. If the savings requirements were attributed to pay and non-pay as described in 3.1.3, the operational non pay overspend would reduce to £2.3m, which is £1m savings non-delivery and £1.3m emerging non-pay pressures linked with infection control issues and clinical consumables.

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.

A review of savings at the end of Quarter 1, identified three workstreams were unlikely to deliver benefits in 2018/19, the Health Board has identified opportunities to mitigating against this lack of delivery. This effectively means that the savings expectation for 2018/19 has reduced to £15.9m

To date the Health Board has identified £15m of schemes rated as Green and Amber at the end of August, with a further £1m of Red schemes where delivery confidence is less assured. This £16m fully **Slide 4**

The level of savings has risen 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 has identified and will continue to identify mitigating actions and opportunities to:

1. address the short falls in delivery against the confirmed £25m deficit plan; and
2. Respond proactively to the Welsh Government control total.

3.1.6 Recovery & Sustainability Programme

The Recovery and Sustainability Programme is not on track to deliver against the £21m savings programme as set out in 3.1.5 due in the main to the non-delivery of the three workstreams, Workforce Redesign, Reducing Waste, Harm and Variation and Mental Health Service Review.

The focus of the programme is to ensure that the remaining workstreams are delivering to their maximum potential, whilst continuing to work on the three non-delivering workstreams to enable the improvement benefit to be achieved in 2019/20.

Welsh Government has confirmed its Targeted Intervention support package of £1.6m and this is being deployed to strengthen project management in a number of key areas to support workstream which was a key issue identified in the Q1 review undertaken in July.

The Financial Recovery Meetings have also been strengthened to provide greater assurance of controls and enhance delivery confidence.

3.1.7 Revenue Risks and Opportunities

A number of financial risks and opportunities have been identified and are being monitored. The key risks and opportunities are shown in Slide 6. These risks are updated each month and are reported to Welsh Government and reviewed by the Performance and Finance Committee.

3.2 Capital

The approved CRL value at Month 5 is £20.716m which includes Discretionary Capital and the schemes under the All Wales Capital Programme.

3.2.1 Performance to Date

The reported financial performance at Month 5 is a £0.837m under spend to plan. The majority of this is due to a slight delay in the completion of the Moriston Renal Refurbishment. The main scheme is now complete but final commissioning and reversion works are still ongoing.

Following receipt of £0.750m Anti ligature funding from Welsh Government a corresponding amount has been released from the Discretionary Capital plan. A recommendation for how this funding should be allocated will be presented to the Investment and Benefits Group on the 18th September 2018.

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
Morrison - HVS Phase 1B (S1) Fees & Build Main Scheme	Medium	110	Following completion and during commissioning of the Renal Refurbishment in Morrison the equipment requirements for renal teams now based in the Main Entrance have been identified. There is an identified underspend on this schemes of £110k which will be discussed with Welsh Government in the monthly progress meeting on the 24 th September and if appropriate a proposal for reinvestment will be submitted
Renal Refurbishment Morrison	Medium	30	There is a remaining contingency on this scheme of 30k. A draft final account figure has been received and reflected in the final forecast position. As above This underspend will be discussed with Welsh

			Government in the monthly progress meeting on the 24 th September.
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3.2.3 Forecast Outturn

The forecast outturn against the current CRL shows a break-even position. Note this position assumes the disposal of Fairwood and Coelbren are achieved in 2018/19.

3.3 Balance Sheet

For the period ended 31st August 2018 there was a reduction of £0.405m in net assets employed (0.09%). Total assets reduced by £28.677m with total liabilities reducing by £28.272m.

The main reduction in assets was in respect of the Welsh Risk Pool debtor for clinical negligence and personal injury claims. The health board accounts for such claims gross with all estimated settlement costs in excess of £25,000 being reimbursed by the Welsh Risk Pool. There was a £22.8m reduction in the estimated costs of the Welsh Risk Pool share of the outstanding claims on the report issued by Welsh Health Legal Services as at the end of July. This reduction was offset by an increase in the income accrual for anticipated allocations from Welsh Government (£4m), with the largest element of the remaining movement being in respect of tangible and intangible fixed assets which reduced by £10.402m, with depreciation on these assets exceeding the asset additions for the period. The closing cash balance at the end of August of £0.847m was also £0.471m higher than at the end of March 2018, with a small increase in stocks of £0.150m relating to pharmacy stocks at Morriston and Singleton Hospitals.

The reduction in liabilities was due to the reduction in the gross provision for clinical negligence and personal injury claims as per the latest estimated costs of the outstanding claims on the report issued by Welsh Health Legal Services as at the end of July, amounting to £20.807m. There was also a significant reduction in trade and other payables of £7.465m mainly relating to capital schemes.

3.4 Cash

The closing August cash balance amounted to £0.847m 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 receipts and payment trends to the end of August is estimated at £30.413m as detailed below:

Analysis of Cash Position	£000
Current Forecast I&E Deficit	20,000
Cash required for working balances movements - Capital	7,424
Cash required for working balances movements - Revenue	3,366
Total Cash Movement	30,790
Less Opening Cash Balance	377
Forecast Cash Deficit	30,413

The cash forecast is monitored and updated on a daily basis, 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 31st 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 August the health board did not achieve the 95% PSPP target with 92.0% of supplier invoices paid within the 30 day target. The failure to achieve the 95% compliance has been due to delays in authorising nurse agency invoices. 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, but the clearance of the older invoices has impacted on PSPP compliance.

4 RECOMMENDATIONS

The Board is invited to

Health Board – Thursday, 27th September 2018

- **NOTE** that Welsh Government has set the Health Board a Control Total of £20m deficit.
- **CONSIDER** and **COMMENT** upon the Board's Period 5 financial performance, in particular:
 - i. the revenue outturn position; cumulative overspend of £11.005m, the revenue outturn forecast 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					
Link to corporate objectives <i>(please ✓)</i>	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
					✓
Quality, Safety and Patient Experience					
Financial Governance supports quality, safety and patient experience.					
Financial Implications					
The financial implications are set out in the main body of the report.					
Legal Implications (including equality and diversity assessment)					
No Implications for the Board to be aware of.					
Staffing Implications					
No Implications for the Board to be aware of.					
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)					
No implications for the Board to be aware of.					
Report History	Board receives an update on the financial position at every meeting.				
Appendices	Appendix 1 – Appendix 2 -				



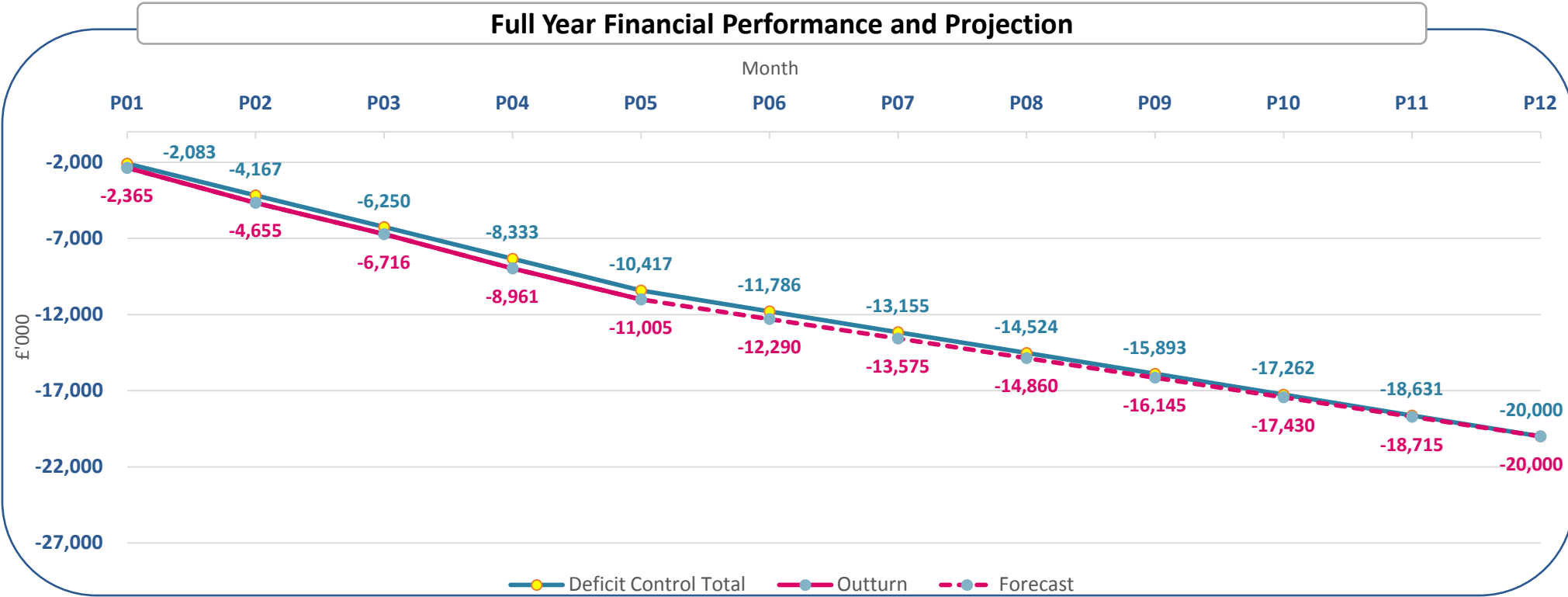
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ABMU FINANCE DEPT. HEALTH BOARD REPORT

Period 05 Data (August 2018)

Lynne Hamilton

In Month					Cumulative					Forecast				
£ 2,044,074 overspent					£ 11,005,191 overspent					£ 20,000,000 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	(20,425)	(20,654)	(229)	1.12%	Income	(101,499)	(102,782)	(1,282)	1.26%	Income	(225,779)	(225,779)	-	-
Pay	54,649	54,294	(355)	0.65%	Pay	269,842	268,204	(1,639)	0.61%	Pay	646,245	646,245	-	-
Non Pay	58,725	61,353	2,628	4.48%	Non Pay	278,586	292,512	13,926	5.00%	Non Pay	890,897	910,897	20,000	2.24%
Total	92,949	94,993	2,044	2.20%	Total	446,929	457,934	11,005	2.46%	Total	1,311,363	1,331,363	20,000	1.50%



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	2,044	↓
Reported year to date financial position – deficit/(surplus) – Forecast Red	11,005	↑
Reported year to date compared to forecast financial plan deficit – Forecast Amber	2,672	↑
Current reported year end forecast – deficit/(surplus) – Forecast Red	20,000	↓

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	(837)	↓

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	→

Revenue Narrative

- The Health Board P05 in-month overspend was £2.044m, which is an improvement on the P04 in-month overspend of £2.245m. The P05 position includes the positive benefit of a number of the mitigating opportunities identified in the plan to deliver £20m control total.
- The Health Board has amended its forecast to £20m in line with the control total established by WG.
- The year to date overspend is £2,672m over the £20m control total target based on 5/12th of £20m. This reflects the non-delivery of required savings and operational pressures which has been partially offset by the release of identified mitigating opportunities, including slippage on some committed reserves and other recurrent and non-recurrent opportunities.
- Further controls and opportunities have been identified to achieved delivery of the £20m forecast. Risks to delivery are also being monitored and managed.

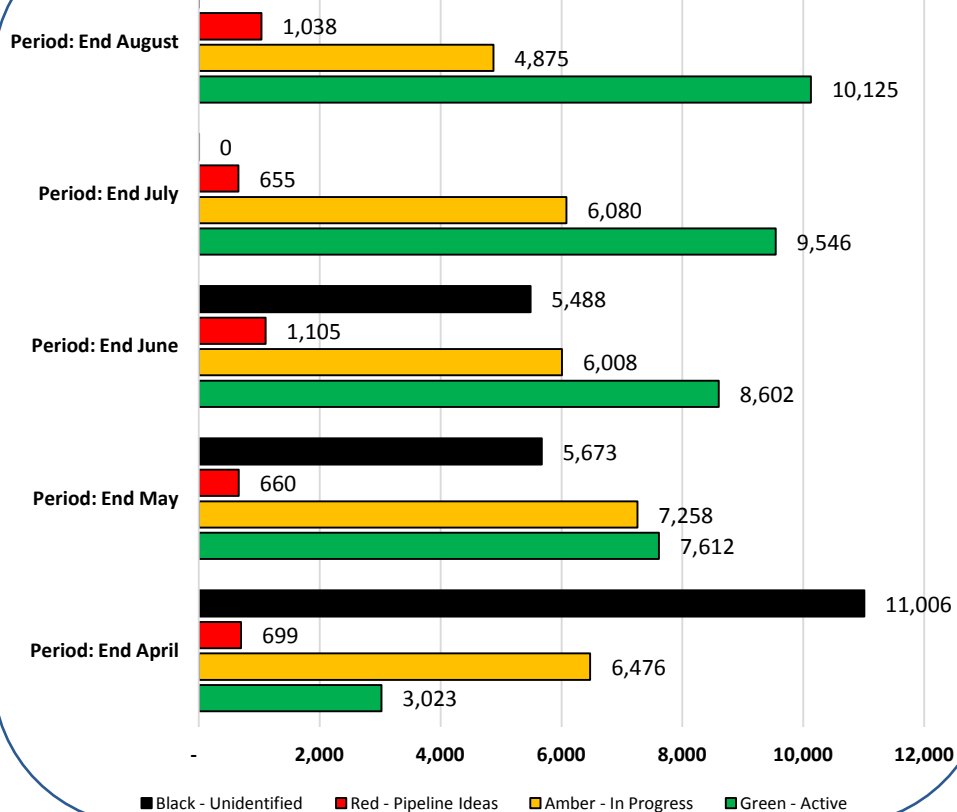
Capital Narrative

- Approved CRL value for 18/19 has increased to £20.716m following the receipt of £0.750m Anti Ligature funding. This includes Discretionary Capital and the schemes under the All Wales Capital Programme.
- Underspend to date relates in the main to a slight delay in the final stages of the Moriston Renal Refurbishment. The main scheme is now complete but final commissioning and reversion works are still ongoing—see risk assessment in Annex.
- A number of additional funding/ recovery opportunities totalling £1.8m are being explored with Welsh Government/HMRC . If successful this would provide additional resource over and above the current committed Discretionary Capital Funding.

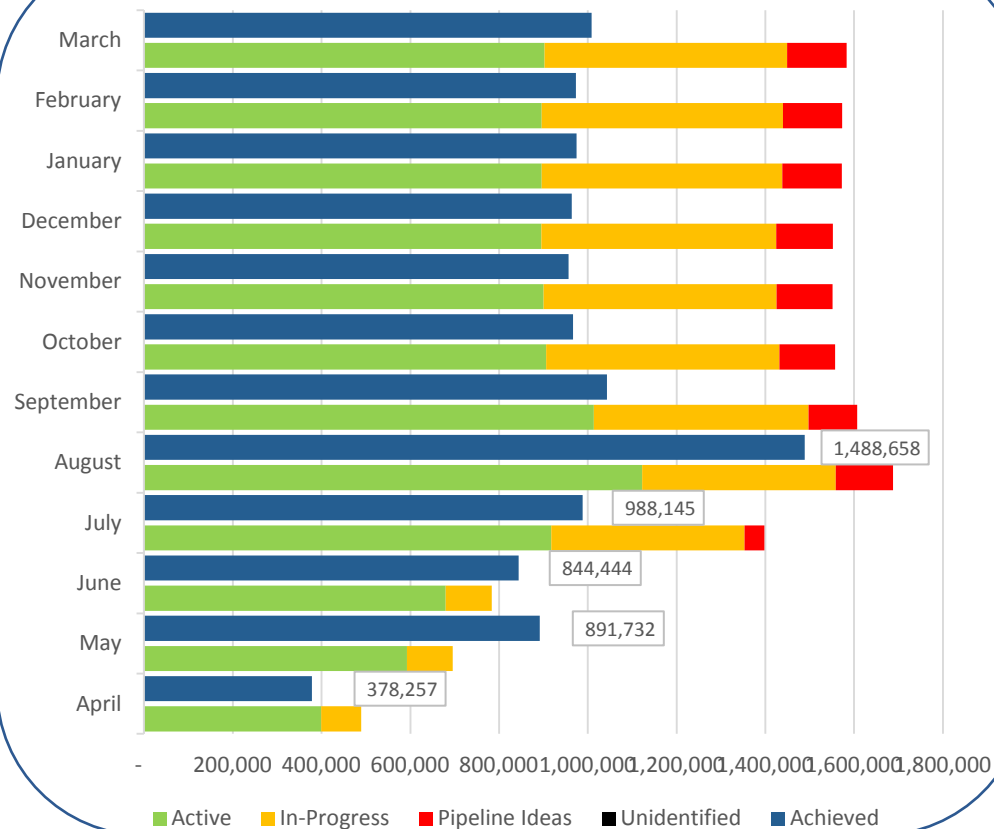
PSPP Narrative

- The number of invoices paid within 30 days continues to be below the 95% target.
- The ongoing clearance of the older nurse agency invoices in August continued to impact on PSPP with 1,274 invoices being out of compliance in month. This had the impact of maintaining the cumulative compliance at 92.0%. The in month compliance for August was 92% an improvement from the figure of 90.9% in July but still below what is required.
- The full implementation of the NO PO/NO Pay policy across Wales in September is likely to have an impact on PSPP with non complaint invoices being put on hold until purchase orders are raised.

Trend over time



Current Profile of Savings

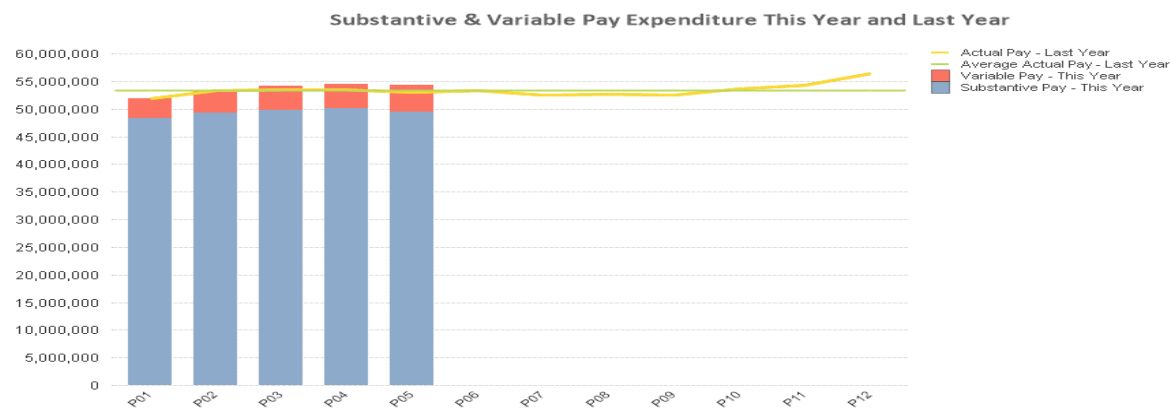
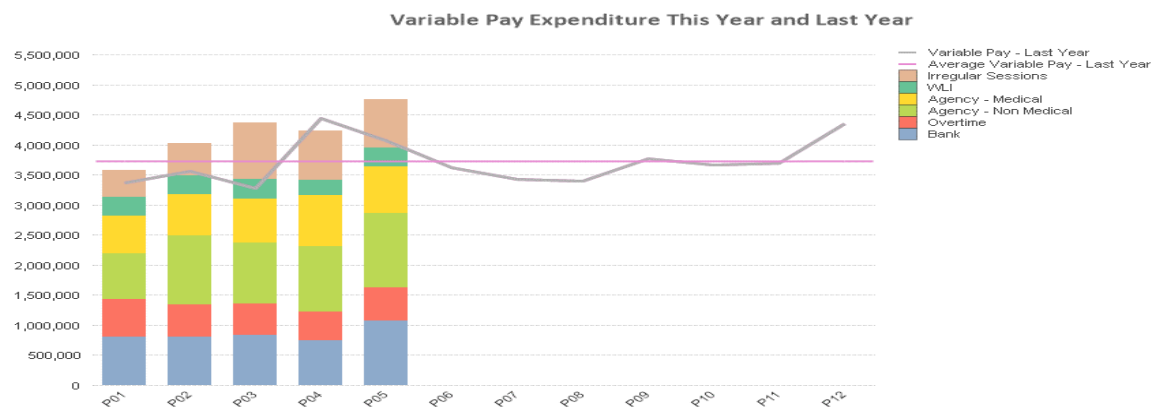
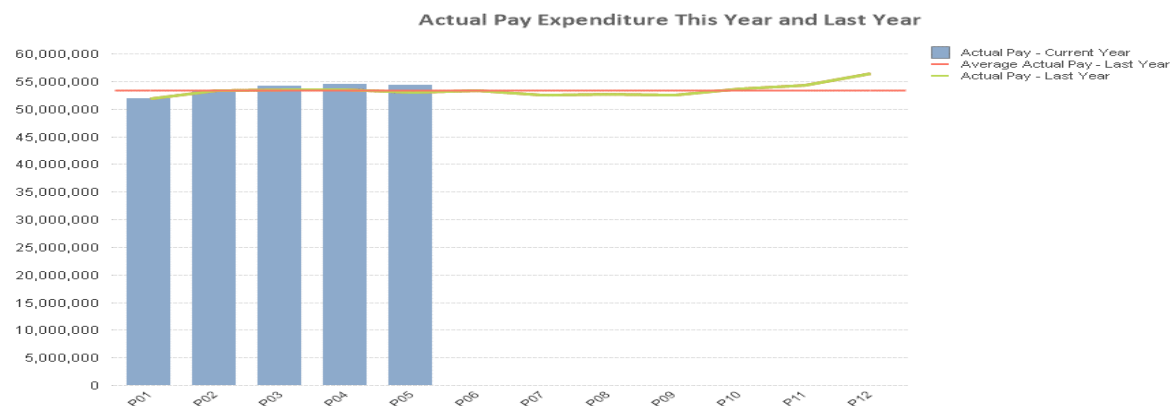


Narrative

- The Health Board has £16m of schemes, which is 76% of the overall planned savings requirement of £21m
- The identification of mitigating opportunities has offset 3 of the work streams; Reducing Waste, Harm and Variation, MH Ring Fence and Workforce Redesign. This has effectively reduced the savings requirement to £15.9m.
- Whilst the adjusted savings target has been fully identified, it is essential that these are fully delivered. Some slippage has already been reported and this must be recovered immediately or alternative actions identified. This will be reviewed within the Units plans due for submission on 14th September.
- £3.6m of the £16.0m is non-recurrent.

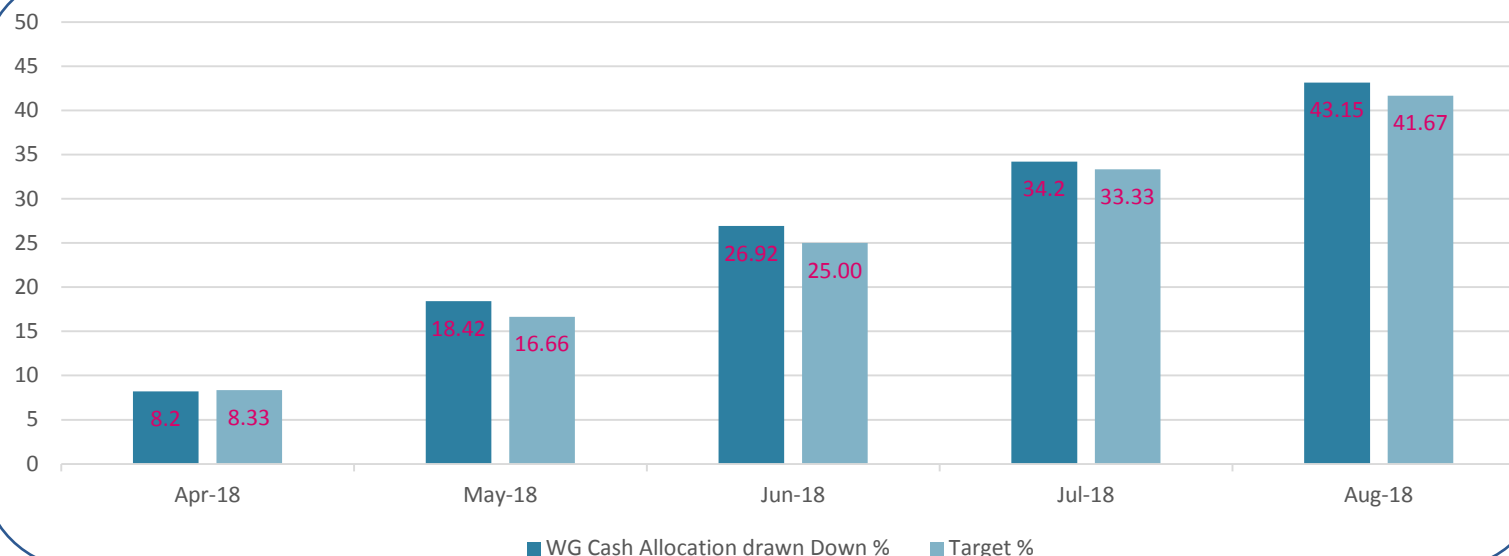
Narrative

- The savings profile identified a significant step up in savings delivery requirement across Quarter 2. This resulted in a significant level of slippage in P05. Whilst the level of slippage reported in P05 has reduced it is still significant. The overall year to date slippage is around £0.45m.
- Action is in hand to address this gap either through spending controls or further savings. The action plans to deliver the control totals issued to each unit and directorate are due for submission on 14th September will support this.

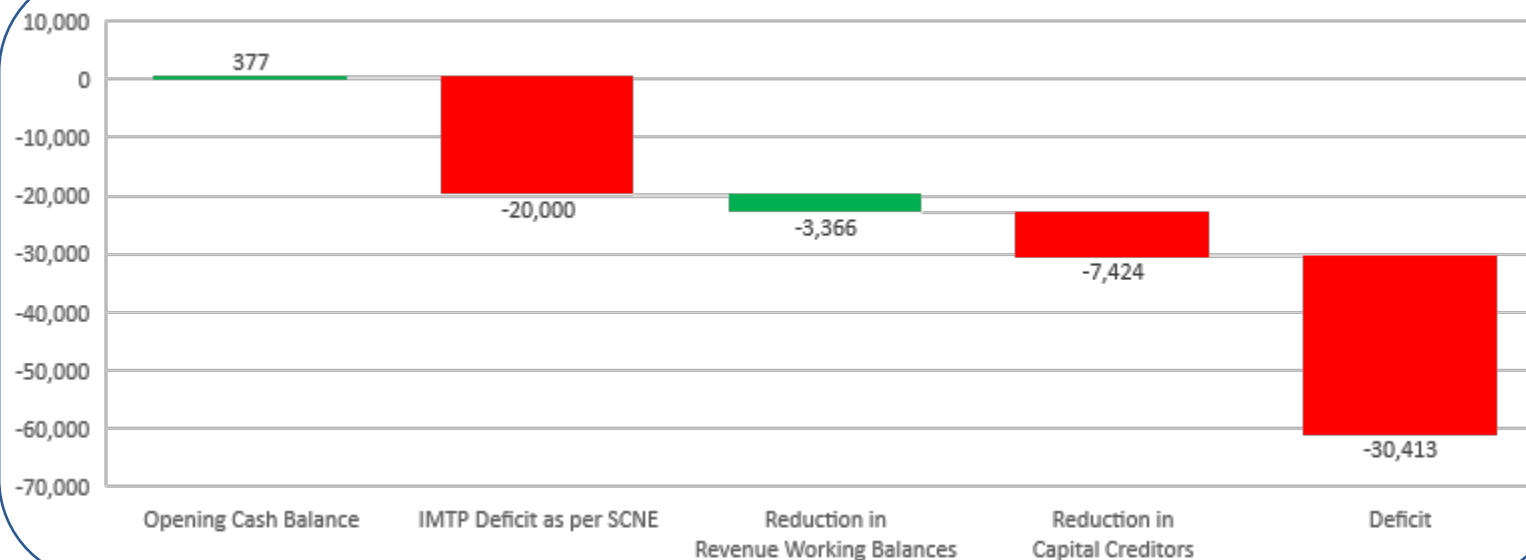


- The overall pay expenditure in P05 is above the average for 2017/2018 and the actual P05 in 2017/18.
- The variable pay spend in P05, is above the average for 2017/18 and is the highest level of variable pay spend in 2018/19. Variable pay is around 8% of our total pay expenditure.
- The main increase in variable pay spend is in medical and nurse staffing.

Welsh Government Draw Down



Analysis of Forecast Cash Deficit



1. The health board held a cash balance of £0.847m at the end of August. This is 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 August the health board is forecasting a cash deficit of £30.413m. This deficit includes a forecast deterioration in working balances of £10.790m for which cash support will be required from Welsh Government.
3. The remaining forecast cash deficit of £19.623m 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 £20.0m 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 31st March 2018 totalled £55.292m.

FINANCIAL RISKS & OPPORTUNITIES LOG

#	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		-20000	-20000	-20000		
1	Actions required to sustain the underlying financial position do not deliver in full	\$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 will be recovered	David Roberts, Service Director, MH&LD
2	Operational expenditure reductions & Enhanced Control Measures do not deliver in full	Planned operational expenditure reductions and impacts of enhanced control measures are not fully delivered	0	-2000	-1000	Financial Control measures enhanced, SDUs developing plan to deliver control totals. Enhanced monitoring through Financial Recovery Meetings.	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	-1000	-350	Prioritised implementation plan agreed, revised rosters agreed and recruitment commenced	Gareth Howells, Director of Nursing & Patient Experience
6	Slippage against New Funding not delivered	Forecast assumes £1.5m slippage against new funding streams.	0	-1000	-500	Ensure all funding is appropriately accessed and costs managed robustly	Lynne Hamilton, Director of Finance
7	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
8	Potential Claw back of Dental underspend	Currently forecasting an underspend against Dental contract, which given its ring-fenced nature could be clawed back by WG		-398	0	Regular discussions with the Chief Dental Officer to give assurance of the planned spend and the proposed longer term plan for dental services	Hilary Dover, Service Director Primary and Community Care
9	Potential Claw back of GMS underspend	Currently forecasting an underspend against GMS contract, which given its ring-fenced nature could be clawed back by WG		-568	0	Underspend is primarily related to the take up of enhanced services, which means the transfer of costs from secondary care has not been facilitated. Discussions with WG to give assurance that enhanced services are being offered/developed	Hilary Dover, Service Director Primary and Community Care

-	18,600	-	25,866	-	21,970
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Executive Summary

Targets

Savings

Workforce

Cash

Risks & Issues

Action Plan

Actions in July and August

'Run rate' actions:

- Deep dive review into POW position completed and actions identified; repeat deep dive into other operational units
- Establishment of control totals for each service delivery unit and directorate
- Enhancement of expenditure control measures
- Review of performance measures
- Enhanced weekly monitoring dashboard

Savings Delivery

- Recovery & Sustainability work streams scrutiny
- Identification of savings – increased to £16m with further testing of forecast delivery against plans underway
- Mitigating actions

Continued Scrutiny

- **Monthly** scrutiny of performance and finance by Performance & Finance Committee. Escalation process in place for key risks identified through performance framework:
 - Financial and/or performance at Unit level
 - System wide focus on targeted intervention areas
 - Recovery actions and non delivery of savings programmes
 - Extraordinary meeting of Performance & Finance Committee to discuss Q1 position and forecast, and detailed review of risk and opportunities schedule
- **Fortnightly** Financial & Performance Meetings with Delivery Units; monthly review of all corporate directorates
 - **Weekly** escalation where finance and/or performance is off track
 - 'deep dives' into key areas (eg. medical pay bill review, Unit performance or delivery issues)
 - Individual support to Finance Business Partners by Assistant Directors to help provide 'critical challenge' into delivery units
 - CEO led escalation as required
- **Monthly** Recovery & Sustainability Programme Board - timely decision making, tracking progress, managing risks & issues
- **Monthly** Investment & Benefits Group:
 - Effective decision making in line with organisational priorities
 - Control of investment/re-investment decisions including capital
 - Benefits tracking (financial & non financial)
- **Deep Dive** reviews into Singleton and Morriston during September and October.



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ABMU FINANCE DEPT. HEALTH BOARD REPORT – FINANCE ANNEXES

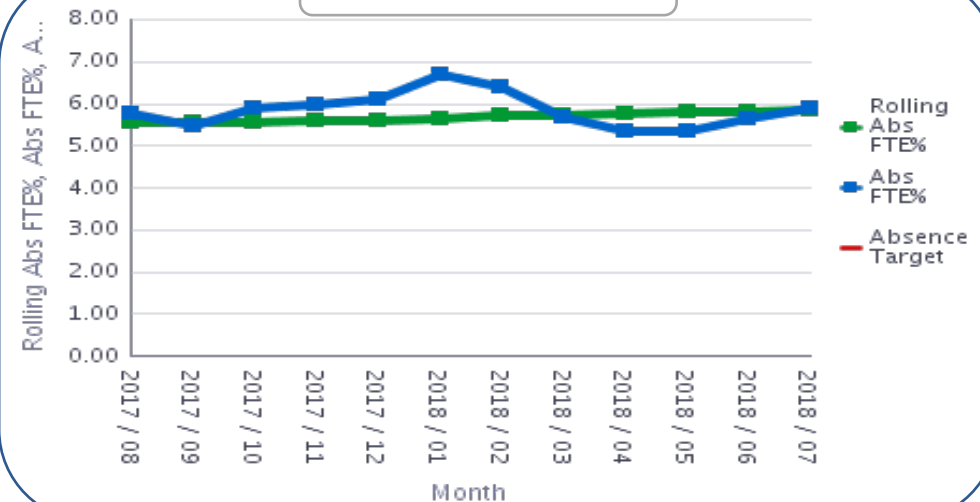
Management Accounts
Period 05 Data (August 2018)

Lynne Hamilton

Summary (July'18 Data)

	Dec	Jan	Feb	Mar	Apr	May	June	July	Rolling 12 Mths
Cost Absence £000	2,787	3,042	2,624	2,574	2,441	2,470	2,470	2,594	31,103
% Absence	6.15%	6.75%	6.47%	5.81%	5.47%	5.44%	5.68%	5.90%	5.85%
Average No. Staff Absent Per Day	1,009	1,106	1,074	964	902	889	930	971	962

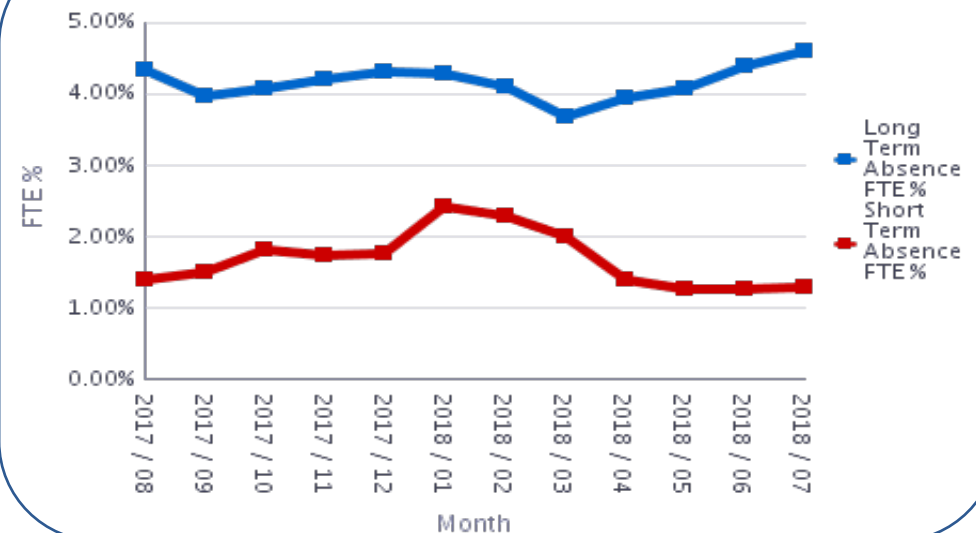
Rolling Absence



Cumulative % & £ Per Staff Group

	Absence % (FTE)	Absence Estimated Cost (£)
Add Prof Scientific and Technic	4.01%	£ 911,777
Additional Clinical Services	8.02%	£ 5,721,750
Administrative and Clerical	5.35%	£ 4,327,514
Allied Health Professionals	3.50%	£ 1,664,732
Estates and Ancillary	8.14%	£ 2,858,376
Healthcare Scientists	3.66%	£ 617,020
Medical and Dental	2.09%	£ 2,872,350
Nursing and Midwifery Registered	6.00%	£ 12,129,825
Students	0.00%	£ -
Grand Total	5.85%	£ 31,103,344

Long Term and Short Term Trends



Category	Balance at 1 st April 2018 (£000)	Balance at 31st August 2018 (£000)	Movement (£000)	Analysis
Tangible & Intangible Assets	606,232	595,830	(10,402)	Movement due to asset additions less forecast depreciation.
Trade & Other Receivables	209,999	191,103	(18,896)	Reduction of £23.7m in Welsh Risk Pool Debtor following receipt of latest quantum reports from Welsh Health Legal Services. Increase of £4m in anticipated allocations from WG – all allocations received at the end of 2017/18. Increase in LA debtors invoices raised quarterly in arrears.
Inventories	9,725	9,875	150	Small Increase in drugs stocks at POW and in cardiac consumables in the Omnicell cabinets.
Cash	376	847	471	Cash balance in line with month end target of between £1m and £1.5m.
Total Assets	826,332	797,655	(28,677)	
Trade & Other Payables	193,796	186,331	(7,465)	Reduction linked to timing of pharmacy and prescribing payment. No creditors at end of August as 1 st September was a weekend so payment made on 31 st August.
Provisions	184,528	163,721	(20,807)	Reduction following receipt of latest quantum reports from Welsh Health Legal Services. Contra in Welsh Risk Pool debtors.
Total Liabilities	378,324	350,052	(28,272)	
Total Assets Employed	448,008	447,603	(405)	
Financed By				
General Fund	399,366	398,961	(405)	Movement is capital cash drawn down offset by I&E overspend.
Revaluation Reserve	48,642	48,642	0	
Total Taxpayers Equity	448,008	447,603	(405)	

Month 5 Position

The approved CRL value at Month 5 is £20.716m which includes Discretionary Capital and the schemes under the All Wales Capital Programme. Further details on the planned spend can be seen in **Annex 2**

The reported financial performance at Month 5 is a £0.837m under spend to plan. The majority of this is due to a slight delay in the completion of the Moriston Renal Refurbishment scheme. The main scheme is now complete but final commissioning and reversion works are still ongoing. Underspend also due in part to remaining contingency of £0.030m, see risk assessment.

Following receipt of £0.750m Anti ligature funding from Welsh Government a corresponding amount has been released from the Discretionary Capital plan. A recommendation for how this funding should be allocated will be presented to the Investment and Benefits Group on the 18th September 2018

Forecast Outturn

The forecast outturn against the current CRL shows a break-even position . Note this position also assumes the disposal of Fairwood and Coelbren are achieved in 2018/19. The sale of Fairwood was approved by the Board on the 26th July 2018 , Coelbren was declared surplus at this same meeting.

Risk Assessment

As required to be reported in the monthly monitoring returns to Welsh Government the risk assessment on All Wales Capital schemes which are not considered to be low risk are:

Scheme	Risk Profile	Risk Value £'000	Comments
Morrison - HVS Phase 1B (S1) Fees & Build Main Scheme	Medium	110	Following completion and commissioning of the Renal Refurbishment in Morrison the equipment requirements for renal teams now based in the Main Entrance have been identified. There is an identified underspend on this schemes of £110k which will be discussed with Welsh Government in the monthly progress meeting on the 24 th September and if appropriate a proposal for reinvestment will be submitted
Renal Refurbishment Morrison	Medium	30	There is a remaining contingency on this scheme of 30k. A draft final account figure has been received and reflected in the final forecast position. As above This underspend will be discussed with Welsh Government in the monthly progress meeting on the 24 th September.

	Year To Date			Full Year Forecast		
	Plan £'000	Actual £'000	Variance £'000	Plan £'000	F'cast £'000	Variance £'000
All Wales Capital Programme:						
Schemes:						
Morrison - HVS Phase 1B (S1) Fees & Build Main Scheme	0	2	2	180	180	0
Morrison - Renal unit refurbishment	699	324	(375)	614	699	85
National Clinical Systems	110	92	(18)	790	790	0
Wireless Network Singleton Hosp & Community hospital sites	0	(29)	(30)	620	620	0
Neonatal and Post-Natal Capacity at Singleton Hospital	96	184	88	5,000	4,619	381
I2S - Health Records Modernisation	587	440	(147)	769	1,198	429
Anti-ligature	0	11	11	750	750	0
Sub Total	1,492	1,023	(469)	8,723	8,856	133
Discretionary:						
I.T.	343	325	(19)	2,359	1,928	(431)
Equipment	605	464	(141)	2,382	2,435	53
Estates	1,400	1,192	(208)	8,817	9,062	245
Sub Total	1,784	1,594	(368)	13,558	13,492	(133)
Total Expenditure	3,071	2,288	(837)	21,599	21,599	0
Donations:						
Donated Assets	178	178	0	1,050	1,050	0
Asset Disposals:						
Fairwood	0	0	0	350	350	0
Coelbren	0	0	0	165	165	0
CHARGE AGAINST CRL	3,664	2,826	(837)	20,716	20,716	0
PERFORMANCE AGAINST CRL (Under)/Over		(17,890)			0	